IN PERSON & VIRTUAL BOARD MEETING

JUNE 12, 2024 AT 9:00 AM*

BOARD OF INVESTMENTS MEETING

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

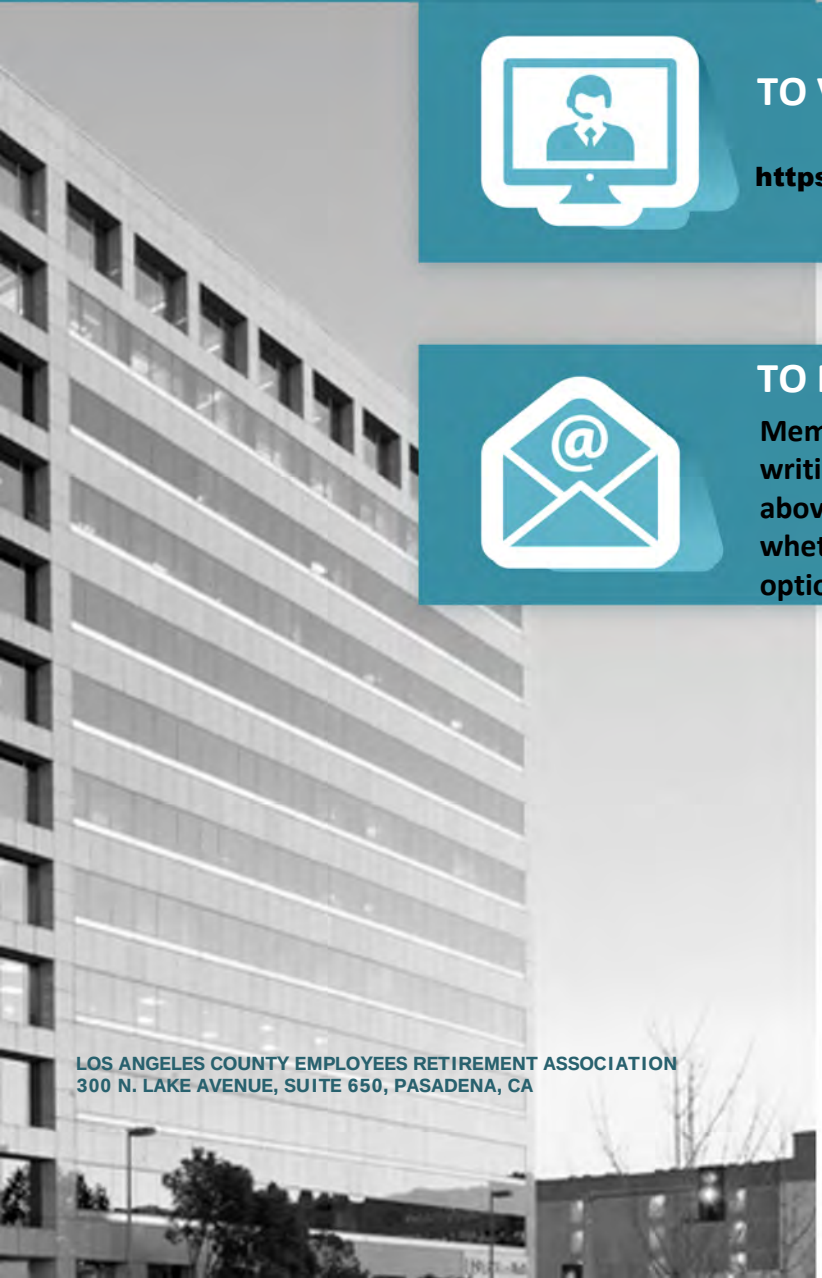
TO VIEW VIA WEB

https://lacera.com/leadership/board-meetings

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.



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

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

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 May 8, 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

V. PUBLIC COMMENT (Continued)

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

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

VIII. NON-CONSENT ITEMS

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

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

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

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

IX. REPORTS

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

IX. REPORTS (Continued)

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

C. **LACERA Total Fund Quarterly Performance Book**
Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated June 1, 2024)

D. **OPEB Trust Quarterly Performance Book**
Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated June 1, 2024)

E. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated June 1, 2024)

F. **Legal Transactions Year End Report**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated June 4, 2024)

G. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated May 21, 2024)

H. **Monthly Trustee Travel & Education Reports – April 2024, FY 2023-2024 3rd Quarter Trustee Travel & Education Expenditure Reports, and FY 2023-2024 3rd Quarter Staff Travel Report**
Ted Granger, Chief Financial Officer
(For Information Only) (Memos dated May 24, 2024)

IX. REPORTS (Continued)

I. **May 2024 Fiduciary Counsel Contact and Billing Report**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated May 30, 2024)
(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

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 agendized 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. **HitecVision New Energy Fund 2 SCSp, and L/HV Opportunities (Co-Invest) SCSp**
James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
Terra Elijah, Senior Investment Analyst
(For Information Only) (Memo dated May 17, 2024)

2. **One Item**
James Rice, Principal Investment Officer
Amit Aggarwal, Investment Officer
(For Information Only) (Memo dated June 3, 2024)

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 8:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, Board Meetings | LACERA.

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

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, MAY 8, 2024

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

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

TRUSTEES PRESENT

Patrick Jones, Chair (Teleconference under Section 54953(b))

David Ryu, Vice Chair

Jason Green, Secretary

Trevor Fay

Mike Gatto (Teleconference under Section 54953(f))

Elizabeth Ginsberg

Debbie Martin

Nicole Mi

Third Member, Seat Vacant

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Jude Pérez, Deputy Chief Investment Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Ted Granger, Chief Financial Officer

Richard Bendall, Chief Audit Executive

Kathryn Ton, Senior Investment Analyst

Christine Roseland, Senior Staff Counsel

James Rice, Principal Investment Officer

Amit Aggarwal, Investment Officer

Meketa Investment Group (General Investment Consultants)
Timothy Filla, Managing Principal

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

StepStone Group LP (Equity Consultants)
Natalie Walker, Partner

StepStone Group LP (Real Assets Consultant)
Margaret McKnight, Partner

I. CALL TO ORDER

The meeting was called to order virtually by Chair Jones at 9:16 a.m.

II. PLEDGE OF ALLEGIANCE

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

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

A. Just Cause
B. Action on Emergency Circumstance Requests
C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. There was one request received from Trustee Gatto to attend by teleconference for Just Cause (D) Travel while on official business of LACERA.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of April 10, 2024

A motion was made by Trustee Green, seconded by Trustee Ryu, to approve the minutes of the Board of Investments meeting on April 10, 2024. The motion passed by following roll call vote:

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

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

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

Ms. Guglielmo recognized LACERA member, Tina Young.

C. Chief Executive Officer’s Report

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

VII. 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)

A motion was made by Trustee Mi, seconded by Trustee Green, to approve Consent Item A. The motion passed by the following roll call vote:

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

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)

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

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

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)

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

VIII. NON-CONSENT ITEMS

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)

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

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

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)

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

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

IX. REPORTS

A. **Board of Investments 2024 Offsite Tentative Agenda**
Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated April 23, 2024)

This item was received and filed.

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)

This item was received and filed.

C. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated May 1, 2024)

This item was received and filed.

D. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated April 23, 2024)

This item was received and filed.

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)

This item was received and filed.

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)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

There were no items to report.

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XII. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

XIII. EXECUTIVE SESSION

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

1. **Secondary Sale**
Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(For Information Only) (Memo dated April 15, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, on March 31, 2024, closed secondary sales of 17 private equity funds, with an aggregate value of $1.36 billion.

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)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved (1) a commitment of $200 million to Partners Group Direct Infrastructure Fund IV, L.P., which is a real assets fund investing in infrastructure, including sector focus in energy/water/utilities, telecom, transport, and social, primarily in North America and Europe, and (2) a commitment of $50 million in Partners

XIII. EXECUTIVE SESSION (Continued)

Group Rose (Co-Invest), L.P., which is a co-investment vehicle.

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)

There was nothing to report.

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

1. Title: Chief Executive Officer

There was nothing to report.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:54 p.m.

JASON GREEN, SECRETARY

PATRICK JONES, CHAIR

Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer

Board of Investments Meeting

June 12, 2024

Table of Contents

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

01 Market Environment

Global Market Performance as of May 31, 2024

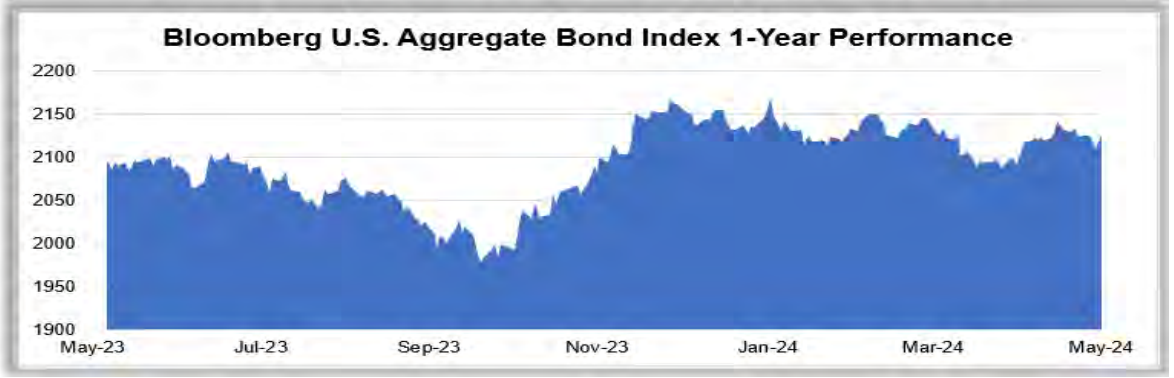
MSCI ACWI IMI Index (Global Equity Market)*

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
4.1	3.7	16.2	8.3	23.0	4.5	11.3	8.2

*Global Equity Policy Benchmark - MSCI ACWI IMI Index

Bloomberg U.S. Aggregate Bond Index**

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
1.7	0.0	1.7	-1.6	1.3	-3.1	-0.2	1.3

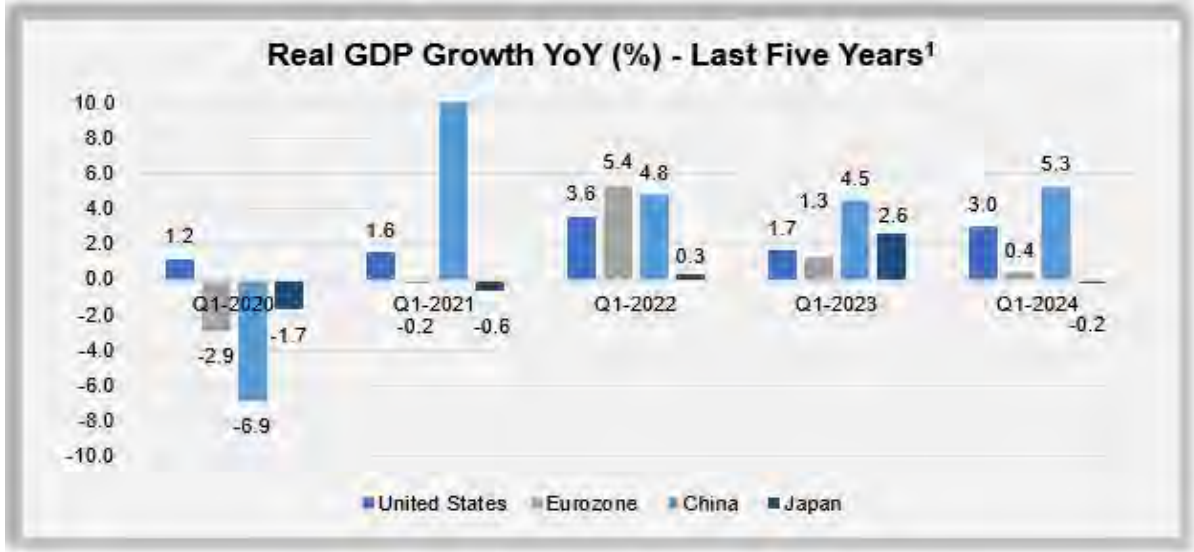


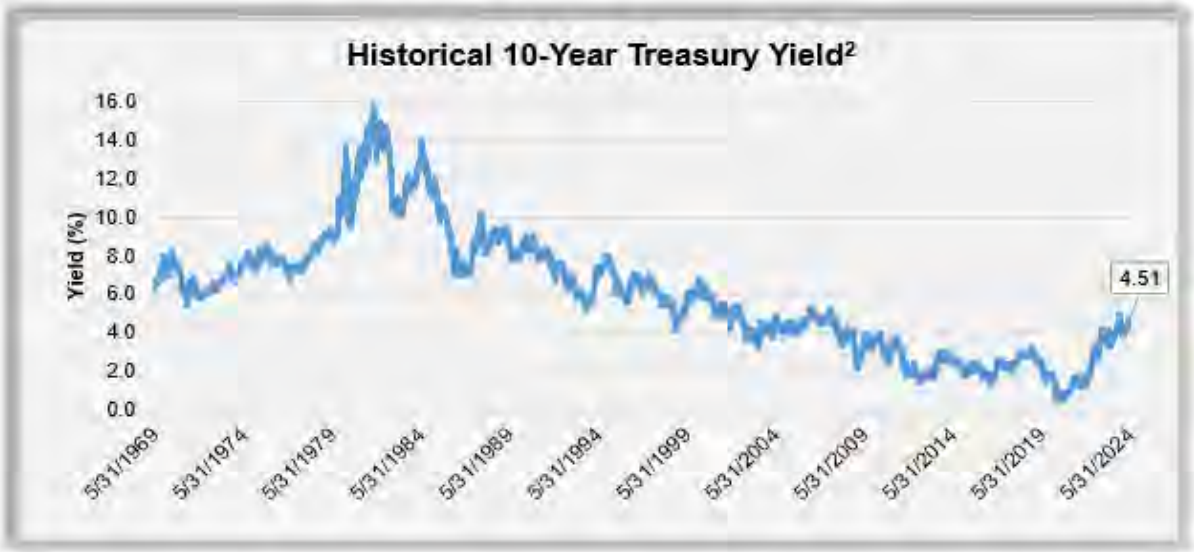
**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

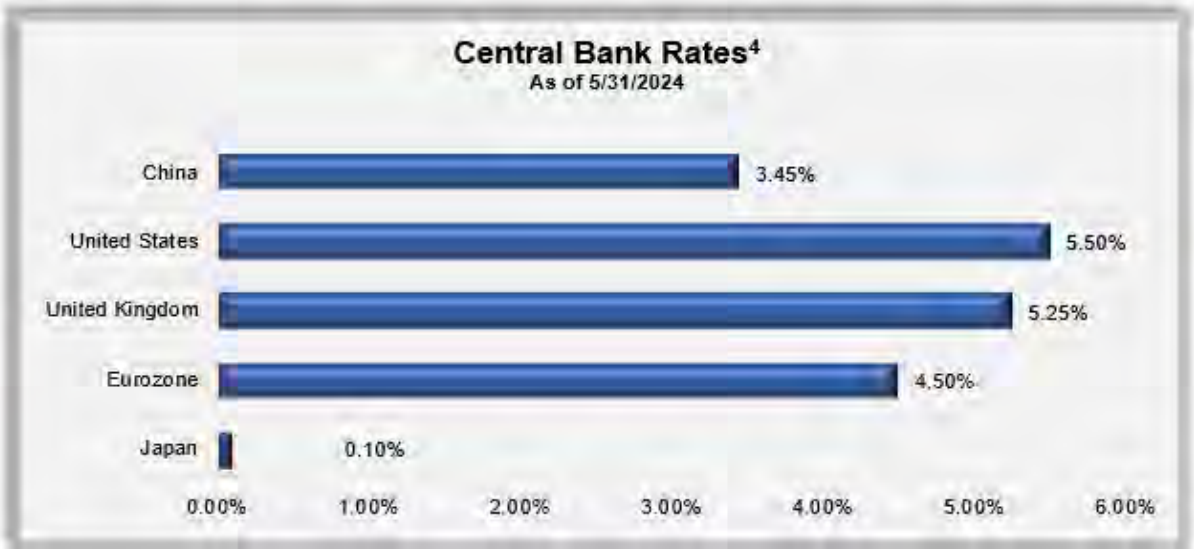
Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	3.1	2.2	10.3	4.2	14.0	1.6	6.9	5.6
Equity	Global All Cap	MSCI ACWI IMI Total Return	4.1	3.7	16.2	8.3	23.0	4.5	11.3	8.2
	U.S. All Cap	Russell 3000 Total Return	4.7	3.3	19.4	10.1	27.5	7.8	15.0	12.1
	U.S. Large Cap	S&P 500 Total Return	5.0	3.9	20.2	11.3	28.1	9.6	15.8	12.7
	U.S. Small Cap	Russell 2000 Total Return	5.0	1.1	11.1	2.7	20.1	-1.6	8.6	7.7
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	3.0	4.3	11.8	5.5	16.6	0.1	6.9	4.1
	Emerging Markets	MSCI Emerging Markets Total Return	0.6	3.5	8.3	3.4	12.4	-6.2	3.5	2.7
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	6.1	3.2	28.6	16.3	40.8	-0.2	11.6	10.9
Fixed Income	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	1.7	0.0	1.7	-1.6	1.3	-3.1	-0.2	1.3
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	1.1	1.3	9.4	1.6	11.2	1.8	4.2	4.3
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	2.9	-2.2	-7.1	-6.6	-7.1	-9.9	-4.3	0.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.9	2.4	10.7	4.2	13.2	6.0	5.3	4.6
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	1.7	0.8	1.9	-0.1	1.6	-1.4	2.1	1.9
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.5	1.4	5.2	2.3	5.6	3.0	2.2	1.5
Commodity	Commodity Prices Index	Bloomberg Commodity Index Total Return	1.8	8.0	6.6	6.8	10.9	6.8	8.1	-1.1
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	2.4	13.0	10.0	5.7	16.7	8.1	11.9	5.0
Infrastracture	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	4.3	4.6	5.5	1.9	8.8	2.9	4.1	3.8
Real Estate	U.S. REITs	MSCI U.S. REIT Index	4.7	-0.8	4.6	-3.0	9.8	0.1	3.6	5.7

Source: Bloomberg

Key Macro Indicators*



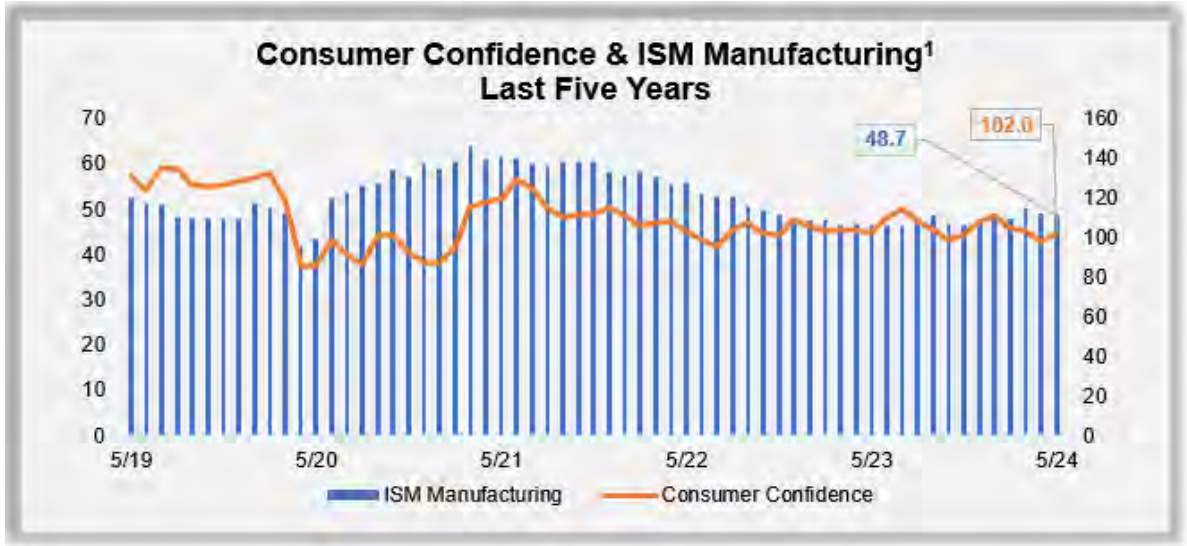


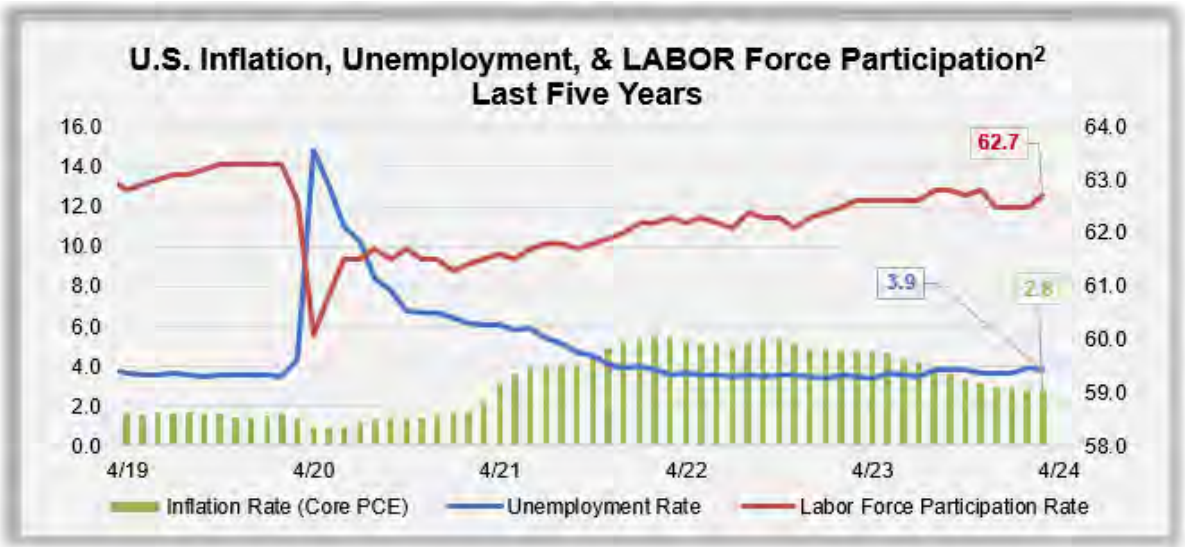


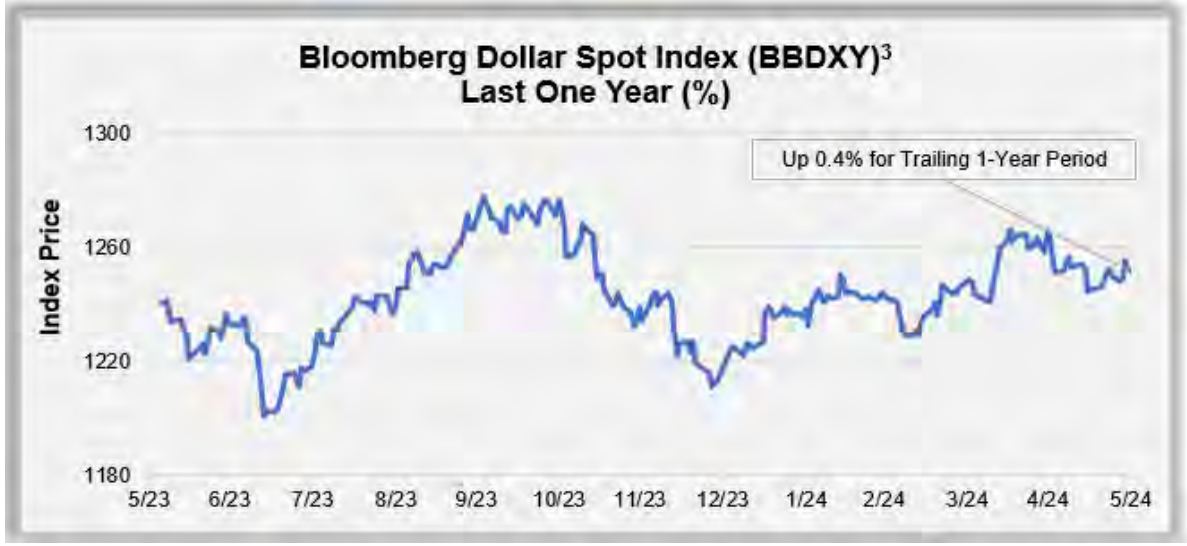
*The information on the "Key Macro Indicators" charts is the best available data as of 5/31/24 and may not reflect the current market and economic environment.

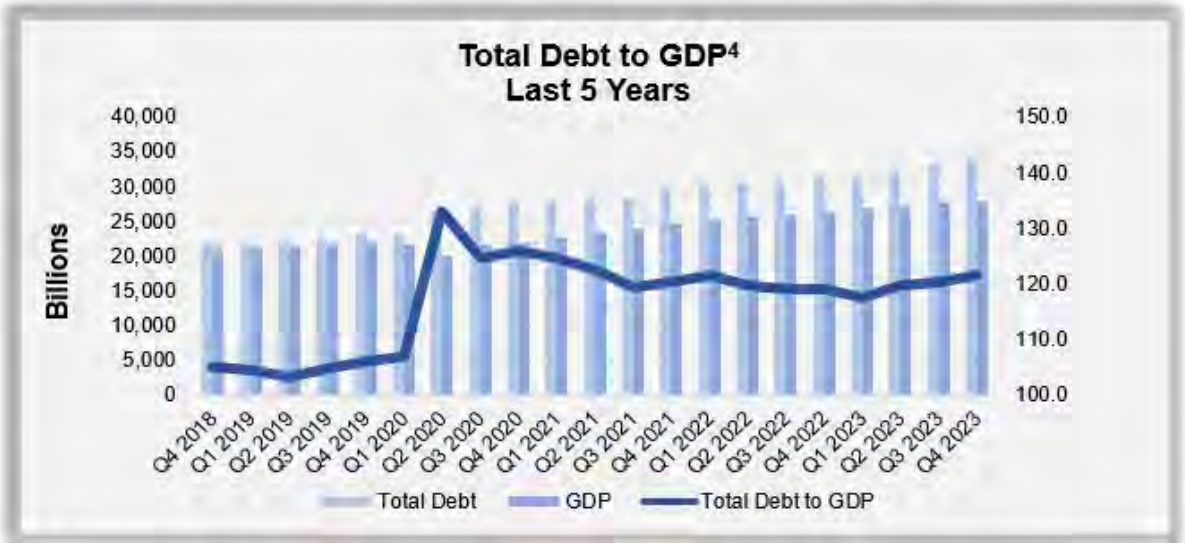
Sources:
1. Bloomberg
2. St. Louis Federal Reserve
3. FactSet
4. FactSet

Key Macro Indicators*









*The information on the "Key Macro Indicators" charts is the best available data as of 5/31/24 and may not reflect the current market and economic environment.

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

02 Portfolio Performance & Risk Updates

Market Themes and Notable Items to Watch

Recent Themes

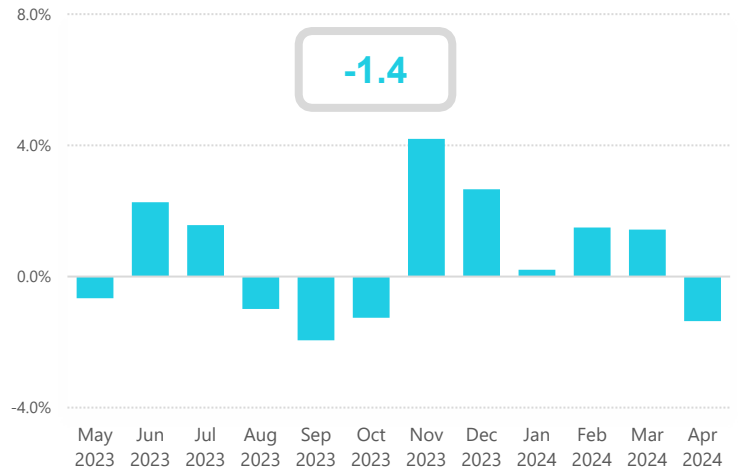
- The Bureau of Economic Analysis released a second estimate for U.S. Gross Domestic Product ("GDP") indicating that real GDP increased at an annual rate of 1.3% in the first quarter of 2024
- Select global stock market indices reached record highs in May, including the MSCI All Country World Index and the Nasdaq Composite Index
- The U.S. 10-year Treasury yield ended May at 4.51% 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 4.1% in May

What to Watch

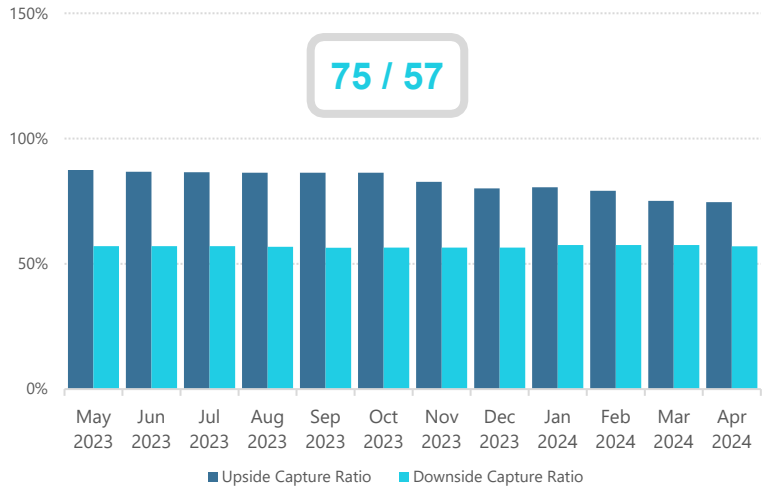
- Interest rates and central bank actions
- Economic data and trends
  - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical risks
- Artificial intelligence including research developments, applications, and infrastructure investment
- Stewardship and ESG-related developments
  - Further convergence of global reporting frameworks, with the International Financial Reporting Standards (IFRS) and the International Sustainability Standards Board (ISSB) announcing they will work with the Global Reporting Initiative to facilitate companies to report both ESG-related financial risks and risks that may arise from a company's impacts

Total Fund Summary as of April 2024

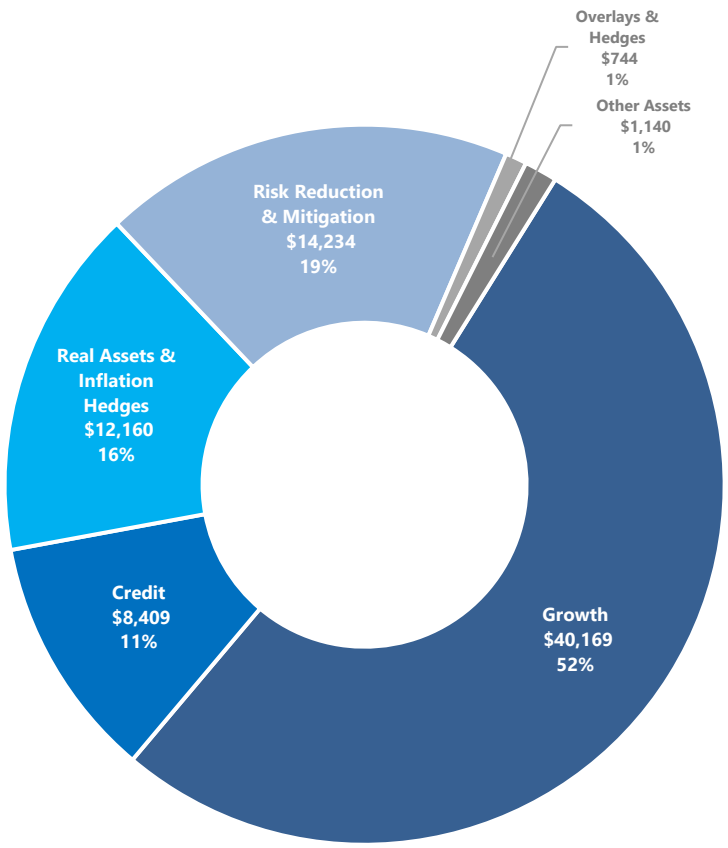
Monthly Return (net)



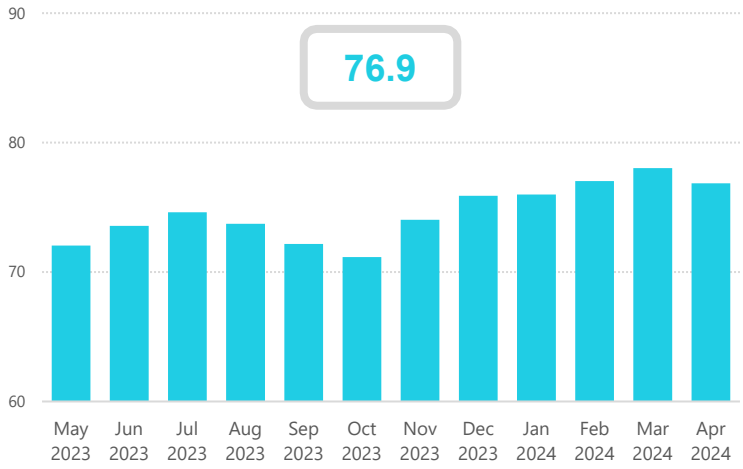
Upside / Downside Capture (%)[1]



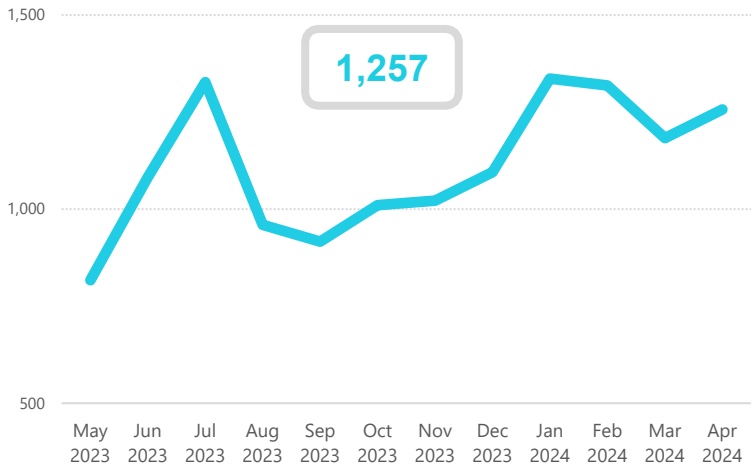
Asset Allocation ($ millions)[2]



Total Market Value ($ billions)



Cash ($ millions)

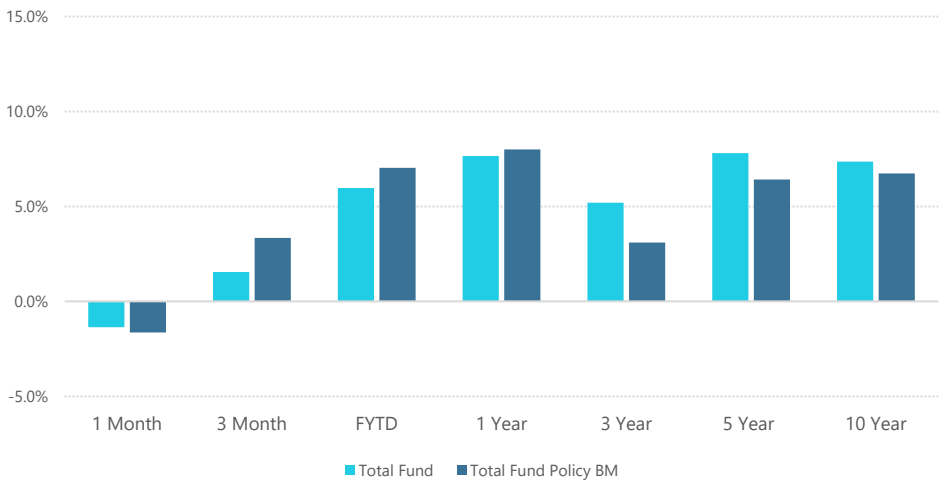


[1] Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index
[2] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Historical Net Performance as of April 2024

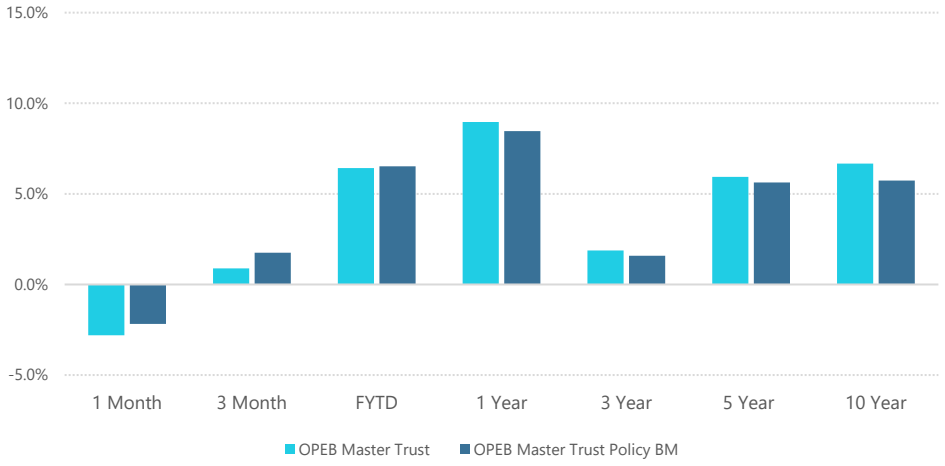
LACERA Pension Fund

	Market Value ($ millions)	% of Total Fund	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	**76,856**	**100.0%**	**100.0%**	**-1.4%**	**1.5%**	**6.0%**	**7.7%**	**5.2%**	**7.8%**	**7.4%**
Total Fund Policy BM				-1.6%	3.3%	7.0%	8.0%	3.1%	6.4%	6.7%
7% Annual Hurdle Rate				0.6%	0.6%	5.8%	7.0%	7.0%	7.0%	7.0%
Growth	**40,169**	**52.3%**	**53.0%**	**-2.2%**	**2.4%**	**8.1%**	**11.8%**	**7.0%**		
Growth Policy BM				-2.0%	7.0%	11.9%	14.8%	4.7%		
Credit	**8,409**	**10.9%**	**11.0%**	**1.5%**	**3.9%**	**12.6%**	**14.7%**	**5.8%**		
Credit Policy BM				0.6%	1.8%	10.8%	11.8%	3.3%		
Real Assets & Inflation Hedges	**12,160**	**15.8%**	**17.0%**	**-0.7%**	**-0.3%**	**-1.1%**	**-3.0%**	**4.8%**		
Real Assets & Inflation Hedges Policy BM				-1.3%	-0.6%	-1.9%	-4.3%	3.8%		
Risk Reduction & Mitigation	**14,234**	**18.5%**	**19.0%**	**-1.7%**	**-1.8%**	**0.4%**	**-0.9%**	**-2.1%**		
Risk Reduction & Mitigation Policy BM				-2.3%	-2.3%	-0.1%	-1.0%	-2.4%		
Overlays & Hedges	**744**	**1.0%**								
Other Assets	1,140	1.5%								



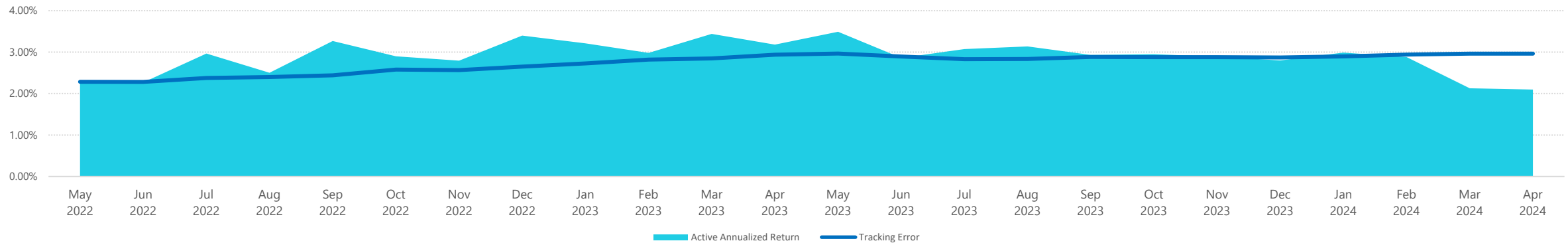
OPEB Trust

	Market Value ($ millions)	% of Master Trust	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	**3,683**			**-2.8%**	**0.9%**	**6.4%**	**9.0%**	**1.9%**	**5.9%**	**6.7%**
OPEB Master Trust Policy BM				-2.2%	1.7%	6.5%	8.5%	1.6%	5.6%	5.7%
6% Annual Hurdle Rate				0.5%	0.5%	5.0%	6.0%	6.0%	6.0%	6.0%
OPEB Growth	**1,661**	**45.1%**	**45.0%**	**-3.4%**	**3.8%**	**11.9%**	**17.0%**	**3.8%**	**9.3%**	
OPEB Growth Policy BM				-3.0%	5.1%	12.4%	17.3%	3.5%	9.0%	
OPEB Credit	**672**	**18.2%**	**18.0%**	**-0.4%**	**0.7%**	**6.8%**	**8.4%**	**2.6%**	**3.3%**	
OPEB Credit Policy BM				0.1%	1.6%	9.5%	11.1%	2.9%	3.8%	
OPEB Real Assets & Inflation Hedges	**737**	**20.0%**	**20.0%**	**-3.4%**	**-1.6%**	**0.7%**	**1.0%**	**-0.5%**	**2.5%**	
OPEB RA & IH Policy BM				-1.5%	-1.0%	-1.5%	-3.0%	-0.3%	2.7%	
OPEB Risk Reduction & Mitigation	**612**	**16.6%**	**17.0%**	**-3.1%**	**-3.8%**	**-2.0%**	**-3.4%**	**-3.1%**	**-0.1%**	
OPEB RR & M Policy BM				-3.2%	-3.7%	-2.3%	-3.6%	-3.7%	-0.6%	
OPEB HL PM Cash	0	0.0%								



Active and Excess Return as of April 2024

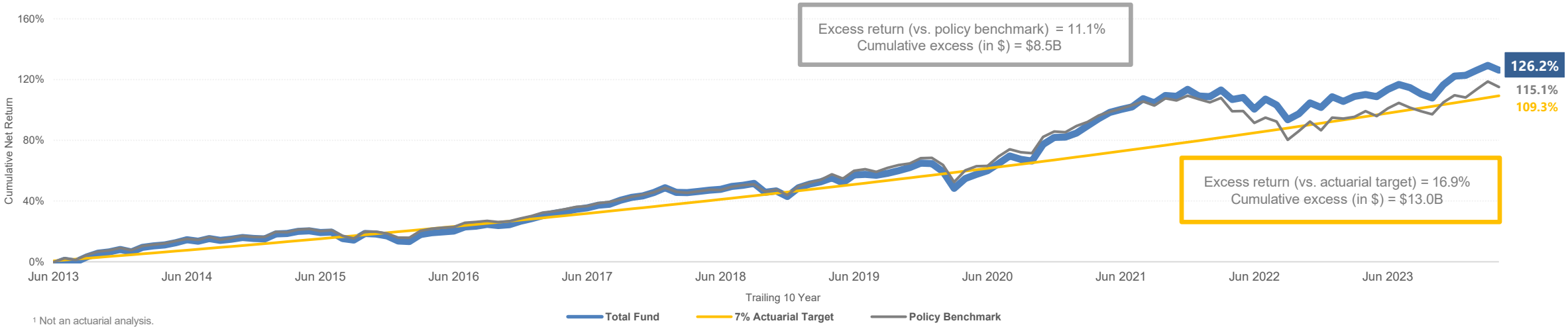
Active Return vs. Tracking Error[1,2,3]



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Apr 2024	5.2%	3.1%	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 Return[1]



[1] Not an actuarial analysis.

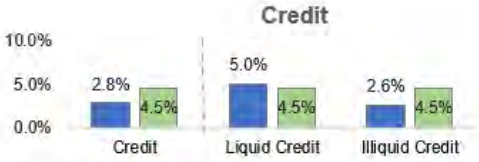
Total Fund Forecast Volatility as of April 2024*

TOTAL FUND VOLATILITY	BENCHMARK VOLATILITY
11.0%	11.2%

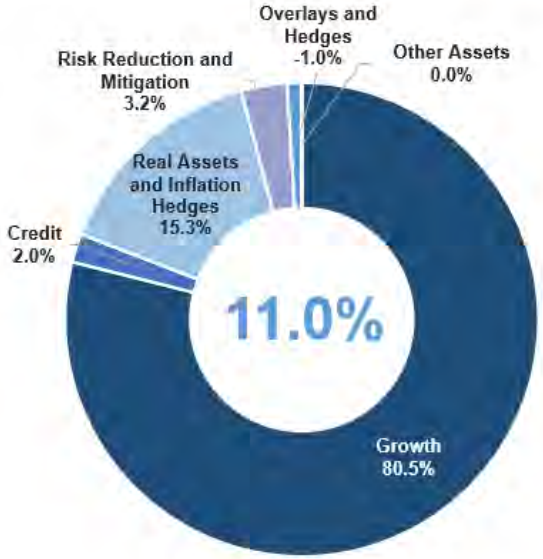
Forecasted Total Fund Volatility Trend

Subcategory Volatility

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

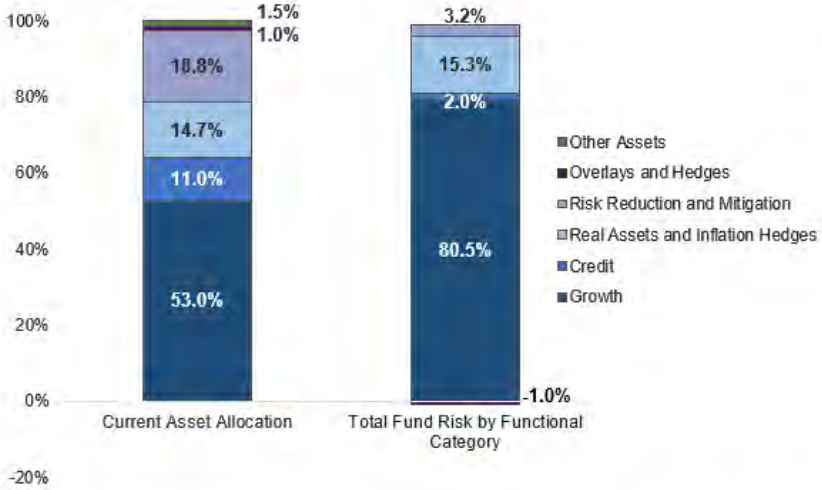


Functional Category Contributions to Total Fund Volatility



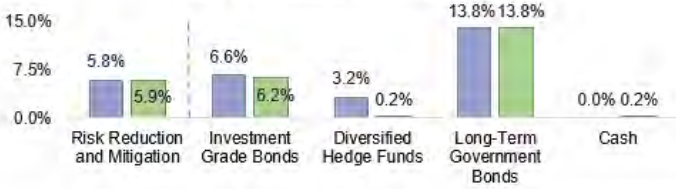
Total Fund Asset Allocation

Capital-based versus Risk-based



Real Assets and Inflation Hedges

Risk Reduction and Mitigation



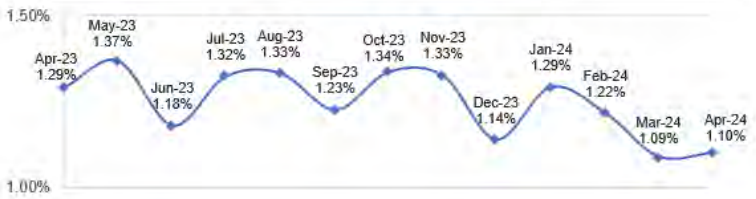
Source: MSCI BarraOne

* 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 April 2024*

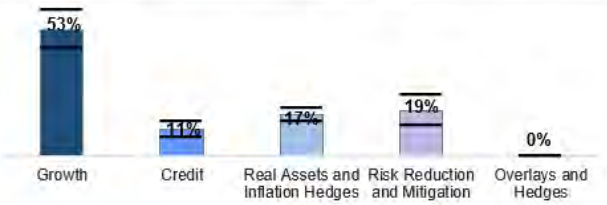
TOTAL FUND TRACKING ERROR	ALLOCATION RISK	SELECTION RISK
1.10%	0.19%	0.91%

Forecasted Tracking Error Trend

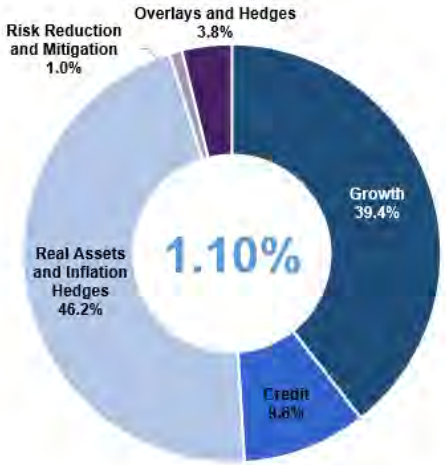


Policy Target Weight for each Functional Category

Maximum and Minimum Bands



Functional Category Contributions to Tracking Error



Tracking Error Attribution

Active Weights for each Functional Category

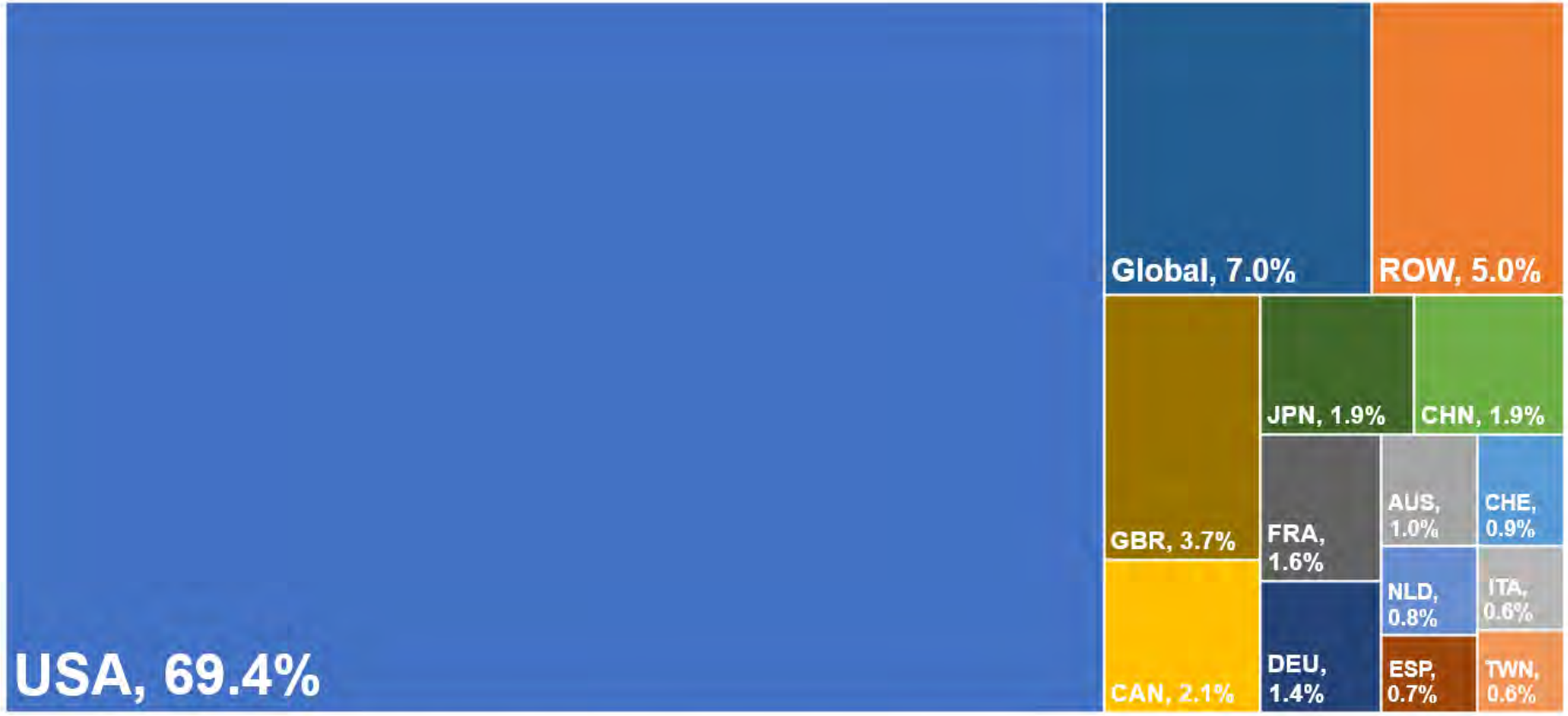
Subcategory Tracking Error

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 April 2024* Ex-Overlays and Hedges



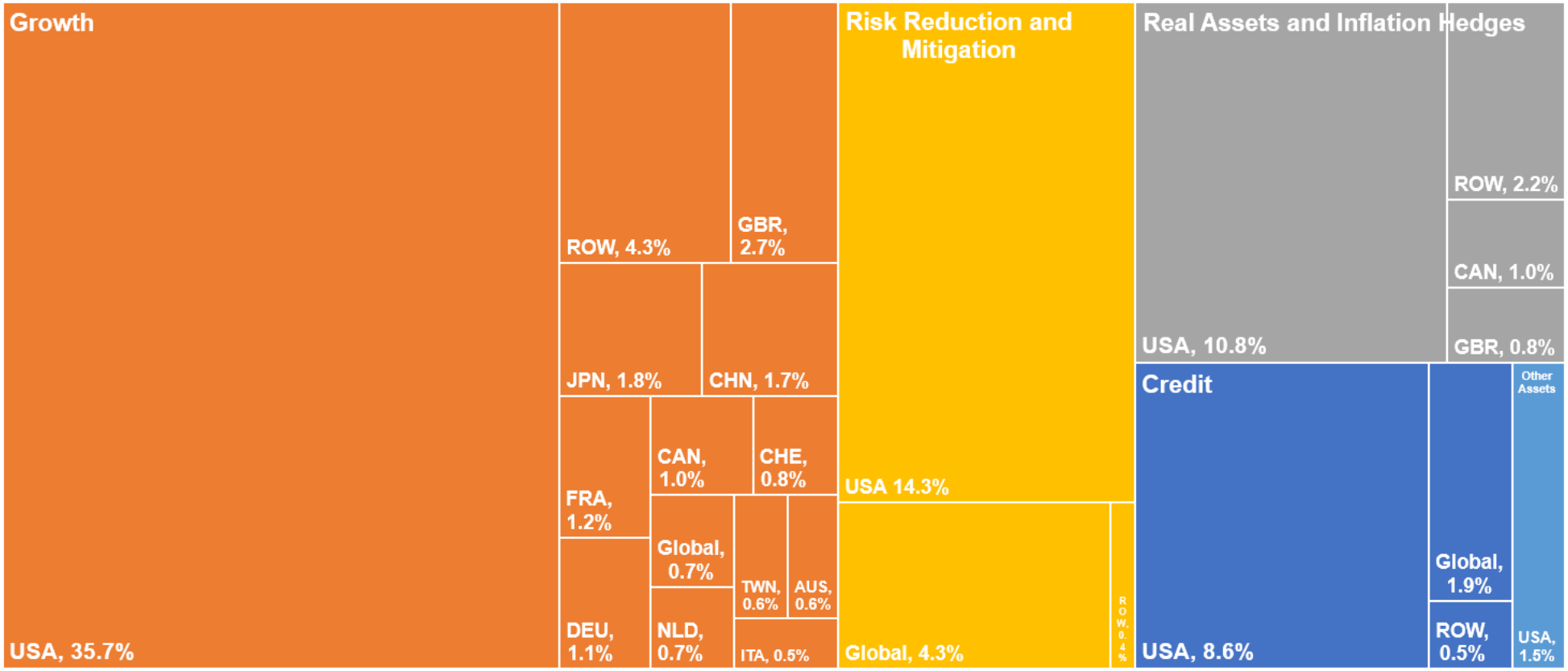
- USA - United States Of America
- ROW[1] - Rest of World
- AUS - Australia
- CAN - Canada
- CHE - Switzerland
- CHN - China
- DEU - Germany
- ESP - Spain
- FRA - France
- GBR - United Kingdom
- Global[2] - Multi-Country Exposure
- JPN - Japan
- NLD - Netherlands
- TWN - Taiwan
- ITA - Italy

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 April 2024* Ex-Overlays and Hedges



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

AUM = Assets under management.
Geographic exposure is based on the domicile country of a given security/asset.
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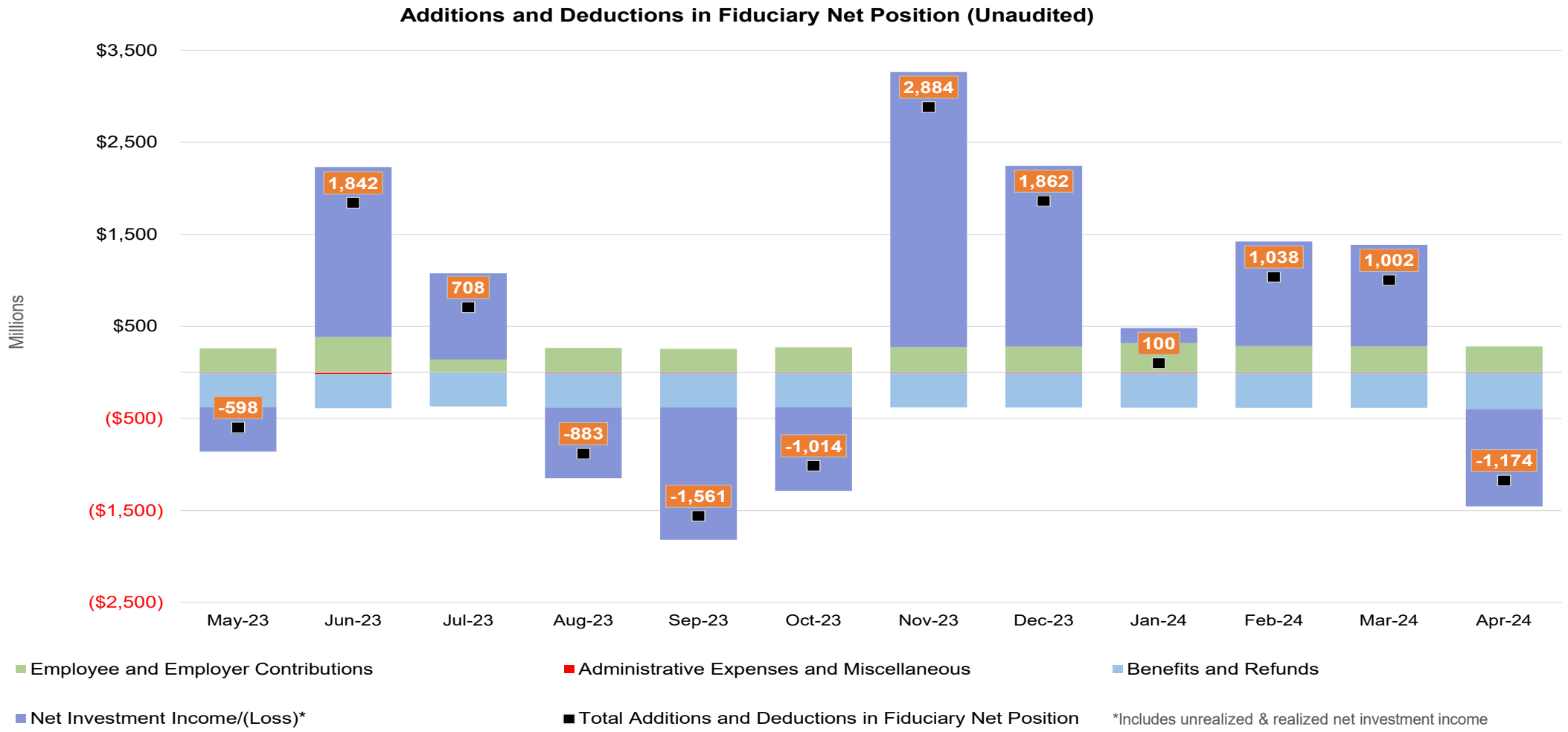
Real Estate and Private Equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.
[1] Global represents investments made in regions where specific country allocations are not available.
[2] "ROW - Rest of World" is sum of countries with weights below 0.5%.

SOURCE: MSCI BarraOne

Change In Fiduciary Net Position



Fiscal Year	Negative Months	Positive Months	Total Net Position Change $
FY-22	7	5	($2.5 billion)
FY-23	5	7	$3.3 billion
FY-24	4	6	$3.0 billion

03 Portfolio Structural Updates

Portfolio Structural Updates

Portfolio Movements

Rebalancing Activity

$268 million Cash	→	Risk Mitigation
$32 million Growth	→	Cash
$34 million Hedges & Overlays	→	Cash
$38 million Credit	→	Cash
$43 million Real Assets	→	Cash

Hedges & Overlays

Monthly Activity

Program	April Return	April Gain/(Loss)	Inception[1] Gain/(Loss)
Currency Hedge[2]	1.0%	$33.7 Million	$1.5 Billion
Cash/Rebalance Overlay[3]	0.4%	$0.0 Million	$504.3 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

Operational Updates

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

Manager/Consultant Updates

No material updates

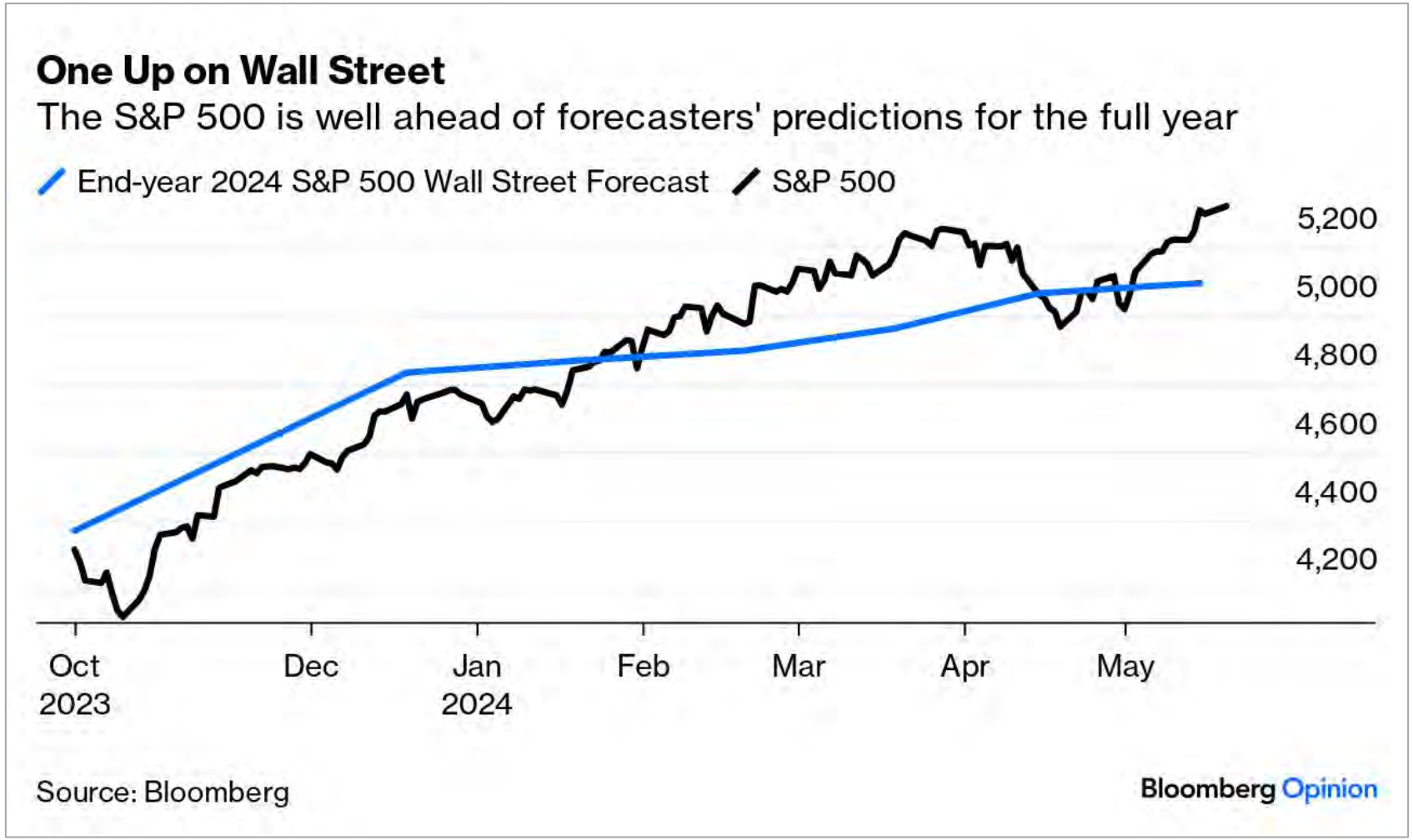
Team Searches and Vacancies

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

05 Commentary

Staff Chart of the Month

S&P 500 Surpasses Analyst Forecasts for the Full Year



06 Appendix

Quiet Period for Search Respondents

Hedge Funds, Credit, and Real Assets Consultant Search

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

Real Assets Emerging Manager Program Discretionary Separate Account Manager

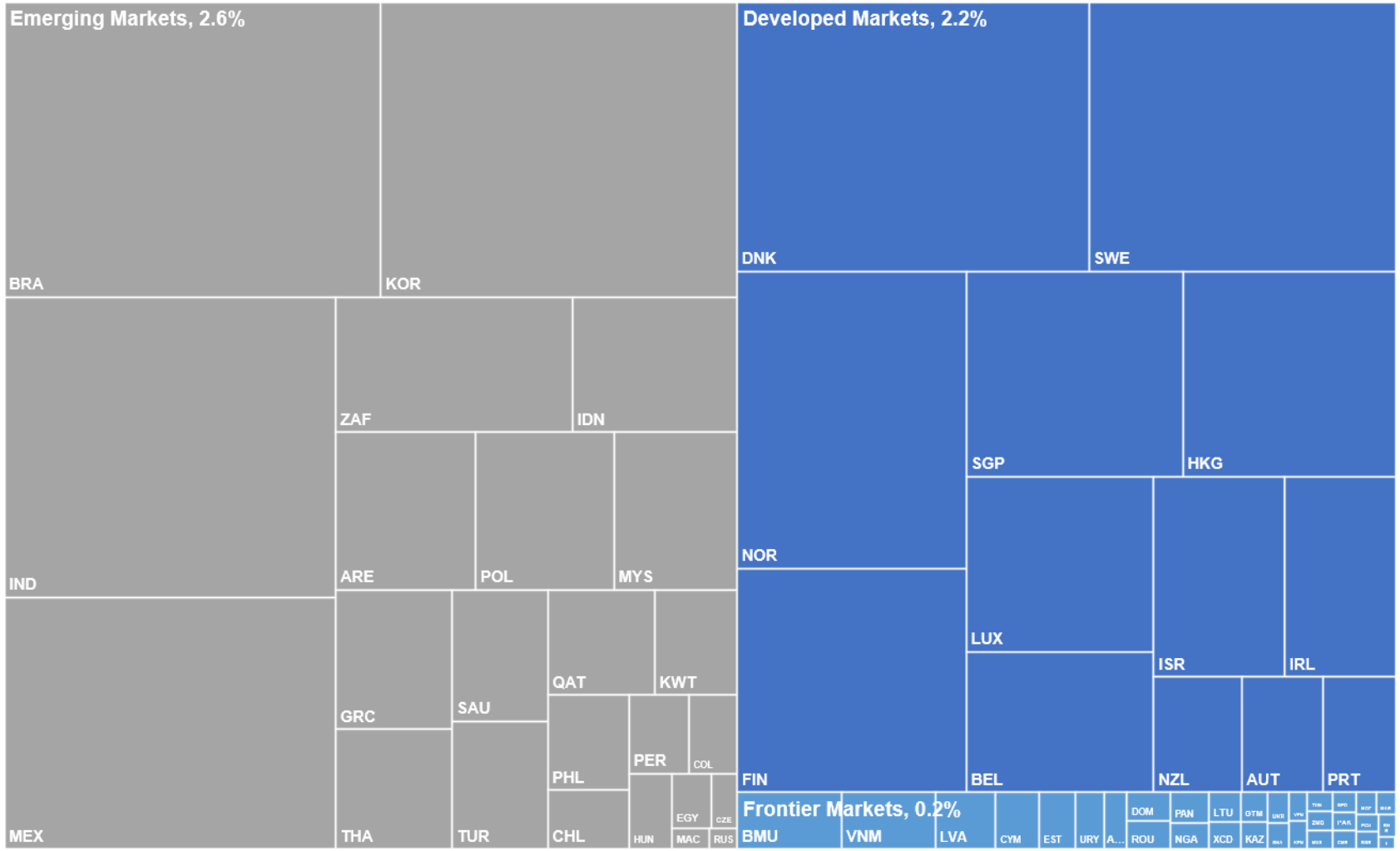
- ✓ ORG Portfolio Management
- ✓ Barings
- ✓ Belay Investment Group
- ✓ Hamilton Lane
- ✓ Cambridge Associates
- ✓ Seed Partners
- ✓ Stable Asset Management
- ✓ Wafra Inc.
- ✓ Artemis Real Estate Partners
- ✓ Aether Investment Partners
- ✓ Neuberger Berman Group
- ✓ The Townsend Group
- ✓ BGO Strategic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

Risk and Analytics System, and ESG Research Services Search

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

Rest of World Geographic Exposures by AUM

Total Fund as of April 2024* Ex-Overlays and Hedges



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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.

SOURCE: MSCI BarraOne

Rest Of World Glossary

5.0%	Rest of World
2.2%	Developed Markets
2.6%	Emerging Markets
0.2%	Frontier Markets

2.2%	Developed Markets
0.040%	AUT - Austria
0.112%	BEL - Belgium
0.403%	DNK - Denmark
-0.014%	EMU - European Monetary Union
0.218%	FIN - Finland
0.186%	HKG - Hong Kong
0.094%	IRL - Ireland
0.112%	ISR - Israel
0.140%	LUX - Luxembourg
0.290%	NOR - Norway
0.043%	NZL - New Zealand
0.036%	PRT - Portugal
0.189%	SGP - Singapore
0.351%	SWE - Sweden

2.6%	Emerging Markets
0.094%	ARE - United Arab Emirates
0.473%	BRA - Brazil
0.020%	CHL - Chile
0.016%	COL - Colombia
0.006%	CZE - Czech Republic
0.009%	EGY - Egypt
0.069%	GRC - Greece
0.014%	HUN - Hungary
0.095%	IDN - Indonesia
0.424%	IND - India
0.448%	KOR - Korea
0.037%	KWT - Kuwait
0.003%	MAC - Macao
0.354%	MEX - Mexico
0.083%	MYS - Malaysia
0.020%	PER - Peru
0.033%	PHL - Phillipines
0.093%	POL - Poland
0.048%	QAT - Qatar
0.002%	RUS - Russia
0.054%	SAU - Saudi Arabia
0.059%	THA - Thailand
0.052%	TUR - Turkey
0.136%	ZAF - South Africa

0.2%	Frontier Markets
0.006%	ARG - Argentina
0.002%	BGR - Bulgaria
0.002%	BHR - Bahrain
0.025%	BMU - Bermuda
0.002%	CMR - Cameroon
0.010%	CYM - Cayman Islands
0.005%	DOM - Dominican Republic
0.002%	ECU - Ecuador
0.009%	EST - Estonia
0.002%	GEO - Georgia
0.002%	GHA - Ghana
0.003%	GTM - Guatemala
0.000%	ISL - Iceland
0.001%	JEY - Jersey
0.003%	KAZ - Kazakhstan
0.002%	KEN - Kenya
0.004%	LTU - Lithuania
0.015%	LVA - Latvia
0.002%	MAR - Morocco
0.002%	MOZ - Mozambique
0.002%	MUS - Mauritius
0.004%	NGA - Nigeria
0.002%	PAK - Pakistan
0.005%	PAN - Panama
0.005%	ROU - Romania
0.002%	TUN - Tunisia
0.003%	UKR - Ukraine
0.007%	URY - Uruguay
0.002%	VEN - Venezuela
0.023%	VNM - Vietnam
0.004%	XCD - Eastern Caribbean Dollar

Recognizing Our Members' Service and Accomplishments

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

Retired Member

Georgia Langdon

Senior Clerk, Department of Public Social Services, Lancaster District

Years of Service: 58 years, one month

Retirement Date: February 3, 2024

MEMBER SPOTLIGHT

Service Contributions and Achievements: Langdon first started working for DPSS on an unpaid status in February 1965. She was one of the first welfare recipients to be placed to work in a DPSS office.

After 11 months, Langdon passed the County test and was hired as a clerk on January 3, 1966. She promoted to Typist Clerk, Intermediate Typist Clerk, Supervising Clerk, and finally Senior Clerk/Timekeeper in 2011.

Family and County Service: Langdon's parents were L.A. County employees, and one of her sons is currently a Sergeant with the L.A. County Sheriff's Department. She has six grandchildren and five great-grandchildren.

Volunteerism: Langdon is a loyal supporter of many nonprofits, including United Way, Shriners, St. Jude, and various homeless programs administered by her church.

LACERA

May 28, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Santos H. Kreimann SHK
Chief Executive Officer

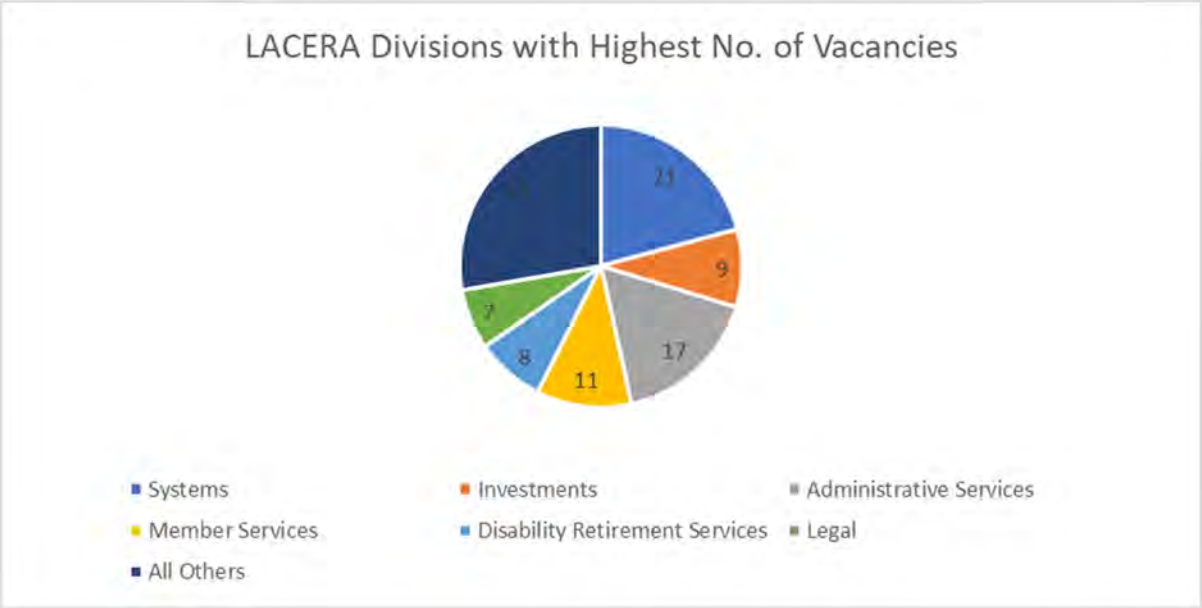
SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – JUNE 2024**

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

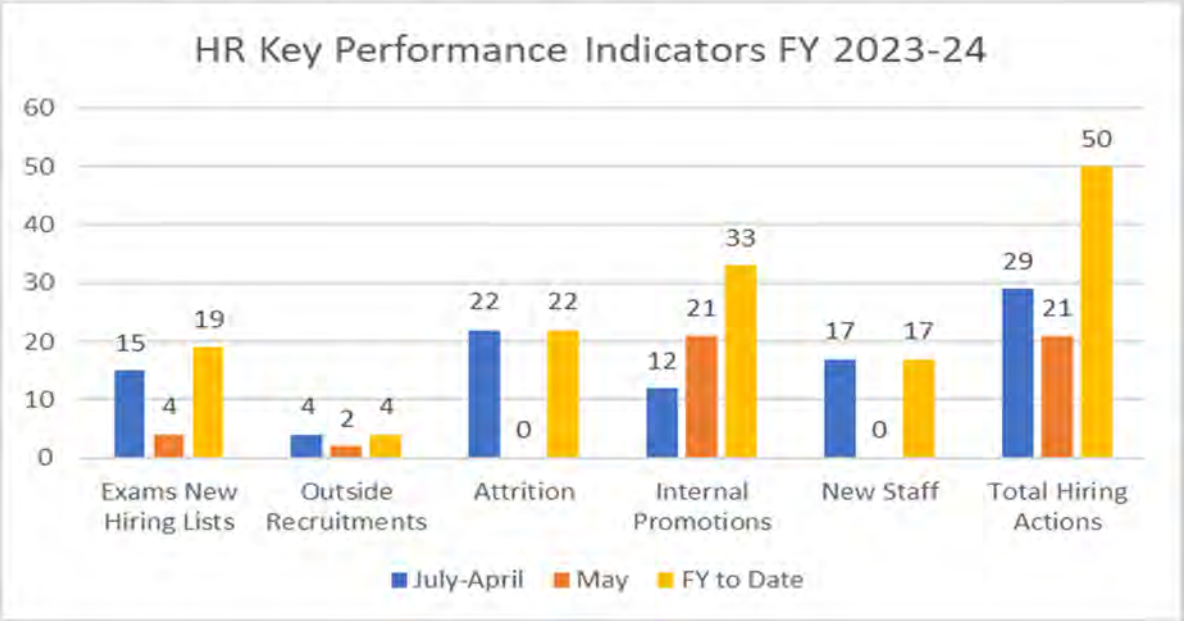
Recruitment Updates

LACERA continues to prioritize our hiring efforts and make progress towards reducing our overall vacancy. Our current vacancy rate is 21% and fiscal year (FY) to date attrition is 4.5%. As noted in the chart below (FY to date), LACERA has lost more staff to attrition (22) than new staff hired (17). However, 22 new staff are anticipated to onboard in June, including 19 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:



New Hires

Candidates for the following positions are expected to start June 3, 2024:

- 18 new Retirement Benefits Specialist I (RBS I) (Temporary) Trainees for the Specialist Basic Training Class
- One (1) Retirement Benefits Specialist I (RBSI) (Temporary) Trainee for Retiree Healthcare
- One (1) Senior Investment Officer (Real Estate)
- One (1) Information Technology Specialist II (Information Security Engineer)

- One (1) Information Technology Specialist II (Mainframe Architect and Administrator)

A candidate for one of the Staff Counsel (Investments) vacancies has been selected and is expected to start July 1, 2024.

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 were conducted for all three (3) classifications, results are pending.

The Human Resources Analyst applications are currently under review.

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
- Assistant Chief Financial Officer

New Lists Promulgated

The Information Technology Specialist II (Java) and The Information Technology Specialist II (Network Architect) lists were promulgated, selection interviews are being conducted.

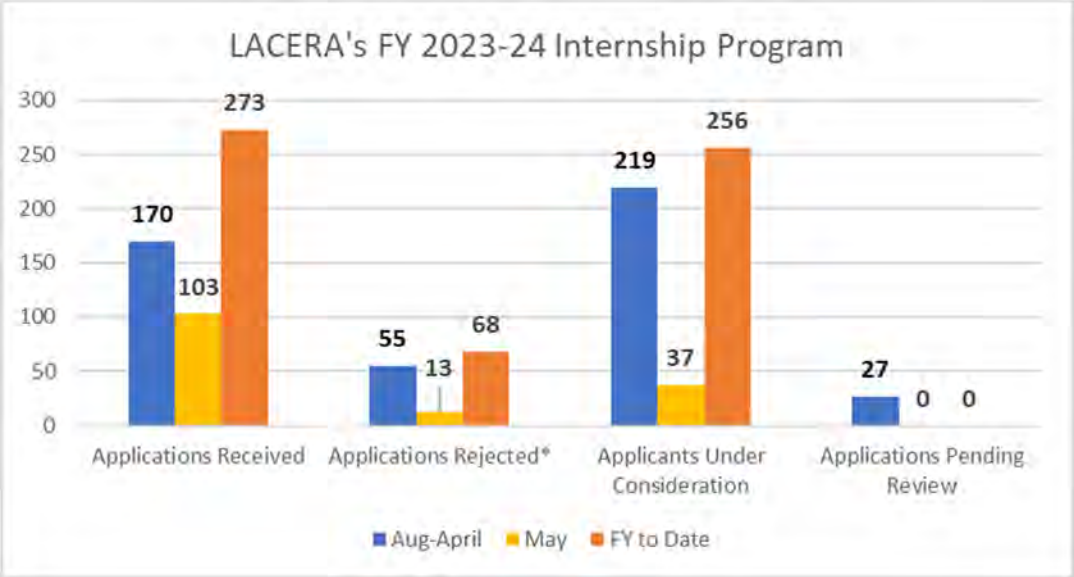
Selection interviews are currently in process for Finance Analyst III (Real Estate).

The Senior Investment Officer (Global Equites) list was promulgated on April 16, 2024. Selection interviews continue.

Interns

LACERA has budgeted 14 Intern positions for FY 2023-24 and will propose increasing that number in FY 2024-25. The following shows the Interns budgeted by Divisions:

As noted below, interest in this program remains strong.



*Applicants did not meet the selection requirements

A total of 13 Intern candidates have been chosen for the program. The selection and hiring of the Interns is indicated on the chart below. Applications continue to be received and selection continues for additional positions.

Employee Council Team (ECT)

The Employee Council Team (ECT) is a volunteer group of staff members who work to foster better improved communication, promote teamwork, help improve morale, and an overall inclusive, positive work environment of LACERA. Over the years this team has sponsored or encouraged events designed to bring staff from across the organization together.

In May the ECT worked with LA County DHR and participated in the March of Dimes, annual March for Babies walk held at the Gloria Molina Grand Park on Saturday May 18th. Six LACERA staff members and their families raised $698 for the March of Dimes. This is the first year we have participated in some time and every dime counts towards the good work the March of Dimes does.

The team has also organized a LACERA Dodger's Night on June 22nd. Over 80 LACERA staff and family will be attending the Dodgers vs. Angels game. We are excited and proud of our LACERA staff coming together for the community and for fun and team building.

Retiree Healthcare

CVS Notifies LACERA of Upcoming Changes in CVS Caremark Mail Service Pharmacy

On May 7, 2024, LACERA received notification from our CVS Health Strategic Account Executive that, as the demand for GLP-1s drugs (Mounjaro, Trulicity, Wegovy, and Saxenda) continue to rise, certain GLP-1 brands were experiencing ongoing, widespread supply issues.

As a result, beginning May 15, 2024, CVS Caremark Mail Service Pharmacy would no longer have inventory to dispense supply-constrained GLP-1s. Members may be able to fill prescriptions for these medications at in-network retail pharmacies, where available.

For impacted members, of which there are 153 LACERA members that are currently filling these medications through the CVS Caremark Mail Service Pharmacy, CVS was planning to send written notification before May 15th, and CVS Caremark Mail Service Customer Care representatives were going to be calling these members to offer alternative options to fill their medications, including transferring their prescriptions to another pharmacy.

- After May 15, 2024, CVS Caremark's Mail Service Pharmacy will be notifying members who attempt to fill a prescription for these drugs that their order cannot be processed.

    - Multiple communication outreach channels are planned, as permitted: letter, email, and/or SMS. Letter attached.
    - Prescribers that attempt to send new prescriptions for supply- constrained GLP-1's to CVS Caremark Mail Service Pharmacy will also receive notification that the prescription cannot be filled.

- Claims for supply-constrained GLP-1s filled at in-network retail pharmacies will be processed at contracted retail rates. Members will pay retail copay.
- Members can view a list of participating pharmacies in their network by signing into Caremark.com. If they have additional questions, members can call the number on their benefit card.

SHK
CEO report June 2024.doc

Attachments

LACERA

Appendix A

May 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 Update

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

As reported last month the nomination period began on May 22, 2024, and will run through June 21, 2024. Both the County and LACERA have taken steps to notify eligible members about the nomination and the upcoming election. This includes the County training and providing direction to the election coordinators in each department and sending out email notices to eligible employees. LACERA also joined in this process by selecting our internal election coordinators – a resource designed to answer member questions about the election, ensure access to forms and information. And finally, Communications mailed a postcard to all eligible voters and sent out email to all eligible voters for which we have email addresses on file for through My LACERA. We have included a copy of the postcard and email message as an attachment to this update.

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

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

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

NOTED AND REVIEWED:

Luis Lugo, Deputy Chief Executive Officer

JJ:JJ

Attachment: LACERA mailed Postcard

Front

Back

PRESORTED
STANDARD
U.S. POSTAGE
PAID
PERMIT #288
ANAHEIM, CA

County Email Notice to Eligible Active General Members

PLEASE NOTE THAT SAFETY MEMBERS ARE NOT ELIGIBLE TO VOTE IN THIS ELECTION CYCLE

LACERA Elections

Attention LACERA General Members,

Election time is approaching. The terms of office for the Third Member of the Board of Investments, and the Third Member of the Board of Retirement will expire on December 31, 2024. To fill these positions, elections will be held this summer. These elections will fill the seats for three-year terms commencing January 1, 2025, and also fill the current vacancy on the Third Seat of the Board of Investments immediately after official certification of the results.

Eligible LACERA General Members interested in becoming a candidate in these elections may obtain a nomination packet from the Registrar-Recorder/County Clerk. Nomination packets may be obtained from the Registrar-Recorder/County Clerk, by contacting the Elections Planning section, at (562) 462-2317, or via email at Electionplanning@rrcc.lacounty.gov. The nomination period is from May 22 - June 21, 2024. To qualify as a candidate, General Members must obtain fifty nominating signatures from active General Members of LACERA in service on April 15, 2024. Detailed instructions regarding candidate nomination petitions will be included in the nomination packet. For more information about this election, please visit https://bos.lacounty.gov/services/conflict-of-interest-lobbyist/lacera-elections.

Eligible voters will be able to cast their votes online, by telephone, or by paper ballot from August 5 August 30th, 2024.

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* ***General Member*** is a person who is working at least three-quarter time as a permanent employee for the County or for an outside district, and who is earning service credit in a retirement plan.

CEO DASHBOARD

June 5, 2024

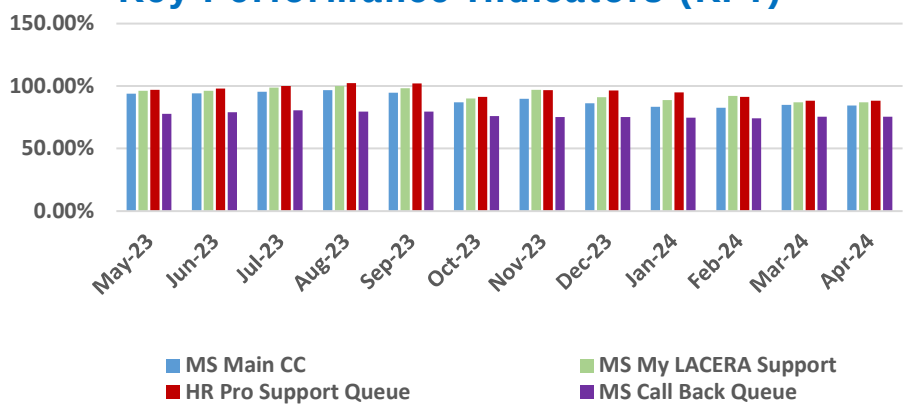
Striving for Excellence

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

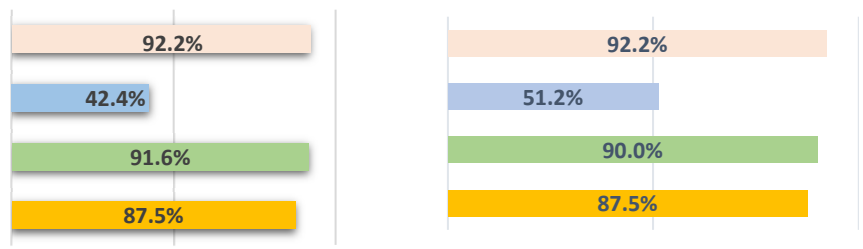
Events / Webinar Attendance		Events / Webinar		Webinar Satisfaction		Member Service Center Satisfaction		MS Main Queue Total Calls	
Current Mo.:	1,730	Current Mo.:	23	0%		96.34%		Current Mo.	8,518
Year-to-Date:	10,643	Year-to-Date:	194	Resp. Rate	Change	Resp. Rate	Change	3 Month Avg.	8,551
				0%	0%	22.5%	4.25%		

Member Services

Member Service Call Center Queue Key Performance Indicators (KPI)



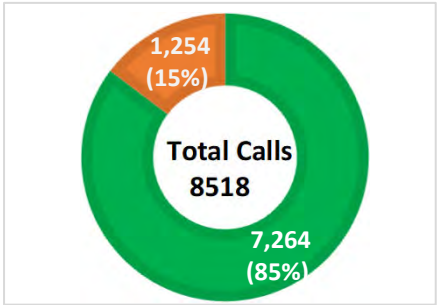
Key Performance Indicator (Components by Queue)



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

MSCC MAIN QUEUE

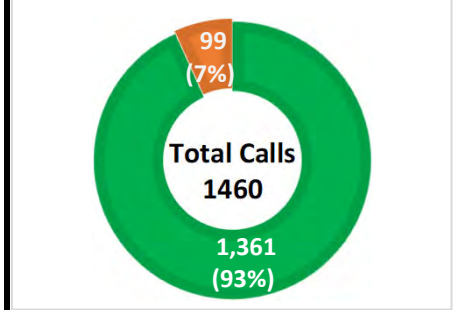
Calls Answered / Calls Abandoned



Queue KPI:	84.80%
Avg. Speed of Answer	Average Duration
0:10:19	0:17:16

MY LACERA SUPPORT

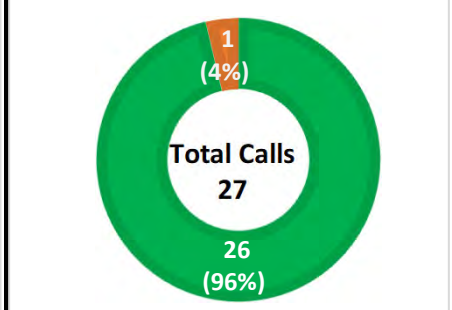
Calls Answered / Calls Abandoned



Queue KPI:	87.00%
Avg. Speed of Answer	Average Duration
0:01:43	0:12:13

HR PRO SUPPORT

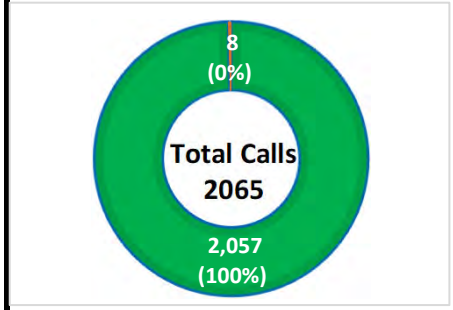
Calls Answered / Calls Abandoned



Queue KPI:	88.10%
Avg. Speed of Answer	Average Duration
0:00:55	0:14:27

MS CALL BACK QUEUE

Calls Answered / Calls Abandoned



Queue KPI:	75.30%
Avg. Speed of Answer	Average Duration
0:24:18	0:16:26

Striving for Excellence

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

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services

Member Services Call Center	Member Service Center (Outreach)
1. Retirement Counseling	1. Retirement Counseling
2. My LACERA	2. Retiree Healthcare
3. Taxes	3. Reciprocity

Contact Center Email/Secure Message Performance

Emails (welcome@lacera.com): 574

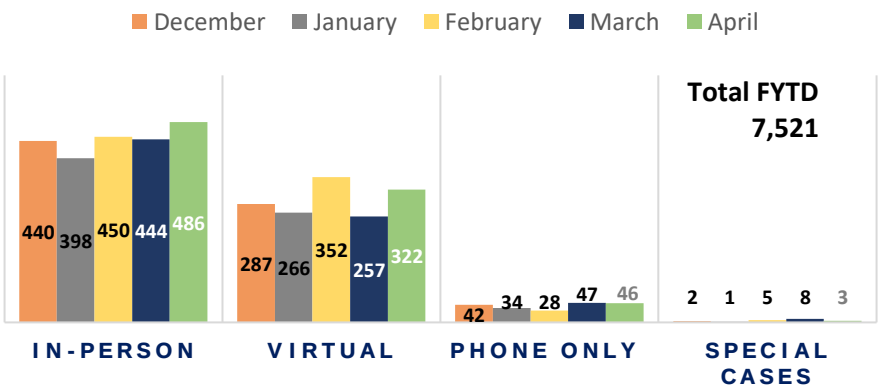
Service Level: 24 Bus. Hours — On Target

Secure Message (My LACERA) 1,128

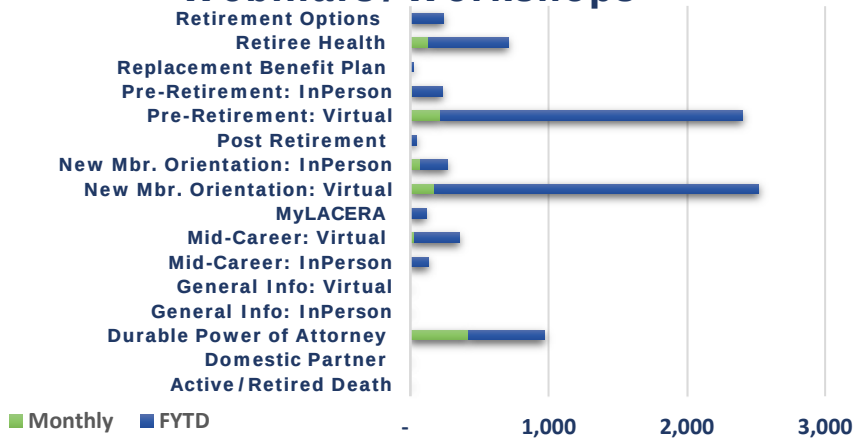
Service Level: 24 Bus. Hours — On Target

Member Service Center (Outreach)

Member Service Center Appointments



Members Served in Webinars/Workshops

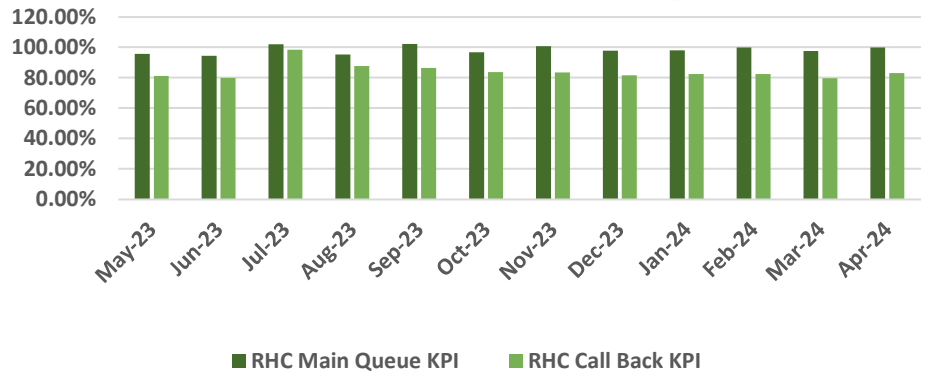


Striving for Excellence

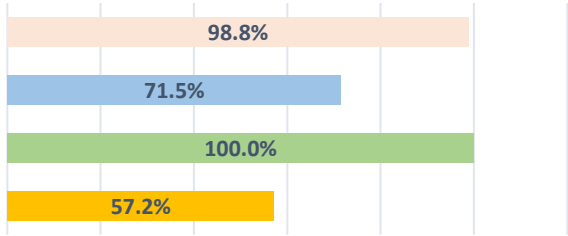
Service Metrics Reported on a Fiscal Year Basis (July 1) Through: April 2024

Retiree Healthcare

RHC Call Center Queue
Key Performance Indicator (KPI)

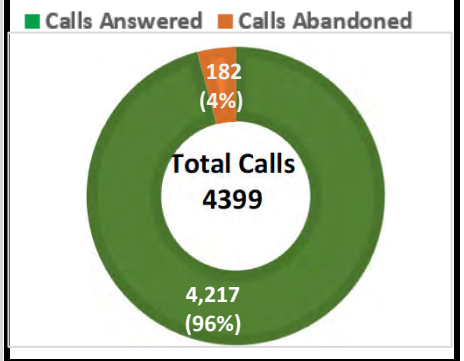


Key Performance Indicator (Components by Queue)
Main RHC Call Center Queue



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

RHC MAIN QUEUE



Queue KPI:	99.80%
Avg. Speed of Answer	Average Duration
0:02:01	0:12:28

RHC CALL BACK QUEUE

Queue KPI:	83.00%
Avg. Speed of Answer	Average Duration
0:06:40	0:08:27

TOP RHC CALL TOPICS

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

RHC Email / Secure Message Performance

Emails (healthcare@lacera.com): 582

Service Level: 24 Bus. Hours On Target

Secure Message (My LACERA) 603

Service Level: 24 Bus. Hours On Target

Striving for Excellence

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

Disability

Applications

928

Pending: Applications in Process

82
Received: New Applications

700
Received Year-to-Date

53
To Board - Initial (Presented to BOR)

380
To Board - Initial Year-to-Date*

11
Closed (Incomplete/Withdrawn)

171
Closed Year-to-Date*

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

Appeals

74

Pending: Appeals in Process

0
Received: New Appeals

13
Received Year-to-Date

1
Admin Closed

12
Admin Closed Year-to-Date

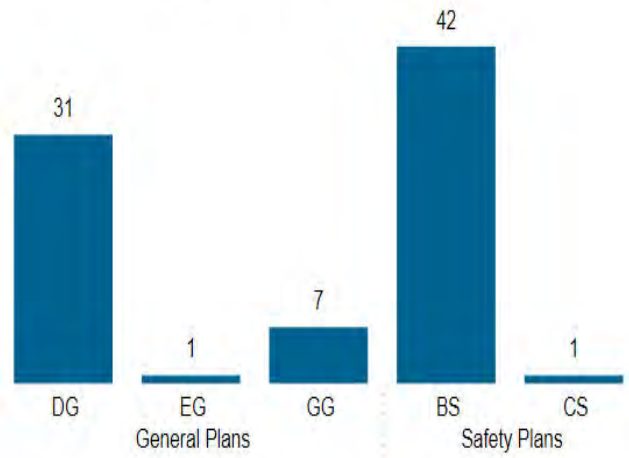
1
Referee Recommendations

11
Referee Recommendations Year-to-Date

0
DLO Recommendations

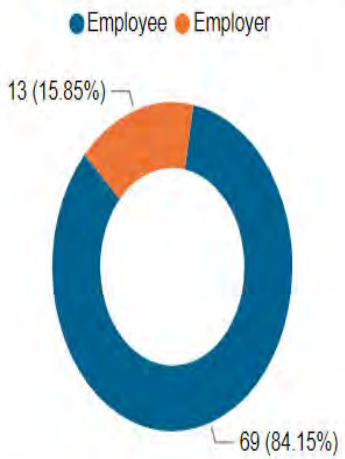
0
DLO Recommendations Year-to-Date

Applications Filed by Plan

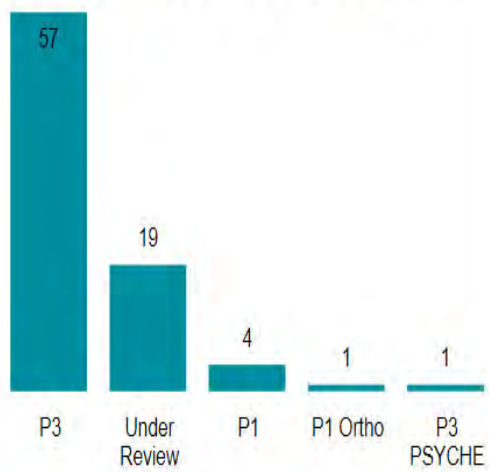


**Note: Plan E members are not eligible for a disability retirement allowance*

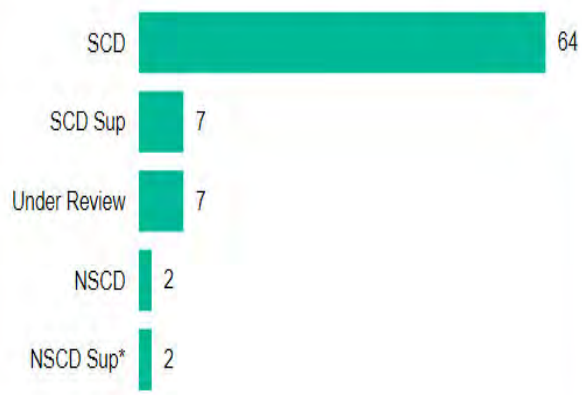
Applications Filed by Source



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: April 2024

Quality Assurance

Monthly Recap

April 2024

	Samples	Accuracy
Data Entry	120	98.42%
Payment Contract	615	95.72%
Retirement Election	306	97.97%
Total	**1041**	**96.69%**

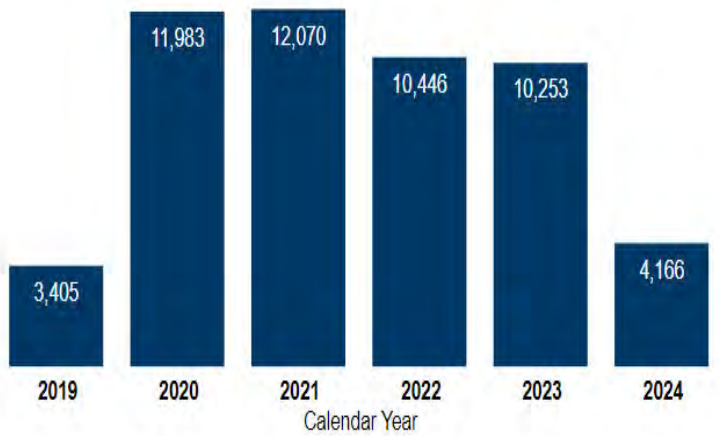
Prior audit values may update due to updated data.

Service On-Line for All

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

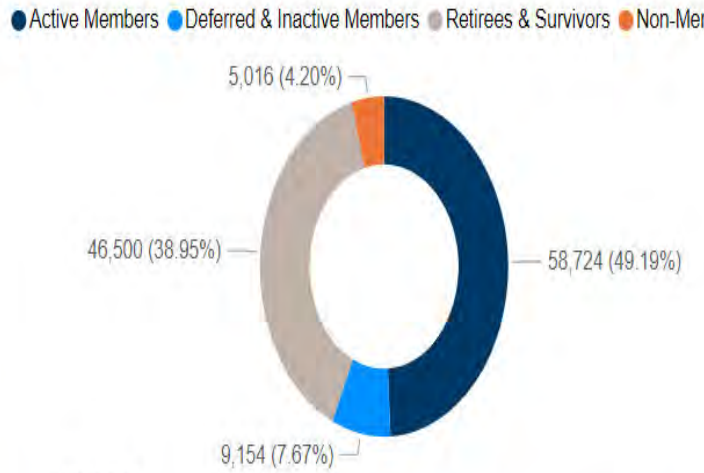
Serving Members Through LACERA.com and MyLACERA

Annual New MyLACERA Accounts*



Data labels may not appear for all values

Total Accounts by Member Type*



Total Member Accounts

114,378

% of Total Members

59%

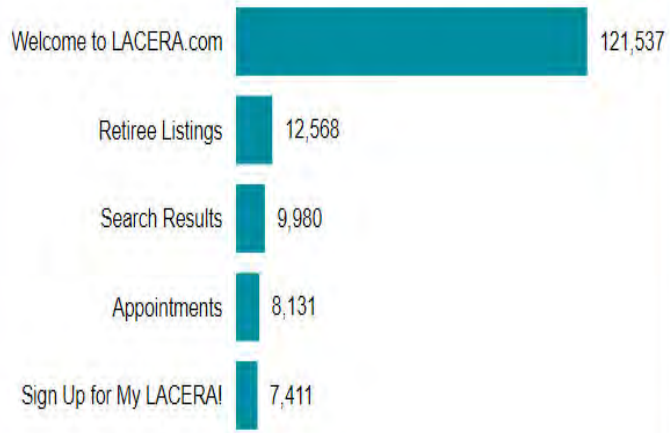
Excludes Non-Members

**Data as of May 15, 2024*

Non-Members include legal split payees and withdrawn members.

LACERA.com User Traffic

Top Five LACERA.com Page Views



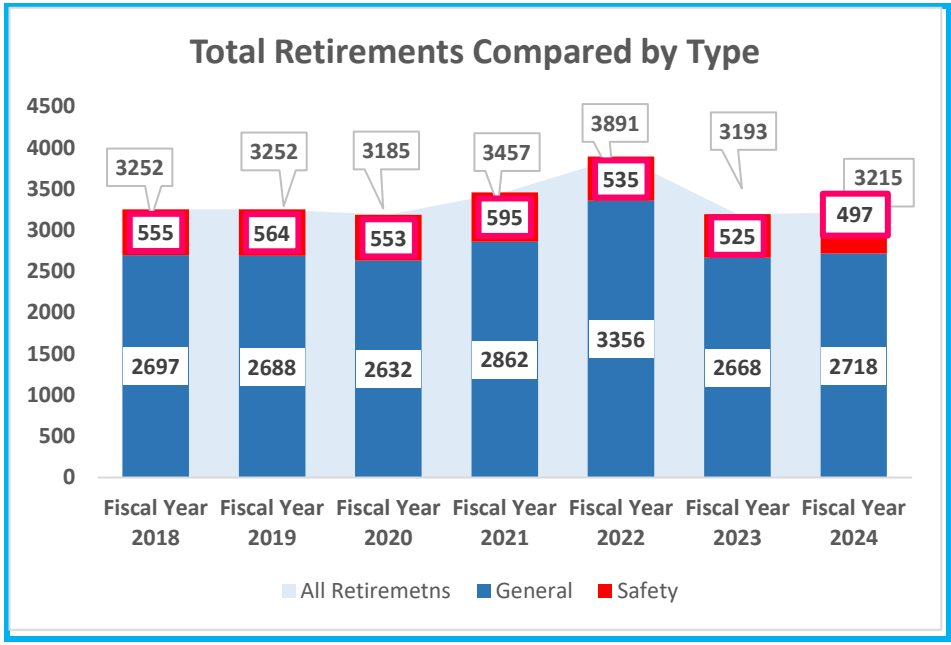
Busiest Day

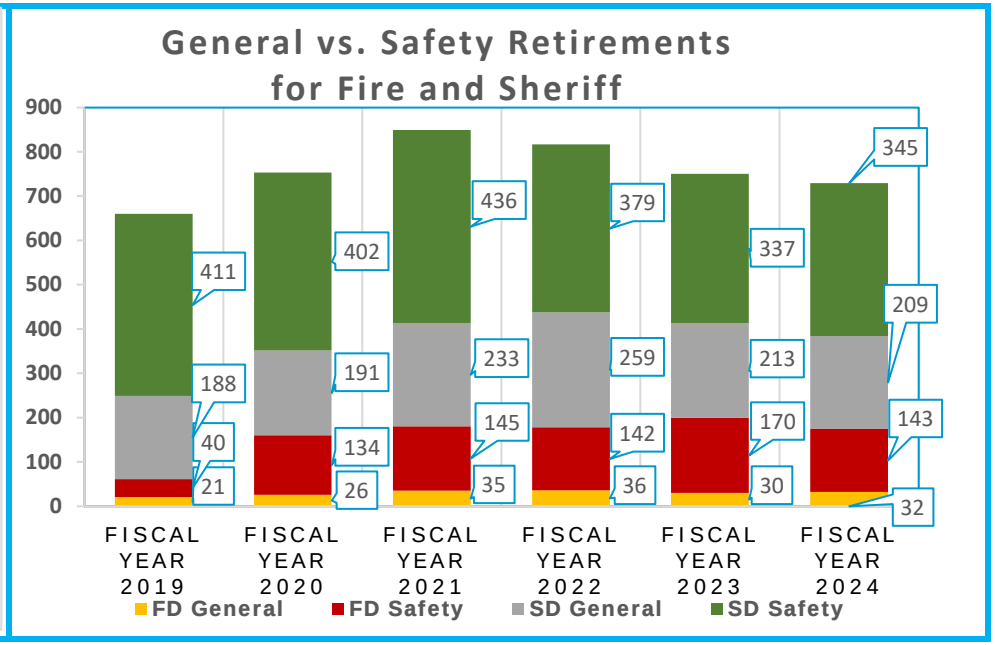
04/25/2024

Home Page Tile	Views	% of Change
Careers	3,792	32.77%
Investments	2,373	9.10%
Pre-Retirement Workshops	2,442	-1.33%
Sign Up for My LACERA!	7,411	-3.36%
Forms & Publications	212	-5.36%
Board Meetings and Agendas	3,030	-12.50%

Member Snapshot

Membership Count as of: May 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	-	9	32	11,284	890	152	3,995	**16,401**
General	PLAN B	10	-	5	3	558	37	7	75	**695**
General	PLAN C	13	-	5	8	354	37	6	65	**488**
General	PLAN D	32,161	102	4,423	3,209	20,061	2,084	448	2,120	**64,608**
General	PLAN E	12,236	8	2,708	81	15,752	-	-	1,727	**32,512**
General	PLAN G	20,944	20,047	1,902	7,307	322	37	8	35	**50,602**
General	TOTAL GENERAL	**65,403**	**20,157**	**9,052**	**10,640**	**48,331**	**3,085**	**621**	**8,017**	**165,306**
Safety	PLAN A	-	-	2	2	1,766	2,308	24	1,649	**5,751**
Safety	PLAN B	6,998	64	546	227	3,462	4,858	54	445	**16,654**
Safety	PLAN C	2,940	2,379	160	552	13	23	-	4	**6,071**
Safety	TOTAL SAFETY	**9,938**	**2,443**	**708**	**781**	**5,241**	**7,189**	**78**	**2,098**	**28,476**
	TOTAL ALL TYPES	**75,341**	**22,600**	**9,760**	**11,421**	**53,572**	**10,274**	**699**	**10,115**	**193,782**





Member Snapshot

Retirements Metrics reported based on the 15th of the month.

Monthly Retirements

Retirement Type	May 2024
Elected	109
Service Retirement	20
Total	**129**

Average Monthly Benefit 4/30/2024	$ 5,050.00

Average Monthly Benefit Allowance Distribution 5/23/2024

	General	Safety	Total	%
$0 to $3,999	29,854	1,173	31,027	48.1%
$4,000 to $7,999	15,350	3,437	18,787	29.1%
$8,000 to $11,999	4,717	4,240	8,957	13.9%
$12,000 to $15,999	1,368	2,713	4,081	6.3%
$16,000 to $19,999	485	671	1,156	1.8%
$20,000 to $23,999	142	177	319	0.5%
$24,000 to $27,999	45	70	115	0.2%
> $28,000	37	13	50	0.1%
Totals	51,998	12,494	64,492	100%

Retired Members Payroll

(As of 4/30/2024)

Monthly Payroll	$392.4m
Payroll YTD	$3.8b
New Retired Payees Added	1,103
Seamless %	98.55%
New Seamless Payees Added	4,066
Seamless YTD	97.52%
By Check %	2.00%
By Direct Deposit %	98.00%

Healthcare Program

(Mo. Ending: 4/30/2024)

	Employer	Member
Medical	$532.5	$37.5
Dental	$41.4	$3.9
Part B	$79.3	$0.0
Total	**$653.2**	**$41.4**

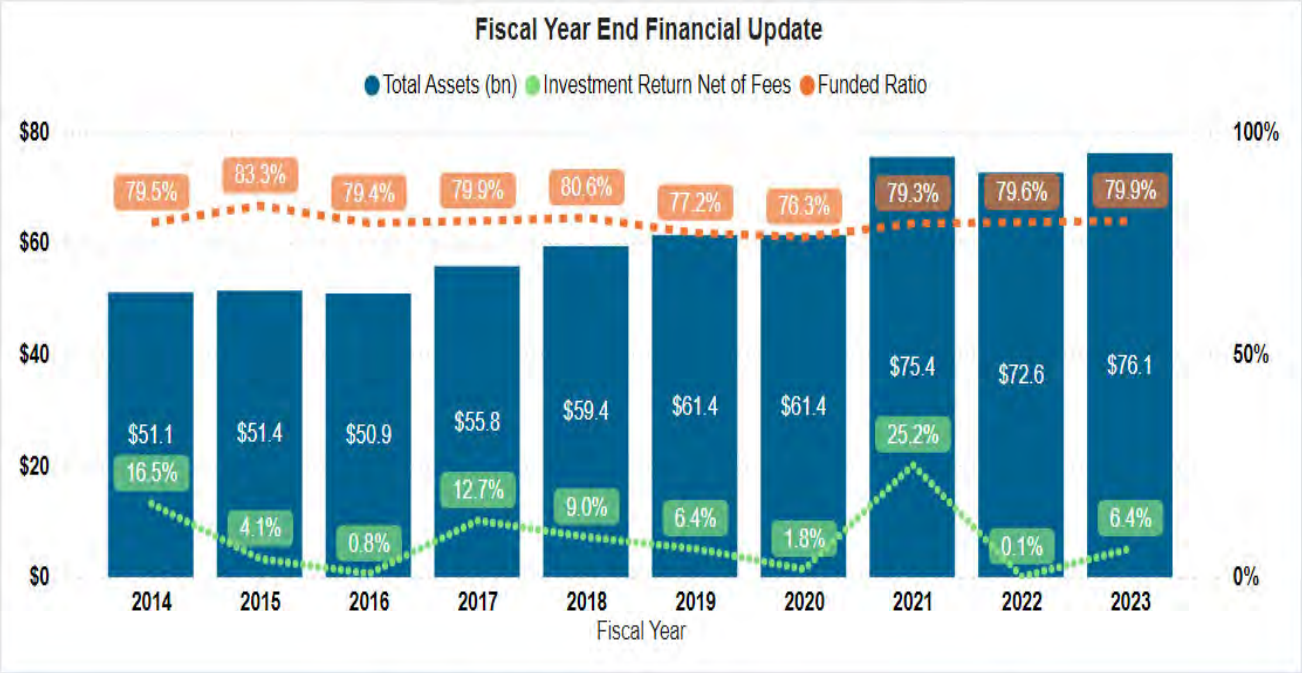
Health Care Enrollments

(Mo. Ending: 4/30/2024)

Medical	55,693
Dental	57,791
Part B	38,585
LTC	463
Total	**152,532**

Key Financial Metrics

(as of June 30, 2023)



Funding Metrics

11.01%
Employer NC

14.87%
UAL

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

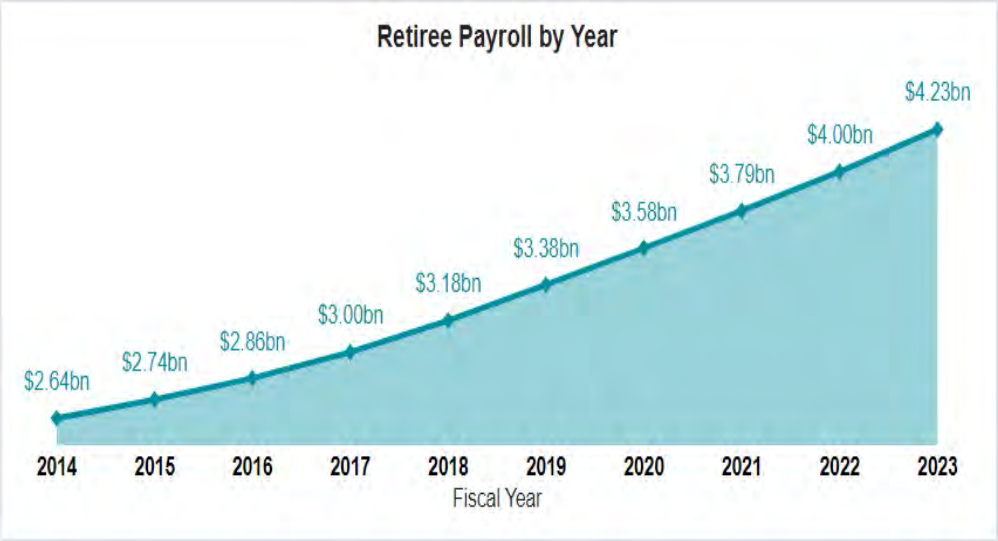
Investment Returns

net of fees

6.4%
1-Year Return

10.1%
3-Year Return

8.1%
10-Year Return



LACERA Pension Dollar

QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update
05/28/2024

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	• 8x8, Inc • ConvergeOne, Inc. • Five9 • RingCentral • Talkdesk • Genesys • TTEC Government Solutions
RFQ: Governance, Risk and Compliance (GRC360)	Executive Office	04/08/2024	Solicitation Process	• Workovia • Navex • AuditBoard • Compass365 • LogicGate • Teammate • Archer • Kroll (Resolver) • Riskonnect

*Subject to change

INVESTMENTS

Solicitation Name	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Actuarial Consulting and Actuarial Auditing Services	11/15/2023	Contract Development	• Cavanaugh Macdonald Consulting • Milliman
Hedge Funds, Credit, and Real Assets Consultant Search	12/29/2023	Proposal Evaluation	• Albourne • Meketa • Mercer • Wilshire

*Subject to change

Date	Conference
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
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.

Date	Conference
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
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

LACERA

SUPPLEMENTAL INFORMATION

May 30, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Jessica C. Rivas JR
Staff Counsel

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Retirement Meeting

SUBJECT: Staff Update re: Proposed Amendments to Conflict of Interest Code

Following the Joint Organizational Committee's approval of the Proposed Amendments to the Conflict of Interest Code, the Legal Office continued analyzing additional potential amendments. Since the JOGC's approval of this item on April 24, 2024, staff added language on temporary employees. Please see paragraph G of the memo for more detail.

Reviewed and Approved:

Steven P. Rice
Chief Counsel

cc: Santos H. Kreimann, Laura Guglielmo, Luis A. Lugo, Carly Ntoya, JJ Popowich, Richard Bendall

LACERA

May 22, 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: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Retirement Meeting

SUBJECT: Proposed Amendments to Conflict of Interest Code

Recommendation

That the Board of Retirement and Board of Investments discuss, provide input on, and approve proposed amendments to the Conflict of Interest Code ("Code"), subject to final approval by the Los Angeles County Board of Supervisors. There is a staff update memo relating to changes made following the JOGC meeting.

Legal Authority and Background on Review Process

The Political Reform Act ("Act") requires every local government agency to review its conflict of interest code biennially. A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

The Act requires each local government agency to receive approval for any necessary amendments from their code reviewing body. LACERA's code reviewing body is the County of Los Angeles Board of Supervisors. The County has final editorial authority over the wording of the Code. LACERA last reviewed its Code in 2022, and accordingly, the Code is due for review in 2024. The Legal Office will work closely with the Conflict of Interest/Lobbyist Division of the Executive Office of the Board of Supervisors during the current biennial cycle to make necessary amendments to the LACERA Conflict of Interest Code that reflect the input and approval of the LACERA Boards. LACERA's 2024 amendments are due for submission to the County by the end of 2024.

Given the number of local agencies for which the Board of Supervisors is the code

reviewing authority, it can take up to a year or more for the County to review and the Board of Supervisors to act upon changes requested by LACERA. For example, the Board of Supervisors only approved LACERA's 2022 amendments, as modified by the County, in September 2023.

Discussion

At this early stage in the process, we would like to inform the Boards of staff's proposed amendments, solicit feedback, and learn if there are any questions or additional suggestions. On April 24, 2024, the Joint Organizational Governance Committee met and recommended approval of the proposed amendments to the Code.

A copy of the Code reflecting the proposed changes set out immediately below is attached for your reference. A presentation summarizing the changes is also attached.

In reviewing proposed changes, please be aware of the distinction between what are known as "87200 filers" and "code filers." 87200 filers are those who must file because they are identified in Government Code section 87200, which includes Board of Investments trustees and high-level staff, including those who manage public investments. Their filing requirements are not affected by the Code, but they are listed for reference on the last page of Exhibit B. In contrast, code filers must file because they are included in Exhibit B of the Code. This includes Board of Retirement trustees and other staff.

With the exception of paragraphs E and G below, all of the proposed changes will only affect code filers. The change in paragraph E will ensure that the description of 87200 filers in our Code is consistent with FPPC regulations. The change in paragraph G will provide clarification on the filing requirement for temporary employees.

A. New Positions
Information Technology Manager I & II

Shortly after the adoption of our current Code, staff identified these positions for inclusion in our next code amendments based on their role in contracting. Staff holding these positions are currently required to file Statements of Economic Interest (Form 700) because we included the positions on FPPC Form 804 Agency Report of New Positions in November 2023. Adding them to the Code will eliminate the need for Form 804.

B. Correcting Position Titles
Deputy Chief Investment Officer, LACERA, *Unclassified*
Deputy Chief Executive Officer, LACERA, *Unclassified*
Chief Information Technology Officer, LACERA, *Unclassified*

Our current code does not reflect that these are unclassified positions, and this revision would correct that.

C. Revision to Disclosure Category 1

"Persons in this category shall disclose all interests in real property within the jurisdiction ~~that would be suitable for housing all or part of LACERA's operations and all real property within two miles of that property~~. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land *owned or used by LACERA*. ~~used to conduct LACERA's operations~~."

This revision will bring this category of our Code into alignment with the Act and the Form 700 Reference Pamphlet published by the FPPC.

The Act requires local public agencies, such as LACERA, to have a code that requires its code filers to disclose interests in real property. (Gov. Code §§ 87302 & 87206.) The Act further defines "interest in real property" as property that is "located in the jurisdiction. " (Gov. Code § 82303). "Jurisdiction" is defined with respect to local government agencies to mean the "region, county, city, district or other geographical area in which it has jurisdiction. " (Gov. Code § 82035.) Furthermore, real property shall be deemed to be "within the jurisdiction" with respect to a local government agency if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency. (*Id*.)

The 2023/2024 FPPC Reference Pamphlet, which explains the reporting requirements, provides as follows: "For local agencies, an interest in real property is located in your jurisdiction if any part of the property is located in, or within two miles of, the region, city, county, district, or other geographical area in which the agency has jurisdiction, or if the property is located within two miles of any land owned or used by the agency."

D. Revision to Disclosure Category 3

"Persons in this category shall disclose all business positions and investments in business entities that are the type in which LACERA's trust funds *are or* may be invested (includ*ing* securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities."

This revision will clarify that disclosures pursuant to this category should include not only interests in business entities that are the type in which LACERA's trust funds *may* be invested, which could be read to mean prospectively, but also the type in which funds are *currently* invested.

E. Revision re: Those Who Manage Public Investments Pursuant to a Contract

"LACERA's independent contractors, consultants, and any of their employees, who pursuant to a contract with LACERA, manage public investments ~~or perform~~ *by*

performing the same or substantially all the same functions as the Chief Investment Officer *or Principal Investment Officer*."

This revision will ensure that our Code is consistent with the definition of "other public officials who manage public investments" set out in FPPC regulation 18700.3, subd. (b)(1)(B-C), which identifies those who, pursuant to a contract with a local agency, perform the same or substantially all the same functions that would otherwise be performed by high-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers.

F. Revision re: Consultants or New Positions

Add "The Chief Executive Officer or his or her designee shall inform the Board of Retirement of any such action" to the end of the second paragraph on page 3.

Though not required by the Act or FPPC regulations, this would ensure that the Board of Retirement is kept informed of the Chief Executive Officer's or his or her designee's actions as it relates to consultants and new positions. Even if the County does not approve adding this language to our Code, the Legal Office can ensure that this protocol is followed.

G. New Language re: Temporary Employees

"Temporary Employees Serving in a Designated Positions shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position."

Temporary employees are required to comply with Form 700 filing requirements if they are serving in a position designated in this Code. Adding this language will remove any ambiguity.

Conclusion

Staff recommends that the Board of Retirement and Board of Investments discuss, provide input on, and approve proposed amendments to the Code, including the staff update following the JOGC meeting, subject to final approval by the Los Angeles County Board of Supervisors.

Reviewed and Approved:

Steven P. Rice
Chief Counsel

Attachments

cc: Santos H. Kreimann Luis A. Lugo JJ Popowich Jessica Rivas
Laura Guglielmo Carly Ntoya Richard Bendall

ATTACHMENT

Conflict of Interest Code
of the

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the Conflict of Interest Code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the Conflict of Interest Code of the Los Angeles County Employees Retirement Association (LACERA).

Place of Filing of Statements of Economic Interests

All officials and employees required by this Conflict of Interest Code to submit a statement of economic interests shall file their statements with LACERA's Chief Executive Officer; or his or her designee.

LACERA shall retain the originals of statements for all Designated Positions named in this Conflict of Interest Code and for positions listed under "Officials Who Manage Public Investments". All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA)

EXHIBIT "A" – DISCLOSURE CATEGORIES

CATEGORY 1

Persons in this category shall disclose all interests in real property within the jurisdiction ~~that would be suitable for housing all or part of LACERA's operations and all real property within two miles of that property~~. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land owned or used by LACERA. ~~used to conduct LACERA's operations~~.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose all investments and business positions in, and all income (including gifts, loans and travel payments) received from, business entities that are the type utilized by LACERA.

CATEGORY 3

Persons in this category shall disclose all business positions and investments in business entities that are the type in which LACERA's trust funds are or may be invested (including securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities.

CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by LACERA and associated with the job assignment of designated positions assigned to this disclosure category.

CATEGORY 5

Persons in this category shall disclose all income (including gifts, loans and travel payments) from, investments in and business positions with any member of LACERA, any agent or

employee association representing any such member, and business positions with, investments in or income (including gifts, loans and travel payments) from any entity owned or controlled by any such member or any such member's spouse or other financial dependent.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "A" – DISCLOSURE CATEGORIES (Continued)

CATEGORY 6

Persons in this category shall disclose all income (including gifts, loans and travel payments) received from any LACERA member, or agent of any such LACERA member, with a disability retirement application before the Board of Retirement (during the reporting period) and all business positions with, investments in, or income (including gifts, loans and travel payments) received, from any entity owned or controlled by any such member.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "B"

Designated Positions	Disclosure Categories
Board of Retirement:	
First Member (Treasurer and Tax Collector)	1, 2, 5
Alternate First Member (Chief Deputy, Treasurer and Tax Collector)	1, 2, 5
Second Member (Elected General Member)	1, 2, 5
Third Member (Elected General Member)	1, 2, 5
Fourth Member (Appointed by Board of Supervisors)	1, 2, 5
Fifth Member (Appointed by Board of Supervisors)	1, 2, 5
Sixth Member (Appointed by Board of Supervisors)	1, 2, 5
Seventh Member (Elected Safety Member)	1, 2, 5
Eighth Member (Elected Retired Member)	1, 2, 5
Ninth Member (Appointed by Board of Supervisors)	1, 2, 5
Alternate Safety Member (Elected by Safety Members)	1, 2, 5
Alternate Retired Member (Elected by Retired Members)	1, 2, 5
Retirement Administration:	
Assistant Executive Officer, LACERA, Unclassified	1, 2, 3, 5
Assistant Executive Officer, LACERA	1, 2, 3, 5
Deputy Chief Executive Officer, LACERA, Unclassified	1, 2, 3, 5
Senior Staff Counsel, LACERA	1, 2, 3, 5
Staff Counsel, LACERA	1, 2, 3, 5
Chief Counsel, LACERA (Disability Litigation Section)	4, 6
Senior Staff Counsel, LACERA (Disability Litigation Section)	6
Senior Investment Officer, LACERA	1, 2, 3
Finance Analyst III, LACERA	1, 2, 3
Finance Analyst II, LACERA	1, 2, 3
Chief, Internal Audit, LACERA	4, 5
Chief Financial Officer, LACERA	4, 5
Division Manager, LACERA	4, 5
Assistant Chief Financial Officer, LACERA	4, 5
Assistant Division Manager, LACERA	4, 5
Director, Human Resources, LACERA	4
Administrative Services Officer, LACERA	4, 5
Disability Retirement Specialist Supervisor	4, 6
Contract Analyst, LACERA	4
Special Assistant, LACERA	4
Creative Coordinator, LACERA	4
Chief, Communications, LACERA	4
Director, Retiree Health, LACERA	4, 5
Principal Internal Auditor, LACERA	4, 5
Chief, Quality Assurance and Metrics, LACERA	4, 5
Section Head, LACERA	4, 5

Information Systems Manager, LACERA	4, 5

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "B" (Continued)

Designated Positions	**Disclosure Categories**
Chief Information Technology Officer, LACERA, Unclassified	4
Information Security Officer, LACERA	4
Assistant Information Systems Manager, LACERA	4
Information Technology Manager I, LACERA	4
Information Technology Manager II, LACERA	4
Consultants/New Positions*	
Temporary Employees Serving in Designated Positions**	

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in this code, subject to the following limitations:

The Chief Executive Officer or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.) The Chief Executive Officer or his or her designee shall inform the Board of Retirement of any such action.

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

**Temporary Employees Serving in Designated Positions shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

EXHIBIT "B" (Continued)

Officials Who Manage Public Investments:

The following positions are not covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only.

Board of Investments:

First Member (Treasurer and Tax Collector)
Alternate First Member (Chief Deputy, Treasurer and Tax Collector)
Second Member (Elected General Member)
Third Member (Elected General Member)
Fourth Member (Elected Safety Member)
Fifth Member (Appointed by Board of Supervisors)
Sixth Member (Appointed by Board of Supervisors)
Seventh Member (Appointed by Board of Supervisors)
Eighth Member (Elected Retired Member)
Ninth Member (Appointed by Board of Supervisors)

LACERA Officials:

Chief Executive Officer, LACERA
Chief Executive Officer, LACERA, Unclassified
Chief Counsel, LACERA
Chief Investment Officer, LACERA, Unclassified
Deputy Chief Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA, Unclassified
Principal Investment Officer, LACERA,
LACERA's independent contractors, consultants, and any of their employees, who pursuant to a contract with LACERA, manage public investments ~~or perform~~ by performing the same or substantially all the same functions as the Chief Investment Officer or Principal Investment Officer.

EFFECTIVE DATE:

LACERA

Conflict of Interest Code Updates

Jessica Rivas
Legal Services

Background

- A conflict of interest code tells public officials, governmental employees, and consultants what financial interests they must disclose on their Statement of Economic Interests (Form 700).

- The California Political Reform Act ("Act") requires every local government agency to review its conflict of interest code **biennially**.
  - 2022 – most recent amendment cycle
  - 2024 – current amendment cycle

Background

Basic components of our Conflict of Interest Code:

- Cover Page
- Disclosure Categories (Exhibit A)
- Designated Positions (Exhibit B)
- Consultant/New Positions
- Officials Who Manage Public Investments

Background

Types of amendments:

- Add/delete positions
- Revise disclosure categories
- Revise titles of existing positions
- Other

Proposed Changes

1. **New Positions**
   - Information Technology Manager I & II

2. **Revise titles of existing positions**
   - Deputy Chief Investment Officer, LACERA, *Unclassified*
   - Deputy Chief Executive Officer, LACERA, *Unclassified*
   - Chief Information Technology Officer, LACERA, *Unclassified*

Proposed Changes

3. Revision to Disclosure Category 1

Gov. Code § 82035: "Real property shall be deemed to be "within the jurisdiction" with respect to a **local government agency** if the property or any part of it is located **within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency**."

Proposed Changes

3. Revision to Disclosure Category 1

2023-2024 Form 700 Statement of Economic Interest Reference Pamphlet, p. 14:

> For local agencies, an interest in real property is located in your jurisdiction if any part of the property is located in, or within two miles of, the region, city, county, district, or other geographical area in which the agency has jurisdiction, or if the property is located within two miles of any land owned or used by the agency.

Proposed Changes

3. Revision to Disclosure Category 1

CATEGORY 1

Persons in this category shall disclose all interests in real property within the jurisdiction ~~that would be suitable for housing all or part of LACERA's operations and all real property within two miles of that property~~. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the County of Los Angeles or within two miles of any land owned or used by LACERA. ~~used to conduct LACERA's operations~~.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

Proposed Changes

3. Revision to Disclosure Category 1

Examples from other retirement systems' conflict of interest codes in California:

- OCERS – Notes that the Act "generally requires the disclosure of interests in real property in the agency's jurisdiction" and for certain disclosure categories, requires disclosure of "all interests in real property in Orange County."
- SCERS – "Interests in Real Property that could be affected by any decision made or participated in by the designated individual[.] If the designated individual is a trustee or SCERS employee, disclosure is only required on real property located in the County of Sacramento."
- FCERA – doesn't specify
- VCERA – doesn't specify
- CalPERS – "All interest in real estate located in whole or in part within the State of California."
- CalSTRS – Doesn't address geographic jurisdiction for real property.

Proposed Changes

4. Revision to Disclosure Category 3

CATEGORY 3

Persons in this category shall disclose all business positions and investments in business entities that are the type in which LACERA's trust funds are or may be invested (including securities, real estate and business entities), all income (including gifts, loans and travel payments) from such business entities, and all interests in real estate co-owned with or purchased from such business entities.

Proposed Changes

5. Revision re: Those Who Manage Public Investments Pursuant to a Contract

LACERA's independent contractors, consultants, and any of their employees, who pursuant to a contract with LACERA, manage public investments ~~or perform~~ by performing the same or substantially all the same functions as the Chief Investment Officer or Principal Investment Officer.

- Change "or perform" to "by performing" for clarity and accuracy.
- Add "or Principal Investment Officer" to align with FPPC regulations, which reference both the CIO and PIO.

Proposed Changes

6. Revision re: Consultants or New Positions

The Chief Executive Officer or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.) The Chief Executive Officer or his or her designee shall inform the Board of Retirement of any such action.

Proposed Changes

7. New Language re: Temporary Employees

**Temporary Employees Serving in Designated Positions shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

Other Potential Changes

Any other suggestions?

Timeline

- March 2024 – Ethics & Compliance Committee
- April 2024 – JOGC
- June 2024 – BOR and BOI
- Fall 2024 – Submit proposed amendments to County
- Winter/Spring 2025 – Work with County (Executive Office of Board of Supervisors, Conflict of Interest/Lobbying Division)
- Spring/Summer 2025 – anticipated County BOS approval

Thank You!

Legal Services

Questions?

jrivas@lacera.com

LACERA

May 10, 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: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: **LACERA Budget Policy (Annual Review)**

RECOMMENDATION

That the Board of Retirement (BOR) and Board of Investments (BOI) review and approve the revised LACERA Budget Policy, attached as a companion to the adoption of the Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trust Budgets.

BACKGROUND

Revisions to the Budget Policy were reviewed and approved by the LACERA's Ethics and Compliance Committee (ECC). Consistent with its Charter, the JOGC has responsibility for issues that impact both the Boards of Retirement and Investments (the Boards), including strategic planning and budgeting, and joint Board policy development. On April 24, 2024, the JOGC considered an update to LACERA's Budget Policy as a companion document to the Fiscal Year 2024-25 Budget and recommends approval.

A redline version is not provided because the format of the policy has changed substantially to comply with the standards set by the ECC. The only substantive change to the policy itself can be found on page 8, paragraph V.B. 11, Pre-funding OPEB. Previously, the policy authorized the Chief Executive Officer to utilize year-end budgetary savings, if available, to pay down the liability of the OPEB program. The amount was limited to no more than 100 percent of the pre-funded amount, set at the Los Angeles County rate, included in LACERA's budget. However the Board of Retirement, at its August 2, 2023 meeting, directed staff to update the policy to permanently pre-fund LACERA's OPEB liability as part of our annual budget process. Staff will work with our

actuary to identify options to fully fund LACERA's OPEB liability over the next 30 years and bring recommendations back to the JOGC and then to both Boards for approval.

CONCLUSION

LACERA's Budget Policy serves to guide the organization's fiscal and budgetary activities in a sound and reasonable manner.

Attachment

BUDGET POLICY

Authorizing Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009 **Last Updated:** 03/21/2024

Mandatory Review: June 2025 (Annually)

Approval Level: Board of Retirement and Board of Investments

I. Purpose

This document sets forth the fiscal policy to ensure LACERA's budgeting practices are in accordance with prudent fiscal management for the allocation and utilization of resources to meet the organization's Mission and Vision and to support the goals of the Board of Retirement and Board of Investments' Strategic Plans. The policy also serves to increase the transparency of the budgeting process, which ensures stakeholders and members have insight into how LACERA manages its funds and meets its fiduciary obligations.

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Budget, and the Other Post-Employment Benefits (OPEB) Trust.

The objective of this policy is to set out LACERA's budgeting principles, the timeline for the preparation of the budget, and the process and responsibilities for review, approval, and implementation of all three budget components.

II. Scope

This Policy applies to the development, preparation, and implementation of all three components of LACERA's budget in accordance with the County Employees Retirement Law (CERL).

Any exceptions to this Policy must be requested in writing (clearly stating the basis for the exception) and approved by the Board of Retirement and Board of Investments.

III. Legal Authority

Government Code Section 31580.2 of the County Employees Retirement Law (CERL) requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system.

Government Code Section 31596.1 provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters under Government Code Sections 31607 shall not be considered a cost of administering the system. As such, these costs are not included in the Administrative Budget and are identified as "non-administrative expenses."

Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs and under Government Code Section 31607 for services to assist the Board of Investments in carrying out its investment powers and duties. Under Section 31529.1, legal representation within the scope of that statute is limited to one-hundredth of 1 percent of system assets in any budget year; investment legal expenses under Section 31607 are not similarly limited.

Government Code Section 31580.2(b) provides that expenditures for computer software, hardware, and technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system for purposes of this section.

Government Code Sections 31691 and 31694 provide that the expenses of administering the RHCBP program and OPEB Trust may not be made from assets of the retirement fund. Therefore, such costs should not be part of the pension system's administrative budget.

IV. Definitions

Administrative Budget: LACERA's annual Administrative Budget consists of two components: Salaries and Employee Benefits, and Services and Supplies.

Appropriation: Funds set aside for specific purposes outlined in the Adopted Budget.

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA's work plan to meet its Mission and Vision and LACERA's Board of Retirement Strategic Plan and Board of Investments Strategic Plan.

Fiscal Year: LACERA's fiscal year begins on July 1st and concludes on June 30th. LACERA shall follow a naming convention referencing the fiscal year ending date, for example, FY23 for the fiscal year ending June 30, 2023.

Information Technology Coordination Council (ITCC): Oversight body responsible for significant technology and system recommendations for incorporation into the Proposed Budget. Established to ensure the efficient and effective use of technology, collaboration across the organization, and that the strategic plan goals are achieved.

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

Other Post-Employment Benefits (OPEB) Trust: Trust funds established by Los Angeles County, LACERA, and the Superior Court to pre-fund their Retiree Healthcare Benefit Program.

Retiree Healthcare Benefits Program (RHCBP) Budget: The RHCBP Budget reflects the resources and revenue required to administer retiree healthcare benefits to eligible members. These costs are funded through a monthly administrative fee via healthcare

premiums, charged to program participants, or the plan sponsor if the member's benefit is fully subsidized.

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system, established by Government Code Section 31580.2-- currently twenty-one hundredths (.21) of one percent of the actuarial accrued liability of the retirement fund.

Unallocated Statutory Appropriation Balance: The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit established by Government Code Section 31580.2.

V. Policy Statement

This policy seeks to document LACERA's budgetary practices, consistent with its fiduciary duty of prudence.

V.A. Budgetary Components

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare Benefits Program (RHCBP) Budget and the Other Post-Employment Benefits (OPEB) Trust.

V.A.1. Administrative Budget

The Administrative Budget reflects the resources needed to achieve the organization's work plan, each Board's Strategic Plan and goals, and operational activities in support of pension administration and investment of plan assets required to deliver retirement benefits for LACERA members and beneficiaries. It consists of two primary components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S).

S&EB costs consist of ongoing personnel costs for the organization, including salaries for permanent and temporary staff, overtime, and variable benefits. Variable benefits include retirement costs (pension, 457, and 401K plan costs), health insurance, OPEB contributions and other employee benefits.

S&S costs reflect the daily operational needs of the organization. Some examples include, but are not limited to, building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

V.A.2 Retiree Healthcare (RHC) Benefits Program Budget

The Retiree Healthcare Benefits Program provides healthcare benefits to LACERA membership on behalf of the fund's Plan Sponsors. The insurance premiums are born solely by the participants of the plan, or the Plan Sponsor if the employee is eligible for such benefit. LACERA trust funds are not used for premium payments

or for the administration of the Program. The direct costs and variable overhead costs associated with the administration of the RHC Benefits Program are charged to the plan sponsors and participating members via an administrative fee. These administrative fees are added to the monthly premium costs and are not included in the Administrative Budget.

There are four categories of expenses for the RHC Benefits Program:

- Direct Costs of Salaries and Employee Benefits
- Direct Services and Supplies
- Indirect Salaries and Employee Benefits
- Indirect Services and Supplies.

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology, and Human Resources.

V.A.3. Other Post-Employment Benefits (OPEB) Trust Budget

The County of Los Angeles (County), LACERA, and the Superior Court (Court) utilize an OPEB Trust to pre-fund the Retiree Healthcare Program benefits. In FY 2012-2013, the County and LACERA established a trust to fund their program and the Court established its trust in FY 2016-17. Each agency's trust funds are reported separately in their financial statements. The Board of Investments of LACERA serves as the trustee and investment manager for the trusts.

The Trust Agreements stipulate that *"… the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust…"* As such, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the OPEB Trust. The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA, and the Court based on an agreed methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

V.B. Process

The budget process consists of activities that encompass the development, implementation, and evaluation of the annual financial plan for the allocation of resources to support and accomplish organizational goals and strategic initiatives.

V.B.1. Budget Monitoring and Control

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the allocation and utilization of resources to meet the organization's Mission, Vision, and Values and each Board's Strategic Plan.

V.B.2. Criteria

LACERA Management develops the annual proposed budget reflecting the enterprise priorities established through each Board's Strategic Plan. Criteria used by the organization to prioritize resources for the budget include, but are not limited to:

- Alignment with each Board's Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service to LACERA's members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning
- Direction of the LACERA Board of Retirement and/or Board of Investments

V.B.3 Alignment with Each Board's Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. Each Board's Strategic Plan lays out its strategic goals, objectives, and action plans to achieve LACERA's Mission, Vision, and Values. Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goals or objectives have been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization's budget, or financial plan allocate the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

V.B.4 Annual Budget Development and Approval Calendar

Date	***Activity***
By November 30	• Executive Office and Management review each Board's Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle.

	• Administrative Services Division provides each Division Manager a budget package with instructions for completing their proposed budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, a schedule of meeting dates with the Budget Unit, and a schedule of meeting dates with the Executive Office.
December	The Budget Unit, representatives from Human Resources and Systems meet with Division Managers and their designees to provide guidance in the development of their budget requests.
By January 15	Division Managers submit their proposed budget to the Budget Unit.
By February 15	The Executive Office meets with each Division Manager and their designees to discuss the Division's needs and provide direction to the Division Managers and Budget Unit.
March	Audit Committee review of Internal Audit Proposed Budget.
April	The Budget Unit prepares and distributes the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.
April	Present preliminary budget to JOGC for review and input
By June 30	Board of Retirement and Board of Investment review and approve final budget

V.B.5. Budget Adoption

The Board of Retirement and Board of Investments ("Boards") have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30th. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight of the budget preparation and planning. The Preliminary Budget is presented to the JOGC in April for its review and direction. Staff incorporates direction from the JOGC, and the JOGC's recommendations are presented to both Boards. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th.

V.B.6. Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies.

Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

To the extent funding appropriated as part of the budget is less than the statutory appropriations limit, the Boards may take specific action at any point during the fiscal year to appropriate additional funds not to exceed the maximum amount established by statute. LACERA's budgeting process includes a Mid-Year Budget Adjustment proposal to facilitate changes in priorities, goals, or economic conditions. The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit shall be referred to as the "Unallocated Statutory Appropriation Balance."

Budgetary adjustments that do not fall within the authority of the Chief Executive Officer, as outlined in Section V.B.10 below, require the review and recommendation by the JOGC for approval by both Boards as outlined in Section V.B. 12.

V.B.7. Budget Monitoring and Reporting

Budget Unit staff monitors and analyzes Division and enterprise-wide expenditures throughout the year, consults with Division Managers to identify planned expenditures and project full year under/over expenditures by Division, and compares those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

Budget Control Reports are prepared and provided to all Trustees and Management Staff on an outlined schedule within the fiscal year. These reports include year to date expenditures and projected expenditures compared to the budget. Budget adjustments impacting staffing levels or exceeding the CEO's authority referenced in Section V.B.10 shall be considered by the JOGC and approved by the Boards.

This budget monitoring and control activity occurs concurrently while the Proposed Budget for the upcoming fiscal year is being developed.

V.B.8. Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if necessary, as described in Section V.B.6. JOGC recommendations shall be considered for approval by the Boards. As part of the mid-year budget, Executive Management may also address the progress and status of achieving the Boards' respective Strategic Plans.

V.B.9. Mid-Year and Year-End Adjustments Within the Administrative Budget

As part of LACERA's budget monitoring and reporting activities, it may become necessary to amend the Final Adopted Budget. Amendments may take the form of transferring appropriations between line items within a major account, transferring appropriations between major accounts, or increasing total appropriations within the statutory limits established by the Government Code as discussed in Sections V.B.6 and V.B.10.

V.B.10. Transferring Appropriations

LACERA's Administrative Budget has two major accounts, Salaries and Employee Benefits (S&EB), and Services and Supplies (S&S).

Within each major account are several line items with individual appropriations. The CEO has the authority to transfer appropriations not to exceed $1 million across major accounts and has full discretion and authority to transfer appropriations between line items within each major account. The CEO shall notify all Trustees of such actions at the next Board meeting and as part of the routine Budget Control Reporting.

V.B.11. Pre-funding OPEB

LACERA participates in the OPEB Trust as a "contributing employer" and funds its employees' program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA's objective to fund these program benefits within the working lifetime of the program beneficiaries so as to maintain intergenerational equity. To achieve intergenerational equity more quickly, since 2022, LACERA's CEO has authorized additional OPEB contributions utilizing budgetary savings identified at year end. In order to ensure a consistent paydown of the OPEB liability, LACERA's actuary shall now calculate the additional annual pre-funding necessary to fully fund LACERA's OPEB liability over the next 30 years. The annual amount necessary shall be included as a separate line item in LACERA's budget.

V.B.12. Increasing Total Appropriations

Should unanticipated expenditures be required during the fiscal year beyond the total Adopted Budget amount, the Unappropriated Statutory Appropriation Balance is available. This balance represents the difference between the total statutory appropriation limit established under CERL and the Final Adopted Budget. To utilize these unappropriated funds, both Boards must approve a budget amendment, increasing the total annual appropriation. Such requests will first be considered by the JOGC for a recommendation to both Boards to take the required action.

V.C. Audit Committee Oversight of Internal Audit

LACERA's Internal Audit Division provides independent and objective assurance and consulting services to assist the organization in achieving its Mission, Vision, and Values and each Board's Strategic Plan. To protect its independence, the Internal Audit Division reports functionally to the Audit Committee of the Boards and administratively to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit's Proposed Budget by Mid-March, which is then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April or May.

VI. References

The following information complements and supplements this document.

Related Policies:

- Retirement Benefit Funding Policy
- OPEB Investment Policy Statement – OPEB Master Trust

Related Internal Procedures: Budget instructions provided annually; Questica Budget Guide (Internal Document)

Related Forms/Templates: Not Applicable; Data captured in Questica Budget System

Other Related Information:

- Joint Organizational Governance Charter
- Audit Committee Charter

VII. Version History

VII.A. Approvals

Policy Issue Date: May 20, 2009

Policy Effective Date: *Pending Approval*

Policy Update/Review Summary:

- Updated and approved by the Board of Retirement and the Board of Investments on (*Pending Approval*), respectively. Prior versions supersed and have no effect as of the stated approval date.
- This policy was previously approved by the Board of Retirement on June 7, 2023, and the Board of Investments on June 14, 2023
- This policy was previously approved by the Board of Retirement on June 1, 2022, and Board of Investments on June 9, 2022

VIII. Review/Approval

The Joint Organizational Governance Committee shall review and recommend that the Board of Retirement and the Board of Investments approve this policy annually when they adopt the Budget for the upcoming fiscal year.

LACERA

May 21, 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: June 12, 2024 Board of Investments Meeting

SUBJECT: **Investment Policy Statement Update – LACERA Pension Trust**

RECOMMENDATION

Staff recommends the Board of Investments ("Board" or "BOI") approve the adoption of the revised Investment Policy Statement.

SUMMARY

The BOI is responsible for setting LACERA's Strategic Asset Allocation ("SAA"), which serves as the key driver of long-term risk and return for the Pension Trust ("Pension"). The SAA functions as the method to achieve LACERA's mission to produce, protect, and provide the promised benefits to our members. The IPS and SAA are crucial elements within the Delegated Authority Framework (highlighted in green and yellow below) and represent our governance process's first and second stages.

Over the past eleven months, Meketa and LACERA's investment team have conducted educational sessions and advanced recommendations covering critical aspects of the SAA study. These sessions included discussions on return expectations, analysis of capital market expectations, evaluation of various asset classes and benchmarks, considerations of climate impact, and exploring a risk budgeting framework.

The BOI approved the Pension SAA during the April Board meeting. At last month's BOI meeting, the Pension IPS benchmarks, policy ranges, and implementation timeline were approved. The next step in implementing the revised SAA is to update the Pension's Investment Policy Statement ("IPS") to incorporate the Board-approved changes.

The proposed Pension Trust draft updates the IPS to reflect the revised SAA, incorporating the approved composite benchmarks and policy ranges. Importantly, minimal updates are needed; the following highlights the sections that have been adjusted as part of the red-lined Pension IPS:

Investment Philosophy and Strategy

- **Overview of Strategic Asset Allocation**

  ii. Credit (b.) Asset Classes. To reflect the consolidation of liquid and illiquid assets into a single "Credit" category, references to liquid credit have been removed.

  iii. Real Assets and Inflation Hedges (b.) Asset Classes. Deleted references to commodities to reflect that natural resources include commodity assets.

Appendix – Investment Tables

- **Table 1 - Approved Asset Allocation**. Updated to reflect the new SAA, investment policy targets, ranges, and steps related to the revised asset allocation. The Pension Trust will transition to its final target policy weights in two phases. First, starting on July 1, 2024, the policy weights will shift to half of the approved final weights. Then, on January 1, 2025, the final target weights will be applied.

  Table 2 - Benchmark Table. Updated to reflect changes to the policy benchmarks, which will go live on July 1, 2024.

Attached to this memo are documents that will be used to facilitate a discussion with the Board on the proposed Pension Trust IPS changes:

- **Attachment 1** is a staff presentation outlining the Pension IPS changes.
- **Attachment 2** is a red-lined version of the draft Pension IPS.
- **Attachment 3** is Meketa's letter of concurrence.

Attachments

ATTACHMENT 1

Investment Policy Statement Update – LACERA Pension Trust

Board of Investments Meeting

June 12, 2024

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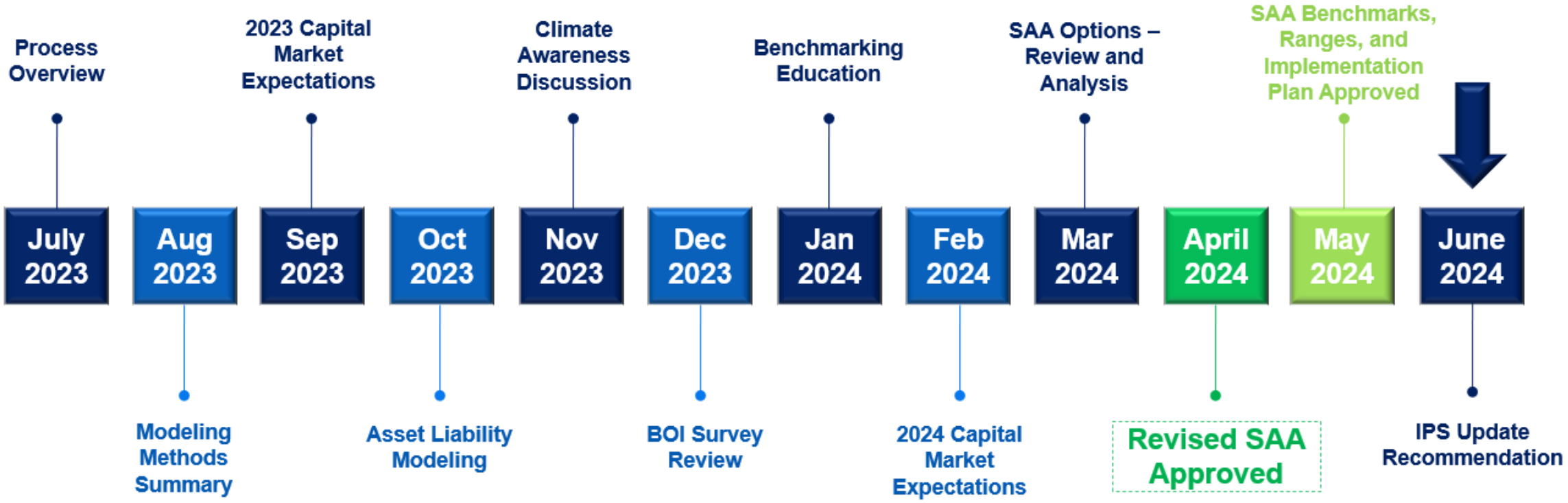
Strategic Asset Allocation Timeline

Education and Board Recommendations

Over 11 months, staff and Meketa have provided Strategic Asset Allocation ("SAA") education and recommendations to the Board



Investment Policy Statement Update Overview

At the April 2024 Board of Investments Meeting ("BOI"), the Board adopted a new SAA - a key step in LACERA's delegated authority framework

At the May BOI meeting, the following were approved for the Pension Trust ("Pension"):

- Functional and asset class benchmarks
- Investment policy ranges
- Implementation timeline

➡**The next step in implementing the revised SAA is to update the Pension Trust Investment Policy Statement ("IPS") to incorporate the Board-approved changes. The framework highlights this step in green.**

Suggested Revisions

The proposed Pension Trust draft updates the IPS to reflect the revised SAA, including Meketa's recommended composite benchmarks and policy ranges

The following highlights that the changes are minimal and list the sections that have been adjusted as part of the red-lined Pension IPS:

IPS Section	Item Changed	Rationale
Investment Philosophy and Strategy Overview of Strategic Asset Allocation	ii. Credit (b.) Asset Classes	To reflect the consolidation of liquid and illiquid assets into a single "Credit" category, references to liquid credit have been removed
	iii. Real Assets and Inflation Hedges (b.) Asset Classes	Deleted references to commodities to reflect that natural resources include commodity assets
Appendix – Investment Tables	Table 1 - Approved Asset Allocation	Updated to reflect the new SAA, investment policy targets, ranges, and steps related to the revised asset allocation. The Pension Trust will transition to its final target policy weights in two phases: • On July 1, 2024, policy weights will shift to half of the approved final weights • On January 1, 2025, final target weights will be applied
	Table 2 - Benchmark Table	Updated to reflect changes to the policy benchmarks, which will go live on July 1, 2024

Suggested Revisions, cont.

Below are clean versions of the Appendix tables, incorporating the Board approved ranges, benchmarks, and implementation timeline:

Asset Class	Target Allocation (%)	Allocation Range +/- (%)	Target Allocation (½ Step) 7/1/2024
Growth	**48**	**+/-8**	**50.5**
Global Equity	29	+/-7	30.5
Private Equity	17	+/-6	17
Non-Core Private Real Estate	2	+/-2	3
Credit	**13**	**+/-4**	**12**
Real Assets and Inflation Hedges	**15**	**+/-4**	**16**
Core Real Estate	5	+/-3	5.5
Natural Resources	3	+/-2	3
Infrastructure	4	+/-3	4.5
TIPS	3	+/-3	3
Risk Reduction and Mitigation	**24**	**+/-8**	**21.5**
Investment Grade Bonds	13	+/-8	10
Diversified Hedge Funds	8	+/-4	7
Long-term Government Bonds	2	+/- 2	3.5
Cash	1	+2/-1	1
Overlays and Hedges	**0**		**0**
Cash Overlay	0		0
Currency Hedge	0		0
TOTAL FUND	100.0		100.0

Asset Class	Benchmark
Growth	**Custom Blend**
Global Equity	MSCI ACWI IMI Net
Private Equity	MSCI ACWI IMI + 200 bps (3-Month lagged)
Non-Core Real Estate	NFI ODCE + 225 bps (3-Month lagged)
Credit	**Custom Blend:** 70% Credit Suisse Leveraged Loans; 30% Bloomberg US Corporate High Yield + 100 bps (1 Month lagged)
Real Assets and Inflation Hedges	**Custom Blend**
Core Real Estate	NFI ODCE (3-Month lagged)
Natural Resources	65% S&P Global Natural Resources TR (3-Month lagged); 35% NCREIF Farmland
Infrastructure	Dow Jones Brookfield Global Composite Infrastructure TR (3-Month Lagged)
TIPS	Bloomberg US TIPS (0-5 yrs)
Risk Reduction and Mitigation	**Custom Blend**
Investment Grade Bonds	Bloomberg US Aggregate TR
Diversified Hedge Funds	FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged)
Long-term Government Bonds	Bloomberg US Long Treasury Bond
Cash	FTSE 3-Month US Treasury Bill
TOTAL FUND	**Custom Blended Policy Benchmark**

Recommendation

Staff recommends that the Board approve the adoption of the revised Pension Trust Investment Policy Statement

IPS will be formatted upon Board approval

Investment Policy Statement

~~Revised November 8, 2023~~

LACERA

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Emerging Manager Policy

Placement Agent Policy

Private Equity Privatization Policy

Procurement Policy for Investment-Related Services

About LACERA

The Los Angeles County Employees Retirement Association ("LACERA") administers a defined benefit retirement plan (the "Fund") and other post-employment benefits ("OPEB" or the "Trust") for employees of Los Angeles County and certain other districts.

The Los Angeles County Board of Supervisors established LACERA by ordinance in 1937. LACERA has operated since 1938, and today, serves over 170,000 active and retired members.

LACERA's mission is to "produce, protect, and provide the promised benefits to our members." LACERA aims to fulfill its mission through prudent investment and conservation of plan assets, in accordance with its Investment Beliefs and in consideration of actuarial analysis.

LACERA MISSION STATEMENT

We Produce, Protect, and Provide the Promised Benefits to our Members

LACERA's Board of Investments (the "Board") is responsible for establishing LACERA's investment policy and objectives, as well as exercising oversight of the investment management for both the Fund and the Trust.

Statement of Purpose

LACERA's Investment Policy Statement (the "IPS") defines the framework by which LACERA manages the assets of the Fund in order to fulfill its mission. The document provides the primary guidance for LACERA's investment activities by outlining the philosophy and structure of LACERA's investment program, describing the general process by which assets are managed, and defining the key roles and responsibilities in LACERA's investment program.

Legal Authority

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

A. Fiduciary Duty

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

- *Duty of Loyalty*. Under the duty of loyalty, Board members have the sole and exclusive responsibility to administer the Fund to ensure prompt delivery of benefits to members and their beneficiaries. In making every decision, the Board must act according to a three-pronged legal formula that balances the interests of the Fund's stakeholders: (1) solely in the interest of providing benefits to members and beneficiaries, (2) to minimize employer contributions, and (3) to defray the expenses of administering the Fund. The Board's duty to members and their beneficiaries takes precedence over any other duty.

- *Duty of Prudence.* Board members must discharge their duties with the care, skill, prudence, and diligence that a prudent fiduciary familiar with the matters and the circumstances of each particular decision would use in the conduct of a similar enterprise with like aims. The Board must diversify fund investments so as to minimize risk of loss and maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. The Board may invest or delegate the authority to invest Fund assets through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

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

B. Ethics and Code of Conflicts

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

C. Process

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

Investment Policy

I. Investment Philosophy and Strategy

A. Objectives of the Investment Program

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

i. **Produce** the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;

ii. **Protect** the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and

iii. **Provide** the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission

B. Investment Beliefs

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

i. Strategic Asset Allocation

Long-term strategic asset allocation will be the primary determinant of LACERA's risk/return outcomes.

a. It is important that LACERA be forward-looking, as its investment horizon spans decades, if not indefinitely, into the future.
b. Strategic asset allocation has a greater effect on return variability than asset class investment structure or manager selection.
c. Strategic asset allocation is a critical source of investment diversification to optimize growth and mitigate risk across the total Fund.
d. Strategic asset allocation must carefully consider plan liabilities, actuarial assumptions, and capital market assumptions.
e. Rebalancing the portfolio is a key aspect of prudent long-term strategic asset allocation policy.

ii. Market Dynamics

Capital market efficiencies inform LACERA's strategic asset allocation and portfolio construction.

a. The efficiency of financial markets may vary by market segment, geographic region, geopolitical regimes, and across public versus private markets.
b. Market transparency, the regulatory environment, behavioral finance factors, and investment time horizons may influence and shape market efficiency.

c. LACERA's investment processes should be adequately nimble to prudently capture attractive investment opportunities.

iii. Return

Risk and return are expected to be positively correlated over long-term periods. Returns can be enhanced through active strategies, illiquid investments, and leverage; however, such strategies need to be balanced with LACERA's risk tolerances, portfolio objectives, and liquidity needs.

a. Active strategies will be used when they are expected to add value net-of-fees while adjusting for risk.
b. The total capital allocated to illiquid strategies must be kept at a prudent level.
c. Liquid assets serve a critical role to fund benefit payments and rebalance the portfolio.

iv. Risk

Risk is a broad term used to capture the concept of uncertainty. No single metric adequately conveys risk. LACERA will evaluate risk holistically, incorporating quantitative measures and qualitative assessments in managing its portfolio. Monitoring and managing risk is a key focus for LACERA. Risk that is not expected to be rewarded over the long-term, or mitigated through diversification, will be minimized.

Risks confronted by LACERA include, but are not limited to:

a. Investment Risks (macroeconomic, volatility, leverage, illiquidity, geography, currency, political, credit, environmental, social, and governance); and
b. Operational Risks (valuation, counterparty, benchmarking, business continuity, talent management, cybersecurity, reputational, fraud, regulatory, and conflicts of interest).

v. Governance

Strong governance is critical for LACERA to achieve its investment objectives.

Strategic direction-setting by the Board, prudent delegation of day-to-day portfolio management, and effective organizational controls and oversight are important components of strong governance.

vi. Stewardship

LACERA recognizes that environmental, social, and corporate governance factors (ESG) may present financial risks and opportunities for the Fund. LACERA seeks to identify, evaluate, and manage financially relevant ESG factors in its investment process—including portfolio construction, investment due diligence, and stewardship strategies—to safeguard and enhance Fund performance.

vii. Terms

Investment outcomes are determined by risk, returns, and costs. All three must be managed, and each mandate should be structured with the best possible terms available across the total Fund to enhance future outcomes.

a. The breadth of LACERA's presence in financial markets is an asset to influence terms and fees.
b. Consideration of net-of-fees returns is an integral part of a successful long-term investment strategy.
c. Costs, fees, and terms should be actively monitored and negotiated to the greatest extent possible.

viii. Productivity

People and resources matter. Constructive talent management, efficient operations and procedures, and a commitment to ongoing education and improvement are essential to optimizing LACERA's investment performance.

a. Human Capital: Trustees and staff are vital to executing LACERA's investment program. LACERA must cultivate a talented and collaborative workforce that is inclusive of diverse perspectives and backgrounds and demonstrates a steadfast commitment to high ethical conduct.

b. Education: In an increasingly complex and dynamic investment universe, continued education on investment concepts and investment strategies within that universe is fundamental for long-term success.

c. Operations: Strong operational processes and sufficient resources can maximize efficiency, mitigate risks, and optimize investment performance.

C. Strategic Asset Allocation

LACERA fundamentally believes long-term strategic asset allocation will be the primary determinant of risk/return outcomes, and therefore establishes a strategic asset allocation to meet its mission and investment objectives.

LACERA's strategic asset allocation categorizes capital outlays into five groups, defined by the function each allocation is intended to serve in the portfolio: (1) Growth, (2) Credit, (3) Real Assets and Inflation Hedges, (4) Risk Reduction and Mitigation, and (5) Overlays and Hedges. The functional categories include various asset classes that represent the risk/return characteristics of each area.

LACERA expects the five functional categories to diversify the Fund and optimize upside growth while mitigating downside risk .The asset allocation determines what proportion of the Fund is allocated to each functional category and underlying asset class, including target weights and allowable ranges as a percentage of the Fund.

In order to determine its strategic asset allocation, LACERA conducts a comprehensive asset allocation study every three to five years, or at the Board's request .The asset allocation study considers a number of factors, such as:

- A projection of actuarial assets, liabilities, benefits payments, contributions, and the actuarial rate of return for the Fund, as well as its current and projected funded status.
- Historical results and expected long-term capital market risk, return, and correlation forecasts.
- An assessment of future economic conditions, including inflation and interest rate levels.
- Various risk/return scenarios.
- The Fund's liquidity requirements.

LACERA's approved asset allocation and benchmarks are detailed in the tables of the Appendix.

D. Overview of Strategic Asset Allocation

LACERA groups asset classes into the following functional categories:

i. Growth

a. Role in the portfolio: The role of assets in this category is to be the primary driver of long-term total returns for the Fund.

b. Asset Classes: Global Equity, Private Equity, and Non-Core Private Real Estate.

c. Investment Approach: Growth assets generally represent equity or equity-like interests in current and future income streams. Growth assets include public and private market strategies that include both liquid and illiquid investments. LACERA utilizes passive strategies in relatively efficient segments of the market for global equity. LACERA employs active strategies in relatively less efficient market segments of global equities, as well as in private equity and non-core private real estate.

d. Risk Factors: Growth assets are primarily equity ownership positions that tend to perform well in times of positive economic growth. They are highly sensitive to economic conditions and are subject to potential loss in value based on a number of factors. For example, growth assets may be sensitive to inflation and generally perform poorly in times of high and unexpected inflation. To a lesser extent, growth assets may be sensitive to interest rates due to the use of leverage in certain strategies as well as the relationship between interest rates and the discount rates used to price securities.

ii. Credit

a. Role in the portfolio: LACERA expects assets categorized as Credit to produce current income and moderate long-term total returns. Credit has more moderate levels of risk than assets categorized as Growth, and, accordingly, provides incremental diversification to the total Fund.

b. Asset Classes: ~~Liquid Credit (High Yield, Bank Loans, Emerging Market Debt), and Illiquid~~ Credit.

c. Investment Approach: Credit assets are generally fixed claims on assets or income streams of an issuer (e.g., government, corporation, asset-backed securities). The category is composed of certain fixed income, hedge funds, real estate, and private debt investments. Investment strategies within this category may have a specific mandate or be multi-strategy. The investment strategies may be liquid, illiquid, or a combination of both, depending on the nature and terms of the specific investment vehicle. LACERA employs active strategies across all asset classes within the Credit category but may employ passive strategies in certain segments that are relatively more efficient.

d. Risk Factors: The primary risk for owners of Credit assets is the failure of the borrower to make timely payments of interest and principal. There are three elements of credit risk: the risk of default, the risk of a credit downgrade, and spread risk, which is the risk that investors may demand greater compensation for bearing the first two types of risk. Bonds with credit risk offer a yield premium over government bonds to compensate investors for the additional risk. Bonds with greater credit risk (i.e., bonds with lower credit ratings) are typically less liquid than higher quality bonds.

iii. Real Assets and Inflation Hedges

a. Role in the portfolio: LACERA expects assets in this category to provide income as well as a hedge against inflation, while diversifying the Fund due to the assumed low correlation of returns between these assets and other asset classes.

b. Asset classes: Core Private Real Estate, Natural Resources ~~& Commodities,~~ Infrastructure, and Treasury Inflation-Protected Securities ("TIPS").

c. Investment Approach: Real Assets generally include physical assets, such as real estate and infrastructure, or securities whose value is derived from a physical asset, such as commodities or natural resources. Assets in this category may be invested in both public and private investments and may be liquid or illiquid, as well as passively or actively managed.

d. Risk Factors: Real Assets and Inflation Hedges are sensitive to inflation. The primary risk for owners of real assets/inflation hedges is that they fail to provide a hedge against long-term changes in

inflation. A secondary risk is loss of principal. The value of real estate and natural resources assets may fall, particularly during an economic downturn, but also due to idiosyncratic aspects of each asset. Diversification may offset asset-specific risk. Foreign assets are also subject to currency movements against the U.S. dollar. TIPS are exposed to liquidity risk, as they tend to be less liquid than nominally U.S. Treasuries, particularly during a market environment in which there is a flight to safety.

iv. Risk Reduction and Mitigation

a. Role in the portfolio: LACERA expects assets in this category to provide moderate amounts of current income by generating a modest level of return while also reducing total Fund risks, in part by preserving capital in the event of a downturn in equity markets. LACERA anticipates that assets in this category will have a low level of volatility and a low correlation to Growth assets, thereby providing downside protection. In the event of a market correction, these assets could also provide a source of liquidity for benefit payments.

b. Asset classes: Investment Grade Bonds, Diversified Hedge Fund Portfolio, Long-Term Government Bonds, and Cash.

c. Investment Approach: The category is composed of investment grade bonds, diversified hedge funds, long-term government bonds, and cash. Cash is the least volatile asset class, as well as the most liquid; the flexibility it provides during periods of market decline helps to mitigate risk. Investment grade bonds comprise a mix of U.S. Treasuries, corporate debt, and other bonds of high quality, typically rated "BBB" or above by rating agencies. High quality bonds would be expected to protect the total Fund by retaining or increasing their value during a market correction. Diversified hedge funds comprise a variety of hedged investments, such as relative value, arbitrage, and long/short strategies within a diversified portfolio. They would be expected to produce returns at or above high-grade bond portfolios, with equal or lower volatility, and be largely uncorrelated with other portfolio assets.

d. Risk Factors: The primary risk factor for Risk Reduction and Mitigation Assets is that they will fail to provide the anticipated level of protection during market downturns. Assets in this category are also subject to additional risks. For example, investment grade bonds are sensitive to fluctuations in interest rates and have some risk of default. Cash can include short-term instruments and vehicles where there is a low probability of loss of principal.

v. Overlays and Hedges

a. Role in the portfolio: The category consists of overlays and hedges as a distinct functional category. LACERA expects exposures in this group to assist in adhering to total Fund policy allocation targets, meeting asset class-specific objectives, and managing portfolio risk.

b. Asset classes: Total Fund and all BOI approved asset classes may be utilized or subject to overlays and hedging strategies.

c. Investment Approach: The category is composed of derivatives and synthetic replication investment vehicles that emulate LACERA's physical assets, holdings, foreign currency, or market exposures via overlay and hedging programs. The separation of these mandates into one category allows for increased ability to monitor exposures across the total Fund and enhances the ability to evaluate performance, attribution, portfolio impacts, and risk drivers across individual asset categories and the total Fund.

d. Risk Factors: The primary risk factors for Overlays and Hedges are exposure mismatch and benchmarking. Best efforts will be made to replicate LACERA's underlying exposures and risk; however, there may be instances when the vehicles used will not mirror a given asset, causing an exposure mismatch. Another consideration is benchmarking. Benchmarking overlay and hedging programs is challenging

as positions are often resized more frequently than underlying physical exposures, and mandates may be used to achieve multiple objectives or be a temporary portfolio construction tool.

E. Performance Objectives

The Fund's long-term performance objective is to generate risk-adjusted returns that meet or exceed its defined actuarial target as well as its policy benchmark, net-of-fees, over the Fund's designated investment time horizon. LACERA's policy benchmarks at the total Fund level, the functional category level, and the asset class level can be found in the Appendix.

F. Rebalancing

LACERA considers rebalancing the Fund a key aspect of prudent long-term portfolio management. LACERA rebalances the Fund's portfolio in accordance with established guidelines and procedures to adhere to its approved strategic asset allocation, consistent with the Fund's stated Investment Beliefs. The approved ranges for each functional asset category and underlying asset class are defined in the Appendix.

G. Responsible Stewardship and Beneficial Ownership Rights

In pursuing its investment program, and as part of mitigating risks associated with LACERA's investments, LACERA seeks to manage its investments in a manner that promotes and safeguards the economic interests of LACERA and its members, consistent with LACERA's mission. LACERA prudently exercises its rights as an investor to support policies and practices at companies in which LACERA invests, as well as public policies governing financial markets, that are consistent with LACERA's economic interests. In doing so, LACERA aims to promote sustainable, long-term value on behalf of its members and enhance LACERA's ability to fulfill its mission. LACERA has therefore adopted Corporate Governance and Stewardship Principles (see Attachments). Beneficial ownership rights pertaining to LACERA's investments, including, but not limited to, proxy voting, are managed in accordance with LACERA's Corporate Governance and Stewardship Principles.

H. Integration of Environmental, Social, and Governance (ESG) Factors

LACERA recognizes that environmental, social, and governance factors may influence the risk-return profile and financial performance of investments. Financially material ESG factors may vary by industry, geographic exposure, business strategy, investment time horizon, and other variables. LACERA endeavors to identify, assess, and manage relevant ESG factors in its market research, portfolio construction, and throughout its investment process in furtherance of its mission and fiduciary duties. Careful consideration of ESG factors throughout LACERA's investment process aims to generate sustainable investment returns. LACERA assesses and monitors all investment partners on their capacity and skill in evaluating ESG risks and opportunities in a compelling manner to enhance LACERA's risk-adjusted returns.

I. Diversity, Equity, and Inclusion

LACERA values diversity, equity, and inclusion, and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA considers diversity broadly, inclusive of—but not limited to—professional backgrounds, age, experience, race, sexual orientation, gender, gender identity, disability status, military service, ethnicity, national origin, and culture. LACERA expects external asset managers and other third party providers to respect and reflect LACERA's value of diversity, equity, and inclusion. LACERA's ongoing monitoring of third party service providers incorporates an assessment of vendors' commitment to, adherence with, and track record of accessing and retaining diverse workforces in an inclusive and equitable manner.

II. Investment Process

The following sections articulate the general parameters and processes by which LACERA executes its investment strategy, in accordance with its fiduciary duties.

A. Structure Review

After an asset allocation study apportions capital across categories, LACERA conducts a Structure Review to address how to implement each asset category. A Structure Review establishes the framework for each asset category by addressing its role and expected risk profile within a total Fund context. The Structure Review evaluates the objectives, portfolio composition, related strategic initiatives, and how the portfolio may evolve in the near to medium term. These reviews are presented to the Board for its approval no less frequently than the comprehensive asset allocation study conducted for the total Fund, or at the Board's request. To assist the Board and staff in carrying out their duties, Structure Reviews provide guidelines, including, but not limited to, Board-approved benchmarks, subcategory target allocation ranges, geographic market target allocation ranges, and any pertinent parameters on asset manager diversification relevant to the asset category.

B. Investment Management

i. Investment Agreements

Approved investment recommendations are subject to negotiation and execution of an agreement that, in the judgment of LACERA's Chief Investment Officer and Chief Counsel, includes all terms necessary to provide adequate protection for LACERA's interests under the circumstances of the transaction, including, but not limited to, an appropriate standard of care on the part of the investment manager.

ii. Selection and Monitoring

LACERA may utilize internal resources or externally managed portfolios implemented by asset management firms and service providers to effectuate LACERA's investment program. In determining whether to use internal or external resources to implement a specific investment mandate, strategy, or investment-related service, LACERA takes into consideration numerous factors, including, but not limited to, return expectations, associated risks, compliance requirements, and expenses related to the specific strategy or service.

LACERA has adopted formal procedures to guide the selection, appointment, and monitoring of external managers and service providers. LACERA expects any external party that manages Fund assets on behalf of LACERA to serve as a fiduciary.

iii. Costs

LACERA considers the costs and expenses related to executing its investment program to be a crucial component of its fiduciary duty and an important element in determining its strategic asset allocation. In all aspects and functions of its investment program, LACERA seeks to actively identify, assess, and monitor expenses. LACERA expects that the economic terms and conditions by which any external party is compensated for investment-related services should promote an alignment of interests between LACERA and the external party in fulfilling LACERA's mission and investment objectives. Accordingly, LACERA diligently attends to and negotiates the economic terms of investment services rendered to the Fund.

C. Liquidity Management and Other Investment Functions

The following sections provide the general guiding principles and parameters for certain components of LACERA's investment process, including liquidity management, the use of derivative instruments, securities lending, and certain prohibited transactions.

i. Liquidity and Cash Management

Effective cash management is integral to LACERA's investment process. LACERA strives to maintain appropriate levels of liquidity—i.e., the ability to convert investments into cash—in order to meet immediate or short-term obligations and liabilities, such as funding member benefits, meeting capital calls, and rebalancing the portfolio per the strategic asset allocation. LACERA manages liquidity by monitoring the Fund's aggregate liquidity and liquidity risk exposures.

ii. Derivatives Management

LACERA may employ derivative instruments to hedge or gain exposure to certain investments. A derivative is a financial instrument that derives its value from an underlying asset which represents direct ownership of a security or a direct obligation of an issuer. Derivatives may be exchange-traded or traded over the counter (OTC). LACERA expects that any use of derivatives by external managers must adhere to LACERA's policies and investment guidelines.

iii. Securities Lending

LACERA may lend designated securities to provide the Fund with additional income generation and offset administrative expenses. LACERA lends eligible securities (both U.S. and Non-U.S. equities and bonds) to approved and qualified borrowers, subject to the terms and conditions specified in LACERA's contract agreements. Any securities lending activity is expected to be transparent to LACERA's external investment managers and should not impede or otherwise impair the investment management process.

iv. Prohibited Transactions

LACERA prohibits the following transactions unless stated otherwise in the investment management agreement:

- "Prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA)
- Transactions that involve a broker acting as a "principal," where such broker is also the investment manager (or an entity related to the investment manager) who is making the transaction
- Any or all applicable investment activities forbidden by the United States Securities and Exchange Commission or other applicable governing bodies
- Any acts or omissions that violate state and local laws regarding conflicts of interest and disclosures

LACERA does not lever the Fund's investment portfolio as a whole. However, leverage is implicit in many investment strategies. LACERA expects that any use of leverage by external managers must adhere to LACERA's established policies and investment guidelines.

III. Risk Management

LACERA manages risk by establishing and adhering to investment guidelines, pursuing multiple approaches to diversification (such as asset class, geography, liquidity profile, currency, and degree of active management), and conducting regular measurement and analytical exercises. LACERA assumes certain risks to achieve sufficient returns to meet the Fund's financial obligations and investment objectives. Investment risks pertain to the prospect of a permanent loss of capital or of not meeting objectives within the designated timeframe. LACERA seeks to mitigate the impact of a drawdown to the Fund in order to accomplish its investment objectives, reduce volatility, and avoid increased contributions to the Fund from the plan sponsor or employees.

A. Philosophy and Objectives

LACERA considers risk multi-faceted and, therefore, views risk from multiple perspectives. Risk may vary and evolve over time, across sectors or geographic exposures, and depends on the nature and terms of the investment vehicle that LACERA deploys to implement the Fund's investment strategies. Risk may be systematic (i.e. present across the market) or unsystematic (i.e., specific to a particular investment strategy). A risk may pertain to and potentially impact the total Fund, a functional asset category, or individual underlying asset classes.

LACERA seeks to diligently identify, assess, and monitor relevant investment risks throughout the investment process, from determining its strategic asset allocation to ongoing evaluation and monitoring of the Fund's performance. This helps to ensure that risks assumed by the Fund are intentional and adequately compensated.

B. Approach

LACERA's strategic asset allocation attempts to position the Fund to capture growth while mitigating large drawdowns. LACERA's investment strategy is designed to take intentional risk, called active risk, in order to achieve commensurate investment results. LACERA may define expectations for active return earned per unit of active risk taken for various investment strategies and portfolios.

LACERA seeks to identify and acknowledge the sources and types of risk inherent in each investment strategy. However, LACERA also recognizes that even sophisticated risk measurement techniques may not detect certain risks, including extreme events, in advance. Accordingly, risk models may only provide limited predictive qualities. LACERA endeavors to test and challenge investment strategies and assumptions prior to a capital outlay as well as for ongoing monitoring.

LACERA measures investment risk using multiple metrics on both an absolute and relative basis at all relevant levels (i.e., total Fund, functional asset categories, and underlying asset classes). LACERA also strives to employ stress testing, scenario analyses, and broader financial and economic analyses to understand current and potential risks related to its investment strategy and decisions. LACERA selects appropriate benchmarks to assess and determine whether investment risks taken by the Fund are appropriate in order to achieve expected investment returns.

LACERA may establish a risk budget to set active risk targets for each functional asset category and underlying asset classes. LACERA aims to minimize unintended risk caused by asset allocation drift or other factors.

IV. Roles and Responsibilities

LACERA has established the following roles and responsibilities to implement its investment program. The duties explained below apply to the Board, staff, and various external parties who collectively oversee and administer the functions necessary for LACERA to accomplish its investment objectives.

The overview outlined below is further complemented by the following documents: Board of Investments Charter, Board of Investments Regulations, and the Board's Funding Policy, among other policies adopted by the Board.

A. Board of Investments

i. Board

The Board is vested by the California Constitution and the County Employees Retirement Law (CERL) with the authority and fiduciary responsibility for LACERA's investment program. The exclusive fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund so as to provide forthe timely payment of benefits to members and their beneficiaries, minimize employer contributions, and defray the reasonable cost of administration, with the duty to members being paramount. It is the responsibilityof the Board to ensure that LACERA employees administer Fund investments at reasonable cost, while preserving the quality of investments.

The Board has the duty to ensure that the portfolio's investments are diversified so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. The Board has the sole and exclusive power to provide for actuarial services in order to ensure the competency of system assets, which in turn informs the Board's exercise of its responsibility for investment of assets. In determining the Fund's strategic asset allocation and investment guidelines, the Board may permit the investment of fund assets in any form or type of investment deemed prudent.

In fulfillment of its plenary authority and fiduciary duties, the Board performs the following roles:

- Undertakes an informed investigation and evaluation of the Fund's financial obligations by conducting periodic asset/liability studies and actuarial analysis and approves LACERA's Funding Policy.
- Upon investigation, valuation, and recommendation of a qualified actuary, the Board recommends to the Board of Supervisors the rates of interest, rates of member contributions, and any county and district appropriations as necessary in advance of each fiscal year.
- Approves the Fund's expected rate of return.
- Approves LACERA's Investment Policy Statement, including establishing the Investment Beliefs that frame it, to guide implementation of LACERA's investment program.
- Approves a strategic asset allocation for the Fund, including, but not limited to, investment allocations and benchmark targets within defined asset categories.
- Approves Structure Reviews for each defined asset category of LACERA's strategic asset allocation including, but not limited to, establishing the following: investment allocations within defined investible categories; target allocations and ranges; benchmarks by which to measure and monitor performance; and other portfolio guidelines.
- Actively reviews, monitors, and questions the investment and administration of the portfolio, requests such information as may be necessary to perform its responsibilities, and responds to issues relative to the portfolio and its administration as may periodically arise.

- Performs additional administrative functions, as defined in the Board of Investments Charter and Board policies and direction, and as necessary to perform its responsibilities under this policy.

The Board is vested under CERL with the authority to delegate certain responsibilities, including the authority to invest, when prudent in the informed opinion of the Board. The Board exercises oversight of all aspects of the investment program.

- The Board selects, approves, and reviews investment consultants, actuaries, and fiduciary counsel (consistent with LACERA's Policy on Fiduciary Counsel) to provide research, analysis, and recommendations to assist the Board in making prudent and informed decisions in line with its fiduciary duties.
- The Board delegates to the Chief Investment Officer ("CIO") the authority to select, fund, and terminate asset managers consistent with fulfilling the provisions and guidelines as approved by the Board and defined in this IPS, the strategic asset allocation, asset class Structure Reviews, and other Board-approved policies.

The Board has the affirmative responsibility to oversee the management of the Fund in compliance with all aspects of this IPS and other Board policies and directives, and all applicable federal and state laws and regulations concerning the administration of a government pension plan. The Board has the duty to stay informed, including requesting, receiving, and reviewing information, and to monitor and make inquiries based on that information to assist in its responsibility of conduct oversight of the investment program. To that end, the Board receives and has the duty to receive and review annual and quarterly reports of Fund performance (including asset categories and asset managers), as well as investment risks and compliance to prudently inform the Board's oversight. The Board may request staff and investment consultants to inform and make recommendations on any matters pertinent to LACERA's investment operations.

ii. Committees

To assist the Board in carrying out its duties, the Board may establish one or more committees ("Committee"). A Committee makes recommendations to the Board on investment actions related to its area of focus. A Committee may request staff and investment consultants to inform and make recommendations to it on matters pertinent to LACERA's investment program.

B. Staff

LACERA staff implement Board-approved policies in adherence to fiduciary duties, LACERA's Code of Ethical Conduct, and the LACERA Conflict of Interest Code. Staff are charged with the responsibility of providing the Board with information to assist Trustees in exercising their roles and responsibilities and fulfilling their fiduciary duties.

i. Chief Executive Officer

The Board and LACERA'S Board of Retirement jointly appoint the Chief Executive Officer ("CEO"). The CEO is responsible for planning, organizing, and administering the operations of LACERA under policy guidance and direction from the Board and the Board of Retirement. The CEO exercises administrative oversight of the CIO, excluding investment decisions delegated to the CIO. The Board provides input to the CEO in the CEO's oversight of the CIO.

ii. Chief Investment Officer and Investment Staff

The CIO and investment staff manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, oversee operational aspects of the Fund, report on the progress of the Fund in meeting its investment objectives, make any appropriate recommendations, and monitor and report to the Board on the performance of the Fund relative to the appropriate benchmarks. The Board has delegated specific investment authority and responsibility directly to the CIO:

- Conduct searches for external asset managers in line with LACERA's Board-approved Procurement Policy to provide investment services.
- Approve the selection and termination of external asset managers, with the concurrence of relevant Board-approved investment consultants for the asset class, to implement Board-approved strategic asset allocation and asset category Structure Review investment guidelines. The CIO also has authority to approve temporary variances from asset-level program and investment manager guidelines.
- Approve co-investments, secondary transactions, re-ups, and advisory board seats in adherence with Board-approved strategic asset allocations and asset category Structure Review investment guidelines.
- Approve, or delegate authority to sign, all investment-related contracts and agreements necessary to implement Board-approved strategic asset allocations and Structure Reviews that, in line with the Board-approved Procurement Policy and in the judgment of the CIO and Chief Counsel, provide adequate protection for LACERA's interests, including an appropriate standard of care on the part of each manager.
- Authorize the formation, dissolution of, and designation of officers for the Title Holding Companies of real estate portfolio holdings.
- Approve rebalancing the Fund in order to raise cash for benefit payments, adjust investment exposures, or pay operational expenses while adhering to investment policy targets outlined within Board-approved strategic asset allocations and asset category Structure Review investment guidelines.
- Approve actions as outlined in the Board-approved Procurement Policy.
- Approve limiting or freezing manager trading activity. Such actions are reported to the Board as reasonably practical and no later than the next scheduled meeting of the Board.
- Approve actions not otherwise specifically delegated, in concurrence with the CEO and the Chair of the Board, when deemed necessary in the best interest of the Fund and when there is not enough time to take the action to the full Board. Such actions are reported as reasonably practical to the full Board, and no later than the next scheduled meeting of the Board.
- Oversee an annual self-evaluation process for internal investment committees.

The CIO is authorized and directed to interact with and communicate directly with the Board regarding all investment-related matters. The internal investment staff reports to the CIO, who in turn reports to the CEO, with input of the Board. The CEO does not have any authority over any and all investment decisions that are delegated to the CIO.

LACERA's Board-approved Crisis Plan provides guidance in the event that the CIO is not available to implement delegated authorities.

iii. Chief Counsel and Legal Staff

The Office of Chief Counsel and legal staff (Legal Counsel) are primarily responsible for legal issues

concerning the investment program and advise the Board, CEO, CIO, and staff on investment-related legal matters. Legal Counsel advises the Board in performing its fiduciary responsibility. In addition to reliance upon internal resources for such matters and on fiduciary counsel, the Chief Counsel or designee within the Legal Office may retain other external legal counsel, when deemed necessary and appropriate, to advise staff, negotiate and prepare contracts on investment-related matters and individual transactions, and provide other investment legal advice to protect LACERA's interests, including its status as a tax-exempt government plan.

C. Third Party Service Providers

LACERA may engage external service providers, as described below, to implement its investment program. All service providers, unless otherwise not applicable, are expected to serve as fiduciaries to the Fund in fulfilling their contracted services. Third party service providers must refrain from gift-giving or other efforts that may jeopardize the impartiality, or appearance thereof, of LACERA's Board and staff.

i. Investment Consultants

An investment consultant works for the Board in the oversight and implementation of investment objectives. In meeting the Board's objectives, investment consultants may work with staff and investment managers. The Board's general investment consultant provides advice and recommendations to the Board or Committee regarding LACERA's strategic objectives, risks, oversight, and implementation of investment objectives. Investment consultants, both general and specialized, provide advice and recommendations regarding strategic asset allocation, portfolio implementation, and oversight of the Fund to the Board, CIO, and staff. Investment consultants provide analysis, advice, and recommendations to staff on asset manager selection and monitoring. Investment consultants report to the Board or the Committee, as directed, and serve as an independent resource accountable to the Board. Investment consultants have a fiduciary duty to LACERA and must report economic interests and conflicts in accordance with California law and LACERA policy, including the Code of Ethical Conduct and filing of Form 700s.

ii. Custodian Bank

The Custodian Bank ("Bank") serves as a fiduciary in the safekeeping of Fund assets. The Bank is responsible for maintaining the Fund's official accounting book of record, including the ongoing pricing and valuation of all assets, collection of income generated by those assets, any corporate action notification, and performance calculation. The Bank cooperates with and provides assistance to staff and investment managers in the reconciliation process. LACERA may opt to designate other duties to the Bank as stipulated in the professional services agreement. LACERA's investment office works with LACERA's accounting division to manage the custodial relationship.

iii. Investment Managers

Investment managers, subject to the terms and conditions of this IPS and applicable laws and regulations, serve LACERA through contracts that specify investment guidelines administrative requirements, responsibilities, investment fees, and performance expectations for management of each mandate. Investment managers provide reporting to LACERA on the performance of specific investment mandates in adherence to established guidelines and agreements. Staff and consultants synthesize investment managers' performance for presentation to the Board in accordance with established performance monitoring and oversight procedures. Investment managers should accept a fiduciary duty to LACERA, must report economic interests and conflicts in accordance with California law and LACERA policy,

including the Code of Ethical Conduct and filing of Form 700s, and enforce their own diversity, ethics, and sexual harassment policies.

iv. Other Third Party Service Providers

Additional third party service providers may be retained, subject to the terms and conditions of LACERA's established policies and procedures, in order to perform other duties to assist in the administration of the Fund.

V. Policy Review

The Board reviews the Investment Policy Statement upon approval of any new strategic asset allocation, or at the discretion of the Board.

Appendix

Investment Tables

Table 1: Approved Asset Allocation

Asset Class	Target Allocation (%)	Allocation Range +/- (%)	Target Allocation (½ Step) ~~10~~7/1/202~~4~~1
Growth	**~~53~~ 48**	**+/-8**	**~~51~~ 50.5**
Global Equity	~~32~~ 29	+/-7	~~34~~ 30.5
Private Equity	17	~~+3/-5~~ +/-6	~~14~~ 17
Non-Core Private Real Estate	~~4~~ 2	+/-2	3
Credit	**~~11~~ 13**	**+/-~~3~~ 4**	**~~11~~ 12**
~~Liquid Credit~~	~~4~~	~~+/-3~~	~~6~~
~~Illiquid Credit~~	~~7~~	~~+/-3~~	~~5~~
Real Assets and Inflation Hedges	**~~17~~ 15**	**+/-~~3~~ 4**	**~~17~~ 16**
Core Real Estate	~~6~~ 5	+/-3	~~6~~ 5.5
Natural Resources ~~& Commodities~~	~~3~~ 3	+/-2	~~4~~ 3
Infrastructure	~~5~~ 4	+3~~1~~/-3	~~4~~ 4.5
TIPS	~~3~~ 3	+/-3	3
Risk Reduction and Mitigation	**~~19~~ 24**	**+/-~~6~~ 8**	**~~21~~ 21.5**
Investment Grade Bonds	~~7~~ 13	+/-~~6~~ 8	~~13~~ 10
Diversified Hedge Funds	~~6~~ 8	+4~~2~~/-4	~~5~~ 7
Long-term Government Bonds	5 2	+/-~~5~~ 2	~~2~~ 3.5
Cash	1	+2/-1	1
Overlays and Hedges	**0**		**0**
Cash Overlay	0		0
Currency Hedge	0		0
TOTAL FUND	**100.0**		**100.0**

Table 2: Benchmark Table

Asset Class	Benchmark
Growth	**Custom Blend**
Global Equity	MSCI ACWI IMI Net
Private Equity	MSCI ACWI IMI + 200 bps (3-Month lagged)
Non-Core Real Estate	NFI ODCE + 225 bps (3-Month lagged)
Credit	**Custom Blend**: 70% Credit Suisse Leveraged Loans; 30% Bloomberg US Corporate High Yield + 100 bps (1 Month lagged)
~~Liquid Credit~~	~~40% BBg Barc U S. Corporate High Yield; 40% Credit Suisse Leveraged Loans; 10% JP Morgan EMBI GD; 5% JP Morgan GBI-EM GD; 5% JP Morgan CEMBI BD~~
~~Illiquid Credit~~	~~Custom Liquid Credit Benchmark + 150 bps (1-Month lagged)~~
Real Assets and Inflation Hedges	**Custom Blend**
Core Real Estate	NFI ODCE (3-Month lagged)
Natural Resources ~~& Commodities~~	~~33% Bloomberg Commodity;~~ 6~~6~~5% S&P Global Natural Resources TR (3-Month lagged); 35% NCREIF Farmland
Infrastructure	Dow Jones Brookfield Global Composite Infrastructure TR (3-Month Lagged)
TIPS	~~BBg Barc U S. TIPS~~ Bloomberg US TIPS (0-5 yrs)
Risk Reduction and Mitigation	**Custom Blend**
Investment Grade Bonds	Bloomberg US Aggregate TR
Diversified Hedge Funds	FTSE 3-Month US Treasury Bill + ~~250~~ 200 bps (1-Month lagged)
Long-term Government Bonds	Bloomberg US Long Treasury Bond
Cash	FTSE 3-Month US Treasury Bill
TOTAL FUND	**Custom Blended Policy Benchmark**

Policy History

Restated November 8, 2018
Revised December 11, 2019
Revised August 11, 2021
Revised December 14, 2022
Revised November 8, 2023

List of Attachments

Corporate Governance and Stewardship Principles
Responsible Contractor Policy
Emerging Manager Policy
Placement Agent Policy
Private Equity Privatization Policy
Procurement Policy for Investment-Related Services

MEKETA
INVESTMENT GROUP

5796 Armada Drive
Suite 110
Carlsbad, CA 92008

760.795.3450
Meketa.com

ATTACHMENT 3

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Leo Festino, and Imran Zahid
DATE: June 12, 2024
RE: LACERA Pension Trust Investment Policy Statement Update

The purpose of this memo is for Meketa Investment Group to review and support approval of LACERA's updated Investment Policy Statement.

Background

Over the course of the past eleven months, Meketa and LACERA staff conducted a multi-step Strategic Asset Allocation ("SAA") review process. The process included multiple interactive sessions with the Board of Investments ("BOI") to provide education on topics including the importance of strategic asset allocation, capital market return expectations, risk analysis, climate aware asset allocation, and benchmarking. Throughout the review, the BOI's input was collected and utilized to help shape recommendations. At the April 2024 meeting, the BOI approved a new SAA for the Pension Trust which was followed by approval of ranges and benchmarks at the May 2024 meeting.

As a matter of process, the new asset class and functional category targets, interim steps, ranges and benchmarks need to be updated in the Investment Policy Statement. Those items are included in Tables 1 and 2 of the Appendix in the redline version included with staff's presentation materials.

While the newly approved SAA represents a modest evolution of LACERA's previous SAA, there are a couple elements that require language changes within the IPS:

1. Credit – Liquid and Illiquid Credit were combined into a single category which required deleting references to the previous category names.

2. Real Assets – Commodities were not included as a discrete allocation within the new SAA but commodity related exposure is now included within the Natural Resources category. The revised language reflects that change.

Recommendation

Meketa has reviewed staff's modifications to LACERA's IPS and concluded that they accurately reflect the newly approved SAA. We recommended that the Board of Investments approve the updated Investment Policy Statement as presented.

If you have any questions, please feel free to reach us at 760-795-3450. We look forward to speaking with you soon.

TF/AK/LF/IZ/sf

May 21, 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: June 12, 2024 Board of Investments Meeting

SUBJECT: **Investment Policy Statement Update – OPEB Master Trust**

RECOMMENDATION

Staff recommends the Board of Investments ("Board" or "BOI") approve the adoption of the revised Investment Policy Statement.

SUMMARY

The BOI is responsible for setting LACERA's Strategic Asset Allocation ("SAA"), which serves as the key driver of long-term risk and return for the OPEB Master Trust ("OPEB Trust"). The SAA functions as the method to achieve LACERA's mission to produce, protect, and provide the promised benefits to our members. The IPS and SAA are crucial elements within the Delegated Authority Framework (highlighted in green and yellow below) and represent our governance process's first and second stages.

Over the past eleven months, Meketa and LACERA's investment team have conducted educational sessions and advanced recommendations covering critical aspects of the SAA study. These sessions included discussions on return expectations, analysis of capital market expectations, evaluation of various asset classes and benchmarks, considerations of climate impact, and exploring a risk budgeting framework.

The BOI approved the OPEB Trust SAA during the April Board meeting. At last month's BOI meeting, the OPEB Trust IPS benchmarks, policy ranges, and implementation timeline were approved. The next step in implementing the revised SAA is to update the Pension's Investment Policy Statement ("IPS") to incorporate the Board-approved changes.

The proposed OPEB Trust draft updates the IPS to reflect the revised SAA, incorporating the approved composite benchmarks and policy ranges. Importantly, minimal updates are needed; the following highlights the sections that have been adjusted as part of the red-lined Pension IPS:

Investment Philosophy and Strategy

- **Overview of Strategic Asset Allocation**

  ii. Credit (b.) Asset Classes. To reflect the consolidation of liquid and illiquid assets into a single "Credit" category, references to liquid credit have been removed.

  iii. Real Assets and Inflation Hedges (b.) Asset Classes. Deleted references to commodities to reflect that natural resources include commodity assets.

  v. Overlays and Hedges (New). This section was added as the fifth functional category.

Appendix – Investment Tables

- **Table 1 - Approved Asset Allocation**. Updated to reflect the new SAA, investment policy targets, ranges, and steps related to the revised asset allocation. The OPEB Trust will transition to its final target policy weights in two phases. First, starting on July 1, 2024, the policy weights will shift to half of the approved final weights. Then, on January 1, 2025, the final target weights will be applied.

  Table 2 - Benchmark Table. Updated to reflect changes to the policy benchmarks, which will go live on July 1, 2024.

Attached to this memo are documents that will be used to facilitate a discussion with the Board on the proposed OPEB Trust IPS changes:

- **Attachment 1** is a staff presentation outlining the OPEB Trust IPS changes.
- **Attachment 2** is a red-lined version of the draft OPEB Trust IPS.
- **Attachment 3** is Meketa's letter of concurrence.

Attachments

ATTACHMENT 1

Investment Policy Statement Update – OPEB Master Trust

Board of Investments Meeting

June 12, 2024

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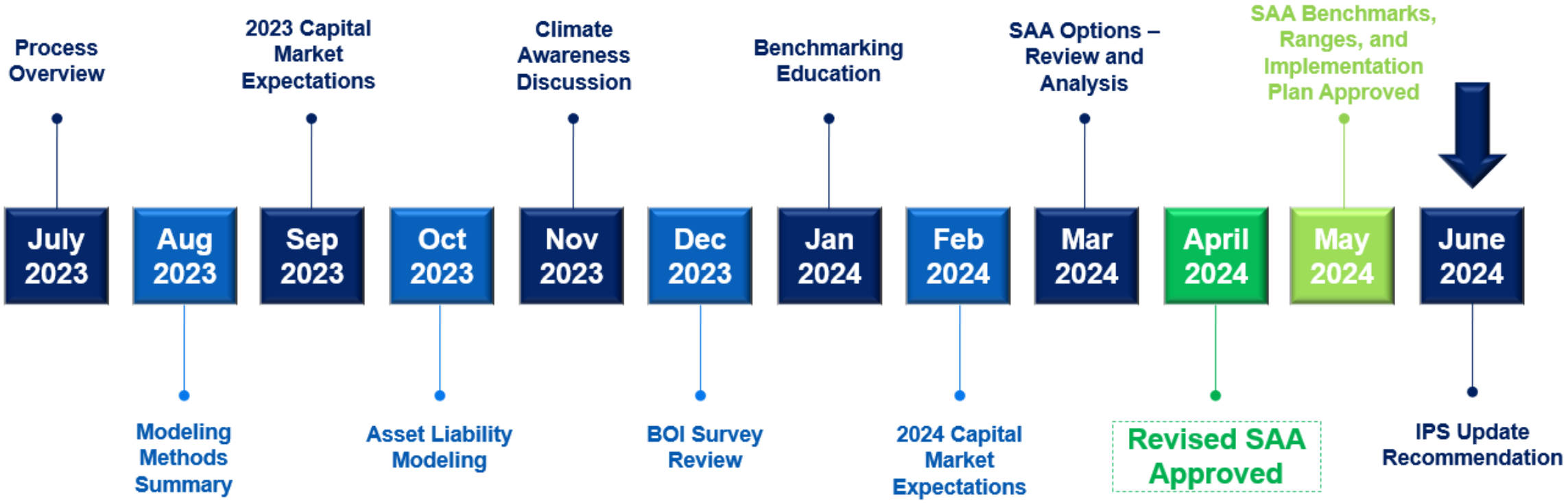
Strategic Asset Allocation Timeline

Education and Board Recommendations

Over 11 months, staff and Meketa have provided Strategic Asset Allocation ("SAA") education and recommendations to the Board



Investment Policy Statement Update Overview

At the April 2024 Board of Investments Meeting ("BOI"), the Board adopted a new SAA - a key step in LACERA's delegated authority framework

At the May BOI meeting, the following were approved for the OPEB Master Trust ("OPEB Trust"):

- Functional and asset class benchmarks
- Investment policy ranges
- Implementation timeline

➡The next step in implementing the revised SAA is to update the OPEB Trust Investment Policy Statement ("IPS") to incorporate the Board-approved changes. The framework highlights this step in green.

Suggested Revisions

The proposed OPEB Trust draft updates the IPS to reflect the revised SAA, including Meketa's recommended composite benchmarks and policy ranges

The following highlights that the changes are minimal and list the sections that have been adjusted as part of the red-lined OPEB Trust IPS:

IPS Section	Item Changed	Rationale
Investment Philosophy and Strategy Overview of Strategic Asset Allocation	ii. Credit (b.) Asset Classes	To reflect the consolidation of liquid and illiquid assets into a single "Credit" category, references to liquid credit have been removed
	iii. Real Assets and Inflation Hedges (b.) Asset Classes	Deleted references to commodities to reflect that natural resources include commodity assets
	v. Overlays and Hedges (New)	This section was added as the fifth functional category
Appendix – Investment Tables	Table 1 - Approved Asset Allocation	Updated to reflect the new SAA, investment policy targets, ranges, and steps related to the revised asset allocation. The OPEB Trust will transition to its final target policy weights in two phases: • On July 1, 2024, policy weights will shift to half of the approved final weights • On January 1, 2025, final target weights will be applied
	Table 2 - Benchmark Table	Updated to reflect changes to the policy benchmarks, which will go live on July 1, 2024

Suggested Revisions, cont.

Below are clean versions of the Appendix tables, incorporating the Board approved ranges, benchmarks, and implementation timeline:

Asset Class	Target Allocation (%)	Allocation Range +/- (%)	Target Allocation (½ Step) 7/1/2024
Growth	**45**	**+/-10**	**45**
Global Equity	40	+/-10	40
Private Equity	5	+/-5	5
Credit	**16**	**+/-5**	**17**
Real Assets and Inflation Hedges	**13**	**+/-4**	**16.5**
Real Estate	5	+/-3	6.5
Natural Resources	2	+/-2	2
Infrastructure	2	+/-2	2
TIPS	4	+/-4	5
Risk Reduction and Mitigation	**26**	**+/-9**	**21.5**
Investment Grade Bonds	19	+/-7	14.5
Long-term Government Bonds	5	+/-5	5
Cash	2	+/-2	2
Overlays and Hedges	**0**		**0**
Cash Overlay	0		0
Currency Hedge	0		0
TOTAL FUND	**100**		**100**

Asset Class	Benchmark
Growth	**Custom Blend**
Global Equity	MSCI ACWI IMI Net
Private Equity	MSCI ACWI IMI + 200 bps (3-Month lagged)
Credit	**Custom Blend:** 70% Credit Suisse Leveraged Loans; 30% Bloomberg US Corporate High Yield + 100 bps (1 Month lagged)
Real Assets and Inflation Hedges	**Custom Blend**
Real Estate	NFI ODCE (3-Month lagged)
Natural Resources	S&P Global Natural Resources TR
Infrastructure	Dow Jones Brookfield Global Composite Infrastructure TR (3-Month Lagged)
TIPS	Bloomberg US TIPS (0-5 yrs)
Risk Reduction and Mitigation	**Custom Blend**
Investment Grade Bonds	Bloomberg US Aggregate TR
Long-term Government Bonds	Bloomberg US Long Treasury Bond
Cash	FTSE 3-Month US Treasury Bill
TOTAL FUND	**Custom Blended Policy Benchmark**

Recommendation

Staff recommends that the Board approve the adoption of the revised OPEB Trust Investment Policy Statement

ATTACHMENT 2

IPS will be formatted upon Board approval

Investment Policy Statement

OPEB Master Trust

~~RESTATED JANUARY 20, 2024~~

LACERA

Investment Policy Statement

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About LACERA

The Los Angeles County Employees Retirement Association ("LACERA") administers a defined benefit retirement plan (the "Fund") and has been appointed as the Investment Manager for the Los Angeles County's, LACERA's, and Los Angeles County Superior Court's Other Post-Employment Benefit Trusts ("Trust[s]"), which are the participating employers under the LACERA Master Trust ("OPEB Trust").

The Los Angeles County Board of Supervisors established LACERA by ordinance in 1937. LACERA has operated since 1938, and today, serves over 170,000 active and retired members.

LACERA MISSION STATEMENT

We Produce, Protect, and Provide the Promised Benefits to our Members

LACERA's mission is to "produce, protect, and provide the promised benefits to our members." LACERA aims to fulfill its mission through prudent investment and conservation of plan assets, in accordance with its Investment Beliefs and in consideration of actuarial analysis.

LACERA's Board of Investments (the "Board") is responsible for establishing LACERA's investment policy and objectives, as well as exercising oversight of the investment management for both the Fund and the OPEB Trust.

The County of Los Angeles ("County") established the OPEB Trust for the purpose of pre-funding the Retiree Healthcare Benefits Program ("OPEB Program"). The OPEB Trust serves as a funding tool for the participating employers to hold and invest assets used to pay OPEB Program benefits, such as medical, dental and vision.

In 2012, the County Board of Supervisors approved entering into a Trust and Investment Services Agreement with the LACERA Board to serve as trustee and investment manager for two participating employers: Los Angeles County and LACERA. In 2016, the governing body of the Los Angeles Superior Court approved a similar agreement, and the Board of Supervisors in turn approved amending the County agreement to include the Superior Court as a third participant in a pooled investment structure through the OPEB Master Trust Declaration.

Statement of Purpose

The OPEB Trust Investment Policy Statement (the "IPS") defines the framework by which LACERA manages the assets of the OPEB Trust in order to fulfill its mission. The document provides the primary guidance for OPEB Trust investment activities by outlining the philosophy and structure of the OPEB Trust investment program, describing the general process by which assets are managed, and defining the key roles and responsibilities for the investment program.

The IPS is in furtherance of the OPEB Trust's purpose to permit the co-investing and commingling the assets of the participating Trusts for investments purposes. The ultimate purpose of the investment program is to fund and pay benefits under the OPEB Program.

Legal Authority

Article 8.6 of the County Employees Retirement Law of 1937, as amended (California Government Code Sections 31694 - 31694.5) ("CERL") provides authority to governing bodies of the County and Superior Court to establish a Trust to fund an OPEB Program and for the Board of Investments to be appointed and serve as Trustee, investment manager and/or third-party administrator for such Trust. The County and Court Trust agreements were established pursuant to this legal authority and approved by the Board of Investments. LACERA, in turn, used its authority to create the Master Trust to facilitate the investment of the County, Court, and LACERA funds set aside for the OPEB Program. Under the OPEB Trust Declaration, the Board of Investments has "sole and exclusive authority, control over and responsibility for directing the investment and management of" OPEB Trust assets. The Board of Investments is a fiduciary in performing its responsibilities as Trustees. The Trust documents provide for the Board of Investments to adopt investment policies and asset allocation formula as the Board sees fit in the performance of its duties to fulfill the purpose of the Trusts.

LACERA's governing statutes create a legal framework within which this IPS must be interpreted and implemented by the Board in approaching its decisions. Under the OPEB Trust Declaration, the Board is independent and has sole and exclusive legal responsibility over investment of OPEB Trust assets, including the establishment of the investment policy and asset allocation.

A. Fiduciary Duty

The Board and its Trustees are fiduciaries under the Trust documents and applicable by law, making decisions for the benefit of the Trusts as a whole without other concerns or outside influence. All Trustees, whether they are elected, appointed, or ex officio, have the same fiduciary duty under the law. This fiduciary duty has two components:

i. **Duty of Loyalty**. Under the duty of loyalty, Trustees have the sole and exclusive responsibility to administer the OPEB Trust in the interest of and for the exclusive purpose of providing benefits to the participating employers' participants in the OPEB Program and their beneficiaries. In making every decision, the Board must act according to a three-pronged legal formula that balances the interests of OPEB Trust stakeholders: (1) solely in the interest of providing OPEB Program benefits to Program participants and beneficiaries, (2) to minimize employer contributions necessary to fund the OPEB Program, and (3) to defray the expenses of administering the OPEB Trust. The Board's duty to participants and their beneficiaries takes precedence over any other duty.

ii. **Duty of Prudence**. Trustees must discharge their duties with the care, skill, prudence, and diligence that a prudent fiduciary familiar with the matters and the circumstances of each particular decision would use in the conduct of a similar enterprise with like aims. The Board must diversify OPEB Trust investments so as to minimize risk of loss and maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. The Board may invest or delegate the authority to invest OPEB Trust assets through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board.

iii. In order to exercise its fiduciary duties, the Board has the responsibility to stay informed and affirmatively conduct oversight of the OPEB Trust investment program, including receiving, reviewing, and engaging on investment performance and compliance information and reports.

B. Ethics and Code of Conflicts

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

C. Process

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

Investment Policy

I. Investment Philosophy and Strategy

A. Objectives of the Investment Program

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

i. **Produce** the promised benefits for OPEB Trust participants and beneficiaries by achieving the OPEB Trust assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;

ii. **Protect** the promised benefits on behalf of OPEB Trust participants and beneficiaries by mitigating investment risks through diversification and other means, consistent with LACERA's mission; and

iii. **Provide** the promised benefits for OPEB Trust participants and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission.

B. Investment Beliefs

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

i. Strategic Asset Allocation

Long-term strategic asset allocation will be the primary determinant of OPEB Trust risk/return outcomes.

a. It is important that LACERA be forward-looking, as its investment horizon spans decades, if not indefinitely, into the future.
b. Strategic asset allocation has a greater effect on return variability than asset class investment structure or manager selection.
c. Strategic asset allocation is a critical source of investment diversification to optimize growth and mitigate risk across the total Fund.
d. Strategic asset allocation must carefully consider plan liabilities, actuarial assumptions, and capital market assumptions.
e. Rebalancing the portfolio is a key aspect of prudent long-term strategic asset allocation policy.

ii. Market Dynamics

Capital market efficiencies inform LACERA's strategic asset allocation and portfolio construction.

a. The efficiency of financial markets may vary by market segment, geographic region, geopolitical regimes, and across public versus private markets.

b. Market transparency, the regulatory environment, behavioral finance factors, and investment time horizons may influence and shape market efficiency.

c. LACERA's investment processes should be adequately nimble to prudently capture attractive investment opportunities.

iii. Return

Risk and return are expected to be positively correlated over long-term periods. Returns can be enhanced through active strategies, illiquid investments, and leverage; however, such strategies need to be balanced with LACERA's risk tolerances, portfolio objectives, and liquidity needs.

a. Active strategies will be used when they are expected to add value net-of-fees while adjusting for risk.

b. The total capital allocated to illiquid strategies must be kept at a prudent level.

c. Liquid assets serve a critical role to fund benefit payments and rebalance the portfolio.

iv. Risk

Risk is a broad term used to capture the concept of uncertainty. No single metric adequately conveys risk. LACERA will evaluate risk holistically, incorporating quantitative measures and qualitative assessments in managing its portfolio. Monitoring and managing risk is a key focus for LACERA. Risk that is not expected to be rewarded over the long-term, or mitigated through diversification, will be minimized.

Risks confronted by LACERA include, but are not limited to:

a. Investment Risks (macroeconomic, volatility, leverage, illiquidity, geography, currency, political, credit, environmental, social, and governance); and

b. Operational Risks (valuation, counterparty, benchmarking, business continuity, talent management, cybersecurity, reputational, fraud, regulatory, and conflicts of interest).

v. Governance

Strong governance is critical for LACERA to achieve its investment objectives. Strategic direction-setting by the Board, prudent delegation of day-to-day portfolio management, and effective organizational controls and oversight are important components of strong governance.

vi. Stewardship

LACERA recognizes that environmental, social, and corporate governance factors (ESG) may present financial risks and opportunities for the Fund. LACERA seeks to identify, evaluate, and manage financially relevant ESG factors in its investment process—including portfolio construction, investment due diligence, and stewardship strategies—to safeguard and enhance Fund performance.

vii. Terms

Investment outcomes are determined by risk, returns, and costs. All three must be managed, and each mandate should be structured with the best possible terms available across the total Fund to enhance future outcomes.

a. The breadth of LACERA's presence in financial markets is an asset to influence terms and fees.
b. Consideration of net-of-fees returns is an integral part of a successful long-term investment strategy.
c. Costs, fees, and terms should be actively monitored and negotiated to the greatest extent possible.

viii. Productivity

People and resources matter. Constructive talent management, efficient operations and procedures, and a commitment to ongoing education and improvement are essential to optimizing LACERA's investment performance.

a. Human Capital: Trustees and staff are vital to executing LACERA's investment program. LACERA must cultivate a talented and collaborative workforce that is inclusive of diverse perspectives and backgrounds and demonstrates a steadfast commitment to high ethical conduct.
b. Education: In an increasingly complex and dynamic investment universe, continued education on investment concepts and investment strategies within that universe is fundamental for long-term success.
c. Operations: Strong operational processes and sufficient resources can maximize efficiency, mitigate risks, and optimize investment performance.

C. Strategic Asset Allocation

LACERA fundamentally believes long-term strategic asset allocation will be the primary determinant of risk/ return outcomes, and therefore establishes a strategic asset allocation to meet its mission and investment objectives.

The OPEB Trust strategic asset allocation categorizes capital outlays into four groups, defined by the function each allocation is intended to serve in the portfolio: (1) Growth, (2) Credit, (3) Real Assets and Inflation Hedges, and (4) Risk Reduction and Mitigation. The functional categories include various asset classes that represent the risk/return characteristics of each area.

LACERA expects the four functional categories to diversify the OPEB Trust and optimize upside growth while mitigating downside risk. The asset allocation determines what proportion of the OPEB Trust are allocated to each functional category and underlying asset class, including target weights and allowable ranges as a percentage of the OPEB Trust.

In order to determine the OPEB Trust strategic asset allocation, LACERA conducts a comprehensive asset allocation study every three to five years, or at the Board's request. The asset allocation study considers a number of factors, such as:

- A projection of actuarial assets, liabilities, benefits payments, contributions, and the actuarial rate of return for the OPEB Trust, as well as its current and projected funded status.
- Historical results and expected long-term capital market risk, return, and correlation forecasts.

- An assessment of future economic conditions, including inflation and interest rate levels.
- Various risk/return scenarios.
- OPEB Trust liquidity requirements.

Approved asset allocation and benchmarks for the OPEB Trust are detailed in the tables of the Appendix.

D. Overview of Strategic Asset Allocation

LACERA groups asset classes into the following functional categories:

i. Growth

a. Role in the portfolio: The role of assets in this category is to be the primary driver of long-term total returns for the OPEB Trust.

b. Asset Classes: Global Equity and Private Equity.

c. Investment Approach: Growth assets generally represent equity or equity-like interests in current and future income streams. Growth assets include public and private market strategies that include both liquid and illiquid investments. The OPEB Trust utilizes passive strategies in relatively efficient segments of the market for global equity and employs active strategies in relatively less efficient market segments including private equity.

d. Risk Factors: Growth assets are primarily equity ownership positions that tend to perform well in times of positive economic growth. They are highly sensitive to economic conditions and are subject to potential loss in value based on a number of factors. For example, growth assets may be sensitive to inflation and generally perform poorly in times of high and unexpected inflation. To a lesser extent, growth assets may be sensitive to interest rates due to the use of leverage in certain strategies as well as the relationship between interest rates and the discount rates used to price securities.

ii. Credit

a. Role in the portfolio: LACERA expects assets categorized as Credit to produce current income and moderate long-term total returns. Credit has more moderate levels of risk than assets categorized as Growth, and, accordingly, provides incremental diversification to the OPEB Trust.

b. Asset Classes: ~~Liquid Credit (High Yield, Bank Loans, Emerging Market Debt), and Illiquid~~ Credit

c. Investment Approach: Credit assets are generally fixed claims on assets or income streams of an issuer (e.g., government, corporation, asset-backed securities). The category is composed of certain fixed income, real estate, and private debt investments. Investment strategies within this category may have a specific mandate or be multi-strategy. The investment strategies may be liquid, illiquid, or a combination of both, depending on the nature and terms of the specific investment vehicle. The OPEB Trust employs passive strategies for the more efficient segments of the credit market and may employ active strategies in certain segments that are relatively less efficient.

d. Risk Factors: The primary risk for owners of Credit assets is the failure of the borrower to make timely payments of interest and principal. There are three elements of credit risk: the risk of

default, the risk of a credit downgrade, and spread risk, which is the risk that investors may demand greater compensation for bearing the first two types of risk. Bonds with credit risk offer a yield premium over government bonds to compensate investors for the additional risk. Bonds with greater credit risk (i.e., bonds with lower credit ratings) are typically less liquid than higher quality bonds.

iii. Real Assets and Inflation Hedges

a. Role in the portfolio: LACERA expects assets in this category to provide income as well as a hedge against inflation, while diversifying the OPEB Trust due to the assumed low correlation of returns between these assets and other asset classes.

b. Asset classes: Private Real Estate, Natural Resources, ~~Commodities,~~ Private Infrastructure, and Treasury Inflation-Protected Securities ("TIPS").

c. Investment Approach: Real Assets generally include physical assets, such as real estate and infrastructure, or securities whose value is derived from a physical asset, such as commodities or natural resources. Assets in this category may be invested in both public and private investments and may be liquid or illiquid, as well as passively or actively managed.

d. Risk Factors: Real Assets and Inflation Hedges are sensitive to inflation. The primary risk for owners of real assets/inflation hedges is that they fail to provide a hedge against long-term changes in inflation. A secondary risk is loss of principal. The value of real estate and natural resources assets may fall, particularly during an economic downturn, but also due to idiosyncratic aspects of each asset. Diversification may offset asset-specific risk. Foreign assets are also subject to currency movements against the U.S. dollar. TIPS are exposed to liquidity risk, as they tend to be less liquid than nominally U.S. Treasuries, particularly during a market environment in which there is a flight to safety.

iv. Risk Reduction and Mitigation

a. Role in the portfolio: LACERA expects assets in this category to provide moderate amounts of current income by generating a modest level of return while also reducing risks for the OPEB Trust, in part by preserving capital in the event of a downturn in equity markets. LACERA anticipates that assets in this category will have a low level of volatility and a low correlation to Growth assets, thereby providing downside protection. In the event of a market correction, these assets could also provide a source of liquidity for benefit payments.

b. Asset classes: Investment Grade Bonds, Long-Term Government Bonds, and Cash.

c. Investment Approach: The category is composed of investment grade bonds, long-term government bonds, and cash. Cash is the least volatile asset class, as well as the most liquid; the flexibility it provides during periods of market decline helps to mitigate risk. Investment grade bonds comprise a mix of U.S. Treasuries, corporate debt, and other bonds of high quality, typically rated "BBB" or above by rating agencies. High quality bonds would be expected to protect the OPEB Trust by retaining or increasing their value during a market correction.

d. Risk Factors: The primary risk factor for Risk Reduction and Mitigation Assets is that they will fail to provide the anticipated level of protection during market downturns. Assets in this

category are also subject to additional risks. For example, investment grade bonds are sensitive to fluctuations in interest rates and have some risk of default. Cash can include short-term instruments and vehicles where there is a low probability of loss of principal.

v. Overlays and Hedges

a. Role in the portfolio: The category consists of overlays and hedges as a distinct functional category. LACERA expects exposures in this group to assist in adhering to OPEB Trust policy allocation targets, meeting asset class-specific objectives, and managing portfolio risk.

b. Asset classes: Total Fund and all BOI approved asset classes may be utilized or subject to overlays and hedging strategies.

c. Investment Approach: The category is composed of derivatives and synthetic replication investment vehicles that emulate the Trust's physical assets, holdings, foreign currency, or market exposures via overlay and hedging programs. The separation of these mandates into one category allows for increased ability to monitor exposures across the Trust and enhances the ability to evaluate performance, attribution, portfolio impacts, and risk drivers across individual asset categories and the total Fund.

d. Risk Factors: The primary risk factors for Overlays and Hedges are exposure mismatch and benchmarking. Best efforts will be made to replicate the Trust's underlying exposures and risk; however, there may be instances when the vehicles used will not mirror a given asset, causing an exposure mismatch. Another consideration is benchmarking. Benchmarking overlay and hedging programs is challenging as positions are often resized more frequently than underlying physical exposures, and mandates may be used to achieve multiple objectives or be a temporary portfolio construction tool.

E. Performance Objectives

The OPEB Trust's long-term performance objective is to generate risk-adjusted returns that meet or exceed its defined actuarial target as well as its policy benchmark, net-of-fees, over the OPEB Trust designated investment time horizon. The OPEB Trust's policy benchmarks at the total OPEB Trust level, the functional category level, and the asset class level can be found in the Appendix.

F. Rebalancing

LACERA considers rebalancing the OPEB Trust a key aspect of prudent long-term portfolio management. LACERA rebalances the OPEB Trust portfolio in accordance with established guidelines and procedures to adhere to its approved strategic asset allocation, consistent with the OPEB Trust stated Investment Beliefs. The approved ranges for each functional asset category and underlying asset class are defined in the Appendix.

G. Responsible Stewardship and Beneficial Ownership Rights

In pursuing its investment program, and as part of mitigating risks associated with the OPEB Trust investments, LACERA seeks to manage its investments in a manner that promotes and safeguards the economic interests of its participants, consistent with LACERA's mission. LACERA prudently exercises its rights as an investor to support policies and practices at companies in which LACERA invests, as well as public policies governing financial markets, that are consistent with the OPEB Trust's economic interests. In doing so, LACERA aims to promote sustainable, long-term value on behalf of its participants and enhance LACERA's ability to fulfill its mission. LACERA has therefore adopted Corporate Governance and Stewardship Principles (see Attachments). Beneficial ownership rights pertaining to the OPEB Trust investments, including, but not limited to proxy voting where LACERA has retained voting authority, are managed in accordance with LACERA's Corporate Governance and Stewardship Principles.

H. Integration of Environmental, Social, and Governance (ESG) Factors

LACERA recognizes that environmental, social, and governance factors may influence the risk-return profile and financial performance of investments. Financially material ESG factors may vary by industry, geographic exposure, business strategy, investment time horizon, and other variables. LACERA endeavors to identify, assess, and manage relevant ESG factors in its market research, portfolio construction, and throughout its investment process in furtherance of its mission and fiduciary duties. Careful consideration of ESG factors throughout LACERA's investment process aims to generate sustainable investment returns. LACERA assesses and monitors all investment partners on their capacity and skill in evaluating ESG risks and opportunities in a compelling manner to enhance LACERA's risk-adjusted returns.

I. Diversity, Equity, and Inclusion

LACERA values diversity, equity, and inclusion, and believes that effectively accessing and managing diverse talent leads to improved outcomes. LACERA considers diversity broadly, inclusive of—but not limited to—professional backgrounds, age, experience, race, sexual orientation, gender, gender identity, disability status, military service, ethnicity, national origin, and culture. LACERA expects external asset managers and other third party providers to respect and reflect LACERA's value of diversity, equity, and inclusion. LACERA's ongoing monitoring of third party service providers incorporates an assessment of vendors' commitment to, adherence with, and track record of accessing and retaining diverse workforces in an inclusive and equitable manner.

II. Investment Process

The following sections articulate the general parameters and processes by which LACERA executes its investment strategy, in accordance with its fiduciary duties.

A. Structure Review

After an asset allocation study apportions capital across categories, LACERA conducts a Structure Review to address how to implement each asset category. A Structure Review establishes the framework for each asset category by addressing its role and expected risk profile within a total Fund context. The Structure Review evaluates the objectives, portfolio composition, related strategic initiatives, and how the portfolio may evolve in the near to medium term. These reviews are presented to the Board for its approval no less frequently than the comprehensive asset allocation study conducted for the OPEB Trust, or at the Board's request. To assist the Board and staff in carrying out their duties, Structure Reviews provide guidelines, including, but not limited to, Board-approved benchmarks, subcategory target allocation ranges, geographic market target allocation ranges, and any pertinent parameters on asset manager diversification relevant to the asset category.

B. Investment Management

i. Investment Agreements

Board-approved investment recommendations are subject to negotiation and execution of an agreement that, in the judgment of LACERA's Chief Investment Officer and Chief Counsel, includes all terms necessary to provide adequate protection for the OPEB Trust's interests under the circumstances of the transaction, including but not limited to an appropriate standard of care on the part of the investment manager.

ii. Selection and Monitoring

LACERA may utilize internal resources or externally managed portfolios implemented by asset management firms and service providers to effectuate the OPEB Trust investment program. In determining whether to use internal or external resources to implement a specific investment mandate, strategy, or investment-related service, LACERA takes into consideration numerous factors, including, but not limited to, return expectations, associated risks, compliance requirements, and expenses related to the specific strategy or service.

LACERA has adopted formal procedures to guide the selection, appointment, and monitoring of external managers and service providers. LACERA expects any external party that manages assets on behalf of the OPEB Trust to serve as a fiduciary.

iii. Costs

LACERA considers the costs and expenses related to executing its investment program to be a crucial component of its fiduciary duty and an important element in determining its strategic asset allocation. In all aspects and functions of its investment program, LACERA seeks to actively identify, assess, and monitor expenses. LACERA expects that the economic terms and conditions by which any external party is compensated for investment-related services should promote an alignment

of interests between the OPEB Trust and the external party in fulfilling LACERA's mission and investment objectives. Accordingly, LACERA diligently attends to and negotiates the economic terms of investment services rendered to the OPEB Trust.

C. Liquidity Management and Other Investment Functions

The following sections provide the general guiding principles and parameters for certain components of LACERA's investment process, including liquidity management, the use of derivative instruments, securities lending, and certain prohibited transactions.

i. Liquidity and Cash Management

Effective cash management is integral to LACERA's investment process. LACERA strives to maintain appropriate levels of liquidity—i.e., the ability to convert investments into cash—in order to meet immediate or short-term obligations and liabilities, such as satisfying a request by a participating employer to fund OPEB Program participant benefits, meeting capital calls, and rebalancing the portfolio per the strategic asset allocation. LACERA manages liquidity by monitoring the aggregate liquidity and liquidity risk exposures of the OPEB Trust.

ii. Derivatives Management

LACERA may employ derivative instruments to hedge or gain exposure to certain investments. A derivative is a financial instrument that derives its value from an underlying asset which represents direct ownership of a security or a direct obligation of an issuer. Derivatives may be exchange-traded or traded over the counter (OTC). LACERA expects that any use of derivatives by external managers must adhere to LACERA's policies and investment guidelines.

iii. Prohibited Transactions

LACERA prohibits the following transactions unless stated otherwise in the investment management agreement:

a. "Prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA)

b. Transactions that involve a broker acting as a "principal," where such broker is also the investment manager (or an entity related to the investment manager) who is making the transaction

c. Any or all applicable investment activities forbidden by the United States Securities and Exchange Commission or other applicable governing bodies

d. Any acts or omissions that violate state and local laws regarding conflicts of interest and disclosures

LACERA does not lever the OPEB Trust investment portfolio as a whole. However, leverage is implicit in many investment strategies. LACERA expects that any use of leverage by external managers must adhere to LACERA's established policies and investment guidelines.

III. Risk Management

LACERA manages risk by establishing and adhering to investment guidelines, pursuing multiple approaches to diversification (such as asset class, geography, liquidity profile, currency, and degree of active management), and conducting regular measurement and analytical exercises. LACERA assumes certain risks to achieve sufficient returns to meet the OPEB Trust's financial obligations and investment objectives. Investment risks pertain to the prospect of a permanent loss of capital or of not meeting objectives within the designated timeframe. LACERA seeks to mitigate the impact of a drawdown to the OPEB Trust in order to accomplish its investment objectives, reduce volatility, and avoid increased contributions to the OPEB Trust from the participating employers.

A. Philosophy and Objectives

LACERA considers risk multi-faceted and, therefore, views risk from multiple perspectives. Risk may vary and evolve over time, across sectors or geographic exposures, and depends on the nature and terms of the investment vehicle that LACERA deploys to implement OPEB Trust investment strategies. Risk may be systematic (i.e., present across the market) or unsystematic (i.e., specific to a particular investment strategy). A risk may pertain to and potentially impact the OPEB Trust, a functional asset category, or individual underlying asset classes.

LACERA seeks to diligently identify, assess, and monitor relevant investment risks throughout the investment process, from determining its strategic asset allocation to ongoing evaluation and monitoring of OPEB Trust performance. This helps to ensure that risks assumed by the OPEB Trust are intentional and adequately compensated.

B. Approach

The OPEB Trust strategic asset allocation attempts to position the OPEB Trust to capture growth while mitigating large drawdowns. LACERA's investment strategy is designed to take intentional risk, called active risk, in order to achieve commensurate investment results. LACERA may define expectations for active return earned per unit of active risk taken for various investment strategies and portfolios.

LACERA seeks to identify and acknowledge the sources and types of risk inherent in each investment strategy. However, LACERA also recognizes that even sophisticated risk measurement techniques may not detect certain risks, including extreme events, in advance. Accordingly, risk models may only provide limited predictive qualities. LACERA endeavors to test and challenge investment strategies and assumptions prior to a capital outlay as well as for ongoing monitoring.

LACERA measures investment risk using multiple metrics on both an absolute and relative basis at all relevant levels (i.e., total OPEB Trust, functional asset categories, and underlying asset classes). LACERA also strives to employ stress testing, scenario analyses, and broader financial and economic analyses to understand current and potential risks related to its investment strategy and decisions. LACERA selects appropriate benchmarks to assess and determine whether investment risks taken by the OPEB Trust are appropriate in order to achieve expected investment returns.

LACERA may establish a risk budget to set active risk targets for each functional asset category and underlying asset classes. LACERA aims to minimize unintended risk caused by asset allocation drift or other factors.

IV. Roles and Responsibilities

LACERA has established the following roles and responsibilities to implement its investment program, all of which must be performed under the terms of the Trust documents and the Board's fiduciary duty as defined above. The duties explained below apply to the Board, staff, and various external parties who collectively oversee and administer the functions necessary for LACERA to accomplish its investment objectives.

The overview outlined below is further complemented by the following documents: *Board of Investments Charter, Board of Investments Regulations,* and the Board's Funding Policy, among other policies adopted by the Board.

A. Board of Investments

i. Board

Under Trust Agreements entered into by the Board of Investments with the County of Los Angeles and the Los Angeles Superior Court pursuant to California Government Code Sections 31694-31694.5 of the County Employees Retirement Law of 1937 (CERL), the Board is a fiduciary with respect to the OPEB Trust, with exclusive responsibility and authority for its investment and management. The Board's fiduciary duty includes the obligation to:

1. Discharge their duties solely in the interest of, and for the exclusive purpose of, providing benefits to Participants under the OPEB Program, minimizing Employer contributions necessary to fund the OPEB Program, and defraying reasonable expenses of the Trust;
2. Discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and in accordance with the terms of the Trust; and
3. Diversify the investments of the Trust so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

Specific responsibilities over the OPEB Program, including, but not limited to, the responsibilities for actuarial studies and assumption setting, are overseen by the Board of Retirement and considered by the Board of Investments when making investment-related decisions and managing the Trusts. In fulfillment of its exclusive fiduciary duty, the Board performs the following roles:

- Approves LACERA's Investment Policy Statement, including establishing the Investment Beliefs that frame it, to guide implementation of the Trust's investment program.
- Approves a strategic asset allocation for the Trust, including, but not limited to, investment allocations, and benchmark targets within defined asset categ ories.
- Approves Structure Reviews for each defined asset category of the Trust's strategic asset allocation, including, but not limited to, establishing the following: investment allocations within defined investible categories; target allocations and ranges; benchmarks by which to measure and monitor performance; and other portfolio guidelines.
- Actively reviews, monitors, and questions the investment and administration of the portfolio, requests such information as may be necessary to perform its responsibilities, and responds

to issues relative to the portfolio and its administration as may periodically arise.

- Performs additional investment and management functions, as defined in the Trust Agreements and Board policies and direction, and as necessary to perform its responsibilities under the Trust Agreements.

The Board is vested under the Trust Agreements, consistent with CERL with the authority to delegate certain responsibilities, including the authority to invest, when prudent in the informed opinion of the Board. The Board exercises oversight of all aspects of the investment program. In the exercise of this authrity, the Board:

- Selects, approves, and reviews investment consultants, actuaries, and fiduciary counsel (consistent with LACERA's Policy on Fiduciary Counsel) to provide research, analysis, and recommendations to assist the Board in making prudent and informed decisions in line with its fiduciary duties.
- The Board delegates to the Chief Investment Officer ("CIO") the authority to select, fund, and terminate asset managers consistent with fulfilling the provisions and guidelines as approved by the Board and defined in this IPS, the strategic asset allocation, Asset Class Structure Reviews, and other Board approved policies.

The Board has the affirmative responsibility to oversee the investment and management of the OPEB Trust in compliance with this IPS, other Board policies and directives, and all applicable federal and state laws and regulations concerning the OPEB Trust created under CERL. The Board has the duty to stay informed, including requesting, receiving , and reviewing information, and to monitor and make inquiries based on that information to assist in its responsibility of conducting oversight of the investment program. To that end, the Board receives and has the duty to receive and review annual and quarterly reports of Trust performance (including asset categories and asset managers), as well as investment risks and compliance to prudently inform the Board's oversight. The Board may request staff and investment consultants to inform and make recommendations on any matters pertinent to LACERA's investment operations. The Board may also delegate specific authorities to the CIO, as further outlined in the IPS.

ii. Committees

To assist the Board in carrying out its duties, the Board may establish one or more committees ("Committee"). A Committee makes recommendations to the Board on investment actions related to its area of focus. A Committee may request staff and investment consultants to inform and make recommendations to it on matters pertinent to the OPEB Trust investment program.

B. Staff

LACERA staff implements Board-approved policies in adherence to fiduciary duties, LACERA's Code of Ethical Conduct, and the LACERA Conflict of Interest Code. Staff are charged with the responsibility of providing the Board with information to assist Trustees in exercising their roles and responsibilities and fulfilling their fiduciary duties.

i. Chief Executive Officer

The Board and LACERA'S Board of Retirement jointly appoint the Chief Executive Officer ("CEO").

The CEO is responsible for planning, organizing, and administering the operations of LACERA under policy guidance and direction from the Board and the Board of Retirement. The CEO exercises administrative oversight of the CIO, excluding investment decisions delegated to the CIO. The Board provides input to the CEO in the CEO's oversight of the CIO.

ii. Chief Investment Officer and Investment Staff

The CIO and investment staff manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, oversee operational aspects of the OPEB Trust, report on the progress of the OPEB Trust in meeting its investment objectives, make any appropriate recommendations, and monitor and report to the Board on the performance of the OPEB Trust relative to the appropriate benchmarks. The Board has delegated the following responsibilities directly to the CIO:

- Conduct searches for external asset managers in line with LACERA's Board-approved Procurement Policy to provide investment services.
- Approve the selection and termination of external asset managers, with the concurrence of relevant Board-approved investment consultants for the asset class, to implement Board approved strategic asset allocation and asset category Structure Review investment guidelines. The CIO also has authority to approve temporary variances from asset-level program and investment manager guidelines.
- Approve co-investments, secondary transactions, re-ups, and advisory board seats in adherence with Board-approved strategic asset allocations and asset category Structure Review investment guidelines.
- Approve, or delegate authority to sign, all investment-related contracts and agreements necessary to implement Board-approved strategic asset allocations and Structure Reviews that, in line with the Board-approved Procurement Policy and in the judgment of the CIO and Chief Counsel, provide adequate protection for LACERA's interests, including an appropriate standard of care on the part of each manager.
- Approve rebalancing the Fund in order to raise cash for benefit payments, adjust investment exposures, or pay operational expenses while adhering to investment policy targets outlined within Board-approved strategic asset allocations and asset category Structure Review investment guidelines.
- Approve actions as outlined in the Board-approved Procurement Policy.
- Approve limiting or freezing manager trading activity. Such actions are reported to the Board as reasonably practical and no later than the next scheduled meeting of the Board.
- Approve actions not otherwise specifically delegated, in concurrence with the CEO and the Chair of the Board, when deemed necessary in the best interest of the Fund and when there is not enough time to take the action to the full Board. Such actions are reported as reasonably practical to the full Board, and no later than the next scheduled meeting of the Board.
- Oversee an annual self-evaluation process for internal investment committees.

The CIO is authorized and directed to interact with and communicate directly with the Board regarding all investment-related matters. The internal investment staff reports to the CIO, who in

turn reports to the CEO, with input of the Board. The CEO does not have any authority over any and all investment decisions that are delegated to the CIO.

LACERA's Board-approved Crisis Plan provides guidance in the event that the CIO is not available to implement delegated authorities.

iii. Chief Counsel and Legal Staff

The Office of Chief Counsel and legal staff (Legal Counsel) are primarily responsible for legal issues concerning the investment program and advise the Board, CEO, CIO, and staff on investment-related legal matters. Legal Counsel advises the Board in performing its fiduciary responsibility. In addition to reliance upon internal resources for such matters, and on fiduciary counsel, the Chief Counsel or designee within the Legal Office may retain other external legal counsel, when deemed necessary and appropriate, to advise staff, negotiate and prepare contracts on investment-related matters and individual transactions, and provide other investment legal advice to protect LACERA's interests.

C. Third Party Service Providers

LACERA may engage external service providers, as described below, to implement the OPEB Trust investment program. All service providers, unless otherwise not applicable, are expected to serve as fiduciaries to the OPEB Trust in fulfilling their contracted services. Third party service providers must refrain from gift-giving or other efforts that may jeopardize the impartiality, or appearance thereof, of LACERA's Board and staff.

i. Investment Consultants

An investment consultant works for the Board in the oversight and implementation of investment objectives. In meeting the Board's objectives, investment consultants may work with staff and investment managers. The Board's general investment consultant provides advice and recommendations to the Board or Committee regarding OPEB Trust strategic objectives, risks, oversight, and implementation of investment objectives. Investment consultants, both general and specialized, provide advice and recommendations regarding strategic asset allocation, portfolio implementation, and oversight of the OPEB Trust to the Board, CIO, and staff. Investment consultants provide analysis, advice, and recommendations to staff on asset manager selection and monitoring. Investment consultants report to the Board or the Committee, as directed, and serve as an independent resource accountable to the Board. Investment consultants have a fiduciary duty to LACERA and must report economic interests and conflicts in accordance with California law and LACERA policy, including the Code of Ethical Conduct and filing of Form 700s.

ii. Custodian Bank

The Custodian Bank ("Bank") serves as a fiduciary in the safekeeping of OPEB Trust assets. The Bank is responsible for maintaining the OPEB Trust's official accounting book of record, including the ongoing pricing and valuation of all assets, collection of income generated by those assets, any corporate action notification, and performance calculation. The Bank cooperates with and provides assistance to staff and investment managers in the reconciliation process. LACERA may opt to designate other duties to the Bank as stipulated in the professional services agreement.

LACERA's investment office works with LACERA's accounting division to manage the custodial relationship.

iii. Investment Managers

Investment managers, subject to the terms and conditions of this IPS, and applicable laws and regulations, serve LACERA through contracts that specify investment guidelines, administrative requirements, responsibilities, investment fees, and performance expectations for management of each mandate. Investment managers provide reporting for the OPEB Trust to LACERA on the performance of specific investment mandates in adherence to established guidelines and agreements. Staff and consultants synthesize investment managers' performance for presentation to the Board in accordance with established performance monitoring and oversight procedures. Investment managers should accept a fiduciary duty to LACERA, must report economic interests and conflicts in accordance with California law and LACERA policy, including the Code of Ethical Conduct and filing of Form 700s, and enforce their own diversity, ethics, and sexual harassment policies.

iv. Other Third Party Service Providers

Additional third-party service providers may be retained, subject to the terms and conditions of LACERA's established policies and procedures, in order to perform other duties to assist in the administration of the OPEB Trust.

D. Participating Employers

The Participating Employers, the County, the Court, and LACERA, have those roles and responsibilities set forth in the County and Court Trust agreements and the Master Trust Declaration, including the right to determine contributions made. The Participating Employers have given the fiduciary responsibility over investments and disbursements to the Board of Investments, according to the terms set forth in the Trust documents.

V. Policy Review

The Board reviews the Investment Policy Statement upon approval of any new strategic asset allocation, or at the discretion of the Board.

Appendix

Investment Tables

Table 1: Approved Asset Allocation

Asset Class	Target Allocation (%)	Allocation Range +/- (%)	Target Allocation (Step I) ~~10~~7/1/202~~14~~
Growth	**45**	**+/-10**	**~~50~~ 45**
Global Equity	40	+/-10	~~50~~ 40
Private Equity	5	+/-5	~~0~~ 5
Credit	**~~18~~ 16**	**+/-5**	**~~20~~ 17**
~~Liquid Credit~~	~~13~~	~~+/-5~~	~~20~~
~~Illiquid Credit~~	~~5~~	~~+/-5~~	~~0~~
Real Assets and Inflation Hedges	**~~20~~ 13**	**+/-~~5~~ 4**	**~~20~~ 16.5**
Real Estate	~~8~~ 5	+/-~~4~~ 3	~~10~~ 6.5
Natural Resources	2	+/-2	~~0~~ 2
~~Commodities~~	~~2~~	~~+/-2~~	~~4~~
Infrastructure	2	+/-2	~~0~~ 2
TIPS	~~6~~ 4	+/-4	~~6~~ 5
Risk Reduction and Mitigation	**~~17~~ 26**	**+/-~~6~~9**	**~~10~~ 21.5**
Investment Grade Bonds	~~10~~ 19	+/-~~4~~ 7	~~8~~ 14.5
Long-term Government Bonds	5	+/-5	~~0~~ 5
Cash	2	+/-2	2
Overlays and Hedges	0		0
Cash Overlay	0		0
Currency Hedge	0		0
TOTAL FUND	**100**		**100**

Table 2: Benchmark Table

Asset Class	Benchmark
Growth	**Custom Blend**
Global Equity	MSCI ACWI IMI Net
Private Equity	MSCI ACWI IMI + 200 bps (3-Month lagged)
Credit	**Custom Blend**: 70% Credit Suisse Leveraged Loans; 30% Bloomberg US Corporate High Yield + 100 bps (1 Month lagged)
~~Liquid Credit~~	~~38% BBg Barc U.S. Corporate High Yield; 46% Credit Suisse Leveraged Loans; 8% JP Morgan EMBI GD; 4% JP Morgan GBI-EM GD; 4% JP Morgan CEMBI BD~~
~~Illiquid Credit~~	~~Custom Liquid Credit Benchmark + 150 bps (1-month lagged)~~
Real Assets and Inflation Hedges	**Custom Blend**
Real Estate	~~75%~~ NFI ODCE~~; 25% DJ US Select Real Estate~~ (3-Month lagged)
Natural Resources	S&P Global Natural Resources TR
~~Commodities~~	~~Bloomberg Commodity TR~~
Infrastructure	Dow Jones Brookfield Global Composite Infrastructure TR (3-Month Lagged)
TIPS	Bloomberg US TIPS (0-5 yrs)
Risk Reduction and Mitigation	**Custom Blend**
Investment Grade Bonds	Bloomberg US Aggregate TR
Long-term Government Bonds	Bloomberg US Long Treasury Bond
Cash	FTSE 3-Month US Treasury Bill
TOTAL FUND	**Custom Blended Policy Benchmark**

Policy History

Restated November 8, 2018
Revised December 11, 2019
Revised August 11, 2021
Revised December 14, 2022
Revised November 8, 2023

List of Attachments

Corporate Governance and Stewardship Principles
Responsible Contractor Policy
Emerging Manager Policy
Placement Agent Policy
Private Equity Privatization Policy
Procurement Policy for Investment-Related Services

MEKETA
INVESTMENT GROUP

5796 Armada Drive
Suite 110
Carlsbad, CA 92008

760.795.3450
Meketa.com

ATTACHMENT 3

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Leo Festino, and Imran Zahid
DATE: June 12, 2024
RE: LACERA OPEB Trust Investment Policy Statement Update

The purpose of this memo is for Meketa Investment Group to review and support approval of the LACERA OPEB Trust's updated Investment Policy Statement.

Background

Over the course of the past eleven months, Meketa and LACERA staff conducted a multi-step Strategic Asset Allocation ("SAA") review process. The process included multiple interactive sessions with the Board of Investments ("BOI") to provide education on topics including the importance of strategic asset allocation, capital market return expectations, risk analysis, climate aware asset allocation, and benchmarking. Throughout the review, the BOI's input was collected and utilized to help shape recommendations. At the April 2024 meeting, the BOI approved a new SAA for the OPEB Trust which was followed by approval of ranges and benchmarks at the May 2024 meeting.

As a matter of process, the new asset class and functional category targets, interim steps, ranges and benchmarks need to be updated in the Investment Policy Statement. Those items are included in Tables 1 and 2 of the Appendix in the redline version included with staff's presentation materials.

While the newly approved SAA represents a modest evolution of the previous version for the OPEB Trust, there are a couple elements that require language changes within the IPS:

1. Credit – Liquid and Illiquid Credit were combined into a single category which required deleting references to the previous category names.

2. Real Assets – Commodities were not included as a discrete allocation within the new SAA but commodity related exposure is now included within the Natural Resources category. The revised language reflects that change.

3. Overlays and Hedges – This category was added to the OPEB Trust's functional framework during the SAA review. The wording from the Pension Trust IPS was mirrored in the updated OPEB Trust IPS.

Recommendation

Meketa has reviewed staff's modifications to the OPEB Trust IPS and concluded that they accurately reflect the newly approved SAA. We recommended that the Board of Investments approve the updated Investment Policy Statement as presented.

If you have any questions, please feel free to reach us at 760-795-3450. We look forward to speaking with you soon.

TF/AK/LF/IZ/sf

LACERA

May 31, 2024

TO: Trustees – Board of Investments

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

Quoc Nguyen, CFA
Investment Officer

James Rice, CFA
Principal Investment Officer

Jason Choi, CFA
Senior Investment Analyst

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: HEDGE FUNDS, CREDIT, AND REAL ASSETS CONSULTANT SEARCH RECOMMENDATION

RECOMMENDATION

Select Albourne to provide LACERA with hedge funds, credit, and real assets consulting services.

DISCUSSION

As authorized by the Board of Investments in December 2023, the evaluation team has completed its review and assessment of the firms that responded to the RFP for a hedge funds, credit, and real assets consultant. The results of the evaluation are presented in **Attachment 1**. In addition to the evaluation team, Board of Investments Trustee, Trevor Fay, participated in the consultant evaluation.

Attachment

Noted and Reviewed:

Jonathan Grabel
Chief Investment Officer

VM:JR:QN:JC

ATTACHMENT 1

Hedge Funds, Credit, and Real Assets Consultant Search Recommendation

Board of Investments Meeting
June 12, 2024

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Recommendation and Overview

Recommendation

- The evaluation team recommends that the Board of Investments select Albourne to provide LACERA with hedge funds, credit, and real assets[1] consulting services

Overview

- The Albourne Group ("Albourne" or "firm") is LACERA's existing hedge funds, illiquid credit, and real assets consultant. The agreement with Albourne has a 5-year term which expires in June 2024 and allows for optional extensions of up to two years
- The firm was founded in 1994 as an independent specialist consultant focused on alternative investments and advises over 340 clients globally, including 50 public pension plans, and has over $700 billion in assets under advisement
- Albourne has a non-discretionary consulting model, which minimizes the potential for conflicts of interest with their clients
- Albourne has a well resourced and deep analyst team dedicated to Investment Due Diligence ("IDD") that focus on alternative assets including hedge funds, credit, and real assets
- Albourne has 129 dedicated Operational Due Diligence ("ODD") analysts that perform initial and ongoing due diligence. Albourne's portal has a library of over 2,100 ODD reports across hedge funds, credit, and real asset funds available for clients
- Albourne has invested over $500 million on its technology platform. Its client portal includes a research and due diligence application, portfolio management application, fee measurement tools, and middle and back-office reporting, which all sit under a single consolidated application

[1] *Real assets excludes real estate and Treasury Inflation-Protected Securities (TIPS) . LACERA has separate consultants that advise on LACERA's real estate portfolio and TIPS portfolio*

Role of Hedge Funds, Credit, and Real Assets

Hedge Funds

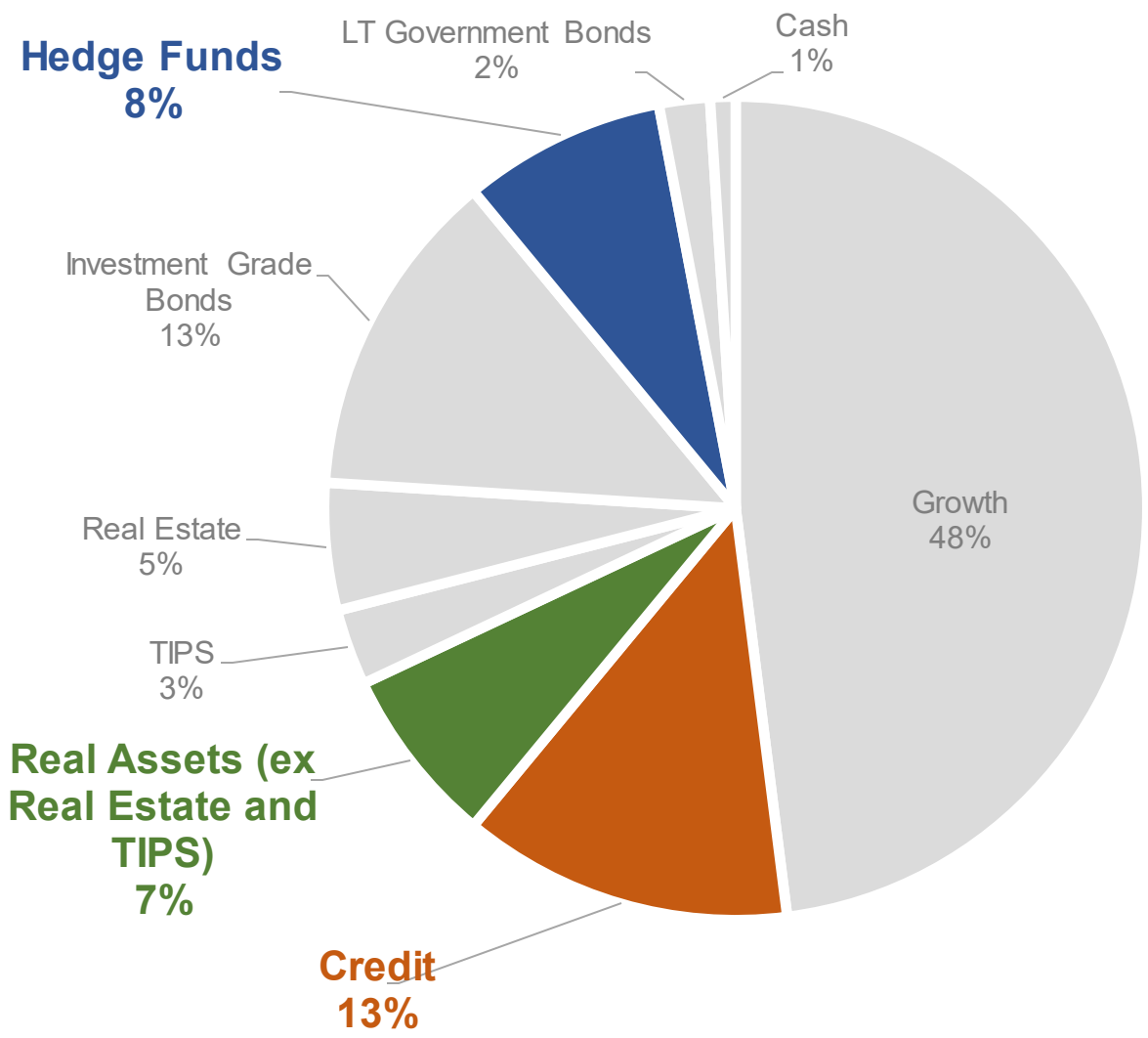
- Reduce total Fund risk
- Enhance total Fund diversification
- Downside protection
- Low sensitivity to major markets

Credit

- Moderate current income
- Moderate long-term total return
- Moderate level of risk
- Moderate liquidity

Real Assets

- Diversity exposure to growth assets
- Provide consistent income
- Hedge inflation risk



Note: Weights based on policy targets of 2024 Strategic Asset Allocation approved by the Board of Investments on April 10, 2024

Scope of Services

The hedge funds, credit, and real assets consultant will report to LACERA's Board of Investments and provide **consulting services** for LACERA's Pension Plan

Independent Assessment/Opinion:
Provide the Board of Investments with independent assessment of staff's implementation of Board approved policies and guidelines that relate to hedge funds, credit, and real assets investments

Due Diligence:
Conduct independent evaluations regarding investment and operational due diligence; provide concurrence memos on hedge funds, credit, and real assets investments

Industry Research and Portfolio Analysis:
Provide attribution analysis and quarterly reports on the hedge funds, credit, and real assets portfolios; conduct comprehensive written research and analysis on specific investment as well as operational topics and issues

Meeting Attendance:
Attend Board of Investments meetings, annual off-site meetings, Board of Investments Committee meetings and other meetings as requested by LACERA

Collaboration:
Work with staff and other LACERA consultants in evaluating the Pension Plan; provide education to Board

Middle and Back Office Support[1]:
Support investment staff as a resource for services such as performance reporting, fee analysis, and compliance monitoring

[1]*Noted as a desirable capability in the hedge funds, credit, and real assets consultant(s) RFP*

Evaluation Process: Team

Evaluation Team

- Trevor Fay, Board of Investments Trustee
- Vache Mahseredjian, Principal Investment Officer
- Jim Rice, Principal Investment Officer
- Daniel Joye, Investment Officer
- Quoc Nguyen, Investment Officer
- Jason Choi, Senior Investment Analyst

Evaluation Process: Criteria

The Evaluation Team evaluated the responses. Each phase was scored independently.

Organization (20%)

Ownership structure, lines of business, global staffing and office location, company management, and firm evolution since inception

Professional Staff (25%)

Staffing depth, capabilities, experience, range of perspectives, turnover, compensation, and alignment

Technology (15%)

Approach and efficacy regarding technology such as proprietary databases, research analytics, portfolio analytics, and manager risk analytics

Servicing Capabilities (30%)

Investment market research, operational due diligence, back and middle office capabilities

Fees (10%)

Fees relative to total inclusive services

Mitigation of Conflicts[1]

Framework and policies to identify, manage, and prevent conflicts of interest

[1] *Score for this category based on letter grade A through D, with A being the least conflicted. Consideration incorporated into overall score*

Evaluation Process: Minimum Qualifications

In order to be eligible, respondents were to meet the following Minimum Qualifications ("MQs"):

1. Must be registered as an investment advisor under the Investment Advisers Act of 1940
2. Must have at least three (3) public defined benefit pension plan clients, each with total plan assets of at least $10 billion as of December 31, 2023
3. Must have five (5) years of experience in providing direct investment and due diligence investment consulting services to U.S. tax-exempt clients
4. The consulting firm must maintain or have access to a database(s) with sufficient breadth to assist, when necessary, with manager research and analysis
5. Must currently have at least $1 billion of hedge funds, credit, and/or real asset assets under advisement, depending on the consulting mandate(s) to which the firm is responding (hedge funds, credit, and/or real assets)
6. Must acknowledge that in the event it is awarded a contract under this RFP, candidate firm(s) will be disqualified from serving as an active manager of any portfolio for LACERA
7. Must agree to be a fiduciary to LACERA under California and other applicable law

Evaluation Process: Timeline

Dec 2023

RFP Launch

4 firms

- Minimum qualifications review

Feb 2024

Phase I: RFP Proposal Reviews

4 firms

- Comprehensive review of questionnaire responses, supplemental reports, and exhibits
- Evaluation team discussions

Feb-Mar 2024

Phase II: Interviews and Presentations

4 firms

- Interviewed all respondents
- Discussion of organization, resources, proposed engagement team, servicing capabilities
- Client portal demonstrations

Apr-May 2024

Phase III: Final Discussions

2 firms

- Follow-up requests post 1st interview
- Further discussions on approach to ODD, IDD, DEI, and ESG
- Servicing capabilities and technology

June 2024

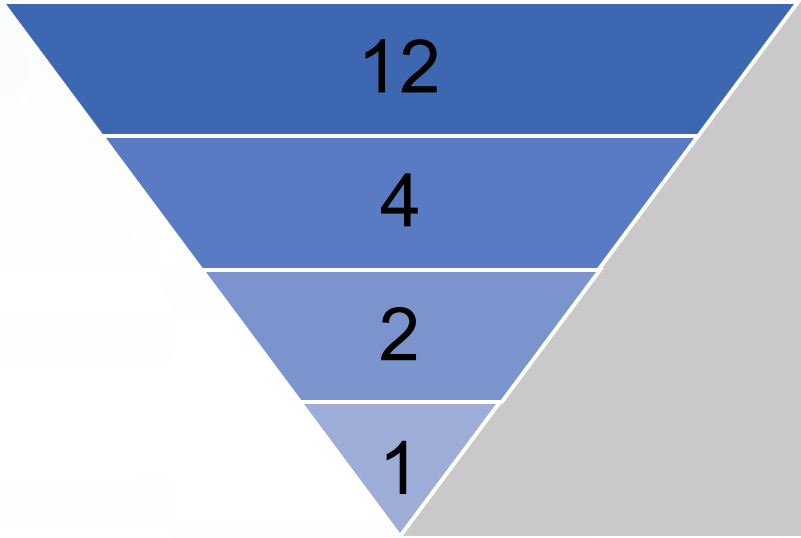
Recommendation to BOI

1 firm

- Albourne

Evaluation Process: Respondent Firms

Respondent Firms	Evaluation of Written RFP	Evaluation after Round 1 Interviews	Advanced to BOI
Albourne	Advanced to interviews	Advanced to second round interviews	Recommended
Mercer	Advanced to interviews	Advanced to second round interviews	-
Meketa	Advanced to interviews	-	-
Wilshire	Advanced to interviews	-	-



- 12 consultant firms were notified of the multi-consultant RFP, along with a public posting of the RFP on LACERA's website
- 4 firms responded to LACERA's RFP and all 4 were interviewed
- 2 firms advanced past the first round of interviews
- Evaluation team recommends Albourne as the hedge funds, credit, and real assets consultant

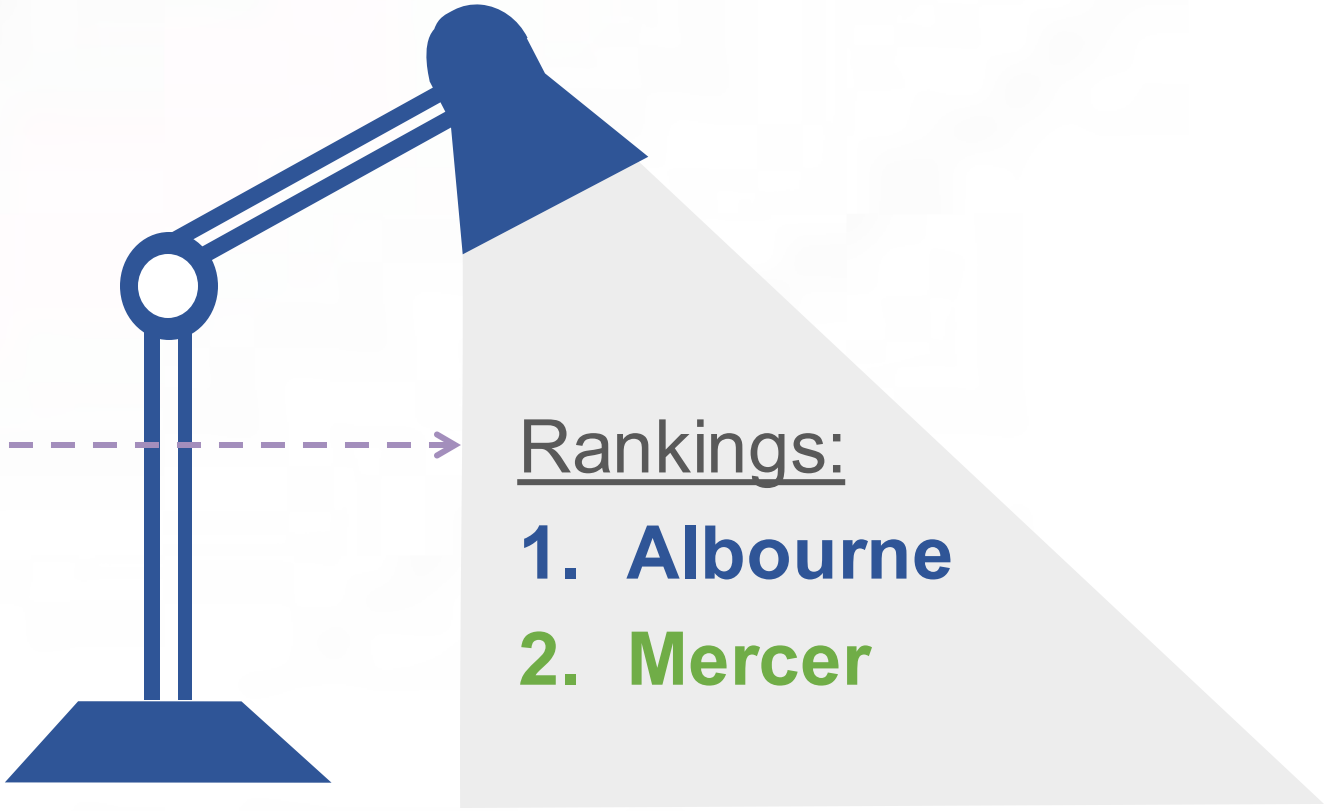
Evaluation Process: Observations and Rankings

Interactive Collaboration

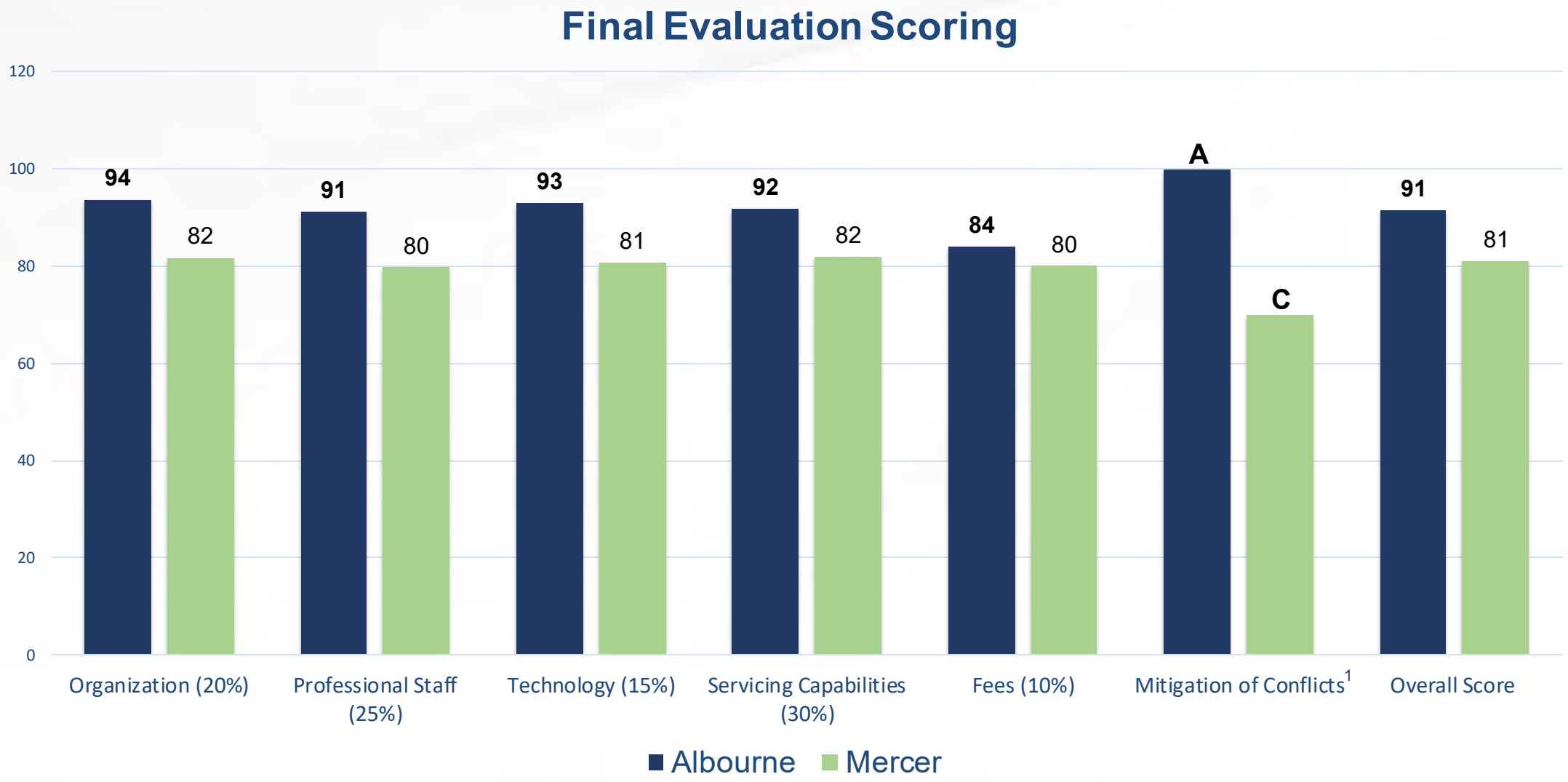
Measured Process

Considered LACERA Specific Needs

Final Rankings



Evaluation Process: Finalist Scoring



[1]*Mitigation of Conflicts score is based on letter grades A through D, with A being highest score and the least conflicted. Consideration incorporated into overall score*

Proposal Review

Fee Terms	Albourne	Mercer
Hedge Funds	$556,500	$375,000
Credit	$467,000	$375,000
Real Assets	$612,200	$375,000
Total	**$1,645,500 standalone**	**$1,215,000 standalone[1]**
Bundle Discount	$422,700	$180,000
Initial Proposal: Annual Fee	**$1,223,000 w/ multi-contract discount[2]**	**$1,035,000 w/ multi-contract discount[3]**
Negotiated Discount	$225,500	n/a
Negotiated: Annual Fee	**$997,500 w/ multi-contract discount[4]**	**Offered no change from Initial Proposal**

[1]This figure includes an additional $90,000 for the inclusion of fee reconciliation services which was not included in the original fee proposal
[2]Albourne's initial fee proposal included an option to charge $32,000 per fund to underwrite investments that Albourne has not previously covered and does not intend to cover as part of Albourne's coverage universe
[3]Mercer's proposed fees include 6 commissioned fund diligence underwrites per year across hedge funds, credit, and real assets. Additional underwrites would cost $35,000 per fund and would include investment and operational due diligence
[4]This negotiated fee proposal includes independent due diligence underwrites from Albourne for prospective investment that LACERA is underwriting for inclusion in the hedge funds, credit, and real assets portfolios at no additional charge. This negotiated term addresses footnote 2

Recommendation and Overview

The Evaluation Team recommends that the Board of Investments:

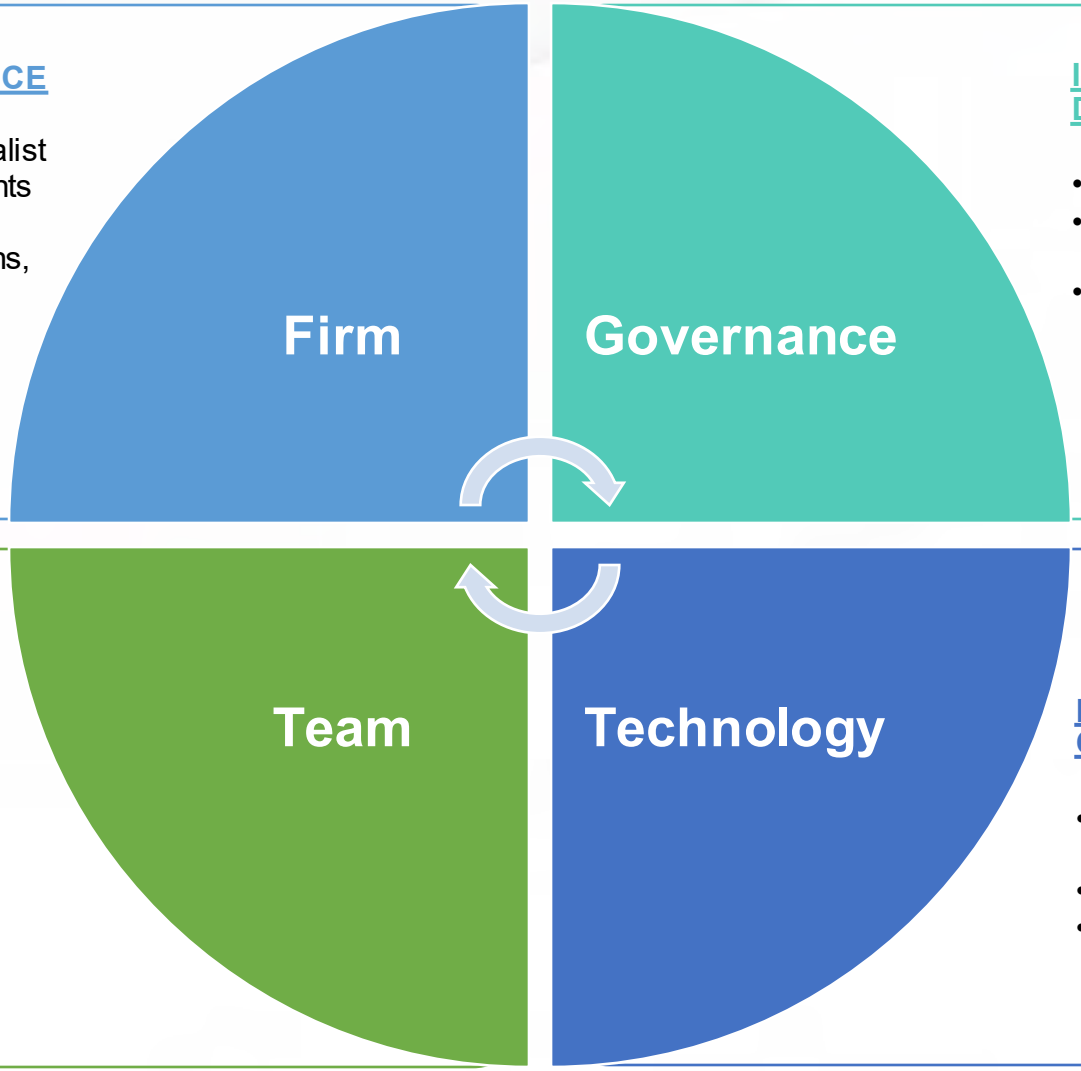
Select Albourne to provide LACERA with hedge funds, credit, and real assets consulting services

- *Rationale for this recommendation is described on the following slides*
- *Merits and concerns for the other finalist candidate appear in the Appendix*

Albourne – Firm Overview

PENSION FUND CONSULTING EXPERIENCE

- Founded in 1994 as an independent specialist consultant focused on alternative investments
- Advises over $700 billion in alternative in assets across public and corporate pensions, endowments, foundations, sovereign wealth funds, and insurance companies
- Advises over 50 public pension plans



INDEPENDENT FIRM WITH NO DISCRETIONARY SERVICES

- Firm is 100% employee owned
- 117 partners, with 80 share and option holders[1]
- Does not offer discretionary advisory services or discretionary products, mitigating potential conflict of interest

DEPTH OF TEAM & RESOURCES

- Team of 632 employees
- 11 offices globally
- 129 Operational Due Diligence Analysts
- 87 Investment Due Diligence Analysts
- 41 Quantitative Due Diligence Analysts
- 47 Portfolio Analysts
- 39 Fintech Analysts

ROBUST TECHNOLOGY PLATFORM AND CAPABILITES

- Deep investments on technological platform
- Technology oriented for client use
- Robust tools for investment research, operational diligence, quantitative analysis, fee analysis, and portfolio management

[1] *Including the Albourne Employee Benefit Trust and three retired employees*

Albourne - Organization

Albourne'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
Executive oversight of DEI	YES

Notes and Developments

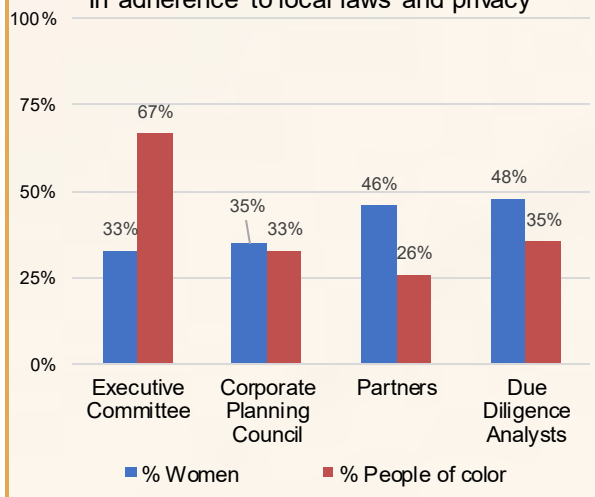
Albourne focuses on four DEI pillars:

- **Attract**: Attract and hire talent from historically underrepresent groups with the goal of increasing representation
- **Belong**: Ensure employees feel that Albourne is a fair, respectful, and inclusive company
- **Promote**: Ensure personal development opportunities and promotions are fair and governed by transparent written policies and processes which are actively monitored
- **Influence**: Contribute to the development and adoption of DEI best practices by leveraging client and fund relationships

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
- One grievance was raised in last 12 years

Momentum and Analysis

Strengths and Recent Progress

- Incorporation of quarterly DEI training such as unconscious bias training and identity & inclusion training
- Formation of Employee Resource Groups, including the Albourne Women's Network, Albourne Pride, Minds of all Kinds and Albourne for Good, which focus on sustainability and community initiatives

Areas for Further Development

- Greater representation of historically underrepresented groups

Reported Strategies to Address Areas for Development

- Engaging with organizations such as The Robert Toigo Foundation, Year Up Professional Resources, The Arc San Francisco, 100 Women in Finance, Junior Achievement, and She Can Be to attract and recruit more diverse talent

Albourne - Merits and Strengths

Merits	Strengths
Business Model and Independently Owned	• Albourne's non-discretionary consulting business model is intentionally designed to promote client alignment and to avoid/minimize potential conflicts of interest. The firm has no business lines that compete with clients' objectives or access to funds • The firm is 100% independently owned by 80 employee shareholders[1]. The firm is not influenced by public shareholders or outside investors
Operational Due Diligence	• Established and well resourced operational due diligence capabilities for primary fund investments and alternative structures such as co-investments and separately managed accounts; supported by a dedicated team of 129 global ODD analysts who are all accessible to LACERA
Technology/Fintech	• Albourne's proprietary online platform is an industry-leading portal for clients to access the firm's suite of analytical tools and market research • The organization has invested over $500 million in technology over decades to develop, upgrade, and expand functionality that serves as a resource to clients
Service Capabilities Middle/back Office	• Albourne offers a suite of middle- and back-office services which adds a second set of eyes to the work of staff and serves as quality assurance in the form of compliance and independent shadow books and records
Resources and Experience	• Albourne is well resourced with 632 employees globally across 11 offices. The firm has 30 years of history as an investment consultant firm with 50+ public pension plan clients and $700+ billion in assets under advisement
Current Provider	• Firm is the current hedge funds, illiquid credit, and real assets consultant service provider to LACERA and is familiar with LACERA's organization, investment philosophy, policies, beliefs, and portfolio

[1] *Including the Albourne Employee Benefit Trust and three retired employees*

Albourne – Concerns and Mitigating Factors

Concerns	Mitigating Factors
Complexity of Risk Platform	• Albourne's risk platform, Open Protocol, while very comprehensive, is complex and at times may require supplemental reports from Albourne's risk team to assess various perspectives. Albourne continues to redesign the risk reporting output and expand on user-friendly tools for accessing portfolio risk data. Additionally, the Albourne team produces customized risk reports for LACERA that address specific questions or concerns that arise • Albourne has responded promptly to questions from investment staff regarding the risk platform
Diligence on Commingled Funds vs. Separately Managed Accounts	• Albourne's business model leans toward underwriting commingled fund investments rather than separately managed accounts ("SMAs"). This is understandable, given that diligence on a single commingled fund could satisfy the demand of multiple clients. However, LACERA's Credit portfolio consists of customized separate accounts • Albourne has the ability to underwrite separate accounts and custom strategies and has historically reserved the right to charge individually for custom due diligence on SMAs • LACERA negotiated that for a renewed contract, custom due diligence for SMAs would be included in Albourne's proposed fees and scope of services

Albourne - Operational Due Diligence

Status	Risk Factor Categories Observed
☑	Manager Organization
☑	Compliance Resources & Policy
☑	Professional Staff
☑	Administrative & Reporting
☑	Operations
☑	Infrastructure & Business Continuity
☑	Review Third-Party Materials

Merits	Descriptions
Robust IT & Data Security Practices	• Firm has 84 individuals dedicated to IT, including 55 web designers and software developers who support and advance the technology made available to clients via Albourne's online portal, as well as the portfolio monitoring functions such as middle-office, back-office, and fee reconciliation services • An external party conducts an ISO/IEC2 27001:2013 audit each year which covers people, process, and technology. An ISO 27001 audit is comparable to, and considered more comprehensive than, a SOC 2 review • To bolster quality assurance, Albourne commissions an external consultant to conduct an annual firm-wide internal audit of its operations • An external third party conducts a penetration test on Albourne's systems twice a year to mitigate the cybersecurity risks to its IT infrastructure and client data
Compliance Framework and Resources	• Dedicated team of 21 individuals within the legal and compliance Group • Maintains a requisite good standing with each of the 10 regulatory jurisdiction in which it operates. The firm maintains a separate and distinct compliance manual for each entity that operates within each of those jurisdictions • List of 16 regulatory and principles policies that guide and instruct its workforce globally, including anti-bribery and corruption policy, personal securities transaction policy, external interests policy, conflicts policy, and preventing and reporting leaks of confidential information

Concerns	Mitigating Factors
2014 Regulatory Finding	• In 2014, the SEC performed its first examination of Albourne America LLC and issued an examination finding regarding consistency in the disclosure of certain conflicts of interest in research reports. In July 2014, Albourne provided a written response to the SEC outlining corrective actions it would take to address the issue. There are no outstanding litigations, investigations, regulatory, or proceedings known at this time

Albourne – Client Team

James Walsh is the Head of the Portfolio Group and has over 24 years' experience in alternative investments. He is a Partner and shareholder at Albourne based in San Francisco. James was instrumental in the design and development of Albourne's 5A (Asset Allocation Across All Alternatives) model and leads Albourne's macro and strategy forecasting process. He has led the Portfolio Group since 2014 and runs the weekly Portfolio Group call. James joined Albourne in 2012 from Cayuga Capital Partners LLP, a start-up fundamental global macro hedge fund, where he was CEO and CIO. Previously James has been CIO at Cornell University endowment, Head of Strategy and Alternatives at Hermes Pension Management, and before that he was Macroeconomic Forecaster for The Economist Group. James holds an MSc, Economics from Birkbeck College, University of London (UK) and a BSc, Economics from Brunel University, London (UK) and is a CAIA charter holder. James was named as a Knowledge Broker by Chief Investment Officer magazine in 2020.

Steve Kennedy joined Albourne in 2006 and is a Partner, shareholder and Portfolio Analyst based in the San Francisco office. Steve has over 17 years' experience providing alternatives consulting services to Albourne investor clients and over 23 years' experience overall in alternatives. He is Chair of the UNPRI Hedge fund steering committee, which advises the PRI Executive on the strategy and execution of the Hedge Funds Work Stream. Prior to joining Albourne, Steve worked at Harris MyCFO and Bank of America Securities. Steve earned an MS in Investment Management from Boston University Graduate School of Management in 2001 and a BA in Environmental Policy and Analysis from Boston University in 1993. Steve is a CFA Charterholder.

Jennifer Yeung joined Albourne in 2022 and has over 15 years' experience in finance and alternatives. For four years until 2021 Jennifer was a Senior Investment Manager, Private Markets at the State of Michigan Retirement System. Previous roles include three years as a Senior Credit Research Analyst at 40/86 Advisors, a fixed income investment advisor, Equity Research Analyst at Wells Capital Management and Driehaus Capital Management. Jennifer holds an MBA from the Marshall School of Business, University of Southern California, and both a Master of Accounting and a Bachelor of Arts – Honours in Chartered Accountancy Studies from the University of Waterloo. She also holds a CPA (Canada).

Albourne – Client Team

Kristen Jones is Head of North America Private Credit IDD and has over 14 years' experience in alternatives. Kristen joined Albourne in 2009 as a Private Equity IDD Analyst after two years as an Investment Analyst with Waycrosse, Inc. Cargill and MacMillan Family Office. Kristen has primary responsibility for maintaining coverage on sub-strategies including control, noncontrol, asset-backed, distressed lending and multi-strategy credit, leading the Pod which covers those strategies. Kristen holds a BSB, Finance from the University of Minnesota, Twin Cities Curtis L. Carlson School of Management.

Mark White is Head of Real Assets Analyst who established Albourne's Real Assets team in 2009. After a career spanning finance, academia and also 14 years' in real assets field operations, Mark brings practitioner knowledge and understanding of what drives or destroys value in evaluating real assets managers. Mark has four years' public pension plan investment experience at the Nova Scotia Association of Health Organizations (NSAHO) Pension Plan. Mark was a Partner and the Vice President, Investment Research of Keel Capital. Before 2000 Mark was an adjunct professor at the Fred C. Manning School of Business at Acadia University. He holds a BA, Business Administration from Acadia University and an MBA, Accounting & Finance form Saint Mary's University.

Travis Williamson is the Head of Albourne's Hedge Fund IDD team and leads coverage of Global Macro Funds. Travis joined in 2013 and has over 18 years' experience in alternative investments. Before joining Albourne Travis led the Federal Reserve Bank of New York's work related to Hedge Funds and alternative investments. He has previous experience at Morgan Stanley Smith Barney, Royal Bank of Canada and DCF Capital. Travis has been a Trader in Equity and Derivatives, Fixed Income Futures and Long / Short Equity. Travis earned a BA in Economics from Lafayette College, an MBA in Finance from the University of Connecticut, and is a CAIA Charterholder.

Ryan Teal joined Albourne's Operational Due Diligence group in Toronto in 2010 and is now a Partner and the Head of ODD. Prior to Albourne Ryan worked at The Bank of Nova Scotia in the structured products group, conducting Investment and Operational Due Diligence on alternative asset managers. Previously Ryan has operational experience at a Canadian pension plan and in fund administration. Ryan is both a CFA and CAIA Charterholder.

Mercer - Merits and Concerns

Merits	Descriptions
Investment and Operational Resources	• Mercer's investment consultant business is well resourced with 260+ alternatives professionals globally, $182bn in assets under advisement, and over 30+ years of private markets experience as a firm. Mercer has a dedicated operational due diligence team of 45 professionals which is considered relatively well resourced
Investment and Market Research	• Mercer has developed an online portal resource known as MercerInsight that combines the datasets of Mercer and eVestment to offer a wide array of private markets coverage for market and fund research. The platform also leverages TopQ+, which offers private market analytics for portfolio analysis, public market equivalents, and scenario analysis

Concerns	Descriptions
Multiple Business Lines	• Alternatives investment advisory services is not the sole business of Mercer. The firm has other business lines such as retirement and wealth management, healthcare consulting, and actuarial services. The primary focus of the firm may not be in the business segment related to servicing this mandate. Comparatively, non-discretionary alternative investment advisory services is Albourne's only line of business
Potential Conflict of Interests	• Mercer's business model of providing discretionary consulting and offering discretionary investment products lends itself to potential conflicts of interest for clients like LACERA seeking non-discretionary advisement services. Mercer may be conflicted regarding investments where Mercer has access to limited capacity of fund investments. Mercer may favor higher paying discretionary accounts for that limited capacity over a non-discretionary advisory client. This potential conflict is further elevated since Mercer is paid a management fee and performance fee on the discretionary vehicles that they manage, which increases the incentive to favor discretionary accounts

LACERA

May 9, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Joint Organizational Governance Committee
Vivian Gray (BOR), Chair
Patrick Jones (BOI), Vice Chair
Trevor Faye (BOI)
Debbie Martin (BOI)
Shawn Kehoe (BOR)
Les Robbins (BOR)
JP Harris (BOR)

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: Approval of Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trust Budgets

RECOMMENDATION

That the Board of Retirement (BOR) and the Board of Investments (BOI) adopt the LACERA Fiscal Year (FY) 2024-25 Proposed Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trust Budgets.

SUMMARY

LACERA's Administrative, Retiree Healthcare Benefits Program and OPEB Trust operating budgets represent the organization's fiscal plan in support of the work we will do in FY 2024-25 toward achieving our mission – To produce, protect and provide the promised benefits to our members. For FY 2024-25, the Administrative Budget, which supports the operating costs to administer pension plan benefits and is funded from investment earnings, totals approximately $140 million. The Retiree Healthcare Benefits Program Budget, which supports the operating costs to administer retiree healthcare benefits to eligible members and is funded from an administrative fee paid by plan sponsors and participants, totals approximately $13.6 million. The OPEB Trust Budget, which supports the operating costs to manage and grow the fund assets set aside by trust participants (Los Angeles County, Superior Court and LACERA) to pre-fund retiree health

dental and death benefits, totals $1.1 million. LACERA's Board of Investments is the trustee and investment manager for the OPEB Trust Fund.

The attached FY 2024-25 presentation materials provide a summary. The complete budget details are found in the attached FY 2024-25 Administrative, Retiree Healthcare, and OPEB Trust Budgets (Budget Book).

Attachments: FY 2024-25 Budget Presentation
FY 2024-25 Proposed Administrative, Retiree Healthcare and OPEB Trust Budgets (Budget Book)
LACERA Budget Policy – Approved June 2023

Fiscal Year 2024-25
Proposed Budget Presentation

Administrative, Retiree Healthcare Benefits & OPEB Trust Budgets

Fiscal Year 2024-25 Preliminary Budget

AGENDA

- Background – Legal authority, budget policies, budget process
- Strategic Priorities & Initiatives
- FY 2023-24 Accomplishments
- Administrative Budget
  - Assumptions & Structure
  - Summary of Changes
  - Proposed Staffing Changes
- Retiree Healthcare Benefits Program Budget
- OPEB Trust Budget
- Questions & Discussion
- Appendix: FY 2024-25 Strategic Workplans

Legal Authority and Duty

CERL Section 31580.2

- Grants Joint Boards to approve a budget no greater than 21 basis points of AAL by June 30

CA Constitution Article XVI, Section *17(a)*

- "The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and ***defraying reasonable expenses of administering the system***"

CA Constitution Article XVI, Section *17(b)*

- Joint Boards' fiduciary duty is 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 is to its participants and their beneficiaries shall take precedence over any other duties. "
- The Boards have a fiduciary duty to defray the expenses of administering LACERA, which includes reviewing and questioning the budget as appropriate to serve the members and approving costs required in the Boards' prudent fiduciary judgment to serve the paramount duty to members.

Budget Policies

Statutory Appropriation

County Employees Retirement Law

- Govt Code 31580.2 limits our annual administrative appropriation to 0.21% of Actuarial Accrued Liabilities
- Govt Code 31580.2(b) excludes computer technology expenditures from the appropriation limit
- Govt Code 31596.1 excludes specific non-administrative expenses from the appropriation limit

Surplus Unappropriated Balance

Unappropriated Funds

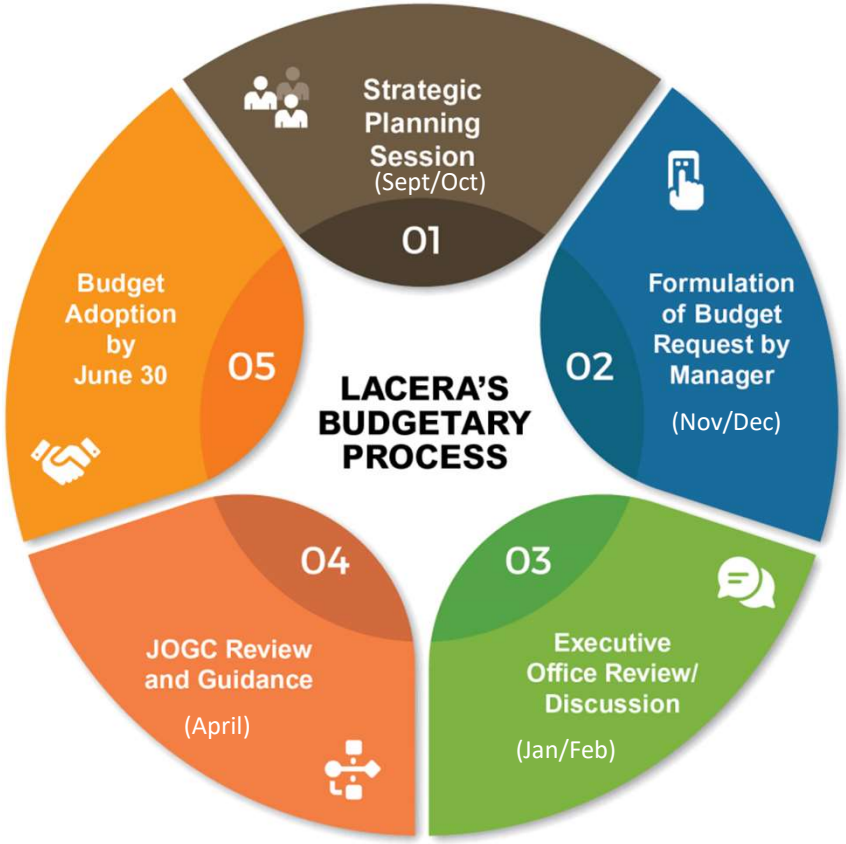
- Represents the balance of available appropriation after Administrative Costs
- 2024-25 = Approximately $50 million

Retiree Healthcare Costs

RHC Administrative Overhead Costs

- Are *NOT* borne by the Pension System
- Are charged against the RHC Budget on an annual basis

Budget Development Process



LACERA's Operating Budgets – FY 2024-25

Administrative

$140.0 Million

- Provides resources necessary to administer the promised pension benefits
- Funded exclusively from investment returns (per CERL)
- Costs are capped at 0.21% (21 basis points) of Actuarial Accrued Liability (per CERL)

Retiree Healthcare Benefits Program

$13.6 Million

- Provides resources necessary to administer the retiree healthcare benefits to eligible members
- Funded from $8 per member/plan/month administrative fee paid by plan sponsor or member
- Healthcare premium costs are passed through and paid by plan sponsors on a pay as you go basis
- Pension Trust Assets may not be used to support Retiree Healthcare

OPEB Trust

$1.1 Million

- Master trust established in 2012 to pre-fund liability for retiree health, dental and death benefits
- BOI is responsible for the investment policy and managing both the fund and the trust
- Trust Owners are LA County, Superior Court & LACERA only
- Not currently used to pay premiums – Goal to use investment earning to pay benefits

Pension Plan Funding

C + I = B + E

Contributions + Investment Earnings = Benefits + Expenses

100% of LACERA's Administrative Budget (E) is funded from Investment Earnings (I)

BOR Strategic Priorities

BOR Strategic Priorities

Superior Member Experience

Innovate and continuously improve the member experience

Innovation through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce

Enterprise Risk Management and Compliance

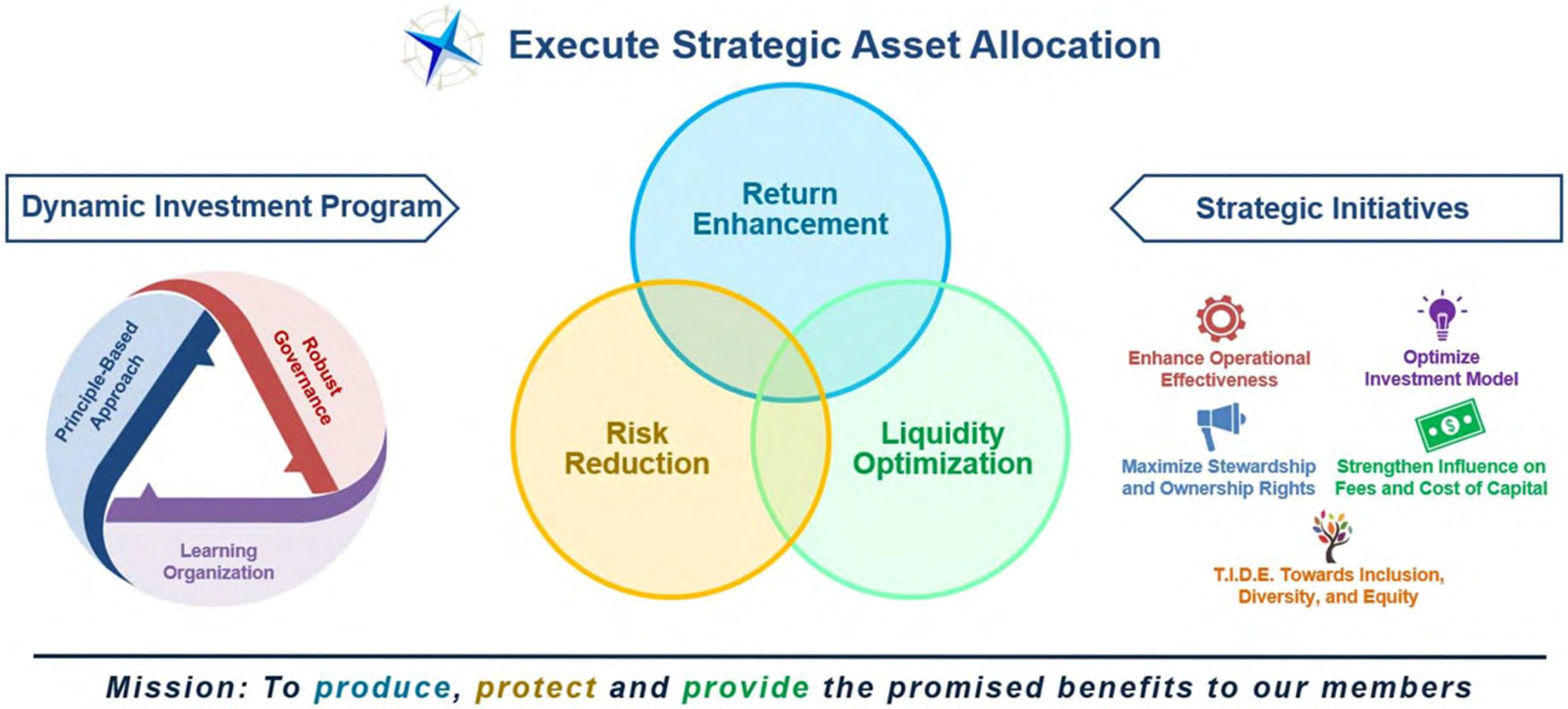
Adopt and implement enterprise-risk and compliance framework aimed at mitigating risk and vulnerabilities

Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Align Strategic Priorities to Objectives

BOI Strategic Initiatives



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

Prior Year Accomplishments

Members • Technology • People • Risk & Compliance • Fiscal Durability

FY 2023-24 Accomplishments

- BOR Strategic Plan Workplans
- Implemented Principle-Based Approach to Investing
- Investment Returns Above Policy Benchmarks
- Update & Revise Actuarial Funding Policy
- Completed Renovation of 7th Floor
- Improved Disaster Recovery (Cloud Migration)
- Data Lake/ CEO Dashboards

FY 2023-24 Accomplishments

- Multi-factor Authentication for Incoming Member Calls

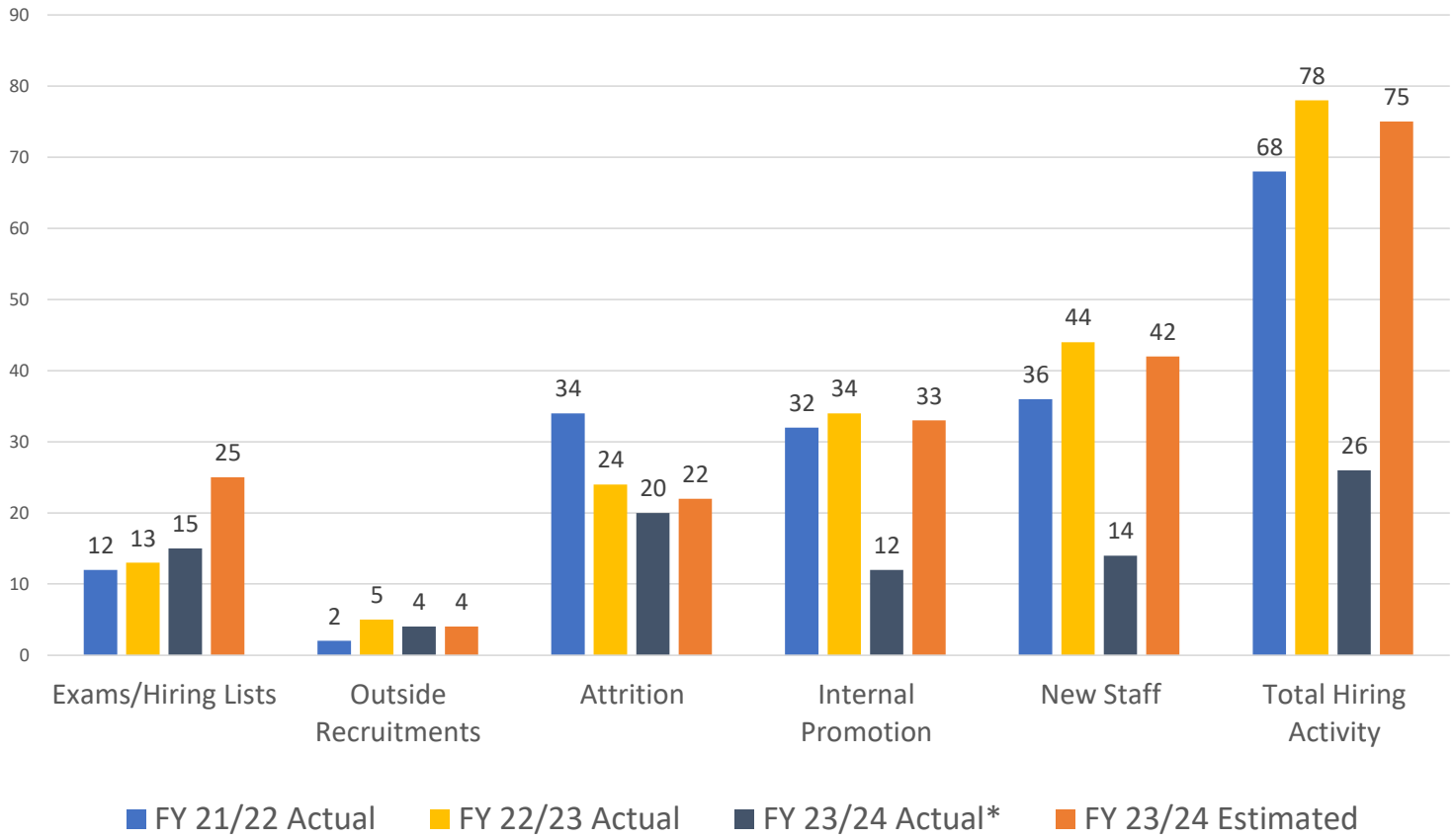
- Sol Case Management Phase I
  - Disability Litigation
  - Disability Retirement Services
  - First Payment (by 6/30/24)

- My LACERA Enhancements
  - Homepage Redesign
  - Online Retirement Election
  - Rehired Retiree Dashboard
  - Retiree Healthcare Data

- Improved Administrative Controls
  - Budget & Vendor Management Systems

FY 2023-24 Accomplishments

HR Key Performance Indicators - 3 Year Trend



* Navy bars reflect FY 23-24 Actuals through Q3.

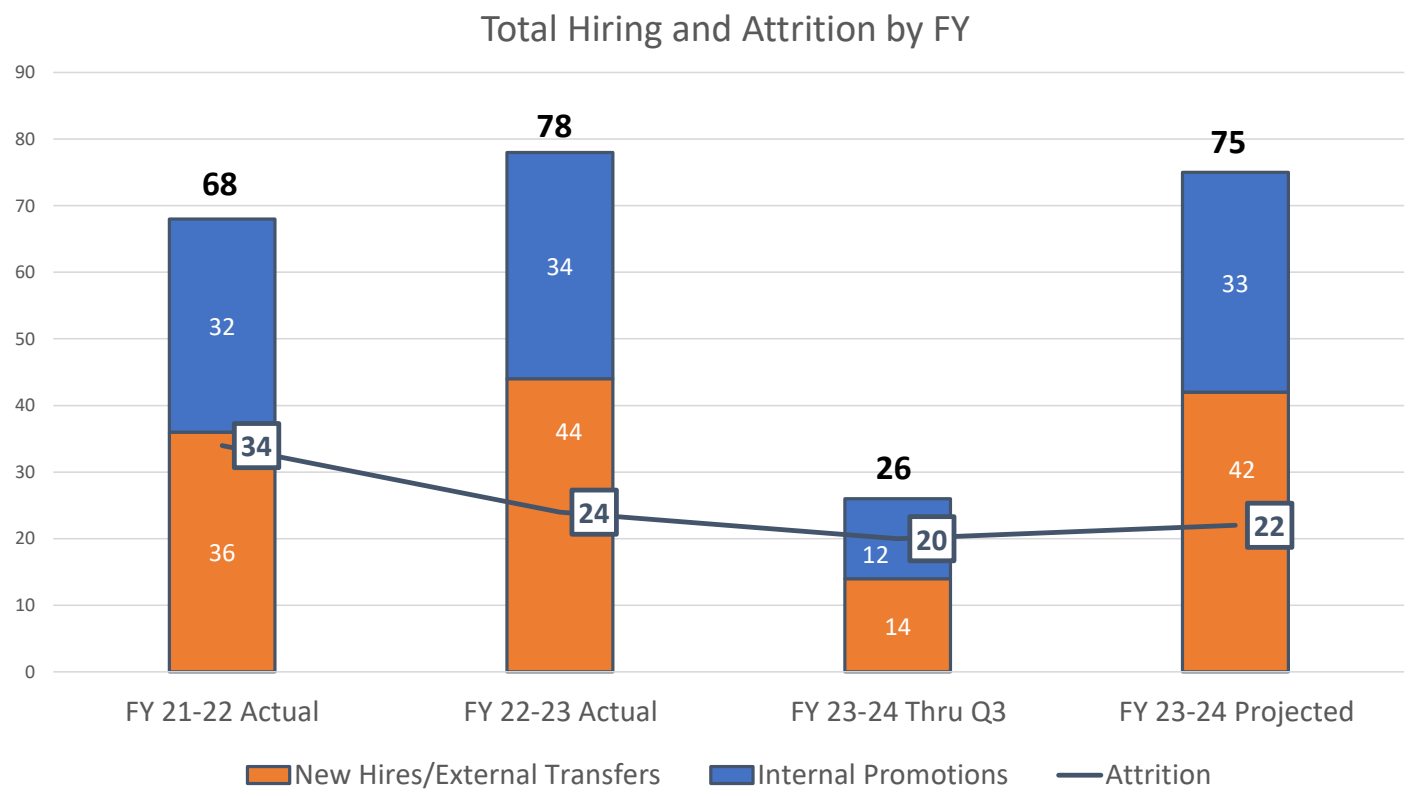
FY 2023-24 Accomplishments

Exam Metrics - 3 Year Trend

Fiscal Year	# Exams		# Applicants	# Hired	
	Open	Promo		External	Promo
2021 – 2022	6	5	889	21	49
2022 – 2023	11	1	1701	47	7
2023 – 2024	15	5	3800	9	7

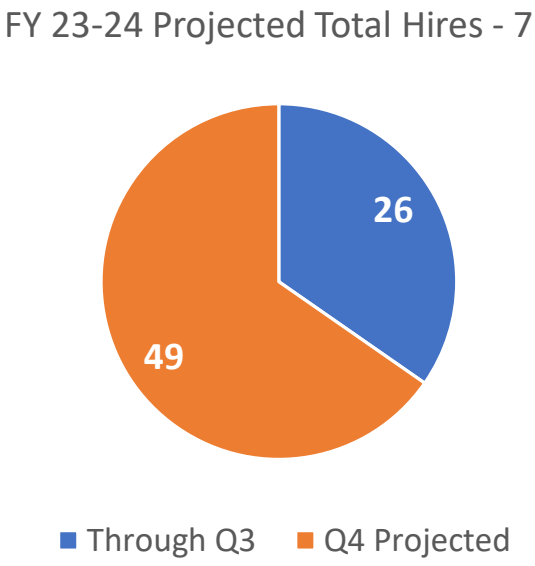
FY 2023-24 Accomplishments

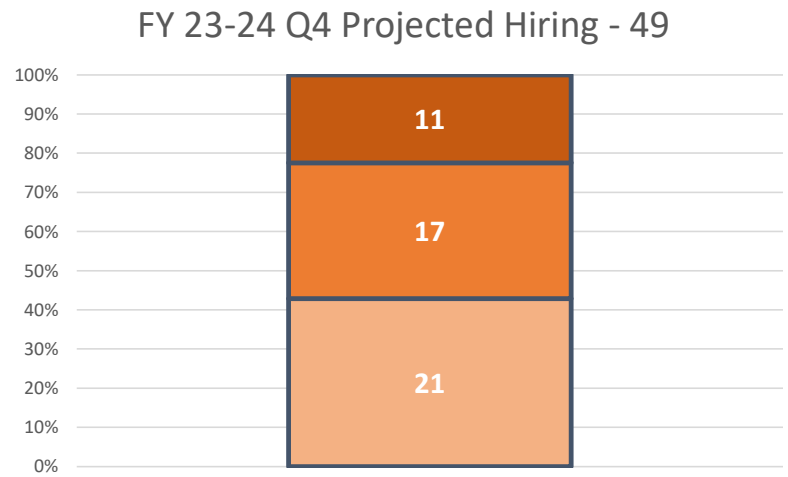
Staffing Key Performance Indicators - 3 Year Trend



FY 2023-24 Accomplishments

Breakdown of FY 23-24 Projected Hiring





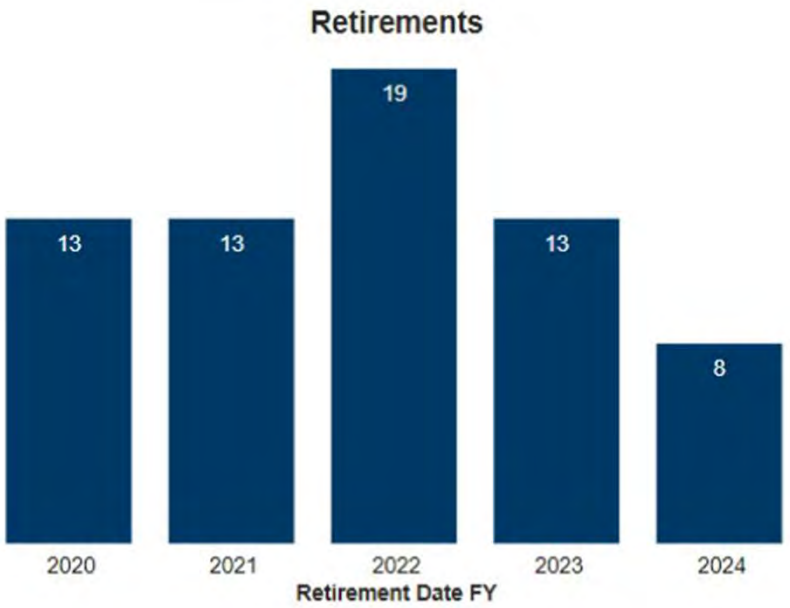
- 21 Retirement Benefits Specialists (RBS) I Trainees will promote to RBS II
- 17 New RBS I Trainees will begin Core Training
- 11 Other positions will be filled throughout LACERA

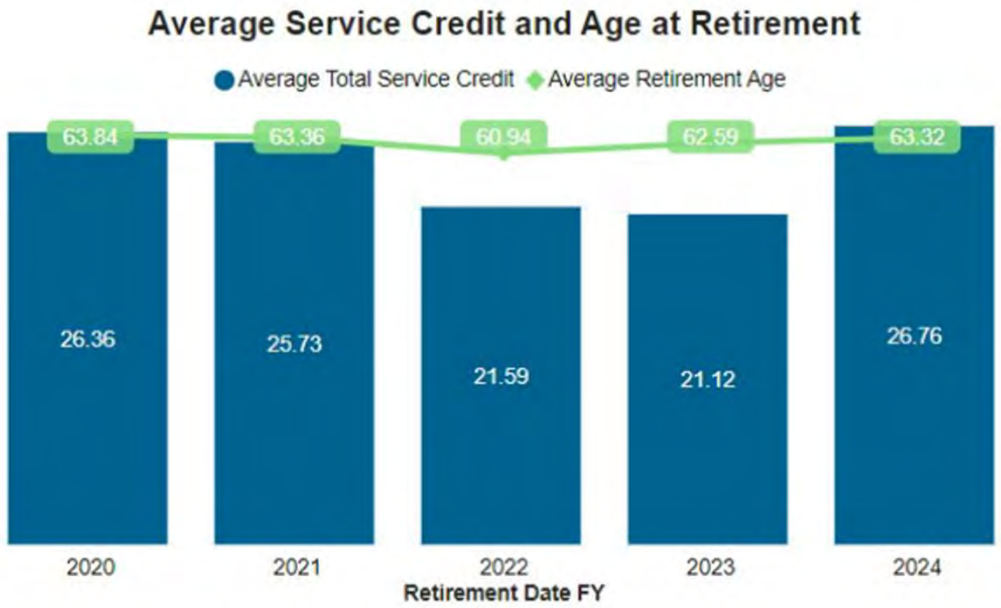
FY 2023-24 Accomplishments

Staffing Key Performance Indicators - 3 Year Trend

- LACERA Increased HR staff capacity resulting in more opportunities to hire and promote staff
- The impact of 10 new hiring lists in Q4 will result in more hiring and promotions in early FY 24-25

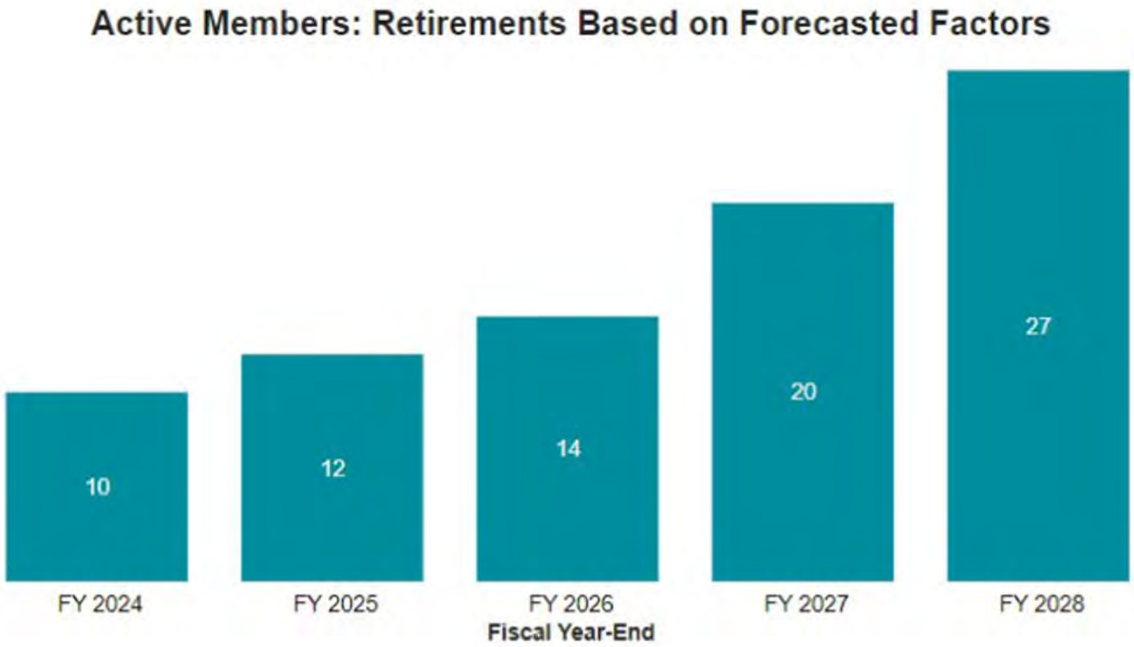
Historical Retirement – LACERA Staff Members





FY 2023-24 Accomplishments

Anticipated Retirement – LACERA



- Forecasted Retirement Age: 63.3
- Forecasted Retirement Service Credit: 26.7

ADMINISTRATIVE BUDGET

LACERA Budget Book – Overview of Details

Division Narrative First Page – Summary

- Description of Division's Purpose
- 3 Year History of Positions – Bar Graph
- 3 Year History of Total Budget - Bar Graph
- Summary of Significant Changes from Previous Year

Next Pages - Greater Detail

- Status of FY 2023-24 Projects & Initiatives
- FY 2024-25 Strategic Goals & Objectives
- Narrative Summary of Budgetary Changes
- Organizational Chart – including changes
- Budget Summary by Account Category
- Budgeted Positions
- History of Expenditures

FY 2024-25 Budget Assumptions

Incremental/Activity Based Budget Process

- LACERA's budget is based on the prior year base budget with a focus on changes to core costs and activities

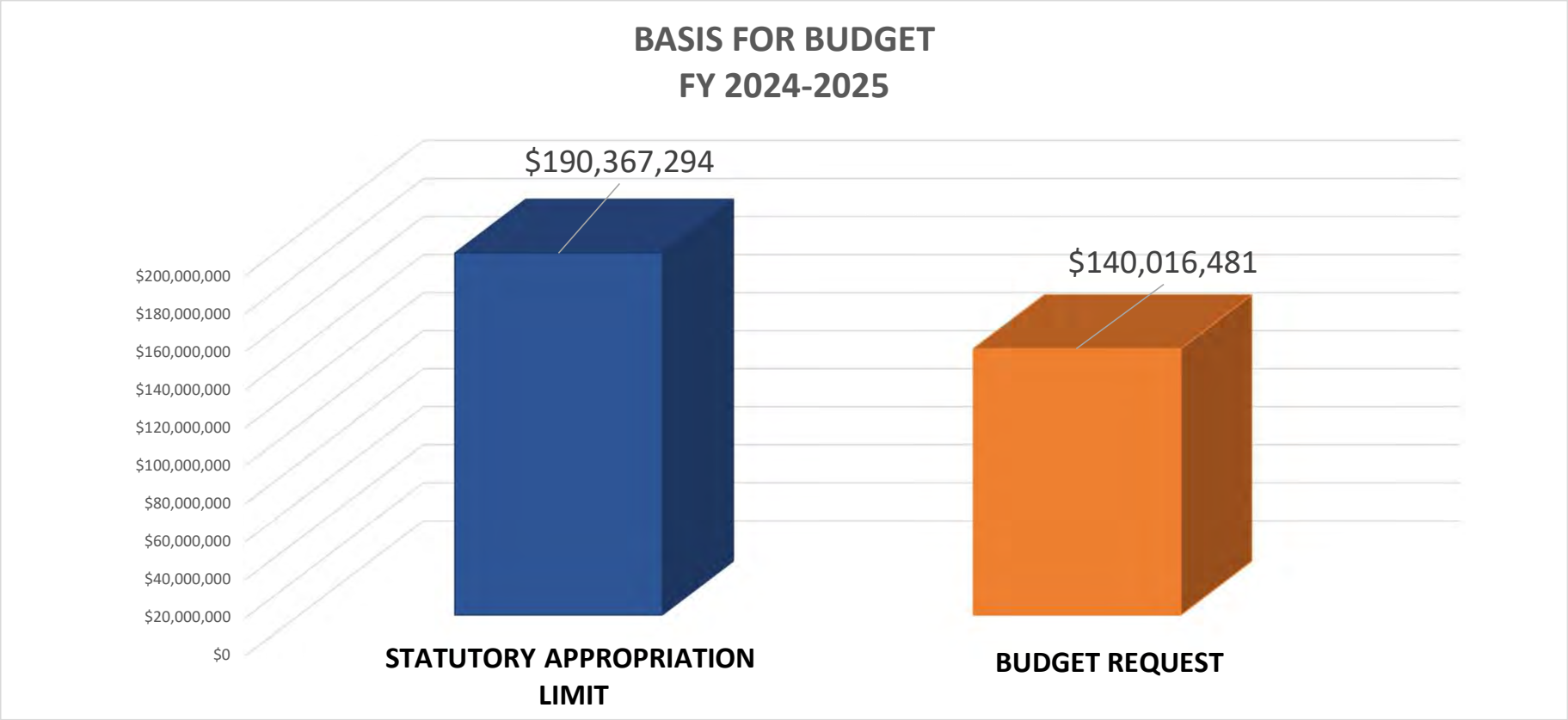
Salaries & Employee Benefits

- Filled positions are based on current actual salaries plus salary step/ merit increases where eligible
- Vacant positions are based on Step 1 salary & funded based on the Hiring Plan for the classification (0, 6, 9 or 12 months)
- Current MOU expires December 31, 2024 – No COLAs beyond January 1, 2025, were included
- Benefit costs (consistent w/LA County) – Estimated 65% of Salaries
- Retirement Benefit Specialist (RBS) Core Training Class – Overhires (11) to ensure steady consistent staffing – Cost to be absorbed by salary savings due to assumed attrition
- New positions only added when supported by planned hiring activity & availability of Ordinance

Services & Supplies

- Historical expenditures adjusted for inflation and/or change in use
- One-time expenditures removed or adjusted

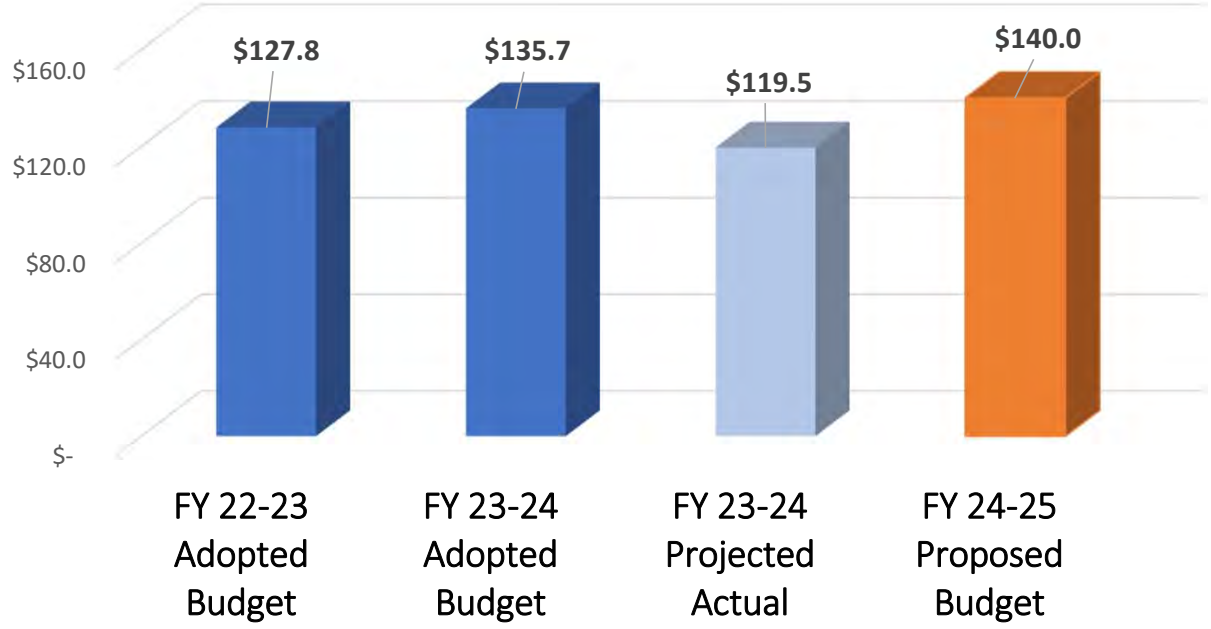
FY 2024-25 Administrative Budget



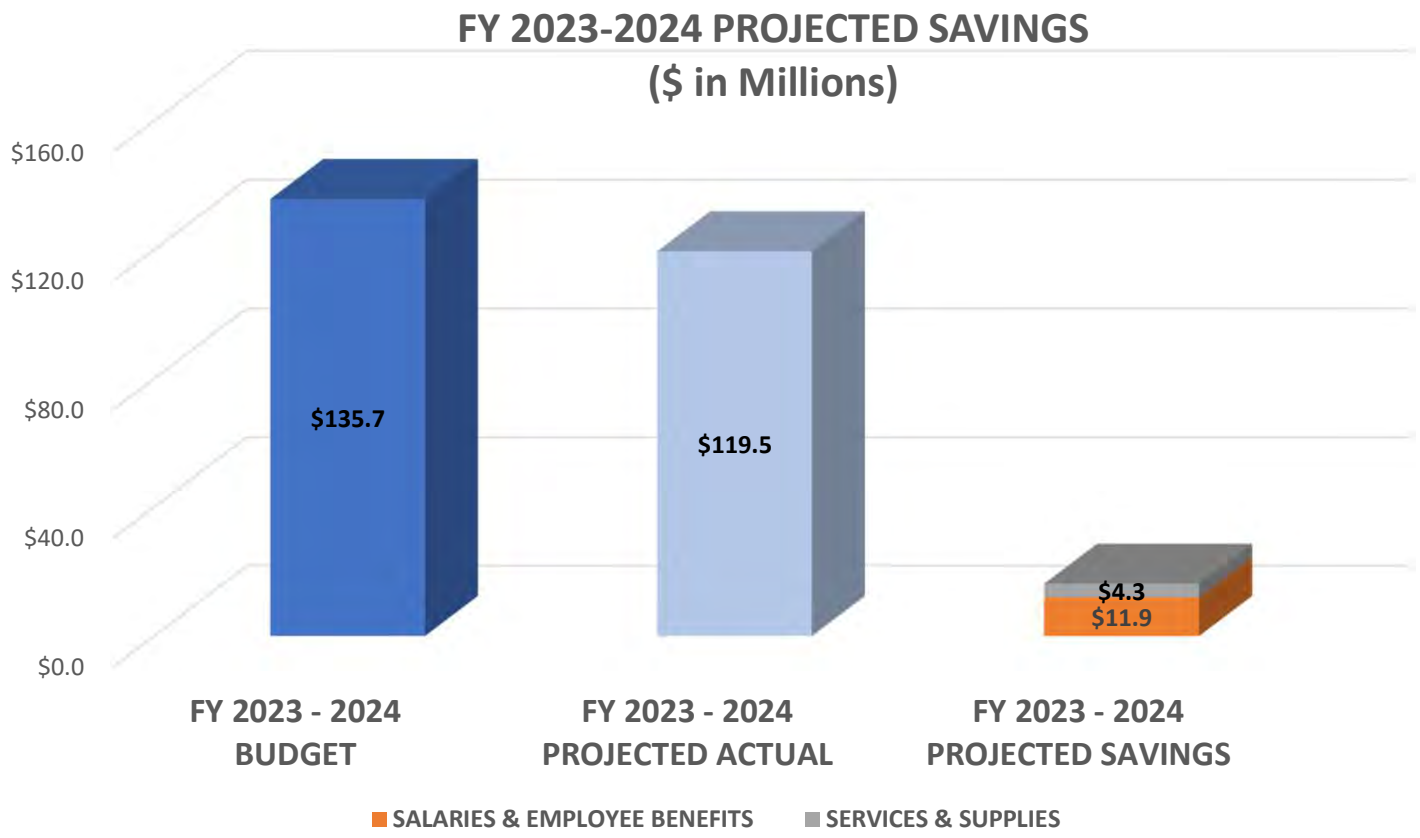
FY 2024-25 Administrative Budget

3 Year Budget Trend

Administrative Budget ($ in Millions)



FY 2023-24 Projected Savings



LACERA

Fiscal Year 2024-25

Administrative Budget Request Summary

ADMINISTRATIVE BUDGET	BUDGET FY 2023 - 24	BUDGET FY 2024 - 25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$103,071,874	$105,092,781	$2,020,907	2.0%
SERVICES & SUPPLIES	$32,676,100	$34,923,700	$2,247,600	6.9%
OPERATING BUDGET TOTAL	**$135,747,974**	**$140,016,481**	**$4,268,507**	**3.1%**

FY 2023-24 Budget to Projected Actuals by Category

ADMINISTRATIVE BUDGET	BUDGET FY 2023 - 24	YTD ACTUAL 01/31/24	FULL YEAR PROJECTION	BUDGET FY 2024 - 25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$103,071,874	$45,436,133	$91,130,900	$105,092,781	$2,020,907	2.0%
SERVICES & SUPPLIES	$32,676,100	$15,406,980	$28,377,900	$34,923,700	$2,247,600	6.9%
OPERATING BUDGET TOTAL	**$135,747,974**	**$60,843,113**	**$119,508,800**	**$140,016,481**	**$4,268,507**	**3.1%**

FY 2023-24 Budget to Projected Actuals by Division

DIVISION	BUDGET REQUEST FY 2023-24	YTD ACTUAL 01/31/24	FULL YEAR PROJECTION	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
Administrative Services	$16,108,407	$8,128,312	$13,243,200	$16,946,279	$837,872	5.2%
Benefits	12,449,401	6,440,313	13,036,200	12,838,241	388,840	3.1%
Board of Retirement	303,500	63,209	270,900	341,500	38,000	12.5%
Board of Investments	551,000	231,066	471,700	556,000	5,000	0.9%
Communications	4,117,688	1,473,959	3,127,200	3,752,475	(365,213)	-8.9%
Disability Litigation	2,561,141	1,255,209	2,552,800	2,504,711	(56,430)	-2.2%
Disability Retirement	11,797,091	5,285,457	10,316,500	11,620,273	(176,818)	-1.5%
Ethics & Compliance Office	182,700	11,500	79,000	219,400	36,700	20.1%
Executive Office	5,276,414	2,423,147	4,902,200	4,039,504	(1,236,910)	-23.4%
Financial & Accounting Services	5,688,738	2,534,075	5,008,200	5,658,426	(30,312)	-0.5%
Human Resources	6,743,589	2,296,491	4,543,700	6,470,103	(273,486)	-4.1%
Information Security Office	0	0	0	1,590,829	1,590,829	0.0%
Internal Audit	3,613,148	1,518,115	3,013,900	3,294,298	(318,850)	-8.8%
Investment Office	18,223,968	8,184,657	16,575,800	19,377,272	1,153,304	6.3%
Legal Services	9,815,031	4,086,596	7,844,300	10,387,249	572,218	5.8%
Member Services	11,063,298	5,222,526	10,576,900	12,020,576	957,278	8.7%
Quality Assurance	3,383,333	1,444,007	2,989,500	3,320,272	(63,061)	-1.9%
Systems	23,869,524	10,244,475	20,956,800	25,079,073	1,209,549	5.1%
TOTAL	**$135,747,974**	**$60,843,113**	**$119,508,800**	**$140,016,481**	**$4,268,507**	**3.1%**

FY 2024-25 Salaries & Employee Benefits

Summary of Significant Changes Across LACERA

- 6 New Permanent Positions
- Full-Year Funding for Vacant Positions Expected to be Filled
- Non-Discretionary Salary Increases (Salary Step, Merit)
- Reduced Reliance on Temporary Staff – 25.8% reduction
- Reduced Employer Pension Contributions

Summary of Requested Position Changes

FY 2024-25

Classification	No.	Change	Division Requesting	Program/Purpose
Supervising Administrative Asst. II	1	Add	Administrative Services	Vendor Management
Administrative Analyst III	2	Add	Administrative Services	Vendor Management
Receptionist (vacant)	-1	Delete	Administrative Services	Obsolete
Accountant I	1	Add	FASD	Reconciliation Unit
Accountant I	1	Add	FASD	Disbursements Unit
Accountant I	1	Add	FASD	Financial Reporting Unit
Financial Analyst I (vacant)	-1	Delete	Investments	Portfolio Analytics
Financial Analyst II	1	Add	Investments	Portfolio Analytics
Legal Analyst	1	Add	Legal Services	Investments
Legislative Affairs Officer	--	Transfer	From Legal Services to Executive Office	Legislative Analysis

Summary of Vacant Positions

DIVISION	PROPOSED BUDGETED POSITIONS FY 2023-24	VACANCY (AS OF 03/31/24)	%	PROPOSED BUDGETED POSITIONS FY 2024-25*
Administrative Services	**42**	17	40%	**44**
Benefits	**79**	1	1%	**79**
Communications	**14**	6	43%	**14**
Disability Litigation	**7**	0	0%	**7**
Disability Retirement Services	**44**	8	18%	**44**
Ethics & Compliance Office	**1**	1	100%	**1**
Executive	**9**	1	11%	**10**
Financial Accounting Services	**30**	4	13%	**33**
Human Resources	**21**	6	29%	**21**
Information Security Office	**5**	4	80%	**5**
Internal Audit	**11**	3	27%	**11**
Investments	**46**	8	17%	**46**
Legal Services Ø	**28**	10	36%	**28**
Member Services	**79**	11	14%	**79**
Quality Assurance	**19**	5	26%	**19**
Systems	**62**	21	34%	**62**
LACERA Pension Plan Total	**497**	**106**	**21%**	**503**

* Based on hiring plan recruitment calendar

Budget Impact of Requested Position Changes

FY 2024-25

DIVISION	#	POSTION TITLE	FULL YEAR SALARY	FULL YEAR TOTAL EMPLOYEE BENEFITS	FULL YEAR BUDGET IMPACT
Administrative Services	1.0	Supervising Administrative Assistant II	$105,034	$68,272	$173,306
	2.0	Administrative Services Analyst III	$156,661	$101,830	$258,491
	(1.0)	Receptionist	($43,819)	($28,482)	($72,301)
Financial & Accounting Services	3.0	Accountant	$207,226	$134,697	$341,922
Investment Office	1.0	Finance Analyst II	$139,772	$90,852	$230,623
	(1.0)	Finance Analyst I	($96,588)	($62,782)	($159,370)
Legal Services	1.0	Legal Analyst	$83,311	$54,152	$137,462
Total	**6.0**		**$551,597**	**$358,538**	**$910,134**

* Based on hiring plan recruitment calendar

Vendor Management Program Staffing

Implementing Strategic Objective 5.1

Current State

- Decentralized vendor management program
- Each division has one or more contract administrators
- Poses numerous compliance challenges/risks

Proposed Program

- Centralized vendor management team in Administrative Services
- Support 15 Divisions with vendor engagement, due diligence, solicitations, selection, risk assessment and mitigation, contract negotiation, onboarding, monitoring, and offboarding

Staffing Needs

- 1 Supervising Administrative Assistant II
- 2 Administrative Services Analyst IIIs
- Reassess and provide for future staffing needs FY 25-26

Financial & Accounting Services Staffing

3 New permanent Accountant I positions proposed

Reporting & Compliance Unit

Unit responsible for financial statements & reporting
- New position to support internal compliance
- Implementation of RHC Tier 3, if successfully negotiated
- Implementation of GASB Statement 101 (compensated absences)

Reconciliations Unit

- Payment recovery & overpayment monitoring – workload increases
- Support for upcoming member prepaid debit card program
- Support RHC plan structure changes

Disbursements Unit

Unit processes member payroll and other checks
- New position allows for balanced workload & staff dev. opportunities
- Allow for the implementation of modernization efforts (travel, ERP)
- Reduce dependence on temporary staff

Legal Services Staffing

Investments	One new permanent Legal Analyst position is requested and one Legal Secretary is administratively transferred within the Legal Services Office to address growth in workload
Legislative Analysis	The Legislative Affairs Officer position is being administratively transferred to the Executive Office
Future State	Assess the structure and staffing levels within the Legal Services Office and identify solutions to better prepare for succession and LACERA's future legal support needs

Ethics & Compliance Unit

Implementing Strategic Objective 4.1

Past

- Director of Compliance position approved by BOR/BOI in FY 21-22
- Board of Supervisors (BOS) has not approved the position
- Funding for outside legal counsel included in Legal Services Office

Present

- BOR/BOI approved the Ethics & Compliance program to be headed by a Chief Ethics & Compliance Officer (subject to BOS)
- Segregated funding and budget from Legal Services

Future State

- Complete CECO job description & salary (to JOGC)
- Baseline risk assessment for LACERA
- Implement Governance, Risk & Compliance software
- Assess and provide for future staffing needs

FY 2024-25 Services & Supplies

Summary of Significant Changes Across LACERA

- Computer Services & Support - $2,228,400
- Educational Expenses- $365,600
- Transportation & Travel – $93,600
- Outside Legal Fees & Services - $240,000
- Office Supplies & Equipment – ($373,300)
- Equipment Maintenance – ($305,000)

Computer Services & Support

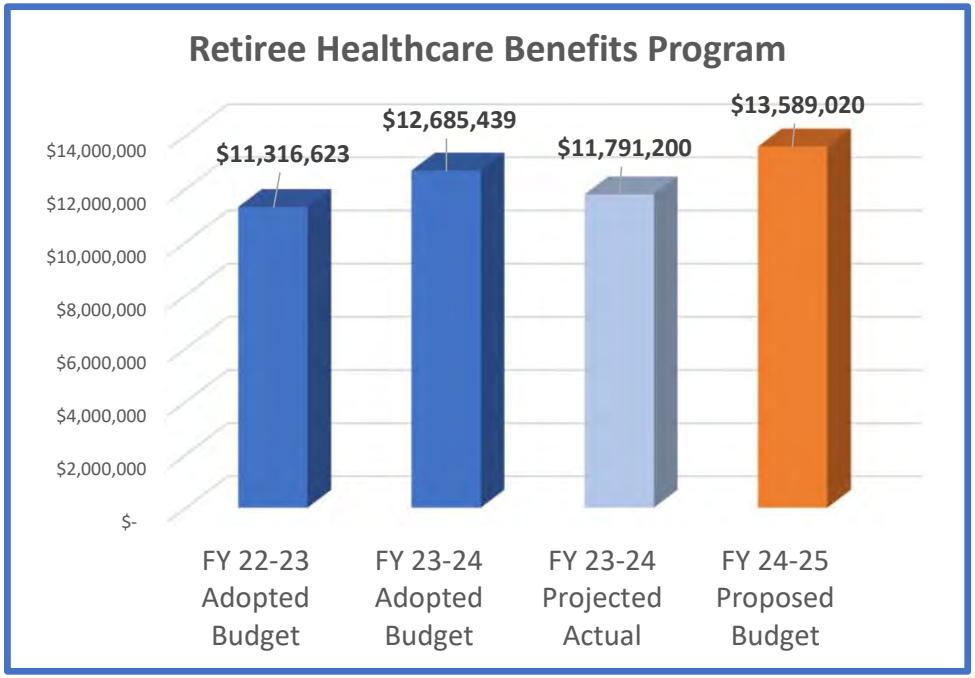
Highlights for FY 2024-25

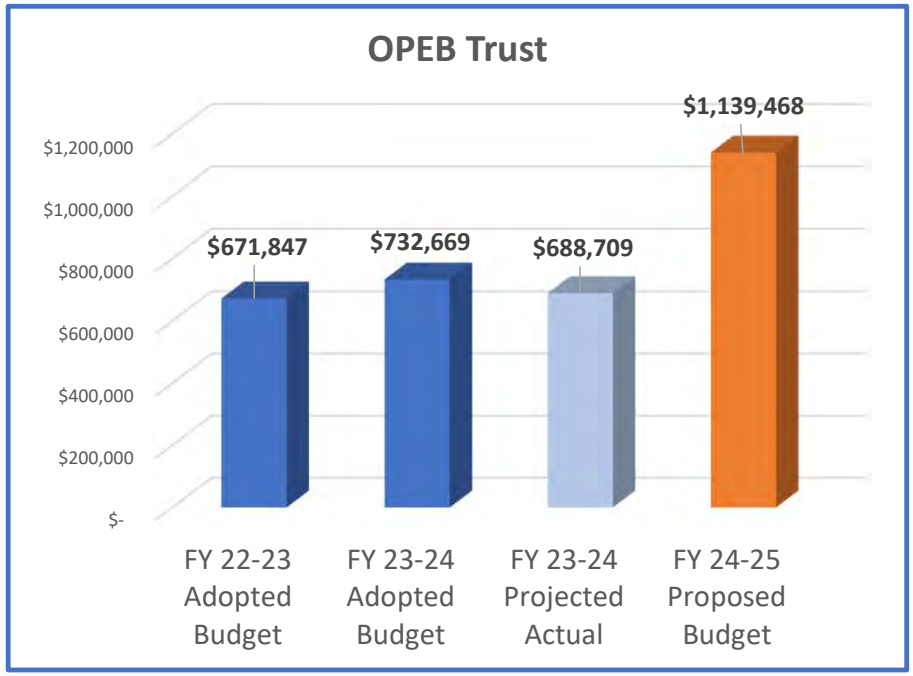
- Division Software New
  - Secure Access Service Edge Solution - $235,000
  - Member Identity Verification Solution - $220,000
  - Facilities Management Solution - $150,000
  - Benefits Death Verification System Upgrade- $100,000
  - Digital Mailroom - $100,000
  - Human Resources Recruitment Module (NeoGOV)- $71,000
- Enterprise Software - New
  - Member Experience Communication Project - $600,000
  - Member Case Management Solution Phase II - $500,000
  - Enterprise Knowledge Management Solution - $250,000

RHCBP & OPEB TRUST BUDGETS

Retiree Healthcare & OPEB Trust

Three Year Budget Trend





LACERA

Fiscal Year 2024-25

Retiree Healthcare Benefits Program
Budget Request Summary

RHCBP BUDGET	BUDGET FY 2023 - 24	BUDGET FY 2024 - 25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$5,752,105	$6,519,686	$767,581	13.3%
SERVICES & SUPPLIES	$6,933,333	$7,069,334	$136,001	2.0%
OPERATING BUDGET TOTAL	**$12,685,439**	**$13,589,020**	**$903,581**	**7.1%**

Reminder: Pension plan assets may not be used to support the RHCBP

2023-24 RHCBP Budget to Projected Actual

RHCBP BUDGET	BUDGET FY 2023 - 24	YTD ACTUAL 01/31/24	FULL YEAR PROJECTION	BUDGET FY 2024 - 25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$5,752,105	$2,692,672	$5,435,500	$6,519,686	$767,581	13.3%
SERVICES & SUPPLIES	$6,933,333	$3,692,845	$6,355,700	$7,069,334	$136,001	2.0%
OPERATING BUDGET TOTAL	**$12,685,439**	**$6,385,516**	**$11,791,200**	**$13,589,020**	**$903,581**	**7.1%**

RHCBP 2024-25 BUDGET

Summary of Significant Changes

- Increase in Variable Benefits Due to New Staff Eligibility
- Salary Step and Merit Increases
- Increase in Departmental Overhead Costs
- Member Verification (Social Security Admin)
- Outside Legal Costs
- Reduction of One-Time Professional Services Costs

LACERA

Fiscal Year 2024-25

Other Post Employment Benefits (OPEB) Trust Budget Request Summary

OPEB TRUST BUDGET	BUDGET FY 2023-24	BUDGET FY 2024-25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$521,881	$825,111	$303,230	58.1%
SERVICES & SUPPLIES	$210,788	$314,357	$103,569	49.1%
OPEB TRUST BUDGET TOTAL	**$732,669**	**$1,139,468***	**$406,800**	**55.5%**

* Represents 0.048% of the Trust's Actuarial Value of Assets as of 6/30/22

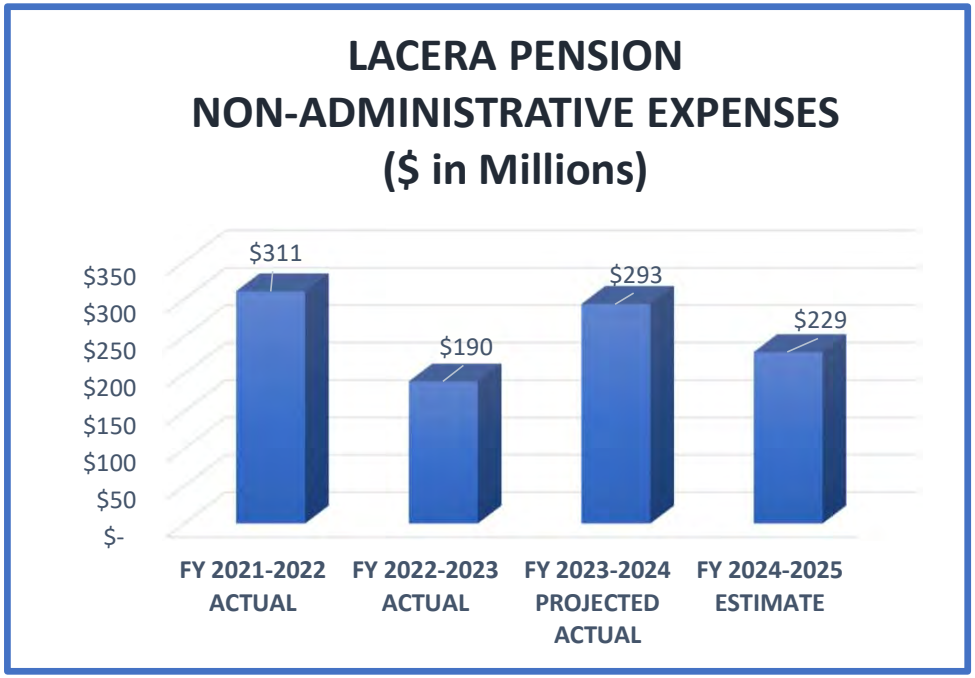
2023-24 OPEB Trust Budget to Projected Actual

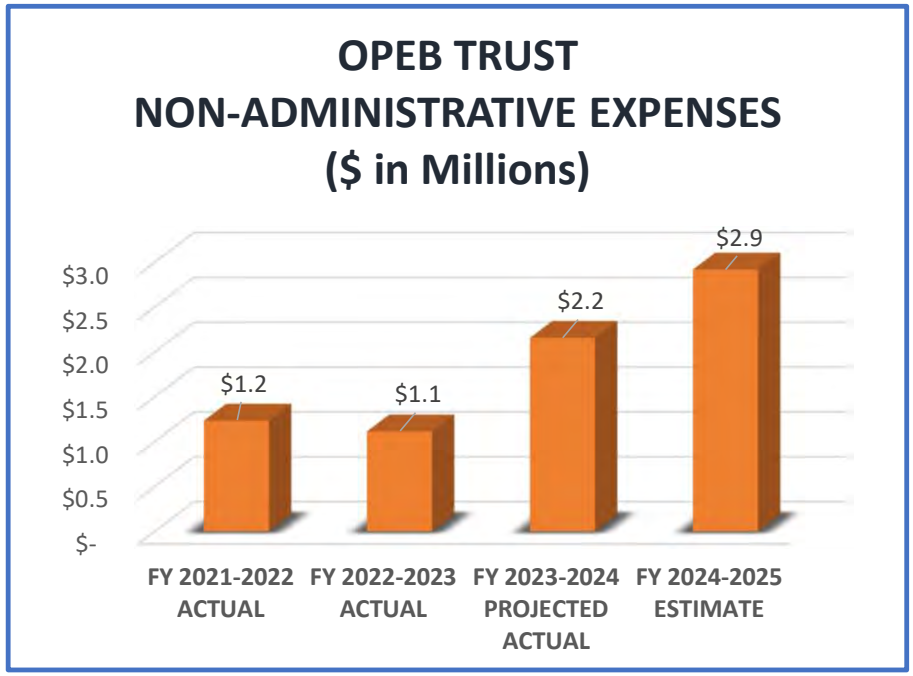
OPEB TRUST BUDGET	BUDGET FY 2023 - 24	YTD ACTUAL 01/31/24	FULL YEAR PROJECTION	BUDGET FY 2024 - 25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$521,881	$304,430	$490,568	$825,111	$303,230	58.1%
SERVICES & SUPPLIES	$210,788	$122,960	$198,141	$314,357	$103,569	49.1%
OPERATING BUDGET TOTAL	**$732,669**	**$427,390**	**$688,709**	**$1,139,468**	**$406,800**	**55.5%**

Non-Administrative Expenses

Non-Administrative Expenses

Three Year Trend & FY 24-25 Estimate





THANK YOU!

QUESTIONS?

Appendix
FY 2024-25 Strategic Workplans

Members • Technology • People • Risk & Compliance • Fiscal Durability

LACERA Strategic Priorities and Objectives

BOR approved the Strategic Plan on July 6, 2023.

Board of Retirement

Strategic Priority Goals	Objectives
1 Superior Member Experience Innovate and continuously improve the member experience	1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan 1.3 Develop, implement, and deploy a digital strategy to better serve our members 1.4 Improve and enhance the retiree healthcare experience
2 Innovation through Technology Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity	2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
3 Investing in People Attract, motivate, hire, and retain a highly engaged and skilled workforce	3.1 Develop and implement a DEI framework aimed at promoting and embracing diversity, equity, and inclusion 3.2 Develop enterprise-wide Training and Development Programs designed to support and encourage employee growth and development 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
4 Compliance and Enterprise Risk Management Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance	4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
5 Fiscal Durability Exercise care and prudence in managing our resources and fund assets	5.1 Develop organizational tools to support enterprise-wide fiscal responsibility 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals.

LACERA

Our Focus and Commitment

Superior Member Experience

Objective 1.1 Member Journey
LEAD: Tatiana Bayer
Executive Sponsor: JJ Popowich
Objective 1.4 Retiree Healthcare
LEAD: Tionna Fredericks
Executive Sponsor: JJ Popowich

Innovation Through Technology

Objective 2.1 Business Intelligence
LEAD: Kathy Delino
Executive Sponsor: Luis Lugo
Objective 2.2 Knowledge Management
LEAD: Eugenia Der
Executive Sponsor: JJ Popowich

Investing in People

Objective 3.1 D.E.I
LEAD: Jasmine Bath
Executive Sponsor: Laura Guglielmo
Objective 3.3 Simplify and Improve Hiring
LEAD: Carly Ntoya
Executive Sponsor: Laura Guglielmo

The nine strategic objectives serve as our focus this year, along with other strategic initiatives already underway.

Compliance and Enterprise Risk

Objective 4.1 Build Ethics and Compliance Program
LEAD: Steve Rice and Allison Barrett
Executive Sponsor: Luis Lugo

Fiscal Durability

Objective 5.1 Improve Organizational Tools and Controls to Support Fiscal Responsibility
LEAD: Ricki Contreras
Executive Sponsor: Laura Guglielmo
Objective 5.2 Review and Revise Funding Policy
LEAD: Vache Mahseredjian
Executive Sponsor: Luis Lugo

WORKPLAN - Strategic Objective 1.1

Strategic Goal: **Superior Member Experience**

Strategic Objective: **1.1 – Ensure an omni-channel experience at every stage of a member journey.**

Executive Sponsor and Leads: **JJ Popowich; Tatiana Bayer (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Determine the member's journey methodology	★	10/2023	01/12/2024
3	Member Experience Council Charter	●	10/2023	06/30/2024
4	Internal Communication Plan (BOR, OOC, Executive Team, and Staff)	●	10/2023	06/01/2024
5	Identify and define Member Journeys	◆	TBD	07/01/2024
6	Create tools to review and track progress on objective/initiatives	◆	TBD	06/30/2026
7	Identify the channels of service required for each member journey	◆	TBD	06/30/2026
8	Establish goals and KPI's for each member journey	◆	TBD	10/31/2026
9	Assess the consistency and service quality across each channel	◆	TBD	12/31/2026
10	Identify member interaction pain points and opportunities for improvement	◆	TBD	12/31/2026
11	Identify Budget Needs	◆	TBD	12/31/2026

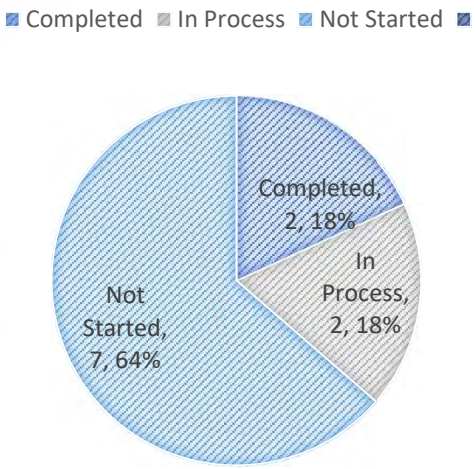
Legend

On Schedule ● Complete ★

Delayed/Stopped ▲

Not Started ◆

Milestone Tracker



WORKPLAN - Strategic Objective 1.4

Strategic Goal: **Superior Member Experience**
Strategic Objective: **1.4 – Improving the Retiree Healthcare (RHC) experience.**
Executive Sponsor and Lead: **JJ Popowich; Tionna Fredericks (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Build core team and schedule meeting cadence	★	10/2023	01/04/2024
2	Set-up team's collaboration timeline	★	10/2023	01/12/2024
3	Discuss ideas and opportunities for improving the Retiree RHC experience	★	10/2023	06/30/2024
4	Approval of Strategic Outline objective	★	10/2023	06/01/2024
5	Identify, Define, and Document Retiree Healthcare Roadmap	●	01/2024	12/31//2024
6	Coordinate communication plan with internal and stakeholders	◆	TBD	12/31/2024
7	Identify and implement automation opportunities i.e. SSA Data Exchange	◆	TBD	12/31/2025
8	Develop actionable KPI's to measure retiree and member satisfaction	◆	TBD	
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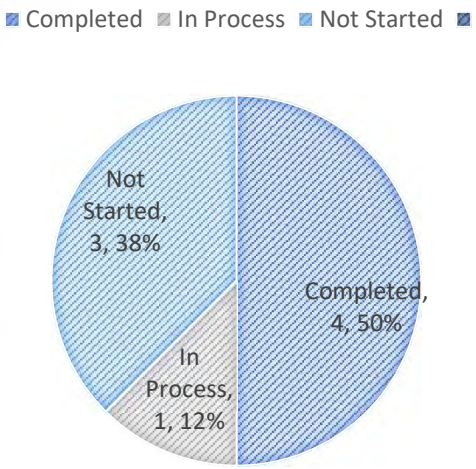
10				
11				

Legend

On Schedule ●
Delayed/Stopped ▲
Not Started ◆
Complete ★

Milestone Tracker



WORKPLAN - Strategic Objective 2.1

Strategic Goal: **Innovation Through Technology**
Strategic Objective: **2.1 – Implement Enterprise Business Intelligence Solution**
Executive Sponsor: **Luis Lugo; Kathy Delino (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Develop objective scope and goals	★	10/2023	01/01/2024
2	Communication Plan, Communicate objective goals to various stakeholders	●	01/2024	06/30/2024
3	Centralize Data Governance- Establish Data Management Team	◆	TBD	12/31/2024
4	Publish Dashboards for Enterprise/Member Data (Explore Enterprise Solution)	◆	TBD	12/31/2026
5	Replace reporting requests with on-demand dashboards	◆	TBD	07/01/2024
6				
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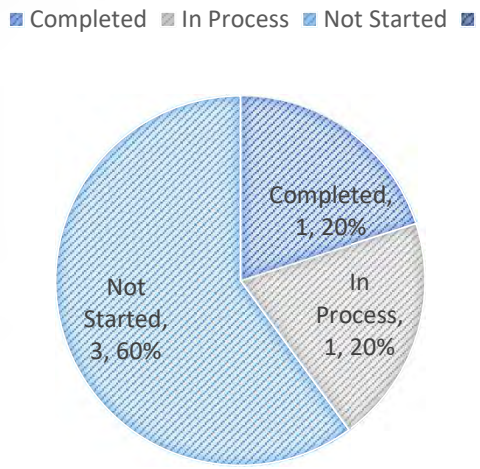
Legend

On Schedule ●
Delayed/Stopped ▲
Not Started ◆
Complete ★

Milestone Tracker



WORKPLAN - Strategic Objective 2.2

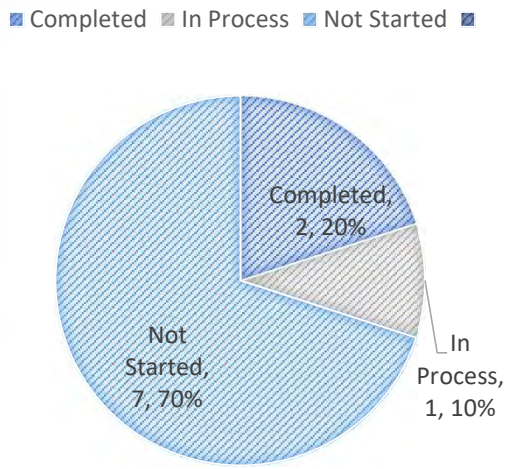
Strategic Goal: **Innovation Through Technology**
Strategic Objective: **2.2 – Implement Enterprise Knowledge Management System**
Executive Sponsor: **JJ Popowich; Eugenia Der (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Project Approval by the IT Coordination Council	★	10/2023	03/31/2024
3	Communication Plan- Educate and Engage stakeholders on Knowledge Mgmt.	●	10/2023	07/01/2024
4	RFP for taxonomy consultant and selection of consultant	◆	03/2024	12/31/2024
5	Complete assessment of organizational needs and specifications	◆	TBD	03/31/2025
6	Update and reconcile data and knowledge	◆	TBD	06/30/2025
7	Select vendor and product	◆	TBD	06/30/2026
8	Project Launch	◆	TBD	07/31/2026
9	Create and adopt knowledge playbook/policy/guidelines	◆	TBD	12/31/2028
10	Project Completion	◆	TBD	12/31/2028
11				

Legend

On Schedule ● Complete ★
Delayed/Stopped ▲
Not Started ◆

Milestone Tracker



WORKPLAN - Strategic Objective 3.1

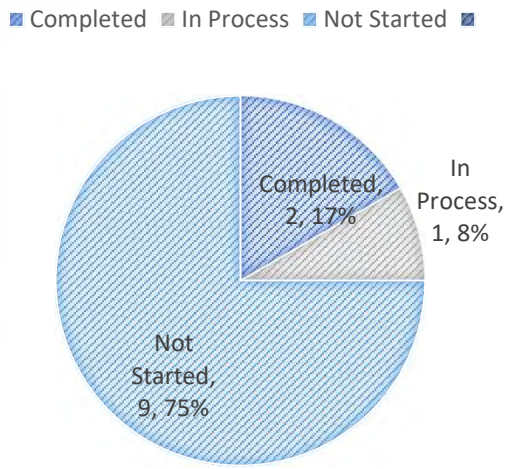
Strategic Goal: **Investing in People**
Strategic Objective: **3.1 – Develop and implement framework aimed at promoting D.E.I.**
Executive Sponsor: **Laura Guglielmo; Jasmine Bath (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Communication Plan – IDEA (Inclusion, Diversity, Equity, and Accessibility)	●	10/2023	07/26/2024
3	Assemble a staff driven IDEA Council	★	TBD	07/26/2024
4	Prepare Charter for IDEA Council	◆	TBD	07/26/2024
5	Identify scope of work for Diversity, Equity, Inclusion, Belonging, and Accessibility (DEIBA) Advisor	◆	TBD	08/25/2024
6	Interview and hire DEIBA advisor	◆	TBD	09/25/2024
7	Collect data from staff, members, vendors, and business partners re: DEIBA	◆	TBD	11/24/2024
8	Develop topical library for internal and external users	◆	TBD	02/25/2025
9	Post IDEA initiative and educational content within LACERA Connect	◆	TBD	02/25/2025
10	Identify external business partners/vendors	◆	TBD	02/25/2025
11	Develop Organizational Training Plan re: DEIBA	◆	TBD	03/25/2025
12	Review KPI's and assess LACERA policy and procedures through DEIBA lens	◆	TBD	05/25/2025

Legend

On Schedule ● Complete ★
Delayed/Stopped ▲
Not Started ◆

Milestone Tracker



WORKPLAN - Strategic Objective 3.3

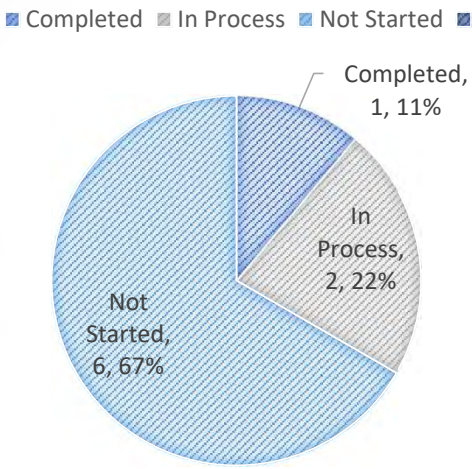
Strategic Goal: **Investing in People**
Strategic Objective: **3.3 – Improve and simplify hiring process**
Executive Sponsor: **Laura Guglielmo; Carly Ntoya (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Labor Agreement for performance management changes	◆	TBD	06/30/2024
3	Explore opportunities to simplify LACERA Hiring Playbook	●	TBD	09/30/2024
4	Revise and publish employee handbook and orientation	●	10/2023	06/30/2024
5	Revise rater training	◆	TBD	12/31/2024
6	Expand use of NEOGOV for performance management	◆	TBD	06/30/2026
7	Achieve an organizational vacancy rate of 15% (determine internal KPI)	◆	TBD	12/31/2024
8	Enhance recruitment and applicant communication in NeoGov	◆	TBD	12/31/2024
9	Implement use of a job analysis tool to use and create competency-based assessment	◆	TBD	03/31/2025
10				
11				

Legend

On Schedule ●
Delayed/Stopped ▲
Not Started ◆
Complete ★

Milestone Tracker



WORKPLAN - Strategic Objective 4.1

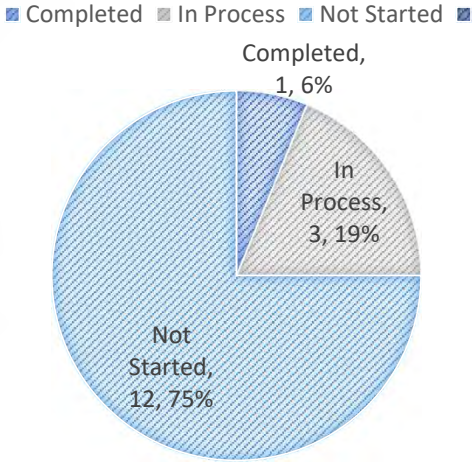
Strategic Goal: **Compliance and Enterprise Risk**
Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program.**
Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

#	Objective Milestones	Status	Start	Expected Completion
1	Ethics Compliance Program (ECP) Communication campaign	★	10/2023	Ongoing
2	Approval of ECP Charter (BOR, OOC, JOGC, Audit Committee, Boards)	●	10/2023	07/03/2024
3	Update and obtain approval of updated ACRE Charter	●	10/2023	07/03/2024
4	Chief Ethics and Compliance Officer (CECO) job description and class spec.	●	10/2023	09/01/2024
5	Ethics and Compliance Orientation for MAC, SAC, and staff	◆	TBD	09/01/2024
6	Complete inventory of all Policies, Procedures, and Charters	◆	TBD	10/01/2024
7	ECP First Year Workplan	◆	TBD	10/01/2024
8	Update LACERA Code of Ethical Conduct	◆	TBD	10/01/2024
9	ECP Training Program Plan	◆	TBD	10/01/2024
10	Determine critical risk areas and Scope of Program Oversight	◆	TBD	11/01/2024
11	County Approval of CECO position	◆	TBD	12/01/2024
12	PPC Management Software Solution/Compliance GRC solution (GRC 360)	◆	TBD	12/01/2024

Legend

- On Schedule ●
- Delayed/Stopped ▲
- Not Started ◆
- Complete ★

Milestone Tracker



WORKPLAN - Strategic Objective 4.1

Strategic Goal: **Compliance and Enterprise Risk**

Strategic Objective: **4.1 – Develop and implement an Enterprise Ethics and Compliance Program.**

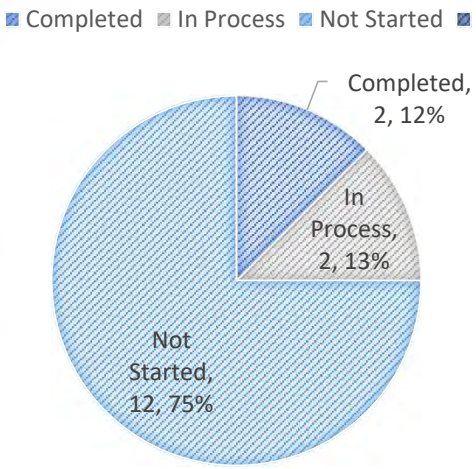
Executive Sponsor: **Luis Lugo; Steven Rice and Allison Barrett (Leads)**

#	Objective Milestones	Status	Start	Expected Completion
13	Initial/Baseline Divisional EC Risk Assessments and Ethical Culture Measurement	◆	TBD	12/21/2024
14	Development of recruitment process for ECO staff	◆	TBD	01/01/2025
15	Recruit/Hire CECO staff	◆	TBD	03/01/2025
16	Recruit/Hire ECO staff	◆	TBD	09/01/2025

Legend

On Schedule ●
Delayed/Stopped ▲
Not Started ◆
Complete ★

Milestone Tracker



WORKPLAN - Strategic Objective 5.1

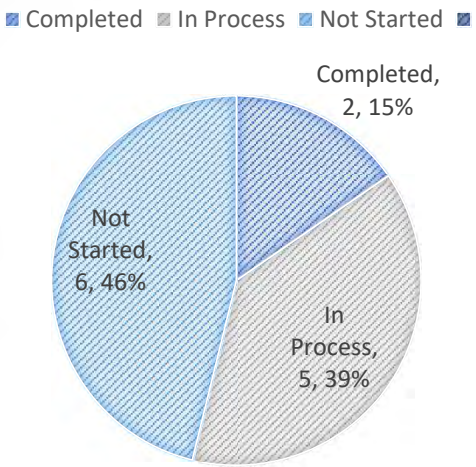
Strategic Goal: **Fiscal Durability**
Strategic Objective: **5.1 – Develop organizational tools and mindset to support fiscal responsibility**
Executive Sponsor: **Laura Guglielmo; Ricki Contreras (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives	★	10/2023	01/01/2024
2	Finalize Certify AP Implementation	★	10/2023	02/28/2024
3	Finalize Budget software (Questica) Implementation/Complete full budget cycle	●	10/2023	06/30/2024
4	Finalize Contract/Vendor solution (Cobblestone) implementation/Train Users	●	10/2023	06/30/2024
5	Design and Implement Centralized Vendor Mgmt. Program	●	10/2023	07/01/2024
6	Update Procurement Policy	●	10/2023	07/01/2024
7	Create Non-Administrative Budget in Questica	●	TBD	12/31/2024
8	Design and Assess Scope of ERP & Timing of Acquisition – Consultant Only	◆	TBD	06/30/2025
9	Design and Deliver a Comprehensive Financial Training for Managers	◆	TBD	06/30/2025
10	Design and Deliver Basic Financial Training for Staff	◆	TBD	06/30/2025
11	Implement Travel Module for Certify AP or equivalent	◆	TBD	06/30/2025
12	Automate the budget book publishing	◆	TBD	06/30/2025
13	Design and Deliver a Comprehensive Financial Training for Supervisors (1-30/2026)	◆	TBD	1/30/2026

Legend

On Schedule ● Complete ★
Delayed/Stopped ▲
Not Started ◆

Milestone Tracker



WORKPLAN - Strategic Objective 5.2

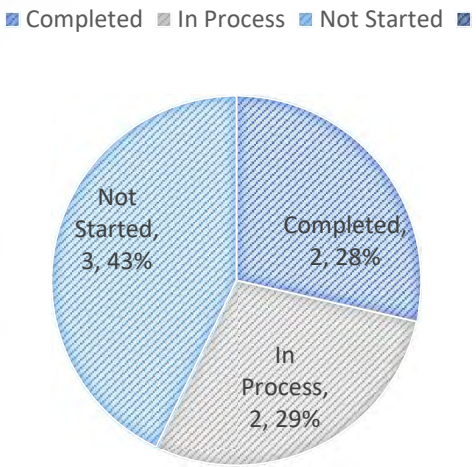
Strategic Goal: **Fiscal Durability**
Strategic Objective: **5.2 – Update and revise LACERA Actuarial Funding Policy**
Executive Sponsor: **Luis Lugo; Vache Mahseredjian (Lead)**

#	Objective Milestones	Status	Start	Expected Completion
1	Create team to define objective goals and initiatives. Investment team in collaboration with FASD and Legal led jumpstart during 2023 BOI offsite	★	09/2023	01/01/2024
2	Review of existing policy and discussion of desirable elements	★	10/2023	12/01/2023
3	Schedule meetings among workgroup to develop draft of new policy	●	10/2023	03/21/2024
4	FASD and LACERA Actuary (Milliman) to draft separate interest crediting proc.	●	01/2024	04/30/2024
5	Seek approval of funding policy and interest crediting by LACERA ECC	◆	TBD	05/24/2024
6	Prepare cover memo and presentation for June BOI meeting	◆	TBD	05/31/2024
7	Recommend adoption of new policy at BOI Meeting	◆	TBD	06/12/2024

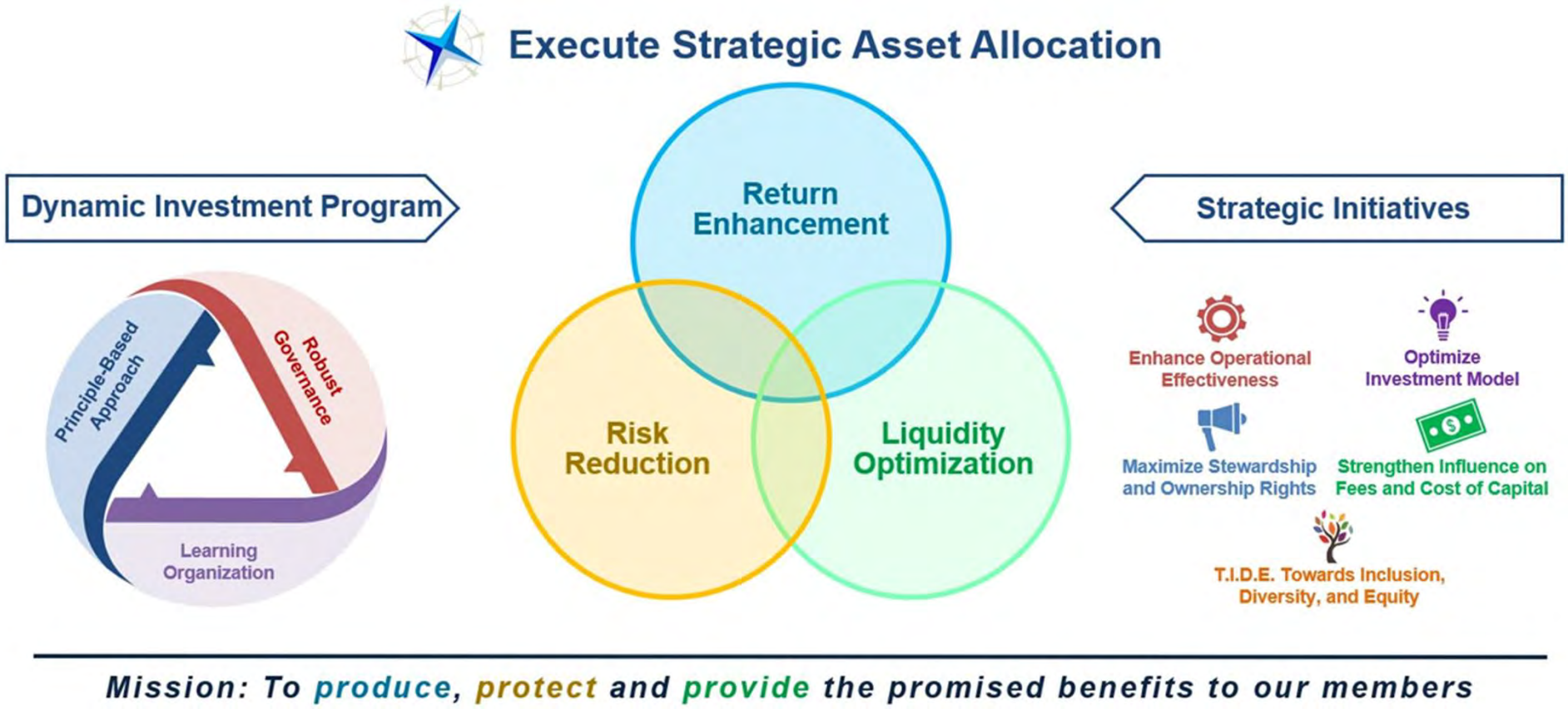
Legend

On Schedule ● Complete ★
Delayed/Stopped ▲
Not Started ◆

Milestone Tracker

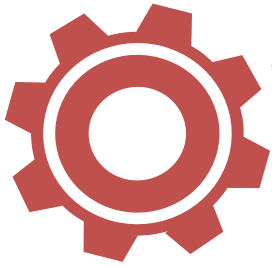


BOI Strategic Initiatives



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

Strategic Initiatives



Enhance Operational Effectiveness

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

Progress:

- Evolved LACERA's policies, governance, and investment making decision structure
- Completed hire of deputy chief investment officer
- Implemented a digital platform to evaluate questionnaires and other diligence materials
- Completed operational due diligence review covering investment processes and controls
- Increased influence and reduced operational risk via single-investor vehicles
- Established annual private markets valuation reconciliation process

Aspirations:

- Optimize presentation and quality of information available to the Board
- Consider OPEB structure evolutions
- Search for a consolidated public and private markets investment analytics platform
- Explore technological opportunities and maximize value from adoption
- Elevate operational due diligence function, including hiring a dedicated professional

Strategic Initiatives

Optimize Investment Model

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

Progress:

- BOI increased delegated authority improving LACERA's investment competitiveness
- Advanced OPEB Trust strategic asset allocation: approved investment beliefs and public markets passive investment manager search, completed first private markets investment
- Documented investment processes, increasing department-wide consistency and accountability
- Deployed co-investment and secondary capital across several asset categories
- Hedging and overlays implemented to dynamically balanced asset category targets
- Active monitoring and quarterly portfolio-wide discussion of risk management
- Launched new manager intake portal

Aspirations:

- Continue cultivating a dynamic investment program
- Further optimize internal staff investment committees and due diligence practices
- Continue to refine rebalancing practices
- Adopt complexity where well-rewarded and limit unrewarded complexity
- Organize effective educational sessions and orientations

Strategic Initiatives

Maximize Stewardship and Ownership Rights

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

Progress:

- Updated Corporate Governance and Stewardship Principles
- Increased proxy voting authority to about 96% of equity portfolio by value in past five years
- Expanded ESG in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliations
- Incorporated analytics to model financial impacts from climate change and energy transition for climate-aware strategic asset allocation modeling
- Expanded engagements on board diversity, climate, investor voting rights, public policy

Aspirations:

- Update climate modeling to inform Board's 2024 strategic asset allocation decision
- Expand ESG and climate reporting and data coverage in private asset classes
- Integrate GRESB and RCP in entire Real Assets
- Assume voting rights in OPEB separate account structure
- Amplify progress and leadership in governance and ESG initiatives

Strategic Initiatives

Strengthen Influence on Fees and Cost of Capital

Objective: To strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns

Progress:

- Re-negotiated terms for several legacy mandates improving future outcomes
- Made co-investments across asset categories to drive fee savings
- Established dedicated managed accounts to enable broad term negotiations
- Instituted annual total Fund fee analysis and review, including BOI reporting
- Invested with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible

Aspirations:

- Continue being “term-makers” as opposed to “term-takers” on fee, legal, and other terms
- Foster creativity when designing terms and account structures to both limit risks and enhance expected return outcomes
- Communicate progress towards optimizing implementation costs through improved expense and fee analytics and reporting

Strategic Initiatives

LACERA T.I.D.E
Towards Inclusion, Diversity, and Equity

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

Progress:

- Focused on career development for existing team and onboarding new hires
- Engaged strategic private equity partners on portfolio board recruitment and DEI practices
- Continued increase in manager reporting responsiveness, granularity, and candor
- Reviewed Real Assets managers' responsible contracting provisions, including DEI practices
- Expanded allocation opportunities for emerging managers
- Formally affiliated to CFA Institute DEI Code
- Supported expanding due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry

Aspirations:

- Be an employer of choice at all levels from internships through management
- Inspire LACERA's managers to adopt DEI programs to increase risk-adjusted returns
- Utilize wider data sets to inform manager DEI benchmarking and progress
- Integrate takeaways from private equity portfolio company board DEI review into fund underwriting and monitoring
- Continue to enhance insights on firm ownership demographics, where available

LACERA

Los Angeles County Employees Retirement Association

FISCAL YEAR 2024-2025

ADMINISTRATIVE, RETIREE HEALTHCARE BENEFITS, AND OPEB TRUST BUDGETS

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Mission

To provide the vision and direction to the LACERA organization utilizing people, systems, policies, and processes for the purpose of implementing LACERA's mission to produce, protect, and provide the promised benefits to our members.

The proposed Administrative Budget for FY 2024-25 represents the fiscal plan for implementing LACERA's administrative and operational objectives toward achieving our mission to produce, protect and provide the promised benefits to our members. This proposed budget reflects the Strategic Priorities and Strategic Initiatives outlined in the Board of Retirement's adopted 2023-28 Strategic Plan and the Board of Investments Strategic Plan.

BOR Strategic Priorities

- Superior Member Experience
- Innovation Through Technology
- Investing In People
- Enterprise Risk Management and Compliance
- Fiscal Durability

BOI Strategic Initiatives

- Enhance Operational Effectiveness
- Optimize Investment Model
- Maximize Stewardship and Ownership Rights
- Strengthen Influence on Fees and Cost of Capital
- LACERA T.I.D.E.

Together, the BOR and BOI ensure LACERA's resources are allocated appropriately and prudently managed, consistent with their fiduciary duties to our members.

Board of Retirement's Strategic Priorities

Superior Member Experience

LACERA remains committed to innovating and continuously improving the member experience, from the beginning of their career through the legacy they leave their survivors. We call this the "member lifecycle" and the member experience is defined by the many "member journeys" that reflect different stages for their lifecycle. Each member journey is defined by every interactive touchpoint they have with LACERA throughout that journey. We recognize that LACERA's membership is diverse, with different needs and

preferences that often change at different stages of their lifetime. Our approach to service must be nimble enough to meet their individual needs today and into the future.

Our current focus is augmenting our highly personalized service by building an educational, digital, customized, and member-centered framework for every stage of the member journey with the long-term goal of enabling members to conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire in the palm of their hand.

In FY 2023-24, LACERA created a Member Experience Council, a team of subject matter experts from all member-facing groups and key internal business partners, to identify all the various member journeys. This group is actively working on their formal charter and outlining their roles and responsibilities, which will be considered and approved by the Ethics and Compliance Committee (ECC), and developing their internal communication plan.

In FY 2024-25, LACERA plans to expand on this foundational work by identifying and defining member journeys and identifying, defining, and documenting the retiree healthcare roadmap. The group will continue to map individual journeys, determine how we can improve the member experience, and track the member experience performance to ensure we continually focus on making these journeys a superior member experience.

Innovation Through Technology

LACERA is committed to leveraging technological solutions to advance capabilities, increase productivity, and elevate our operational maturity. Information technology (IT) tools, when well designed and implemented, support the effective and efficient accomplishment of an organization's goals, objectives, and strategies. LACERA's strategic objectives over the next five years will work toward maturing and adapting LACERA IT architecture and applications infrastructure.

Our current focus centers on data and knowledge—specifically, developing an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform. Additionally, we intend to implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information.

The Systems Division plays a critical role in successfully implementing all of LACERA's strategic priorities and initiatives. New technology solutions to business problems are vetted through the Information Technology Coordination Committee (ITCC). Once approved and budgeted, the Project Management Office leads the implementation with subject matter experts in the impacted operating divisions, and then transitions the ongoing support and maintenance to either the Infrastructure Group or the Business Solutions Group. A detailed summary of planned IT projects for FY 2024-25 can be found immediately following this summary.

Investing in People

LACERA recognizes that the key to its success lies in its people. Our overarching goal is to make LACERA the employer of choice by offering a workplace culture that values and encourages staff development, actively implements equity and inclusion in our policies and practices, pays fair wages, values employees' ideas, and provides staff the tools and resources necessary for individual and collective success.

In FY 2023-24, LACERA is on track to administer exams to promulgate 25 new lists, onboard 40 new permanent staff in 10 of 15 divisions throughout the organization, and provide internships for seven students. Hiring includes a new core training class of 21 RBS Is (expected to start in June), while promotions will include 28 existing staff (including 17 new RBS IIs who will graduate from the core training).

Additionally, the following major projects worked on in FY 2023-24 support the Investing in People strategic priority:

- *Hiring Manager Playbook*: Human Resources developed a guide for LACERA managers responsible for hiring decisions (hiring managers). The guide helps managers to communicate: employment laws and rules (such as civil service rules) that LACERA follows to ensure fair and equal employment, choices hiring managers may have in how they go about filling vacant positions, and the set of procedures to follow to ensure compliance with applicable employment laws and rules that LACERA is subject to. The *Hiring Manager Playbook* is available for staff and manager reference on LACERA Connect, our staff intranet site, and is now being used consistently across the organization. The *Hiring Playbook* is intended to be a living document and will be amended as needed to reflect opportunities to streamline processes and procedures while still safeguarding LACERA's commitment to civil service and equal employment opportunities for all.
- Leadership Pipeline: LACERA managers (MAC Team) developed and documented a succession-planning tool known as the Leadership Pipeline. The Leadership Pipeline is a transparent set of guidelines for all employees, tailored to LACERA's unique expectations at all staffing levels. This document will be socialized with staff; made accessible to all on LACERA Connect, our staff intranet site; and used by managers as part of their staff development responsibilities and to consistently communicate expectations and standards.
- IDEA Initiative: At the suggestion of staff, LACERA has rebranded our enterprise-wide diversity, equity, and inclusion (DEI) program, formerly known as LEAD, as IDEA (Inclusion, Diversity, Equity, and Accessibility). Although the framework remains the same and touches on the employee experience, member experience, and business partners and community partners, the old acronym was challenging to remember. In addition, staff felt it was important to add accessibility and belonging as fundamental to the initiative.

In FY 2024-25, LACERA will continue focusing on reducing our vacancy rate through increased hiring; increasing staff training and development; and maturing our workplace culture. Implementing our hiring plan priorities is expected to result in a reduction of staff vacancies from 21 percent to 15 percent. We will continue to explore opportunities to simplify our *Hiring Playbook*, revise our rater training, enhance recruitment and application communication through technology, and implement a more efficient job analysis tool used to create competency-based assessments. We will focus on better supporting existing staff by revising and publishing an updated employee handbook, improving and expanding our use of performance management tools, increasing and expanding staff training and development opportunities, reviewing our policies and procedures through a DEI lens to identify and seek to remove artificial barriers, and soliciting and obtaining employee feedback to support their sense of belonging within the organization.

Enterprise Risk Management and Compliance

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and enterprise risk management (ERM) programs that will facilitate management's compliance and risk management efforts. These efforts are continuous because risks constantly change.

In FY 2024-25, LACERA plans to focus on foundational actions towards implementing a centralized Ethics and Compliance Program (ECP). The purpose of the ECP is to promote a strong and engaged culture of ethical conduct and compliance with laws, regulations, policies, and procedures in order to meet our fiduciary duty to LACERA members, reduce risk, and improve business operations. The FY 2024-25 workplan includes:

- Ongoing communication to socialize the goals and objectives of the ECP;
- Develop and obtain approval from the Board of Retirement and Board of Investments for a program charter;
- Compile an inventory of all LACERA policies and procedures;
- Update LACERA's Code of Ethical Conduct and develop a training program to support and reinforce expectations;
- Identify the critical risk areas and the program oversight structure required;
- Obtain County approval for the Chief Ethics and Compliance Officer (CECO) position and staffing structure;
- Recruit and onboard a CECO; and
- Identify how the program will assess and measure success by evaluating the current baseline and key performance indicators.

Fiscal Durability

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

These responsibilities are necessary to ensure the long-term viability of the fund and intergenerational equity for future members, balanced with keeping employer and member contribution rates low and services provided to our members high.

In FY 2023-24, LACERA implemented its first automated budget system, Questica Budget (QB), replacing its decades-old manual practices that were inefficient and lacked real-time reporting and transparency. This new system was used to develop this FY 2024-25 Budget and is being used by LACERA managers to monitor and manage their FY 2023-24 budgetary resources. LACERA also implemented an automated accounts payable system (AP Certify) and is finalizing implementation of an enterprise contract lifecycle management system (Cobblestone).

In addition, staff have begun the critical work of updating and revising LACERA's Actuarial Funding Policy, incorporating LACERA's Investment Policy Statement. The Actuarial Funding Policy guides the BOI in determining the employer and member contribution rates toward achieving a 100 percent funding ratio. Staff anticipates bringing the proposed new Actuarial Funding Policy to the BOI by June 2024.

In FY 2024-25 LACERA will continue developing and promoting organizational tools and a mindset of supporting enterprise-wide fiscal responsibility. Specific projects include:

- Designing and implementing a centralized Vendor Management Program within the Administrative Services Division, which will leverage the use of AP Certify, Cobblestone, and QB, and improve compliance with LACERA's fiscal and purchasing policies
- Beginning the process of identifying future needs for an enterprise resource planning tool to replace our aging financial system and implementation requirements
- Designing and delivering basic financial training for all staff
- Creating a non-administrative budget in QB and automating the budget book publishing
- Implementing an automated travel module to better support trustee and staff travel needs

LACERA will also continue to support the BOI's strategic initiatives discussed below.

Board of Investments' Strategic Initiatives

Implementation of the Board of Investments' Strategic Initiatives is key to ensuring the plan's long-term fiscal durability and moving toward our vision to be a best-in-class

investor. While the Investments Office has primary responsibility for these initiatives, they are supported by the Executive Office, Legal Services Office, and the Business Services Group (Human Resources, Financial and Accounting Services, Systems, and Administrative Services).

Enhance Operational Effectiveness

Our objective is to maximize the efficiency of our resources (internal, external, human, and technological) and mitigate varied investment and enterprise risks, to improve future outcomes. Investments Office staff continue to optimize presentation and quality of information available to the Board of Investments; are considering Other Post Employment Benefits (OPEB) structure evolutions; are searching for a consolidated public and private markets investment analysis platform, as well as other technological improvements; and plan to elevate LACERA's operational due diligence function.

Optimize Investment Model

Our objective is to leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns. In FY 2024-25, the Investments Office will continue cultivating a dynamic investment program; further optimize internal staff investment committees and due diligence practices; continue to refine rebalancing practices; adopt complexity where well-rewarded and limit unrewarded complexity; and organize effective educational sessions and orientations.

Maximize Stewardship and Ownership Rights

Our objective is to steward our investments, including legal rights associated with them, in a manner that safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy. The Investments Office plans to update climate modeling to inform the Board's 2024 strategic asset allocation decision; expand environmental, social, and governance (ESG) factors, climate reporting, and data coverage in private asset classes; integrate global real estate sustainability benchmarks (GRESBs) and the Responsible Contractor Policy in entire real assets; assume voting rights in the OPEB separate account structure; and amplify progress and leadership in governance and ESG initiatives.

Strengthen Influence on Fees and Cost of Capital

Our objective is to strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns. We plan to work toward this by continuing to be "term-makers" as opposed to "term-takers" on fees, legal, and other terms; foster creativity when designing terms and account structures to both limit risks and enhance expected return outcomes; and communicate progress toward optimizing implementation costs through improved expense and fee analytics and reporting.

Although under the County Employees Retirement Law of 1937 (CERL) investment fees are not included in the administrative budget, the expenditures are noted in the Non-Administrative Expense section of the FY 2024-25 Proposed Budget documents.

LACERA T.I.D.E. (Towards Inclusion, Diversity, and Equity)

Our objective is to improve outcomes through comprehensive, total fund efforts that encourage constructive, inclusive, and equitable talent management with our investment partners, industry, and internally. We plan to work toward becoming an employer of choice at all levels, from internships to management; inspire LACERA's investment managers to adopt DEI programs to increase risk-adjusted returns; utilize wider data sets to inform manager DEI benchmarking progress; integrate takeaways from private equity/ portfolio company board DEI reviews into fund underwriting and monitoring; and continue to enhance insights on firm ownership demographics, where available. While complementary, LACERA T.I.D.E. is distinct from the Board of Retirement's DEI initiative, IDEA, in that it focuses on investment staff and partnerships.

Conclusion

The FY 2024-25 Proposed Budget reflects the resources necessary to effectively and efficiently administer the retirement programs to fulfill LACERA's mission. Once Trustees review this fiscal plan and are satisfied that it is prudent, we anticipate they will approve and adopt the FY 2024-25 Budget.

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Member Experience Communication Project (MECP)	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to support LACERA's telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and our pension administration system. Initial funding for this project was requested during the FY 2023-24 budget to support both the Pasadena office and Member Service Contact Center; however, the member servicing portion was deferred to focus on updates to the corporate telecommunications infrastructure.	The goal is to establish a modern member contact center that provides efficient customer service, omnichannel support, and an enhanced customer experience. The benefits will be enhanced service quality, reduced costs, and improved member satisfaction.	$600,000	Phase 1 of 1	06/30/25
Member Case Management System: Phase 2	Case management continues to be a top priority for LACERA in the upcoming fiscal year. During FY 2023-24, LACERA will complete implementation of Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for continuous enhancements to the implemented Phase 1 processes as those workflows mature and to begin implementation of Phase 2. Phase 2 will focus on the insurance enrollment and member appeals resolution processes, which include legal review, insurance appeals and escalation, insurance enrollment, and administrative appeals and escalation. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.	The goal is to track and manage insurance enrollment, administrative appeals, and escalation cases. The benefits will be more efficient processing, greater automation, and improved member satisfaction.	$500,000	Phase 2 of 5	06/30/25
Enterprise Knowledgebase Solution	To support LACERA's strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees, and support learning and development of staff by providing a resource to acquire and update their knowledge and skills.	The goals are to establish a centralized repository and workflow for business rules, procedures, and operating instructions. The benefits will be consistent and transparent development, review, publication, and adoption of business rules. This new system will also allow us to retire older disparate systems: the Benefits Wiki, KBase, Member Services Operating Instructions, and Benefits Index.	$250,000	Phase 1 of 1	06/30/25

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Secure Access Service Edge (SASE) Solution	To support LACERA's strategic objective of Innovation Through Technology, the Systems Division and Information Security Office seek to implement an SASE solution that will enable the organization to better support our remote and hybrid workforce automatically by connecting them to nearby cloud gateways for better performance. This project will replace the organization's current Netskope solution with a more simplified system that is easier to manage and troubleshoot and provides consistent, secure access to all applications, while allowing the engineering and information security teams to have full visibility and inspection across all network ports and protocols.	The goal is to replace our Netskope solution with a system that is less complex, easier to troubleshoot, and provides consistent secure access to all applications. The benefits are smooth and secure access for our end users, whether they are in the office or working remotely.	$235,000	Phase 1 of 1	06/30/25
Member Identity Verification Solution	To support LACERA's strategic objective of Superior Member Service and as part of our commitment to protecting the promised benefits, the organization seeks to improve our member identity verification processes. This project will ensure the organization can leverage identity verification and/or authentication services that adhere to the highest standards of data privacy and protection while enhancing the user experience and member satisfaction, reducing operational costs, and improving compliance and security requirements.	The goal is to ensure that LACERA is using the identity verification and/or authentication services that adhere to the highest standards of data privacy and protection. The benefits include continued compliance with security requirements while enhancing member experience and satisfaction.	$220,000	Phase 1 of 1	06/30/25
Facilities Management Solution	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace the current tediously manual and labor-intensive processes. The new system will seek to implement automation to ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve facilities-type requests. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and the need to focus on higher priority initiatives.	The goal is to provide automation, process improvement, transparency, and metrics for LACERA's facilities management process.	$150,000	Phase 1 of 1	06/30/25
Teams Room Conversion	The Systems Division is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. This project is being implemented in three phases, with Phases 1 and 2 completed during the FY 2023-24 budget. Funding for Phase 3 is being carried forward from the FY 2023-24 budget, and once completed, each conference room will provide a rich and collaborative Teams meeting experience that is simple to use and supports LACERA's flexible hybrid work environment.	The goal is to facilitate collaboration for LACERA's hybrid workforce. The benefits include enhanced collaboration and inclusivity, efficient meeting execution, and increased productivity.	$125,000	Phases 3 of 3	06/30/25

Summary of Technology Modernization Projects for FY 2024-25

Project Title	Description	Benefit/Goal	FY 24/25 Budget	Phase	Estimated Completion Date
Benefits PBI Upgrade	To support LACERA's strategic objective of Superior Member Service, the Benefits Division seeks to replace its current end-of-life member/beneficiary research system. The new system will ensure that the organization can quickly and accurately identify deceased members and locate or identify the beneficiary, to fulfill our fiduciary responsibilities and pay out the owed benefits. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and in lieu of the vendor extending support in the current system.	The goal is to reduce the risk of benefit overpayments to deceased members and more efficiently locate beneficiaries who are owed death benefits.	$100,000	Phase 1 of 1	06/30/25
Digital Mailroom	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. During FY 2024-25, LACERA would like to complete a pilot project for the digital mailroom to ensure that the solution would be effective and provide business continuity and seamless disaster recovery.	The goal for the virtual mailroom is to provide uninterrupted document processing and remote accessibility. The benefits include business continuity and productivity enhancements.	$100,000	Phase 1 of 1	06/30/25
Human Resources Recruitment Module (Neogov)	LACERA seeks to expand our use of Neogov to include the "Attract" talent acquisition modules, expand the use of the "Perform" modules to include performance evaluations for represented staff members, and add the use of the "Learn" module as an organization learning management system.	The goals of the expanded use of Neogov are to enhance candidate relationship management and to streamline the recruitment process. The benefits will include simplified sourcing of candidates, automating outreach to applicants, organizing candidates skills for efficient follow-up, and providing actionable insights for employee development.	$71,000	Phase 1 of 1	06/30/25
Policy, Governance Risk and Compliance (GRC), and Audit Solution	LACERA seeks to implement a comprehensive Governance Risk and Compliance (GRC) solution that includes the following modules: Policy Management, IT Governance Risk and Compliance, Enterprise Risk Management, Ethics and Compliance, and Audit.	The goals of the project include the ability to identify and assess risks, predict and prevent losses, comply with industry standards, and provide transparent information sharing. The benefits include greater efficiency, increased transparency, and overall organizational accountability.	$70,000	Phase 1 of 1	06/30/25

Mission

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

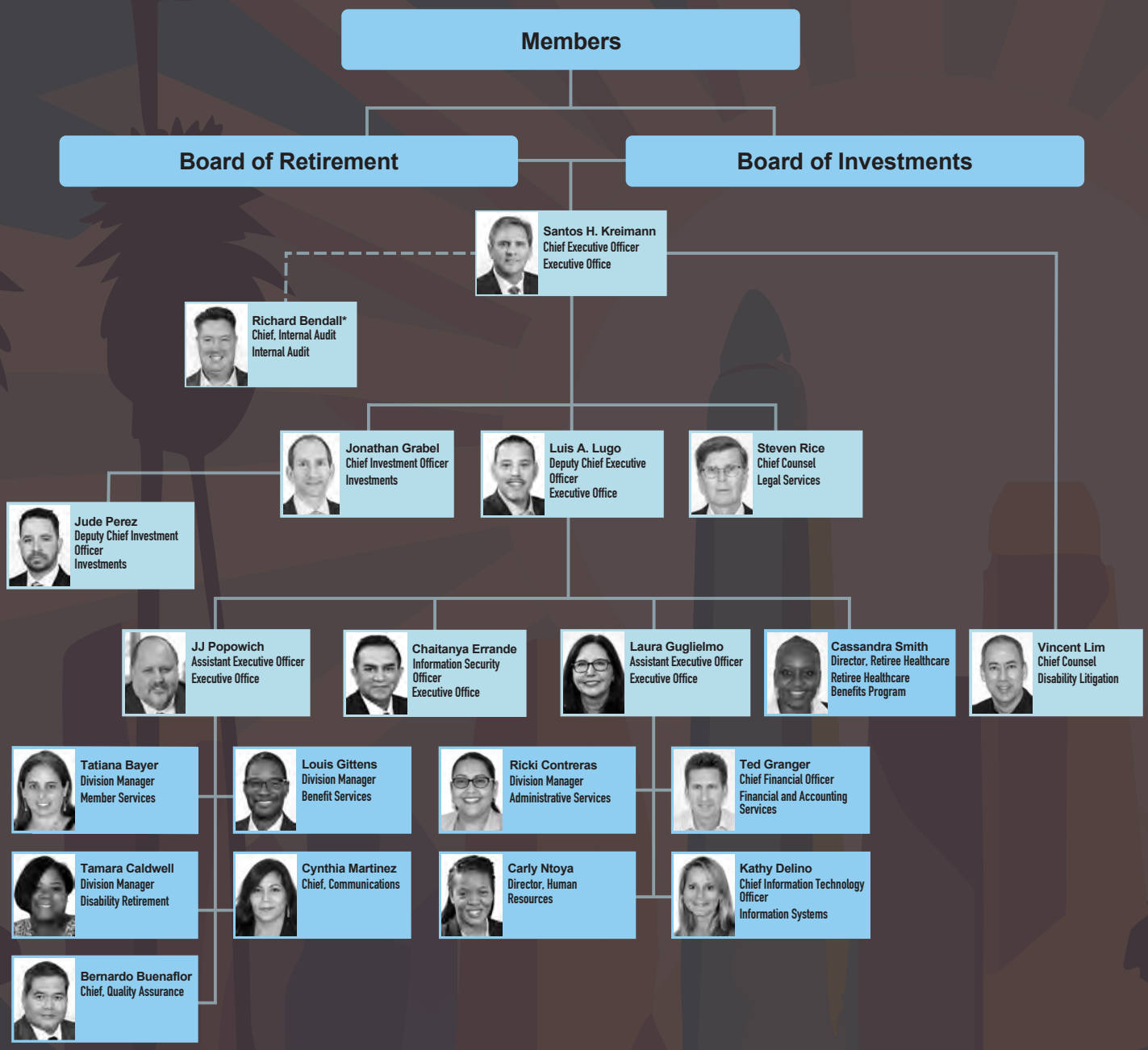
Vision

Empowering our members to enjoy a healthy and secure retirement

Values

Accountability Collaboration Inclusivity
Innovation Integrity Transparency

Organizational Chart



* Reports functionally to the Audit Committee and administratively to the CEO

Board of Retirement

Mission Statement

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

The Board

Composed of nine trustees and two alternates:

- Two trustees elected by active general members
- One regular and one alternate trustee elected by retired members
- One regular and one alternate trustee elected by safety members
- Four trustees appointed by the Los Angeles County Board of Supervisors
- One ex-officio trustee (the County Treasurer and Tax Collector)
- One acting ex-officio trustee (the Chief Deputy County Treasurer and Tax Collector)

Responsibilities

Overall management of LACERA is vested in the Board of Retirement. The Board is responsible for the administration of the retirement system and the Retiree Healthcare Benefits Program (OPEB Program). Its duties also include the review and processing of disability retirement applications.

Shawn R. Kehoe
Chair
Elected by Safety Members

Les Robbins
Vice Chair
Elected by Retired Members

Ronald Okum
Secretary
Appointed by Board of Supervisors

Nancy M. Durazo
Elected by General Members

Elizabeth B. Ginsberg
Treasurer and Tax Collector
Ex-Officio Member

Vivian H. Gray
Elected by General Members

Jason E. Green
Elected by Safety Members

James P. Harris
Elected by Retired Members

Wayne Moore
Appointed by Board of Supervisors

David Ryu
Appointed by Board of Supervisors

Antonio Sanchez
Appointed by Board of Supervisors

Board of Investments

Mission Statement

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

The Board

Composed of nine trustees:

- Four trustees appointed by the Los Angeles County Board of Supervisors
- Four elected trustees
  - Two elected by active general members
  - One elected by retired members
  - One elected by safety members
- One ex-officio trustee (the County Treasurer and Tax Collector)
- One acting ex-officio trustee (the Chief Deputy County Treasurer and Tax Collector)

Responsibilities

The Board of Investments is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment of the retirement fund.

Patrick L. Jones
Chair
Appointed by Board of Supervisors

David E. Ryu
Vice Chair
Appointed by Board of Supervisors

Jason E. Green
Secretary
Elected by Safety Members

Trevor Fay
Appointed by Board of Supervisors

Mike Gatto
Appointed by Board of Supervisors

Elizabeth B. Ginsberg
Treasurer and Tax Collector
Ex-Officio Member

Debbie Martin
Elected by Retired Members

Nicole Mi
Elected by General Members

Vacant
Elected by General Members

BUDGET POLICIES

The LACERA Budget is an annual financial plan with the purpose of promoting the long-term economic sustainability and responsible resource allocation to meet LACERA's mission to produce, protect, and provide the promised benefits to our members and beneficiaries.

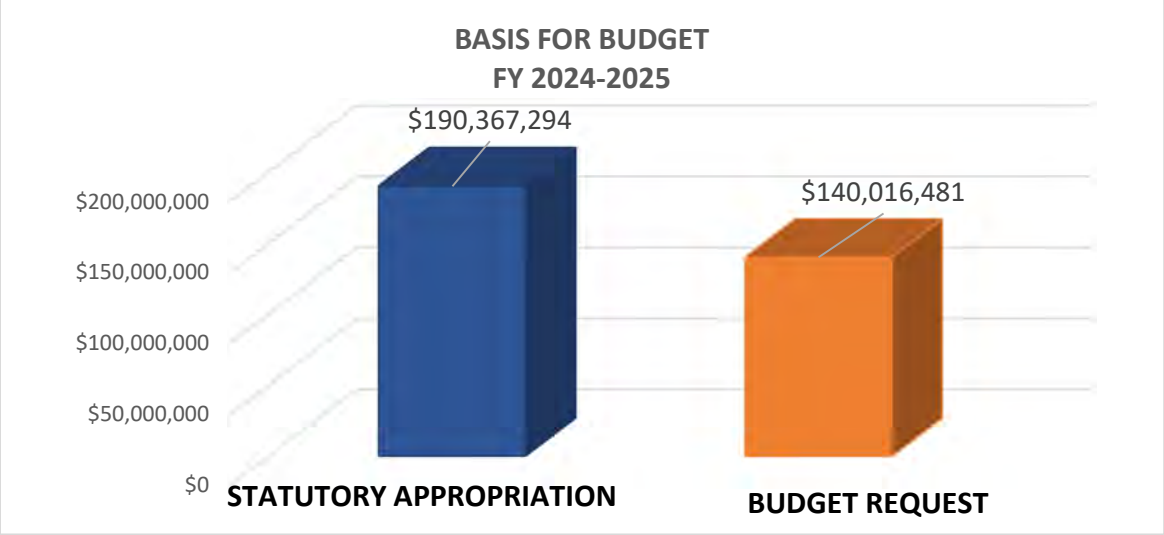
The budget is made up of three operating funds: the Administrative Fund, the Retiree Healthcare Benefits Program Fund, and the Other Post-Employment Benefits (OPEB) Trust Fund.

The annual budget aligns with LACERA's fiscal year (FY), the 12-month period from July 1 to June 30.

Legal Requirement

Government Code 31580.2 of the County Employees Retirement Law (1937 Act) requires the annual adoption of a budget covering the entire expense of administration of the retirement system. The code requires that the expenses be charged against the earnings of the retirement fund and that the expenses may not exceed 21 basis points (0.21 percent) of the actuarial accrued liability of the retirement system. Although expenses for computer software, hardware, and computer technology consulting services are included in the Administrative Budget, such costs are not subject to the budget limit. Additionally, Government Code Section 31596.1 provides that the following expenses shall not be considered as costs of administering the system: investing its moneys, securing custodial bank services, securing actuarial services, and securing attorney services. As such, these costs are not included in the Administrative Budget.

Per the 1937 Act, LACERA's statutory appropriation for FY 2024-25 is $190,367,294. The proposed budget for FY 2024-25 totals $140,016,481, $50,350,813 below the statutory appropriation limit. Further, CERL requires that the administrative budget be funded from investment earnings of the plan.



JOGC Oversight

In addition to the statutory codes, the budget is also guided by LACERA's Joint Organizational Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that considers and supports the approved strategic objectives and general operating needs. The preliminary budget is presented to the JOGC for review. Recommendations by the JOGC are presented to the Board of Retirement and Board of Investments ("the Boards") during the budget hearings. Staff incorporates changes agreed upon in the budget hearings and brings the recommended budget to the Board of Retirement and the Board of Investments for review and independent adoption before June 30.

Budgetary Control and Financial Forecasting

LACERA has a responsibility to maintain a fiscally sustainable budget that aligns our Strategic Plan objectives and goals with the itemized resources and organization required to fulfill our mission, vision, and values. This financial plan is developed by staff and management and is approved by the Boards. After the budget is developed and approved, staff and management have a responsibility to monitor and forecast expenditures to ensure resources are being used as intended to meet LACERA's needs.

While the annual budget process is designed to develop the 12-month budget or financial plan for approval prior to the start of the fiscal year, a mid-year review of that plan helps to ensure the enterprise is on track. During the mid-year budget review process, the Boards may address any enterprise-critical, unforeseen, and emergency resources not included in the current fiscal year budget. The mid-year budget review shall be presented to the JOGC for information or action if required.

Chief Executive Officer (CEO) Authority

In FY 2022-23, the Boards adopted a new Budget Policy that, among other things, granted the CEO the authority to transfer up to $1 million between major fund categories (e.g., between Salaries and Employee Benefits and Services and Supplies) or between accounts within a major fund category (e.g., between postage and insurance within Services and Supplies) to address operational needs in a timely manner. Such changes shall be communicated to the Boards as part of the regular budget control reporting. The CEO may not increase total appropriations or add position authority without the approval of the Boards.

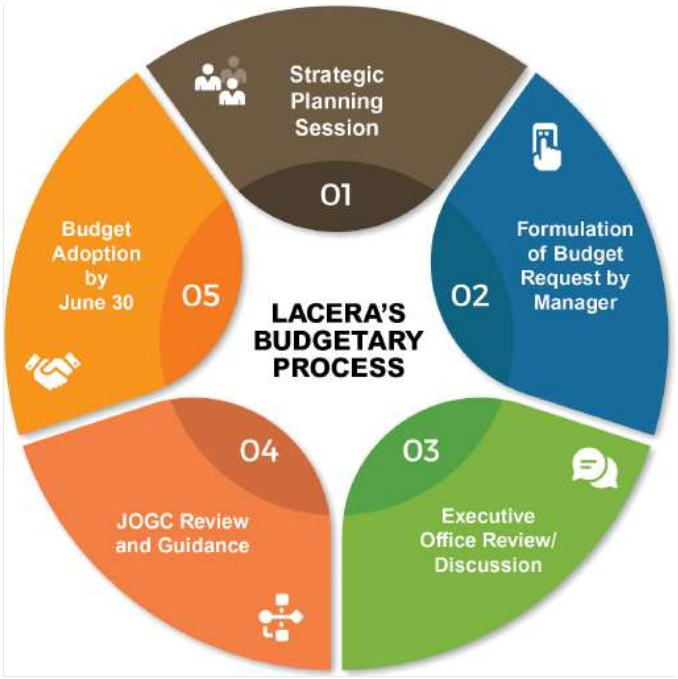
Retiree Healthcare Benefits Program

LACERA's Retiree Healthcare Benefits Program provides healthcare benefits to our membership on behalf the plan sponsors. The insurance premiums are borne solely by the participants of the plan or the plan sponsor if the participant is eligible for such benefits. LACERA trust funds are not used for premium payments. The direct costs and variable overhead costs associated with the administration of the Retiree Healthcare Benefits Program are fully included with the monthly premium payments and, as such, are not included in the Administrative Budget.

Non-Administrative Expenses

As provided in Government Code Section 31596.1, the expenses of investing its moneys, securing custodial bank services, actuarial services, and attorney services shall not be considered a cost of administering the system. As such, investment expenses are not included in the Administrative Budget, but are illustrated as part of the Non-Administrative Expenses section of the budget.

BUDGET PROCESS



LACERA's budget process includes five major stages, as depicted in the diagram above. The budget process typically begins in October of each year and coincides with the strategic planning discussion, which is generally held offsite by the management team to engage in team-building exercises and begin discussion about organizational priorities and strategic direction consistent with the Boards' vision.

The budget is a fiscal plan that supports the organization's planned activities and goals for the upcoming year. The first stage of the budget is to review the strategic plan priorities and work plans for the coming fiscal year. From October to November, the management team begins to formulate their budget requests to support those activities. Throughout the month of December, the budget team meets with the managers to gather information about their needs. This discussion helps the budget team and their partners begin preparing spending plans to support the divisional and management requests.

During the month of January, the management team meets with the Executive Office to present their proposed budgets. During this process, the Executive Office weighs the requests against the organizational goals and the strategic plan as well as ancillary support requirements. These discussions help refine the requests and balance competing needs throughout the organization. At the end of this process, the Executive Office and the management team agree upon their divisional requests and the Budget Unit begins to assemble the budget.

The fourth stage includes presenting the preliminary budget to the JOGC for review, discussion, and guidance. The JOGC meeting is open to the public and all Trustees are invited to participate in the discussion. Staff incorporates changes requested by the JOGC and prepares the final proposed budget on behalf of the JOGC for consideration by the Board of Retirement and Board of Investments.

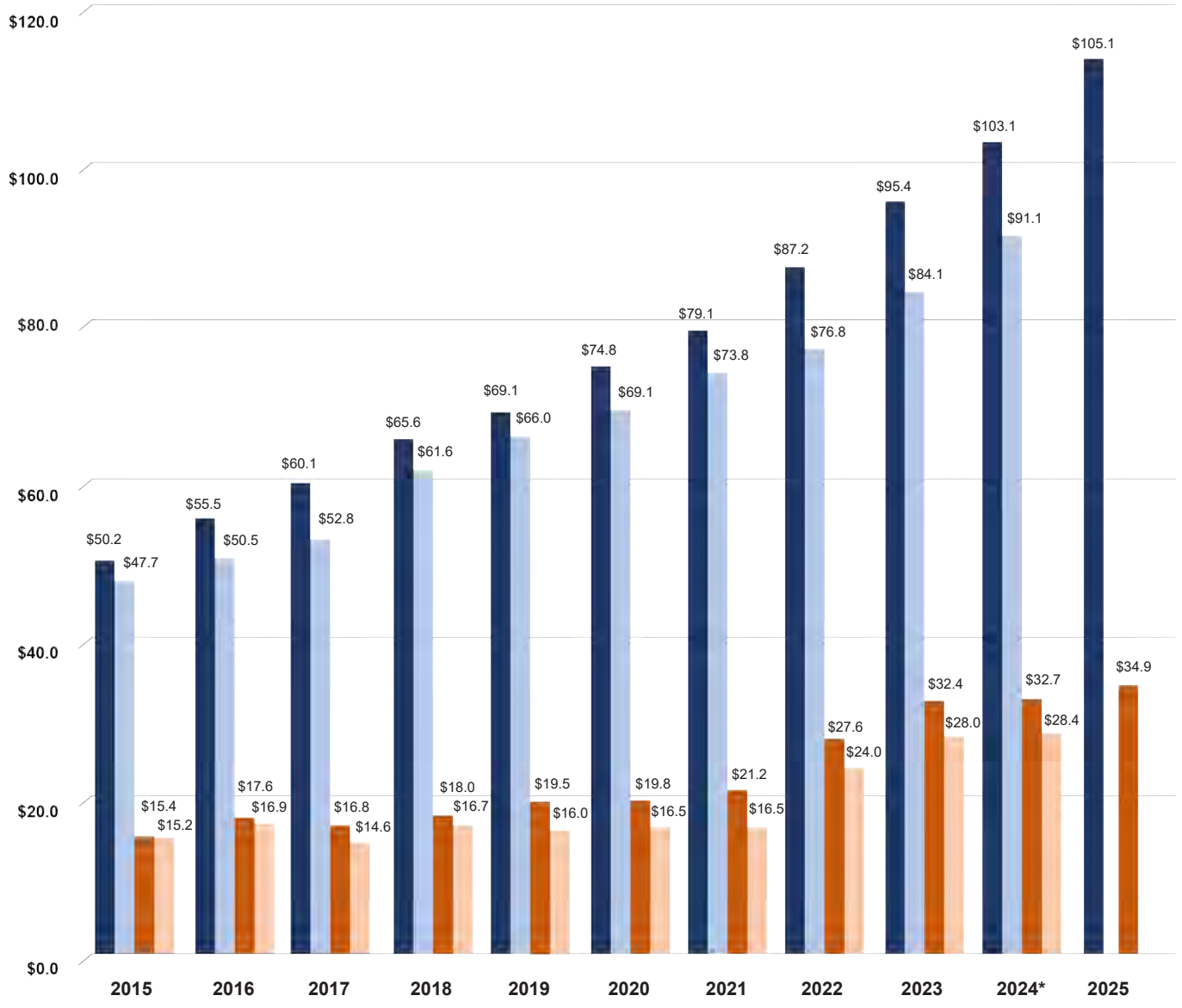
Lastly, the JOGC's proposed budget is submitted for approval at the meetings of each Board in June. Each year the budget must be adopted by June 30 to take effect on July 1.

HISTORY: BUDGET EXPENDITURES

Salaries and Employee Benefits & Services and Supplies

2015-2025

($ in Millions)



* The Actual Expenditures for the budget year ending 2024 are projected based on YTD figures through 01/31/2024.

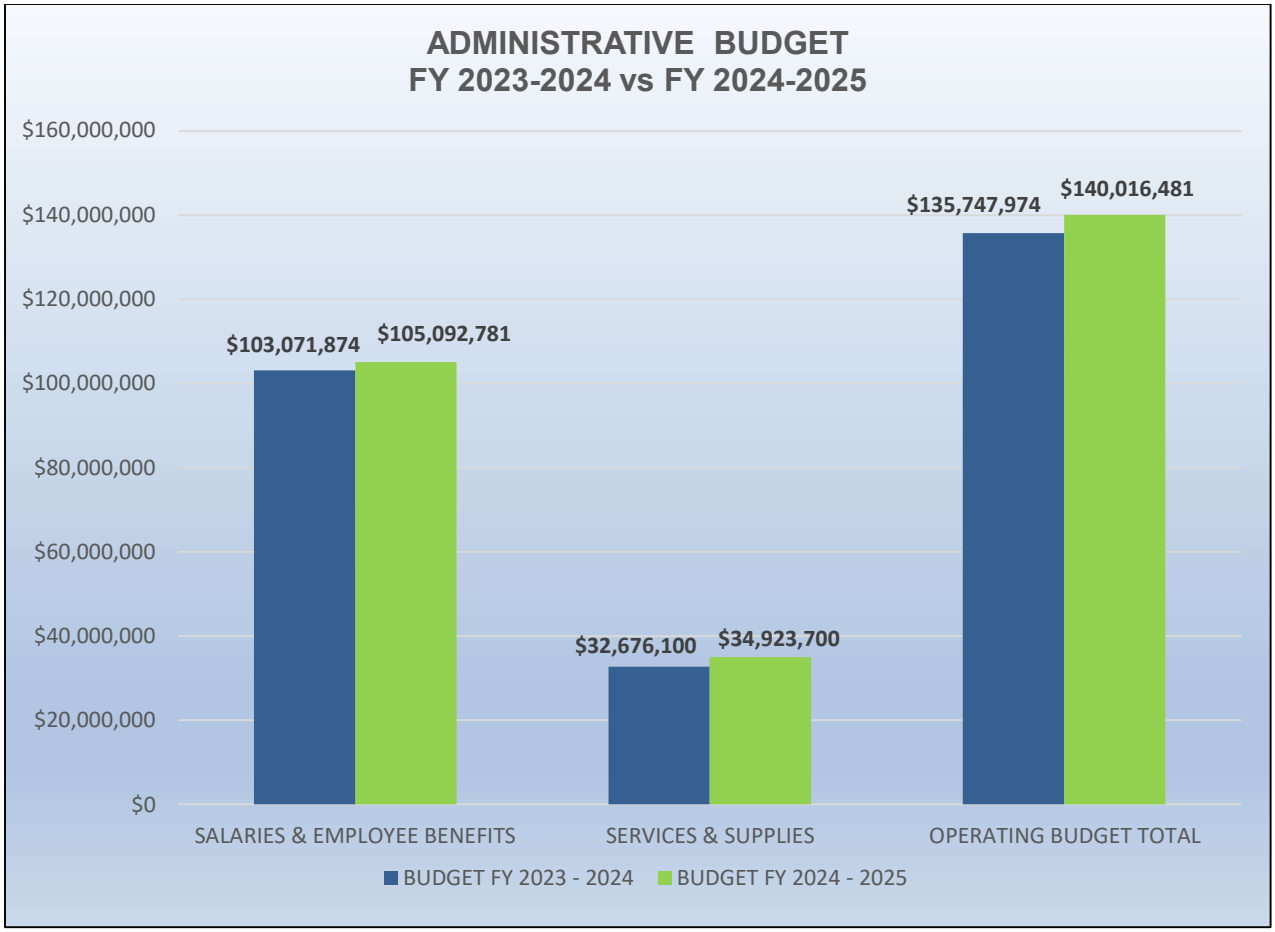
Salaries and Employee Benefits Approved Budget
Salaries and Employee Benefits Actual Expenditures
Services and Supplies Approved Budget
Services and Supplies Actual Expenditures

BUDGET REQUEST SUMMARY

Overview

The Administrative Budget consists of two components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The proposed Administrative Budget request for FY 2024-25 is $140,016,481. This represents a 3.1 percent increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET FY 2023-24	BUDGET FY 2024-25	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	$103,071,874	$105,092,781	$2,020,907	2.0%
SERVICES & SUPPLIES	$32,676,100	$34,923,700	$2,247,600	6.9%
OPERATING BUDGET TOTAL	**$135,747,974**	**$140,016,481**	**$4,268,507**	**3.1%**



The chart below displays the total budgeted costs per division in comparison to the prior year.

For additional details see the divisional tabs.

DIVISION	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
Administrative Services	$16,108,407	$16,946,279	$837,872	5.2%
Benefits	12,449,401	12,838,241	388,840	3.1%
Board of Retirement	303,500	341,500	38,000	12.5%
Board of Investments	551,000	556,000	5,000	0.9%
Communications	4,117,688	3,752,475	(365,213)	-8.9%
Disability Litigation	2,561,141	2,504,711	(56,430)	-2.2%
Disability Retirement	11,797,091	11,620,273	(176,818)	-1.5%
Ethics & Compliance Office	182,700	219,400	36,700	20.1%
Executive Office	5,276,414	4,039,504	(1,236,910)	-23.4%
Financial & Accounting Services	5,688,738	5,658,426	(30,312)	-0.5%
Human Resources	6,743,589	6,470,103	(273,486)	-4.1%
Information Security Office	0	1,590,829	1,590,829	0.0%
Internal Audit	3,613,148	3,294,298	(318,850)	-8.8%
Investment Office	18,223,968	19,377,272	1,153,304	6.3%
Legal Services	9,815,031	10,387,249	572,218	5.8%
Member Services	11,063,298	12,020,576	957,278	8.7%
Quality Assurance	3,383,333	3,320,272	(63,061)	-1.9%
Systems	23,869,524	25,079,073	1,209,549	5.1%
TOTAL	**$135,747,974**	**$140,016,481**	**$4,268,507**	**3.1%**

Salaries and Employee Benefits Summary

Salaries and Employee Benefits (S&EB) costs consist of the ongoing personnel costs for the organization. These costs include salaries, variable benefits (e.g., retirement costs, 457(b) and 401(k) plan costs, etc.), agency temporary staff, overtime, OPEB contributions, and other benefit costs.

S&EB CATEGORY	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
SALARIES & OTHER PAY				
Permanent / County Temporary	$55,823,026	$59,820,943	$3,997,917	7.2%
Agency Temporary	5,683,700	4,219,800	(1,463,900)	-25.8%
LACERA Intern Program	288,000	336,000	48,000	16.7%
Stipends	65,000	65,000	0	0.0%
Overtime	1,150,900	1,388,700	237,800	20.7%
Bilingual Bonus	22,800	20,400	(2,400)	-10.5%
Transportation Allowance	28,800	36,000	7,200	25.0%
Rideshare Allowance	70,300	70,300	0	0.0%
Sick Leave Buyback	68,800	68,800	0	0.0%
TOTAL SALARIES & OTHER PAY	**$63,201,326**	**$66,025,943**	**$2,824,617**	**4.5%**
VARIABLE BENEFITS				
Retirement	13,294,641	11,694,440	(1,600,201)	-12.0%
FICA Contribution	1,060,986	867,404	(193,582)	-18.2%
County Subsidy–Insurance	3,651,760	3,651,760	0	0.0%
Options Plan	4,515,725	5,821,379	1,305,654	28.9%
Life Insurance	22,003	26,217	4,214	19.1%
Health Insurance Temps	626,306	375,682	(250,624)	-40.0%
Flexible Benefit Plan	18,805	18,805	0	0.0%
Thrift Plan/Horizons	2,251,400	2,392,838	141,438	6.3%
Savings Plan	1,527,202	1,546,989	19,787	1.3%
Pension Savings Plan	59,193	59,193	0	0.0%
Megaflex	7,264,514	6,574,702	(689,812)	-9.5%
TOTAL VARIABLE BENEFITS	**$34,292,535**	**$33,029,408**	**($1,263,127)**	**-3.7%**
OPEB CONTRIBUTION	**$1,989,012**	**$2,366,430**	**$377,418**	**19.0%**
OTHER BENEFITS	**$3,588,999**	**$3,671,000**	**$82,001**	**2.3%**
TOTAL EMPLOYEE BENEFITS	**$39,870,546**	**$39,066,838**	**($803,708)**	**-2.0%**
TOTAL SALARIES & EMPLOYEE BENEFITS	**$103,071,874**	**$105,092,781**	**$2,020,907**	**2.0%**

Assumptions

The following assumptions were used in developing the budgets:

- LACERA utilizes an incremental-based budget process with the prior year resources as the "budget base" adjusted to reflect changes to activities or costs.
- Salaries are budgeted based on projected yearly costs by position. Filled positions assume salary-step and/or merit increases where eligible.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. The number of months funded are based on LACERA's hiring plan and are clearly identified in each division's tab. Vacant positions as of January 2024 that are expected to be filled by June 30, 2024 are budgeted for the full year.
- The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.
- Variable benefits costs are adjusted consistent with Los Angeles County negotiated fringe benefit rates.
- To ensure steady and consistent trained staffing levels in our member-facing divisions, and to accommodate an annual specialist basic training program, LACERA will over-hire 11 Retirement Benefits Specialists I. These over-hires are not funded in the budget. Instead, salary savings generated from assumed attrition will be used to support the staffing.
- New positions are included only when they can be supported by planned hiring activity and availability of Los Angeles County Ordinance position authority.

Explanation of S&EB Costs

The proposed budget for S&EB totals $105,092,781, an increase of approximately $2.0 million or 2.0 percent. A breakdown of the significant changes impacting S&EB costs are detailed below.

Staffing Changes

A net increase of six permanent positions are requested for FY 2024-25, bringing LACERA's budgeted authority (excluding the Retiree Healthcare Program) from 497 to 503, as outlined below.

Summary of Position Changes

DIVISION	#	POSTION TITLE	FULL YEAR SALARY	FULL YEAR TOTAL EMPLOYEE BENEFITS	FULL YEAR BUDGET IMPACT
Administrative Services	1.0	Supervising Administrative Assistant II	$105,034	$68,272	$173,306
	2.0	Administrative Services Analyst III	$156,661	$101,830	$258,491
	(1.0)	Receptionist	($43,819)	($28,482)	($72,301)
Financial & Accounting Services	3.0	Accountant	$207,226	$134,697	$341,922
Investment Office	1.0	Finance Analyst II	$139,772	$90,852	$230,623
	(1.0)	Finance Analyst I	($96,588)	($62,782)	($159,370)
Legal Services	1.0	Legal Analyst	$83,311	$54,152	$137,462
Total	**6.0**		**$551,597**	**$358,538**	**$910,134**

**Based on the hiring plan*

Permanent/County Temporary Salaries

Funding for Permanent/County Temporary Salaries is increasing by approximately $4.0 million or 7.2 percent. The six new positions account for a portion of this increase, but other factors include full-year funding for previously unfunded or partially funded vacant positions, salary-step and merit increases, and the last six months of negotiated cost-of-living adjustment (COLA) increases through December 31, 2024. No future COLAs beyond that date were included in the proposed budget.

Agency Temporary Salaries

Funding for Agency Temporary Salaries is reduced by approximately $1.5 million, or 26 percent, from FY 2023-24, reflecting LACERA's planned hiring. Tremendous effort is underway to permanently fill LACERA's critical vacancies with highly qualified professionals, allowing for substantive reductions in this line item.

Intern Program

Internships are part of LACERA's diversity, equity, and inclusion strategies. Our intent is to provide underrepresented students with opportunities to learn about LACERA and how we fulfill our mission to produce, protect and provide the promised benefits to our members by offering short-term employment and mentorship. They are provided hands-on experience that increases their professional preparedness.

For FY 2024-25, LACERA hopes to welcome 15 Interns to work on special projects across the organization as outlined below:

Division	No.	Project Description
Administrative Services	1	Records management
Communications	1	Social media platform rollout
Information Security Office	1	Knowledge management and information security program projects
Executive Office	1	Communications projects
Investments Office	4*	Performance attribution, market research, and investment analysis
Legal Office	2	Legal projects (law students)
Quality Assurance	1	Data consolidation/CEM benchmarking report
Systems	3	Workflow automation, onsite data center, and data lake
Retiree Healthcare	1	Automation of quality metrics
Total	**15**	

** Two funded through LACERA and two funded through outside organizations*

At LACERA, internships are paid with the intention to ensure access to these opportunities. The FY 2024-25 Administrative Budget includes $336,000 to fund 13 Interns; two additional Interns for the Investments Division will be funded through outside organizations that seek to encourage individuals of diverse and underrepresented backgrounds.

Employee Benefits

Total employee benefits are projected to total $39,066,838, a decrease of approximately $800,000 or 2.0 percent. Total variable benefits decrease by a net of nearly $1.3 million, while Other Post-Employment Benefits (OPEB) contributions and other benefits increased by approximately $500,000. Within variable benefits, retirement costs decreased by approximately $1.6 million. This represents the employer portion of pension benefits that LACERA pays for its own employees, and the reduction is tied to the higher percentage of employees who are in the PEPRA plan (Plan G).

Total Budgeted Positions

Based on the proposal of a net increase of six permanent positions, LACERA's total budgeted positions count will be 503.

DIVISION	BUDGETED POSITIONS FY 2023-2024	CHANGE	BUDGETED POSITIONS FY 2024-2025
ADMINISTRATIVE SERVICES	42	2	44
BENEFITS DIVISION	79	0	79
COMMUNICATIONS	14	0	14
DISABILITY LITIGATION	7	0	7
DISABILITY RETIREMENT	44	0	44
ETHICS AND COMPLIANCE OFFICE	1	0	1
EXECUTIVE OFFICE	9	1	10
FINANCIAL & ACCOUNTING	30	3	33
HUMAN RESOURCES	21	0	21
INFORMATION SECURITY OFFICE	5	0	5
INTERNAL AUDIT SERVICES	11	0	11
INVESTMENT OFFICE	46	0	46
LEGAL SERVICES	28	0	28
MEMBER SERVICES	79	0	79
QUALITY ASSURANCE	19	0	19
SYSTEMS	62	0	62
TOTAL	**497**	**6**	**503**

Ordinance Positions

Ordinance positions reflect the employment authority by classification ratified by the Los Angeles County Board of Supervisors for LACERA. Not all positions outlined in LACERA's Ordinance are funded in the budget. Each year, the Board of Retirement and the Board of Investments adopt a budget, which includes funding for a specified number of positions. Most of these positions are funded for a full year; positions that are anticipated to be vacant at the beginning of the fiscal year are generally funded for less than 12 months. Historically, LACERA has maintained a higher number of Ordinance positions than budgeted to allow flexibility in filling positions within specific classifications. Each time a position is filled, it must be applied against an authorized position identified in the Ordinance, and funding must be available within the budget. Additionally, when the Boards authorize new positions as part of the budget, they cannot be immediately filled if there is not sufficient authority within the Ordinance, and it typically takes the Board of Supervisors several months to add new positions to LACERA's Ordinance. For this reason, LACERA management is not requesting any new positions in the FY 2024-25 Budget that are not already included in existing Ordinance. However, some positions, such as the Chief Ethics and Compliance Officer, are currently pending.

Vacancy Information

Each year as part of the budgeting process, the management team reviews the current workload to forecast the number of staff needed to fulfill LACERA's mission to produce, protect, and provide the promised benefits to our members. One of the results of the process is a staffing plan that is presented to the executive team as part of each division's budget proposal.

Once the executive and management teams have agreed on a plan, the staffing requests are approved in the budget proposal presented to the Boards. The vacant position chart below shows that there are 106 vacant positions as of March 31, 2024. However, LACERA anticipates hiring or promoting 49 staff in the fourth quarter of FY 2023-24, of which at least half will be new staff members.

Given the high vacancy rate, LACERA management did not include any new positions unless the classification had a current or planned hiring list and where sufficient position authority was currently available in the Ordinance.

Vacant Positions Summary

DIVISION	BUDGETED POSITIONS FY 2023-24	VACANCY (AS OF 03/31/24)	%	BUDGETED POSITIONS FY 2024-25*
Administrative Services	**42**	17	40%	**44**
Benefits	**79**	1	1%	**79**
Communications	**14**	6	43%	**14**
Disability Litigation	**7**	0	0%	**7**
Disability Retirement Services	**44**	8	18%	**44**
Ethics & Compliance Office	**1**	1	100%	**1**
Executive	**9**	1	11%	**10**
Financial Accounting Services	**30**	4	13%	**33**
Human Resources	**21**	6	29%	**21**
Information Security Office	**5**	4	80%	**5**
Internal Audit	**11**	3	27%	**11**
Investments	**46**	8	17%	**46**
Legal Services Ø	**28**	10	36%	**28**
Member Services	**79**	11	14%	**79**
Quality Assurance	**19**	5	26%	**19**
Systems	**62**	21	34%	**62**
LACERA Total	**497**	**106**	**21%**	**503**

*Includes new requested positions
Ø Includes three budgeted positions not yet approved by Board of Supervisors

Hiring Plan

LACERA's Human Resources (HR) Division is working toward our goal of simplifying and improving our hiring process and developed a *Hiring Manager Playbook* to document our current hiring policies and procedures. HR also expanded its staffing capacity in FY 2023-24. As a result, they are on track to promulgate 25 hiring lists by the end of the fiscal year, double the number of lists created in FY 2022-23. Once lists are created, hiring managers interview and select candidates to fill specific vacancies. When new staff are considered, they must undergo an extensive background process. As a result, we expect to see a significant increase in the number of new staff hired and internal promotions, with 49 such actions in the fourth quarter of FY 2023-24 alone.

Services and Supplies (S&S)

The FY 2024-25 Services and Supplies (S&S) budget is $34,923,700, an increase of $2,247,600, or 6.9 percent. S&S costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. Reductions or additions for one-time expenditures are also applied. Significant or noteworthy increases or decreases are explained below:

- Computer Services & Support expenses are expected to increase by $2,228,400 or 42.2 percent, however of this amount, $455,000 was moved from Office Supplies and Equipment related to existing divisional IT supplies and equipment. Four new accounts were created under Computer Services & Support to allow us to segregate new and existing IT needs for both divisions and enterprise-wide. LACERA continues to invest heavily in new IT software, which is also included in this account. Please refer to the detail on page 8 for additional detail.

- Educational Expenses are expected to increase by approximately $365,000 or 25.4 percent due to inflationary costs for educational conferences and a modest increase in the number of educational conferences for staff and trustees.

- Transportation & Travel expenses increased by $93,600, or 11.4 percent, reflecting inflationary increases as well as a modest increase for staff and trustee education-related travel.

- Equipment Maintenance costs are expected to decrease by $305,000, or 41.6 percent, primarily due the completion of the uninterruptible power supply upgrade, key card reader upgrade, and audio visual upgrades

- Legal Fees & Services are expected to increase by $240,000, or 11.5 percent based on current use trends.

Services & Supplies Summary

S&S CATEGORY	BUDGET REQUEST FY 2023-24	BUDGET REQUEST FY 2024-25	VARIANCE	% CHANGE
Auto Expenses	$52,800	$51,300	($1,500)	-2.8%
Communications	570,000	440,000	(130,000)	-22.8%
Transportation & Travel	818,700	912,300	93,600	11.4%
Postage	1,143,700	1,179,000	35,300	3.1%
Stationery & Forms	982,700	1,022,500	39,800	4.1%
Office Supplies & Equipment	1,103,900	730,600	(373,300)	-33.8%
Insurance	1,374,700	1,460,200	85,500	6.2%
Equipment Maintenance	733,300	428,300	(305,000)	-41.6%
Equipment Rents & Leases	250,000	260,000	10,000	4.0%
Building Costs	7,800,000	7,800,000	0	0.0%
Parking Fees	482,000	517,000	35,000	7.3%
Professional & Specialized Services	4,500,600	4,585,100	84,500	1.9%
Bank Services	200,000	200,000	0	0.0%
Legal Fees & Services	2,093,000	2,333,000	240,000	11.5%
Disability Fees & Services	3,090,300	3,090,300	0	0.0%
Computer Services & Support	5,279,600	7,508,000	2,228,400	42.2%
Educational Expenses	1,441,800	1,807,400	365,600	25.4%
Miscellaneous	759,000	598,700	(160,300)	-21.1%
TOTAL	**$32,676,100**	**$34,923,700**	**$2,247,600**	**6.9%**

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Gross Salaries	$59,820,943	$55,823,026	$25,750,038	$52,271,200	($3,551,826)	-6.4%	$3,997,917	7.2%
Salary Differential	-	-	-	-	-	-	-	-
Permanent Salaries	**$59,820,943**	$55,823,026	$25,750,038	$52,271,200	($3,551,826)	-6.4%	$3,997,917	7.2%
Outside Agency Temporary Staffing	**4,219,800**	5,683,700	2,824,928	4,788,200	(895,500)	-15.8%	(1,463,900)	-25.8%
LACERA Intern Program	**336,000**	288,000	6,016	12,300	(275,700)	-95.7%	48,000	16.7%
Variable Benefits								
Retirement	11,694,440	13,294,641	5,376,908	10,915,900	(2,378,741)	-17.9%	(1,600,201)	-12.0%
FICA Contribution	867,404	1,060,986	429,672	873,000	(187,986)	-17.7%	(193,582)	-18.2%
County Subsidy - Insurance	3,651,760	3,651,760	1,110,331	2,254,600	(1,397,160)	-38.3%	0	0.0%
Options Plan	5,821,379	4,515,725	2,153,510	4,372,000	(143,725)	-3.2%	1,305,654	28.9%
Life Insurance	26,217	22,003	11,579	24,000	1,997	9.1%	4,214	19.1%
Health Insurance Temps	375,682	626,306	117,593	238,800	(387,506)	-61.9%	(250,624)	-40.0%
Flexible Benefit Plan	18,805	18,805	7,135	14,500	(4,305)	-22.9%	0	0.0%
Thrift Plan/Horizons	2,392,838	2,251,400	764,954	1,553,500	(697,900)	-31.0%	141,438	6.3%
Savings Plan	1,546,989	1,527,202	525,658	1,067,800	(459,402)	-30.1%	19,787	1.3%
Pension Savings Plan	59,193	59,193	13,163	26,800	(32,393)	-54.7%	0	0.0%
Megaflex	6,574,702	7,264,514	2,746,758	5,576,800	(1,687,714)	-23.2%	(689,812)	-9.5%
Total	**33,029,408**	34,292,535	13,257,263	26,917,700	(7,374,835)	-21.5%	(1,263,127)	-3.7%
Other Benefits	**3,671,000**	3,588,999	1,456,576	2,957,800	(631,199)	-17.6%	82,001	2.3%
OPEB Contribution	**2,366,430**	1,989,012	1,023,806	2,079,000	89,988	4.5%	377,418	19.0%
Stipends	**65,000**	65,000	19,582	39,800	(25,200)	-38.8%	0	0.0%
Overtime	**1,388,700**	1,150,900	993,869	1,926,800	775,900	67.4%	237,800	20.7%
Bilingual Bonus	**20,400**	22,800	7,150	14,200	(8,600)	-37.7%	(2,400)	-10.5%
Sickleave Buyback	**68,800**	68,800	75,561	84,200	15,400	22.4%	0	0.0%
Rideshare Allowance	**70,300**	70,300	1,845	3,700	(66,600)	-94.7%	0	0.0%
Transportation Allowance	**36,000**	28,800	19,500	36,000	7,200	25.0%	7,200	25.0%
S&EB TOTAL	**$105,092,781**	**$103,071,874**	**$45,436,133**	**$91,130,900**	**($11,940,974)**	**-11.6%**	**$2,020,907**	**2.0%**

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Administrative Services	**$6,040,479**	$5,512,307	$1,972,838	$3,949,300	($1,563,007)	-28.4%	$528,172	9.6%
Benefits	**12,720,941**	12,363,301	6,431,999	12,995,800	632,499	5.1%	357,640	2.9%
Communications	**2,118,875**	2,600,188	955,790	1,927,000	(673,188)	-25.9%	(481,313)	-18.5%
Disability Litigation	**2,451,211**	2,510,041	1,237,026	2,509,600	(441)	-0.02%	(58,830)	-2.3%
Disability Retirement	**8,241,073**	8,428,091	3,849,439	7,780,700	(647,391)	-7.7%	(187,018)	-2.2%
Ethics and Compliance Office	**$127,400**	90,700	0	0	(90,700)	-100.0%	36,700	40.5%
Executive Office	**3,224,904**	4,604,614	2,245,168	4,371,900	(232,714)	-5.1%	(1,379,710)	-30.0%
Financial & Accounting Services	**5,405,426**	5,435,438	2,405,152	4,781,400	(654,038)	-12.0%	(30,012)	-0.6%
Human Resources	**4,206,103**	4,403,989	1,374,759	2,674,000	(1,729,989)	-39.3%	(197,886)	-4.5%
Information Security Office	**1,118,129**	0	0	0	0	0.0%	1,118,129	0.0%
Internal Audit	**2,545,098**	2,888,948	1,260,877	2,560,100	(328,848)	-11.4%	(343,850)	-11.9%
Investment Office	**19,027,772**	17,875,468	8,044,147	16,328,500	(1,546,968)	-8.7%	1,152,304	6.4%
Legal Services	**7,904,049**	7,341,731	2,714,546	5,470,200	(1,871,531)	-25.5%	562,318	7.7%
Member Services	**11,942,576**	11,034,098	5,208,590	10,550,100	(483,998)	-4.4%	908,478	8.2%
Quality Assurance	**3,234,172**	3,301,233	1,438,762	2,921,300	(379,933)	-11.5%	(67,061)	-2.0%
Systems Division	**14,784,573**	14,681,724	6,297,041	12,311,000	(2,370,724)	-16.1%	102,849	0.7%
S&EB TOTAL	**$105,092,781**	**$103,071,874**	**$45,436,133**	**$91,130,900**	**($11,940,974)**	**-11.6%**	**$2,020,907**	**2.0%**

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Administrative Services	**$280,500**	$457,800	$149,712	$256,700	($201,100)	-43.9%	($177,300)	-38.7%
Benefits	**0**	62,200	10,879	62,200	0	0.0%	(62,200)	-100.0%
Communications	**276,400**	331,000	44,536	76,400	(254,600)	-76.9%	(54,600)	-16.5%
Disability Litigation	**0**	0	0	0	0	0.0%	0	0.0%
Disability Retirement	**407,300**	138,100	103,717	177,900	39,800	28.8%	269,200	194.9%
Ethics & Compliance Office	**0**	0	0	0	0	0.0%	0	0.0%
Executive Office	**0**	645,200	497,450	825,000	179,800	27.9%	(645,200)	-100.0%
Financial & Accounting Services	**482,500**	776,700	297,706	510,400	(266,300)	-34.3%	(294,200)	-37.9%
Human Resources	**50,500**	139,000	122,900	140,000	1,000	0.7%	(88,500)	-63.7%
Information Security Office	**170,000**	0	0	0	0	0.0%	170,000	0.0%
Internal Audit	**0**	0	0	0	0	0.0%	0	0.0%
Investment Office	**0**	0	0	0	0	0.0%	0	0.0%
Legal Services	**116,700**	179,400	129,859	222,700	43,300	24.1%	(62,700)	-34.9%
Member Services	**295,800**	72,600	16,149	27,700	(44,900)	-61.8%	223,200	307.4%
Quality Assurance	**0**	0	0	0	0	0.0%	0	0.0%
Systems Division	**2,140,100**	2,881,700	1,452,019	2,489,200	(392,500)	-13.6%	(741,600)	-25.7%
TOTAL	**$4,219,800**	**$5,683,700**	**$2,824,928**	**$4,788,200**	**($895,500)**	**-15.8%**	**($1,463,900)**	**-25.8%**

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		FYE 2024		FYE 2025
DIVISION	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Projection**	**Budget**
Administrative Services	$587,000	$456,645	$473,400	$282,409	$457,800	$256,700	$280,500
Benefits	71,900	69,194	154,900	92,043	62,200	62,200	0
Communications	79,600	1,213	56,200	41,983	331,000	76,400	276,400
Disability Litigation	0	0	9,800	0	0	0	0
Disability Retirement	143,000	43,941	129,000	52,858	138,100	177,900	407,300
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	0	0	1,129,700	1,077,533	645,200	825,000	0
Financial & Accounting Services	729,400	473,724	778,100	485,257	776,700	510,400	482,500
Human Resources	47,700	36,327	144,300	137,617	139,000	140,000	50,500
Information Security Office	0	0	0	0	0	0	170,000
Internal Audit	0	0	0	0	0	0	0
Investment Office	0	0	0	0	0	0	0
Legal Services	150,000	103,549	196,600	132,911	179,400	222,700	116,700
Member Services	0	0	37,000	0	72,600	27,700	295,800
Quality Assurance	0	0	0	0	0	0	0
Systems	2,193,100	3,899,919	4,576,300	2,941,429	2,881,700	2,489,200	2,140,100
GRAND TOTAL	**$4,001,700**	**$5,084,512**	**$7,685,300**	**$5,244,040**	**$5,683,700**	**$4,788,200**	**$4,219,800**

*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

OVERTIME REQUEST
DIVISION SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Admininstrative Services	**$47,300**	$35,700	$5,074	$10,300	($25,400)	-71.1%	$11,600	32.5%
Benefits	**562,900**	426,400	459,680	850,000	423,600	99.3%	136,500	32.0%
Communications	**4,500**	4,500	645	1,400	(3,100)	-68.9%	0	0.0%
Disability Litigation	**2,900**	2,800	491	1,000	(1,800)	-64.3%	100	3.6%
Disability Retirement	**140,800**	103,600	108,522	220,400	116,800	112.7%	37,200	35.9%
Ethics & Compliance Office	**0**	0	0	0	0	0.0%	0	0.0%
Executive Office	**28,400**	27,600	20,140	40,900	13,300	48.2%	800	2.9%
Financial & Accounting Services	**62,800**	64,700	36,777	74,700	10,000	15.5%	(1,900)	-2.9%
Human Resources	**6,500**	4,700	11,817	16,000	11,300	240.4%	1,800	38.3%
Information Security Office	**0**	0	0	0	0	0.0%	0	0.0%
Internal Audit	**5,500**	5,300	0	0	(5,300)	-100.0%	200	3.8%
Investment Office	**800**	800	0	0	(800)	-100.0%	0	0.0%
Legal Services	**20,300**	19,900	16,174	32,900	13,000	65.3%	400	2.0%
Member Services	**264,900**	214,200	197,234	400,400	186,200	86.9%	50,700	23.7%
Quality Assurance	**11,900**	11,500	1,260	2,600	(8,900)	-77.4%	400	3.5%
Systems Division	**229,200**	229,200	136,054	276,200	47,000	20.5%	0	0.0%
TOTAL	**$1,388,700**	**$1,150,900**	**$993,869**	**$1,926,800**	**$775,900**	**67.4%**	**$237,800**	**20.7%**

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

OVERTIME
HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		FYE 2024		FYE 2025
DIVISION	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Projection**	**Budget**
Administrative Services	$50,000	$5,833	$49,400	$9,935	$35,700	$10,300	$47,300
Benefits	398,000	451,675	398,100	580,501	426,400	850,000	562,900
Communications	4,100	3,403	4,800	2,721	4,500	1,400	4,500
Disability Litigation	0	0	6,600	1,058	2,800	1,000	2,900
Disability Retirement	16,100	43,275	165,300	120,189	103,600	220,400	140,800
Ethics & Compliance Office	0	0	0	0	0	0	0
Executive Office	25,600	472	25,600	17,850	27,600	40,900	28,400
Financial & Accounting Services	67,900	40,904	65,300	45,783	64,700	74,700	62,800
Human Resources	2,900	1,310	3,800	18,840	4,700	16,000	6,500
Information Security Office	0	0	0	0	0	0	0
Internal Audit	4,900	986	5,000	928	5,300	0	5,500
Investment Office	1,000	0	1,000	0	800	0	800
Legal Services	30,000	20,897	18,400	20,668	19,900	32,900	20,300
Member Services	133,800	221,062	174,000	268,449	214,200	400,400	264,900
Quality Assurance	21,300	264	21,500	803	11,500	2,600	11,900
Systems	133,300	171,708	150,000	215,349	229,200	276,200	229,200
GRAND TOTAL	**$888,900**	**$961,790**	**$1,088,800**	**$1,303,073**	**$1,150,900**	**$1,926,800**	**$1,388,700**

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

DIVISION	BUDGETED POSITIONS FY 2023-2024	VACANCY (AS OF 03/31/24)	%	BUDGETED POSITIONS FY 2024-2025*	VACANCY	%
Administrative Services	**42**	17	40%	**44**	19	43%
Benefits	**79**	1	1%	**79**	1	1%
Communications	**14**	6	43%	**14**	6	43%
Disability Litigation	**7**	0	0%	**7**	0	0%
Disability Retirement Services	**44**	8	18%	**44**	8	18%
Ethics & Compliance Office	**1**	1	100%	**1**	1	100%
Executive	**9**	1	11%	**10**	1	10%
Financial Accounting Services	**30**	4	13%	**33**	7	21%
Human Resources	**21**	6	29%	**21**	6	29%
Information Security Office	**5**	4	80%	**5**	4	80%
Internal Audit	**11**	3	27%	**11**	3	27%
Investments	**46**	8	17%	**46**	8	17%
Legal Services Ø	**28**	10	36%	**28**	10	36%
Member Services	**79**	11	14%	**79**	11	14%
Quality Assurance	**19**	5	26%	**19**	5	26%
Systems	**62**	21	34%	**62**	21	34%
LACERA Total	**497**	**106**	**21%**	**503**	**111**	**22%**

* Includes new requested positions.
Ø Includes three (3) budgeted positions not yet approved by Board of Supervisors.

LACERA

FISCAL YEAR 2024-2025

SERVICES AND SUPPLIES
CATEGORY SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Auto Expense	**$51,300**	$52,800	$26,242	$33,100	($19,700)	-37.3%	($1,500)	-2.8%
Communications	**440,000**	570,000	203,974	495,200	(74,800)	-13.1%	(130,000)	-22.8%
Transportation and Travel	**912,300**	818,700	239,771	573,500	(245,200)	-29.9%	93,600	11.4%
Postage	**1,179,000**	1,143,700	519,772	1,035,000	(108,700)	-9.5%	35,300	3.1%
Stationery and Forms	**1,022,500**	982,700	301,420	777,100	(205,600)	-20.9%	39,800	4.1%
Office Supplies and Equipment	**730,600**	1,103,900	270,184	978,400	(125,500)	-11.4%	(373,300)	-33.8%
Insurance	**1,460,200**	1,374,700	1,217,452	1,220,600	(154,100)	-11.2%	85,500	6.2%
Equipment Maintenance	**428,300**	733,300	339,458	666,500	(66,800)	-9.1%	(305,000)	-41.6%
Equipment Rents and Leases	**260,000**	250,000	128,817	221,000	(29,000)	-11.6%	10,000	4.0%
Building Costs	**7,800,000**	7,800,000	4,058,727	6,862,600	(937,400)	-12.0%	0	0.0%
Parking Fees	**517,000**	482,000	308,897	529,600	47,600	9.9%	35,000	7.3%
Professional and Spec. Srvcs.	**4,585,100**	4,500,600	1,435,507	3,538,100	(962,500)	-21.4%	84,500	1.9%
Bank Services	**200,000**	200,000	114,271	195,900	(4,100)	-2.1%	0	0.0%
Legal Fees and Services	**2,333,000**	2,093,000	1,120,633	1,985,200	(107,800)	-5.2%	240,000	11.5%
Disability Fees and Services	**3,090,300**	3,090,300	1,285,158	2,273,300	(817,000)	-26.4%	0	0.0%
Computer Services and Support	**7,508,000**	5,279,600	2,995,448	5,095,000	(184,600)	-3.5%	2,228,400	42.2%
Educational Expense	**1,807,400**	1,441,800	408,341	1,088,300	(353,500)	-24.5%	365,600	25.4%
Miscellaneous	**598,700**	759,000	432,907	809,500	50,500	6.7%	(160,300)	-21.1%
S&S TOTAL	**$34,923,700**	**$32,676,100**	**$15,406,980**	**$28,377,900**	**($4,298,200)**	**-13.2%**	**$2,247,600**	**6.9%**

*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

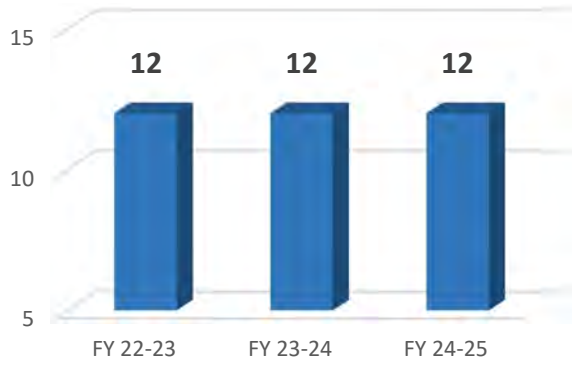
SERVICES AND SUPPLIES
DIVISION SUMMARY

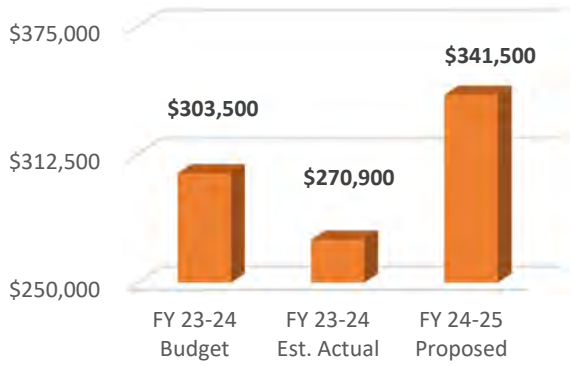
		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Administrative Services	**$10,905,800**	$10,596,100	$6,155,475	$9,293,900	($1,302,200)	-12.3%	$309,700	2.9%
Benefits	**117,300**	86,100	8,314	40,400	(45,700)	-53.1%	31,200	36.2%
Board of Retirement	**341,500**	303,500	63,209	270,900	(32,600)	-10.7%	38,000	12.5%
Board of Investment	**556,000**	551,000	231,066	471,700	(79,300)	-14.4%	5,000	0.9%
Communications	**1,633,600**	1,517,500	518,169	1,200,200	(317,300)	-20.9%	116,100	7.7%
Disability Litigation	**53,500**	51,100	18,182	43,200	(7,900)	-15.5%	2,400	4.7%
Disability Retirement	**3,379,200**	3,369,000	1,436,018	2,535,800	(833,200)	-24.7%	10,200	0.3%
Ethics and Compliance Office	**92,000**	92,000	11,500	79,000	(13,000)	-14.1%	0	0.0%
Executive Office	**814,600**	671,800	177,979	530,300	(141,500)	-21.1%	142,800	21.3%
Financial & Accounting Services	**253,000**	253,300	128,924	226,800	(26,500)	-10.5%	(300)	-0.1%
Human Resources	**2,264,000**	2,339,600	921,732	1,869,700	(469,900)	-20.1%	(75,600)	-3.2%
Information Security Office	**472,700**	0	0	0	0	0.0%	472,700	0.0%
Internal Audit	**749,200**	724,200	257,238	453,800	(270,400)	-37.3%	25,000	3.5%
Investment Office	**349,500**	348,500	140,510	247,300	(101,200)	-29.0%	1,000	0.3%
Legal Services	**2,483,200**	2,473,300	1,372,050	2,374,100	(99,200)	-4.0%	9,900	0.4%
Member Services	**78,000**	29,200	13,937	26,800	(2,400)	-8.2%	48,800	167.1%
Quality Assurance	**86,100**	82,100	5,245	68,200	(13,900)	-16.9%	4,000	4.9%
Systems	**10,294,500**	9,187,800	3,947,434	8,645,800	(542,000)	-5.9%	1,106,700	12.0%
S&S TOTAL	**$34,923,700**	**$32,676,100**	**$15,406,980**	**$28,377,900**	**($4,298,200)**	**-13.2%**	**$2,247,600**	**6.9%**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Board of Retirement is responsible for the strategic direction of the association and the administration of the retirement system and retiree healthcare benefits program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence and diligence. The Board is composed of 11 trustees. Four are appointed by the Los Angeles County Board of Supervisors; two are elected by general active members; one trustee and one alternate trustee are elected by safety members; and one trustee and one alternate trustee are elected by retired members. The law requires the County Treasurer and Tax Collector to serve as an ex-officio trustee. The Deputy County Treasurer and Tax Collector serves as the acting ex-officio trustee in the absence of the ex-officio trustee when needed.





Summary of Significant Changes:

Description	Position Changes	Amount
• Board Off-Site		$38,000

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Board of Retirement supports LACERA's 2023-28 Strategic Plan, providing broad direction to Chief Executive Officer.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Board of Retirement does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

The Board's Services and Supplies budget request is based on actual expenditure trends.

Board Offsite Meeting Expense – The Board offsite budget request increased by $38,000 to $150,000.

LACERA

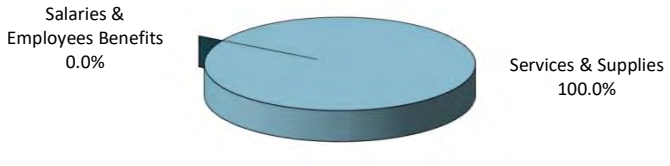
FISCAL YEAR 2024-2025

BUDGET SUMMARY

BOARD OF RETIREMENT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$0**	$0	$0	$0	$0	0.0%	$0	0.0%
Services & Supplies	**341,500**	303,500	63,209	270,900	(32,600)	-10.7%	38,000	12.5%
OPERATING BUDGET	**$341,500**	$303,500	$63,209	$270,900	($32,600)	-10.7%	$38,000	12.5%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$93,500**	$93,500	$37,156	$63,800	($29,700)	-31.8%	$0	0.0%
EDUCATIONAL EXPENSES	**86,000**	86,000	20,795	86,000	0	0.0%	0	0.0%
MISCELLANEOUS	**162,000**	124,000	5,258	121,100	(2,900)	-2.3%	38,000	30.6%
TOTAL	**$341,500**	$303,500	$63,209	$270,900	($32,600)	-10.7%	$38,000	12.5%

*All amounts rounded to the nearest dollar.

BOARD OF RETIREMENT

BUDGET REQUEST INFORMATION

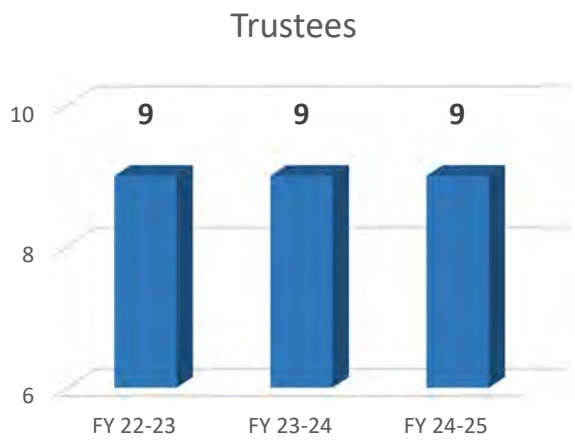
HISTORY OF EXPENDITURES

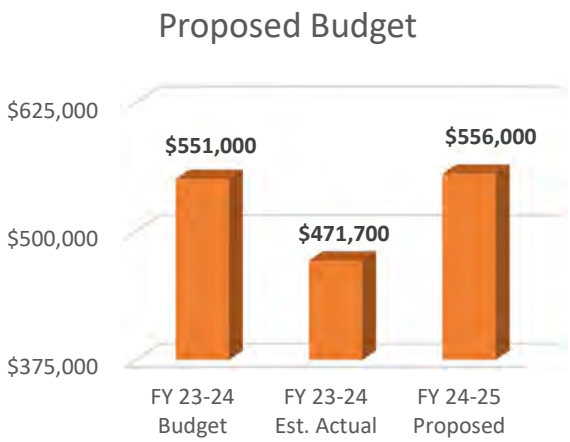
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	93,500	52,121	93,500	63,800	93,500
Educational Expenses	86,000	57,989	86,000	86,000	86,000
Miscellaneous	112,000	88,386	124,000	121,100	162,000
TOTAL OPERATING BUDGET	**$291,500**	**$198,496**	**$303,500**	**$270,900**	**$341,500**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Board of Investments is responsible for establishing LACERA's investments policies and objectives, as well as exercising authority and control over the investment management of the Pension Fund. The Board must exercise its duties with care, skill, prudence and diligence. The Board is composed of nine trustees. Four trustees are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; one is elected by safety members; and one is elected by retired members. The law requires the County Treasurer and Tax Collector serve as an ex-officio trustee. The Deputy County Treasurer and Tax Collector serves as the acting ex-officio trustee sitting in for the ex-officio trustee as needed.





Summary of Significant Changes:

Description	Position Changes	Amount
• Food/Beverages	--	$5,000

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Board of Investments supports LACERA's Investments Strategic Plan, providing broad direction to the Chief Investment Officer and Chief Executive Officer.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Board of Investment does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

The Board's Services and Supplies budget request is based on actual expenditure trends.

Food/Beverages

The Food/Beverages budget request increased by $5,000 to $17,000.

LACERA

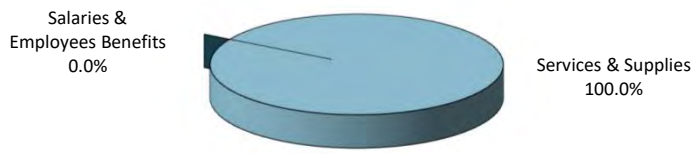
FISCAL YEAR 2024-2025

BUDGET SUMMARY

BOARD OF INVESTMENTS

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$0**	$0	$0	$0	$0	0.0%	$0	0.0%
Services & Supplies	**556,000**	551,000	231,066	471,700	(79,300)	-14.4%	5,000	0.9%
OPERATING BUDGET	**$556,000**	$551,000	$231,066	$471,700	($79,300)	-14.4%	$5,000	0.9%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$246,000**	$246,000	$96,581	$220,000	($26,000)	-10.6%	$0	0.0%
EDUCATIONAL EXPENSES	**200,000**	200,000	62,387	172,000	(28,000)	-14.0%	0	0.0%
MISCELLANEOUS	**110,000**	105,000	72,097	79,700	(25,300)	-24.1%	5,000	4.8%
TOTAL	**$556,000**	$551,000	$231,066	$471,700	($79,300)	-14.4%	$5,000	0.9%

*All amounts rounded to the nearest dollar.

BOARD OF INVESTMENT

BUDGET REQUEST INFORMATION

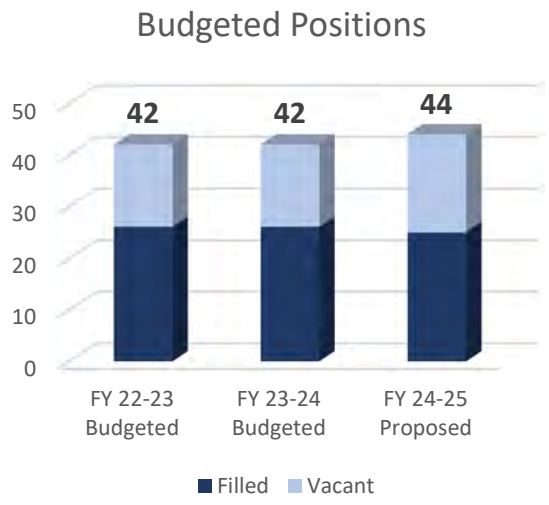
HISTORY OF EXPENDITURES

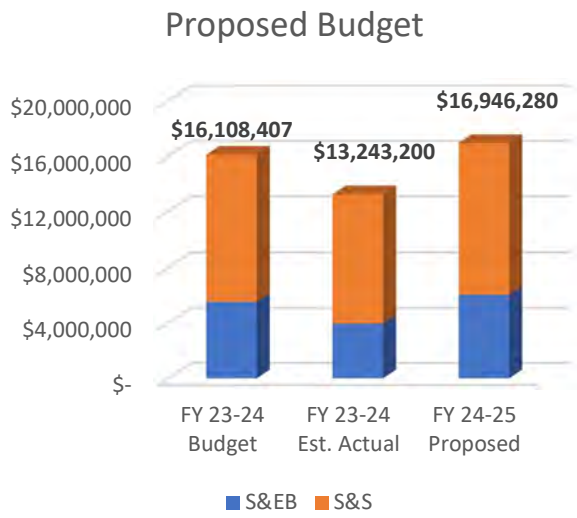
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SERVICES & SUPPLIES					
Transportation & Travel	242,000	158,306	246,000	220,000	246,000
Educational Expenses	150,000	147,119	200,000	172,000	200,000
Miscellaneous	106,000	80,079	105,000	79,700	110,000
TOTAL OPERATING BUDGET	**$498,000**	**$385,504**	**$551,000**	**$471,700**	**$556,000**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Administrative Services Division provides the operational infrastructure that supports all divisions in administering LACERA's programs and services. Specific services include budget development and monitoring; procurement; contract compliance; document processing; records management; facilities management; and risk management, including business continuity, insurance, and health and safety.





Summary of Significant Changes:

Description	Position Changes	Amount
• Creation of Vendor Management Section Add three positions: 1 SAA II, 2 ASA IIIs	3	$261,695
• Deletion of Receptionist	(1)	($43,819)
• Reduction in Agency Temp Staffing		($177,300)
• Consultant for Facilities Master Plan		$150,000
• Transfer of Security Services: Sheriff		$32,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Renovation of Seventh Floor, Systems/FASD

As reported last fiscal year, the Systems Division and Financial and Accounting Services Division (FASD) space had not been renovated in 20 years. To make the renovation timelier, the entire seventh floor was renovated simultaneously. This was a huge undertaking, but we are pleased to inform you that we have completed this project.

Automated Budget System

As reported last fiscal year, the Administrative Services Division (ASD) has never had an automated budget development or control system, relying upon Excel spreadsheets and manual processes. After conducting an extensive needs assessment and releasing a Request for Proposal (RFP), Questica was selected as the budget software provider. The implementation plan was introduced at the end of the calendar year 2022, and regular meetings between Questica and LACERA subject matter experts have moved the software implementation along. We planned to use the new system to develop the FY 2024-2025 budget, and we are pleased to inform you that we are on target.

Enterprise Contract Lifecycle Management System (ECLM)

As reported last fiscal year, this system will replace our current contract management database with an enterprise-wide solution that includes automated workflows and reporting capabilities and will integrate with new and existing technology solutions. The vendor selected for the ECLM system is Cobblestone. We previously met with the vendor to outline the deployment plan and expected the system to be fully functional by the summer of 2023. We experienced unexpected delays and plan to soft launch the ECLM prior to the end of the 2023-24 fiscal year. End-user training will be ongoing through the end of the fiscal year.

Procurement/Accounts Payable/Travel System

As reported last fiscal year, the ASD, FASD, and Systems Division have collaborated to automate, simplify, and improve our procurement and accounts payable approval and workflow processes. This software processes electronic payment methods, including automating requisitions and invoicing. We anticipated this system would roll out in phases, starting with Procurement and Accounts Payable, followed by the Expense phase by the summer of 2023. Although we experienced unexpected delays, we are pleased to inform you that that implementation occurred in January 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The ASD goals and objectives are to provide the operational infrastructure that supports the divisions in administering LACERA programs and services. ASD plays a leading role in LACERA's Fiscal Durability Strategic Priority, ensuring that resources are utilized appropriately and judiciously. Some of these fiscal elements involve improvements in:

- Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions.
- Systems, technologies and processes that can simplify and improve staff efficiency and effectiveness.
- Developing and reinforcing a fiscal prudent mindset.
- Ensure LACERA's staff and management responsible for financial operations have appropriate training and qualifications.

Specific functions include:

- Budget Development and Monitoring
- Business Continuity Management
- Business Insurance Management
- Contract Management and Compliance
- Document Processing/Mailroom Services
- Facilities Management/Renovations
- Health and Safety Services
- Purchasing and Procurement Services
- Records and Information Management
- Rideshare Administration
- Risk Management

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investment for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Administrative Services is requesting the following changes:

Addition	Removal
1 Supervising Administrative Assistant II 2 Administrative Services Analyst IIIs	1 Receptionist

LACERA presently operates a decentralized vendor management program. Each division has one or more contract administrators responsible for ensuring compliance with LACERA's applicable laws, rules, and standards, including data privacy and security. The current structure poses numerous challenges: inconsistent practices, limited risk visibility, and ineffective performance management, to name a few. With the recent adoption of a strategic plan that prioritizes risk mitigation, compliance, and the creation of internal controls and tools to ensure fiscal durability, a centralized vendor management program is foundational to executing our objectives.

This section would support 15 divisions with vendor management, including vendor engagement, due diligence, solicitations, risk assessment and mitigation, selection, contract negotiation, onboarding, monitoring, and offboarding of LACERA vendors. LACERA currently manages approximately 450 contracts on an ongoing basis, with contract administrators in each division. Based on our experience, we can anticipate 100 solicitations annually, which results in 100 new/renewed contracts annually. Our average annual contract close-out rate is 60. For FY 2023 we processed nearly 3,100 payment requests related to contracts. Due to the diversity of the needs of each division and the complexity of the work involved, ASD management is requesting the addition of one (1) Supervising Administrative Assistant II and two (2) Administrative Services Analyst IIIs to support a centralized Vendor Management Section in ASD. The Supervising Administrative Assistant II will oversee procurement and contracts.

Additionally, ASD is deleting the receptionist position as the role and duties have been moved to the Member Services Center.

Temporary Staffing

ASD's proposed budget for Agency Temporary staff is $280,500 for FY 2024-25. This is an estimated 40 percent decrease in allocated funds for temporary staff, as ASD anticipates filling nine vacancies by the end of FY 2024.

ASD currently has 42 budgeted positions, with 13 vacancies in the following functional areas: Budget, Contracts, Facilities, Records Management, and Document Processing.

Human Resources anticipates opening an exam for the Administrative Services Analyst (ASA) series and the Intermediate Typist Clerk positions prior to the end of the 2023-24

fiscal year, which will fill nine of our current vacancies in Budget, Contracts, Facilities, Records Management, and the Document Processing Center (DPC).

Reorganization and a centralized vendor management section are also being proposed (proposed FY 2024-25 org chart attached), which may expand the hiring of two additional ASA IIIs. The above-referenced exam would allow for immediate hiring of the proposed ASA IIIs.

While our goal remains to hire permanent staff to fill the remaining vacancies, the continued use of temporary staff is a practical solution we continue to employ. If vacancies are not filled, ASD will request additional funding for temporary staffing in the mid-year budget.

Overtime Needs

We expect overtime to be necessary for FY 2024-25 during periods of heightened activity related to budget preparation, facilities maintenance, repairs and modifications, and special projects and for the DPC staff during the March Rush. The amount of overtime will be reduced due to technological changes in processing members' Medicare Part B Premium documents. However, the overall budget will increase slightly as ASD staff continue supporting several technological projects outlined above as subject matter experts. Overtime will be essential for staff to continue to support these projects while fulfilling their current duties.

Interns

In response to our organization's growing need for efficient records management, the Records and Information Management Unit seeks a highly motivated, detail-oriented, meticulous intern to spearhead a comprehensive records management project. This role will involve conducting a thorough organization-wide inventory of business records and utilizing advanced data analysis techniques to extract valuable insights. The intern will play a pivotal role in assessing the current state of our records and formulate recommendations for updating the Records Retention Schedule and ensuring compliance with industry regulations. This hands-on experience will give the intern valuable records management skills and significantly enhance our overall organizational efficiency and information governance. The funding for Interns is budgeted in Human Resources and is not reflected in the Administrative Services Budget.

Rehired Retirees

Administrative Services is not requesting any rehired retiree assistance in FY 2024-2025.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Administrative Services has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Consulting and Contracting Services
This year, ASD will embark on a strategic facility planning process to align our short- and long-term facility plans with our anticipated future needs. This planning process is essential as we envision LACERA's future state as a $100 billion fund. We are requesting $150,000 for this service and the development of a five- to 10-year facilities master plan.

Renovation
The renovation budget will remain flat in anticipation of executing the facilities master plan.

Security Services
One more notable change is the consolidation of administration for security services with the movement of the Security Services–Sheriff account from Human Resources to the Administrative Services budget. The allocated funds for this line item are $32,000.

Administrative Services' S&S budget for FY 2024-25 will essentially remain flat compared to the FY 2023-24 adopted budget.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 42.0
2023-2024 Hiring Plan: 42.0

2024-2025 Bud. Pos.: 44.0
2024-2025 Hiring Plan: 44.0

1.0 Division Manager
Ricki Contreras

1.0 Senior Administrative Assistant

~~1.0 Receptionist~~

Budget Development & Vendor Management

1.0 Admin. Serv. Officer
Martin Sandoval

Budget Unit

1.0 Supv. Admin. Assist. II
1.0 Admin. Serv. Analyst III
1.0 Admin. Serv. Analyst II

Vendor Management

+ 1.0 Supv. Admin. Assist. II

Procurement

3.0 Procurement Asst. II
2.0 Procurement & Supply Clerk

Contract

+ 2.0 Admin. Serv. Analyst III
1.0 Admin. Serv. Analyst II

Risk Management, Document and Records Management

1.0 Admin. Serv. Officer
Vacant

Risk Management

1.0 Supv. Admin. Assist. II

Business Continuity

1.0 Admin. Serv. Analyst II

Facilities Management

1.0 Admin. Serv. Analyst III
1.0 Admin. Serv. Analyst II

Health & Safety

1.0 Admin. Serv. Analyst II

Document and Records Management

1.0 Supv. Admin. Assist. II

Records Management

1.0 Admin. Serv. Analyst II

Document Processing Center

1.0 Admin. Serv. Analyst III
1.0 Admin. Serv. Analyst I
3.0 Doc. Proc. Coordinator *
11.0 Doc. Proc. Assistant *
1.0 Word Processor II
2.0 Intermediate Typist Clerk
2.0 Messenger Driver

+ Added position
– Deleted position
* Classification study for the position requested.

LACERA

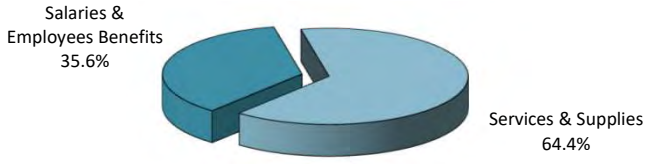
FISCAL YEAR 2024-2025

BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$6,040,479**	$5,512,307	$1,972,838	$3,949,300	($1,563,007)	-28.4%	$528,172	9.6%
Services & Supplies	**10,905,800**	10,596,100	6,155,475	9,293,900	(1,302,200)	-12.3%	309,700	2.9%
OPERATING BUDGET	**$16,946,279**	$16,108,407	$8,128,312	$13,243,200	($2,865,207)	-17.8%	$837,872	5.2%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$3,425,263**	$2,813,145	$1,083,726	$2,200,000	($613,145)	-21.8%	$612,118	21.8%
Total Agency Temp Salaries	**280,500**	457,800	149,712	256,700	(201,100)	-43.9%	(177,300)	-38.7%
Employee Benefits (Variable)	**1,928,832**	1,911,226	600,671	1,219,900	(691,326)	-36.2%	17,605	0.9%
Employee Benefits (Other)	**208,726**	180,309	71,603	145,400	(34,909)	-19.4%	28,417	15.8%
OPEB Contribution	**135,659**	99,927	51,433	104,500	4,573	4.6%	35,733	35.8%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**47,300**	35,700	5,074	10,300	(25,400)	-71.1%	11,600	32.5%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**7,300**	7,300	8,774	8,800	1,500	20.5%	0	0.0%
Rideshare Allowance	**6,900**	6,900	1,845	3,700	(3,200)	-46.4%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$6,040,479**	$5,512,307	$1,972,838	$3,949,300	($1,563,007)	-28.4%	$528,172	9.6%
Salary Differential	**-**	-	-	-	-	-	-	-
TOTAL S&EB	**$6,040,479**	$5,512,307	$1,972,838	$3,949,300	($1,563,007)	-28.4%	$528,172	9.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

ADMINISTRATIVE SERVICES DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	2	110A
0421	ADMINISTRATIVE SERVICES ANALYST III	1	101D
0420	ADMINISTRATIVE SERVICES ANALYST II	3	097D
0472	DOCUMENT PROCESSING COORDINATOR	2	087C
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	7	084C
0464	PROCUREMENT ASSISTANT II, LACERA	3	091H
0448	WORD PROCESSOR II, LACERA	1	086B
0467	PROCUREMENT & SUPPLY CLERK, LACERA	2	085A
0461	MESSENGER DRIVER, LACERA	2	078D
	Total Filled Positions =	**25**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0410	ADMINISTRATIVE SERVICES OFFICER, LACERA	1	LS09
0423	SUPERVISING ADMIN ASSIST II, LACERA	2	110A
0421	ADMINISTRATIVE SERVICES ANALYST III	4	101D
0420	ADMINISTRATIVE SERVICES ANALYST II	3	097D
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0419	ADMINISTRATIVE SERVICES ANALYST I	1	087L
0472	DOCUMENT PROCESSING COORDINATOR	1	087C
0471	DOCUMENT PROCESSING ASSISTANT, LACERA	4	084C
0445	INTERMEDIATE TYPIST-CLERK, LACERA	2	078K
	Total Vacant Positions =	**19**	

TOTAL POSITIONS = 44

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
AUTO EXPENSE	**$33,000**	$33,500	$20,543	$21,600	($11,900)	-35.5%	($500)	-1.5%
TRANSPORTATION & TRAVEL	**31,600**	17,600	0	5,300	(12,300)	-69.9%	14,000	79.5%
POSTAGE	**350,000**	351,500	350,000	350,000	(1,500)	-0.4%	(1,500)	-0.4%
STATIONERY & FORMS	**1,000**	1,000	0	1,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**320,500**	298,000	127,649	220,100	(77,900)	-26.1%	22,500	7.6%
INSURANCE	**1,460,200**	1,374,700	1,217,452	1,220,600	(154,100)	-11.2%	85,500	6.2%
EQUIPMENT MAINTENANCE	**3,300**	3,300	1,345	3,700	400	12.1%	0	0.0%
EQUIPMENT RENTS & LEASES	**260,000**	250,000	128,817	221,000	(29,000)	-11.6%	10,000	4.0%
BUILDING COSTS	**7,800,000**	7,800,000	4,058,727	6,862,600	(937,400)	-12.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**583,000**	429,000	244,761	352,800	(76,200)	-17.8%	154,000	35.9%
EDUCATIONAL EXPENSES	**49,200**	25,500	1,122	25,500	0	0.0%	23,700	92.9%
MISCELLANEOUS	**14,000**	12,000	5,058	9,700	(2,300)	-19.2%	2,000	16.7%
TOTAL	**$10,905,800**	**$10,596,100**	**$6,155,475**	**$9,293,900**	**($1,302,200)**	**-12.3%**	**$309,700**	**2.9%**

*All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

BUDGET REQUEST INFORMATION

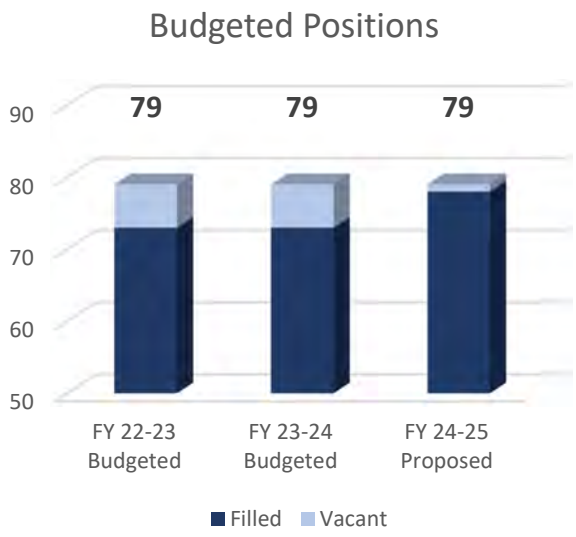
HISTORY OF EXPENDITURES

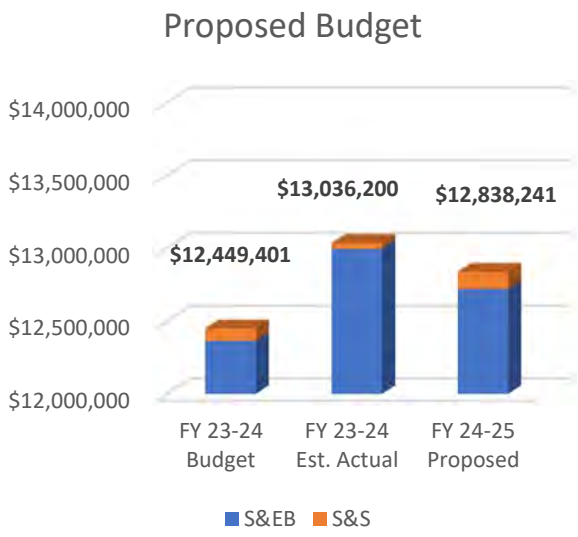
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$2,223,984	$2,030,036	$2,813,145	$2,200,000	$3,425,263
Total Agency Temp Salaries	473,400	282,409	457,800	256,700	280,500
Employee Benefits (Variable)	1,426,725	1,137,500	1,911,226	1,219,900	1,928,832
Employee Benefits (Other)	166,766	150,922	180,309	145,400	208,726
OPEB Contribution	88,501	87,935	99,927	104,500	135,659
OPEB Contribution (Budget Surplus)	0	88,501	0	0	0
Stipends	0	0	0	0	0
Overtime	49,400	9,935	35,700	10,300	47,300
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	7,300	7,799	7,300	8,800	7,300
Rideshare Allowance	6,900	4,540	6,900	3,700	6,900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	111,500	(47,904)	33,500	21,600	33,000
Transportation & Travel	8,000	2,369	17,600	5,300	31,600
Postage	331,400	331,423	351,500	350,000	350,000
Stationery & Forms	3,800	0	1,000	1,000	1,000
Office Supplies & Equipment	327,000	177,905	298,000	220,100	320,500
Insurance	1,120,600	976,329	1,374,700	1,220,600	1,460,200
Equipment Maintenance	3,300	2,443	3,300	3,700	3,300
Equipment Rents & Leases	287,000	199,499	250,000	221,000	260,000
Building Costs	7,961,300	6,124,765	7,800,000	6,862,600	7,800,000
Professional & Specialized Services	366,000	308,326	429,000	352,800	583,000
Educational Expenses	13,500	8,558	25,500	25,500	49,200
Miscellaneous	13,500	11,047	12,000	9,700	14,000
TOTAL OPERATING BUDGET	**$14,989,876**	**$11,894,337**	**$16,108,407**	**$13,243,200**	**$16,946,279**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Benefits Division is responsible for accurately and consistently calculating the member's promised pension benefit, collecting the required contributions to fund those benefits, and safeguarding, or protecting, the members' accounts. This work is done in compliance with CERL, PEPRA, Board of Retirement regulations, and organizational policies and values. The Benefits Division is made up of four sections to perform this mission-critical work: Core Benefits Services; Special Benefits Services; Account Integrity Services; and the Process Management Group.





Summary of Significant Changes:

Description	Position Changes	Amount
• Remove agency temp staffing		($62,000)
• Increase Travel		$7,400
• Increase Pension Benefit Information		$5,000
• Increase Registration Fees		$18,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

- Guide and provide consultation regarding the automation of Temporary Time purchases
- Guide and provide consultation regarding the automated calculation of Final Average Compensation (FAC) for PEPRA members
- Design and implement the process to reduce LACERA's risk regarding retirees who work part-time up to 960 hours
- Redesign LACERA's Recovery of Underpaid Contributions and Overpaid Benefits to conform with industry best practices and improve the member experience
- Clarify the Supplemental Disability process to address situations where members are not assigned an alternate position prior to the granting of the disability
- Work with Systems to create a process where staff can generate Previous Service contracts through Workspace without the use of the Excel templates

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The following objectives support the Strategic Plan priorities of the Superior Member Experience and Investing in People. These goals will help improve the member experience by increasing our flexibility to respond to changes, while developing future leaders as they learn how to build better trust and accountability, develop cohesive teams, and collaborate on behalf of our members:

- Increase opportunities for staff to network and gain industry knowledge by attending outside training and conferences
- Work with an outside consultant to help Benefits managers and supervisors build cohesive and collaborative teams and work with the entire division to foster a culture of trust and accountability

This upcoming fiscal year, we will increase the number of industry-related conferences and trainings as well as the number of staff who attend them. Supervisors will be invited to represent LACERA at industry events. In addition to SACRS and CALAPRS Benefits Roundtables, leaders within the division will attend Public Plan Policy: Pensions II training provided by the International Foundation of Employee Benefit Plans (IFEBP), Cost Effective Measurement (CEM), and the National Conference on Public Employee Retirement Systems (NCPERS). (NCPERS offers a variety of conferences. Benefits will attend the one titled Annual Conference and Exhibitions [ACE]).

In addition to increasing participation in industry events, we would like to transform the culture of the Benefits Division by working with an outside consultant. We will begin by working with the leadership team (supervisors and above) to further develop their skills and abilities to become better leaders. We will also focus on the whole division, so the entire team grows together, allowing the leadership team to immediately apply what they learn and receive feedback as part of the training process.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No additional permanent staffing is requested in FY 2024-25.

Other adjustments to permanent staff may be required. We will revisit this during the Mid-Year Amendment or for FY 2025-26.

Temporary Staffing

LACERA plans to offer a Core Benefits Training class beginning in late FY 2023-24 to ensure a steady inflow of new, fully trained Retirement Benefits Specialist to support the Benefits and Member Services Division. These trainees are County Temporary until they successfully complete the training program.

The Benefits Division does not anticipate any use of agency temporary staffing in FY 2024-25, resulting in a decrease of $62,000

Overtime Needs

The Benefits Division anticipates the need for approximately 8,600 hours of overtime at an approximate cost of $563,000 in FY 2024-25. This is the same amount of overtime budgeted in FY 2023-24 and is required to ensure we provide a Superior Member Experience through the delivery of timely and accurate responses to member requests.

Interns

The Benefits Division does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

The Benefits Division does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Benefits Division has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Travel and Registration Fees

Funding totaling $12,600 for staff travel is requested for FY 2024-25, an increase of $7,400. This funding is required for staff development and will allow approximately 11 staff members to participate in a variety of industry educational conferences. Additionally, staff will participate in a virtual conferences as well. Registration fees are increasing from $31,000 to $49,000 for staff attending educational conferences offered both in person and virtually.

Pension Benefit Information (PBI)

Benefits requests death verification from Pension Benefit Information (PBI) for retirees, allowing us to prevent overpayments and locate beneficiaries in a timely manner. This year, to improve our survivor experience, we would like PBI to verify the status of deferred and inactive members with funds on deposit. Learning of these deaths as soon as possible increases the likelihood of successfully reaching out and paying the appropriate beneficiaries. Therefore, we are requesting an increase in the budget for this service from $15,000 to $20,000.

Miscellaneous

Historically, we celebrate staff's accomplishments at the end of the year with a division-wide lunch. It is a time for the entire division to come together and for the organization to show its appreciation to staff for their dedication and service. Existing funds are insufficient to cover the costs for the number of Benefits Division staff. Therefore, we will need to increase the budget in this area from $800 to $1,600.

BENEFITS DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 79.0
2023-2024 Hiring Plan: 79.0

2024-2025 Bud. Pos.: 79.0
2024-2025 Hiring Plan: 79.0

1.0 Division Manager
Louis Gittens

1.0 Sr. Administrative Assistant

ACCOUNT INTEGRITY SVCS.
1.0 Section Head
Sylvia Botros

ACCOUNT MAINTENANCE UNIT
1.0 Sr. Ret. Bfts. Spec.
1.0 Senior Typist Clerk
3.0 Intermediate Typist Clerk

BENEFIT PROTECTION UNIT
1.0 Sr. Ret. Bfts. Spec.
2.0 Ret. Bfts. Spec. III

PROCESS MANAGEMENT
1.0 Section Head
Vacant

PROCESS ANALYSIS
5.0 Sr. Ret. Bfts. Spec.
1.0 Ret. Bfts Spec. III

CORE BENEFITS SVCS.
1.0 Section Head
Dmitriy Khaytovich

1.0 Admin. Asst.

ACCOUNT SETTLEMENT UNIT
1.0 Sr. Ret. Bfts. Spec.
1.0 Ret. Bfts Spec. III
5.0 Ret. Bfts. Spec. II

CORE TEAM 1
1.0 Sr. Ret. Bfts. Spec.
7.0 Ret. Bfts. Spec. II

CORE TEAM 2
1.0 Sr. Ret. Bfts. Spec.
7.0 Ret. Bfts. Spec. II

CORE TEAM 3
1.0 Sr. Ret. Bfts. Spec.
6.0 Ret. Bfts. Spec. II

CORE TEAM 4
1.0 Sr. Ret. Bfts. Spec.
5.0 Ret. Bfts. Spec. II

SPEC. BENEFITS SVCS.
1.0 Section Head
Theodore King

1.0 Admin. Asst.

DEATH LEGAL UNIT
1.0 Sr. Ret. Bfts Spec.
7.0 Ret. Bfts. Spec. III

EXCEPTIONS
1.0 Sr. Ret. Bfts. Spec.
5.0 Ret. Bfts. Spec. III

ADVANCED PAYROLL TEAM 1
2.0 Sr. Ret. Bfts. Spec.
5.0 Ret. Bfts Spec. III

LACERA

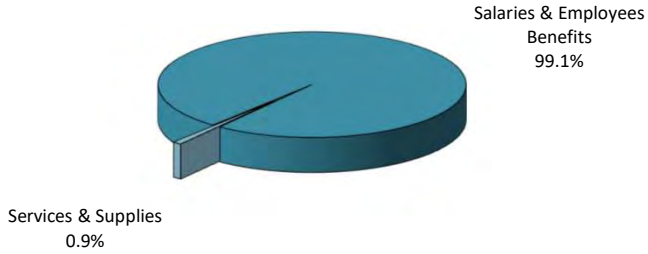
FISCAL YEAR 2024-2025

BUDGET SUMMARY

BENEFITS DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$12,720,941**	$12,363,301	$6,431,999	$12,995,800	$632,499	5.1%	$357,640	2.9%
Services & Supplies	**117,300**	86,100	8,314	40,400	(45,700)	-53.1%	31,200	36.2%
OPERATING BUDGET	**$12,838,241**	$12,449,401	$6,440,313	$13,036,200	$586,799	4.7%	$388,840	3.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$7,118,357**	$6,799,486	$3,716,641	$7,544,800	$745,314	11.0%	$318,871	4.7%
Total Agency Temp Salaries	**0**	62,200	10,879	62,200	0	0.0%	(62,200)	-100.0%
Employee Benefits (Variable)	**4,292,096**	4,365,974	1,923,673	3,905,600	(460,374)	-10.5%	(73,878)	-1.7%
Employee Benefits (Other)	**433,766**	435,814	174,492	354,300	(81,514)	-18.7%	(2,048)	-0.5%
OPEB Contribution	**281,922**	241,527	124,315	252,400	10,873	4.5%	40,395	16.7%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**562,900**	426,400	459,680	850,000	423,600	99.3%	136,500	32.0%
Bilingual Bonus	**3,600**	3,600	1,950	3,600	0	0.0%	0	0.0%
Sick Leave Buyback	**12,000**	12,000	20,368	22,900	10,900	90.8%	0	0.0%
Rideshare Allowance	**16,300**	16,300	0	0	(16,300)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$12,720,941**	$12,363,301	$6,431,999	$12,995,800	$632,499	5.1%	$357,640	2.9%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$12,720,941**	$12,363,301	$6,431,999	$12,995,800	$632,499	5.1%	$357,640	2.9%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2023-2024

SALARIES

BENEFITS DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	3	LS9
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	15	105B
1311	RETIREMENT BENEFITS SPECIALIST III	22	099H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	30	093B
0438	ADMINISTRATIVE ASSISTANT, LACERA	2	087K
0446	SENIOR TYPIST-CLERK, LACERA	1	082J
0445	INTERMEDIATE TYPIST-CLERK, LACERA	3	078K
	Total Filled Positions =	**78**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS9
	Total Vacant Positions =	**1**	
	TOTAL POSITIONS =	**79**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$14,700**	$7,300	$2,071	$6,000	($1,300)	-17.8%	$7,400	101.4%
OFFICE SUPPLIES & EQUIPMENT	**3,400**	3,400	593	1,100	(2,300)	-67.6%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**46,000**	41,000	5,190	16,300	(24,700)	-60.2%	5,000	12.2%
EDUCATIONAL EXPENSES	**51,600**	33,600	460	16,200	(17,400)	-51.8%	18,000	53.6%
MISCELLANEOUS	**1,600**	800	0	800	0	0.0%	800	100.0%
TOTAL	**$117,300**	**$86,100**	**$8,314**	**$40,400**	**($45,700)**	**-53.1%**	**$31,200**	**36.2%**

*All amounts rounded to the nearest dollar.

BENEFITS DIVISION

BUDGET REQUEST INFORMATION

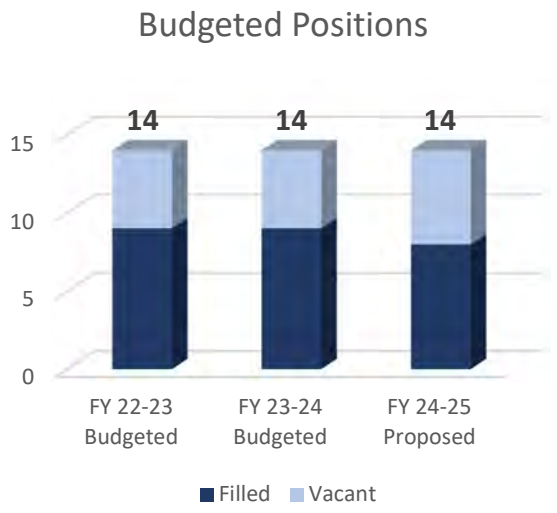
HISTORY OF EXPENDITURES

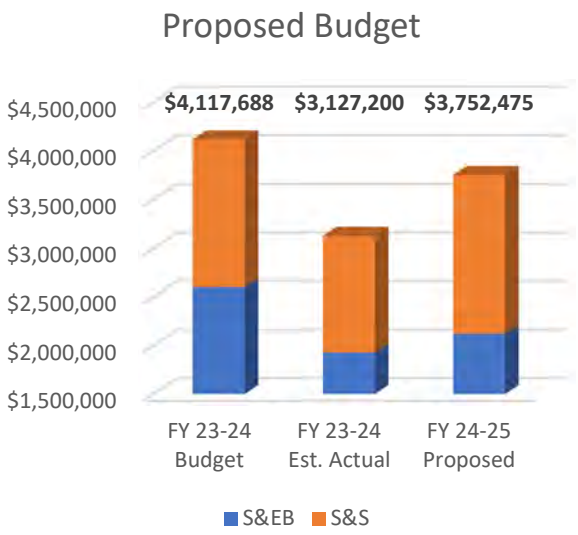
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$6,706,995	$6,787,742	$6,799,486	$7,544,800	$7,118,357
Total Agency Temp Salaries	154,900	92,043	$62,200	62,200	0
Employee Benefits (Variable)	4,019,322	3,396,311	$4,365,974	3,905,600	4,292,096
Employee Benefits (Other)	423,908	389,069	$435,814	354,300	433,766
OPEB Contribution	224,962	223,523	$241,527	252,400	281,922
OPEB Contribution (Budget Surplus)	0	224,962	0	0	0
Stipends	0	0	0	0	0
Overtime	398,100	580,501	$426,400	850,000	562,900
Bilingual Bonus	3,600	3,600	$3,600	3,600	3,600
Sick Leave Buyback	12,000	12,891	$12,000	22,900	12,000
Rideshare Allowance	16,300	0	$16,300	0	16,300
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	6,500	5,501	$7,300	6,000	14,700
Office Supplies & Equipment	3,400	1,881	$3,400	1,100	3,400
Professional & Spec. Srvcs.	41,000	31,874	$41,000	16,300	46,000
Educational Expenses	7,600	7,345	$33,600	16,200	51,600
Miscellaneous	800	800	$800	800	1,600
TOTAL OPERATING BUDGET	**$12,019,386**	**$11,758,043**	**$12,449,401**	**$13,036,200**	**$12,838,241**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

Communications Division's mission is to strategically envision, create, and distribute essential information and high-quality products for our members, stakeholders, and internal audiences, while consistently advancing our technological tools and outreach methods.





Summary of Significant Changes:

Description	Position Changes	Amount
• Newsletter Postage		$12,000
• Annual Benefit Statement Postage		$24,800
• New Hire Welcome Pkg		$ 5,000
• Retiree Check Inserts		$10,500
• Misc. Video Production		$20,000
• Board Elections (Print & Mail)		$30,000
• Board Member Scrolls (Trustee Award Materials)		$ 5,000
• Premium Items (Promo Items)		$10,000
• Strategic Planning Initiative		$10,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Communications Division maintained its regular schedule of requisite annual projects, continued to move prioritized projects forward to help achieve the Boards' existing strategic goals, and provided support for the strategic planning process.

Additional major projects that we are managing or supporting that will carry into 2024 or that are currently prioritized for 2024 are the strategic planning implementation phase, My LACERA campaign, Annual Retirement Benefits Statement (ABS) redesign, Pre-Retirement Guide redesign, retirement enhancements, and Retirement Options and Medicare 101 videos.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

A few of our immediate goals, objectives and/or one-time projects for the 2024-2025 fiscal year are listed below.

- **Update plan books:** The member plan books should serve as the definitive source for all plan information. Since they are a supportive component for the Superior Member Experience priority, we want to redesign and update the plan books as one of the central media components of the omnichannel experience and enhanced educational content.
- **Complete Retirement University; begin production on revised My LACERA and Board Elections videos; increase overall video production:** Communications Division continues to increase video production due to growing demand for this format for internal and member-facing communications; our understanding of our member's need for various modes of learning materials/media; and as a part of the omnichannel experience.
- **Increase use of technological tools and online platforms**
    - *Build interactive e-learning/informational videos with specialized software*: For educational long-format videos, we want to build a more interactive experience for the member, incorporating questions and learning activities to enhance the video experience overall while increasing engagement and improving comprehension and retention.
    - *Incorporate Knowledge Base software*: We want enhance lacera.com with a more helpful, interactive home page through the creation of a knowledge base interface that guides the member to what they're specifically looking for.
- **Support LACERA's social media goals and strategy:** Using social media to communicate to our members will round out the omnichannel experience, and provide opportunities for digital engagement and promotion of LACERA's online resources. We anticipate adding new goals based on the development of the strategic plan initiatives, and reassessing or reprioritizing current projects to align with the organization's direction.

Training and Development Goals for 2024

Educational enrichment is instrumental for staff members in improving and modernizing their skillsets as well as maintaining enthusiasm for their craft. For 2024, the budget reflects Communications' goals to:

- Provide training for staff members in team-building, collaboration, and job-specific areas
- Join and participate in the California Association of Public Information Officials (CAPIO), including CAPIO training webinars and the annual conference (two staff members)
- Participate in the HOW marketing and technology conference (two staff members)

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No proposed changes are requested for this fiscal year. We will continue to work with HR to fill the vacant positions for one Public Information Officer, one Senior Writer, two Senior Media Artists, two Writer IIs, and one Staff Assistant I.

Temporary Staffing

We are requesting three agency temporary staff members: one Senior Media Artist for one year, one Writer II for six months, and one Staff Assistant I for one year. These temporary positions are needed to backfill vacant positions to assist with work overflow.

Overtime Needs

Communications is requesting Overtime for various staff positions to be available when urgent requests arise that require the staff member to work beyond the normal hours to complete a task. Overtime may also be needed throughout the year when multiple major and unanticipated projects have the same deadline and the staff member needs the additional hours to complete the project(s). There are no changes to the number of Overtime hours.

Interns

Communications is not requesting interns in FY 2024-25.

Rehired Retirees

Communications is not requesting rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Communications does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

Listed below are some S&S adjustments that Communications would like to highlight for FY 2024-25:

Postage

- Due to a 4 percent postage rate increase, we are requesting a slight increase in 2024 postage costs.
- *Pathways* and *Spotlight* postage costs have increased from $215,000 to $227,000.
- The Annual Benefit Statement mailing postage cost has increased from $97,200 to $122,000.

Stationery and Forms

Increases in distribution and/or production costs for LACERA communications components account for an overall increase, as detailed in the line items below:

- The New Hire Welcome Package cost has increased from $10,000 to $15,000 due to increased usage.
- The Retiree Check Inserts cost has increased from $3,500 to $14,000. There is an increase in cost for including inserts in the retiree check mailings to reach our members, resulting in a proposed $10,500 increase.
- Board Elections (Print & Mail): $30,000
- Trustee Awards Materials: $5,000
- Strategic Planning Initiative: $10,000

Professional and Specialized Services

- Requests for videos to support our communications to members has increased, and although we have an internal source to produce videos, we are unable to keep

up with the demand and are continuing to use an outsourced video production service. The Misc. Video Production cost has increased from $30,000 to $50,000. An increase request of $20,000 has been proposed to cover this need.

- Promotional Items: $10,000

COMMUNICATIONS

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 14.0
2023-2024 Hiring Plan: 14.0

2024-2025 Bud. Pos.: 14.0
2024-2025 Hiring Plan: 14.0

1.0 Public Information Officer

1.0 Chief, Communications
Cynthia Martinez

1.0 Staff Assistant I

WEB, PRINT, AND GRAPHICS TEAM

1.0 Creative Coordinator
Erika Heru

1.0 Senior Writer
1.0 Senior Media Artist
1.0 Media Artist
1.0 Web Support Tech.
1.0 Writer II

VIDEO, PRINT, AND GRAPHICS TEAM

1.0 Creative Coordinator
Veronica Yi-Martinez

1.0 Senior Writer
1.0 Senior Media Artist
1.0 Media Artist
1.0 Writer II

LACERA

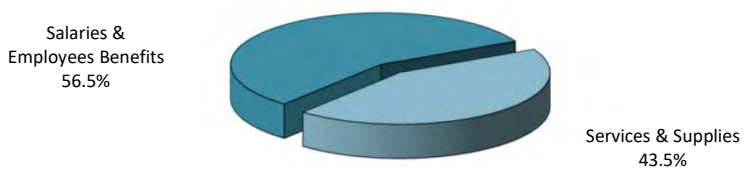
FISCAL YEAR 2024-2025

BUDGET SUMMARY

COMMUNICATIONS

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$2,118,875**	$2,600,188	$955,790	$1,927,000	($673,188)	-25.9%	($481,313)	-18.5%
Services & Supplies	**1,633,600**	1,517,500	518,169	1,200,200	(317,300)	-20.9%	116,100	7.7%
OPERATING BUDGET	**$3,752,475**	$4,117,688	$1,473,959	$3,127,200	($990,488)	-24.1%	($365,213)	-8.9%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$1,078,612**	$1,263,940	$556,457	$1,129,700	($134,240)	-10.6%	($185,328)	-14.7%
Total Agency Temp Salaries	**276,400**	331,000	44,536	76,400	(254,600)	-76.9%	(54,600)	-16.5%
LACERA Intern Program	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**646,418**	870,339	298,872	607,100	(263,239)	-30.2%	(223,921)	-25.7%
Employee Benefits (Other)	**65,726**	81,012	32,171	65,400	(15,612)	-19.3%	(15,286)	-18.9%
OPEB Contribution	**42,718**	44,897	23,109	47,000	2,103	4.7%	(2,179)	-4.9%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**4,500**	4,500	645	1,400	(3,100)	-68.9%	0	0.0%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**3,500**	3,500	0	0	(3,500)	-100.0%	0	0.0%
Rideshare Allowance	**1,000**	1,000	0	0	(1,000)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$2,118,875**	$2,600,188	$955,790	$1,927,000	($673,188)	-25.9%	($481,313)	-18.5%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$2,118,875**	$2,600,188	$955,790	$1,927,000	($673,188)	-25.9%	($481,313)	-18.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

COMMUNICATIONS

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0794	CHIEF, COMMUNICATIONS, LACERA	1	LS10
0779	CREATIVE COORDINATOR, LACERA	2	111A
0784	SENIOR WRITER, LACERA	1	108L
0807	SENIOR MEDIA ARTIST, LACERA	1	106J
0789	MEDIA ARTIST, LACERA	2	103D
0787	WEB SUPPORT TECHNICIAN, LACERA	1	099F
	Total Filled Positions =	8	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0784	SENIOR WRITER, LACERA	1	108L
0465	PUBLIC INFORMATION OFFICER, LACERA	1	107K
0807	SENIOR MEDIA ARTIST, LACERA	1	106J
0786	WRITER II, LACERA	2	099F
0426	STAFF ASSISTANT I, LACERA	1	089A
	Total Vacant Positions =	6	

TOTAL POSITIONS = 14

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$17,600**	$17,600	$0	$10,700	($6,900)	-39.2%	$0	0.0%
POSTAGE	**379,000**	342,200	169,772	285,000	(57,200)	-16.7%	36,800	10.8%
STATIONERY & FORMS	**1,021,500**	981,700	301,420	776,100	(205,600)	-20.9%	39,800	4.1%
OFFICE SUPPLIES & EQUIPMENT	**10,000**	6,000	9,667	18,000	12,000	200.0%	4,000	66.7%
PROFESSIONAL & SPEC. SRVCS.	**175,000**	140,000	34,156	98,000	(42,000)	-30.0%	35,000	25.0%
EDUCATIONAL EXPENSES	**29,900**	29,400	2,643	11,500	(17,900)	-60.9%	500	1.7%
MISCELLANEOUS	**600**	600	510	900	300	50.0%	0	0.0%
TOTAL	**$1,633,600**	**$1,517,500**	**$518,169**	**$1,200,200**	**($317,300)**	**-20.9%**	**$116,100**	**7.7%**

*All amounts rounded to the nearest dollar.

COMMUNICATIONS

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

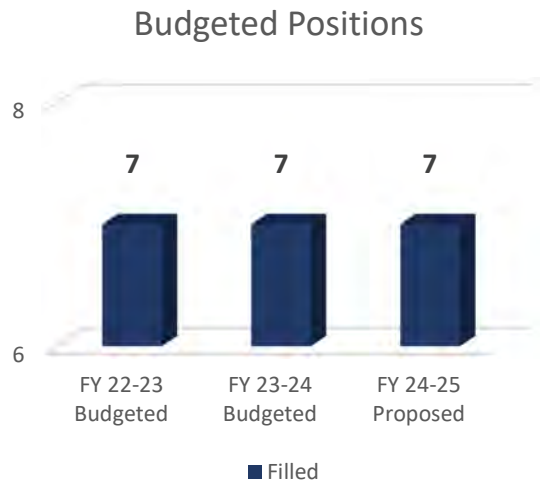
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$1,242,896	$1,057,213	$1,263,940	$1,129,700	$1,078,612
Total Agency Temp Salaries	56,200	41,983	331,000	76,400	276,400
Employee Benefits (Variable)	740,334	549,060	870,339	607,100	646,418
Employee Benefits (Other)	78,556	71,350	81,012	65,400	65,726
OPEB Contribution	41,689	41,422	44,897	47,000	42,718
OPEB Contribution (Budget Surplus)	0	41,689	0	0	0
Stipends	0	0	0	0	0
Overtime	4,800	2,721	4,500	1,400	4,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	3,500	1,207	3,500	0	3,500
Rideshare Allowance	1,000	0	1,000	0	1,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	4,500	3,053	17,600	10,700	17,600
Postage	348,000	377,486	342,200	285,000	379,000
Stationery & Forms	804,500	664,082	981,700	776,100	1,021,500
Office Supplies & Equipment	6,000	14,465	6,000	18,000	10,000
Professional & Specialized Services	47,000	33,346	140,000	98,000	175,000
Computer Services & Support	14,000	7,331	0	0	0
Educational Expenses	29,400	2,539	29,400	11,500	29,900
Miscellaneous	600	426	600	900	600
TOTAL OPERATING BUDGET	**$3,422,975**	**$2,909,373**	**$4,117,688**	**$3,127,200**	**$3,752,475**

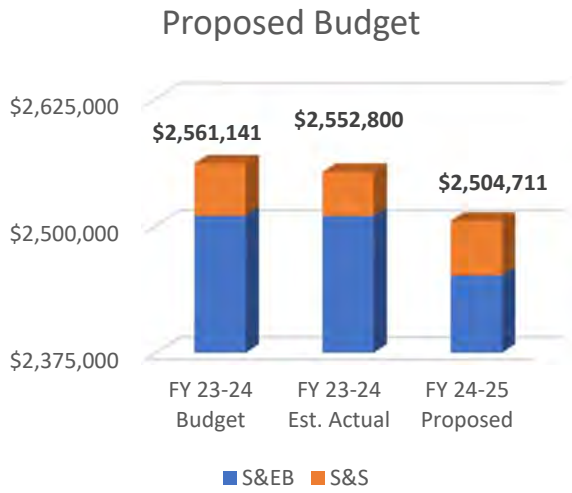
*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Disability Litigation Office is a distinct legal division, separate and independent from the Legal Office, that represents LACERA at the administrative level in disputed applications for disability retirement pensions, applications for service-connected survivors' allowances, and felony forfeitures.

The DLO is comprised of seven staff: one Chief Counsel, three Senior Staff Counsels, and three Senior Legal Secretaries. The Chief Counsel reports to the Chief Executive Officer.





Summary of Significant Changes

Description	Position Changes	Amount
For FY 2024-25, there are no significant changes to the DLO budget. The budget remains status quo with minor adjustments to existing accounts		

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Disability Litigation Office (DLO) has been working to develop and implement a case management system (Sol) to digitize and automate the disability litigation process. During the 2024-25 fiscal year, the Sol project will near completion as it is out of testing and is currently being utilized for live cases and appeals by both Disability Retirement Services and the Disability Litigation Office.

With Sol, the DLO has been able to convert all open cases into digital files. Staff can actively manage the files through Sol which includes documenting communications, reviewing digitized records, organizing exhibits electronically, and drafting letters/pleadings with auto-population of data from the Sol database.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The DLO looks forward to working with its internal business partners in the ongoing move toward a fully electronic operation to make our business operations and processes more efficient and to enhance employee productivity. We will continue to serve as active participants and subject matter experts in the development and implementation of Sol; and to wholeheartedly engage in LACERA-wide committees for the advancement of our organization as a whole.

The DLO team is actively involved in the implementation of LACERA's strategic plan. Five DLO members are currently team members on three different strategic objectives:

- Strategic Objective 2.2, Enterprise Knowledge Management System: 1-Senior Staff Counsel as Project Lead, 1-Senior Staff Counsel as team member, 1-Senior Legal Secretary as scribe
- Strategic Objective 3.1, IDEA Initiative: 1-Chief Counsel as team member, 1-Senior Staff Counsel as team member
- Strategic Objective 4.1, Enterprise Ethics and Compliance Plan: 1-Senior Staff Counsel as Project Co-Lead

The DLO is also fully committed to developing our staff with ongoing training in support of their long-term career goals. As part of Strategic Objective 4.1, it is anticipated that the Senior Staff Counsel on that team will be participating in ethics and compliance training in the next fiscal year. The Senior Legal Secretaries have received hands-on training to learn the budget process and they have been actively involved in the project management process of the Sol case management system.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently seven budgeted full-time positions in the DLO. No additional staff positions are requested currently.

Temporary Staffing

The DLO does not anticipate any use of temporary staffing in the next fiscal year.

Overtime Needs

For FY 2024-25, the DLO has budgeted 40 hours of overtime for Senior Legal Secretaries, as there is additional work necessary to finalize the SoI case management system. Although the SoI project is close to completion, as it becomes more operational, additional meetings and testing may be needed to fix bugs and edit functionality.

Interns

The DLO anticipates sharing legal interns with the Legal Office in the same manner as FY 2023-24.

Rehired Retirees

The DLO does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

DLO has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

For FY 2024-25, there are no significant changes to the DLO budget. The budget remains status quo with only slight adjustments to existing accounts as detailed below:

Auto Mileage & Transportation – Decreases $200 from $1,000 to $800

Travel – Increases $400 from $6,100 to $6,500

Special Orders – Decreases $300 from $1,800 to $1,500

Memberships – Decreases $500 from $3,500 to $3,000

Registration Fees – Increases $2,000 from $3,000 to $5,000

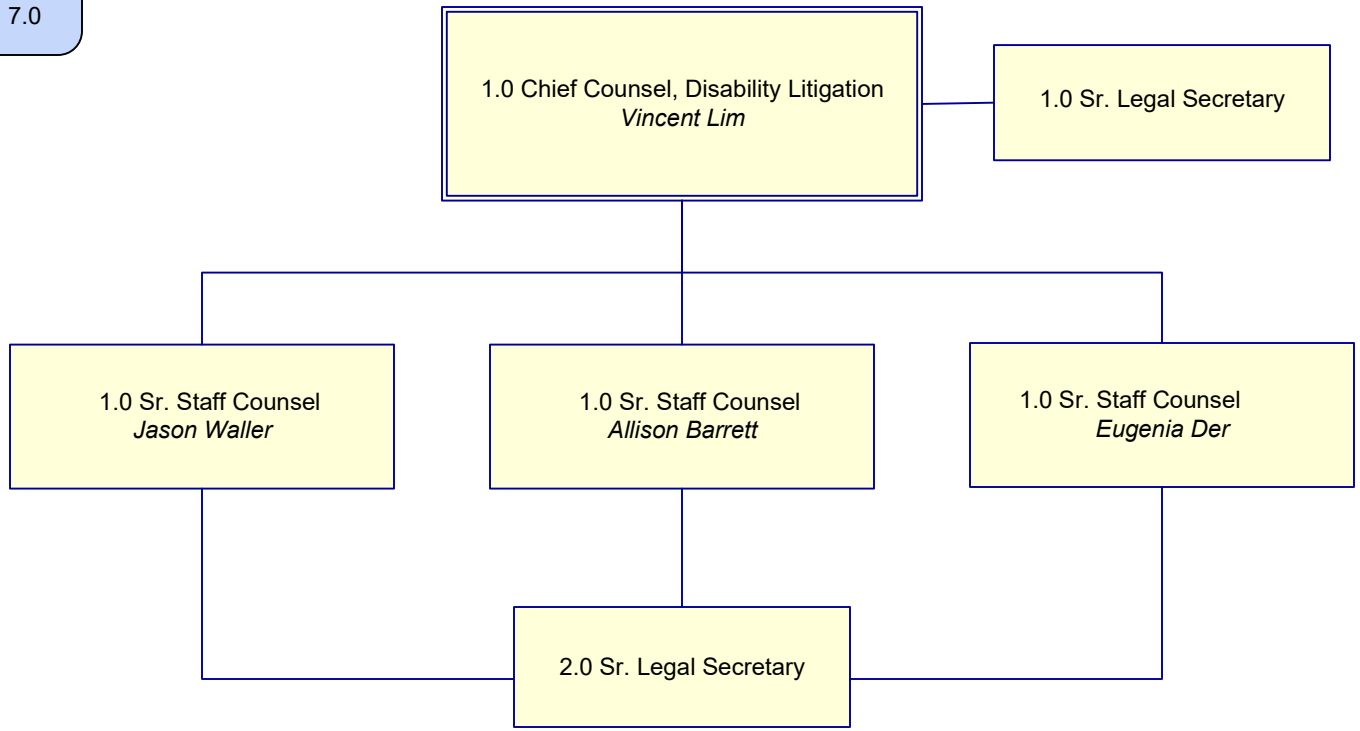
Educational Materials – Increases $1,000 from $30,000 to $31,000

DISABILITY LITIGATION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 7.0
2023-2024 Hiring Plan: 7.0

2024-2025 Bud. Pos.: 7.0
2024-2025 Hiring Plan: 7.0



LACERA

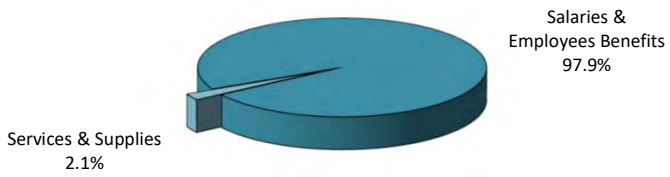
FISCAL YEAR 2024-2025

BUDGET SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$2,451,211**	$2,510,041	$1,237,026	$2,509,600	($441)	-0.02%	($58,830)	-2.3%
Services & Supplies	**53,500**	51,100	18,182	43,200	(7,900)	-15.5%	2,400	4.7%
OPERATING BUDGET	**$2,504,711**	$2,561,141	$1,255,209	$2,552,800	($8,341)	-0.3%	($56,430)	-2.2%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$1,467,993**	$1,461,729	$767,700	$1,556,500	$94,771	6.5%	$6,264	0.4%
Total Agency Temp Salaries	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**831,822**	898,999	404,905	822,200	(76,799)	-8.5%	(67,177)	-7.5%
Employee Benefits (Other)	**89,455**	93,690	37,205	75,600	(18,090)	-19.3%	(4,235)	-4.5%
OPEB Contribution	**58,141**	51,923	26,725	54,300	2,377	4.6%	6,218	12.0%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**2,900**	2,800	491	1,000	(1,800)	-64.3%	100	3.6%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**900**	900	0	0	(900)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$2,451,211**	$2,510,041	$1,237,026	$2,509,600	($441)	-0.02%	($58,830)	-2.3%
Salary Differential	**-**	-	-	-			-	
TOTAL S&EB	**$2,451,211**	$2,510,041	$1,237,026	$2,509,600	($441)	-0.02%	($58,830)	-2.3%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

DISABILITY LITIGATION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9215	CHIEF COUNSEL, DISABILITY LITIGATION, LACERA	1	LS18
9213	SENIOR STAFF COUNSEL, LACERA	3	LS16
0441	SENIOR LEGAL SECRETARY, LACERA	3	102J
	Total Filled Positions =	**7**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
	Total Vacant Positions =	**0**	
	TOTAL POSITIONS =	**7**	

Non-Represented positions shown in black.

Represented positions shown in blue.

Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
AUTO EXPENSE	**$2,400**	$2,400	$934	$1,700	($700)	-29.2%	$0	0.0%
TRANSPORTATION & TRAVEL	**7,300**	7,100	0	7,000	(100)	-1.4%	200	2.8%
OFFICE SUPPLIES & EQUIPMENT	**1,500**	1,800	0	600	(1,200)	-66.7%	(300)	-16.7%
LEGAL FEES & SERVICES	**3,000**	3,000	0	3,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	**39,000**	36,500	17,248	30,600	(5,900)	-16.2%	2,500	6.8%
MISCELLANEOUS	**300**	300	0	300	0	0.0%	0	0.0%
TOTAL	**$53,500**	**$51,100**	**$18,182**	**$43,200**	**($7,900)**	**-15.5%**	**$2,400**	**4.7%**

*All amounts rounded to the nearest dollar.

DISABILITY LITIGATION

BUDGET REQUEST INFORMATION

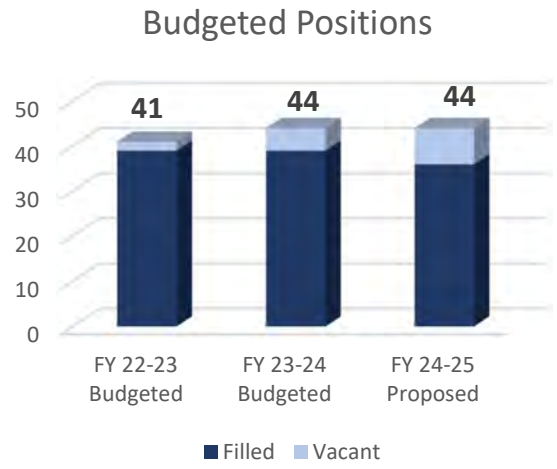
HISTORY OF EXPENDITURES

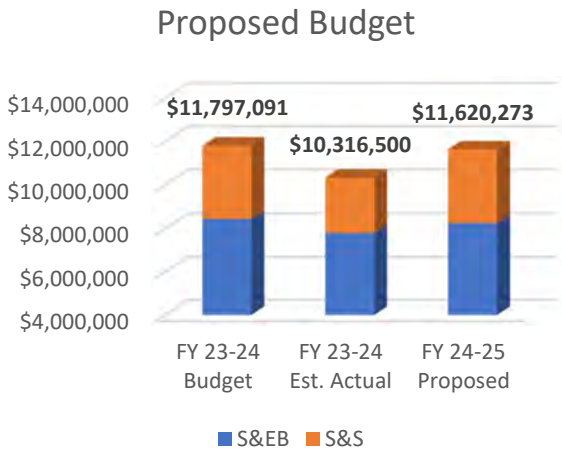
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$1,371,867	$1,433,087	$1,461,729	$1,556,500	$1,467,993
Total Agency Temp Salaries	9,800	0	0	0	0
Employee Benefits (Variable)	832,028	742,907	898,999	822,200	831,822
Employee Benefits (Other)	86,707	78,217	93,690	75,600	89,455
OPEB Contribution	46,014	45,720	51,923	54,300	58,141
OPEB Contribution (Budget Surplus)	0	46,014	0	0	0
Stipends	0	0	0	0	0
Overtime	6,600	1,058	2,800	1,000	2,900
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	900	0	900	0	900
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	2,900	575	2,400	1,700	2,400
Transportation & Travel	6,500	2,026	7,100	7,000	7,300
Office Supplies & Equipment	2,000	351	1,800	600	1,500
Legal Fees & Services	5,500	0	3,000	3,000	3,000
Educational Expenses	36,500	32,293	36,500	30,600	39,000
Miscellaneous	500	0	300	300	300
TOTAL OPERATING BUDGET	**$2,407,817**	**$2,382,248**	**$2,561,141**	**$2,552,800**	**$2,504,711**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Disability Retirement Services Division (DRS) evaluates and investigates disability retirement applications submitted by active, retired, and deferred LACERA members; survivors; and County departments. Staff presents recommendations to the Board of Retirement, the governing board responsible for adjudicating disability retirement applications. Staff also facilitates the administration of the disability appeals process and serves as the Clerk of the Board and Custodian of Record for all disability retirement files. Other operational responsibilities and functions of the DRS include contracting professional services for the investigation and appeals processes, including panel physicians, referees, copy services, court reporters, job analysts, investigative services, and outside legal counsel.





Summary of Significant Changes:

Description	Position Changes	Amount
• Increase in Agency Temp Staffing		$269,200
• Increase in Overtime		$37,200
• Increase in Registration Fees		$10,000

STATUS OF FY 23-24 PROJECTS AND INITIATIVES

Sol Case Management System (Sol)

The Sol case management system was officially launched on September 25, 2023. Sol is a software tool designed to effectively manage the entire lifecycle of disability retirement cases using automation, streamlined workflows, and improved access to data. DRS has two supervisors and several staff members dedicated to developing and implementing Sol. Since its launch, we have experienced several advantages of Sol. These benefits include improved data accuracy, information consolidation, better supervisory oversight, and streamlined pre- and post-board agenda processing. Sol has also enhanced business process tracking, enabling staff to access detailed and high-level views of the work being performed, pending to-do items, and a library of templates used to generate and prefill information from Sol's database.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The future state of LACERA and our focus on superior member experience, related journeys, and omnichannel approach includes a robust self-service option on My LACERA. DRS continues to promote the use of the online disability retirement application and make enhancements that enrich the member’s experience. DRS is excited to leverage the use of technology to engage our membership in the most meaningful and effective way and explore additional technologies such as artificial intelligence (AI), robotic process automation (RPA), and optical character recognition (OCR).

DRS acknowledges the significance of investing in the growth and development of its staff through training and planning for future leadership positions. Our focus will be on creating career paths for administrative support and supervisory staff, and we have already established a new classification titled "Disability Retirement Support Specialist I" to further this drive. Additionally, we will provide training opportunities for administrative staff to enhance their investigative and case management skills, thus building a pool of competent candidates who can compete and fill future vacancies at the disability retirement specialist and division manager level.

As part of our commitment to personal and professional growth, we encourage our staff to participate in various training programs throughout the year. We use platforms like Udemy to provide tailored training, and our staff also attend different training programs offered by the Los Angeles County Training Academy, CALAPRS, and SACRS to enhance their skills and knowledge. We understand the importance of having a solid succession and training plan, especially since one-third of our leadership and investigative staff will become eligible for retirement in the next decade.

DRS is planning to reorganize its division over the next two fiscal years. The goal is to create a Member Care and Administrative Operations Section and consolidate the core business functions of case processing and agenda management under a section called Investigations and Agenda Management. This will require additional leadership and oversight to ensure the integrity of processes and the quality of case management.

Creating these two sections will bring two fundamental benefits. Firstly, we can process more cases and reduce processing time, leading to an enhanced member experience. Secondly, we will invest in our people by creating additional leadership opportunities within the division. This will also introduce a clear career path to the division manager position, which is currently not available. DRS will work closely with Human Resources to further analyze and develop the proper organizational structure to achieve this.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently forty-four (44) budgeted full-time positions in the DRS. No additional staff positions are requested currently.

Temporary Staffing

The Disability Retirement Services Division requests four Staff Assistant II positions for a period of 12 months each to provide administrative support at a total estimated cost of $407,300, an increase of $269,200 from FY 2023-24.

Overtime Needs

Funds totaling $140,800, an increase of $37,200 from last FY is requested for overtime. There continues to be an upward trend in disability retirement applications received annually. Over the last fiscal year, we received 871 disability retirement applications, a 12 percent increase compared to the previous year's 778 applications. Our staff submitted 682 cases to the Board of Retirement last year. Overtime is required to maintain the continuity of work to meet the division’s goals.

Interns

The Disability Retirement Services Division does not anticipate onboarding interns during FY 2024-25.

Rehired Retirees

The Disability Retirement Services Division does not anticipate employing any rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Disability Retirement Services Division has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Registration Fees

As part of our commitment to personal and professional growth, aligned with LACERA's objective of Investing in People, DRS requests a $10,000 budget increase for staff training in FY 2024-25 for a total of $20,000. The training will focus on strategic thinking and root-cause analysis. Strategic thinking is thinking beyond the immediate, considering multiple perspectives, and making informed decisions that align with long-term goals. In leadership, strategic thinking is essential for navigating complex challenges, fostering innovation, and driving future success.

Miscellaneous

Funding totaling $500 is requested for Miscellaneous expenses, an increase of $200. These funds are typically used for staff teambuilding activities.

DISABILITY RETIREMENT

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 44.0
2023-2024 Hiring Plan: 44.0

2024-2025 Bud. Pos.: 44.0
2024-2025 Hiring Plan: 44.0

1.0 Division Manager
Tamara Caldwell

1.0 Senior Administrative Assistant

1.0 Dis. Ret. Spec. Supervisor
Maria Silva (Interim)

INTAKE UNIT/RECORDS MANAGEMENT

1.0 Admin. Services Analyst II
1.0 Staff Assistant II *
1.0 Senior Typist Clerk

MEMBER CARE UNIT

2.0 Senior Dis. Ret. Specialist
1.0 Staff Assistant II *

1.0 Dis. Ret. Spec. Supervisor
Kerri Wilson

APPEALS

1.0 Senior Dis. Ret. Specialist
3.0 Staff Assistant II *

QUALITY ASSURANCE

1.0 Senior Dis. Ret. Specialist
1.0 Staff Assistant II *

INVESTIGATION UNIT 1

1.0 Dis. Ret. Spec. Supervisor *
Vickie Neely

7.0 Senior Dis. Ret. Specialist
1.0 Staff Assistant II *
1.0 Senior Typist Clerk

INVESTIGATION UNIT 2

1.0 Dis. Ret. Spec. Supervisor *
Hernan Barrientos

7.0 Senior Dis. Ret. Specialist
1.0 Senior Typist Clerk

INVESTIGATION UNIT 3

1.0 Dis. Ret. Spec. Supervisor *
Ricardo Salinas

7.0 Senior Dis. Ret. Specialist
1.0 Senior Typist Clerk

* Classification and/or compensation study requested.

LACERA

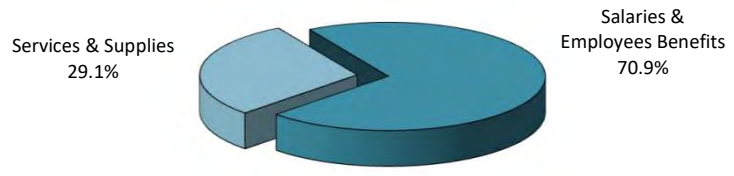
FISCAL YEAR 2024-2025

BUDGET SUMMARY

DISABILITY RETIREMENT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$8,241,073**	$8,428,091	$3,849,439	$7,780,700	($647,391)	-7.68%	($187,018)	-2.2%
Services & Supplies	**3,379,200**	3,369,000	1,436,018	2,535,800	(833,200)	-24.7%	10,200	0.3%
OPERATING BUDGET	**$11,620,273**	$11,797,091	$5,285,457	$10,316,500	($1,480,591)	-12.6%	($176,818)	-1.5%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$4,545,563**	$4,579,337	$2,169,933	$4,405,000	($174,337)	-3.8%	($33,774)	-0.7%
Total Agency Temp Salaries	**407,300**	138,100	103,717	177,900	39,800	28.8%	269,200	194.9%
Employee Benefits (Variable)	**2,679,885**	3,140,376	1,263,880	2,566,100	(574,276)	-18.3%	(460,491)	-14.7%
Employee Benefits (Other)	**276,995**	293,514	116,958	237,500	(56,014)	-19.1%	(16,519)	-5.6%
OPEB Contribution	**180,030**	162,664	83,724	170,000	7,336	4.5%	17,366	10.7%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**140,800**	103,600	108,522	220,400	116,800	112.7%	37,200	35.9%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**6,000**	6,000	2,706	3,800	(2,200)	-36.7%	0	0.0%
Rideshare Allowance	**4,500**	4,500	0	0	(4,500)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$8,241,073**	$8,428,091	$3,849,439	$7,780,700	($647,391)	-7.7%	($187,018)	-2.2%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$8,241,073**	$8,428,091	$3,849,439	$7,780,700	($647,391)	-7.7%	($187,018)	-2.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24 with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

DISABILITY RETIREMENT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
1643	DISABILITY RETIREMENT SPECIALIST SUPERVISOR, LACERA	5	110B
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	18	106B
0420	ADMINISTRATIVE SERVICES ANALYST II	1	097D
0427	STAFF ASSISTANT II, LACERA	6	096A
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0446	SENIOR TYPIST-CLERK, LACERA	4	082J
	Total Filled Positions =	**36**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
1632	SENIOR DISABILITY RETIREMENT SPECIALIST, LACERA	7	106B
0427	STAFF ASSISTANT II, LACERA	1	096A
	Total Vacant Positions =	**8**	
	TOTAL POSITIONS =	**44**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$7,700**	$7,700	$1,668	$5,500	($2,200)	-28.6%	$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**5,000**	5,000	149	1,000	(4,000)	-80.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**235,000**	235,000	142,127	243,800	8,800	3.7%	0	0.0%
LEGAL FEES & SERVICES	**20,000**	20,000	4,670	8,100	(11,900)	-59.5%	0	0.0%
DISABILITY FEES & SERVICES	**3,090,300**	3,090,300	1,285,158	2,273,300	(817,000)	-26.4%	0	0.0%
EDUCATIONAL EXPENSES	**20,700**	10,700	1,616	3,100	(7,600)	-71.0%	10,000	93.5%
MISCELLANEOUS	**500**	300	630	1,000	700	233.3%	200	66.7%
TOTAL	**$3,379,200**	$3,369,000	$1,436,018	$2,535,800	($833,200)	-24.7%	$10,200	0.3%

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

BUDGET REQUEST INFORMATION

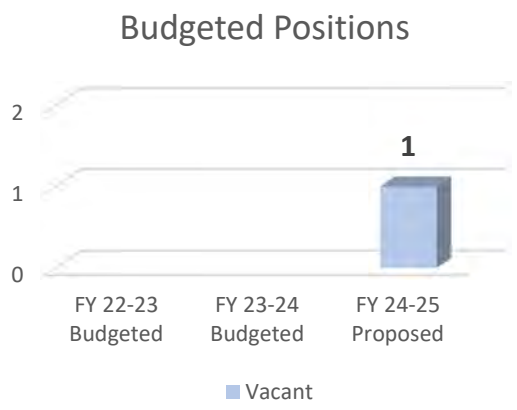
HISTORY OF EXPENDITURES

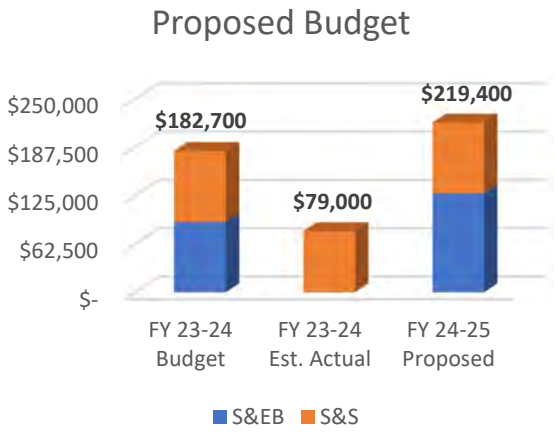
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$4,134,839	$4,223,905	$4,579,337	$4,405,000	$4,545,563
Total Agency Temp Salaries	129,000	52,858	138,100	177,900	407,300
Employee Benefits (Variable)	2,675,028	2,376,485	3,140,376	2,566,100	2,679,885
Employee Benefits (Other)	261,338	236,719	293,514	237,500	276,995
OPEB Contribution	138,688	137,801	162,664	170,000	180,030
OPEB Contribution (Budget Surplus)	0	138,688	0	0	0
Stipends	0	0	0	0	0
Overtime	165,300	120,189	103,600	220,400	140,800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	6,000	2,810	6,000	3,800	6,000
Rideshare Allowance	4,500	0	4,500	0	4,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	8,000	5,110	7,700	5,500	7,700
Office Supplies & Equipment	5,800	580	5,000	1,000	5,000
Professional & Specialized Services	230,000	250,684	235,000	243,800	235,000
Legal Fees & Services	25,000	5,260	20,000	8,100	20,000
Disability Fees & Services	3,145,300	3,052,189	3,090,300	2,273,300	3,090,300
Educational Expenses	10,700	2,005	10,700	3,100	20,700
Miscellaneous	300	525	300	1,000	500
TOTAL OPERATING BUDGET	**$10,939,793**	**$10,605,809**	**$11,797,091**	**$10,316,500**	**$11,620,273**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

To implement a strategic priority, a new Ethics and Compliance Program is proposed to begin operations in FY 2024-25. The role of the Ethics and Compliance Program is to enhance LACERA's ethical culture and establish dedicated resources to foster compliance with laws, regulations, policies, and procedures, and provide assessment, monitoring, investigation, training, and other services to mitigate ethics and compliance risks in the organization.





Summary of Significant Changes:

Description	Position Changes	Amount
• Chief Ethics and Compliance Officer*	1	$93,300
• Outside Legal Counsel	-	$20,000
• Educational Materials	-	$45,000
• Travel and Registration Expenses	-	$15,500
• Memberships	-	$8,000
• Mileage and Transportation	-	$3,500

*Note: The Boards approved a Director of Compliance position in FY 2021-22, which has not yet been approved by the Board of Supervisors. Staff now recommends the position classification be amended to Chief Ethics and Compliance Officer to convey its reporting lines and importance within the organization.

PROPOSED REPORTING STRUCTURE

The Chief Ethics and Compliance Officer will report functionally to the Audit Committee and the CEO and will also provide reporting to the Board of Retirement and Board of Investments to further the fiduciary duty of the Audit Committee, Boards, and the CEO to provide oversight of ethics and compliance and respond to red flags in these areas.

The proposed Ethics and Compliance Office will be administratively housed within the Legal Services Office. However, all staffing and expenses will be tracked and reported separately to ensure, consistent with best practices, that the Ethics and Compliance Program is adequately resourced and is independent.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-28 Strategic Plan, and substantial progress is being made in preparation for implementing the program. An ethics and compliance counsel and advisor will be engaged to provide professional expertise. The Staff Policy Committee was renamed as the Ethics and Compliance Committee to provide a broad-based staff resource to support the program. The proposed Ethics and Compliance Program Charter is working its way through the Boards' governance structure. Staff is pursuing Governance, Risk, and Compliance (GRC) software as a tool for the Ethics and Compliance Program and policy management, as well as other areas of LACERA's risk management system and review. Education and training resources on ethics and compliance have been purchased and are already available to staff.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The successful implementation of a fully formed and effective Ethics and Compliance Program is essential to achieve the Board of Retirement's Strategic Priority 4, and to mature the entire organization in management of ethics and compliance risks. Additional foundational steps will include: Chief Ethics and Compliance Officer job description and salary; baseline risk assessment; baseline ethical culture assessment; implementation of GRC software for compliance, ethics, policy management, and privacy; and transition of the Chief Ethics and Compliance Officer into the organization. In addition to the Chief position, it is expected that the Ethics and Compliance Office will require two deputies and one analyst to develop the Office's expertise across the organization's functions and to support the work of that Office. The timing, need for, and duties of these positions will be assessed by the Chief-Ethics and Compliance Officer after that position is filled.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects up to six months of cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during fiscal year 2024-25.

Adjustments to Permanent Staffing

The previously approved Director of Compliance position in the Legal Services Office is proposed to be changed to Chief-Ethics and Compliance Officer, to reflect the anticipated duties of the position as head of LACERA's Ethics and Compliance Program and its position, reporting lines, and responsibilities in the organization. The position classification description, job duties, and salary still need to be approved by the County Board of Supervisors.

Funding totaling $93,300 is included to reflect six months of funding. However, this amount is subject to change based on the actual salary authorized and the date of onboarding.

Temporary Staffing

Temporary staffing is not anticipated for this program in FY 2024-25.

Overtime Needs

Overtime is not anticipated for this program in FY 2024-25

Interns

No interns are requested for this program in FY 2024-25.

Rehired Retirees

The Ethics and Compliance Office is not requesting any rehired retiree assistance in FY 2024-2025.

SUMMARY OF PROPOSED BUDGETARY CHANGES – SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Ethics and Compliance Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

The following services and supplies are proposed in support of this program in FY 2024-25:

Mileage and Transportation

Funding totaling $3,500 is requested to support anticipated auto mileage associated with the Chief Ethics and Compliance Officer position for business meetings and attendance at training and other events.

Travel

Funding totaling $8,000 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

Outside Legal Counsel

Funding totaling $20,000 is requested for outside ethics and compliance counsel to support the development and implementation of LACERA's Ethics and Compliance Program.

Memberships

Funding totaling $8,000 is requested for memberships to support the Chief Ethics and Compliance Officer's professional development and participation in ethics and compliance-related organizations.

Registration Fees

Funding totaling $7,500 is requested to ensure the Chief Ethics and Compliance Officer can participate in training and development opportunities.

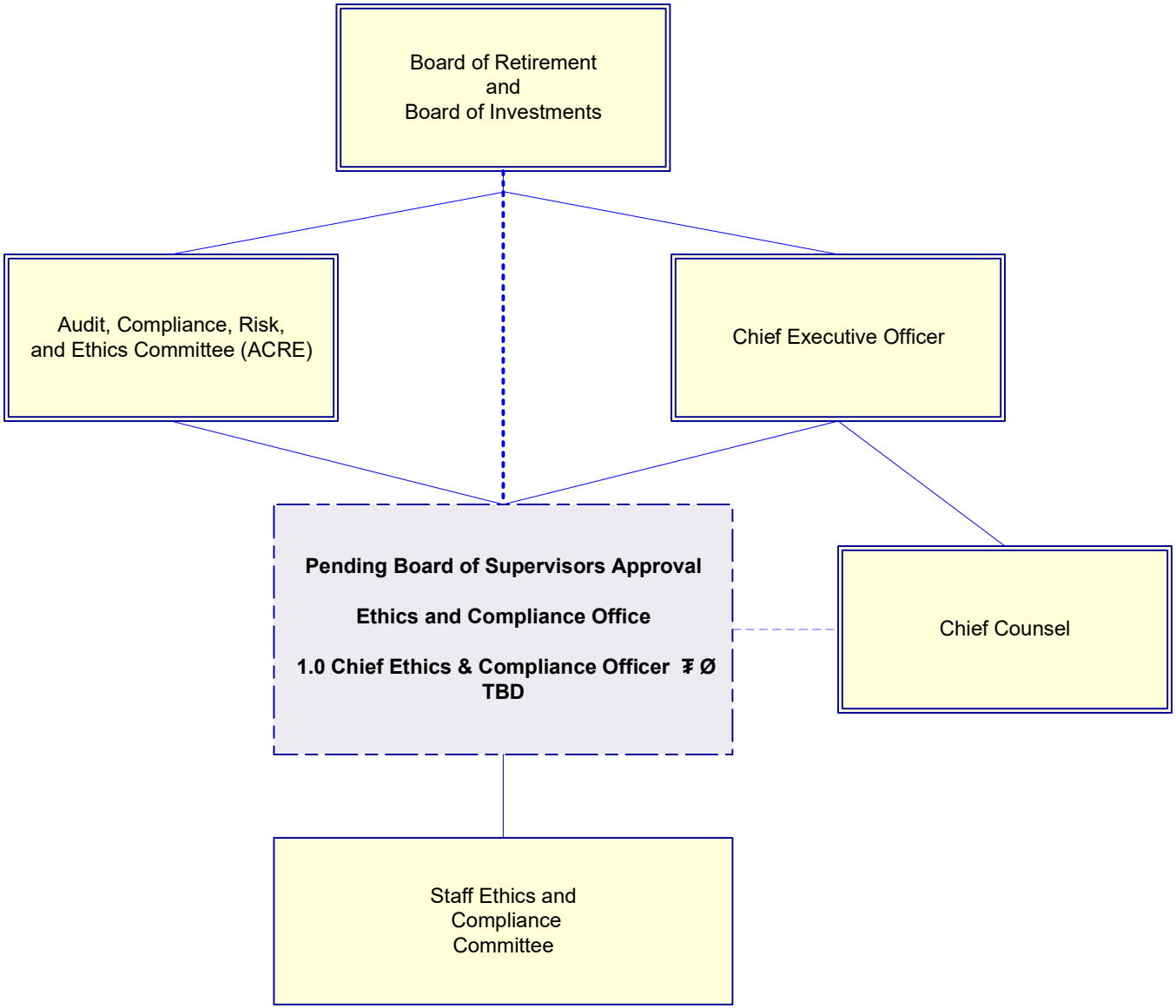
Educational Materials

Funding totaling $45,000 is requested to ensure the Chief Ethics and Compliance Officer has the educational and professional materials and subscriptions needed to successfully implement LACERA's Ethics and Compliance Program.

ETHICS AND COMPLIANCE OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	1.0
2023-2024 Hiring Plan:	1.0
2024-2025 Bud. Pos.:	1.0
2024-2025 Hiring Plan:	1.0



— — — Administrative
——— Functional
……. Advisory
₮ Title changed from Ethics & Compliance Officer to Chief Ethics & Compliance Officer
Ø Not yet approved by Board of Supervisors

LACERA

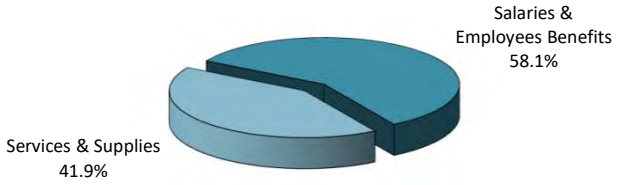
FISCAL YEAR 2024-2025

BUDGET SUMMARY

ETHICS AND COMPLIANCE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$127,400**	$90,700	$0	$0	($90,700)	-100.0%	$36,700	40.5%
Services & Supplies	**92,000**	92,000	11,500	79,000	(13,000)	-14.1%	0	0.0%
OPERATING BUDGET	**$219,400**	$182,700	$11,500	$79,000	($103,700)	-56.8%	$36,700	20.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ETHICS AND COMPLIANCE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$93,330**	$90,700	$0	$0	($90,700)	-100.0%	$2,630	2.9%
Total Agency Temp Salaries	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**24,686**	0	0	0	0	0.0%	24,686	0.0%
Employee Benefits (Other)	**5,687**	0	0	0	0	0.0%	5,687	0.0%
OPEB Contribution	**3,696**	0	0	0	0	0.0%	3,696	0.0%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**0**	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**0**	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$127,400**	$90,700	$0	$0	($90,700)	-100.0%	$36,700	40.5%
Salary Differential	**0**	0	-	-	-	-	-	-
TOTAL S&EB	**$127,400**	$90,700	$0	$0	($90,700)	-100.0%	$36,700	40.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

ETHICS AND COMPLIANCE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
	Total Filled Positions =	**0**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9999	CHIEF, ETHICS & COMPLIANCE OFFICER	1	LS16
	Total Vacant Positions =	**1**	
	TOTAL POSITIONS =	**1**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

ETHICS AND COMPLIANCE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$11,500**	$11,500	$0	$4,500	($7,000)	-60.9%	$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**0**	0	0	0	$0	0.0%	$0	0.0%
LEGAL FEES & SERVICES	**20,000**	20,000	0	20,000	$0	0.0%	$0	0.0%
EDUCATIONAL EXPENSES	**60,500**	60,500	11,500	54,500	(6,000)	-9.9%	0	0.0%
MISCELLANEOUS	**0**	0	0	0	0	0.0%	0	0.0%
TOTAL	**$92,000**	$92,000	$11,500	$79,000	($13,000)	-14.1%	$0	0.0%

*All amounts rounded to the nearest dollar.

ETHICS AND COMPLIANCE OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

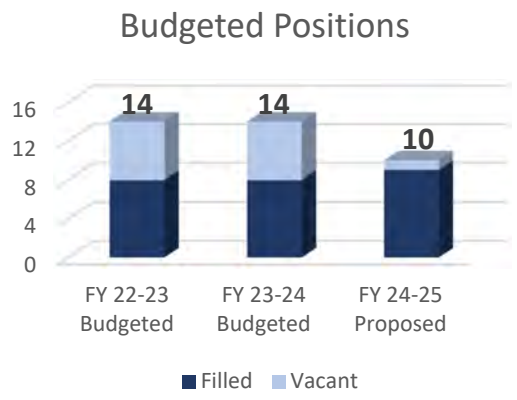
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$0	$0	$90,700	$0	$93,330
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	0	0	0	0	24,686
Employee Benefits (Other)	0	0	0	0	5,687
OPEB Contribution	0	0	0	0	3,696
OPEB Contribution (Budget Surplus)	0	0	0	0	0
Stipends	0	0	0	0	0
Overtime	0	0	0	0	0
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES	0	0			
Auto Expenses	0	0	0	0	0
Transportation & Travel	0	0	11,500	4,500	11,500
Office Supplies & Equipment	0	0	0	0	0
Legal Fees & Services	0	0	20,000	20,000	20,000
Educational Expenses	0	0	60,500	54,500	60,500
Miscellaneous	0	0	0	0	0
TOTAL OPERATING BUDGET	**$0**	**$0**	**$182,700**	**$79,000**	**$219,400**

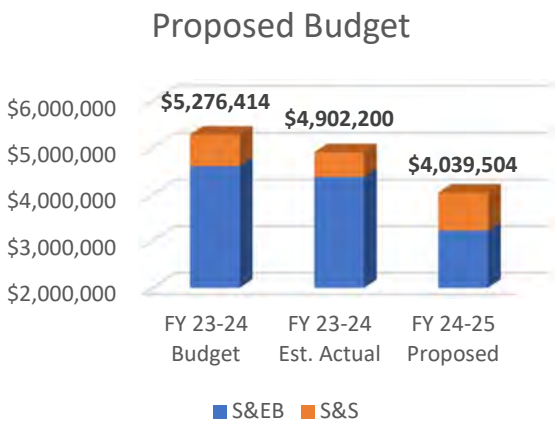
*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Executive Office directs and coordinates the efforts of every LACERA organizational unit toward the effective realization of LACERA's mission, as articulated through policies adopted through the Boards of Retirement and Investments and through administrative policies and procedures under the purview of the Chief Executive Officer.

LACERA's Information Security Office is part of the Executive Office to maintain its independence from the Systems Division. The Information Security Officer reports to the Deputy Chief Executive Officer. Costs are reported separately for improved transparency. See the attached narrative and summary.





Summary of Significant Changes:

Description	Position Changes	Amount
• Transfer of Legislative Affairs Officer	1	$156,000
• Transfer Legislative Consulting from Legal		$280,000
• Travel & Training – Executive Staff		$6,600
• Food & Beverages		$4,500
• Reduction in vehicle related costs - Gas & License Fees		($2,500)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Throughout FY 2023-24, the Executive Office continued its focus on foundational issues by developing and supporting hiring plans to fill critical vacant positions and embracing technology to improve and enhance our processes and procedures.

Despite record hiring and milestone technology improvements discussed in more detail in the Human Resources and Systems Division, respectively, the most significant accomplishment of the Executive Office in FY 2024 was the adoption of the BOR Strategic Plan. After adoption, the Executive Office facilitated a MAC and SAC retreat to develop the implementation roadmap, ensuring that LACERA will be moving forward with a shared purpose and vision in service to our members. The roadmap helped identify the organization's short- and long-term capacity, and which strategic initiatives would begin now. For each of the initial strategic initiatives, leads were identified and teams were assembled to build the FY 2024-25 workplans, which will be shared with the Board of Retirement in April 2024. The resources required for achieving those initiatives are being incorporated into the FY 2024-25 Budget request for BOR and BOI approval.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Executive Office supports and is fundamentally responsible for implementing the Board of Retirement's Strategic Plan and supports the Investment Office in their implementation of the Board of Investments' Strategic Plan. The Executive Management Team sponsors the strategic priorities and monitors progress toward achieving our mission of producing, protecting, and providing the promised benefits to our members; our vision of empowering our members to enjoy a healthy and secure retirement, and modeling our values of accountability, collaboration, inclusivity, innovation, integrity, and transparency.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Funding is also provided for the CEO's split-dollar life insurance policy, which is part of his negotiated compensation.

Lastly, funding associated with the transfer of the Legislative Affairs Officer from the Legal Office to the Executive Office is provided.

Adjustments to Permanent Staffing

The Legislative Affairs Officer position is transferred from the Legal Services Office to the Executive Office as outlined in the organization chart.

Temporary Staffing

No temporary staffing is requested for the Executive Office.

Overtime Needs

Overtime funds are provided for the support staff within the Executive Office. Total hours are not changing from prior years, but the cost is adjusted to reflect salary rate increases.

Interns

Funding is included in the Human Resources budget for one intern position to work in the Executive Office this summer.

Rehired Retirees

The Executive Office does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

License Fees

A reduction of $500 is included to reflect the removal of the vehicle assigned to the Deputy Chief Executive Officer.

Gas

A reduction of $2,000 is included to reflect the removal of the vehicle assigned to the Deputy Chief Executive Officer.

Services and Supplies Adjustments

Travel

An increase of $4,300 is requested for Executive Office staff members to attend educational and professional conferences. These expenditures are in alignment with LACERA's Strategic Priority 3, Investing in People, ensuring that management stays abreast of industry best practices and professional growth in order to better support Trustees, staff, and members.

Legislative Consulting

Funding totaling $280,000 is required. The legislative analysis function has been administratively transferred from the Legal Office to the Executive Office. There is no change to the budgetary amount. The Legal Office budget reflects a corresponding decrease of the same amount.

Registration Fees

An increase of registration fees totaling $2,300 is requested to reflect increased cost trends for educational and professional conferences. These expenditures support LACERA's Strategic Priority 3, Investing in People.

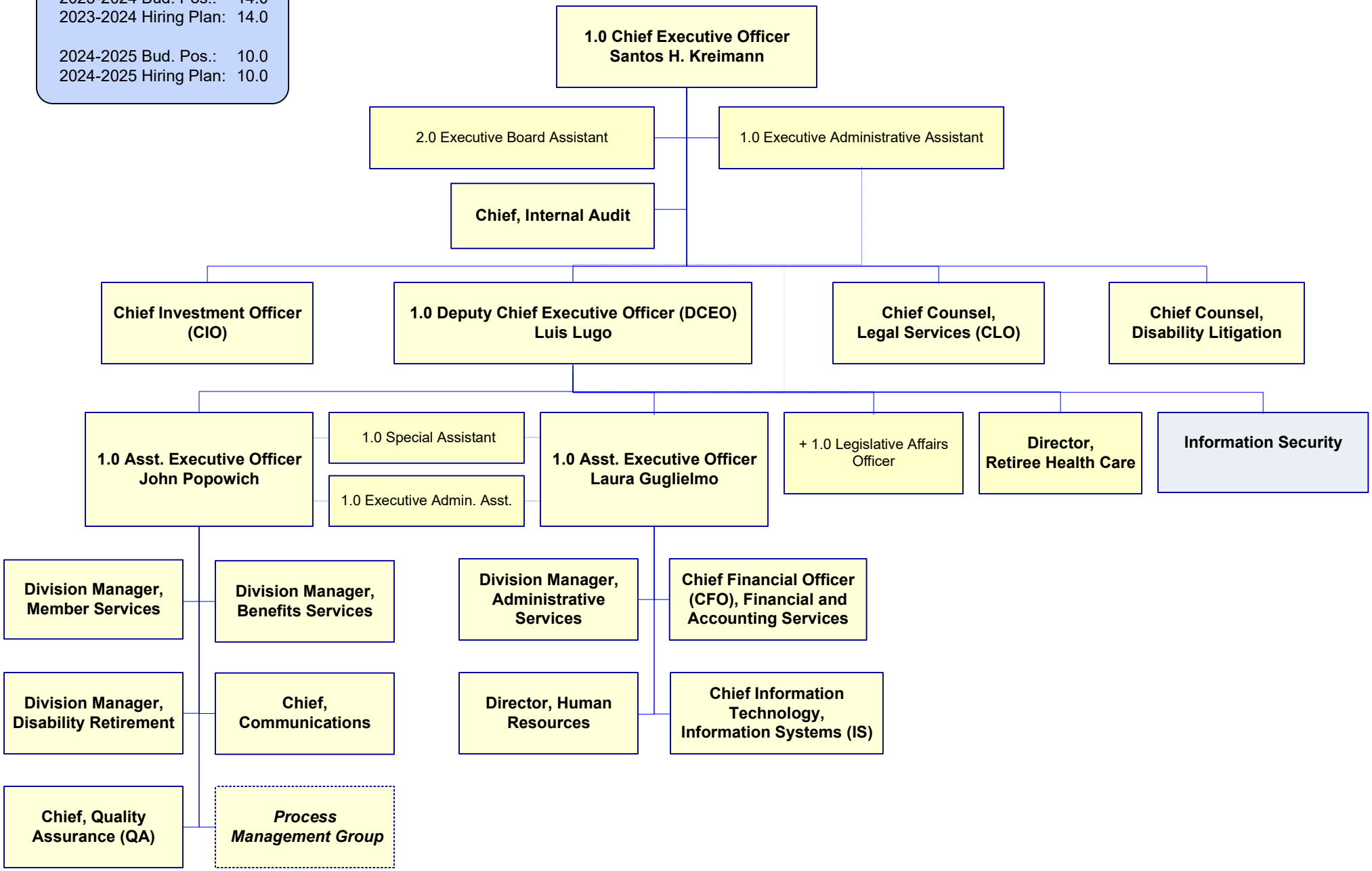
Food and Beverages

An increase of $4,500 reflects the anticipated rate of expenditures.

EXECUTIVE OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	14.0
2023-2024 Hiring Plan:	14.0
2024-2025 Bud. Pos.:	10.0
2024-2025 Hiring Plan:	10.0



+ Added position

Added new division "Process Management Group" (pending)

LACERA

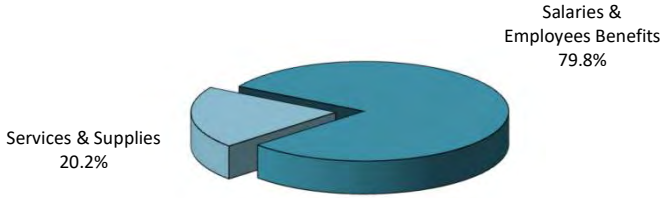
FISCAL YEAR 2024-2025

BUDGET SUMMARY

EXECUTIVE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$3,224,904**	$4,604,614	$2,245,168	$4,371,900	($232,714)	-5.1%	($1,379,710)	-30.0%
Services & Supplies	**814,600**	671,800	177,979	530,300	(141,500)	-21.1%	142,800	21.3%
OPERATING BUDGET	**$4,039,504**	$5,276,414	$2,423,147	$4,902,200	($374,214)	-7.1%	($1,236,910)	-23.4%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$1,818,887**	$2,211,154	$1,014,130	$2,058,700	($152,454)	-6.9%	($392,267)	-17.7%
Total Agency Temp Salaries	**0**	645,200	497,450	825,000	179,800	27.9%	(645,200)	-100.0%
Employee Benefits (Variable)	**1,083,942**	1,418,875	561,226	1,139,600	(279,275)	-19.7%	(334,933)	-23.6%
Employee Benefits (Other)	**140,837**	142,186	84,282	171,100	28,914	20.3%	(1,349)	-0.9%
OPEB Contribution	**72,038**	78,799	40,558	82,400	3,601	4.6%	(6,761)	-8.6%
Stipends	**65,000**	65,000	19,581	39,800	(25,200)	-38.8%	0	0.0%
Overtime	**28,400**	27,600	20,140	40,900	13,300	48.2%	800	2.9%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**1,400**	1,400	0	0	(1,400)	-100.0%	0	0.0%
Transportation Allowance	**14,400**	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$3,224,904**	$4,604,614	$2,245,168	$4,371,900	($232,714)	-5.1%	($1,379,710)	-30.0%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$3,224,904**	$4,604,614	$2,245,168	$4,371,900	($232,714)	-5.1%	($1,379,710)	-30.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

EXECUTIVE OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0776	CHIEF EXECUTIVE OFFICER, LACERA	1	LR20
0770	DEPUTY CHIEF EXECUTIVE OFFICER, LACERA	1	LR18
0792	ASSISTANT EXECUTIVE OFFICER, LACERA (UC)	2	LS16
0795	LEGISLATIVE AFFAIRS OFFICER, LACERA	1	116J
0475	EXECUTIVE BOARD ASSISTANT, LACERA	2	108F
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	2	105C
	Total Filled Positions =	**9**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0775	SPECIAL ASSISTANT, LACERA	1	LS12
	Total Vacant Positions =	**1**	
	TOTAL POSITIONS =	**10**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
AUTO EXPENSE	**$10,500**	$13,000	$3,287	$5,900	($7,100)	-54.6%	($2,500)	-19.2%
TRANSPORTATION & TRAVEL	**68,100**	49,800	6,817	27,000	(22,800)	-45.8%	18,300	36.7%
OFFICE SUPPLIES & EQUIPMENT	**3,000**	3,000	5,468	9,400	6,400	213.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**635,000**	517,000	133,314	421,900	(95,100)	-18.4%	118,000	22.8%
EDUCATIONAL EXPENSES	**83,000**	78,500	22,729	55,000	(23,500)	-29.9%	4,500	5.7%
MISCELLANEOUS	**15,000**	10,500	6,364	11,100	600	5.7%	4,500	42.9%
TOTAL	**$814,600**	$671,800	$177,979	$530,300	($141,500)	-21.1%	$142,800	21.3%

*All amounts rounded to the nearest dollar.

EXECUTIVE OFFICE

BUDGET REQUEST INFORMATION

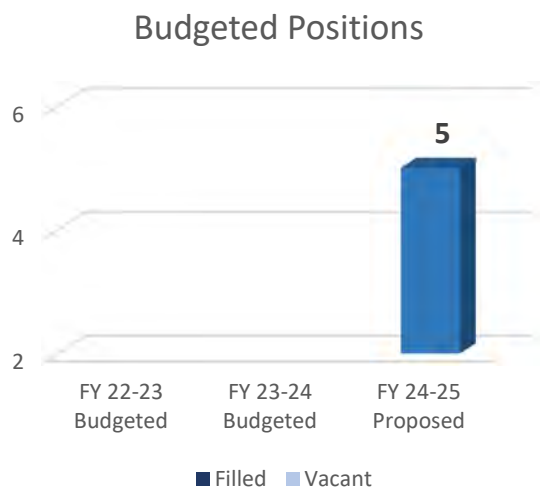
HISTORY OF EXPENDITURES

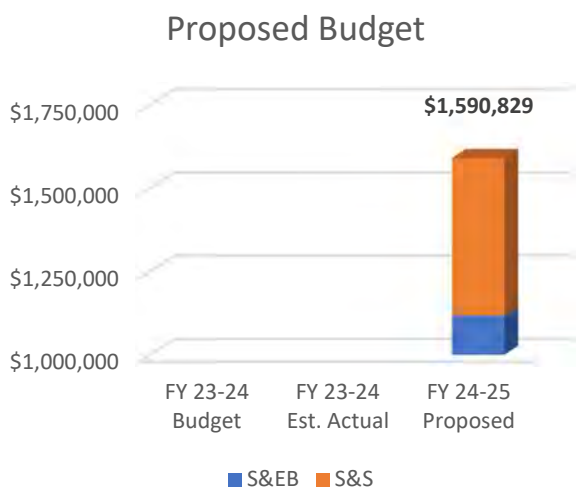
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	1,939,134	1,757,755	$2,211,154	$2,058,700	$1,818,887
Total Agency Temp Salaries	1,129,700	1,077,533	645,200	825,000	0
Employee Benefits (Variable)	1,106,359	953,964	1,418,875	1,139,600	1,083,942
Employee Benefits (Other)	130,567	117,782	142,186	171,100	140,837
OPEB Contribution	69,290	68,847	78,799	82,400	72,038
OPEB Contribution (Budget Surplus)	-	69,290	0	0	0
Stipends	65,000	47,574	65,000	39,800	65,000
Overtime	25,600	17,850	27,600	40,900	28,400
Bilingual Bonus	-	-	0	0	0
Sick Leave Buyback	-	-	0	0	0
Rideshare Allowance	1,400	-	1,400	0	1,400
Transportation Allowance	-	15,600	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expenses	12,300	7,813	13,000	5,900	10,500
Transportation & Travel	22,000	10,093	49,800	27,000	68,100
Office Supplies & Equipment	3,500	782	3,000	9,400	3,000
Professional & Specialized Services	834,800	593,599	517,000	421,900	635,000
Educational Expenses	44,000	44,949	78,500	55,000	83,000
Miscellaneous	10,500	5,301	10,500	11,100	15,000
TOTAL OPERATING BUDGET	**$5,394,151**	**$4,788,732**	**$5,276,414**	**$4,902,200**	**$4,039,504**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Information Security Office (ISO) is responsible for enterprise-wide cyber security, ensuring reasonable controls are in place to allow for both efficient and secure business operations in fulfillment of LACERA's mission. The ISO coordinates with the Systems Division but operates independently and is structurally part of the Executive Office to ensure appropriate checks and balances.





Summary of Significant Changes:

Description	Position Changes	Amount
• E-Discovery Solution	-	$127,500
(Software for Legal Services)	-	
• Penetration Testing	-	$100,000
• Internet Monitoring Services	-	$40,000
• Travel & Training	-	$28,200
• Memberships		$15,000

The budgeted resources for the ISO were embedded in the Executive Office in FY 2023-24. As part of our commitment to transparency, and to highlight the critical importance of LACERA's cybersecurity program, resources dedicated to the ISO are now independently identified in FY 2024-25.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

For this period, the ISO has worked on the following projects and initiatives:

- Establishing the framework of the Information Security Governance Program, with focus on the Written Information Security Program (WISP), formation of the Information Security Committee (ISC), and the GRC solution to support the program
- Evaluating existing technologies to cover the following:
    - Need for various technologies that were not fully implemented
    - Elimination of technologies that are deemed not current and redundant
    - Recommendations for replacement technologies
- Recommending and implementing an eDiscovery solution to facilitate an easier discovery process that is reliable and provides users access to their archive email. A vendor has been chosen for this project.
- Implementing an identity monitoring system.
- Upgrading our Security Operations Center (SOC) to ensure actions are taken to protect LACERA and our members. ITCC has approved this project.
- Hiring permanent staff to replace the temporary staff in ISO.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The ISO's projects have been aligned with LACERA's strategic goals and objectives. The following is a list of objectives and the projects and goals to be achieved:

Superior Member Experience

Objective 1.4: Enhance the Retiree Healthcare Experience. We are in the process of searching for and implementing a tool that provides a secure method for members to log in and, in addition, facilitates authentication for off-grid members.

Innovation Through Technology

Objective 2.1: Implement Enterprise Business-Intelligence. Complete the implementation of the SOC to ensure security is maintained 24/7 and begin implementing automated ways to respond to events and incidents. We will also be investigating replacements of any deprecated technologies.

Investing in People

Objective 3.1: Improve and Simplify Hiring (Fill Vacancies). We will be working on hiring permanent employees and providing everyone on the team the appropriate training and a career path within ISO.

Compliance and Enterprise Risk

Objective 4.1: Develop Enterprise Compliance and Ethics Program. We will be working to mature the Information Security Program and to implement the IT GRC solution as part of the GRC program.

Fiscal Durability

Objective 5.1: Develop Organizational Tools and Controls to Support Fiscal Responsibility. We will be helping to mature the Vendor Risk Management Program, in coordination with the Vendor Management Team, to ensure that we conduct periodic information security reviews on vendors and fourth party entities that house LACERA's data or are part of our business processes.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Full year funding is provided for four positions within the Information Security Office that were partially funded in FY 2024, with a corresponding reduction in Agency Temporary salaries.

Temporary Staffing

Full-year Agency Temporary funding is provided for one Data Systems Coordinator position within the Information Security Office.

Overtime Needs

The Information Security Office does not anticipate any overtime for FY 2024-25.

Interns

Funding is included in the Human Resources budget for one intern position to work throughout the year in the Information Security Office. The intern will be working on the knowledge management and the implementation of the information security program (IT GRC) projects.

Rehired Retirees

The Information Security Office does anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Information Security Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Travel

Funding totaling $14,000 is provided for the Information Security Office to attend educational and professional conferences. These expenditures are in alignment with LACERA's Strategic Priority 3, Investing in People, ensuring that staff members stay abreast of industry best practices and professional growth.

Security Assessment

Funding totaling $240,000 is provided for the Information Security Office to ensure LACERA's cybersecurity, an increase of $140,000 from the previous year. This funding includes an annual penetration test to be conducted by an external third party ($120,000), regular internal penetration tests ($80,000), and internet monitoring services for Trustees and Executives and to remove any false posts for LACERA ($40,000). These tools are aligned with LACERA's Strategic Priority 4, Enterprise Compliance and Risk Management.

Software Subscriptions

Funding totaling $189,500 is provided for the Information Security Office to better protect LACERA. This amount includes an increase of $127,500 for a new e-discovery solution for Legal Services. These expenditures are in support of LACERA's Strategic Priority 4, Enterprise Compliance and Risk Management.

Memberships

$15,000 is added for new staff in the Information Security Office to participate in the Financial Services Information Sharing and Analysis Center (FS-ISAC), the Center for Internet Security (CIS) and Cloud Security Alliance (CSA). These memberships support LACERA's Strategic Priorities 3 (Investing in People) and 4 (Enterprise Compliance and Risk Management).

Registration Fees

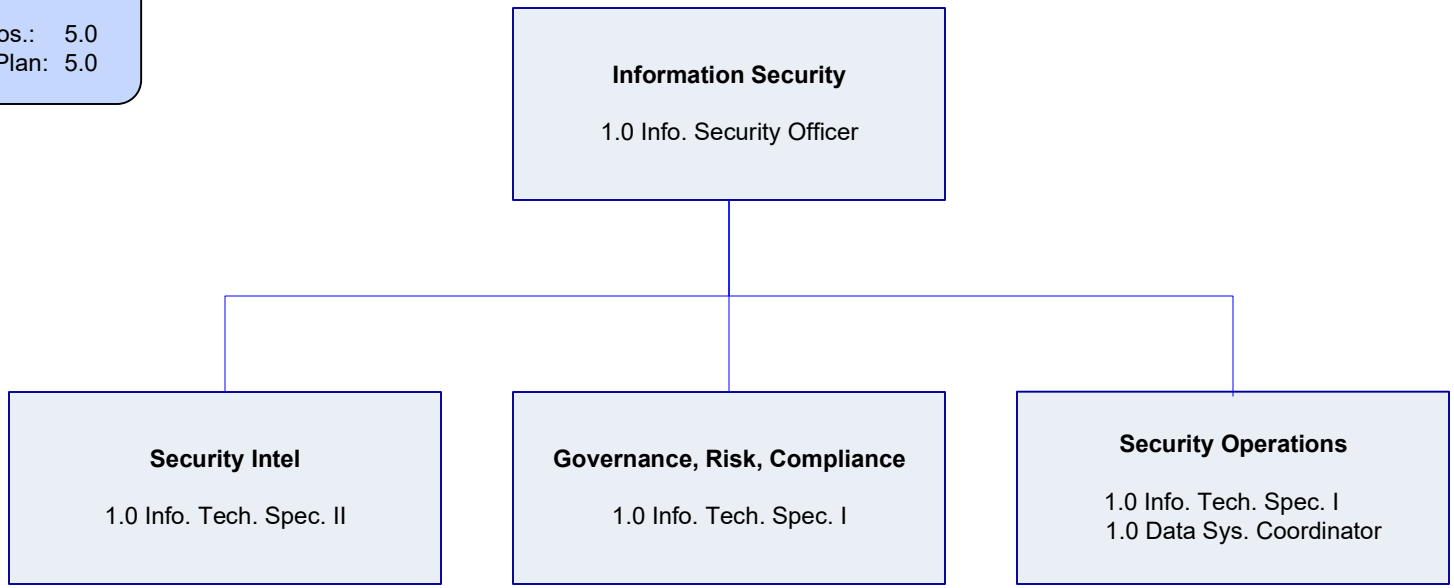
Registration fees totaling $12,000 are provided for professional and educational conferences for the Information Security Office staff. These expenditures support LACERA's Strategic Priority 4, Investing in People.

INFORMATION SECURITY OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 5.0
2023-2024 Hiring Plan: 5.0

2024-2025 Bud. Pos.: 5.0
2024-2025 Hiring Plan: 5.0



LACERA

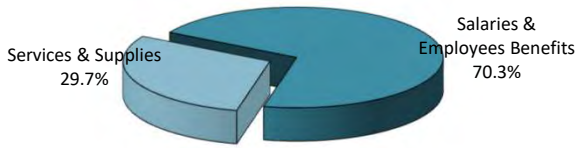
FISCAL YEAR 2024-2025

BUDGET SUMMARY

INFORMATION SECURITY OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$1,118,129**	$0	$0	$0	$0	0.0%	$1,118,129	0.0%
Services & Supplies	**472,700**	0	0	0	0	0.0%	472,700	0.0%
OPERATING BUDGET	**$1,590,829**	$0	$0	$0	$0	0.0%	$1,590,829	0.0%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INFORMATION SECURITY OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$660,598**	$0	$0	$0	$0	0.0%	$660,598	0.0%
Total Agency Temp Salaries	**170,000**	0	0	0	0	0.0%	170,000	0.0%
Employee Benefits (Variable)	**221,113**	0	0	0	0	0.0%	221,113	0.0%
Employee Benefits (Other)	**40,255**	0	0	0	0	0.0%	40,255	0.0%
OPEB Contribution	**26,163**	0	0	0	0	0.0%	26,163	0.0%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**0**	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**0**	0	0	0	0	0.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$1,118,129**	$0	$0	$0	$0	0.0%	$1,118,129	0.0%
Less Salary Savings & Differential	**0**	0	-	-	-	-	-	-
TOTAL S&EB	**$1,118,129**	$0	$0	$0	$0	0.0%	$1,118,129	0.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

INFORMATION SECURITY OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0806	INFORMATION SECURITY OFFICER, LACERA	1	LS12
	Total Filled Positions =	**1**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	1	127C
0801	INFORMATION TECHNOLOGY SPECIALIST I, LACERA	2	122A
0469	DATA SYSTEMS COORDINATOR, LACERA	1	114K
	Total Vacant Positions =	**4**	
	TOTAL POSITIONS =	**5**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

INFORMATION SECURITY OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$16,200**	$0	$0	$0	$0	0.0%	$16,200	0.0%
OFFICE SUPPLIES & EQUIPMENT	**0**	0	0	0	0	0.0%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**429,500**	0	0	0	0	0.0%	429,500	0.0%
EDUCATIONAL EXPENSES	**27,000**	0	0	0	0	0.0%	27,000	0.0%
MISCELLANEOUS	**0**	0	0	0	0	0.0%	0	0.0%
TOTAL	**$472,700**	$0	$0	$0	$0	0.0%	$472,700	0.0%

*All amounts rounded to the nearest dollar.

INFORMATION SECURITY OFFICE

BUDGET REQUEST INFORMATION

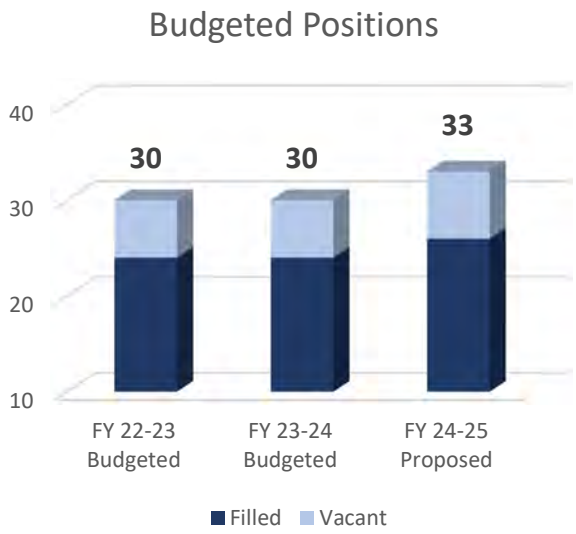
HISTORY OF EXPENDITURES

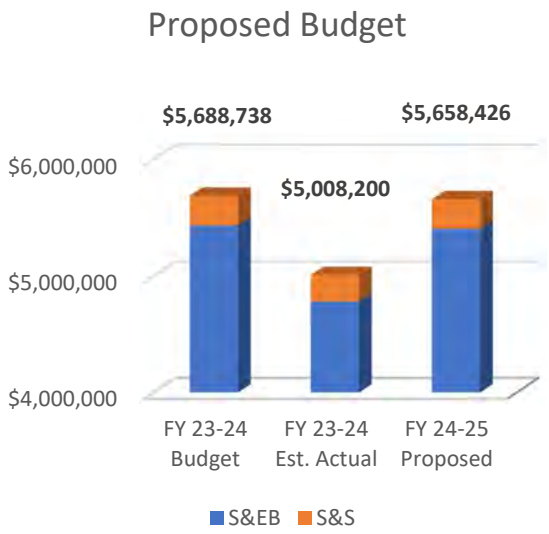
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$0	$0	$0	$0	$660,598
Total Agency Temp Salaries	0	0	0	0	170,000
Employee Benefits (Variable)	0	0	0	0	221,113
Employee Benefits (Other)	0	0	0	0	40,255
OPEB Contribution	0	0	0	0	26,163
OPEB Contribution (Budget Surplus)	0	0	0	0	0
Stipends	0	0	0	0	0
Overtime	0	0	0	0	0
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	0	0	0	0	0
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES	0	0	0	0	
Transportation & Travel	0	0	0	0	16,200
Office Supplies & Equipment	0	0	0	0	0
Professional & Specialized Services	0	0	0	0	429,500
Educational Expenses	0	0	0	0	27,000
Miscellaneous	0	0	0	0	0
TOTAL OPERATING BUDGET	**$0**	**$0**	**$0**	**$0**	**$1,590,829**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Financial and Accounting Services Division (FASD) is responsible for conducting LACERA's general and investment financial transactions, financial reporting, and coordinating actuarial consulting and reporting in compliance with regulatory and statutory mandates. FASD's guardianship of LACERA's assets and timely, accurate financial reporting supports LACERA's mission and values.





Summary of Significant Changes:

Description	Position Changes	Amount
• Add Accountant, LACERA positions	3	$207,226

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

FASD provides accounting and financial services to the organization through our General ("business") Accounting and Investment Accounting sections. Our significant objectives are to complete financial transactions, prepare annual financial statements, and deliver financial and actuarial reports in accordance with statutory deadlines. We also conduct and participate with other divisions in completing strategic initiatives and special projects. The following is a status of non-routine projects that have been completed or are in-progress and expected to be completed during FY 2023-24.

- **Accounts Payable (AP) Policy***:* The AP Policy was completed in the summer of 2023, in conjunction with Administrative Services to address a low-risk audit finding identified by Internal Audit.

- **Automated Accounts Payable Software Implementation***:* FASD partnered with the Systems and Administrative Services divisions to implement the Certify AP automated accounts payable software tool, updating our process to provide a paperless workflow, online approvals, and electronic payments to vendors.

- **Vendor Management System Software Implementation***:* FASD participated with the Systems and Administrative Services Divisions to implement the Cobblestone contract management system software tool. It will also be used as LACERA's vendor management system and will transmit vendor data to the general ledger.

- **Actuarial Consulting and Auditing Services RFP***:* FASD partnered with Internal Audit and the Investments Office on the Request for Proposal (RFP) for LACERA's actuarial consultant and actuarial auditor relationships. Staff is conducting the review and selection process, which is scheduled to be completed by end of the fiscal year.

- **Retiree Healthcare Lifetime Maximum Benefit***:* FASD partnered with the Executive Office, Retiree Healthcare Division, and Los Angeles County Chief Executive Office to determine approaches to eliminate the Lifetime Maximum Benefit (LMB) from the LACERA retiree healthcare medical insurance plans. The regularly held discussions involve external legal counsel and actuarial consultants, and consider several possible outcomes that will require implementation in the upcoming fiscal years.

- **OPEB Trust Investment Structure Changes***:* The Board of Investments approved a recommendation to invest OPEB Trust portfolio assets into private markets, which are mainly composed of private equity, hedge funds, and private real estate asset classes. FASD partnered with the Investments Office and State Street Bank to modify the OPEB Trust investment structure. LACERA invested and reported private equity and real assets investments on the OPEB Trust's September 2023 financial statements as part of the implementation process.

The following is a status of routine annual projects that have been completed or are in-progress during the FY 2023-24.

Routine Annual Projects (required by law or accounting standards)	**Completed / Anticipated**
▪ 2023 Annual Audit and Financial Statements	October 2023
▪ 2023 Financial Reports o Annual Comprehensive Financial Report (ACFR) o Popular Annual Financial Report (PAFR)	December 2023
▪ 2023 Pension Valuation Report	December 2023
▪ 2023 GASB 68 Pension, Employer Financial Statement Reporting	March 2024
▪ 2023 OPEB Trust, Employer Statement of Fiduciary Net Position	March 2024
▪ 2024 Employer and Employee Contribution Rate Implementation	May 2024
▪ 2023 GASB 75 OPEB, Employer Financial Statement Reporting	June 2024
▪ 2024 Pension Risk Assessment Report	June 2024
▪ 2023 OPEB Valuation Report	August 2024
▪ 2023 Regulatory Reports, federal and state	Quarterly and Calendar Year-End

FY 24-2025 STRATEGIC GOALS AND OBJECTIVES

Project Goals and Objectives

In addition to FASD's required annual projects referenced above, the non-routine projects listed below align with LACERA's Strategic Priority 5: Fiscal Durability, to exercise care and prudence in managing our resources and fund assets.

Strategic Plan Objective 5.2 says that LACERA will implement and support the LACERA Investments Office in achieving the BOI's Strategic Plan goals. Consistent with this objective, FASD will partner with the Investments Office in revising two Board policies by summer 2024:

- LACERA's Retirement Benefit Funding Policy (Funding Policy)
- Interest Crediting Policy

FASD will also continue to support LACERA's custodian bank, State Street Bank, in the transition of their wire transfer systems from Cash Manager to the eCash Flow Module.

Objective 5.1 also states that LACERA will develop organizational tools to support enterprise-wide fiscal responsibility. FASD, as part of a cross-functional team, will begin working on establishing the requirements for identifying and implementing a new Enterprise Resource Plan (ERP) system that aligns with this objective, as a new software

tool can be used to better manage several different processes, including accounting and human resources.

A summary of all non-routine projects is outlined below:

Non-Routine Projects	Anticipated
▪ Retirement Benefit Funding Policy	Summer 2024
▪ Member Debit Card Program	December 2024
▪ Retiree Healthcare Lifetime Maximum Benefit	Ongoing
▪ State Street Bank, Cash Manager to eCash Flow Module	Ongoing
▪ Enterprise Resource Planning (ERP) Tool, Preliminary Assessment	TBD

Training Goals and Objectives

Budgeted funds allocated to staff training and development align with LACERA's Strategic Priority 3: Investing in People, to recruit, motivate, hire, and retain a highly engaged and skilled workforce. LACERA is committed to providing staff with training to meet the requirements for those with certifications and to enhance the skills and knowledge of staff.

FASD managers and supervisors continuously evaluate and define staff training needs. Currently, 27 percent of FASD staff members hold a Certified Public Accountant (CPA) license. CPAs must attend qualifying training courses to meet the California State Board of Accountancy continuing professional education (CPE) reporting requirements of 20 to 40 hours every year.

All other staff are encouraged to obtain at least 10 hours of accounting-related training annually to keep current with changes in the accounting profession. Staff may attend relevant courses that cover topics such as: pension funding financial reporting, Governmental Accounting Standards Board (GASB) pronouncements, government accounting, other financial accounting courses, or ethics and fraud topics. In addition, FASD requires new and recently promoted staff members to attend the required training.

LACERA offers staff a variety of training resources, including webinars and online workshops; one or multiday in-person local conferences; and some educational and networking conferences that require travel outside of the Los Angeles area.

FASD leverages training and registration funding provided for represented staff via the negotiated Memorandum of Understanding (MOU). We are maintaining a budget of $7,000 for training and registration, which includes funding for a CPA review course (including materials) for one staff member who is studying for the CPA exam.

In addition, FASD is requesting $26,000 for travel-related expenses (air fare, hotel, ground transportation, and per diem) so staff can attend offsite conferences and networking events throughout the country, a decrease of $300 from FY 2023-24.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

We are requesting three new Accountant positions be added to FASD's organizational structure in the General Accounting Section, increasing our total budgeted positions from 30 to 33, at an estimated salary cost of $207,226 annually.

Reporting and Compliance Unit (RCU)
We are requesting to add one additional Accountant position to the Reporting and Compliance Unit. This new position will provide the Unit with an additional staff member to:

- Support building the internal compliance functions of the Unit,
- Be responsible for FASD's role in supporting the Legal Office Ethics and Compliance Officer and the enterprise-wide Ethics and Compliance Program,
- Coordinate and implement any changes to the Retiree Healthcare Program that the County of Los Angeles is currently considering, and
- Assist in implementing new GASB Statement No. 101, *Compensated Absences,* effective for LACERA's June 30, 2025 financial statements.

The RCU is responsible for completing recurring financial statement and actuarial reporting projects that demand year-round management. The RCU also assists FASD management and the Executive Office on various ad-hoc requests and special projects. These tasks have demanded the RCU's current resources, and new compliance and policy development functions have not yet been fully developed. This additional position will help expand the role of the unit.

Reconciliation Unit
We are requesting to add one additional Accountant position to the Reconciliation Unit. This new position will provide a staff member dedicated to the payment recovery duties and overpayment monitoring functions, which were included in the previous structure but changed due to FASD's focus on actuarial consulting assignments.

Overpayment cases have increased 312 percent from about 450 to 1,400 over the last decade and, correspondingly, the Reconciliation Unit's daily accounting activities have increased 225 percent over the last two decades.

The additional Accountant position requested for the Reconciliation Unit will focus on the core and potential additional duties of the Unit, which include:

- Dedicated personnel for payment recovery duties, which will use a new payment recovery monitoring system that will be implemented in the upcoming fiscal year
- Additional responsibilities to seek and recover overpayments, and account for appropriate interest as part of the revised Recovery Policy
- Process future workloads, including support for the Member Prepaid Card Program
- Provide support for the Retiree Healthcare Division for any upcoming plan structure changes to the OPEB Program and OPEB Trust

During FY 2023-24, FASD utilized a temporary staff member, in addition to the staff permanently assigned, to complete the Reconciliation Unit's workload. The unit was able to absorb multiple special projects that involved member check mailing delays and the FiServ data breach with State Street Bank.

Disbursements Unit
We are requesting to add one additional Accountant position to the Disbursements Unit. This new position will allow the unit to balance the workload, provide opportunity to establish succession planning, and provide for process improvement and cross-training over multiple workstreams. By adding this Accountant, staff will be able to analyze different work processes to reallocate amongst a larger team and distribute workloads. The Disbursements Unit has traditionally had a high workload volume, wide scope of work, and conducts processes that are significant to the organization (e.g., payment processing and tax filings). Some processes continue to be done based on legacy methods and procedures.

The new Accountant will provide the capacity for each staff member to work with the Senior Accountant and the Accounting Officer I on special projects to modernize the unit through analyzing workstreams, identifying improvements, and carrying out the implementation. Areas identified for additional focus include:

- Continue supporting member-facing operations by keeping the daily member check printing schedule to expedite benefit payments
- Transitioning the Corporate Credit Card Program from its independent platform to utilize the same workflow and platform as the newly implemented automated AP system
- Improving the travel booking and expense approval and workflow processes, including the implementation of a new system
- Partnering with Systems to link Workspace and the ERP system to transform transactions into accounting feeds
- Supporting the Retiree Healthcare Division and any upcoming changes to the OPEB Program

In FY 2023-24, FASD utilized a temporary staff, in addition to the staff permanently assigned, to assist with the workload of the Disbursements Unit.

LACERA has grown in volume and complexity over the last two decades as shown in the table below. However, our staffing levels have not necessarily increased proportionally:

LACERA	20-Years Ago	Today	Approximate Growth
Fiduciary Net Position (Net Assets)	$26 billion	$77 billion	196%
Membership	141,000	190,000	35%
Operating Budget	$43 million	$135 million	214%
LACERA Staff	250	500	100%
ACFR Pages	96	176	83%
Governmental Accounting Standards Board (GASB) Pronouncements	34	102	200%
OPEB Program Employer Reporting	1	7	700%
General Accounting Section Staff	**11**	**15**	**36%***

*There have been changes to the organizational structure within the General Accounting Section, such as moving existing staff from one unit to another, as well as reassigning one Accountant from the Investment Accounting Section to address a consultant's recommendation. One new budgeted position, Accounting Officer II, has been added to the General Accounting Section in the last 20 years. The new position was then reclassified to an Accountant as recommended in the Classification Study. For this FY 2023-24, we have been using two temporary staff to meet the current workload demands. These temporary staff are assigned to our Reconciliation and Disbursements Unit in addition to our budgeted positions, all of which are currently filled.

Additional staffing will allow us to fill resource gaps and better absorb any additional projects and strategic initiatives. We believe the core accounting and reporting responsibilities of the Division have been taken care of but the administrative and tactical efforts to improve processes can be better addressed.

Temporary Staffing

Over the past three fiscal years, FASD's budget has included eight to 10 temporary staff positions to help with chronic vacancies. For FY 2024-25, six temporary positions are requested as follows:

- Three at the Accountant level, in the General Accounting Section
- Two at the Accountant level in the Investment Accounting Section
- One Senior Administrative Assistant

Although vacancies levels have been reduced dramatically, we currently have four vacant staff positions filled with temporary staff. Upon Board of Supervisors approval of the Classification Study, estimated in April 2024, Human Resources will need to open a series of exams to for the newly created classifications. The temporary staff requested are needed to complete the current workload assigned to vacant positions until these exams can be completed and permanent staffing placed. The new classification of Investment Accountant is expected to help attract staff with the required experience for these more specialized and technical positions. Once filled, we expect to reduce the use of temporary staff further, while maintaining some flexibility to account for unanticipated staff attrition.

Overtime Needs

The overtime budget of $62,800 reflects a decrease of $1,900 due to improved staffing levels and operational efficiency.

Overtime is used every year to manage the additional workload related to the annual financial statement preparation and external audit process, which is the basis for preparing LACERA's Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR). In addition, staff incur overtime when preparing memos and materials to meet Board deadlines for presenting actuarial and financial reports. The overtime budget also allows for additional workload due to unforeseen special projects.

Interns

FASD does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

FASD does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

FASD has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

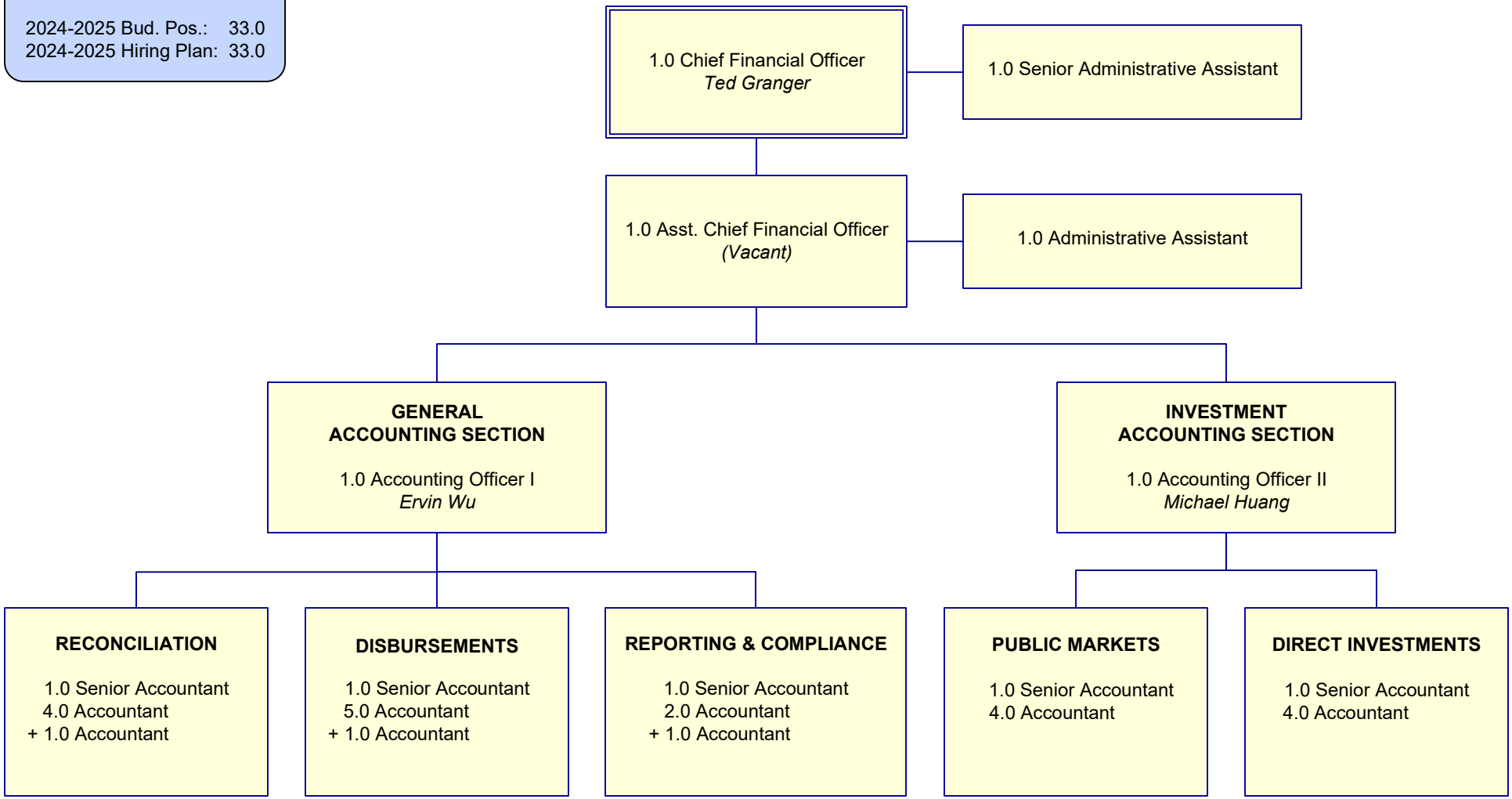
For FY 2024-25, there are no significant changes to the FASD services and supplies budget. The budget remains status quo with only a slight decrease in travel to reflect the anticipated cost for staff travel for training.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 30.0
2023-2024 Hiring Plan: 30.0

2024-2025 Bud. Pos.: 33.0
2024-2025 Hiring Plan: 33.0



+ Added position
* Classification study for all Accounting positions finalized and approved by LACERA Board of Retirement on 12/7/22 and Board of Investments on 12/14/22 (Pending Board of Supervisors' approval).

LACERA

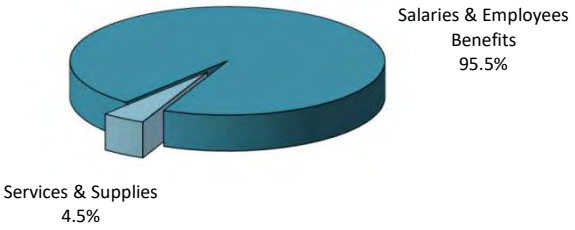
FISCAL YEAR 2024-2025

BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$5,405,426**	$5,435,438	$2,405,152	$4,781,400	($654,038)	-12.0%	($30,012)	-0.6%
Services & Supplies	**253,000**	253,300	128,924	226,800	(26,500)	-10.5%	(300)	-0.1%
OPERATING BUDGET	**$5,658,426**	$5,688,738	$2,534,075	$5,008,200	($680,538)	-12.0%	($30,312)	-0.5%

2024 -2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$3,017,068**	$2,752,536	$1,300,481	$2,640,000	($112,536)	-4.1%	$264,532	9.6%
Total Agency Temp Salaries	**482,500**	776,700	297,706	510,400	(266,300)	-34.3%	(294,200)	-37.9%
Employee Benefits (Variable)	**1,527,291**	1,547,804	641,947	1,303,500	(244,304)	-15.8%	(20,513)	-1.3%
Employee Benefits (Other)	**179,562**	176,424	70,460	143,100	(33,324)	-18.9%	3,138	1.8%
OPEB Contribution	**116,704**	97,774	50,325	102,200	4,426	4.5%	18,930	19.4%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**62,800**	64,700	36,777	74,700	10,000	15.5%	(1,900)	-2.9%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**12,000**	12,000	7,455	7,500	(4,500)	-37.5%	0	0.0%
Rideshare Allowance	**7,500**	7,500	0	0	(7,500)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$5,405,426**	$5,435,438	$2,405,152	$4,781,400	($654,038)	-12.0%	($30,012)	-0.6%
Salary Differential	**-**	-	-	-	-	-	-	-
TOTAL S&EB	**$5,405,426**	$5,435,438	$2,405,152	$4,781,400	($654,038)	-12.0%	($30,012)	-0.6%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

FINANCIAL AND ACCOUNTING SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0800	CHIEF FINANCIAL OFFICER, LACERA	1	LS12
0418	ACCOUNTING OFFICER II, LACERA	1	108L
0417	ACCOUNTING OFFICER I, LACERA	1	105D
0416	SENIOR ACCOUNTANT, LACERA	5	100K
0415	ACCOUNTANT, LACERA	17	096H
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	087K
	Total Filled Positions =	26	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0799	ASSISTANT CHIEF FINANCIAL OFFICER, LACERA	1	LS10
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
0415	ACCOUNTANT, LACERA	5	096H
	Total Vacant Positions =	7	

TOTAL POSITIONS = 33

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$29,000**	$29,300	$5,912	$14,500	($14,800)	-50.5%	($300)	-1.0%
OFFICE SUPPLIES & EQUIPMENT	**6,000**	6,000	451	800	(5,200)	-86.7%	0	0.0%
BANK SERVICES	**200,000**	200,000	114,271	195,900	(4,100)	-2.1%	0	0.0%
EDUCATIONAL EXPENSES	**16,000**	16,000	8,040	13,600	(2,400)	-15.0%	0	0.0%
MISCELLANEOUS	**2,000**	2,000	250	2,000	0	0.0%	0	0.0%
TOTAL	**$253,000**	**$253,300**	**$128,924**	**$226,800**	**($26,500)**	**-10.5%**	**($300)**	**-0.1%**

*All amounts rounded to the nearest dollar.

FINANCIAL AND ACCOUNTING SERVICES

BUDGET REQUEST INFORMATION

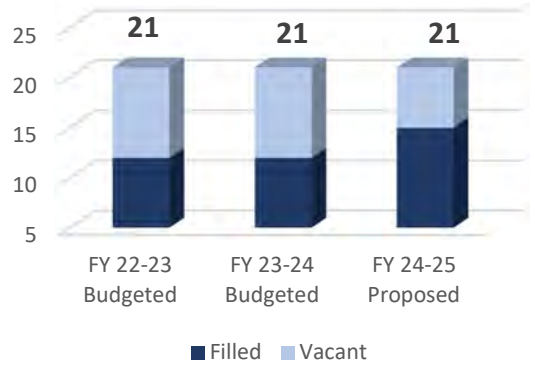
HISTORY OF EXPENDITURES

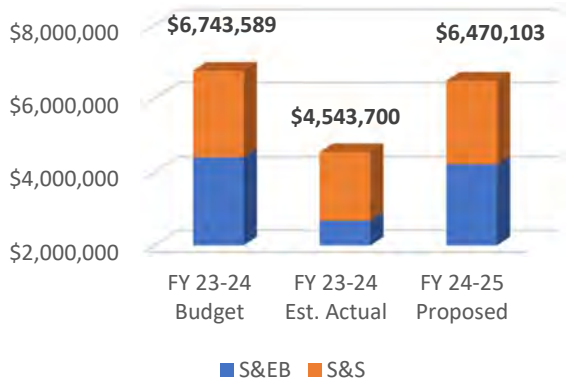
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$2,220,717	$2,113,087	$2,752,536	$2,640,000	$3,017,068
Total Agency Temp Salaries	778,100	485,257	776,700	510,400	482,500
Employee Benefits (Variable)	1,366,535	1,077,192	1,547,804	1,303,500	1,527,291
Employee Benefits (Other)	148,317	135,473	176,424	143,100	179,562
OPEB Contribution	78,710	78,207	97,774	102,200	116,704
OPEB Contribution (Budget Surplus)	0	78,710	0	0	0
Stipends	0	0	0	0	0
Overtime	65,300	45,783	64,700	74,700	62,800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	6,200	12,000	7,500	12,000
Rideshare Allowance	7,500	80	7,500	0	7,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	21,800	7,473	29,300	14,500	29,000
Office Supplies & Equipment	5,000	2,338	6,000	800	6,000
Bank Services	200,500	177,789	200,000	195,900	200,000
Educational Expenses	19,000	10,205	16,000	13,600	16,000
Miscellaneous	3,000	0	2,000	2,000	2,000
TOTAL OPERATING BUDGET	**$4,926,478**	**$4,217,794**	**$5,688,738**	**$5,008,200**	**$5,658,426**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Human Resources (HR) Division is responsible for providing high quality human resource programs and services to all LACERA employees, supervisors, and managers consistent with LACERA's values of accountability, collaboration, inclusivity, innovation, integrity, and transparency. Our work includes recruitment, selection, performance and workforce management, classification, compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, workplace investigations, workers' compensation, career planning and development, leave management, and disability compliance management.





Summary of Significant Changes:

Description	Position Changes	Amount
• Agency Temporary		($88,500)
• Organizational Programs		($150,000)
• Departmental Training		$170,000
• Computer Services and Support		$100,000
• Recruitment		($215,000)
• Security Services – Sheriff transferred to Administrative Services		($16,000)

The Impact Team was carved out in the Human Resources organizational chart using existing positions. The two-Analyst group is tasked with special projects, administering organization-wide policy-based programs, expediting special requests, and assisting with the execution of the strategic plan. Since these duties don't clearly fall within the other established units, the Impact Team stands alone.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

HR continues to work toward decreasing the 20 percent vacancy rate by facilitating the hiring of new staff members. From July 2023 to March 2024, the division promulgated 16 eligible lists/registers. In that same period, there were 27 hiring actions—11 promotions and 16 new hires. By executing the hiring plan, HR directly supports all divisions in decreasing their individual vacancy rates. Additionally, the hiring and promotion of staff members supports the "Investing in People" strategic priority goal. These accomplishments directly support LACERA's goal to "attract, motivate, hire, and retain a highly engaged and skilled workforce."

In response to LACERA's approved strategic plan, HR staff members completed virtual and in-person professional development focused on job analysis methodology, labor relations, compensation strategies, workforce development, and culture-improving programs.

This year HR facilitated the implementation of two outstanding classification studies for the Document Processing, Staff Assistant, and Disability Retirement classification families. With the implementation of these the classification study recommendations, LACERA has no pending classification studies outstanding.

HR completed two projects led by the Systems Division Project Management Office. HR completed scanning personnel records for LACERA's out-of-service and active staff members in December 2023 and implemented the HR Service Delivery Model in Service Now in October 2023. Through the end of FY 2023-24, HR will expand the use of its current systems to improve and simplify the hiring and onboarding processes, attract competitive candidates, and provide an improved applicant experience. These items are part of the strategic plan Objective 3.3 workplan.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The budget reflects a proposed increase for HR staff members to travel to and attend in-person professional development. New and existing staff members will need to complete platform-specific training as the division expands the use of platforms that support an enhanced applicant experience, more streamlined performance management, and new-hire onboarding. New staff members may also need to refresh skills to maximize

performance and impact at LACERA. There is a foundational list of training for staff members in each of HR's three units that new staff members must complete within the first year of hire, and existing staff members may need to take as a refresher. The increase related to professional development is reflected in the Registration Fees budget.

During the next fiscal year HR will implement various strategies, systems/platform, and programs in support of strategic plan's Objective 3.3. We are calling this an *improved candidate experience* consistent with the language used in the "Superior Member Experience" strategic priority goal related to an improved member experience and retiree healthcare experience. Specific revisions and improvements will be made to the processes that occur from the time a division wants to fill a vacancy through the end of a new staff member's probationary period.

In addition to the workplan related to Objective 3.3, during FY 23-2024 HR will begin to execute the workplan associated with Objective 3.2, related to training and development programs. Although the workplan will not begin until 2025, we anticipate new programs and initiatives to encourage employee growth and development. As LACERA grows into a $100 billion fund, staff members must also grow. Mentoring, the Leadership Pipeline, professional coaching, supervisory and management educational tracks, and an improved performance evaluation mechanism will support employee growth.

HR efforts that will start in FY 2024 and will continue through FY 2025 include completion and implementation of the Investments job family classification study, Retiree Healthcare classification study, and labor negotiations. Of course, there will also be a sustained effort to continue decreasing the organization's vacancy rate.

Through FY 2025, LACERA will roll out the IDEA initiative—a comprehensive diversity, equity, inclusion, accessibility and belonging (DEIAB) program. For the first time, the education and training related to DEIAB have been added to the HR budget. The training component is part of the implementation of the DEIAB program, as specified in strategic Objective 3.1. The increase related to DEIAB is reflected in the Departmental Training budget.

From July through December 2024, LACERA will be engaged in the collective bargaining process with SEIU to negotiate successor agreements for bargaining units 850 and 851. This is a major undertaking that directly impacts approximately half of LACERA's staff members. As always, the goal is to agree on a clear and fair contract.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of

Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

HR is not requesting any adjustments to permanent staff for FY 2024-25.

Temporary Staffing

HR completed the personnel file scanning project in December 2023 with the use of two Senior Human Resources Assistant temporary staff members. With the completion of the project, the temporary staff is no longer needed. Additionally, HR used an agency temporary staff member to replace a permanent staff member who was on long-term leave. Since the permanent staff member returned to work in December 2023, a replacement is no longer needed. Therefore, there is a decrease in the HR's temporary staffing budget from $139,000 to $50,500. (The FY 2024-25 budget should only include funding for one Sr. HR Assistant for six months.)

Overtime Needs

HR requests overtime funds for overtime-earning staff members. These funds are in anticipation of completing time-sensitive functions related to payroll, assignment processing, onboarding, and tight deadlines for high-priority recruitments.

Interns

Human Resources Division is requesting one Intern to work in the Employee and Organizational Development Unit. The Intern will work on completing remaining work on organization-wide career paths and support Objective 3.2 programs.

The HR budget includes the overall Intern budget. The Intern program is part of LACERA's DEIAB, TIDE, and succession planning programs—all parts of the "Investing In People" strategic priority. LACERA is requesting 15 Interns for use throughout the organization to work on the following special projects:

- Administrative Services: one intern to assist with a comprehensive records management project
- Communications: one intern to outline a specified social media platform rollout
- Information Security Office: one intern to work on knowledge management and the implementation of the security program projects
- Executive Office: one intern to assist with communications projects
- Investment Office: two budgeted interns and two additional interns to assist with performance attribution, market research, and investment analysis
- Legal Office: two law student interns

- Quality Assurance: one intern to assist with data consolidation in association with the annual CEM benchmarking report
- Systems: three interns to assist in Business Solutions, Infrastructure, and Project Management; and projects in workflow automation, the on-site data center, and the data lake
- Retiree Healthcare: one intern to assist in automating quality metrics.

Overall, these projects will provide students with paid, hands-on experience that increases their professional preparedness.

Rehired Retirees

HR is not requesting the use of any retired rehires in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

One-time expenses related to the use of executive recruiters have been removed. A discussion is needed regarding the removal of NeoGov-related expenses from the HR budget to the Systems budget.

Services and Supplies Adjustments

Organization Programs

Organizational Programs is decreasing from $200,000 to $50,000. The $150,000 decrease is due to the expired Fulgent contract.

Department Training

Departmental Training is increasing from $250,000 to $420,000. An anticipated $100,000 increase is due to Executive/Management coaching being paid centrally from HR instead of from the division's budget. Payment for three coaching engagements starting in FY 2024 will be due in FY 2025. Additionally, there is an increase of $70,000 for DEIAB training and consulting services.

Computer Services and Support

Computer Services and Support will now include a consolidated cost of NeoGov (GovernmentJobs.com) services that was previously distributed across the Misc Software Packages and Recruitment budget. This, in addition to other miscellaneous software (e.g., County LMS maintenance and support, Udemy), results in an amount of $150,000.

Recruitment

A Recruitment decrease from $465,000 to $250,000 is in anticipation of moving the costs of NeoGov to Misc Software Packages, as described above. At this time, there are no

anticipated executive recruitment engagements for FY 2024-25, as LACERA HR decreases its reliance on outside recruiters. The budget will be used for advertising and payment for online exams.

Security Services: Sheriff

The Security Services: Sheriff budget has been removed from the HR budget and transferred to the Administrative Services budget.

HUMAN RESOURCES

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	21.0
2023-2024 Hiring Plan:	21.0
2024-2025 Bud. Pos.:	21.0
2024-2025 Hiring Plan:	21.0

IMPACT TEAM

1.0 Sr. Human Resources Analyst
1.0 Human Resources Analyst

1.0 Director, Human Resources
Carly Ntoya

1.0 Sr. Human Resources Assistant

EMPLOYEE & ORGANIZATIONAL DEVELOPMENT

1.0 Training Coordinator
3.0 Human Resources Analyst

1.0 Asst. Director, Human Resources
Annette Cleary

DISABILITY COMPLIANCE/PAYROLL

1.0 Sr. Human Resources Analyst
2.0 Human Resources Analyst
1.0 Sr. Human Resources Assistant

TALENT ACQUISITION AND MANAGEMENT

4.0 Sr. Human Resources Analyst
4.0 Human Resources Analyst

LACERA

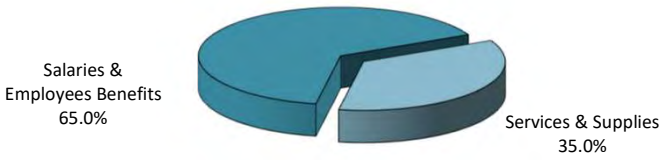
FISCAL YEAR 2024-2025

BUDGET SUMMARY

HUMAN RESOURCES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$4,206,103**	$4,403,989	$1,374,759	$2,674,000	($1,729,989)	-39.3%	($197,886)	-4.5%
Services & Supplies	**2,264,000**	2,339,600	921,732	1,869,700	(469,900)	-20.1%	(75,600)	-3.2%
OPERATING BUDGET	**$6,470,103**	$6,743,589	$2,296,491	$4,543,700	($2,199,889)	-32.6%	($273,486)	-4.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$2,267,708**	$2,200,574	$692,452	$1,405,700	($794,874)	-36.1%	$67,134	3.1%
Total Agency Temp Salaries	**50,500**	139,000	122,900	140,000	1,000	0.7%	(88,500)	-63.7%
LACERA Intern Program	**336,000**	288,000	6,016	12,300	(275,700)	-95.7%	48,000	16.7%
Employee Benefits (Variable)	**1,315,694**	1,550,802	445,329	904,500	(646,302)	-41.7%	(235,108)	-15.2%
Employee Benefits (Other)	**138,187**	141,046	56,011	113,800	(27,246)	-19.3%	(2,859)	-2.0%
OPEB Contribution	**89,813**	78,167	40,233	81,700	3,533	4.5%	11,646	14.9%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**6,500**	4,700	11,817	16,000	11,300	240.4%	1,800	38.3%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**1,700**	1,700	0	0	(1,700)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$4,206,103**	$4,403,989	$1,374,759	$2,674,000	($1,729,989)	-39.3%	($197,886)	-4.5%
Salary Differential	**-**	-	-	-	-	-	-	-
TOTAL S&EB	**$4,206,103**	$4,403,989	$1,374,759	$2,674,000	($1,729,989)	-39.3%	($197,886)	-4.5%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

HUMAN RESOURCES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0425	DIRECTOR, HUMAN RESOURCES, LACERA	1	LS12
0437	ASSISTANT DIRECTOR, HUMAN RESOURCES, LACERA	1	LS10
0436	SENIOR HUMAN RESOURCES ANALYST, LACERA	5	106F
1886	TRAINING COORDINATOR, LACERA	1	106E
0434	HUMAN RESOURCES ANALYST, LACERA	5	102F
0435	SENIOR HUMAN RESOURCES ASSISTANT, LACERA	2	095H
	Total Filled Positions =	**15**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0435	SENIOR HUMAN RESOURCES ANALYST, LACERA	1	106F
0436	HUMAN RESOURCES ANALYST, LACERA	5	102F
	Total Vacant Positions =	**6**	
	TOTAL POSITIONS =	**21**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$16,200**	$10,800	$943	$5,500	($5,300)	-49.1%	$5,400	50.0%
OFFICE SUPPLIES & EQUIPMENT	**3,000**	3,000	659	3,000	0	0.0%	0	0.0%
PARKING FEES	**517,000**	482,000	308,897	529,600	47,600	9.9%	35,000	7.3%
PROFESSIONAL & SPEC. SRVCS.	**577,300**	788,300	174,278	426,100	(362,200)	-45.9%	(211,000)	-26.8%
COMPUTER SERVICES & SUPPORT	**150,000**	50,000	9,718	25,000	(25,000)	-50.0%	100,000	200.0%
EDUCATIONAL EXPENSES	**719,000**	509,000	89,429	307,000	(202,000)	-39.7%	210,000	41.3%
MISCELLANEOUS	**281,500**	496,500	337,807	573,500	77,000	15.5%	(215,000)	-43.3%
TOTAL	**$2,264,000**	$2,339,600	$921,732	$1,869,700	($469,900)	-20.1%	($75,600)	-3.2%

*All amounts rounded to the nearest dollar.

HUMAN RESOURCES

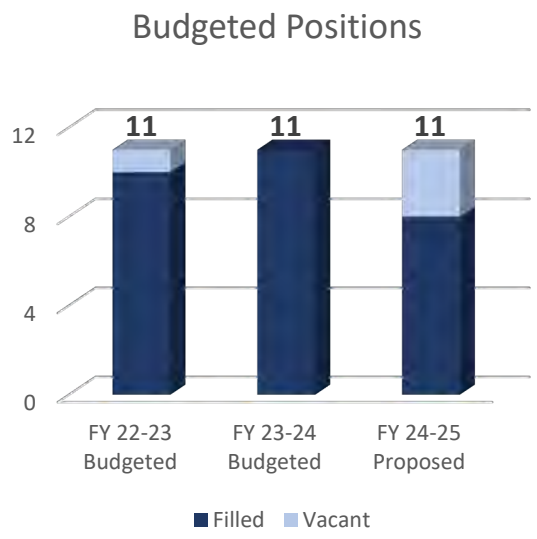
BUDGET REQUEST INFORMATION

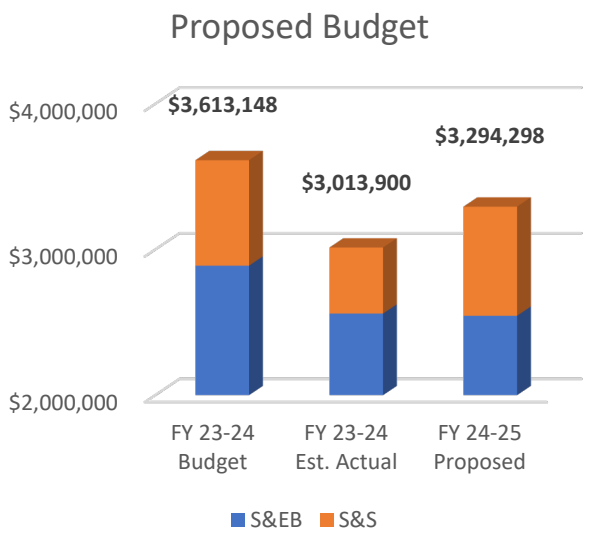
HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$1,797,569	$1,268,276	$2,200,574	$1,405,700	$2,267,708
Total Agency Temp Salaries	144,300	137,617	139,000	140,000	50,500
LACERA Intern Program	288,000	7,646	288,000	12,300	336,000
Employee Benefits (Variable)	1,199,476	784,243	1,550,802	904,500	1,315,694
Employee Benefits (Other)	123,142	111,084	141,046	113,800	138,187
OPEB Contribution	65,350	64,932	78,167	81,700	89,813
OPEB Contribution (Budget Surplus)	0	65,350	0	0	0
Stipends	0	0	0	0	0
Overtime	3,800	18,840	4,700	16,000	6,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,700	0	1,700	0	1,700
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	9,400	6,021	10,800	5,500	16,200
Office Supplies & Equipment	7,000	3,533	3,000	3,000	3,000
Parking Fees	437,000	456,055	482,000	529,600	517,000
Professional & Specialized Services	675,800	329,238	788,300	426,100	577,300
Computer Services & Support	55,000	75,175	50,000	25,000	150,000
Educational Expenses	509,000	96,019	509,000	307,000	719,000
Miscellaneous	523,000	474,245	496,500	573,500	281,500
TOTAL OPERATING BUDGET	**$5,839,537**	**$3,898,275**	**$6,743,589**	**$4,543,700**	**$6,470,103**

*All amounts rounded to the nearest dollar.

The Internal Audit (IA) Division enhances and protects LACERA's values by providing independent risk-based and objective assurance, consulting, and advisory services designed to add value and improve LACERA's operations. Internal Audit helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. Work is performed in conformance with the Institute of Internal Auditors (IIA) standards. Internal Audit communicates engagement results, findings, and recommendations regularly to the Audit Committee of the Boards.





Summary of Significant Changes

Description	Position Changes	Amount
• Audit Committee Consultant		$25,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Completion of the 2023-24 fiscal year Audit Plan, including the following significant engagements:

- Consulting on Records and Information (RIM)
- Consulting on Internal Controls over Financial Reporting – Cash and Treasury
- Audit of Replacement Benefit Plan (415(b))
- Audit of Procurement of Goods
- Review of One Meeting
- Consulting on Organizational Culture
- Collaborated with the Investments Office on the RFP for the actuarial consultant and auditor
- Collaborated with various stakeholders across the organization on the RFP for organizational governance software
- Obtained IIA COSO Enterprise Risk Management (ERM) Certificate for CAE and Principals

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

1. **Develop Internal Audit's Strategic Plan,** which will align with LACERA's overall strategic plan
2. **Complete the FY 2024-25 Audit Plan,** which will align with LACERA's overall strategic plan
3. **Fill vacancies,** aligned with the Investing in People strategic priority. It is essential that Internal Audit's vacancies are filled so that we can address our strategic goals and objectives.
4. **Complete Training and Development requirements,** aligned with the Investing in People strategic priority, which is budgeted against our Education Expenses. Internal Audit requires each staff member to obtain 40 continuing education hours per fiscal year. Internal Audit will use the IIA's Competency Framework to assess each staff member's competencies and divisional competencies, which will determine specific training during the year.
5. **Develop the foundation for Compliance and Enterprise Risk Management (ERM)**

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of

Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There are currently eleven budgeted full-time positions in Internal Audit. No additional staff positions are requested currently.

Temporary Staffing

Internal Audit plans to fill all open budget positions. If unsuccessful by the second quarter of the fiscal year, we will consider adding a budget for temporary staffing through the mid-year budget process.

Overtime Needs

Internal Audit requested 40 hours each of overtime for the Senior Administrative Assistant and Internal Auditor positions. The overtime is necessary for the timely completion of Audit Committee meeting materials.

Interns

Internal Audit does not anticipate any use of interns in FY 2024-25.

Rehired Retirees

Internal Audit does not anticipate any use of rehired retirees in FY 2024-25.

If there are remaining vacancies, Internal Audit will consider this option.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Internal Audit does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

Audit Committee Consultant

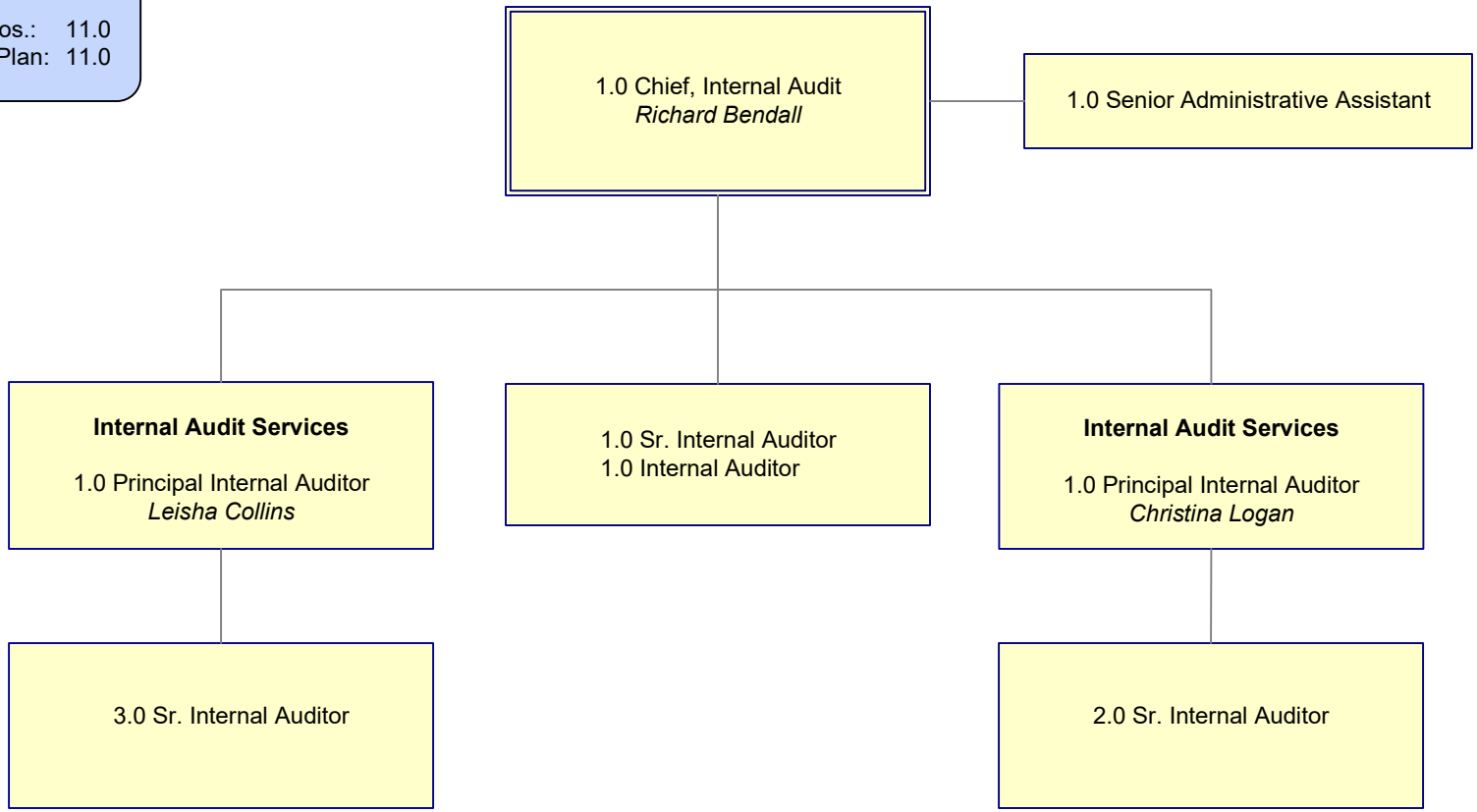
Internal Audit is requesting an additional $25,000 for the Audit Committee consultant, for a total of $50,000. Staff anticipates expanding the use of the consultant based on additional expertise in compliance and enterprise risk management.

INTERNAL AUDIT

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 11.0
2023-2024 Hiring Plan: 11.0

2024-2025 Bud. Pos.: 11.0
2024-2025 Hiring Plan: 11.0



LACERA

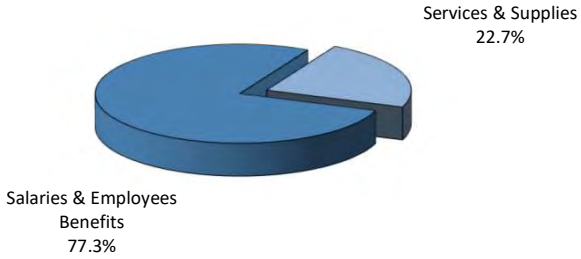
FISCAL YEAR 2024-2025

BUDGET SUMMARY

INTERNAL AUDIT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$2,545,098**	$2,888,948	$1,260,877	$2,560,100	($328,848)	-11.4%	($343,850)	-11.9%
Services & Supplies	**749,200**	724,200	257,238	453,800	($270,400)	-37.3%	25,000	3.5%
OPERATING BUDGET	**$3,294,298**	$3,613,148	$1,518,115	$3,013,900	($599,248)	-16.6%	($318,850)	-8.8%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$1,557,081**	$1,652,147	$772,246	$1,567,700	($84,447)	-5.1%	($95,067)	-5.8%
Total Agency Temp Salaries	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**824,465**	1,065,420	416,373	845,600	(219,820)	-20.6%	(240,955)	-22.6%
Employee Benefits (Other)	**94,884**	105,895	42,052	85,400	(20,495)	-19.4%	(11,011)	-10.4%
OPEB Contribution	**61,669**	58,686	30,206	61,400	2,714	4.6%	2,982	5.1%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**5,500**	5,300	0	0	(5,300)	-100.0%	200	3.8%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**1,500**	1,500	0	0	(1,500)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$2,545,098**	$2,888,948	$1,260,877	$2,560,100	($328,848)	-11.4%	($343,850)	-11.9%
Salary Differential	**-**	-	-	-	-	-	-	-
TOTAL S&EB	**$2,545,098**	$2,888,948	$1,260,877	$2,560,100	($328,848)	-11.4%	($343,850)	-11.9%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

INTERNAL AUDIT

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0774	CHIEF, INTERNAL AUDIT, LACERA	1	LS12
0762	PRINCIPAL INTERNAL AUDITOR, LACERA	2	118J
0763	SENIOR INTERNAL AUDITOR, LACERA	4	112F
0439	SENIOR SECRETARY, LACERA	1	094B
	Total Filled Positions =	**8**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0763	SENIOR INTERNAL AUDITOR, LACERA	2	112F
0764	INTERNAL AUDITOR, LACERA	1	106C
	Total Vacant Positions =	**3**	

TOTAL POSITIONS = 11

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$17,000**	$17,000	$6,297	$13,000	($4,000)	-23.5%	$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**1,200**	1,200	129	500	(700)	-58.3%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	**700,000**	675,000	239,528	421,300	(253,700)	-37.6%	25,000	3.7%
EDUCATIONAL EXPENSES	**30,500**	30,500	11,284	18,500	(12,000)	-39.3%	0	0.0%
MISCELLANEOUS	**500**	500	0	500	0	0.0%	0	0.0%
TOTAL	**$749,200**	$724,200	$257,238	$453,800	($270,400)	-37.3%	$25,000	3.5%

*All amounts rounded to the nearest dollar.

INTERNAL AUDIT

BUDGET REQUEST INFORMATION

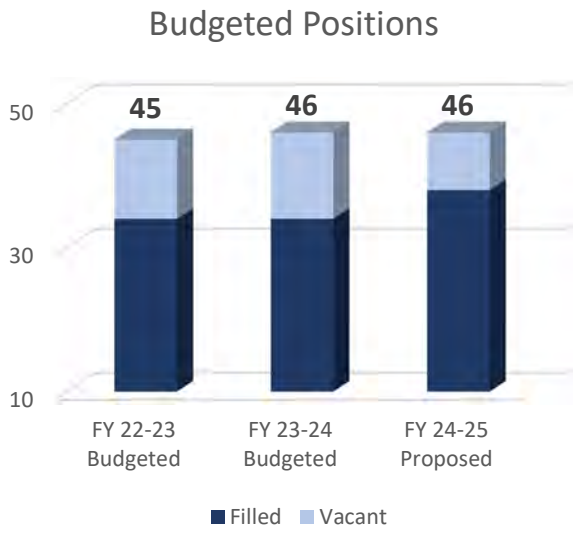
HISTORY OF EXPENDITURES

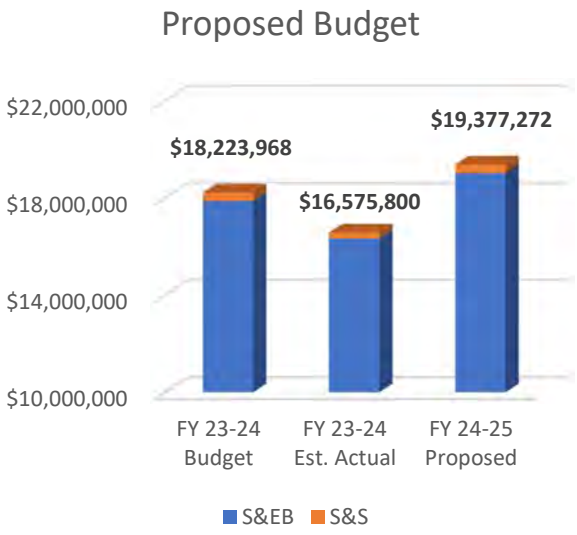
	FYE 2023		FYE 2024		Proposed
	Budget	**Actual**	**Budget**	**Projection**	**Budget**
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$1,590,417	$1,529,699	$1,652,147	$1,567,700	$1,557,081
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,003,252	832,350	1,065,420	845,600	824,465
Employee Benefits (Other)	93,962	84,761	105,895	85,400	94,884
OPEB Contribution	49,864	49,546	58,686	61,400	61,669
OPEB Contribution (Budget Surplus)	0	49,864	0	0	0
Stipends	0	0	0	0	0
Overtime	5,000	928	5,300	0	5,500
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	1,500	0	1,500	0	1,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	17,000	5,759	17,000	13,000	17,000
Office Supplies & Equipment	1,500	388	1,200	500	1,200
Professional & Spec. Srvcs.	675,000	438,980	675,000	421,300	700,000
Educational Expenses	30,500	26,185	30,500	18,500	30,500
Miscellaneous	500	0	500	500	500
TOTAL OPERATING BUDGET	**$3,468,495**	**$3,018,459**	**$3,613,148**	**$3,013,900**	**$3,294,298**

*All amounts rounded to the nearest dollar.

FY 2024-2025 Proposed Budget

The Investments Office is responsible for prudently investing the trust assets to achieve the highest risk-adjusted return in accordance with the policies and decisions of the Board of Investments. This work includes developing and recommending prudent investment policies and risk management strategies to assist LACERA in achieving the return objectives established by the Board of Investments and implementing and monitoring Board-approved programs and policies, while balancing liquidity needs to ensure timely payment of promised benefits to our members.





Summary of Significant Changes

Description	Position Changes	Amount
• Add 1.0 Finance Analyst II	1	$139,772
• Delete 1.0 Finance Analyst I	(1)	($96,588)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

In the 2023-24 fiscal year, the division's major accomplishments included the successful ongoing implementation of LACERA's strategic asset allocation and the advancement of the Board's strategic initiatives. This involved optimizing asset returns through structure reviews, monitoring of investments, and enhanced due diligence on new and existing mandates, including operational due diligence. The division continued to integrate ESG and DEI considerations into its total portfolio approach while managing risks to achieve optimal returns. Key initiatives executed included the implementation of the 2021 strategic asset allocation, enhancement of emerging manager programs, and optimization of the OPEB Master Trust. The division also focused on improving risk and performance reporting, deepening the LACERA T.I.D.E. initiative, and fostering cross-asset category collaboration to strengthen investment knowledge and adapt to the challenging macroeconomic environment. The ongoing and future focus includes enhancing operational capabilities, optimizing the investment model, influencing fees, and improving outcomes through ESG and DEI efforts.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Through the Board of Investment's approved strategic plan, "Towards Best-In-Class Investor 2024 Strategic Initiatives and Work Plan," the Investments Office focuses on five key strategic initiatives to execute on strategic asset allocation:

1) Enhance Operational Effectiveness

2) Optimize Investment Model

3) Maximize Stewardship and Ownership Rights

4) Strengthen Influence on Fees and Cost of Capital

5) Promote T.I.D.E. (Towards Inclusion, Diversity, and Equity)

These initiatives aim to improve investment outcomes through careful asset allocation, risk mitigation, and liquidity optimization. The approach emphasizes a principle-based investment strategy, strong governance, effective operations, and the promotion of diversity, equity, and inclusion through LACERA T.I.D.E. This comprehensive strategy aims to safeguard and grow the assets of LACERA members, adapting to an evolving investment landscape by maintaining a dynamic investment program.

The Investments Office places a strong emphasis on training and employee development. This commitment is underscored by allocating an adequate budget for these initiatives. The goal is to ensure that employees have access to the necessary resources and opportunities to enhance their skills and competencies. This includes training on applications, attendance at industry conferences, industry designations, and executive coaching. This investment in staff development is pivotal for adapting to the evolving investment landscape and maintaining a high level of expertise within the team.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

As we approach the FY 2025, it's important to highlight the consistent and stable approach adopted by the Investments Office. This period is characterized by a steadfast adherence to established financial strategies and operational methodologies, ensuring the continued success and sustainability of our investment objectives. Despite the dynamic nature of financial markets, our office remains committed to maintaining this steady course, ensuring that no significant changes are anticipated in our overall fiscal management and investment strategies for the upcoming year.

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

There was one change to staffing that will impact the budget. The Investments Office upgraded a Finance Analyst I position to a Finance Analyst II position within the Portfolio Analytics group. This is justified by the evolving complexity and increased responsibilities in LACERA's portfolio analysis operations. As LACERA's investment strategies and market analysis become more sophisticated, the role demands a higher level of expertise, analytical skill, and experience. The Finance Analyst II will bring deeper analytical capabilities, lead more complex projects, and provide enhanced insights for decision-making. This elevation aligns with the Board of Investments' strategic goal of enhancing analytical capabilities to support more informed investment decisions, reflecting LACERA's commitment to continual improvement and sophistication in the Fund's portfolio management.

Also, for the FY 2024-25, the Investments Office will focus on filling current vacancies. The Investments Office has 46 budgeted positions and is currently running at a 22 percent vacancy rate. After the vacancy rate is reduced, an effort will be made to align the organizational structure to better meet the objectives of the portfolio.

Temporary Staffing

Investment Office does not anticipate any use of Temporary Staffing in FY 2024-25.

Overtime Needs

For the upcoming FY 2024-25, the Investments Office has decided to retain the existing overtime budget allocation. This decision, despite the lack of necessity for overtime in the previous year, is a strategic measure to ensure preparedness for any unforeseen demands or urgent requirements that may arise. The dynamic nature of investment operations often presents unexpected scenarios requiring immediate attention. By maintaining our overtime budget, we equip ourselves with the flexibility to respond swiftly and effectively to any such exigencies, thereby safeguarding our operational efficiency and investment goals.

Interns

Funding for interns is provided in the Human Resources Division's Budget.

In alignment with the objectives of LACERA T.I.D.E., the Investments Division is committed to continuing its internship program to further our goals in diversity, equity, and inclusion, as well as recruitment. For the FY 2024-25, there will be internship opportunities, offering four positions. This will allow us to provide more students with valuable experience in areas such as performance attribution, market research, and investment analysis. Importantly, this year, the budgetary impact is mitigated as two of these internships are generously sponsored by external organizations committed to diversity and inclusion, reflecting a collaborative effort towards our shared objectives.

Rehired Retirees

The Investments Office does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Investment Office does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

Miscellaneous

For the FY 2024-25, we propose an increase of $1,000 in the budget for miscellaneous supplies in the Investments Office. This adjustment is primarily due to the transition back to regular office operations, post-pandemic. During the remote working period, expenditure on miscellaneous supplies was significantly reduced. However, with the return to in-office work, there is a renewed need for these supplies, aligning more closely with pre-pandemic levels.

INVESTMENT OFFICE

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	46.0
2023-2024 Hiring Plan:	46.0
2024-2025 Bud. Pos.:	46.0
2024-2025 Hiring Plan:	46.0

1.0 Chief Investment Officer
Jonathan Grabel

1.0 Deputy Chief Investment Officer
Jude Perez

1.0 Executive Administrative Assistant

REAL ASSETS AND INFLATION HEDGES

PIO for REAL ASSETS and INFLATION HEDGES

1.0 Principal Investment Officer

Jim Rice

2.0 Sr. Investment Officer
5.0 Finance Analyst III
4.0 Finance Analyst II
1.0 Finance Analyst I
1.0 Sr. Admin. Assist.

GROWTH ASSETS

PIO for GROWTH ASSETS

1.0 Principal Investment Officer

Christopher Wagner

2.0 Sr. Investment Officer
5.0 Finance Analyst III
4.0 Finance Analyst II
1.0 Sr. Admin. Assist.

CREDIT AND RISK MITIGATING STRATEGIES

PIO for CREDIT and RISK MITIGATING STRATEGIES

1.0 Principal Investment Officer

Vache Mahseredjian

1.0 Sr. Investment Officer
2.0 Finance Analyst III
2.0 Finance Analyst II
1.0 Finance Analyst I
1.0 Sr. Admin. Assist.

DIRECT INVESTMENT

PIO for DIRECT INVESTMENTS

1.0 Principal Investment Officer

Vacant

PORTFOLIO ANALYTICS

PIO for PORTFOLIO ANALYTICS

1.0 Principal Investment Officer

Esmeralda del Bosque

1.0 Finance Analyst III
1.0 Finance Analyst II
\+ 1.0 Finance Analyst II
~~1.0 Finance Analyst I~~

STEWARDSHIP AND CORPORATE GOVERNANCE

PIO for STEWARDSHIP and CORPORATE GOVERNANCE

1.0 Principal Investment Officer

Scott Zdrazil

2.0 Finance Analyst III

\+ Added position
– Deleted position

LACERA

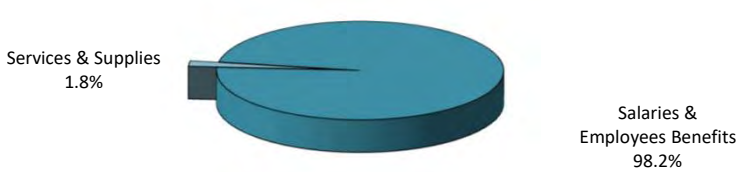
FISCAL YEAR 2024-2025

BUDGET SUMMARY

INVESTMENT OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$19,027,772**	$17,875,468	$8,044,147	$16,328,500	($1,546,968)	-8.65%	$1,152,304	6.4%
Services & Supplies	**349,500**	348,500	140,510	247,300	(101,200)	-29.0%	1,000	0.3%
OPERATING BUDGET	**$19,377,272**	$18,223,968	$8,184,657	$16,575,800	($1,648,168)	-9.0%	$1,153,304	6.3%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$11,643,125**	$10,865,804	$5,268,351	$10,694,800	($171,004)	-1.6%	$777,321	7.2%
Total Agency Temp Salaries	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**6,193,834**	5,907,050	2,292,718	4,654,400	(1,252,650)	-21.2%	286,784	4.9%
Employee Benefits (Other)	**709,489**	696,446	276,567	561,500	(134,946)	-19.4%	13,043	1.9%
OPEB Contribution	**461,125**	385,968	198,711	403,400	17,432	4.5%	75,157	19.5%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**800**	800	0	0	(800)	-100.0%	0	0.0%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**5,000**	5,000	0	0	(5,000)	-100.0%	0	0.0%
Transportation Allowance	**14,400**	14,400	7,800	14,400	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$19,027,772**	$17,875,468	$8,044,147	$16,328,500	($1,546,968)	-8.7%	$1,152,304	6.4%
Salary Differential	**-**	-	-	-			-	
TOTAL S&EB	**$19,027,772**	$17,875,468	$8,044,147	$16,328,500	($1,546,968)	-8.7%	$1,152,304	6.4%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

INVESTMENT OFFICE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0493	CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR28
0494	DEPUTY, CHIEF INVESTMENT OFFICER, LACERA (UC)	1	LR24
0495	PRINCIPAL INVESTMENT OFFICER, LACERA	2	LR23
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	3	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	1	LR20
0769	FINANCE ANALYST III, LACERA	13	LR16
0768	FINANCE ANALYST II, LACERA	12	LR12
0767	FINANCE ANALYST I, LACERA	2	109A
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	3	094B
	Total Filled Positions =	**38**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0496	PRINCIPAL INVESTMENT OFFICER, LACERA (UC)	1	LR23
0492	SENIOR INVESTMENT OFFICER, LACERA	4	LR20
0769	FINANCE ANALYST III, LACERA	2	LR16
0442	EXECUTIVE ADMINISTRATIVE ASSISTANT, LACERA	1	102C
	Total Vacant Positions =	**8**	
	TOTAL POSITIONS =	**46**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**219,000**	219,000	59,727	130,000	(89,000)	-40.6%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**3,500**	3,500	86	500	(3,000)	-85.7%	0	0.0%
EDUCATIONAL EXPENSES	**125,000**	125,000	78,944	113,800	(11,200)	-9.0%	0	0.0%
MISCELLANEOUS	**2,000**	1,000	1,753	3,000	2,000	200.0%	1,000	100.0%
TOTAL	**$349,500**	$348,500	$140,510	$247,300	($101,200)	-29.0%	$1,000	0.3%

*All amounts rounded to the nearest dollar.

INVESTMENT OFFICE

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

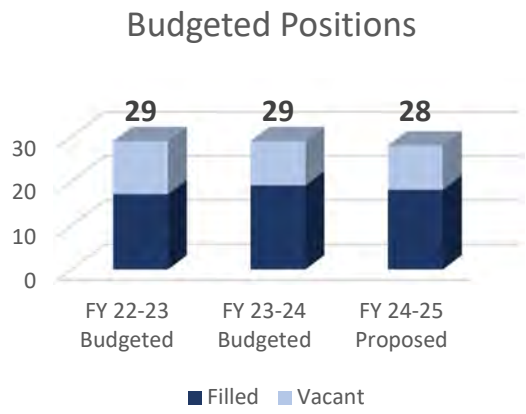
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$9,730,713	$9,126,350	$10,865,804	$10,694,800	$11,643,125
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	6,277,477	4,130,984	5,907,050	4,654,400	6,193,834
Employee Benefits (Other)	652,582	588,681	696,446	561,500	709,489
OPEB Contribution	346,317	344,025	385,968	403,400	461,125
OPEB Contribution (Budget Surplus)	0	346,317	0	0	0
Stipends	0	0	0	0	0
Overtime	1,000	0	800	0	800
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	5,000	0	5,000	0	5,000
Transportation Allowance	7,200	7,200	14,400	14,400	14,400
SERVICES & SUPPLIES					
Auto Expense	2,400	0	0	0	0
Transportation & Travel	175,000	105,780	219,000	130,000	219,000
Office Supplies & Equipment	3,500	159	3,500	500	3,500
Educational Expenses	140,000	93,613	125,000	113,800	125,000
Miscellaneous	1,000	3,625	1,000	3,000	2,000
TOTAL OPERATING BUDGET	**$17,342,188**	**$14,746,733**	**$18,223,968**	**$16,575,800**	**$19,377,272**

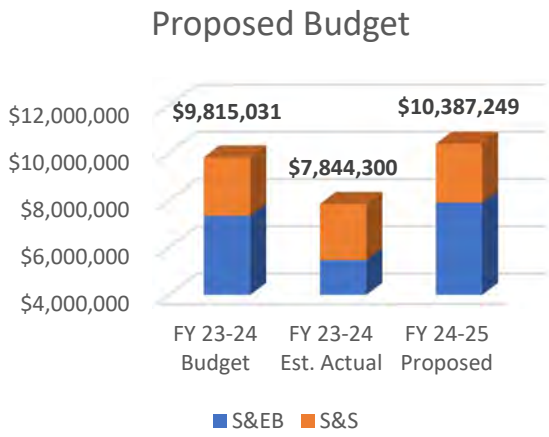
*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

Legal Services provides comprehensive legal services to LACERA and its Boards and staff. These services are provided through the Chief Counsel and four sections within the office (Benefits, Disability, Investments and Commercial Contracts, and Litigation and Employment). The Office also provides legal support in organizational governance and conflicts.

Legal Services will also provide administrative support to the new Ethics and Compliance Program expected to begin operations in FY 2024-25. (See Ethics and Compliance Office narrative.)





Summary of Significant Changes:

Description	Position Changes	Amount
• Legal Analyst for Investments	1	$83,311
• Legislative Affairs Officer	(1)	($156,000)
• Legislative Consulting Fees	-	($280,000)
• Outside Legal Counsel Fees	-	$200,000
• Litigation Support Costs	-	$40,000
• Travel & Registration Fees	-	$28,800
• Educational Materials		$11,000

NOTE: The Boards authorized a Director of Compliance in FY 2021-2022 but in standing up a new Ethics and Compliance Program, the position is more appropriately titled Chief Ethics & Compliance Officer. See also Ethics & Compliance Office narrative.

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

Legal Services plays a crucial role in supporting the administrative, pension and healthcare benefits, and investment activities of LACERA. The following outlines significant projects and initiatives that the Office has engaged in during FY 2023-24:

- The Ethics and Compliance Program is a goal in the Board of Retirement's 2023-2028 Strategic Plan and substantial progress is being made in preparing to implement the Program. An ethics and compliance advisor/counsel was engaged to provide professional expertise. The staff Policy Committee was renamed as the Ethics and Compliance Committee to provide a broad-based staff resource to support the Program. The proposed Ethics and Compliance Program Charter is working its way through the Boards' governance structure for approval. Staff is pursuing Governance, Risk, and Compliance (GRC) software as a tool for the Ethics and Compliance Program and policy management, as well as other areas of LACERA's risk management system. Education and training resources on ethics and compliance were purchased and are available to staff.
- The appeal in the County litigation has been briefed and is pending oral argument. Four amicus briefs were filed in support of LACERA from RELAC, the Coalition of County Unions, the Alameda County Employees Retirement Association, and the Santa Barbara County Employees Retirement Association. The management of LACERA's outside counsel, including strategic discussions, review of legal briefs, and coordination of amicus, required a great deal of time and effort. A decision in the Court of Appeal is expected by summer 2024.
- The elimination of the Lifetime Maximum Benefits in certain RHC Program policies is being diligently pursued through a LACERA–County Working Group. The Legal Services actively participates in this group, along with the Executive Office and other LACERA staff. Progress has been made.
- The Legal Services participated in managing the successful IRS compliance letter regarding Required Minimum Distributions for members reaching the mandatory beginning age of distributions.
- Attorney vacancies were reduced in both the Benefits and Investment Sections of the Legal Services with the hiring of Senior Staff Counsels in both areas. Recruitment of Staff Counsels for Benefits and Investments is actively underway. The addition of the new attorneys has and will continue to enhance the Legal Services ability to support Board initiatives as well as the Executive Office and other LACERA divisions.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Legal Services will undergo positive transitions in FY 2024-25 that will improve service as vacancies are filled and new personnel, with their skills and talents, are integrated into the Office's service to the Boards, management, and staff. The following outline provides planned activities in support of the Board of Retirement's and the Board of Investments' Strategic Plans:

- Successful implementation of a fully formed and effective Ethics and Compliance Program. Additional foundational steps will include: education and training regarding ethics and compliance; the Chief Ethics and Compliance Officer job description and salary; baseline risk and ethical culture assessment; implementation of GRC software; and assisting in the transition of the Chief Ethics and Compliance Officer into the organization. In addition to the Chief position, It is expected that the Ethics and Compliance Office will require two deputies and one analyst to support the work of that Office. The timing and need for and duties of these positions will be assessed by the Chief Ethics and Compliance Officer after that position is filled. (See also Ethics and Compliance Office narrative.)
- Continued effort in pursuing recognition and implementation of the Boards' independent legal authority to determine needed classifications and salaries without interference by the County of Los Angeles, including legal work following issuance of the Court of Appeal decision in the County litigation.
- Elimination of the Lifetime Maximum Benefit for affected retired members and assistance in implementation of the solution to the issue.
- Pursue implementation of LACERA's IDEA initiative with respect to organizational diversity, equity, inclusion, accessibility, and belonging in all aspects of LACERA's business.
- Filling any remaining Legal Services vacancies. Given the volume and complexity of the legal issues facing LACERA across the entire organization, there is increasing need for sophisticated lawyers, legal analysts, and secretaries in Legal Services. To meet these needs, Legal Services will continue to take the time and effort required to recruit the most experienced and skilled professionals in the market. A review of salaries is also needed to ensure that LACERA can attract and retain excellent talent; this is supported by input from LACERA's recruiters and from candidates themselves.
- Identifying and obtaining approval for a new organizational structure for Legal Services that takes into consideration appropriate spans of control, succession planning, opportunities for staff professional growth, and appropriate classification and compensation reflecting Legal Services' unique role in supporting LACERA as an investing organization as well as a provider of pension and healthcare benefits. This will include, but may not be limited to, assessing the management reporting structure to consider a new Deputy Chief Counsel in addition to the two Principal Staff Counsel positions currently pending approval from the Board of Supervisors. Currently, the Chief Counsel provides supervision and direction to seven Senior Staff Counsel positions and directly assists in handling high-level, complex legal and governance matters. The demand for the Chief Counsel's services has increased with the growing size of the organization and the complexity of the legal landscape and legal issues facing LACERA. Staff will complete its assessment and bring any recommendations to the Joint Organizational Governance Committee (JOGC), Board of Retirement, and Board of Investments. Upon Board approval, the recommendations will then be brought to the County Chief Executive Officer

(CEO) and Board of Supervisors (BOS) for approval. Any changes to positions or salaries approved by the BOS will then be incorporated into the FY 2025-26 Budget request, unless the process can be completed more quickly. In that circumstance, staff may return requesting a mid-year adjustment to the FY 2024-25 Budget.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

One new Legal Analyst position is requested to support the investment work within Legal Services. The volume and complexity of investments transactions has grown, creating unrealistic and unreasonable workload demands on support staff. One Legal Secretary is also being internally reassigned to the Investments unit.

One Legislative Affairs Officer has been transferred from Legal Services to the Executive Office.

Although no additional positions are requested as part of the FY 2024-25 Budget, Legal Services will be assessing its organizational structure and bringing forth recommendations to more appropriately align the management and address succession planning and opportunities for staff career development to the JOGC, BOR, and BOI. Upon BOR and BOI approval, LACERA's plan for our Legal Services Office will be brought to the County's Chief Executive Officer and to the Board of Supervisors for approval. It is anticipated any new positions associated with this review will be ready for Board consideration for the 2025-26 Budget, but staff may report back mid-year should progress move more quickly.

Temporary Staffing

Temporary staffing is needed in FY 2024-25 to provide ongoing resources to account for vacancies in permanent legal analyst and attorney staff positions and to address pressing deadlines for investment transactions, member service, and other important needs of the organization.

Overtime Needs

Overtime is needed to complete important investments as required and to assist in urgent needs in other sections of Legal Services.

Interns

Funding for interns are provided in the Human Resources Division's budget. As in FY 2023-24, the Legal Services Office intends to have two law student interns in FY 2024-25. This program is important for recruiting purposes and also to introduce students to the importance of public pensions.

Rehired Retirees

The Legal Services Office is not requesting any rehired retiree assistance in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Legal Services Office has no anticipated one-time expenditures for FY 2024-25.

Services and Supplies Adjustments

Services and supplies are increased to account for the support needs of new attorneys and other staff joining the Legal Services Office, as detailed below.

Automotive Maintenance and Repair

Funding totaling $3,000 is requested for automotive maintenance and repair, an increase of $1,000 from FY 2023-24. This increase reflects the age and condition of the LACERA vehicle assigned to the Chief Counsel.

Gasoline

Funding totaling $2,000 is requested for gasoline, an increase of $500 from FY 2023-24. This increase is based on estimated use and inflation.

Mileage and Transportation

Funding totaling $6,000 is requested for staff mileage and transportation, an increase of $2,400 from FY 2023-24. This increase reflects anticipated costs associated with more staff participating in local training and development opportunities.

Travel

Funding totaling $35,000 is requested for staff travel, an increase of $16,800 from FY 2023-24. Travel is primarily associated with staff training and development but may also include due diligence. This increase reflects the travel needs of the fully staffed Legal Services Office.

Special Order Equipment

Funding totaling $7,500 is requested for special order equipment, an increase of $2,500 from FY 2023-24. This increase reflects the anticipated needs of the new Attorneys who have recently joined the Legal Services Office.

Legislative Consulting Analyst Fees

The legislative analysis and consulting function has been moved from the Legal Services Office to the Executive Office. No changes from the prior year budget are requested; Funding totaling $280,000 for these services is transferred to the Executive Office.

Outside Legal Counsel Fees

Funding totaling $2.2 million is requested for outside legal counsel fees. This represents a net increase of $200,000 from the FY 2023-24 Budget. Outside Legal Counsel are used for special circumstances where staff counsel either do not have the special expertise and/or where a conflict of interest may exist. This increase reflects the anticipated legal support required to address costs of miscellaneous non-employment litigation, general fiduciary counsel advice, tax counsel advice, and employment investigation and litigation expenses. This estimate does not include costs of settling employment cases.

Litigation Support

Funding totaling $50,000 is requested for litigation support costs, an increase of $40,000 from FY 2023-24. Litigation support costs are expected fees and services associated with major litigation and are billed separately from outside legal counsel fees. Mediation costs are also included in this category. The proposed increase reflects anticipated costs associated with the County case, as well as well as expected mediations.

Memberships

Funding totaling $20,000 is requested for professional memberships for staff. This request represents an increase of $2,000 from FY 2023-24 and reflects the anticipated needs for new Attorneys who have recently joined Legal Services.

Registration Fees

Funding totaling $30,000 is requested for registration fees to support the training and professional development of staff. This request represents an increase of $12,000 from FY 2023-24, and is based on the needs for the new Attorneys who have recently joined Legal Services.

Educational Materials

Funding totaling $85,000 is requested for educational materials for staff. This request represents an increase of $11,000 from FY 2023-2024 to address the needs of the new Attorneys who have recently joined Legal Services.

Miscellaneous

Funding totaling $4,000 is requested for miscellaneous costs, an increase of $1,700 from FY 2023-2024. This funding is provided to support team building and connectivity among the Legal Services staff.

LEGAL SERVICES

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 29.0
2023-2024 Hiring Plan: 27.0

2024-2025 Bud. Pos.: 28.0
2024-2025 Hiring Plan: 28.0

1.0 Chief Counsel
Steven Rice

Pending Board of Supervisors Approval

1.0 Principal Staff Counsel Ø
TBD

Pending Board of Supervisors Approval

1.0 Principal Staff Counsel Ø
TBD

Pending Board of Supervisors Approval

Ethics and Compliance Office

~~LEGISLATIVE AFFAIRS~~

~~1.0 Legislative Affairs Officer~~
~~*Barry Lew*~~

INVESTMENTS & COMMERCIAL CONTRACTS SECTION

3.0 Senior Staff Counsel
Christine Roseland
John Harrington
Michael Brogan

3.0 Staff Counsel *
2.0 Legal Analyst *
+ 1.0 Legal Analyst
1.0 Senior Legal Secretary
2.0 Legal Secretary

LITIGATION & EMPLOYMENT SECTION

2.0 Senior Staff Counsel
Michael Herrera
Jasmine Bath

1.0 Staff Counsel
1.0 Senior Legal Secretary

BENEFITS SECTION

1.0 Senior Staff Counsel
Jean Kim

2.0 Staff Counsel
2.0 Legal Analyst *
1.0 Senior Legal Secretary

DISABILITY SECTION

1.0 Senior Staff Counsel
Frank Boyd

1.0 Legal Analyst *
1.0 Senior Legal Secretary

+ Added position
– Deleted position
* Classification study for the position requested
₹ Title changed from Ethics & Compliance Officer to Chief Ethics & Compliance Officer
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments & Litigation Team, 1.0 Principal Staff Counsel in Benefits & Disability Team, and 1.0 Chief Ethics & Compliance Officer in Legal Services)

LACERA

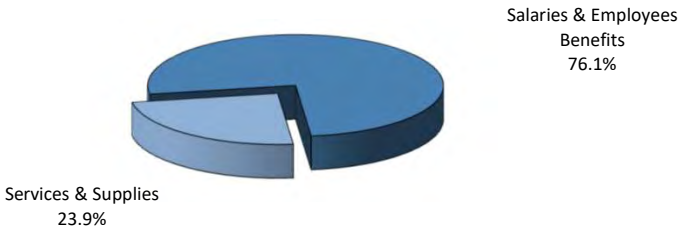
FISCAL YEAR 2024-2025

BUDGET SUMMARY

LEGAL SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$7,904,049**	$7,341,731	$2,714,546	$5,470,200	($1,871,531)	-25.5%	$562,318	7.7%
Services & Supplies	**2,483,200**	2,473,300	1,372,050	2,374,100	(99,200)	-4.0%	9,900	0.4%
OPERATING BUDGET	**$10,387,249**	$9,815,031	$4,086,596	$7,844,300	($1,970,731)	-20.1%	$572,218	5.8%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$4,767,153**	$4,138,231	$1,542,768	$3,131,900	(1,006,331)	-24.3%	$628,922	15.2%
Total Agency Temp Salaries	**116,700**	179,400	129,859	222,700	43,300	24.1%	(62,700)	-34.9%
Employee Benefits (Variable)	**2,518,096**	2,568,864	836,766	1,699,000	(869,864)	-33.9%	(50,768)	-2.0%
Employee Benefits (Other)	**290,496**	276,951	109,980	223,300	(53,651)	-19.4%	13,545	4.9%
OPEB Contribution	**188,805**	153,485	79,000	160,400	6,915	4.5%	35,320	23.0%
Stipends	**0**	0		0	0	0.0%	0	0.0%
Overtime	**20,300**	19,900	16,174	32,900	13,000	65.3%	400	2.0%
Bilingual Bonus	**0**	2,400	0	0	(2,400)	-100.0%	(2,400)	-100.0%
Sick Leave Buyback	**0**	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	**2,500**	2,500	0	0	(2,500)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$7,904,049**	$7,341,731	$2,714,546	$5,470,200	($1,871,531)	-25.5%	$562,318	7.7%
Salary Differential	**-**	-	-	-			-	
TOTAL S&EB	**$7,904,049**	$7,341,731	$2,714,546	$5,470,200	($1,871,531)	-25.5%	$562,318	7.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

LEGAL SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9216	CHIEF COUNSEL, LACERA	1	LS19
9213	SENIOR STAFF COUNSEL, LACERA	7	LS16
9212	STAFF COUNSEL, LACERA	2	LS12
9235	LEGAL ANALYST, LACERA	4	103G
0441	SENIOR LEGAL SECRETARY, LACERA	1	102J
0440	LEGAL SECRETARY, LACERA	2	098D
	Total Filled Positions =	**17**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
9999	PRINCIPAL STAFF COUNSEL	2	LS17
9212	STAFF COUNSEL, LACERA	4	LS12
9235	LEGAL ANALYST, LACERA	2	103G
0441	SENIOR LEGAL SECRETARY, LACERA	3	102J
	Total Vacant Positions =	**11**	

TOTAL POSITIONS = **28**

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
AUTO EXPENSE	**$5,400**	$3,900	$1,478	$3,900	$0	0.0%	$1,500	38.5%
TRANSPORTATION & TRAVEL	**$41,000**	21,800	9,605	19,400	(2,400)	-11.0%	19,200	88.1%
OFFICE SUPPLIES & EQUIPMENT	**$7,500**	5,000	925	2,000	(3,000)	-60.0%	2,500	50.0%
PROFESSIONAL & SPEC. SRVCS.	**$300**	280,300	181,455	280,800	500	0.2%	(280,000)	-99.9%
LEGAL FEES & SERVICES	**$2,290,000**	2,050,000	1,115,963	1,954,100	(95,900)	-4.7%	240,000	11.7%
EDUCATIONAL EXPENSES	**$135,000**	110,000	61,350	111,600	1,600	1.5%	25,000	22.7%
MISCELLANEOUS	**4,000**	2,300	1,274	2,300	0	0.0%	1,700	73.9%
TOTAL	**$2,483,200**	$2,473,300	$1,372,050	$2,374,100	($99,200)	-4.0%	$9,900	0.4%

*All amounts rounded to the nearest dollar.

LEGAL SERVICES

BUDGET REQUEST INFORMATION

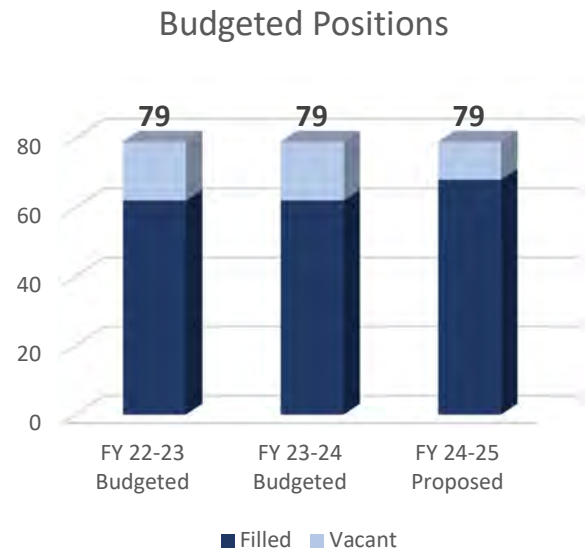
HISTORY OF EXPENDITURES

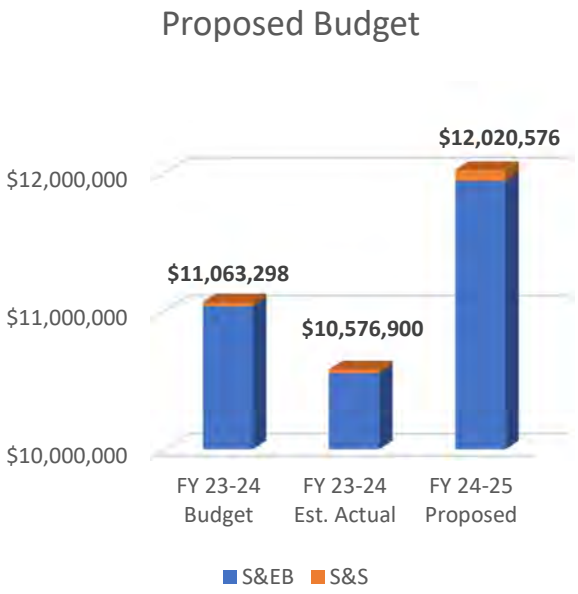
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$3,853,589	$3,233,961	$4,138,231	$3,131,900	$4,767,153
Total Agency Temp Salaries	196,600	132,911	179,400	222,700	116,700
Employee Benefits (Variable)	2,555,301	1,705,027	2,568,864	1,699,000	2,518,096
Employee Benefits (Other)	261,912	236,266	276,951	223,300	290,496
OPEB Contribution	138,993	138,104	153,485	160,400	188,805
OPEB Contribution (Budget Surplus)	0	138,993	0	0	0
Stipends	0	0	0	0	0
Overtime	18,400	20,668	19,900	32,900	20,300
Bilingual Bonus	2,400	0	2,400	0	0
Sick Leave Buyback	0	0	0	0	0
Rideshare Allowance	2,500	0	2,500	0	2,500
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Auto Expenses	4,400	1,067	3,900	3,900	5,400
Transportation & Travel	17,800	11,103	21,800	19,400	41,000
Office Supplies & Equipment	6,000	1,772	5,000	2,000	7,500
Professional & Specialized Services	252,300	156,729	280,300	280,800	300
Legal Fees & Services	3,040,500	3,550,049	2,050,000	1,954,100	2,290,000
Educational Expenses	104,500	104,577	110,000	111,600	135,000
Miscellaneous	2,000	756	2,300	2,300	4,000
TOTAL OPERATING BUDGET	**$10,457,195**	**$9,431,984**	**$9,815,031**	**$7,844,300**	**$10,387,249**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

Member Services is dedicated providing a Superior Member Experience across all channels. We provide full-service support—from assisting members with My LACERA technical issues and general account maintenance to providing in-depth retirement counseling through phone, in-person, virtual, and online channels to assisting survivors when a member passes away. We are committed to providing service while also educating members so they can understand and access the benefits available to them.





Summary of Significant Changes:

Description	Position Changes	Amount
• Travel		$9,000
• Special Orders (Outreach promotional items)		$10,000
• Registration Fees		$51,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Member Services Division's focus continues to be improving and streamlining our capabilities for delivering high-quality services to our members and beneficiaries, reducing call wait times, and expanding our virtual and in-person appointments. As part of our engagement with Strategic Planning Priority 1: Superior Member Experience, Member Services is building a Member Experience Council, initiating the development of member journeys, and identifying all the tasks needed to accomplish our goals in alignment with the Strategic Plan.

We began developing our standardized omnichannel retirement counseling model alongside our Benefits Division, working with Systems to roll out the online retirement application. This is the pilot program that will guide us in building dependable, consistent, and accurate interactions with members through any channel the member chooses.

Our Call Center multifactor authentication (MFA) was rolled out in November 2023. The benefits of having MFA are to protect member accounts by adding a multiple layer of security to access My LACERA, while reducing the need for members to type in answers to security questions and allowing them to reset their own passwords at any time.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

Our focus will continue to be building a strong and effective Superior Member Experience by collaborating with subject matter experts to map the member's journey, seek and incorporate member feedback, and develop all tasks and needs for each specific journey that a LACERA member will have—from the start of their County career to pre-retirement decisions, life-changing events, post-retirement, and death journeys. We remain focused on creating an omnichannel experience that is highly responsive and efficient. We continue looking for opportunities to develop online tools for members' self-service needs and provide different options for our members to reach out to us.

Both Strategic Plan goals of 1) ensuring a consistent omnichannel member experience at every stage of the member's journey and 2) improving and enhancing the retiree healthcare experience will continue to be worked simultaneously, as Member Services has already begun integrating healthcare in the standardized retirement planning counseling session. The knowledge gained by our Member Services staff will ensure that our members are receiving proper information and instructions, and it will also continue to help staff identify when a more advanced discussion is needed and should be managed by our partners in the Retiree Healthcare Division. It is our goal to train our Call Center staff on the basic Retiree Healthcare benefits to align their knowledge with our Member Services Center staff (Outreach).

We are also working closely with our Disability Retirement Services Division to ensure that the pre-retirement counseling for members applying for disability retirement and salary supplement benefits provides them all the knowledge they need to make an informed decision.

We are also invested in developing our AI-assisted Secure Validation with the goal of allowing callers to validate their identity prior to reaching a specialist. This process will streamline and reduce the total average handling time by specialists. To be in line with providing an omnichannel member experience, those who wish to be validated in person by the specialist will continue to have that option.

We plan to improve our Member Experience Communication Platform, which will enhance member interaction capabilities in our Call Center and allow us to evaluate AI-assisted chat support on our website. The RFP process is already underway. ,.

Another Member Services goal is to develop a training curriculum targeting the unique and diverse needs of our units and staff. Planning for succession at all staff levels is guiding us to review and analyze our staff skills and personal goals so we can invest and develop our team. This is in alignment with our other Strategic Plan priority of Investing in People.

As we continue our Strategic Plan priorities, we'll continue to focus on our Superior Member Experience; develop and enhance the omnichannel member experience, journeys, and educational content; standardize counseling, procedures, and communications; and work on the development, implementation, and deployment of a digital strategy to better serve our members.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024 and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

No new permanent positions are requested at this time. Our current Core Benefits class (FY 2023-24) is expected to graduate in May 2024, and we will be using those graduates to fill Retirement Benefits Specialist II vacancies in our Call Center and Member Services Center. A new training class will also begin near the end of FY 2023-24, which will help ensure a continuous pipeline of trained staff as staff promote and retire in the future.

As progress continues on filling our critical vacancies, staff will assess the current staffing levels to ensure they are adequate for the current and future needs of the organization.

Temporary Staffing

Member Services currently has one agency temporary staff member filling the Senior Administrative Assistant position and seeks to add one additional temporary staff member to support workforce management for our Call Center and Member Services Center.

Overtime Needs

Member Services is requesting a 20 percent increase in staffing hours in the overtime budget for FY 2023-24 to:

- Cover calls and in-person and virtual appointments that go beyond staff's working hours, in keeping with our focus on quality service to our members
- Continue to assist with the Benefits Division's backlog projects
- Assist with the development of the strategic planning goals, standardized journeys, staff training, and omnichannel commitment to members
- Prepare for the March Rush

In addition, due to the Core Benefits class, there is a constant need for live monitoring and review of mock calls, and the hiring process can be time consuming and prevent staff members from performing their regular duties during working hours.

Interns

Member Services is not requesting any intern positions.

Rehired Retirees

Member Services is not requesting any rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Member Services does not have one-time expenditures for FY 2024-25 that need to be removed.

Services and Supplies Adjustments

Travel and Registration Fees

The Services and Supplies budget requests are in line with previous years and based on actual and historical expenditure trends. We will need to increase our budget for travel, conferences, and training, as our goal is to continue to invest in staff development. We plan to continue attending SACRS, CALAPRS, CEBS, and ICMI conferences, as well as IFEPB, NCPERS, and other relevant conferences for our business needs. We will also be seeking conferences and training related to workforce management. A training curriculum is being developed with HR to allow our staff to gain knowledge and improve

morale. We are also looking into the supervisors' and managers' current training needs to ensure they have attended the Los Angeles County training academy courses and are able to attend refresher courses and other relevant training.

Special Orders/Minor Equipment

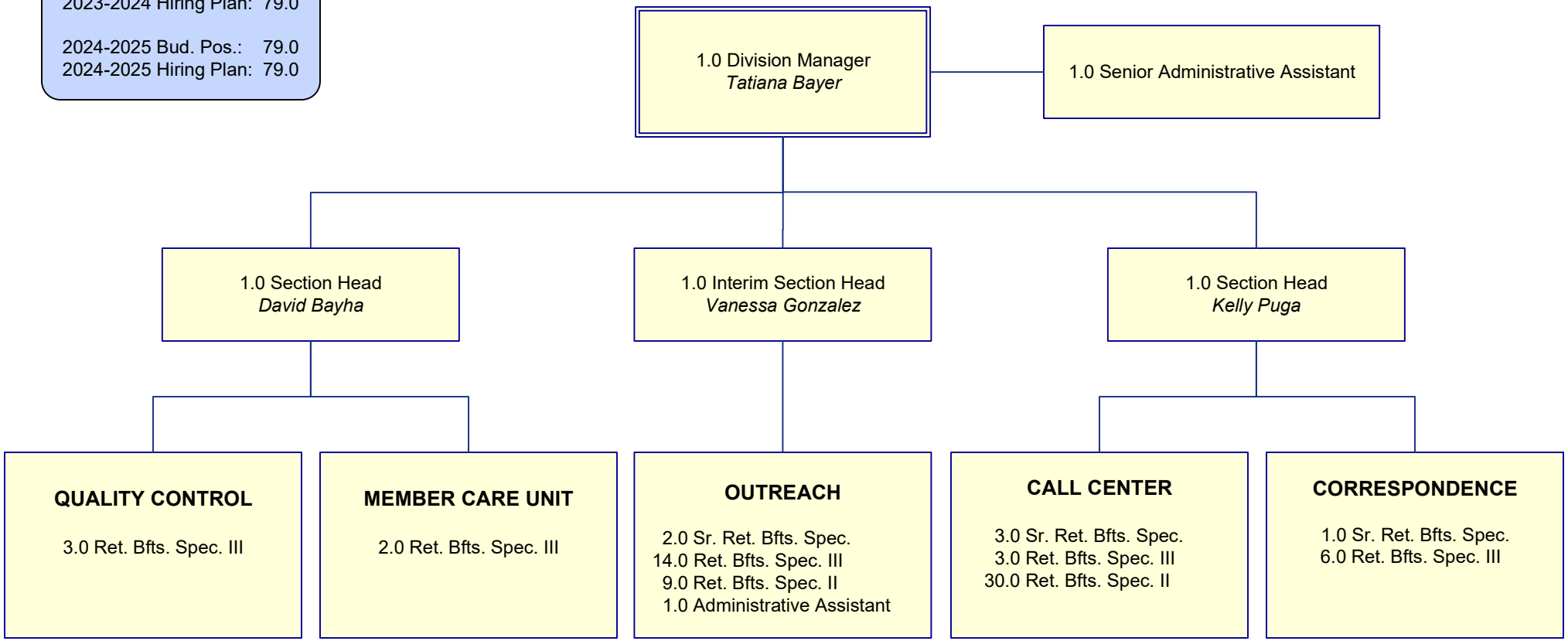
We are requesting $10,000 in Special Orders/Minor Equipment, including Outreach promotional items. As we look to increase our in-person field events, we believe it is beneficial to offer LACERA-branded promotional items as a way to encourage members to seek education about their benefits. Most of our peers provide these types of promotional items at their events.

MEMBER SERVICES DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.: 79.0
2023-2024 Hiring Plan: 79.0

2024-2025 Bud. Pos.: 79.0
2024-2025 Hiring Plan: 79.0



LACERA

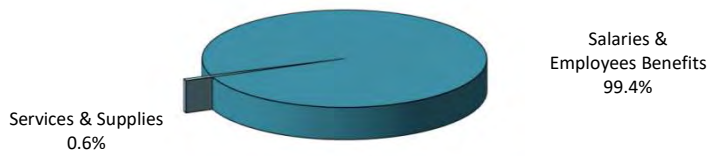
FISCAL YEAR 2024-2025

BUDGET SUMMARY

MEMBER SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$11,942,576**	$11,034,098	$5,208,590	$10,550,100	($483,998)	-4.4%	$908,478	8.2%
Services & Supplies	**78,000**	29,200	13,937	26,800	(2,400)	-8.2%	48,800	167.1%
OPERATING BUDGET	**$12,020,576**	$11,063,298	$5,222,526	$10,576,900	($486,398)	-4.4%	$957,278	8.7%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$6,674,163**	$6,158,776	$3,131,656	$6,357,300	$198,524	3.2%	$515,387	8.4%
Total Agency Temp Salaries	**295,800**	72,600	16,149	27,700	(44,900)	-61.8%	223,200	307.4%
Employee Benefits (Variable)	**3,994,893**	3,925,974	1,565,238	3,177,700	(748,274)	-19.1%	68,919	1.8%
Employee Benefits (Other)	**406,694**	399,401	159,707	324,300	(75,101)	-18.8%	7,293	1.8%
OPEB Contribution	**264,326**	221,347	113,928	231,300	9,953	4.5%	42,979	19.4%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**264,900**	214,200	197,234	400,400	186,200	86.9%	50,700	23.7%
Bilingual Bonus	**16,800**	16,800	5,200	10,600	(6,200)	-36.9%	0	0.0%
Sick Leave Buyback	**15,000**	15,000	19,477	20,800	5,800	38.7%	0	0.0%
Rideshare Allowance	**10,000**	10,000	0	0	(10,000)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$11,942,576**	$11,034,098	$5,208,590	$10,550,100	($483,998)	-4.4%	$908,478	8.2%
Salary Differential **	**-**	-	-	-	-		-	
TOTAL S&EB	**$11,942,576**	$11,034,098	$5,208,590	$10,550,100	($483,998)	-4.4%	$908,478	8.2%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

MEMBER SERVICES

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0773	DIVISION MANAGER, LACERA	1	LS12
0772	SECTION HEAD, LACERA	3	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	4	105B
1311	RETIREMENT BENEFITS SPECIALIST III	26	099H
1310	RETIREMENT BENEFITS SPECIALIST II	34	093B
	Total Filled Positions =	68	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	2	105B
1311	RETIREMENT BENEFITS SPECIALIST III	2	099H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	5	093B
0438	ADMINISTRATIVE ASSISTANT, LACERA	1	087K
	Total Vacant Positions =	11	

TOTAL POSITIONS = 79

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$13,300**	$11,500	$6,476	$11,200	($300)	-2.6%	$1,800	15.7%
OFFICE SUPPLIES & EQUIPMENT	**10,000**	4,000	3,422	6,900	2,900	72.5%	6,000	150.0%
EDUCATIONAL EXPENSES	**52,200**	11,200	2,789	6,000	(5,200)	-46.4%	41,000	366.1%
MISCELLANEOUS	**2,500**	2,500	1,250	2,700	200	8.0%	0	0.0%
TOTAL	**$78,000**	**$29,200**	**$13,937**	**$26,800**	**($2,400)**	**-8.2%**	**$48,800**	**167.1%**

*All amounts rounded to the nearest dollar.

MEMBER SERVICES

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$5,973,287	$5,442,189	$6,158,776	$6,357,300	$6,674,163
Total Agency Temp Salaries	37,000	0	72,600	27,700	295,800
Employee Benefits (Variable)	3,639,900	2,703,061	3,925,974	3,177,700	3,994,893
Employee Benefits (Other)	383,245	350,820	399,401	324,300	406,694
OPEB Contribution	203,383	202,082	221,347	231,300	264,326
OPEB Contribution (Budget Surplus)	0	203,383	0	0	0
Stipends	0	0	0	0	0
Overtime	174,000	268,449	214,200	400,400	264,900
Bilingual Bonus	16,800	9,500	16,800	10,600	16,800
Sick Leave Buyback	15,000	17,636	15,000	20,800	15,000
Rideshare Allowance	10,000	0	10,000	0	10,000
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	8,000	7,533	11,500	11,200	13,300
Office Supplies & Equipment	5,000	1,650	4,000	6,900	10,000
Educational Expenses	11,300	1,365	11,200	6,000	52,200
Miscellaneous	2,500	893	2,500	2,700	2,500
TOTAL OPERATING BUDGET	**$10,479,414**	**$9,208,561**	**$11,063,298**	**$10,576,900**	**$12,020,576**

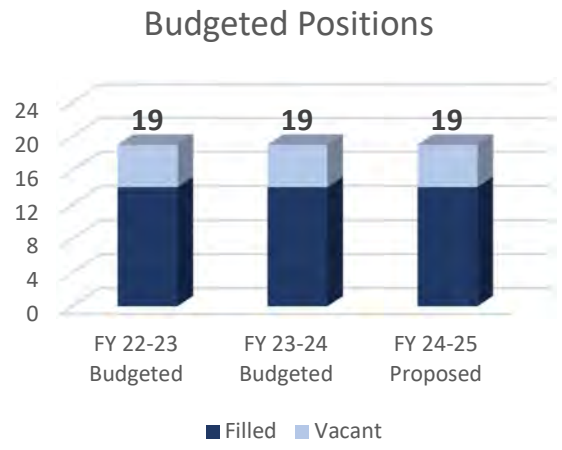
*All amounts rounded to the nearest dollar.

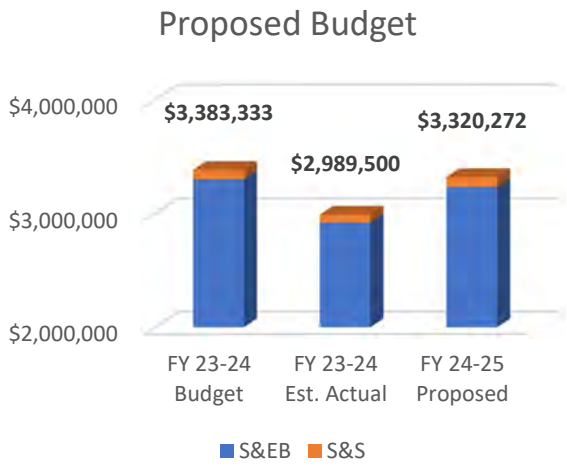
FY 2024-2025 Proposed Budget

The Quality Assurance Division (QA) performs three main functions on behalf of LACERA's Member Operations Group (MOG), which are those divisions that provide retirement benefit services to LACERA's members. QA's services consist of:

- Independent transactional audits of work processed by MOG staff for our members
- Technical benefits training for MOG staff, from new hires to veterans
- Special projects as assigned by the Executive Office and consistent with QA's independent quality assurance function

The Quality Assurance Division reports to the Assistant Executive Officer (AEO) who oversees the MOG.





Summary of Significant Changes

Description	Position Changes	Amount
Cost Effective Management (CEM)	---	$4,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Quality Assurance Division worked on the following initiatives during the 2023-24 fiscal year:

- Redesigned the Core Benefits Training Program for new Retirement Benefit Specialists to prepare the new hires to perform both Core Benefits Division processes and Call Center processes. The new program has been renamed the Specialist Basic Training Program and will graduate its first batch of trainees in April 2024.
- The Quality Assurance Division continues to participate in MOG special projects, of which the following are most noteworthy from the 2023-24 fiscal year:
    - Alameda Court Decision
    - PEPRA FAC reporting
    - Temporary Time reporting
    - Account Settlements Process Redesign

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

QA will continue to expand its audits coverage of Member Services processes through Call Monitoring and Member Surveys. QA also hopes to expand its audit scope to include more processes, especially advanced processes normally handled by Retirement Benefit Specialist IIIs and Senior Retirement Benefit Specialists.

QA will continue to enhance the training provided to MOG staff through the greater use of advanced technology like online learning, multimedia tools, and artificial intelligence. QA hopes to expand the training content to include more processes, especially advanced processes normally handled by Retirement Benefit Specialist IIIs and Senior Retirement Benefit Specialists.

The QA Division looks forward to implementing a formal standardized training program for QA Staff based on the dual pillars of:

- Benefits-specific legal and institutional knowledge and
- IIA training for Audit professionals

QA will collaborate with the MOG Divisions on ongoing and new special projects, such as the implementation of LACERA's updated Collections Policy, implementation of the Case Management System throughout the MOG, and collaborative process improvement projects between LACERA and L.A. County.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

Historically, the most qualified candidates for Quality Auditor positions are highly experienced Retirement Benefit Specialists from the Benefits and Member Services divisions. To avoid exacerbating an existing staffing shortage in the Benefits and Member Services divisions, LACERA has elected to fill the three vacant Senior Quality Auditor Positions and two vacant Quality Auditor II positions after sufficient numbers of vacancies in the Benefits and Member Services Divisions are filled with adequately trained staff, which normally takes a year from the date of hire. Accordingly, we anticipate that the QA Division staff vacancies will not be filled before the second half of the FY 2024-25, if not later. All salary and employee benefit costs, as well as services and supply costs related to these vacancies, will also be postponed until these positions are filled. If these positions are filled sooner than expected, we may request a mid-year adjustment to impacted budget items.

Temporary Staffing

The Quality Assurance Division does not intend to request agency temporary staff for the fiscal year 2024-2025.

Overtime Needs

A total of $11,900 in Overtime is requested for a Staff Assistant II (100 hours, or $6,100) and a Senior Administrative Assistant (100 hours, or $5,800) to support the following:

1) Assist with peak season work (e.g., audits and surge in training needs)

2) Anticipated special projects (e.g., database cleanup, implementation of major business rules changes, etc.)

3) CEM survey

Interns

Funding for interns is provided in the Human Resources Division's Budget. The Quality Assurance Division provides coordination and data consolidation services in association with the compilation of the annual CEM (Cost Effective Management) Benchmarking report. This process currently uses Microsoft Excel worksheets and a manual workflow that requires participants from across LACERA's divisions to spend at least 120 hours across several months, under strict deadlines, to extract, compute and transmit to QA, and ultimately CEM, a wide range of statistical data. QA wishes to assign a qualified intern to develop an application, probably using Sharepoint and Microsoft Power Platform applications, which will help manage this process more efficiently while increasing the value of the resulting data through improved analytics and data visualization tools. Depending on the qualifications of the selected intern, this project may require six to nine months. The cost for the LACERA intern program resides in the HR Division budget and the intern's work will most likely be overseen by the Systems Division.

Rehired Retirees

The Quality Assurance Division does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Quality Assurance Division does not have one-time expenditures that need to be removed in the FY 2024-25.

Services and Supplies Adjustments

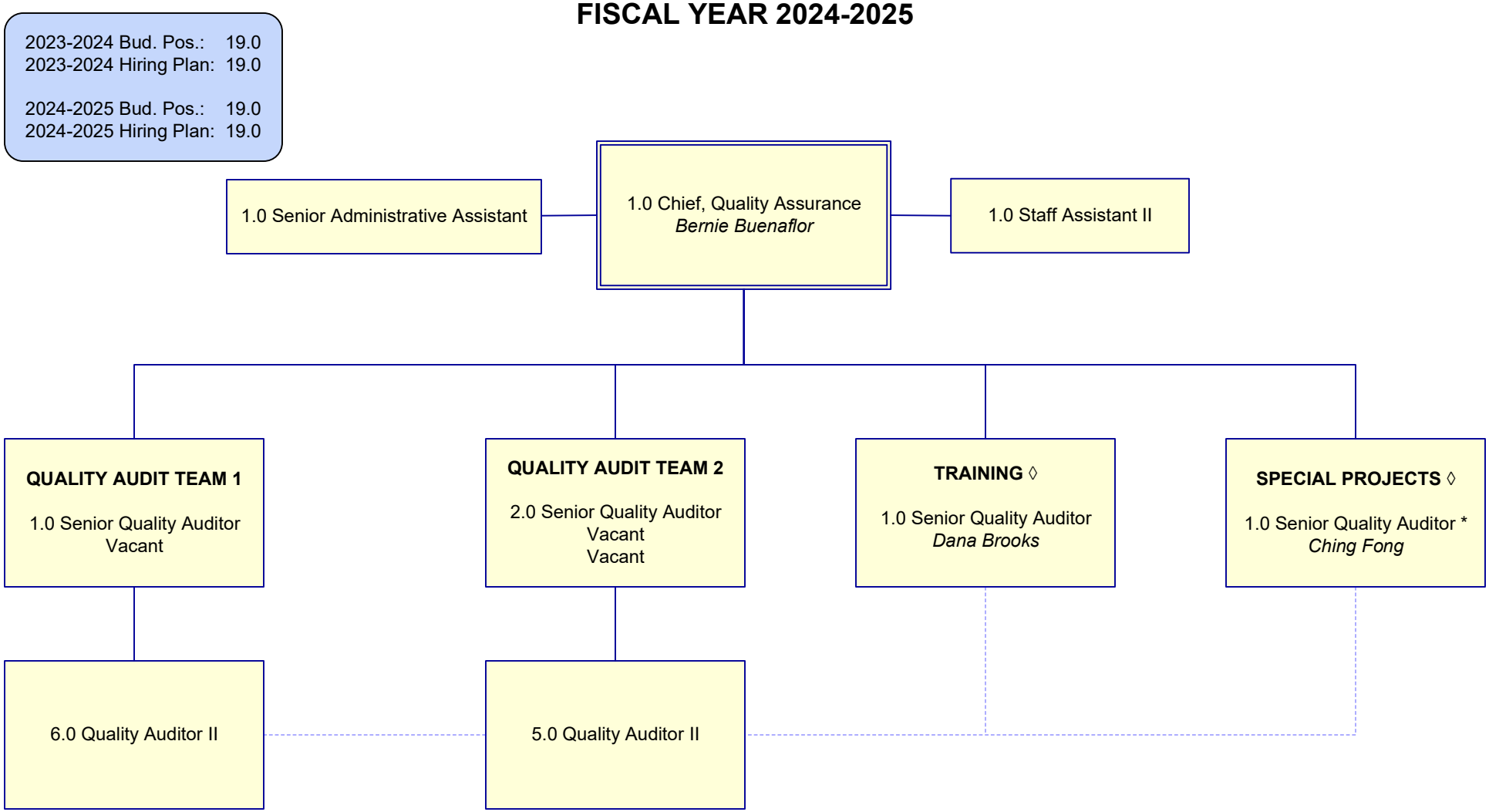
There are no significant changes requested in the Services and Supplies budget. If vacant positions are filled sooner than anticipated, QA may request a mid-year adjustment to increase related costs, such as training, memberships, and services and supplies.

Cost Effective Management (CEM)

The Cost Effective Management (CEM) Benchmarking report cost increased from $55,000 to $59,000 for FY 2024-25 as reflected in the current contract.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2024-2025



* Classification study for the position requested.
◊ In addition to the quality audit, QA Auditors conduct training and work on special projects, which are coordinated by the QA Sr. Auditor for Training and the QA Sr. Auditor for Special Projects, respectively.

LACERA

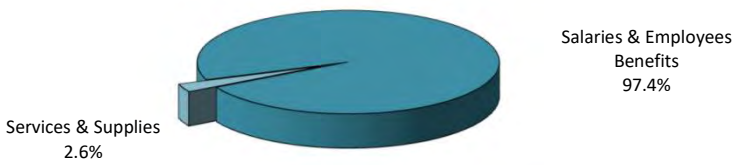
FISCAL YEAR 2024-2025

BUDGET SUMMARY

QUALITY ASSURANCE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$3,234,172**	$3,301,233	$1,438,762	$2,921,300	($379,933)	-11.5%	($67,061)	-2.0%
Services & Supplies	**86,100**	82,100	5,245	68,200	(13,900)	-16.9%	4,000	4.9%
OPERATING BUDGET	**$3,320,272**	$3,383,333	$1,444,007	$2,989,500	($393,833)	-11.6%	($63,061)	-1.9%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$1,965,306**	$1,885,279	$865,903	$1,757,800	($127,479)	-6.8%	$80,027	4.2%
Total Agency Temp Salaries	**0**	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	**1,056,170**	1,213,449	489,144	993,400	(220,049)	-18.1%	(157,279)	-13.0%
Employee Benefits (Other)	**119,760**	120,837	47,986	97,500	(23,337)	-19.3%	(1,077)	-0.9%
OPEB Contribution	**77,837**	66,968	34,469	70,000	3,032	4.5%	10,869	16.2%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**11,900**	11,500	1,260	2,600	(8,900)	-77.4%	400	3.5%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**1,000**	1,000	0	0	(1,000)	-100.0%	0	0.0%
Rideshare Allowance	**2,200**	2,200	0	0	(2,200)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$3,234,172**	$3,301,233	$1,438,762	$2,921,300	($379,933)	-11.5%	($67,061)	-2.0%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$3,234,172**	$3,301,233	$1,438,762	$2,921,300	($379,933)	-11.5%	($67,061)	-2.0%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

QUALITY ASSURANCE

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0780	CHIEF, QUALITY ASSURANCE	1	LS12
0798	SENIOR QUALITY AUDITOR	2	109H
0797	QUALITY AUDITOR II	9	104F
0439	SENIOR ADMINISTRATIVE ASSISTANT	1	094B
0427	STAFF ASSISTANT II	1	096A
	Total Filled Positions =	**14**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0798	SENIOR QUALITY AUDITOR	3	109H
0797	QUALITY AUDITOR II	2	104F
	Total Vacant Positions =	**5**	
	TOTAL POSITIONS =	**19**	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
			YTD		OVER/(UNDER)		OVER/(UNDER)	
ACCOUNT CLASSIFICATION	**PROPOSED BUDGET 2024-2025**	BUDGET	(01-31-24)	PROJECTION	BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$9,600**	$9,600	$0	$3,600	($6,000)	-62.5%	$0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**1,000**	1,000	290	500	(500)	-50.0%	0	0.0%
PROFESSIONAL & SPECIALIZED SERVICES	**59,000**	55,000	0	55,000	0	0.0%	4,000	7.3%
EDUCATIONAL EXPENSES	**16,300**	16,300	4,955	8,900	(7,400)	-45.4%	0	0.0%
MISCELLANEOUS	**200**	200	0	200	0	0.0%	0	0.0%
TOTAL	**$86,100**	**$82,100**	**$5,245**	**$68,200**	**($13,900)**	**-16.9%**	**$4,000**	**4.9%**

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE

BUDGET REQUEST INFORMATION

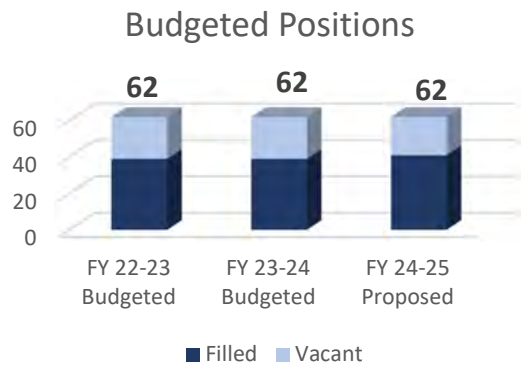
HISTORY OF EXPENDITURES

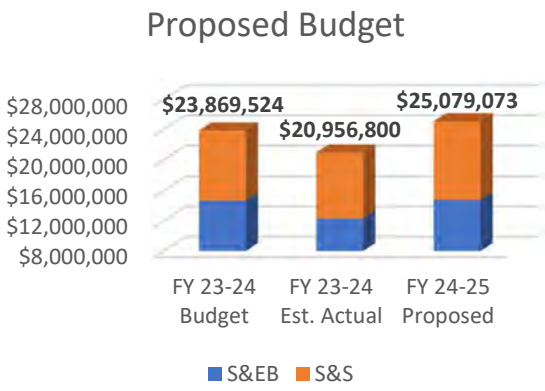
	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$1,607,869	$1,548,769	$1,885,279	$1,757,800	$1,965,306
Total Agency Temp Salaries	0	0	0	0	0
Employee Benefits (Variable)	1,009,017	886,007	1,213,449	993,400	1,056,170
Employee Benefits (Other)	123,397	111,314	120,837	97,500	119,760
OPEB Contribution	65,485	65,066	66,968	70,000	77,837
OPEB Contribution (Budget Surplus)	0	65,485	0	0	0
Stipends	0	0	0	0	0
Overtime	21,500	803	11,500	2,600	11,900
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	1,000	0	1,000	0	1,000
Rideshare Allowance	2,200	0	2,200	0	2,200
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	12,000	2,017	9,600	3,600	9,600
Office Supplies & Equipment	1,000	268	1,000	500	1,000
Professional & Specialized Services	50,000	55,000	55,000	55,000	59,000
Educational Expenses	24,500	4,787	16,300	8,900	16,300
Miscellaneous	400	0	200	200	200
TOTAL OPERATING BUDGET	**$2,918,368**	**$2,739,515**	**$3,383,333**	**$2,989,500**	**$3,320,272**

*All amounts rounded to the nearest dollar.

FY 2024-25 Proposed Budget

The Systems Division (Systems) oversees all aspects of information technology for LACERA. Systems provides technology support services and creates innovative application solutions to assist the organization in meeting it's mission. The Division is made up of three primary sections: the Business Solutions Unit, which develops and implements software solutions to support the organization's business needs; the Infrastructure Unit, which implements and supports the organization's and staff's hardware and telecommunications needs; and the Project Management Office, which innovates new technology with subject matter experts to address new business needs and, after initial implementation, passes projects off to the other units for ongoing maintenance and support.





Summary of Significant Changes:

Description	Position Changes	Amount
• Completion of uninterruptible power supply (UPS) upgrade		($150,000)
• Completion of keycard reader upgrades		($100,000)
• Completion of Great Plains integration		($100,000)
• Member Experience Communication Platform (MECP)		$600,000
• Enterprise resource planning consultant		$250,000
• Secure Access Service Edge (SASE) (NetSkope replacement)		$235,000
• Member identity verification solution		$220,000
• Digital Mailroom		$100,000
• Human Resources Recruitment Module (Neogov)		$71,000
• Policy, GRC, and Audit solution		$70,000

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

The Systems Division has continued to modernize LACERA's technology infrastructure and implement automated business solutions for greater efficiency. Our three information technology sections—Business Solutions, Project Management Office, and Infrastructure—are engaged, working effectively, and making an impact on the organization. The following are the projects we have completed so far this year.

Automated Accounts Payable Solution: LACERA implemented Emburse Certify, a new accounts payable system. This system will take the place of the Adobe Sign payment request and special supply request workflow processing. This new system automates the accounts payable, procurement, and purchasing processes and introduces the following improvements:

- Approval workflows
- Digital invoices
- Electronic payments
- Electronic purchase orders
- Expense tracking and management
- Optical character recognition (OCR)
- Policy compliance checks
- Integration with LACERA's general ledger software
- Invoice to purchase orders matching
- Realtime reporting

The Administrative Services, Financial and Accounting Services (FASD), and Systems divisions collaborated to successfully implement this solution in January 2024.

Automated Budget Solution: LACERA implemented Questica Budget, a modern budget management solution, in November 2023. Questica automates and streamlines budget creation and tracking, replacing the outdated email-based communication and spreadsheet-driven approach. This dynamic system offers real-time access to centralized and shared budget and financial data, ensuring efficiency, accuracy, and transparency, which allows for better decision-making. In addition, Questica integrates with other enterprise systems including our general ledger system, Great Plains, and our Enterprise Contract Lifecycle Management System, Cobblestone. The system is operational and was used successfully to develop the FY 2024-25 budget.

Avaya Retirement: LACERA used an on-premises enterprise phone system from Avaya for over a decade. It provided voice and messaging services to LACERA's staff and members. To support a hybrid workforce, LACERA pivoted to using Microsoft Teams for corporate communications and an Amazon Webservices (AWS) call center solution for member communications. In October 2023, LACERA removed the traditional handset phones from LACERA offices and officially decommissioned all Avaya software and hardware. Note: Each division retained one landline phone for emergency use.

Cloud Migration: One of the most significant accomplishments for FY 2023-24 was the completion of our cloud migration project. In September 2021, the Infrastructure and Business Solutions teams began an effort to migrate all mission-critical systems from on-premises software and hardware to hosted solutions. This phased migration was successfully completed in January 2024. We migrated 40 applications to hosted solutions and retired 20 physical servers and 106 virtual servers, reducing our onsite technology footprint from three onsite data centers to one onsite data center.

Data Lake: LACERA has created a data lake to provide a single source of accurate and accessible enterprise data and a process for using this data. LACERA currently leverages multiple systems to create reports for data analysis. These reporting systems follow a traditional reporting process: A user requests information from Systems, and a report is prepared and scheduled for them. While traditional reporting will continue to be supported, the new data lake will facilitate the creation of dashboards to replace most traditional reports and provide data to power users so that they can create their own dashboards. The data lake will continue to expand and will become the cornerstone of LACERA's Business Intelligence Strategic Initiative.

Documentum Retirement: LACERA previously used Documentum, an Enterprise Content Management System that no longer fits our strategic IT architecture. We migrated the data and documents in Documentum in phases to two other document repositories that match our architecture and decommissioned the Documentum hardware and software in October 2023.

Human Resources (HR) Digitization: LACERA has converted all paper Human Resources' personnel, payroll, medical, and classification files to electronic files to allow quick retrieval of documents by a hybrid workforce, shared access to information, and an audit trail of document access. All paper-based human resource records have been scanned, indexed, and securely stored in a hosted solution. This project was completed in November 2023.

Human Resources (HR) Case Management: In October 2023, LACERA implemented Human Resources Service Now (HRSN), a powerful tool to streamline Human Resources operations. The features of this solution include *Case Management*, where incoming HR requests become cases in HRSN, providing more transparency and improved tracking of requests; *Automation*, where routine HR tasks are automated, saving time and reducing the likelihood of errors; *Knowledgebase*, a centralized repository of HR information that promotes employee self-service; and *Data Insights*, analytics and reporting tools that provide insights into HR operations, enabling data-driven decision-making. HRSN went live on October 5, 2023, with three processes: New Hire Checklist, Bonus Requests, and Onboarding/Offboarding. We plan to add more modules to the solution in future phases.

Knowledgebase (KBase) Modernization: In September 2023, LACERA launched a modernized Knowledgebase solution using SharePoint. This new solution used the content of our legacy KBase solution but provides a modern interface, greater search

capabilities, and a hosted solution. This upgraded solution is an interim measure, providing functionality until the Knowledge Management Strategic Initiative team chooses and deploys a permanent enterprise solution.

Microsoft (MS) Teams Rooms Conversions: The Telco team completed the conversion of eight traditional conference rooms to MS Teams rooms. These rooms seamlessly support hybrid meetings on MS Teams for greater collaboration and staff participation.

Multifactor Authentication for Incoming Member Calls: In November 2023, LACERA provided a multifactor authentication solution for the Member Services Call Center, allowing members and payees to authenticate more securely and quickly.

My LACERA Home Page Redesign: In January 2024, LACERA launched a redesigned home page for My LACERA. The new design is customized for each member or payee based on their status and recent interactions with LACERA.

Online Retirement Election: In January 2024, LACERA implemented an online retirement election process to allow members to retire quickly and securely at any time they choose and from almost anywhere in the world.

PPOA Data Exchange: LACERA implemented an automated data exchange process with the Public Peace Officers Association (PPOA) to replace a paper-based, manual process. LACERA is currently reaching out to other associations to implement solutions similar to the one we have in place with PPOA.

Rehired Retiree Process (previously 120-Day Retirees): In January 2024**,** LACERA implemented a process to track the hours worked by rehired retirees to enforce the policy that they cannot exceed 120 days (or 960 hours) in a fiscal year. The project involved getting a new data feed from the Los Angeles Auditor/Controller, implementing automated correspondence with rehired retirees, adding rehired retiree data to Workspace, and displaying rehired retiree work hours on the My LACERA dashboard.

Retiree Healthcare Data on My LACERA: In January 2024, LACERA enhanced the Retiree Healthcare data displayed on My LACERA to include more detailed plan descriptions, Medicare Part B Reimbursement amounts, and dependent information.

Seventh Floor Remodel: The Infrastructure team supported the seventh floor remodel project from inception to completion. As staff members from FASD, the Information Security Office, and Systems Division moved back to the seventh floor in December and January, the team set up the monitors, docking stations, and printers for them.

Sol Case Management Phase 1: In May 2022, the BOR approved LACERA's recommended vendor, Eccentex, to partner with LACERA to develop our case management system. Eccentex was selected after an extensive review of 13 vendor proposals received from our RFP. The solution that they developed for LACERA is named Sol. The first phase of Sol includes Disability Retirement Services, the Disability Litigation Office, and Benefits' First Payment process. Both the Disability Retirement Services and

the Disability Litigation Office's case management solutions were implemented in October 2023, improving both process efficiency and transparency. We expect the First Payment process to be completed by May 2024.

Windows 11 Upgrade: In September 2023, Windows 11 was pushed to all LACERA devices that are managed by Intune.

Uninterruptible Power Supply (UPS) Replacement: In November 2023, LACERA replaced the UPS that supports LACERA's boardroom and onsite data center.

We also have the following projects in progress and expect to complete them during FY 2023-24:

CEO Dashboard: In April 2024, the CEO Report that is included in the Board of Retirement agenda package and displayed on LACERA Connect will be replaced by a Power Business Intelligence (Power BI) dashboard generated using data in LACERA's data lake. This new dashboard will automate the creation of the CEO report and eliminate the current tedious, manual process.

Disaster Recovery (DR): In April 2024, LACERA will transfer the responsibility of disaster recovery from the Systems Division Project Management Office to the Information Security Office within the Executive Office. The success of the disaster recovery plan developed and executed by the Project Management Office and supported by both the Infrastructure and Business Solutions teams over the past three years cannot be overstated. When the PMO took on the responsibility of DR, LACERA had not completed a DR drill in six years. Within six months, LACERA executed a successful DR drill of *all systems supporting member operations*. Within the following year, LACERA executed a successful DR drill of *all systems* with the participation of all divisions. The transfer of responsibility will happen during our annual DR drill. Information Security will conduct annual DR drills as well as quarterly tabletop exercises from that point forward. The Systems management team, as well as the Infrastructure and Business Solutions teams, will continue to participate and support the drills and exercises, but Information Security will plan and drive them.

eDiscovery: In October 2023, the Information Technology Coordination Council approved a project to securely capture and archive organizational communications such as email, instant messages, voice messages, and mobile text messages using a new eDiscovery solution. A midyear budget adjustment was made to accommodate the cost of this new solution, which will give the Legal Services autonomy for eDiscovery and public records requests, ensure proper chain of command for eDiscovery, and increase the integrity of LACERA archives. The eDiscovery team is currently reviewing potential vendors. We expect a vendor to be selected and implemented by June 2024.

Enterprise Contract Lifecycle Management (ECLM): LACERA has procured an ECLM solution from Cobblestone. This solution will automate the development, approval, and management of contracts and RFPs at LACERA. This solution will replace a legacy

system that was developed in-house and will give LACERA the opportunity to centralize vendor management. We expect the implementation to be completed in June 2024.

LACERA Incident Response Team (LIRT) Incident Management Solution: In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service Management (ITSM). LACERA is currently meeting with a business partner to customize the incident workflow of ServiceNow ITSM to support LACERA's process. We expect this project to be completed in June 2024.

Policy Management Solution: In September 2022, the Information Technology Coordination Council (ITCC) approved a policy management project to automate the creation, review, approval, and maintenance of LACERA policies as well as track the versions and acknowledgment of policies. Funding for this project was included in the FY 2023-24 budget. While the policy management project team was reviewing possible vendors, they realized that many companies offering policy management solutions also provide an entire suite of governance products that integrate with their solution. The team believes that the policy solution should not be selected in a vacuum, but instead, should be evaluated for its features as well as the additional modules provided by the vendor. The team is currently revising the requirements for the project and will be presenting the change in scope to the ITCC for approval. If approved, the team will issue an invitation to bid (ITB) with the new requirements to vendors. We hope to select a vendor and implement the policy management solution by June 2024.

Sol Case Management Display on My LACERA: In February 2024, members that have cases managed by Sol will be able to see the detailed status of their case on My LACERA. Currently, Disability Retirement and Disability Litigation cases are live in production. We expect First Payment cases to be live in production in May 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

The Systems Division will support LACERA's Strategic Initiatives in FY 2024-25 as outlined below:

1. Superior Member Experience

Enhance the Retiree Healthcare Experience: The Business Solutions team will support the Superior Member Experience initiative by developing a self-serve, online retiree healthcare enrollment process. This process will be simple, user-friendly, and efficient. Clear instructions, an intuitive interface design, real-time feedback, and the ability to easily navigate through the steps will streamline the process and enhance the overall user experience.

Member Experience Communication Platform: The Project Management Office will implement a new Call Center solution that will streamline the authentication process and improve the experience of calling LACERA for members and payees.

Sol Case Management: The Project Management Office will continue with Phase 2 of the case management project by implementing the following processes in Sol: Account Settlement, Disability handoff to First Payment, Death Processing and Seamless Survivor, and Post Process Auditing.

2. Innovation through Technology

Knowledge Management: The Project Management Office will support the Knowledge Management initiative during FY 2024-25 as LACERA seeks to digitally capture, document, organize, and access critical business knowledge and information.

Business Intelligence: The Systems Division will be leading the advancement of LACERA's business intelligence. Our data lake will serve as the foundation for this effort as we implement Power Business Intelligence (BI) dashboards, optical character recognition, and artificial intelligence solutions.

Cloud Optimization: Now that LACERA's cloud migration has been completed, the Systems Division will focus on cloud optimization. We will evaluate resource usage and right size instances, optimize storage, and implement best practices to ensure optimal performance while minimizing expenses. In preparation for this effort, three staff members are upscaling their skills by obtaining Financial Operations (FinOps) certifications to gain expertise in managing cloud costs effectively.

Mainframe Strategy: LACERA currently maintains a batch COBOL system, IRIS, that runs on a mainframe computer. While the Systems Division migrated all online transactions running on the mainframe to a more modern platform and retired 1.5 million lines of COBOL code in 2017, there are still mission-critical batch programs running on our mainframe. During FY 2024-25, the Business Solutions team will develop a three-year strategy for these programs to ensure they are seamlessly migrated to another technology.

3. Investing in People

Staff Training and Development: The Systems Division has prioritized developing technical mastery and building professional relationships for FY 2024-25. Staff will be offered training to further develop their skills, knowledge, and abilities as well as conferences to exchange information with their peers at other associations. With the implementation of new technology, we will also train staff to administer and support the new solutions as needed. While we have leaned heavily on online, virtual training during the pandemic and understand the efficiencies of this training model, we plan to take advantage of in-person opportunities going forward to make sure LACERA is in touch with our peers and is not advancing our technology in isolation.

4. Compliance and Enterprise Risk Management

Governance Automation: The Project Management Office will work with the Legal Services and Internal Audit divisions to select and implement Governance, Risk, and Compliance (GRC) and Audit Management solutions.

5. Fiscal Durability

Enterprise Automation: The Systems Division will support the new implementations of Questica (budget automation), Cobblestone (ECLM), and Certify AP (automated accounts payable) as well as work with FASD to plan for replacing our legacy general ledger system with a modern solution that leverages cloud technology, automation, and advanced analytics.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25

Adjustments to Permanent Staffing

The Systems Division is continuing to evaluate and make the appropriate staffing adjustments necessary to ensure we have the proper resources to meet our commitments, support LACERA's mission, and to create the most efficient, productive, and secure enterprise.

Systems is not requesting any adjustments to permanent staffing at this time.

Temporary Staffing

The Systems Division uses temporary staffing for two reasons: to fill a temporary gap in skillsets for a limited amount of time, and to acquire essential technical resources on a temporary basis while waiting for competitive exams to be opened. Most of our current temporary staff fall into the second category. They are performing work that will be performed by permanent staff members once the positions are filled. These temporary staff members have the technical skills needed to support our IT operations, and we hope they will apply for the positions when they open.

The Human Resources Division is currently recruiting for five IT Specialist II positions. The hiring of these five permanent staff members will allow us to decrease the number of temporary staff members that we employ. To that end, we are decreasing our budget for temporary staffing next year from $2,811,700 to $2,140,100.

LACERA's hiring plan has four additional examps scheduled which will result in filling 13 additional vacancies over the course of FY 2024-25

Overtime Needs

We are requesting the same budget for overtime in FY 2024-25 that we requested in FY 2023-24. This overtime budget is primarily allocated for:

- After-hour system maintenance and upgrades
- Emergency system support
- Support for Saturday Member Services and Benefits operations
- Support for extended office hours during peak months
- Development and implementation support for Phase 2 of Sol

Interns

The Systems Division is requesting three interns, one for each of our major information systems sections. The Business Solutions intern will join the Workflow Automation Team to work on optical character recognition (OCR) initiatives and automated testing solutions; the Infrastructure intern will join the engineering team to support and learn about LACERA's onsite data center; and the Project Management Office intern will join the data lake team to help categorize LACERA's enterprise data and implement a data cataloging tool. Our goals for hiring interns are to provide meaningful work to students who are studying Information Technology, obtain energetic resources with a new perspective for short-term projects, and find qualified candidates to permanently join our division.

Funding for interns is provided in the Human Resources Division's Budget.

Rehired Retirees

The Systems Division is requesting two rehired retirees to continue to fill critical, specialized skill gaps until the IT Specialist I positions are filled with permanent staff members.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

The Systems Division has removed the following one-time expenditures totaling $350,000 for FY 2024-25 due to completion of these projects:

Project	Cost
• Completion of uninterruptible power supply (UPS) upgrade	**$150,000**
• Completion of keycard reader upgrades	**$100,000**
• Completion of Great Plains integration	**$100,000**

Services and Supplies Adjustments

The Systems Division has requested four new budget accounts this year to separate the procurement and support of infrastructure software, as well as software solutions developed and supported in-house, from the procurement and subscription costs of Software as a Service (SaaS). The four new budget accounts are:

- Divisional Software (New): This account is for new SaaS solutions that support a specific division.
- Divisional Software (Existing): This account is for existing SaaS solutions that support a specific division.
- Enterprise Software (New): This account is for new SaaS solutions that support more than one division.
- Enterprise Software (Existing): This account is for existing SaaS solutions that support more than one division.

Divisional Software: New

Project	Total Cost	Description
Secure Access Service Edge (SASE) Solution	$235,000	To support LACERA's strategic objective of Innovation Through Technology, the Systems Division and Information Security Office seeks to implement an SASE solution that will enable the organization to better support our remote and hybrid workforce automatically by connecting them to nearby cloud gateways for better performance. This project will replace the organization's current Netskope solution with a more simplified system that is easier to manage and troubleshoot and provides consistent, secure access to all applications, while allowing the engineering and information security teams to have full visibility and inspection across all network ports and protocols.

Member Identity Verification Solution	$220,000	To support LACERA's strategic objective of Superior Member Service and as part of our commitment to protecting the promised benefits, the organization seeks to improve our member identity verification processes. This project will ensure the organization can leverage identity verification and/or authentication services that adhere to the highest standards of data privacy and protection while enhancing the user experience and member satisfaction, reducing operational costs, and improving compliance and security requirements.
Facilities Management Solution	$150,000	The Administrative Services Division seeks to implement an enterprise facilities management software solution to replace the current tediously manual and labor-intensive processes. The new system will seek to implement automation to ensure that the organization can properly manage the health and safety of our work environment while enhancing our ability to improve facilities-type requests. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and to focus on higher priority initiatives.
Benefits PBI Upgrade	$100,000	To support LACERA's strategic objective of Superior Member Service, the Benefits Division seeks to replace their current end-of-life member/beneficiary research system. The new system will ensure that the organization can quickly and accurately identify deceased members and locate or identify the beneficiary to fullfill our fiduciary responsibilities and pay out the owed benefits. The same amount for this project was requested during the FY 2023-24 budget; however, this project was deferred due to resource constraints and in lieu of the vendor extending support in the current system.

Digital Mailroom	$100,000	LACERA seeks a virtual mailroom to ensure business continuity by providing efficient and secure management of incoming mail. The virtual mailroom would use an outsourced solution to provide uninterrupted document processing and remote accessibility. During FY 2024-25, LACERA would like to complete a pilot project for the digital mailroom to ensure that the solution would be effective and provide business continuity and seamless disaster recovery.
Human Resources Recruitment Module (Neogov)	$71,000	LACERA seeks to expand our use of Neogov to include the “Attract” talent acquisition modules, expand the use of the “Perform” modules to include performance evaluations for represented staff members, and add the “Learn” module as an organization learning management system.

Enterprise Software: New

Project	Total Cost	Description
Member Experience Communication Project (MECP)	$600,000	LACERA seeks to modernize our existing telecommunications infrastructure for servicing our members. This funding is requested to support LACERA’s telecommunications strategy to acquire a world-class Member Service Contact Center solution that integrates with our existing Microsoft suite of products, case management application, and pension administration system. Initial funding for this project was requested during the FY 2023-24 budget to support both the Pasadena office and Member Service Contact Center; however, the member servicing portion was deferred to focus on updates to the corporate telecommunications infrastructure.

Member Case Management (Phase 1: Enhancements) (Phase 2: Implementation)	$500,000	Case management continues to be a top priority for LACERA in the upcoming fiscal year. During FY 2023-24, LACERA will complete the implementation of Phase 1 of the project, which includes the Disability Retirement, Disability Appeals, and First Payment processes. The estimate in this current fiscal year is for continuous enhancements to the implemented Phase 1 processes as those workflows mature and to begin implementation of Phase 2. Phase 2 will focus on the insurance enrollment and member appeals resolution processes, which include legal review, insurance appeals and escalation, insurance enrollment, and administrative appeals and escalation. The future phases may involve additional RFPs for professional services, or LACERA may choose to implement the additional phases using internal resources.
Enterprise Knowledge Management Solution	$250,000	To support LACERA's strategic objective of Innovation Through Technology, the organization seeks to implement an enterprise knowledge management solution that stores and organizes the knowledge and information of the organization into a single robust solution. We currently maintain this critical enterprise content in multiple formats and on disparate systems. This project will improve the efficiency of processes and operations by reducing the time and effort required to access and use relevant knowledge and information, preserve intellectual assets by capturing and storing knowledge of subject matter experts or retirees and support learning and development of staff by providing a resource to acquire and update their knowledge and skills.
Policy, Governance Risk and Compliance (GRC), and Audit Solution	$70,000	LACERA seeks to implement a comprehensive GRC solution that includes the following modules: Policy Management, IT Governance Risk and Compliance, Enterprise Risk Management, Ethics and Compliance, and Audit.

Audio/Visual Equipment Replacements

Project	Total Cost	Description
Teams Room Conversion	$125,000	The Systems Division is converting all LACERA conference rooms to Microsoft Teams-enabled meeting rooms. This project is being implemented in three phases, with Phases 1 and 2 completed during the FY 2023-24 budget. Funding for Phase 3 is being carried forward from the FY 2023-24 budget, and once completed, each conference room will provide a rich and collaborative Teams meeting experience that is simple to use and supports LACERA's flexible hybrid work environment.

SYSTEMS DIVISION

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	62.0
2023-2024 Hiring Plan:	54.0
2024-2025 Bud. Pos.:	62.0
2024-2025 Hiring Plan:	57.0

1.0 Chief, Information Technology ₹
Kathy Delino

1.0 Sr. Administrative Assistant

BUSINESS SOLUTIONS

1.0 Information Tech. Manager II
Ganesh Gopanapalli

PROJECT MANAGEMENT OFFICE

1.0 Information Tech. Manager II
Celso Templo

INFRASTRUCTURE

1.0 Information Tech. Manager II
Summy Voong

OPERATIONS

1.0 Info. Tech. Manager I
1.0 Data Systems Coordinator
1.0 EDP Principal Programmer Analyst
1.0 Data Systems Analyst II
2.0 Data Systems Analyst I

APPLICATION DEVELOPMENT

1.0 Info. Tech. Manager I
1.0 Info. Tech. Specialist I
3.0 Ret. Systems Specialists
1.0 Data Systems Supervisor II
5.0 Data Systems Coordinator
5.0 Data Systems Analyst II
2.0 Data Systems Analyst I

SERVICE DESK

1.0 Data Systems Supervisor II
1.0 Info. Tech. Manager I
4.0 Data Systems Coordinator
3.0 Data Systems Analyst II
1.0 Data Systems Analyst I
1.0 Staff Assistant I

ENGINEERING

1.0 Info. Tech. Manager II
2.0 Info. Tech. Specialist II
1.0 Info. Tech. Specialist I
3.0 Data Systems Coordinator
1.0 Data Systems Analyst I

SYSTEM ADMINISTRATION / ARCHITECTURE

3.0 Info. Tech. Specialist II
2.0 Info. Tech. Specialist I

PROJECT MANAGEMENT

2.0 Info Tech. Specialist I
1.0 Data Systems Supervisor II
1.0 Data Systems Coordinator
2.0 Data Systems Analyst II

TELCO / AV / DATA CENTER MGMT

1.0 Info. Tech. Specialist II
1.0 Data Systems Supervisor II
1.0 Data Systems Coordinator

₹ Title changed from Chief, Information Technology Officer to Chief, Information Technology (Board of Supervisor approved and effective 1/1/2022).

LACERA

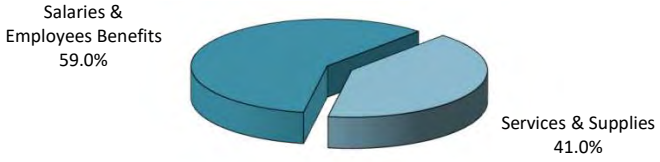
FISCAL YEAR 2024-2025

BUDGET SUMMARY

SYSTEMS DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$14,784,573**	$14,681,724	$6,297,041	$12,311,000	($2,370,724)	-16.1%	$102,849	0.7%
Services & Supplies	**10,294,500**	9,187,800	3,947,434	8,645,800	(542,000)	-5.9%	1,106,700	12.0%
OPERATING BUDGET	**$25,079,073**	$23,869,524	$10,244,475	$20,956,800	($2,912,724)	-12.2%	$1,209,549	5.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$7,720,737**	$6,950,188	$2,867,593	$5,821,300	($1,128,888)	-16.2%	$770,549	11.1%
Total Agency Temp Salaries	**2,140,100**	2,881,700	1,452,019	2,489,200	(392,500)	-13.6%	(741,600)	-25.7%
Employee Benefits (Variable)	**3,890,171**	3,907,382	1,516,520	3,079,100	(828,282)	-21.2%	(17,211)	-0.4%
Employee Benefits (Other)	**470,481**	445,474	177,103	359,600	(85,874)	-19.3%	25,007	5.6%
OPEB Contribution	**305,784**	246,880	127,070	258,000	11,120	4.5%	58,904	23.9%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**229,200**	229,200	136,054	276,200	47,000	20.5%	0	0.0%
Bilingual Bonus	**0**	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	**12,000**	12,000	16,782	20,400	8,400	70.0%	0	0.0%
Rideshare Allowance	**8,900**	8,900	0	0	(8,900)	-100.0%	0	0.0%
Transportation Allowance	**7,200**	0	3,900	7,200	7,200	0.0%	7,200	0.0%
ADJUSTED GROSS S&EB	**$14,784,573**	$14,681,724	$6,297,041	$12,311,000	($2,370,724)	-16.1%	$102,849	0.7%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$14,784,573**	$14,681,724	$6,297,041	$12,311,000	($2,370,724)	-16.1%	$102,849	0.7%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

SYSTEMS DIVISION

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0805	CHIEF, INFORMATION TECHNOLOGY, LACERA (UC)	1	LR14
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	3	LS12
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	2	127C
0460	DATA SYSTEMS SUPERVISOR II, LACERA	2	120F
2644	RETIREMENT SYSTEMS SPECIALIST, LACERA	2	119L
0453	EDP PRINCIPAL PROGRAMMER ANALYST, LACERA	1	119J
0469	DATA SYSTEMS COORDINATOR, LACERA	13	114K
0458	DATA SYSTEMS ANALYST II, LACERA	10	109G
0457	DATA SYSTEMS ANALYST I, LACERA	6	106G
0426	STAFF ASSISTANT I, LACERA	1	089A
	Total Filled Positions =	**41**	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0804	INFORMATION TECHNOLOGY MANAGER II, LACERA	1	LS12
0803	INFORMATION TECHNOLOGY MANAGER I, LACERA	3	LS11
0802	INFORMATION TECHNOLOGY SPECIALIST II, LACERA	4	127C
0801	INFORMATION TECHNOLOGY SPECIALIST I, LACERA	6	122A
0460	DATA SYSTEMS SUPERVISOR II, LACERA	2	120F
2644	RETIREMENT SYSTEMS SPECIALIST, LACERA	1	119L
0469	DATA SYSTEMS COORDINATOR, LACERA	2	114K
0458	DATA SYSTEM ANALYST II, LACERA	1	109G
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
	Total Vacant Positions =	**21**	

TOTAL POSITIONS = 62

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

LACERA

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
COMMUNICATIONS	**$440,000**	$570,000	$203,974	$495,200	($74,800)	-13.1%	($130,000)	-22.8%
TRANSPORTATION & TRAVEL	**53,000**	41,600	6,519	26,500	(15,100)	-36.3%	11,400	27.4%
POSTAGE	**450,000**	450,000	0	400,000	(50,000)	-11.1%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	**355,000**	763,000	120,695	714,000	(49,000)	-6.4%	(408,000)	-53.5%
EQUIPMENT MAINTENANCE	**425,000**	730,000	338,113	662,800	(67,200)	-9.2%	(305,000)	-41.8%
PROFESSIONAL & SPECIALIZED SERVICES	**1,145,000**	1,340,000	280,699	1,222,100	(117,900)	-8.8%	(195,000)	-14.6%
COMPUTER SERVICES & SUPPORT	**7,358,000**	5,229,600	2,985,730	5,070,000	(159,600)	-3.1%	2,128,400	40.7%
EDUCATIONAL EXPENSES	**66,500**	63,100	11,049	54,500	(8,600)	-13.6%	3,400	5.4%
MISCELLANEOUS	**2,000**	500	654	700	200	40.0%	1,500	300.0%
TOTAL	**$10,294,500**	**$9,187,800**	**$3,947,434**	**$8,645,800**	**($542,000)**	**-5.9%**	**$1,106,700**	**12.0%**

*All amounts rounded to the nearest dollar.

** Corrections are anticipated that will result in the projected expenses being consistent with the approved budget.

SYSTEMS DIVISION

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$5,534,330	$5,374,005	$6,950,188	$5,821,300	$7,720,737
Total Agency Temp Salaries	4,576,300	2,941,429	2,881,700	2,489,200	2,140,100
Employee Benefits (Variable)	3,212,254	2,627,666	3,907,382	3,079,100	3,890,171
Employee Benefits (Other)	410,601	370,881	445,474	359,600	470,481
OPEB Contribution	217,901	216,507	246,880	258,000	305,784
OPEB Contribution (Budget Surplus)	0	217,901	0	0	0
Stipends	0	0	0	0	0
Overtime	150,000	215,349	229,200	276,200	229,200
Bilingual Bonus	0	0	0	0	0
Sick Leave Buyback	12,000	17,170	12,000	20,400	12,000
Rideshare Allowance	8,900	0	8,900	0	8,900
Transportation Allowance	0	0	0	7,200	7,200
SERVICES & SUPPLIES					
Communications	535,000	507,934	570,000	495,200	440,000
Transportation & Travel	4,200	7,459	41,600	26,500	53,000
Postage	390,000	0	450,000	400,000	450,000
Office Supplies & Equipment	469,000	792,949	763,000	714,000	355,000
Equipment Maintenance	405,000	415,215	730,000	662,800	425,000
Professional & Specialized Services	1,359,600	1,255,275	1,340,000	1,222,100	1,145,000
Computer Services & Support	5,049,600	4,989,506	5,229,600	5,070,000	7,358,000
Educational Expenses	36,500	16,342	63,100	54,500	66,500
Miscellaneous	500	221	500	700	2,000
TOTAL OPERATING BUDGET	**$22,371,686**	**$19,965,810**	**$23,869,524**	**$20,956,800**	**$25,079,073**

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES

For the Fiscal Year Ended June 30, 2025

	Current Year		Prior Year
	EXPENSES AS OF 12/31/2023	PROJECTED FOR FY 2024-2025	ACTUAL FOR FY 2022-2023
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	$ 3,347,409	$ 6,694,818	$ 5,768,839
Non-U.S. Equity	11,045,073	22,090,146	20,573,332
Fixed Income	7,694,694	15,389,387	(10,278,771)
Cash and Short-Term	144,822	289,645	269,176
Mortgage Loan Services	11,299	22,598	24,559
Private Equity	4,629,591	9,380,091	8,711,127
Real Assets	2,261,130	4,522,260	3,606,854
Real Estate	9,710,122	25,448,081	23,259,141
Hedge Funds	680,214	1,360,429	778,342
Commodities	1,048,713	2,097,427	2,408,892
Total Investment Management Fees	**40,573,068**	**87,294,882**	**55,121,491**
Other Investment Expenses			
Consultants			
General Investment Portfolio-Meketa Investment Group	126,175	504,700	497,350
Private Equity	512,500	975,000	803,931
Real Estate	97,313	388,788	390,141
Other Consulting Fees	364,042	728,083	935,125
	1,100,029	**2,596,571**	**2,626,547**
Custodians			
Investment Custodian and Banking Fees	1,702,208	2,769,706	3,489,685
Mortgages	1,250	5,000	5,000
	1,703,458	**2,774,706**	**3,494,685**
Performance and Other Fees	**69,458,428**	**132,646,122**	**124,849,824**
Investment Management Data Services	**1,067,545**	**2,206,035**	**1,543,032**
Investment Legal Counsel	**925,270**	**1,427,000**	**1,848,254**
Total Other Investment Expenses	**74,254,729**	**141,650,434**	**134,362,342**
Total Management Fees and Other Investment Expenses	**$ 114,827,797**	**$ 228,945,316**	**$ 189,483,833**
Actuarial Consulting Services	**207,473**	**296,000**	**457,778**
Total Pension Fund Non-Administrative Expenses	**$ 115,035,270**	**$ 229,241,316**	**$ 189,941,611**
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	$ 55,752	$ 111,505	$ 104,498
Short-Term Management Fees	3,392	6,783	13,157
Custodian Fees	15,000	30,000	30,000
Total RHC Program Non-Administrative Expenses	**$ 74,144**	**$ 148,288**	**$ 147,655**
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	$ 13,322	$ 26,645	$ 22,416
Commodities Management Fees	101,937	203,875	153,718
Global Equity Management Fees	252,895	350,646	244,370
Fixed Income Management Fees	281,941	399,894	258,716
Real Estate Management Fees	120,768	177,880	130,224
Private Assets Management Fees	-	1,470,500	-
General Investment Portfolio Consultant	43,775	87,550	86,273
Custodian Fees	51,098	200,294	216,618
Total OPEB Trust Non-Administrative Expenses	**$ 865,737**	**$ 2,917,284**	**$ 1,112,334**

LACERA

Board of Retirement 2023-2028 Strategic Plan

Los Angeles County Employees Retirement Association

Board of Retirement

Thank you to the Board of Retirement Trustees for their service and guidance in shaping LACERA's strategic priorities and objectives.

Shawn R. Kehoe
Chair
Elected by Safety Members

Alan J. Bernstein
Vice Chair
Appointed by Board of Supervisors

Vivian H. Gray
Secretary
Elected by General Members

Elizabeth B. Ginsberg
Chief Deputy County Treasurer And Tax Collector
*Acting Ex-Officio Trustee**

Jason E. Green
Elected by Safety Members

Elizabeth Greenwood
Appointed by Board of Supervisors

James P. Harris
Elected by Retired Members

Keith Knox
County Treasurer and Tax Collector
Ex-Officio Trustee

Ronald Okum
Appointed by Board of Supervisors

Les Robbins
Elected by Retired Members

Antonio Sanchez
Appointed by Board of Supervisors

Herman B. Santos
Elected by General Members

We also want to recognize the following former Board of Retirement Trustees: Wayne Moore, William Pryor, and Gina Zapanta.

** When ex-officio trustee is absent*

A Message From the CEO

I'm pleased to present the LACERA 2023-2028 Strategic Plan on behalf of the Board of Retirement. This plan covers the strategic priorities, goals, and objectives that we will implement during the next five years. It is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA's Trustees, executive and managerial teams, active and retired members, and employees from all divisions.

First, a little background about how we got here: When I started as CEO at LACERA in November 2019, LACERA divisions were working on several strategic goals that had been set by the Board of Retirement, but a formal strategic planning process had not been conducted for several years.

In March 2020, COVID-19 forced LACERA to close most of its onsite operations, and we pivoted to a largely remote workforce nearly overnight. We were able to quickly transform the organization thanks to the decisive leadership and full support of our Board Trustees; the groundwork already completed on our existing goals; and the dedicated, all-hands-on-deck efforts of the entire LACERA staff. Together we quickly developed, implemented, and adopted new technological tools to conduct our daily operations; interact with members, colleagues, and stakeholders; and continue uninterrupted service.

In early 2022, LACERA reopened for onsite work and in-person service, and we initiated a comprehensive strategic planning process as directed by the Board of Retirement. The multiple phases of the process took place throughout the year, informed by our recent experiences and advancements and incorporating input from our various stakeholders.

In addition to catalyzing our evolution, the pandemic strengthened LACERA's commitment to our mission and our members, whose heroic efforts saved lives and maintained the social fabric during this prolonged public health emergency. Throughout this plan, you will see how our strategic priorities reflect our "member first" commitment—from developing a comprehensive member experience and benefits education program, to ensuring the stability, security, and sustainability of our infrastructure and trusts, to developing and retaining our workforce and fostering internal leadership.

Consistent with our commitment to transparency and accountability, we are publicly sharing this Strategic Plan, which will serve as our road map for enhancing the member experience while strengthening our organization from within. This plan is a living document that will continually evolve to meet shifting challenges and opportunities. Along the way, we will maintain open, responsive relationships with all of our stakeholders and encourage their input.

On behalf of everyone at LACERA, we respect the trust placed in us to serve the employees of L.A. County and other districts. We will honor that trust as we set an ambitious path of constant improvement, building a stronger LACERA for today and the years to come.

Santos H. Kreimann
Chief Executive Officer

Our Strategic Planning Process

Initiation and Assessment Stage

The strategic planning process kicked off in January 2022. LACERA conducted an assessment of our strengths, weaknesses, opportunities, and threats (SWOT assessment) as part of the May 2020 100-Day Management Report. Working with the Board of Retirement, we identified short-term priorities to focus on. This strategic plan is designed to build on that work to date and define the strategic priorities, goals, and objectives for the next five years.

We also incorporated input from recent audits, including the September 2021 Eide Bailly Recruitment Audit and August 2022 Weaver Organizational Maturity Audit.

Stakeholder Engagement

Members: To get an accurate picture of our members' expectations and communications preferences as part of the member experience strategic priority, in summer 2022 we surveyed all members to learn about how they want to interface with LACERA in a variety of scenarios. This survey was the first of its kind in LACERA's history. We conducted an extensive print and digital campaign utilizing an omnichannel outreach approach to engage members across all plan types and age groups and provided print and electronic survey options to encourage maximum participation, an approach that proved to be successful based on our high response rate. (See more about the survey results under Gaining Insight on page 9.)

Employees: We held four kick-off meetings so that all LACERA employees could learn about the process. We also surveyed all LACERA employees to solicit their input.

We formed cross-divisional teams of LACERA employees to work on each strategic priority, including what we should do and how we should monitor progress to signal success of desired outcomes.

Trustees: We conducted a strategic-planning kick-off with Trustees. As we honed our options, we surveyed Trustees for their input. We also created an ad hoc committee of Trustees and key staff members to provide guidance during the process. Finally, we devoted a day of our February 2023 Board Offsite Meeting for Trustees to provide feedback and continued progressively refining the plan up to the approval stage.

Who We Are

In 1937, the County of Los Angeles established a pension trust fund to provide defined retirement and death benefits to eligible County employees. In 1938, the Los Angeles County Employees Retirement Association (LACERA) was introduced to administer it.

Today, LACERA is an independent governmental entity, separate and distinct from the County. It is the largest county retirement system in the United States.

LACERA is governed by two Boards:

- The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered retiree healthcare program.
- The Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives; overseeing the management of the fund; overseeing pension actuaries and assumption-setting; and setting employer and employee contribution rates.

Together, the BOR and BOI are primarily responsible for LACERA's budget and personnel (classification and compensation). The Boards have a fiduciary duty to LACERA's stakeholders.

Our Membership

- 187,000 members, including 71,000 benefit recipients[1]
- 54,600 member participants in our retiree healthcare benefit program[2]

Our Funds

- Pension Fund value: $70 billion[1]
- Other Post-Employment Benefits Trust value: $2 billion[1]

[1]2022 Annual Comprehensive Financial Report
[2]March 2023 CEO Report

Our Plan Sponsors

In addition to the County of Los Angeles, LACERA administers and manages the retirement fund for four outside districts: Little Lake Cemetery District, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), and South Coast Air Quality Management District (SCAQMD).

LACERA's staff of 426 employees deliver retirement pension and healthcare benefits to our members, and oversee the prudent investment of funds.

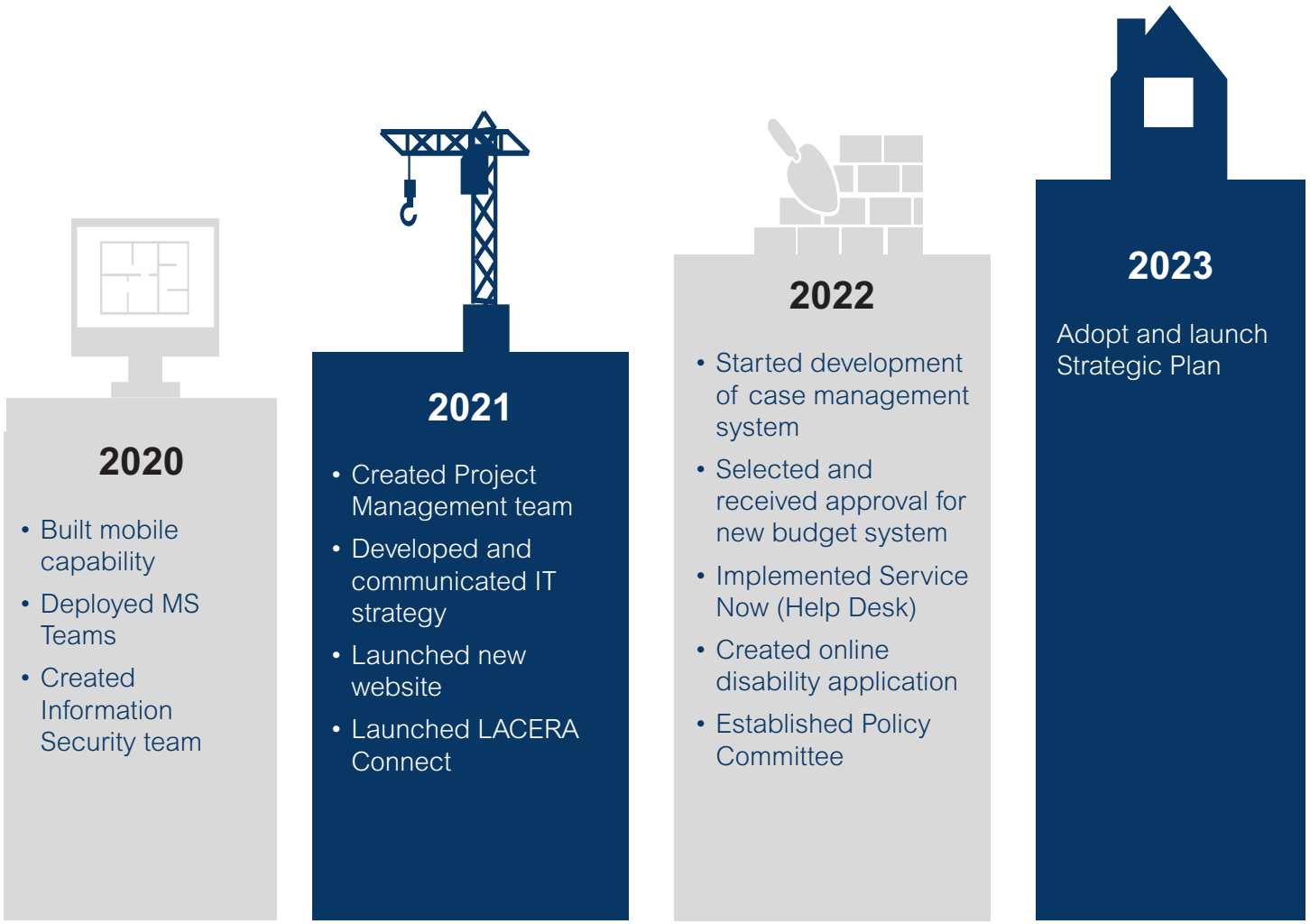
LACERA's Strategic Plan takes into consideration our diverse stakeholders and audiences.

[1] *County of Los Angeles, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), South Coast Air Quality Management District (SCAQMD), Little Lake Cemetery District*

[2] *Service Employees International Union (SEIU) Local 721, Association for Los Angeles Deputy Sheriffs (ALADS), Professional Peace Officers Association (PPOA), Coalition of County Unions, International Association of Fire Fighters (IAFF) Local 1014*

Accomplishments to Date

In our current quest to build a better tomorrow, we have embarked on a number of initiatives to continuously improve our workflows and business processes.



Continuously improving workflows and business processes

Strategic Priorities

Strategic Priority Goals

Objectives

1 Superior Member Experience

Innovate and continuously improve the member experience

1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
1.3 Develop, implement, and deploy a digital strategy to better serve our members
1.4 Improve and enhance the retiree healthcare experience

2 Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information

3 Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce

3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)
3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development
3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning

4 Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance

4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

5 Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals

Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Background

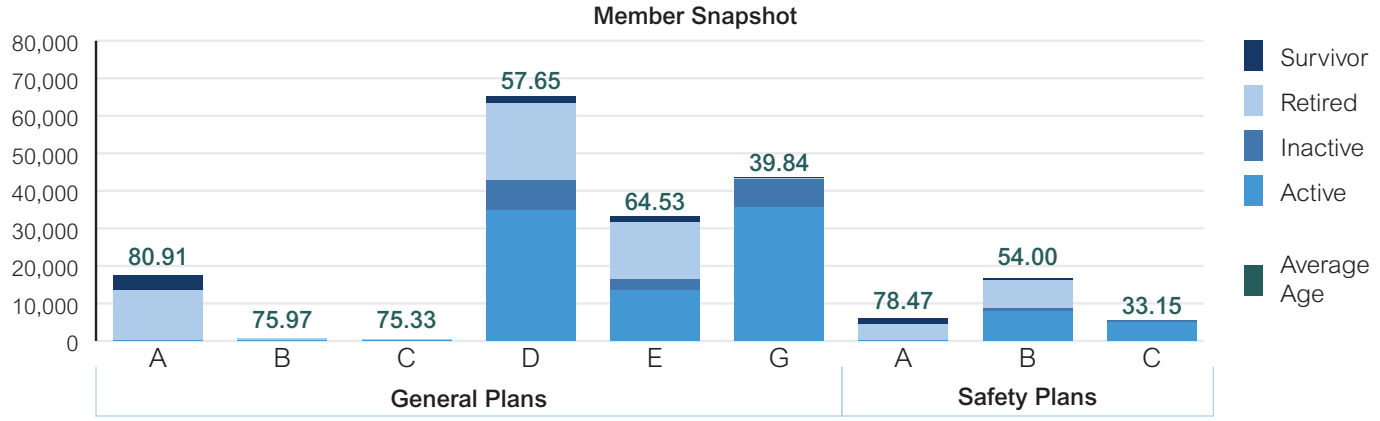
The LACERA member experience is not a one-time occurrence but a lifetime relationship—from the beginning of that member's career through the legacy they leave their survivors. It is defined by every interactive touch-point they have with LACERA, everything they hear about LACERA, and how they feel about LACERA throughout their lives.

From planning for retirement to helping members use their healthcare benefits, LACERA is proud of our long history of providing highly personalized service. Our members' demographics and expectations for service delivery, however, are changing, and are combined with increasing demand for LACERA customer service. In response, we must create innovative solutions for conducting member outreach and guiding our members to consistent, actionable information and modern, interactive tools for self-service.

LACERA has adopted a "member journey" approach that is tailored to the various stages of our members' lives to shape and deliver a superior experience that meets our members' needs.

Understanding Members Is Key

The following graph provides a high-level snapshot of our membership.



Source: March 2023 CEO Report
Data as of 2/15/23; average ages pending verification

Considering our members' ages, generations, and preferences is foundational when conducting outreach and developing a member experience program. For example, we know Gen X and Millennials are highly competent in using computers and mobile apps, are extremely active social media users, and like to choose between self-service and in-person interactions. Other generations (Greatest Generation and Baby Boomers) are increasingly adopting mobile applications and are also active in social media, but they still tend to prefer traditional interaction points, such as mail, email, phone, and in-person service when conducting business transactions.

Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Gaining Insight

To develop a sustainable member experience program, we need a deeper understanding of our members' communications preferences, both in general and during specific member journeys.

To gain greater insight, in 2022 we conducted a member survey and directly asked our members about their comfort levels with technology and online self-services, how they want to interact with LACERA in a variety of scenarios, and how they prefer to receive information. We conducted an extensive outreach campaign (including enlisting our L.A. County plan sponsor) and distributed the survey electronically and by mail to get the highest possible response rate and input from active and retired members. The data we collected will be vital as we develop member journeys.

Here are a few key insights from the survey:

- Responses were heavily skewed toward retired members and active members in their mid- to late-career stages.
- Response rates were lower from new hires in Plan G and Safety Plan C, which gives us vital information regarding levels of engagement with LACERA and differences in communication methods for future outreach efforts.
- The majority of respondents still prefer a mailed newsletter for general news and information (62 percent on average and 77 percent for those age 65 and over). In addition, an average of 50 percent of respondents indicated they liked receiving general news and information via email.
- The majority of our survey respondents indicate they use computers, tablets, and smartphones to complete financial transactions.

Among other takeaways, we know we need to conduct extensive outreach to engage with our younger demographic while focusing on an omnichannel approach for interacting with all age groups. An omnichannel approach integrates the various ways that our members can interact with LACERA (virtually, in person, by phone, email, and My LACERA) and the ways LACERA provides information (lacera.com, YouTube, email, print, SMS, My LACERA, and mailed materials). Given our members' high comfort level with receiving digital information and conducting business online for all age groups, we know we are on the right track with expanding our digital footprint and building more online applications as we develop our member journey program.

Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Developing Member Journeys

There are multiple journeys a member takes during their life with LACERA. Journeys include a member's life events (e.g., marriage, birth of a child), career and service milestones (e.g, reaching the retirement minimum age for their plan). Each member's journey is unique, but each stage of their journey is defined and mapped so we can ensure that the member has everything they need when they need it and that services are delivered based on their preferences.

The member journey is a highly personalized, high-touch, comprehensive care approach to serving our members.

Developing an in-depth understanding of a member's preferences and needs along their journey is a key component of a sustainable member experience program.

This approach requires:

- A sustainable system to evaluate each journey to ensure a continual superior member experience
- A Member Experience Council to provide coordinated focus to all involved divisions
- Defined member journeys
- Holistic focus on journey development
- Consistent omnichannel service
- A digital strategy for instant, on-demand service
- Measurable results, with consistent dashboard metrics and reports to the Operations Oversight Committee (OOC)

Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Objectives

1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey

1.2 Enhance member educational content at every stage in their journey and launch LACERA's Communication Plan

1.3 Develop, implement, and deploy a digital strategy to better serve our members

1.4 Improve and enhance the retiree healthcare experience

CURRENT STATE	OUR FOCUS	DESTINATION
Members currently engage in a high-touch customer service model. Some self-help services, such as the online disability application, have been launched.	LACERA will build an educational, digital, customized, and member-centered framework for every stage of the member journey.	Members may conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire at the palm of their hands.
2023	2023-2028	2028

STEPS TO ACHIEVING OUR OBJECTIVES

- **Formally establish the Member Experience Council and finalize charter**
- **Identify journeys, develop journey maps, and assign priorities for review and development**
- **Develop content and education plans to match the members' needs during their journeys**
- **Continue to integrate digital development of online tools and behind-the-scenes applications**
- **Develop regular reporting process for CEO Dashboard, Operations Oversight Committee, and Insurance, Benefits, and Legislative Committee**
- **Deliver on the superior member experience**

Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Background

LACERA's Systems Division and Information Security teams' joint mission is to continually innovate safe, secure, and productive enterprise information technology (IT) solutions that support the LACERA mission and facilitate exceptional service to staff and LACERA members. In its Information Technology and Information Security Strategic Plan (July 2021), LACERA outlined the key components of a secure, productive enterprise.

Identity & Access Management

Ensuring the proper people have the appropriate access to technology resources

End-Point Management

Securing all enterprise access points—mobile phones, laptops, servers, desktops, and tablets

Infrastructure Management

Supporting all hosted and on-premises systems to minimize downtime and maintain business productivity

Data Management

Following best practices to ensure the availability and reliability of enterprise data

Application Development

Implementing modern solutions that support the enterprise

Operations Management

Optimizing change management and incident resolution through a standardized service management methodology

A secure production enterprise provides multiple interwoven benefits by building trust, promoting collaboration, supporting mobility, and providing intelligence data for better decision-making.

Trust

Protecting LACERA's enterprise data and resources

Collaboration

Creating a productive workplace

Mobility

Enabling staff to get things done from anywhere

Intelligence

Providing insights to drive faster, better business decisions

Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Information technology (IT) is an invaluable tool. When well designed and implemented, it supports effective and efficient accomplishment of an organization's goals, objectives and strategies. LACERA's Information Technology and Information Security Strategic Plan supports the strategic priorities in this Strategic Plan by helping to:

- Improve the member experience, communication, and education to align with the members' journey
- Establish the structure and approach for optimal efficiency, compliance, risk management, and service delivery
- Optimize talent management and staffing planning
- Establish tools and capacity to support evidence-based decision-making
- Provide purpose, guidance, and inspiration for "One LACERA" to succeed in achieving the objectives in this Strategic Plan

Projects In Development

LACERA is currently advancing many new technology-driven projects, such as Phase 1 of the case management system and e-signature implementation. It is rethinking the roles of end-users, business operations, and system maintenance by developing Enterprise Contract Lifecycle Management (ECLM). The system is designed to enable "power users" (who are not IT staff) to develop reports and system functionality to meet their division's specific needs and expectations.

LACERA continues to strive to improve data accuracy through consistent interpretation of laws and rules, refinements of historic data added to our pension administration system since 1990, and formatting of information provided from our members, third parties, plan sponsors, and LACERA divisions.

Future Direction

To achieve our technology vision, LACERA plans to both modify or enhance existing applications and acquire, integrate, and support new ones. Systems' staff will need a different mix of required skill sets, including:

- Project management related to acquisition and implementation of information technologies
- Information security assessments
- System integration
- Database management
- Network planning
- System administration
- Programming in various languages, thereby reducing our dependency on specific vendors' technical coding to make the systems work
- User training and support

Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

LACERA is keenly aware that our ideas and needs outstrip our current capacity to undertake all of them. Therefore, through strategic planning, LACERA will:

- Set priorities through our IT Coordination Council (ITCC)
- Evaluate decisions to internally develop versus buy off-the-shelf technology solutions
- Integrate end-users into the successful selection, implementation, and support of new systems so that the technology works for them
- Develop an IT succession plan to ensure we leverage the efficiencies offered by technology and customer and member service enhancements

Objectives

2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform

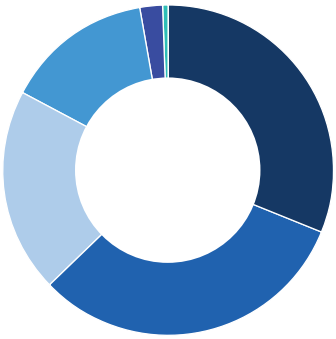
2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information

Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

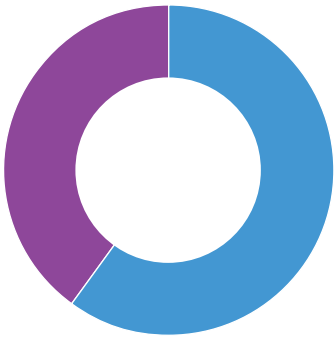
Background

LACERA has a long-standing commitment to diversity, equity, and inclusion (DEI), as reflected in our investment strategies and diverse staff. As of our January 2023 employment records, approximately one-third of our LACERA staff identify as Hispanic, one-third as Asian, and the balance as White, Black, Native American, or two or more races. Approximately 60 percent of our workforce, as reported by the County, identifies as female.



Ethnicity

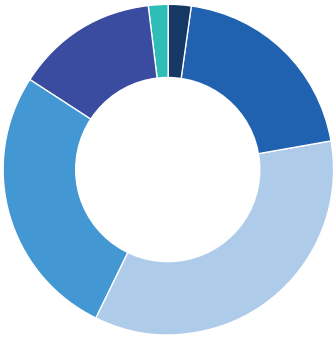
- Hispanic **31%**
- Asian **31%**
- White **20%**
- Black **14%**
- 2 or more **2%**
- Native American **>1%**



Gender

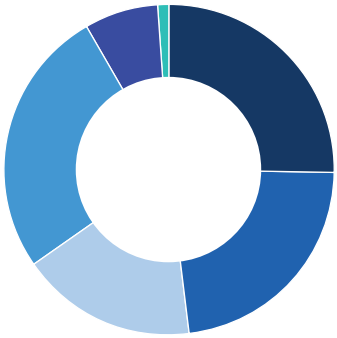
- Female **60%**
- Male **40%**

We have a professionally experienced, stable workforce. More than one-half of our employees are between the ages of 30 and 49, while nearly three-quarters of our staff members have worked at LACERA for five years or longer.



Age

- 20-29 **2%**
- 30-39 **20%**
- 40-49 **35%**
- 50-59 **27%**
- 60-69 **14%**
- 70-79 **2%**



Years of Service

- 0-5 **26%**
- 5-10 **23%**
- 10-15 **17%**
- 15-20 **27%**
- 20-25 **7%**
- 25-36 **1%**

Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Internal and External DEI Efforts

In March 2021, the Board of Investments approved the Toward Inclusion, Diversity, and Equity (TIDE) initiative, which focused on DEI principles for investments, including internal practices, due diligence, active ownership, capital formation, and industry advocacy.

LACERA has now developed the LEAD initiative (see graphic below) to complement TIDE. The purpose of LEAD is to establish a positive and welcoming work culture, provide our members with exceptional service in an inclusive manner, and engage our business and community partners. We believe LEAD will:

- Build a sense of inclusiveness for employees and aid in recruitment and retention
- Provide superior member service by better understanding our members' unique and diverse needs
- Involve our business partners in delivering better results that meet LACERA's mission
- Engage and support our community in a shared vision for diversity, equity and inclusion

Objective

3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)

Lead Effectively

Intergrate the LEAD initiative into our work culture and how we engage with our members and convey the LEAD initiative to our business and community partners.

Ensure Equity

Commit to fair treatment and access to promotional opportunities and member resources.

Achieve Inclusivity

Practice diversity by welcoming, supporting, respecting, and valuing individuals and groups.

Drive Diversity

Seek representation of different and unique identities, characteristics, experiences, and perspectives.

Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Talent Management: Recruitment, Training, and Retention

Similar to challenges of other organizations today, LACERA faces staffing vacancies with a long lead time to hire, train, and fill. LACERA is working to make the recruitment and hiring processes and procedures more transparent, efficient, and collaborative while complying with the County's civil service requirements. Human Resources (HR) is partnering with LACERA divisions to develop solutions that meet LACERA's and its divisions' hiring goals.

LACERA is also working to strengthen its talent management program for new hires and current staff members, including better onboarding, internal promotional opportunities, mentoring, and training, as well as supervisory, management, and leadership development. At the same time, we need to stay current on and/or develop changes in HR policy, processes, and procedures.

Objectives

3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development

3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning

Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

Background

According to the Institute of Internal Auditors (IIA) Standards Glossary, risk is "the possibility of an event occurring that will have an impact on the achievement of objectives." Risk is measured in terms of impact and likelihood. LACERA has various kinds of risks, including:

- Operational risks pertaining to internal policies, processes and systems, which can be affected by our employees or triggered by external events, such as the recent COVID-19 pandemic, floods, or earthquakes
- Fiduciary risks emphasizing the importance of acting in the best interest of our members
- Compliance risks relating to adequacy of internal controls to prevent violation of laws, regulations, and policies

Enterprise Risk Management (ERM) encompasses the methods and processes that organizations use to manage risks and seize opportunities related to the achievement of their objectives. LACERA's current risk governance structure includes a variety of organization-wide and divisional efforts and controls, including:

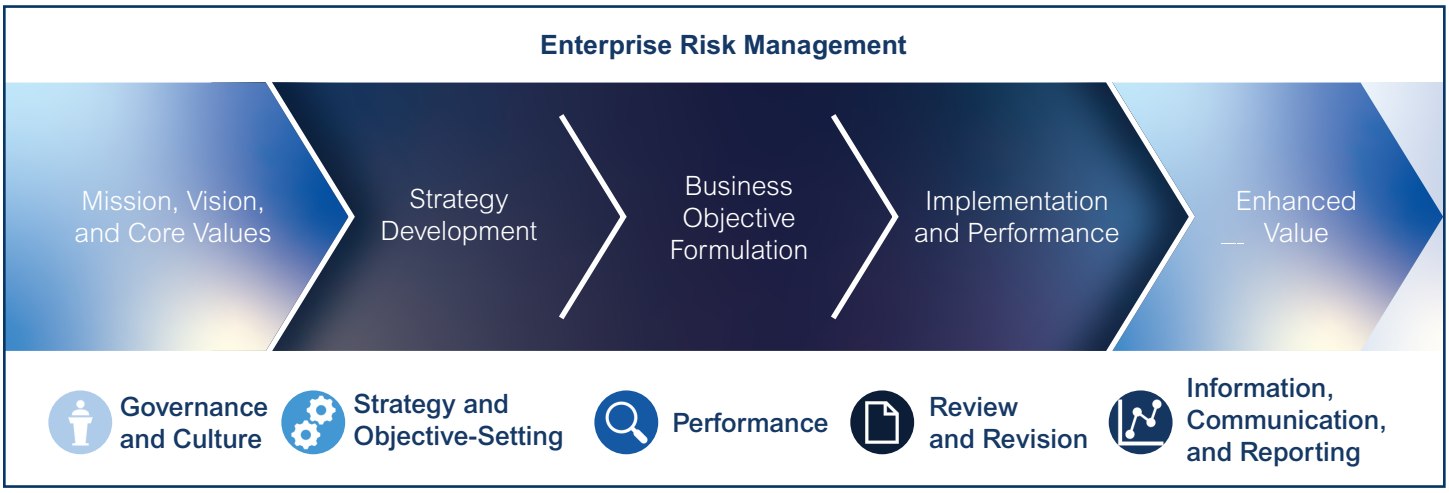
- LACERA Incident Response Team
- Policy Committee
- IT Coordinating Council
- Process Management Group
- Operations Oversight Committee and Board Reporting
- Internal Audit and Audit Committee Reporting
- Business Continuity and Disaster Recovery
- Cyber Liability Insurance

We are currently working on further formalizing the information security program, including the hiring of an Information Security Officer (ISO) and implementing this Strategic Plan.

Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and ERM programs that will facilitate management's efforts in regard to compliance and risk management. These efforts are continuous because risks constantly change.



Source: COSO 2017 ERM Framework

Objectives

4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations

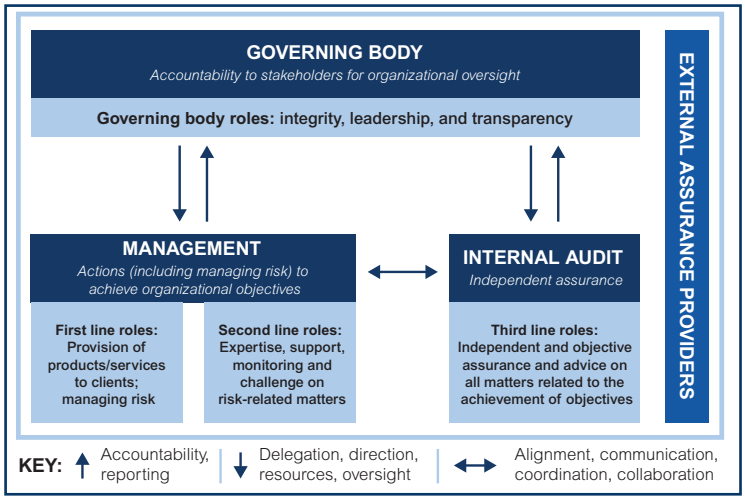
4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

To achieve these objectives, we will generally follow these seven steps:

1. Form working groups across divisional lines to develop compliance and ERM charters
2. Establish dedicated compliance and risk leadership with accountability, starting with a Compliance and Ethics Officer in the Legal Office and ERM leadership in the Executive Office and Internal Audit Division
3. Identify compliance and risk champions in each division to assist with compliance and risk assessments, registers, and areas for focus
4. Conduct staff training for the organization on compliance and risk management, including new employee orientation supplemented by targeted training in specific compliance/risk areas
5. Develop divisional compliance and risk action plans
6. Integrate the results of compliance and ERM efforts into an organizational structure and plan
7. Monitor, report, and update the compliance and risk assessments, registers, and plans as part of a commitment to continuous improvement



Source: ISO 31000 Framework

CURRENT STATE	OUR FOCUS	DESTINATION
Delivering compliance and enterprise risk management programs in a non-integrated way, lacking a particular framework.	Hire a Compliance and Ethics Officer and implement the Institute of Internal Auditors "Three Lines of Defense Model" in addressing organizational risk and compliance.	Fully implemented integrated, structured, and mature organizational compliance and risk programs.
2023	2023-2028	2028

Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Background

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

In pursuit of meeting of these responsibilities the following two objectives have been defined to focus our efforts.

Objectives

5.1 Develop organizational tools to support enterprise-wide fiscal responsibility

5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals

Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objective 5.1

Develop organizational tools to support enterprise-wide fiscal responsibility

LACERA must be fiscally responsible while fulfilling our commitment to continuously meet member expectations by delivering a superior member experience. Key to this goal is maintaining our dedication to sustainable benefit delivery while employing a cost-conscious approach to efficient utilization of resources.

Some of these fiscal elements involve improvements in:

1. Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions
2. Technology, both member facing and internal, that may reduce unnecessary or repetitive work efforts
3. Systems and processes that can be simplified and made end-user friendly to increase staff efficiency and effectiveness
4. Staffing levels that are sufficient to complete our work, meet standards, and reflect anticipated changes from technology

These improvements will enable managers and staff to plan for, manage, and track the impact of the changes that are being implemented in the other parts of the Strategic Plan.

Objective 5.2

Implement and support the LACERA Investment Office in achieving the BOI's Strategic Plan goals

Strategic Priority 5 incorporates the BOI's key strategic investment initiatives and objectives to:

1. Share information with the BOI to promote understanding of the BOI's needs and objectives.
2. Assure availability of the operational resources necessary for the BOI to implement its strategic initiatives.
3. Assist the BOI as needed in achieving its defined priorities as well as being prepared to facilitate the BOI's ability to execute a flexible response to any unforeseen circumstances.

Strategic Plan Participants

This Strategic Plan would not have been possible without the dedication and focus of our leadership and employees in developing the action plans.

Spark Advisory Team

James P. Harris, BOR Trustee
Keith Knox, BOR/BOI Trustee
Antonio Sanchez, BOR Trustee
Herman Santos, BOR/BOI Trustee
Santos H. Kreimann, Chief Executive Officer
Luis Lugo, Deputy Chief Executive Officer
Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Jon Grabel, Chief Investment Officer
Steven Rice, Chief Counsel
Carly Ntoya, Human Resources Director
Vache Mahseredjian, Principal Investment Officer
Kathy Delino, Information Systems Manager

Action Planning Teams

Vision

Allison Barrett (DLO)
Iveta Brecko (SYS-PMO)
Stephanie Kawai (PMG)
Persian (Percy) Petrov (MS-MSC-OUT)
Fabio Ramirez (BEN-BPU-AMU)
Martin Sandoval (ADM)
Inga Tadevosyan (INV)
Elizabeth Tirado (LEG)
Letha Williams-Martin (RHC)

Performance Management

Gerald Bucacao (MS-CC-CC)
Tamara Caldwell (DRS)
Tom Deluca (SYS)
Eugenia Der (DLO)
Louis Gittens (PMG)
John Kim (INV)
Amy Lim (ADM-DPC)
Maggie Luong (PMG)
Sevan Simonian (BEN-CORE)
Kristina Sun (IA)

Member Experience

Maria Calderon (MS-MSC-OUT)
Allan Cochran (MS)
Stephanie Kawai (PMG)
Laura Magallanes (BEN)
Cynthia Martinez (COM)
Maritza Perez (MS-MSC-OUT)
LaTonya Robinson (BEN)
Sarah Scott (COM)
Jeff Shevlowitz (MS-CC-COR)

Workforce/Talent

Margaret Chwa (FASD)
David Escamilla (RHC)
Elsy Gutierrez (ADM-DPC)
Paola Johns (DLO)
Benjamin Juarez (MS-CC-COR)
Abigail Lomboy (MS-CC-CC)
Diana Luong (DLO)
Kelly Puga (MS-CC-CC)
Julia Ray (HR)
Niki Webb (MS-CC-COR)

Technology

Bernie Buenaflor (QA)
Justin Chiu (DRS)
John Chuang (BEN-CORE)
Alex Ochoa (PMG)
Aurelia Okafor-Smith (MS-MCU)
Christian Pieratt (RHC)
Celso Templo (SYS)
Valerie Quiroz (MS-CC)
Jason Waller (DLO)

Culture

Marilu Bretado (DRS)
Esme Del Bosque (INV)
Vincent Lim (DLO)
Roxanne Martin (ADM-PRO)
Valery Ptacek (MS-CC-COR)
Sarah Robles (DRS)
Ana Ronquillo (HR)
Roberta Van Nortrick (ADM)

Risk / Compliance

Nathan Amick (IA)
Carlos Barrios (BEN)
Tom Cohen (COM)
Renee Copeland (MS-CC-CC)
Laura Gonzalez (DRS)
Barry Lew (Legal)
Christina Logan (IA)
Antonio Ramos (MS-CC-CC)
Gloria Rios (FASD)
Bob Schlotfelt (EXEC-ISO)

Other APTs

Ian Duggan (COM)
John Louie (MS-CC-COR)
Vanessa Gonzalez (MS)
Carlos Barrios (BEN)
Kathy Delino (SYS)
Cynthia Martinez (COM)

Strategic Planning Idea Review and Implementation Team (SPIRIT)

Goal No. 1: Member Journey and Experience

JJ Popowich (EXEC), Facilitator
Frank Boyd (LEG)
Allan Cochran (MS)
Cassandra Smith (RHC)
Fern Billingy (LEG)
Tamara Caldwell (DRS)

Goal No. 2: Embracing Technology

Laura Guglielmo (EXEC), Facilitator
Leisha Collins (QA)
Ricki Contreras (DRS)
Kathy Delino (SYS)
JJ Popowich (EXEC)
Bob Schlotfelt (EXEC-ISO)
Celso Templo (SYS)
Summy Voong (SYS)

Goal No. 3: Compliance and ERM Responsibility

Steven Rice (LEG), Facilitator
Bernie Buenaflor (QA)
Richard Bendall (IA)
Barry Lew (LEG)
Christina Logan (IA)
Roberta Van Nortrick (ADM)

Goal No. 4: Fiscal Responsibility

Ted Granger (FASD), Facilitator
Leisha Collins (QA)
Kaelyn Ung (ADM)
Roberta Van Nortrick (ADM)

Goal No. 5: Human Resources

Luis Lugo (EXEC), Facilitator
Jasmine Bath (LEG)
Laura Guglielmo (EXEC)
Carly Ntoya (HR)

Goal No. 6: Culture

Vincent Lim (DLO), Facilitator
Allison Barrett (DLO)
Laura Guglielmo (EXEC)
Jon Grabel (INV)
Luis Lugo (EXEC)
JJ Popowich (EXEC)
Carly Ntoya (HR)
Steven Rice (LEG)
Scott Zdrazil (INV)

Goal No. 7: Accountability and Metrics

Luis Lugo (EXEC), Facilitator
Eugenia Der (DLO)
Louis Gittens (BEN)
Maggie Luong (BEN)

The main purpose of this Strategic Plan is to build a better tomorrow for our members by outlining what we must do internally in terms of technology, staffing, and processes—particularly enterprise risk management, compliance, and fiscal durability—to support both the member services and investment sides of LACERA.

This document does not authorize expenditure of funds or commitment of resources.

LACERA
300 N. Lake Ave.
Pasadena, CA 91101
626-564-6000
lacera.com

Towards Best-In-Class Investor

2024 Strategic Initiatives and Work Plan

Investments Division

Board of Investments Meeting

January 10, 2024

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2024 Work Plan Recommendation and Overview

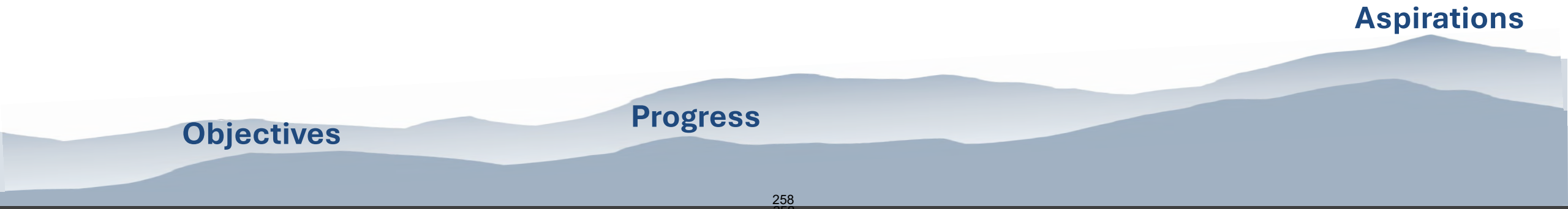
Recommendation

Approve the 2024 BOI Strategic Initiatives and Work Plan

Overview

The 2024 Strategic Initiatives and Work Plan aims to:

1. Provide **visibility** into current and upcoming initiatives
2. Reflect and **synthesize** Board-approved projects and input, recent Board meetings, and Offsite discussions into a cohesive action plan
3. **Align** resources and priorities to remain resilient and adaptable to unforeseen circumstances



Strategic Initiatives and Work Plan Timeline

Components of the Strategic Initiatives and Work Plan have been refined over several years with the steady goal of improving portfolio outcomes

2020

- Vision 2020
- Report to the Board
- 4 Strategic Initiatives: Operations, Investment Model, Stewardship, Influence on Fees

2021

- Envision 2021
- Report to the Board
- 5 Strategic Initiatives: Added LACERA T.I.D.E.

2022

- Towards Best-In-Class Investor
- Approved by the Board
- 5 Strategic Initiatives

2023

- Towards Best-In-Class Investor
- Approved by the Board
- 5 Strategic Initiatives

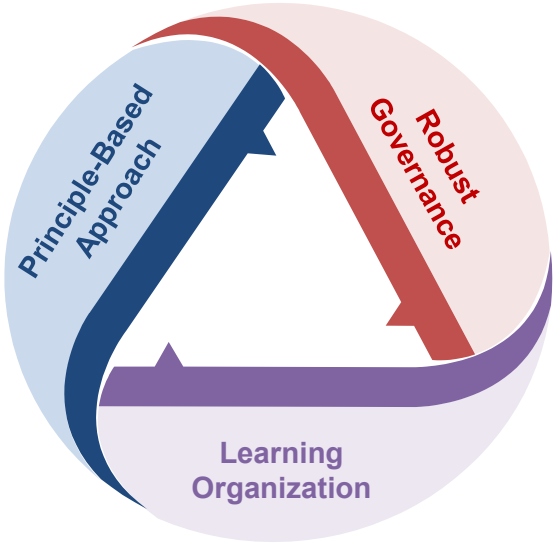
2024 (Recommended)

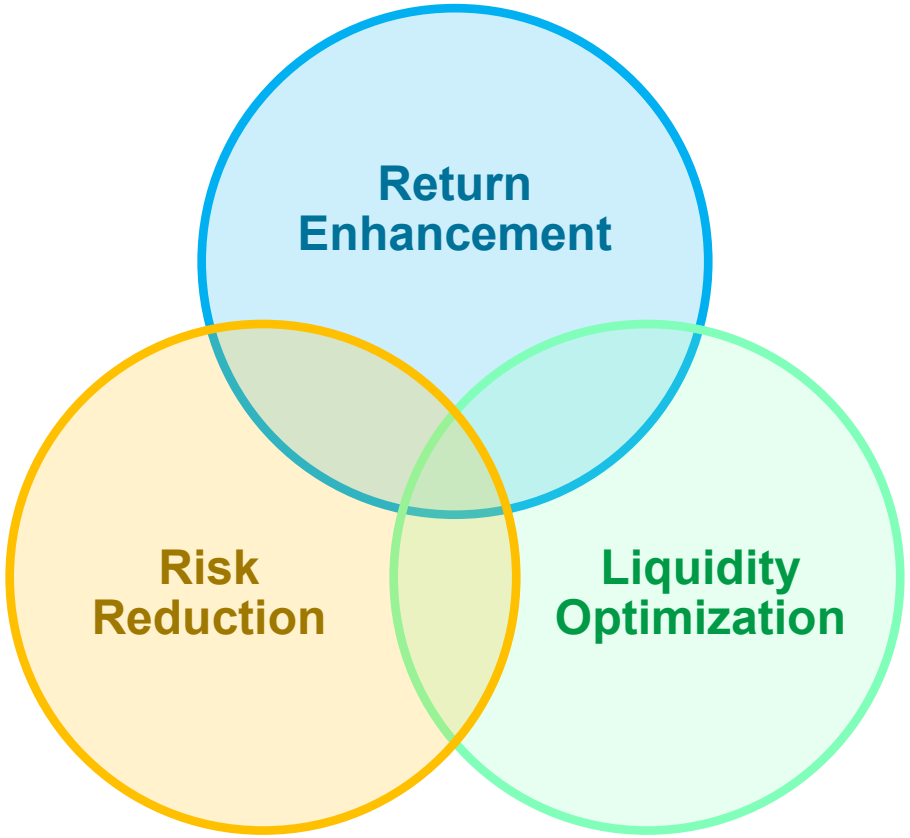
- Towards Best-In-Class Investor
- Recommended to the Board
- 5 Strategic Initiatives
- Added a new element: Dynamic Investment Program

2024 Work Plan: Execute Strategic Asset Allocation Towards Best-In-Class Investor

Execute Strategic Asset Allocation

Dynamic Investment Program





Strategic Initiatives

- Enhance Operational Effectiveness
- Optimize Investment Model
- Maximize Stewardship and Ownership Rights
- Strengthen Influence on Fees and Cost of Capital
- T.I.D.E. Towards Inclusion, Diversity, and Equity

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

Execute Strategic Asset Allocation

Execute Strategic Asset Allocation

Dynamic Investment Program

Strategic Initiatives

Enhance Operational Effectiveness

Optimize Investment Model

Maximize Stewardship and Ownership Rights

Strengthen Influence on Fees and Cost of Capital

T.I.D.E. Towards Inclusion, Diversity, and Equity

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

2024 Work Plan: Objectives of the Investment Program

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

Objectives of the Investment Program

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

I. ***Produce*** *the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;*

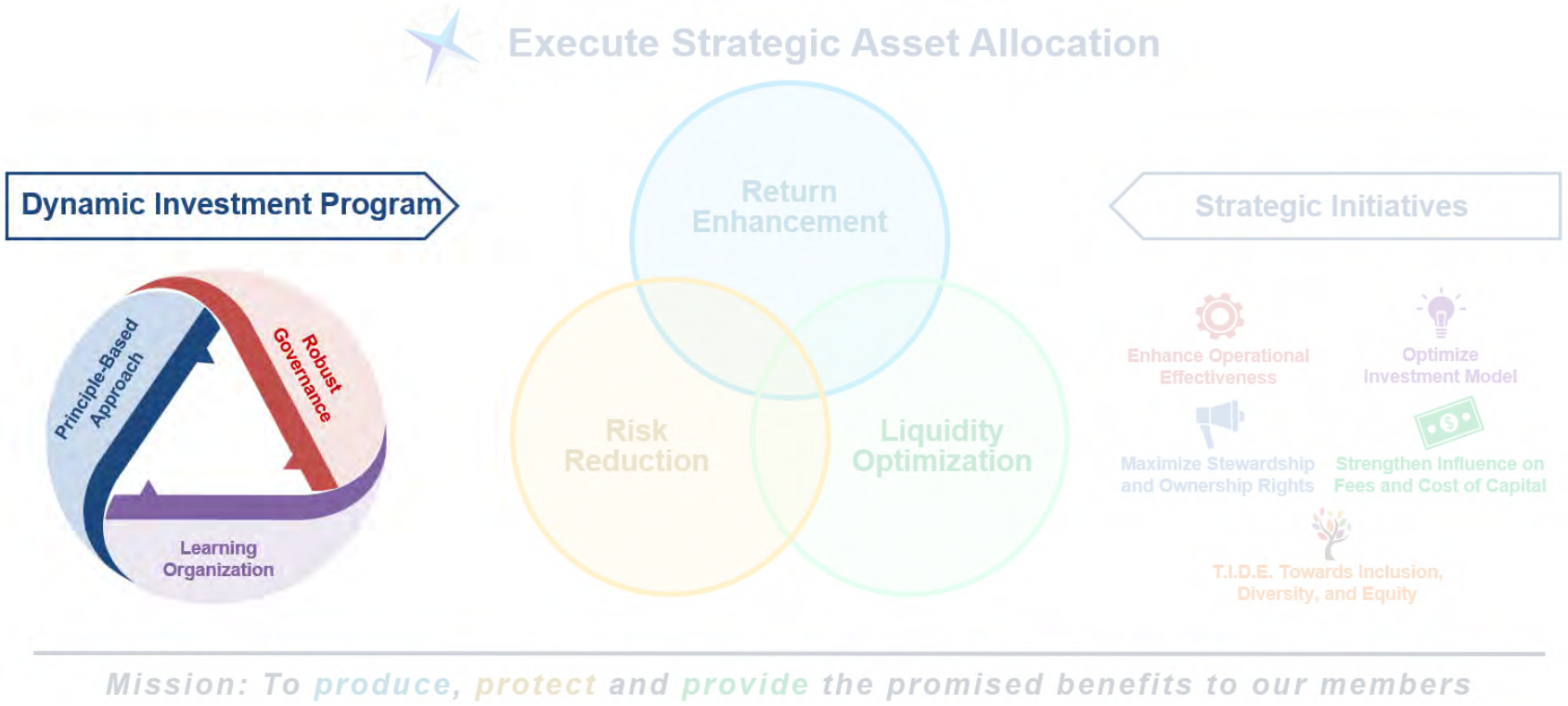
II. ***Protect*** *the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and*

III. ***Provide*** *the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission*

Execute Strategic Asset Allocation

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

Dynamic Investment Program



Dynamic Investment Program: Robust Governance

Board-requested governance review in Spring of 2023 led to a comprehensive, multi-stage assessment of LACERA's policies, procedures, and investment decision-making processes and documents

Given LACERA's total Fund size, its leadership, and market position, the Board voted unanimously to elevate governance via delegated authority while simultaneously enhancing its oversight and monitoring capabilities

Delegated Authority Framework[1]

1. Investment Policy Statement
2. Strategic Asset Allocation
3. Asset Class Structure Reviews
4. Staff-Led Sourcing and Due Diligence
5. Internal Committee Approval and Consultant Concurrence
6. CIO Approval
7. Continuous Board Oversight and Monitoring

Strategic Initiative Alignment

- Nimble and efficient execution of BOI-approved work plan and SAA
- Elevates Board resources to focus on long-term strategic goals
- Continued exercise of ownership rights over investments
- Timelier negotiations of costs, fees, and terms
- Elevates the role of LACERA T.I.D.E through programmatic BOI updates

[1] *As further articulated in the "Proposed Delegated Authority Framework" Board of Investments presentation meeting report November 8th 2023*

Dynamic Investment Program: Learning Organization

LACERA's dedication to being a learning organization inspires an ongoing pursuit of self-improvement, adaptation, and evolution

- Continuous Board Education Elevates Investment Division
- Updated Investment Beliefs
- Improved Board Reports
- Formalized BOI Oversight and Processes of Delegated Authority
- Standardized Structure Review Guidelines
- Commenced Harmonizing Governing Policies
- Bolstered Internal Investment Committees
- Enhanced Operational Due Diligence Capabilities
- Derived Insights from Investment Experiences
- Expanded Templated Investment Analyses

Dynamic Investment Program: Principle-Based Approach

LACERA evolved from a rules-based investment approach to a principle-based structure, providing a robust and flexible framework to adapt and evolve to changing macro environment, technological advancements, and workforce composition

Comprehensive Due Diligence
Encompasses ESG, DEI, investment and operational considerations

Portfolio Insights
Increased total Fund risk monitoring, performance reporting, and exposure awareness

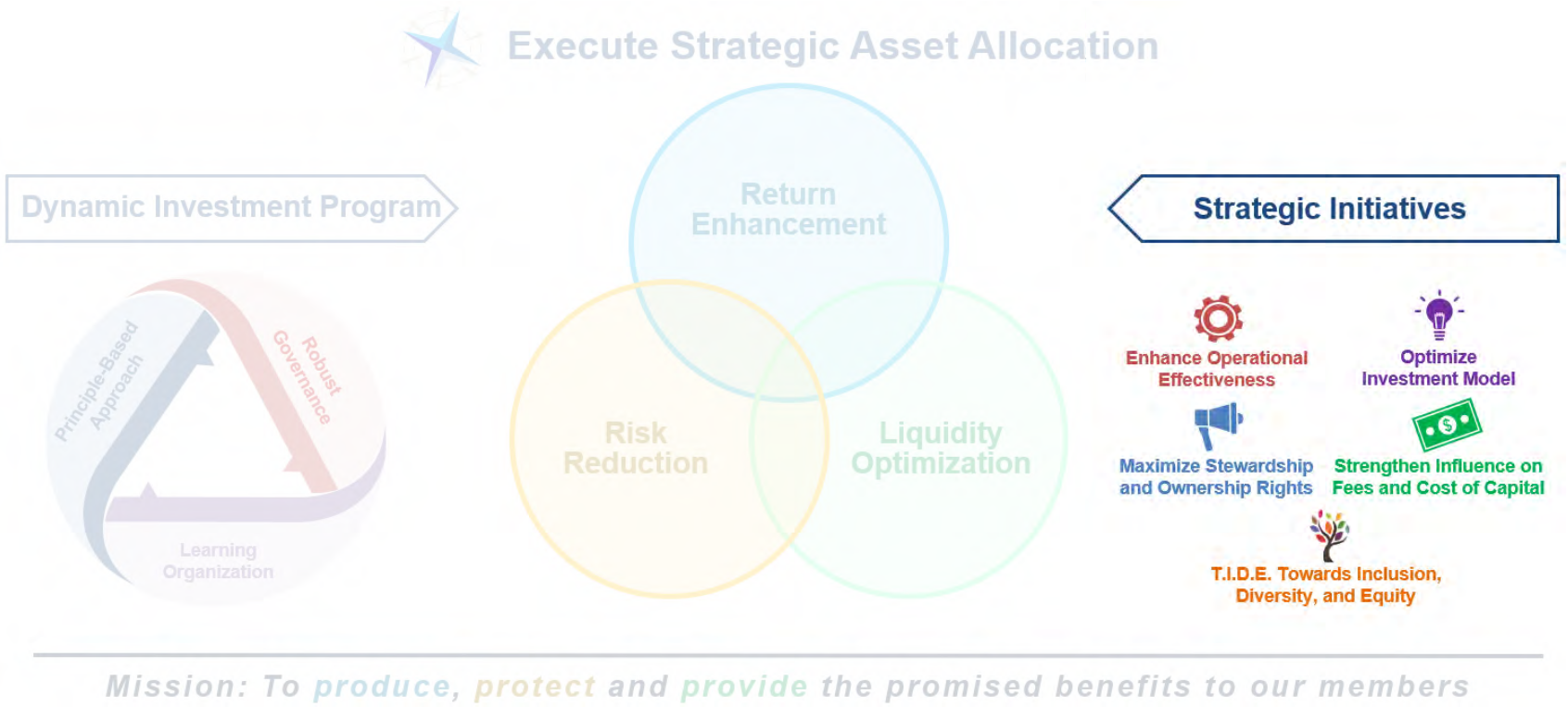
Ownership Rights
Ownership rooted in corporate governance and stewardship principles

Functional Asset Categories
Define the role of investments by return, risk, and liquidity considerations

Portfolio and Structure
Principle-based structure reviews guide portfolio objectives, framework, and guidelines

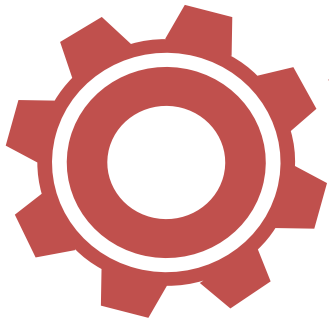
Investment Beliefs
Guiding beliefs set the direction and goals of the investment department

Strategic Initiatives



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

2024 Work Plan Strategic Initiatives



Enhance Operational Effectiveness

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

Progress:

- Evolved LACERA's policies, governance, and investment making decision structure
- Completed hire of deputy chief investment officer
- Implemented a digital platform to evaluate questionnaires and other diligence materials
- Completed operational due diligence review covering investment processes and controls
- Increased influence and reduced operational risk via single-investor vehicles
- Established annual private markets valuation reconciliation process

Aspirations:

- Optimize presentation and quality of information available to the Board
- Consider OPEB structure evolutions
- Search for a consolidated public and private markets investment analytics platform
- Explore technological opportunities and maximize value from adoption
- Elevate operational due diligence function, including hiring a dedicated professional

2024 Work Plan Strategic Initiatives

Optimize Investment Model

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

Progress:

- BOI increased delegated authority improving LACERA's investment competitiveness
- Advanced OPEB Trust strategic asset allocation: approved investment beliefs and public markets passive investment manager search, completed first private markets investment
- Documented investment processes, increasing department-wide consistency and accountability
- Deployed co-investment and secondary capital across several asset categories
- Hedging and overlays implemented to dynamically balanced asset category targets
- Active monitoring and quarterly portfolio-wide discussion of risk management
- Launched new manager intake portal

Aspirations:

- Continue cultivating a dynamic investment program
- Further optimize internal staff investment committees and due diligence practices
- Continue to refine rebalancing practices
- Adopt complexity where well-rewarded and limit unrewarded complexity
- Organize effective educational sessions and orientations

2024 Work Plan Strategic Initiatives

Maximize Stewardship and Ownership Rights

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

Progress:

- Updated Corporate Governance and Stewardship Principles
- Increased proxy voting authority to about 96% of equity portfolio by value in past five years
- Expanded ESG in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliations
- Incorporated analytics to model financial impacts from climate change and energy transition for climate-aware strategic asset allocation modeling
- Expanded engagements on board diversity, climate, investor voting rights, public policy

Aspirations:

- Update climate modeling to inform Board's 2024 strategic asset allocation decision
- Expand ESG and climate reporting and data coverage in private asset classes
- Integrate GRESB and RCP in entire Real Assets
- Assume voting rights in OPEB separate account structure
- Amplify progress and leadership in governance and ESG initiatives

2024 Work Plan Strategic Initiatives

Strengthen Influence on Fees and Cost of Capital

Objective: To strengthen our influence on fees and cost of capital with the goal of maximizing returns by minimizing cost across all investment strategies and structures in a manner that promotes durable investment returns

Progress:

- Re-negotiated terms for several legacy mandates improving future outcomes
- Made co-investments across asset categories to drive fee savings
- Established dedicated managed accounts to enable broad term negotiations
- Instituted annual total Fund fee analysis and review, including BOI reporting
- Invested with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible

Aspirations:

- Continue being “term-makers” as opposed to “term-takers” on fee, legal, and other terms
- Foster creativity when designing terms and account structures to both limit risks and enhance expected return outcomes
- Communicate progress towards optimizing implementation costs through improved expense and fee analytics and reporting

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2024 Work Plan Strategic Initiatives

LACERA T.I.D.E
Towards Inclusion, Diversity, and Equity.

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

Progress:

- Focused on career development for existing team and onboarding new hires
- Engaged strategic private equity partners on portfolio board recruitment and DEI practices
- Continued increase in manager reporting responsiveness, granularity, and candor
- Reviewed Real Assets managers' responsible contracting provisions, including DEI practices
- Expanded allocation opportunities for emerging managers
- Formally affiliated to CFA Institute DEI Code
- Supported expanding due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry

Aspirations:

- Be an employer of choice at all levels from internships through management
- Inspire LACERA's managers to adopt DEI programs to increase risk-adjusted returns
- Utilize wider data sets to inform manager DEI benchmarking and progress
- Integrate takeaways from private equity portfolio company board DEI review into fund underwriting and monitoring
- Continue to enhance insights on firm ownership demographics, where available

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Remaining Items

<u>Remaining Presentation Components</u>

1. Tentative 2024 Calendar
2. Board of Investments Reporting
3. 2024 Work Plan Recommendation

Tentative 2024 Calendar

	January 1/10/24	February 2/14/24	March 3/13/24	April 4/10/24	May 5/8/24	June 6/12/24	July 7/10/24	August 8/14/24	September 9/10/24 - 9/11/24	October 10/9/24	November 11/13/24	December 12/11/24
Board of Investments									*BOI Offsite*			
Corporate Governance Committee												
Credit and Risk Mitigation Committee												
Equity: Public/Private Committee												
Real Assets Committee												

Work Plan Calendar Expectations

- Two Committee Meetings per Calendar Year
- Consultant Request for Proposals
- Funding Policy
- BOI Reporting (See Following Slide)
- Investment Guest Speaker(s)
- Board of Investments Offsite
- Asset Category Structure Reviews

Additional meetings or topics would be added on an as-needed basis

Board of Investments Reporting[1]

The Board will receive reporting on total Fund performance, implementation, compliance, and investments decisions executed via delegated authority

Report	Frequency	Report	Frequency
Chief Investment Officer Report	Monthly	Corporate Governance and Stewardship Update	Annually
Chief Investment Officer-Authorized Investments[2]	Monthly	Investment Consultant Performance Reviews	Annually
Performance Reporting[3]	Monthly and Quarterly	LACERA Towards Inclusion Diversity and Equity (TIDE)	Annually
Risk Reporting[3]	Monthly and Quarterly	Overlay and Hedges Report	Annually
Delegated Authority Compliance Monitor	Quarterly	Private Markets Performance Reporting	Annually
General Consultant Performance Report	Quarterly	Proxy Voting Reports and Trendlines	Annually
Manager Scorecards	Quarterly and Annually	Responsible Contractor Compliance Update	Annually
Actuarial Valuation of Retirement Benefits	Annually	Asset Category Structure Reviews	Biennial
Asset Manager (7514.7) Fee Analysis	Annually	Strategic Asset Allocation Review	Three to Five Years
Chief Investment Officer Performance Review	Annually		

[1] Reporting excludes other BOI functions including budgeting, actuarial analyses, and audit reviews
[2] Investments made under delegated authority reported to Board monthly, except if timing conflicts, reports available following month. Months without such investments may occur
[3] The OPEB Master Trust will provide monthly and quarterly reporting

2024 Work Plan Recommendation

Recommendation

Approve the 2024 Strategic Initiatives and Work Plan

Context (If Approved)

Execute Strategic Asset Allocation Towards Best-In-Class Investor

1. The Board of Investments 2024 Work Plan and Strategic Initiatives is a component of LACERA's strategic plan
2. This Work Plan will evolve as circumstances warrant

Aspirations

Progress

Objectives

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Retiree Healthcare Benefits Program

Program Plan

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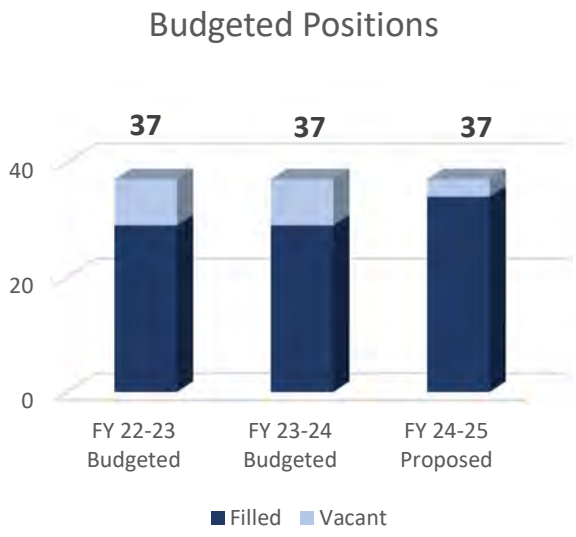
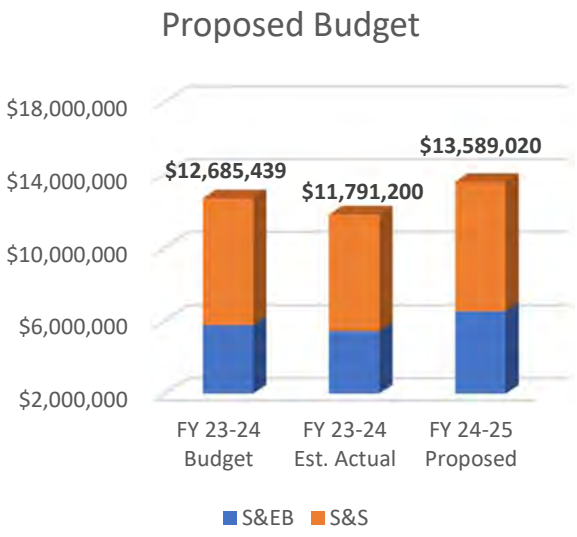
FY 2024-25 Proposed Budget

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program for eligible LACERA members, survivors, and their eligible dependents. This activity includes providing a healthcare program of the highest quality at an affordable cost and educating members about their promised healthcare benefits, including how they intersect with federal and state programs such as the Affordable Care Act (ACA), Medicare, and Social Security.





Summary of Significant Changes:

Description	Position Changes	Amount
Outside Legal Counsel		$50,000
Member Verification (SSA)		$90,000
Special Retiree Mailings		$25,000
Removal of Triannual Audit Cost		($279,500)
OPEB Valuation Cost		($54,500)

STATUS OF FY 2023-24 PROJECTS AND INITIATIVES

- **Healthcare enrollment and Medicare 101 video** (supports Superior Member Experience strategic priority): We continue to partner with Communications in creating the healthcare enrollment and Medicare 101 video to be published on the lacera.com website. We anticipate this project will be completed by June 30, 2024.
- **Electronic file submission to carriers** (supports Innovation Through Technology priority): We continue to collaborate with Systems to implement a process for submitting member eligibility files electronically to our health plan carriers, beginning with the Kaiser plan. We anticipate the Kaiser plan submission to be completed by June 2024.
- **RHC dependents' information on member portal** (supports Superior Member Experience priority): We collaborated with Systems to enhance the RHC member information on the member portal by including data points such as dependent information, coverage dates, and health plan enrollments. We anticipate this project will be completed by June 30, 2024.

FY 2024-25 STRATEGIC GOALS AND OBJECTIVES

- **Social Security data exchange** (supports Fiscal Durability priority): This goal will allow LACERA access to Social Security information to help streamline members' and their eligible dependents' enrollment in Medicare Part A and B upon turning age 65 and help decrease staff workload. We anticipate this project will be completed by June 2026.
- **Self-service healthcare enrollment in member portal** (supports Fiscal Durability and Superior Member Experience priorities): The self-service member healthcare enrollment using the member portal will help streamline and automate the enrollment process, helping decrease our workload while enhancing the member experience. We anticipate implementing this goal in FY 2025-26.
- **Automation of Medicare Part B Verification Review** (supports Innovation Through Technology and Superior Member Experience priorities): We are partnering with Systems to automate and streamline the review of incoming Part B verifications received from members by using optical character recognition (OCR) and auto-updating the Part B amounts. This will help decrease our workload tremendously and improve member experience. We anticipate this project will be completed by June 2026.
- **RHC CORE Benefits Training Enhancement** (supports the Investing in People priority)**:** This goal is to enhance the current RHC RBS I/County Temp training by including a refresher course for current staff regarding the RHC Benefits Program as well as enrollments processing to help improve their skills and knowledge. We anticipate a completion date of June 2026.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SALARIES & EMPLOYEE BENEFITS (S&EB)

Non-Discretionary Salary Adjustments

The budget reflects the final six months of negotiated cost-of-living adjustments (COLAs) included in the current Memorandum of Understanding (MOU) covering the period through December 31, 2024, and approved by the Board of Retirement and Board of Investments for all LACERA employees, as well as salary-step progression and merit pay increases for qualified and/or eligible employees and assumed commensurate increases to employee benefits. The budget does not include any changes to salaries or benefits that may be negotiated during FY 2024-25.

Adjustments to Permanent Staffing

We are not proposing any adjustments to our permanent staffing in FY 2024-25.

Temporary Staffing

We are requesting one temporary agency staff at the level of Senior Clerk to assist with the annual Medicare Part B verifications project.

Overtime Needs

We are requesting overtime to manage the workload due to the anticipated high volume of enrollment forms for the March Rush, processing of Medicare Part B premium verifications, and for any unanticipated special projects and special mailings. There are no changes to the number of overtime hours.

Interns

We are requesting one intern who will assist in our collaboration with the Member Operations Group Audit Platform (MOGAP) in standardizing and automating the quality metrics and enrollment forms' verification in the Quality Control Section. The LACERA Intern Program resides in the Human Resources budget; therefore, funding for the intern is included Human Resources budget.

Rehired Retirees

Retiree Healthcare does not anticipate any use of rehired retirees in FY 2024-25.

SUMMARY OF PROPOSED BUDGETARY CHANGES: SERVICES & SUPPLIES (S&S)

Removal of One-Time Expenditures

Audits/OPEB Valuation

Funding totaling $225,000 has been removed for the triennial audit and $54,400 from the

OPEB Valuation. This work was performed in FY 2023-24 and will not be required in FY 2024-25.

Services and Supplies Adjustments

Travel

Funding totaling $24,700, an increase of $1,500 is requested for staff travel. Travel is required for training and development as well as to stay abreast of changes and trends occurring in the healthcare industry.

Special Retiree Mailings

We are requesting $325,000, an increase of $25,000 in our Special Retiree Mailing Account to cover the potential increase in postage and printing costs as well as other unanticipated member special mailings.

Rent

Funding totaling $217,600, an increase of $6,400 is requested for rent.

Audits & OPEB Valuation

We have budgeted $527,000, a decrease of $279,500, to cover the cost of conducting the following program audits for this fiscal year:

OPEB Audit	$123,000
OPEB Valuation Report	$404,000

Internal Audit is adding an SOC 1 Type 2 audit for OPEB data, the OPEB Trust Financial Statement Audit, and the cost of GASB 75 work as relates to the RHCBP for this fiscal year. An external auditor will conduct the OPEB valuation report for this fiscal year. The costs associated with the triennial audit are not require in FY 2024-25 as the triennial audit was performed in FY 2023-24.

Healthcare Consulting
Funding totaling $762,000, an increase of $12,000 is requested for healthcare consulting services. This increase is in line with inflationary adjustments.

Member Verification
New funding totaling $90,000 is requested to cover the cost of Social Security Administration (SSA) member verification services.

Outside Legal Counsel Fees
New funding totaling $50,000 are requested for outside legal counsel to assist in the potential creation of a Tier 3 under consideration by the County and subject to collective bargaining.

FUNDING AND OPERATING EXPENSES

The program must fund the RHCBP's operating expenses, and its operations cannot be subsidized by the funds used to operate the retirement benefit trust. The administrative fee covers administrative expenses, including consulting services, vendor fees, and the cost of administering the RHCBP. As such, an RHCBP administrative fee is included as part of the retiree healthcare medical and dental/vision plan premiums,
per member, per plan, per month.

In FY 2022-23, LACERA's Boards increased the annual administrative fee to $10 per member per plan per month because actual costs were projected to rise above $8. However, that fee increase did not account for the significant surplus in the administrative account for the years where actual costs were below the amount collected. For this reason, a $2 per member, per plan, per month credit was applied in FY 2023-24, and the Boards reduced the rate back to $8 for FY 2023-24. For FY 2024-25, the annual administrative fee is recommended to remain at $8.00 per member, per plan, per month. Staff believes sufficient surplus remains to fully cover the actual administrative expenses throughout FY 2024-25 and will recommend an increase to the fee in a future year, possibly as soon as FY 2025-26.

Please note that administrative fees are held in a separate account, where they are collected and used to fund the Retiree Healthcare Division's operating expenses (i.e., the RHC budget). Over time, administrative fees collected have exceeded actual administrative expenses, resulting in an accumulated surplus balance within the account of $13,855,846 as of June 30, 2023. This accumulated surplus funds shortfalls between the actual fees collected and administrative expenditures.

Please see the chart below showing RHC Administrative Fees and Administrative Revenue and Expenses for the last ten years.

RHC ADMINISTRATIVE REVENUE AND EXPENSES FOR THE LAST 10 YEARS

Fiscal Year Ending	Fee	Admin Revenue		Admin Expenses	Over / (Under)	
FYE 2023	$8.00	$10,766,371	[1]	$10,893,224	$126,853	[2]
FYE 2022	$8.00	$10,710,527		$9,236,963	($1,473,564)	
FYE 2021	$8.00	$10,245,895		$8,099,102	($2,146,793)	
FYE 2020	$8.00	$10,076,876		$6,828,067	($3,248,809)	
FYE 2019	$8.00	$9,823,062		$6,118,267	($3,704,794)	
FYE 2018	$8.00	$9,559,745		$5,681,953	($3,877,792)	
FYE 2017	$8.00	$9,631,327		$5,326,190	($4,305,137)	
FYE 2016	$5.00	$5,984,986		$5,279,617	($705,369)	
FYE 2015	$5.00	$5,578,149		$5,424,333	($153,816)	
FYE 2014	$5.00	$5,466,487		$5,006,498	($459,989)	

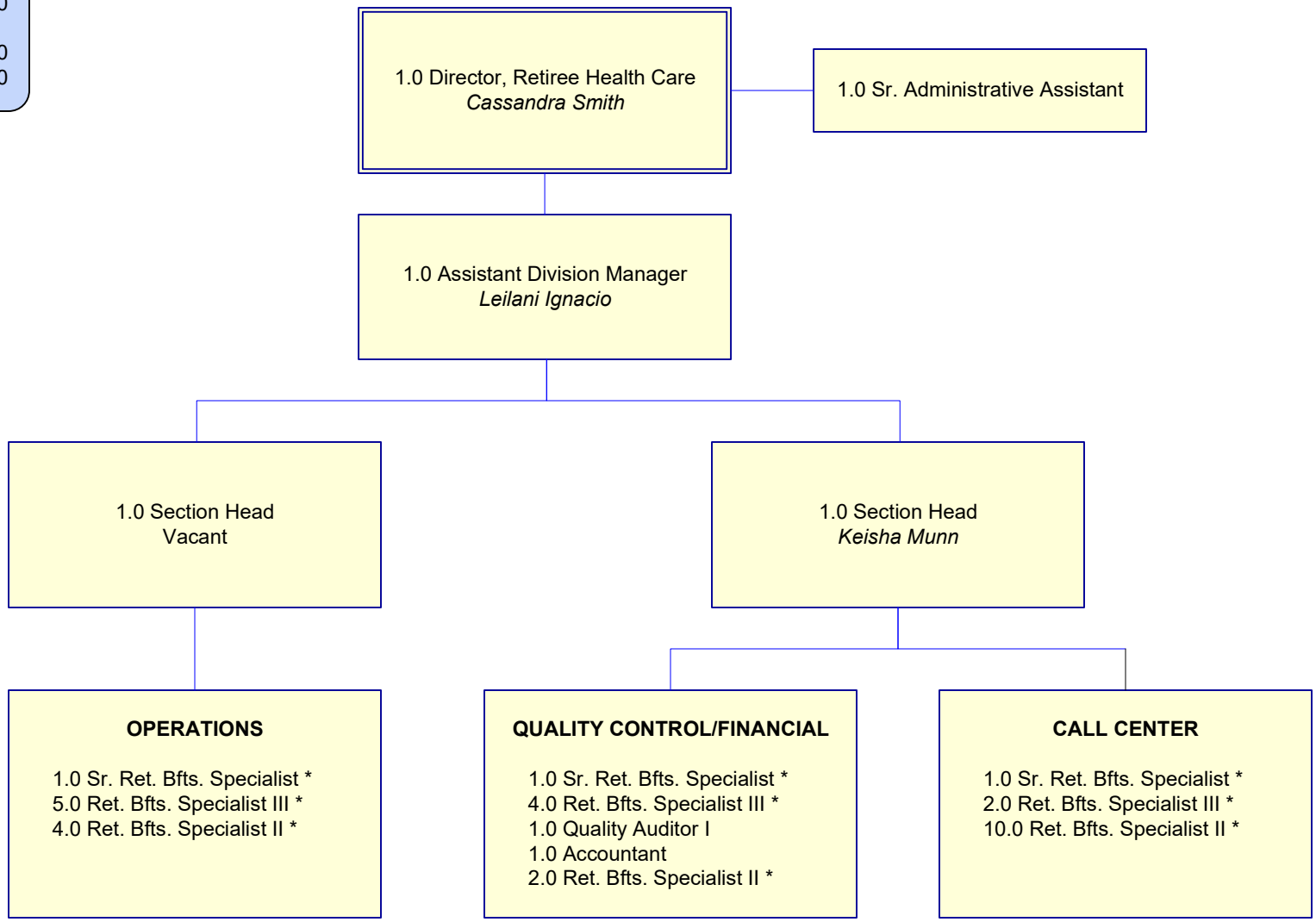
[1]LACERA billed the RHC Administrative Fee of $10 and collected $8 from the County.

[2]Administrative fee account accumulated surplus of $13.9 million was used to absorb the FYE 2023 over expenditure of $126,853.

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

2023-2024 Bud. Pos.:	37.0
2023-2024 Hiring Plan:	37.0
2024-2025 Bud. Pos.:	37.0
2024-2025 Hiring Plan:	37.0



* Classification study for the position requested.

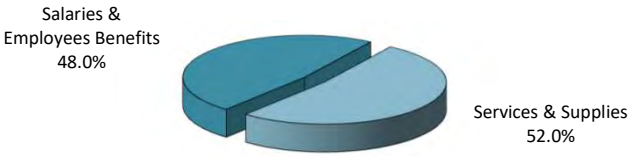
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

BUDGET SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$6,519,686**	$5,752,105	$2,692,672	$5,435,500	($316,605)	-5.5%	$767,581	13.3%
Services & Supplies	**7,069,334**	6,933,333	3,692,845	6,355,700	(577,633)	-8.3%	136,001	2.0%
OPERATING BUDGET	**$13,589,020**	$12,685,439	$6,385,516	$11,791,200	($894,239)	-7.0%	$903,581	7.1%

2024 - 2025 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

SALARIES AND EMPLOYEE BENEFITS SUMMARY

		CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
	PROPOSED BUDGET 2024-2025	BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Total LACERA Salaries	**$3,322,077**	$3,216,641	$1,717,549	$3,486,700	$270,059	8.4%	$105,436	3.3%
Total Agency Temp Salaries	**71,100**	165,200	66,509	114,100	(51,100)	-30.9%	(94,100)	-57.0%
Employee Benefits (Variable)	**2,838,839**	2,097,973	830,091	1,685,600	(412,373)	-19.7%	740,866	35.3%
OPEB Contribution	**131,570**	118,991	61,194	124,300	5,309	4.5%	12,579	10.6%
Stipends	**0**	0	0	0	0	0.0%	0	0.0%
Overtime	**138,900**	134,900	5,160	10,500	(124,400)	-92.2%	4,000	3.0%
Bilingual Bonus	**3,600**	4,800	1,950	4,000	(800)	-16.7%	(1,200)	-25.0%
Sick Leave Buyback	**10,000**	10,000	10,219	10,300	300	3.0%	0	0.0%
Rideshare Allowance	**3,600**	3,600	0	0	(3,600)	-100.0%	0	0.0%
Transportation Allowance	**0**	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	**$6,519,686**	$5,752,105	$2,692,672	$5,435,500	($316,605)	-5.5%	$767,581	13.3%
Salary Differential	**-**	-	-	-	-		-	
TOTAL S&EB	**$6,519,686**	$5,752,105	$2,692,672	$5,435,500	($316,605)	-5.5%	$767,581	13.3%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are as of 01/15/24, with the exception of Agency Temp Salaries, which are as of 01/31/24.

LACERA

FISCAL YEAR 2024-2025

BUDGET POSITIONS

RETIREE HEALTHCARE BENEFITS PROGRAM

FILLED POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0793	DIRECTOR, RETIREE HEALTH CARE, LACERA	1	LS14
0771	ASSISTANT DIVISION MANAGER, LACERA	1	LS10
0772	SECTION HEAD, LACERA	1	LS09
1312	SENIOR RETIREMENT BENEFITS SPECIALIST	3	105B
1311	RETIREMENT BENEFITS SPECIALIST III	11	099H
0415	ACCOUNTANT, LACERA	1	096H
0439	SENIOR ADMINISTRATIVE ASSISTANT, LACERA	1	094B
1310	RETIREMENT BENEFITS SPECIALIST II	15	093B
	Total Filled Positions =	34	

VACANT POSITIONS

Budget Classification Number	Budget Classification Title	# of Budget Positions	Budget Salary Schedule
0772	SECTION HEAD, LACERA	1	LS09
0796	QUALITY AUDITOR I, LACERA	1	099D
1310	RETIREMENT BENEFITS SPECIALIST II	1	093B
	Total Vacant Positions =	3	
	TOTAL POSITIONS =	37	

Non-Represented positions shown in black.
Represented positions shown in blue.
Salary schedule as of 01/01/2024.

RETIREE HEALTCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		FYE 2024		FYE 2025
DIVISION	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Projection**	**Budget**
Retiree Healthcare	$511,700	$251,294	$149,800	$155,507	$165,200	$114,100	$71,100
GRAND TOTAL	**$511,700**	**$251,294**	**$149,800**	**$155,507**	**$165,200**	**$114,100**	**$71,100**

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

OVERTIME
HISTORY OF EXPENDITURES

	FYE 2022		FYE 2023		FYE 2024		FYE 2025
DIVISION	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Projection**	**Budget**
Retiree Healthcare	$118,500	$121,935	$121,800	$140,072	$134,900	$10,500	$138,900
GRAND TOTAL	**$12,834**	**$121,935**	**$121,800**	**$140,072**	**$134,900**	**$10,500**	**$138,900**

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2023-2024	Vacancy (as of 03/31/24)	%	Budgeted Positions FY 2024-2025	Vacancy	%
Retiree Healthcare	37	3	8%	37	3	8%
TOTAL	**37**	**3**	**8%**	**37**	**3**	**8%**

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2024-2025

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
TRANSPORTATION & TRAVEL	**$26,200**	$24,700	$16,566	$24,600	($100)	-0.4%	$1,500	6.1%
POSTAGE	**325,000**	300,000	29,747	51,000	(249,000)	-83.0%	25,000	8.3%
OFFICE SUPPLIES & EQUIPMENT	**5,000**	5,000	1,107	1,900	(3,100)	-62.0%	0	0.0%
OPERATIONAL COSTS	**5,243,534**	5,006,533	2,919,204	5,006,500	(33)	0.0%	237,001	4.7%
PROFESSIONAL AND SPECIALIZED SERVICES	**1,379,000**	1,556,500	698,098	1,223,100	(333,400)	-21.4%	(177,500)	-11.4%
BANK SERVICES	**21,500**	21,500	10,707	18,400	(3,100)	-14.4%	0	0.0%
LEGAL FEES AND SERVICES	**50,000**	0	11,215	19,300	19,300	0.0%	50,000	0.0%
EDUCATIONAL EXPENSES	**18,800**	18,800	5,976	10,600	(8,200)	-43.6%	0	0.0%
MISCELLANEOUS	**300**	300	224	300	0	0.0%	0	0.0%
TOTAL	**$7,069,334**	**$6,933,333**	**$3,692,845**	**$6,355,700**	**($577,633)**	**-8.3%**	**$136,001**	**2.0%**

*All amounts rounded to the nearest dollar.

RETIREE HEALTH CARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

HISTORY OF EXPENDITURES

	FYE 2023		FYE 2024		Proposed
	Budget	Actual	Budget	Projection	Budget
SALARIES & EMPLOYEE BENEFITS					
Total LACERA Salaries	$3,006,805	$3,040,866	$3,216,641	$3,486,700	$3,322,077
Total Agency Temp Salaries	149,800	155,507	165,200	114,100	71,100
Employee Benefits (Variable)	1,775,266	1,463,955	2,097,973	1,685,600	2,838,839
Employee Benefits (Other)	0	0	0	0	0
OPEB Contribution	100,853	100,283	118,991	124,300	131,570
OPEB Contribution (Budget Surplus)	0	100,853	0	0	0
Stipends	0	0	0	0	0
Overtime	121,800	140,072	134,900	10,500	138,900
Bilingual Bonus	4,800	3,600	4,800	4,000	3,600
Sick Leave Buyback	10,000	10,163	10,000	10,300	10,000
Rideshare Allowance	3,600	0	3,600	0	3,600
Transportation Allowance	0	0	0	0	0
SERVICES & SUPPLIES					
Transportation & Travel	24,700	39,409	24,700	24,600	26,200
Postage	300,000	269,969	300,000	51,000	325,000
Office Supplies & Equipment	4,500	836	5,000	1,900	5,000
Operational Cost	4,540,999	4,358,739	5,006,533	5,006,500	5,243,534
Professional & Specialized Services	1,229,400	1,148,352	1,556,500	1,223,100	1,379,000
Bank Services	21,500	18,021	21,500	18,400	21,500
Legal Fees and Services	0	15,684	0	19,300	50,000
Educational Expenses	19,300	26,816	18,800	10,600	18,800
Miscellaneous	300	0	300	300	300
TOTAL OPERATING BUDGET	**$11,313,622**	**$10,893,125**	**$12,685,439**	**$11,791,200**	**$13,589,020**

*All amounts rounded to the nearest dollar.

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Other Post-Employment Benefits (OPEB) Trust

Program Description

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Cost Summary

Cost Summary	4-O

FY 2024-25 Proposed Budget

The County of Los Angeles ("County") established the OPEB Trust for the purpose of pre-funding the Retiree Healthcare Benefits Program ("OPEB Program"). The OPEB Trust serves as a funding tool for the participating employers to hold and invest assets used to pay OPEB Program benefits, such as medical, dental, and vision. LACERA's Board of Investments is responsible for exercising oversight of the investment management for both the Retirement Fund and the OPEB Trust.

Cost Allocation: The Need for Separate Accounting of the OPEB Trust

LACERA administers a Retiree Healthcare Program for members that is funded through the employer plan sponsors. Historically, these plan sponsors have paid the monthly premium costs for current eligible retirees on a pay-as-you-go basis. In FY 2012-13, the County of Los Angeles (County) and LACERA established a trust to begin to prefund the program and address its long-term liability. LACERA's Board of Investments is the trustee and investment manager for the trust.

In FY 2016-17, the Superior Court joined the program. Beginning in FY 2017-18, the costs of administering the program were required to be reported separately on financial statements, based on the size of the participating agencies.

The trust agreements between the County, Superior Court, and LACERA stipulate that "…the Trustee (LACERA) shall be entitled to payment or reimbursement of all its reasonable and appropriate expenses incurred in administering or investing the Trust…" In other words, LACERA will not expend its principal or operating allocation to administer the trusts. Instead, the trust agreements allow LACERA to seek payment directly from the County and Superior Court, or to obtain payment from the OPEB Trust.

To avoid OPEB Trust assets being commingled with the retirement fund assets, it is important for LACERA to maintain a separate accounting of the costs associated with administering the OPEB Trust.

A Method for Tracking OPEB Trust Expenses

Only the LACERA divisions that participate in the administration of the OPEB Trust are included in the calculation of costs. These divisions are: Administrative Services, Communications, Executive Office, FASD, Human Resources, Internal Audit, Investments, Legal Services, Systems, and Retiree Healthcare.

Each division utilizes staff and resources to administer the OPEB Trust. In estimating the costs to administer the trust, LACERA considers the amount of time expended by employees as a share of the total cost of salaries and benefits. In estimating the additional costs used to administer the trust, LACERA also considers the share of the total costs of services and supplies.

Cost Methodology

There are four categories of expenses applicable to our cost methodology as follows:

Direct Costs of Salaries and Employee Benefits

Division managers provided a list of staff members and the number of hours those staff members worked on OPEB activities. Those “hours spent” are converted into a percentage of annual hours. The salaries and benefits totals of each staff member are then multiplied by the percentage of annual hours devoted to OPEB.

Indirect Services and Supplies

These costs were estimated by taking the overall cost of services and supplies for LACERA and dividing it by the total number of employees. This provides LACERA with a “per employee cost,” which is then multiplied by the overall percentage of hours worked on OPEB.

Indirect Salaries and Employee Benefits

Systems, Human Resources, and Administrative Services divisions provide staffing support to all LACERA divisions. The Salary and Employee Benefits costs for these divisions are added up, then divided by the number of LACERA employees to determine a per employee cost. This total is then multiplied by the overall percentage of hours worked on OPEB.

Direct Services and Supplies

Direct Services and Supplies costs are based on actual payment requests that are applicable to OPEB.

Allocation of Costs

The total overhead cost is divided among the County, LACERA, and Superior Court. The shared cost is allocated in a hybrid method that considers fund size, effort, and resources to approximate a fair and equitable allocation. These allocations are scheduled to be reviewed every two years. The current allocation is:

- County: 75 percent
- LACERA: 5 percent
- Superior Court: 20 percent

Reconciliation of Actual Costs

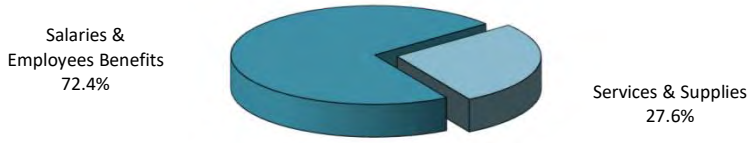
At the close of each fiscal year, the actual costs are reconciled with the budget costs. Variances are either credited or debited to each allocated entity to ensure that each OPEB Trust is appropriately capturing the true operating costs.

OPEB TRUST COST ALLOCATION

FISCAL YEAR 2024-2025

	PROPOSED BUDGET 2024-2025	CURRENT YEAR 2023-2024			COMPARISON OF CURRENT YEAR BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 2023-2024 BUDGET	
		BUDGET	YTD (01-31-24)	PROJECTION	OVER/(UNDER) BUDGET	% CHANGE	$ CHANGE	% CHANGE
Salaries & Employees Benefits	**$825,111**	$521,881	$304,430	$490,568	($31,313)	-6.0%	$303,230	58.1%
Services & Supplies	**$314,357**	210,788	122,960	198,141	(12,647)	-6.0%	103,569	49.1%
OPERATING BUDGET	**$1,139,468**	$732,669	427,390	688,709	(43,960)	-6.0%	$406,800	55.5%

2024 - 2025 PROPOSED BUDGET



LACERA BUDGET POLICY

Responsible Manager: Laura Guglielmo, Assistant Executive Officer

Original Effective Date: 05/20/2009 **Last Updated:** 06/01/2023

Mandatory Review: June 2024 (Annually)

Approval Level: Board of Retirement and Board of Investments

1. PURPOSE

This document sets forth the fiscal policy to ensure LACERA's budgeting practices are in accordance with prudent fiscal management for the allocation and utilization of resources to meet the organization's Mission and Vision and to support the goals of LACERA's Board of Retirement Strategic Plan and Board of Investments Strategic Plan. The policy also serves to increase the transparency of the budgeting process, which ensures stakeholders and members have insight into how LACERA manages their funds and meet fiduciary obligations.

LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Budget, and the Other Post-Employment Benefits (OPEB) Trust.

The objective of this policy is to set out the budgeting principles and timeline for the preparation of the budget and the process and responsibilities for the review, approval, and implementation of all three components of the budget.

2. LEGAL AUTHORITY

Government Code Section 31580.2 of the County Employees Retirement Law (CERL) requires a budget covering the entire expense for the administration of the retirement system, shall be adopted by the Boards annually, and shall be charged against the earnings of the retirement fund. The expense incurred in any year may not exceed twenty-one hundredths of one percent (0.21%) of the accrued actuarial liability of the retirement system.

Government Code Section 31596.1 provides that the expenses of investing its moneys, securing custodial bank services, securing actuarial services for the annual valuation and triennial experience study, and securing attorney services to assist with investment matters shall not be considered a cost of administering the system. As

2. LEGAL AUTHORITY (Continued)

such, these costs are not included in the Administrative Budget and are identified as "non-administrative expenses."

Section 31596.1 also provides that the cost of internal legal representation secured by the Board of Retirement and Board of Investments under Government Code Section 31529.1 for services previously performed by County Counsel are not administrative costs and under Government Code Section 31607 for services to assist the Board of Investments in carrying out its investment powers and duties. Section 31529.1 provides that legal representation within its scope is limited to one-hundredth of 1 percent of system assets in any budget year; investment legal expenses under Section 31607 are not limited.

Government Code Section 31580.2(b) provides that expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products.

Government Code Sections 31691 and 31694 provide that the expenses of administering the RHCBP program and OPEB Trust may not be made from assets of the retirement fund. Therefore, such costs should not be part of the pension system's administrative budget.

3. SCOPE

This Policy applies to the development, preparation, and implementation of all three components of LACERA's budget in accordance with County Employees Retirement Law (CERL).

Any exceptions to this Policy must be approved by the Board of Retirement and Board of Investments.

4. DEFINITIONS

Administrative Budget: LACERA's annual Administrative Budget consists of two components: Salaries and Employee Benefits, and Services and Supplies.

Appropriation: Funds set aside for specific purposes outlined in the Adopted Budget.

Budget: The annual financial plan that outlines the resources and revenue needed to achieve LACERA's work plan to meet its Mission and Vision and LACERA's Board of Retirement Strategic Plan and Board of Investments Strategic Plan.

4. DEFINITIONS (Continued)

Fiscal Year: LACERA's fiscal year begins on July 1st and concludes on June 30th. LACERA shall follow a naming convention referencing the fiscal year ending date, for example, FY23 for the fiscal year ending June 30, 2023.

Information Technology Coordination Council (ITCC): Oversight body responsible for significant technology and system recommendations for incorporation into the Proposed Budget. Established to ensure the efficient and effective use of technology, collaboration across the organization, and to ensure that strategic plan goals are achieved.

Non-Administrative Expenses: Expenses excluded from the Administrative Budget as specified in Government Code Section 31596.1.

Other Post-Employment Benefits (OPEB) Trust: Trust funds established by Los Angeles County, LACERA and the Superior Court to pre-fund their Retiree Healthcare Benefit Program.

Retiree Healthcare Benefits Program (RHCBP) Budget: The RHCBP Budget reflects the resources and revenue required to administer retiree healthcare benefits to eligible members. These costs are funded through a monthly administrative fee via healthcare premiums, charged to program participants, or the plan sponsor if the member's benefit is fully subsidized.

Statutory Appropriation Limit: The limit of the Boards' authority to appropriate funds to administer the retirement system established by Government Code Section 31580.2. currently twenty-one hundredths (.21) of one percent, of the Actuarial Accrued Liability of the retirement fund.

Unallocated Statutory Appropriation Balance: The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit established by Government Code Section 31580.2.

5. POLICY STATEMENT

This document sets forth the fiscal policy for the administration of LACERA's budget to ensure that the budgeting practices of the organization maintain a fiscally sustainable balanced budget that recognizes the fiduciary duty owed to LACERA's members. LACERA's budget encompasses three components: The Administrative Budget, the Retiree Healthcare (RHC) Program Budget and the Other Post-Employment Benefits (OPEB) Trust.

5. POLICY STATEMENT (Continued)

The objective of this policy is to set out the principles and timeline for the preparation of the budget and the process and responsibilities for the preparation, review, approval, and implementation of all three components of the budget.

5.1 Administrative Budget

The Administrative Budget reflects the resources needed to achieve the organization's work plan, each Board's Strategic Plan and goals, and operational activities in support of pension administration and investment of plan assets required to deliver retirement benefits for LACERA members and beneficiaries. It consists of two primary components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S).

S&EB costs consist of ongoing personnel costs for the organization, including salaries for permanent and temporary staff, overtime, and variable benefits. Variable benefits include retirement costs (pension, 457, and 401K plan costs), health insurance, OPEB contributions and other employee benefits.

S&S costs reflect the daily operational needs of the organization. Some examples include building expenses (rent, maintenance, insurance), information technology needs, professional and specialized services, legal fees, office supplies and equipment, education, travel, and insurance.

5.2 Retiree Healthcare (RHC) Benefits Program Budget

The Retiree Healthcare Benefits Program provides health care benefits to LACERA membership on behalf of the fund's Plan Sponsors. The insurance premiums are born solely by the participants of the plan, or the Plan Sponsor if the employee is eligible for such benefit. LACERA trust funds are not used for premium payments or for the administration of the Program. The direct costs and variable overhead costs associated with the administration of the RHC Benefits Program are charged to the plan sponsors and participating members via an administrative fee. These administrative fees are added to the monthly premium costs and are not included in the Administrative Budget.

There are four categories of expenses for the RHC Benefits Program:

- Direct Costs of Salaries and Employee Benefits
- Direct Services and Supplies
- Indirect Salaries and Employee Benefits
- Indirect Services and Supplies.

5. POLICY STATEMENT (Continued)

Indirect Salaries and Employee Benefits and Indirect Services and Supplies reflect the program's pro-rata share of internal LACERA support functions such as Administrative Services, Information Technology and Human Resources.

5.3 Other Post-Employment Benefits (OPEB) Trust Budget

The County of Los Angeles (County), LACERA, and the Superior Court (Court) utilize an OPEB Trust to pre-fund the Retiree Healthcare Program benefits. In FY 2012-2013, the County and LACERA established a trust to fund their program and the Court established its trust in FY 2016-17. Each agency's trust funds are reported separately in their financial statements. The Board of Investments of LACERA serves as the trustee and investment manager for the trusts.

The Trust Agreements stipulate that *"… the Trustee (LACERA) shall be entitled to payment or reimbursement of all of its reasonable and appropriate expenses incurred in administering or investing the Trust…"* As such, LACERA seeks payment directly from the County and the Court to fund the OPEB Trust. To avoid the OPEB Trust assets being co-mingled with retirement fund assets, LACERA maintains separate accounting of the costs associated with administering the OPEB Trust. The costs of the OPEB Trusts are not part of LACERA's Administrative Budget.

There are four categories of expenses of the OPEB Trust: Direct Costs of Salaries and Employee Benefits; Direct Services and Supplies; Indirect Salaries and Employee Benefits; and Indirect Services and Supplies. These expenses are allocated between the County, LACERA and the Court based on an agreed upon methodology. At the close of each fiscal year, actual costs are reconciled, and variances are credited or debited to each entity.

6. PROCESS

The budget process consists of activities that encompass the development, implementation, and evaluation of the annual financial plan for the allocation of resources to support and accomplish goals and strategic initiatives.

6.1 Budget Preparation and Development

It is the responsibility of LACERA management to develop and prepare an annual budget in accordance with responsible fiscal management for the

6. PROCESS (Continued)

allocation and utilization of resources to meet the organization's Mission, Vision, and Values and each Board's Strategic Plan.

6.2 Criteria

LACERA Management develops the annual proposed budget reflecting the enterprise priorities established through each Board's Strategic Plan. Criteria used by the organization to prioritize resources for the budget include, but are not limited to:

- Alignment with each Board's Strategic Plan
- Mitigating risk
- Compliance with legally mandated requirements
- Technological advancements to support staff and improve service and offerings to LACERA's members
- Identifying opportunities for cost efficiencies
- Identifying opportunities to improve service to members
- Staff development and succession planning
- Direction of the LACERA Board of Retirement and/or Board of Investments

6.3 Alignment with Each Board's Strategic Plan

The first step in developing a budget is to consider what the organization expects to achieve in the upcoming fiscal year. Each Board's Strategic Plan lays out its strategic goals, objectives, and action plans toward achieving the LACERA's Mission, Vision, and Values. Those goals and objectives identify responsibilities, timelines, and the metrics that will be used to determine if the goal or objective has been met. As part of the budget development process, it is the responsibility of LACERA Trustees and Management to ensure that the organization's budget, or financial plan, allocates the appropriate resources to achieve its strategic goals and objectives within the specified time frame.

6.4 Annual Budget Development and Approval Calendar

Date	*Activity*
By November 30	• Executive Office and Management will review each Board's Strategic Plan initiatives for alignment with the upcoming Fiscal Year budget development cycle.

	• Administrative Services Division will provide each Division Manager a budget package with instructions for completing their proposed budget for the upcoming fiscal year, a budget preparation timetable with specific deadlines, and a schedule of meeting dates with the Budget Unit and a schedule of meeting dates with the Executive Office.
December	The Budget Unit with a representative from Human Resources, meets with Division Managers to provide guidance in the development of their budget requests.
By January 15	Division Managers will submit their proposed budget to the Budget Unit.
By February 15	The Executive Office will meet with each Division Manager to discuss the Division's needs and provide direction to the Division Managers and Budget Unit.
February	Audit Committee review of Internal Audit Proposed Budget
By Mid-April	The Budget Unit will prepare and distribute the preliminary Administrative, RHC, and OPEB Trust Budgets to all Trustees and Division Managers.
April and May	Present preliminary budget to JOGC for review and input
By June 30	Board of Retirement and Board of Investment approve final budget

6.5 Budget Adoption

The Board of Retirement and Board of Investment ("Boards") have the joint responsibility to approve the enterprise-wide budget and resource allocations for all funds by June 30. The Boards have created the Joint Organizational Governance Committee (JOGC), to provide oversight over the budget preparation and planning. The Preliminary Budget is presented to the JOGC in April for its review. Staff incorporates direction from the JOGC and the JOGC's recommendations are presented to both Boards during annual Budget Hearings in May. Staff incorporates additional Board direction into a Proposed Budget. The Boards independently take action to approve and adopt a Final Adopted Budget by June 30th.

6.6 Budget Appropriation

The Final Adopted Budget reflects the funds appropriated, or set aside, for specific purposes. For LACERA, funds are appropriated for two primary purposes, Salaries and Employee Benefits, and Services and Supplies.

6. PROCESS (Continued)

Government Code Section 31580.2 states the annual budget for administrative expenses of a retirement system established under CERL may not exceed twenty-one hundredths (.21) of one percent of the Actuarial Accrued Liability (AAL) of the retirement system. Each year, LACERA's statutory appropriation limit is identified in the Adopted Budget.

To the extent funding appropriated as part of the budget is less than the statutory appropriations limit, the Boards may, take specific action at any point during the fiscal year, to appropriate additional funds, not to exceed the maximum amount established by statute. LACERA's budgeting process includes a Mid-Year Budget Adjustment proposal to facilitate changes in priorities, goals, or economic conditions. The difference between the funds appropriated to meet the organization's operational needs and the statutory appropriation limit shall be referred to as the "Unallocated Statutory Appropriation Balance."

6.7 Budget Monitoring and Reporting

Budget Unit staff monitor and analyze Division and enterprise-wide expenditures throughout the year, consult with Division Managers to identify planned expenditures and project full year under/over expenditures by Division and compare those estimates against the Adopted Budget. Significant budgetary variances are discussed and explained.

Budget Control Reports are prepared and provided to all Trustees and Management Staff on an outlined schedule within the fiscal year. These reports include year to date expenditures and projected expenditures compared to the budget. Budget adjustments impacting staffing levels or exceeding the CEO's authority shall be approved by the Boards.

This budget monitoring and control activity occurs concurrently while the Proposed Budget for the upcoming fiscal year is being developed.

6.8 Mid-Year Budget Review

By December 1, LACERA Executive Management will assess and evaluate the adequacy of the personnel and other resources included in the Final Adopted Budget and make recommendations to the JOGC for adjustments, if necessary. JOGC recommendations shall be considered for approval by the Boards. Executive Management may also, as part of the mid-year budget

6. PROCESS (Continued)

review, address the progress and status of achieving the Boards' respective Strategic Plan.

6.9 Mid-Year and Year-End Adjustments Within the Administrative Budget

As part of LACERA's budget monitoring and reporting activities, it may become necessary to amend the Final Adopted Budget. Amendments may take the form of transferring appropriations between line items within a major account, transferring appropriations between major accounts, or increasing total appropriations within the statutory limits established by Government.

6.10 Transferring Appropriations

LACERA's Administrative Budget has two major accounts, Salaries and Employee Benefits (S&EB), and Services and Supplies (S&S).

Within each major account are several line items with individual appropriations. The CEO has the authority to transfer appropriations not to exceed $1 million across major accounts and has full discretion and authority to transfer appropriations between line items within each major account. The CEO shall notify all Trustees of such actions at the next meeting of the Board and as part of the routine Budget Control Reporting.

6.11 Pre-funding OPEB with Budgetary Savings

LACERA participates in the OPEB Trust as a "contributing employer" and funds its employees' program benefits on a pay-as-you-go basis, funding actual monthly premium costs. It also makes a quarterly contribution to paydown the future OPEB liability at a rate equal to that of Los Angeles County. It is LACERA's objective to fund these program benefits within the working lifetime of the program beneficiaries so as to maintain intergenerational equity. To achieve intergenerational equity more quickly, some or all year-end budgetary savings may, at the discretion of the LACERA CEO, be used to make an additional OPEB contribution by June 30 of the year in which the funds were budgeted. Such additional OPEB contributions may be up to but may not exceed that year's budgeted OPEB contribution.

6. PROCESS (Continued)

6.12 Increasing Total Appropriations

Should unanticipated expenditures be required during the fiscal year beyond the total Adopted Budget amount, the Unappropriated Statutory Appropriation Balance is available. This balance represents the difference between the total statutory appropriation limit established under CERL and the Final Adopted Budget. To utilize these unappropriated funds, both Boards must approve a budget amendment, increasing the total annual appropriation.

7. Audit Committee Oversight of Internal Audit

LACERA's Internal Audit Division provides independent and objective assurance services and consulting services to assist the organization to achieve its Mission, Vision, and Values and each Board's Strategic Plan by improving LACERA's effectiveness of governance, risk management and control processes. To protect its independence, the Internal Audit Division reports to the Audit Committee of the Boards with functional reporting to the Chief Executive Officer. The Audit Committee reviews and approves Internal Audit's Proposed Budget in February, which is then incorporated into LACERA's Administrative Proposed Budget reviewed by the JOGC in April.

8. HISTORY (Update will follow approval)

8.1 Approvals

8.1.1 Updated and approved by the Board of Retirement and Board of Investments on June 7, 2023 and June 14, 2023, respectively. Prior versions are superseded and of no effect as of the stated approval date.

8.2 Current Status

Annual review scheduled for June 2024.

8.3 Versions

8.3.1 This policy was last updated on June 1, 2023

8.3.2 This policy was previously approved by the Board of Retirement on June 1, 2022 and Board of Investments on June 9, 2022

LACERA

May 29, 2024

TO: Trustees – Board of Investments

FROM: Santos H. Kreimann SHK
Chief Executive Officer

Ted Granger TG
Chief Financial Officer

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: **2024 ACTUARIAL RISK ASSESSMENT REPORT**

Overview

LACERA requested that Milliman prepare a "Risk Assessment" report in accordance with Actuarial Standard of Practice No. 51 (ASOP 51) and present the results to the Board of Investments. The report, which has been prepared annually since 2020, includes additional information regarding the consulting actuary's risk assessment analysis and provides a forum for the Trustees to discuss and evaluate actuarial concepts outside of a routine actuarial report presentation.

Risk Assessment Report

The 2024 Actuarial Risk Assessment Report (2024 Risk Assessment) is included as Attachment A. Milliman also prepared presentation slides based on this report (see Milliman's Presentation Slides, Attachment B). The report and analysis are based on Milliman's June 30, 2023 Actuarial Valuation of Retirement Benefits (2023 Valuation) report presented to and adopted by the Board of Investments in December 2023. The 2023 Valuation report (see Attachment C) includes a condensed risk discussion beginning on Page 42 that uses the ASOP 51 framework to communicate important information about significant risks to the plan.

The 2024 Risk Assessment and presentation provides information on various risk factors that may impact future expected measurements of pension obligations, actuarially determined contributions, and the plan's funded status. Milliman links risks to the actuarial assumptions used in calculating these measures in their 2023 Valuation report. Milliman also identifies controls in place to mitigate these risks and the limitations of mitigating controls. Their analysis should provide Trustees with additional perspectives that could be referenced in the future, when contemplating decisions on actuarial methods and assumptions and strategic asset allocation.

Actuarial Standards

The Actuarial Standards Board (ASB) sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when

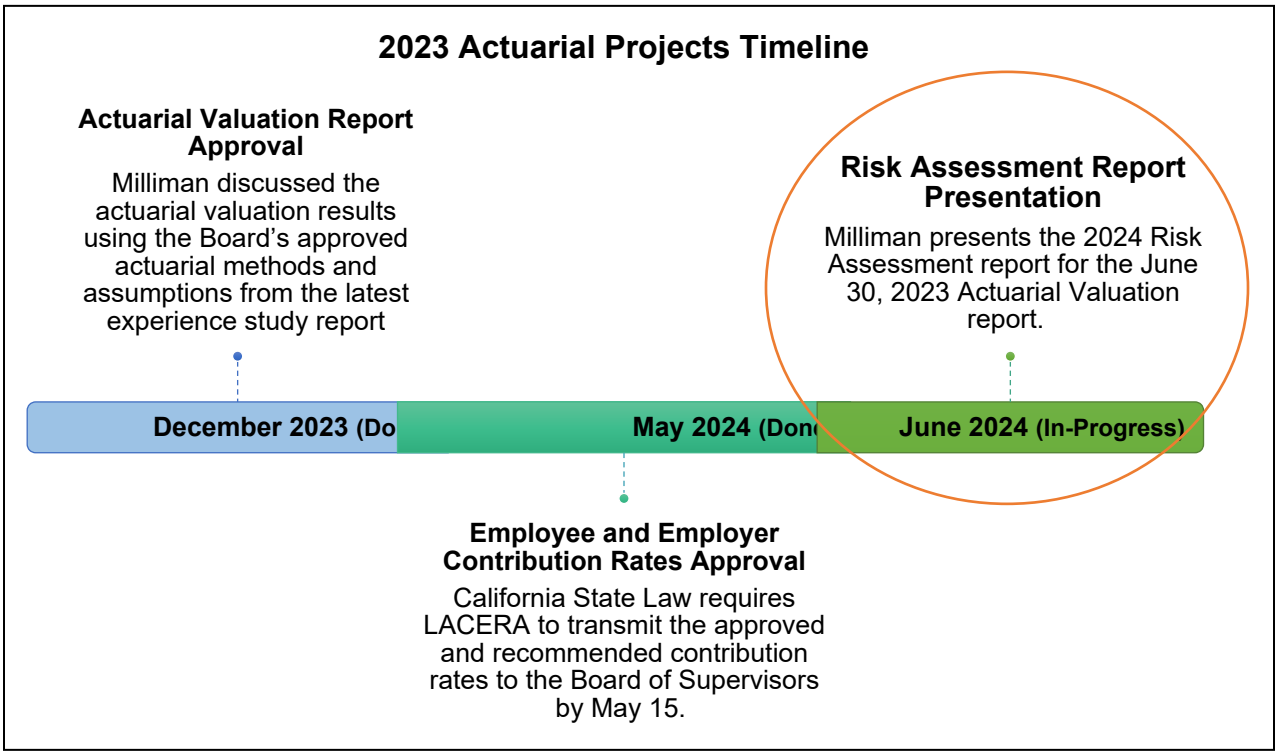
performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

In September 2017, the ASB adopted Actuarial Standard of Practice No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*. This ASOP provides guidance to actuaries when performing certain actuarial services with respect to measuring obligations under a defined benefit pension plan (plan) and calculating actuarially determined contributions for such plans, with regard to the assessment and disclosure of the risk that actual future measurements may differ significantly from expected future measurements.

ASOP 51 became effective for actuarial work products with a measurement date on or after November 1, 2018 and applies to actuaries when performing a funding valuation of a pension plan such as LACERA. Milliman implemented ASOP 51 for LACERA beginning with the June 30, 2019 Valuation report.

Actuarial Projects

The graphic below shows a summary of the projects completed for the June 30, 2023 reporting period. For the next cycle, Milliman will prepare the June 30, 2024 Valuation and present it to the Board in December.



LACERA's consulting actuaries, Nick Collier and Craig Glyde with Milliman, will attend the June 12, 2024 Board of Investments meeting to discuss the 2024 Actuarial Risk

Assessment report results and answer any questions from the Trustees. Management encourages active discussion of the risk information contained in the report.

Attachments

A. Milliman's 2024 Actuarial Risk Assessment Report
B. Milliman's June 12, 2024 Presentation Slides
C. Milliman's June 30, 2023 Actuarial Valuation of Retirement Benefits Report

SHK:tg
BOI Memo -2024 Risk Assessment (ASOP 51) – Final

c: Luis A. Lugo, LACERA Laura Guglielmo, LACERA JJ Popowich, LACERA
Jonathan Grabel, LACERA Steven P. Rice, LACERA Richard Bendall, LACERA
Fesia Davenport, CEO, Los Angeles County

Attachment A

Los Angeles County Employees Retirement Association

Risk Assessment

Based on June 30, 2023 Actuarial Valuation of Retirement Benefits

Prepared by:

Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

Milliman, Inc.
1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2605
Tel +1 206 624 7940
milliman.com

Issued May 24, 2024

1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940

milliman.com

May 24, 2024

Board of Investments
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Re: **Los Angeles County Employees Retirement Association**

Dear Trustees of the Board:

As requested, we have performed a risk assessment based on the actuarial valuation of retirement benefits for the Los Angeles County Employees Retirement Association (LACERA) as of June 30, 2023. The purpose of this report is to communicate key risk factors that could affect LACERA's future funding.

We have provided financial information showing the estimated hypothetical impact of various modifications to the valuation assumptions. We believe the valuation assumptions provide a reasonable estimate of anticipated experience affecting LACERA. However, as discussed in this report, the emerging costs will vary from those presented in the valuation to the extent that actual experience differs from that projected by the actuarial assumptions. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following:

- Plan experience differing from the actuarial assumptions,
- Future changes in the actuarial assumptions,
- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as potential additional contribution requirements due to changes in the plan's funded status), and
- Changes in the plan provisions or accounting standards.

In preparing the valuation this report is based upon, we relied without audit on information (oral and written) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. We used LACERA's benefit provisions as stated in our June 30, 2023 Actuarial Valuation report. In our examination, after discussion with LACERA and making certain adjustments, we have found the data to be reasonably consistent and comparable with data used for other purposes. Since the risk assessment results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations might need to be revised.

The valuation that this risk assessment is based upon provides an estimate of the LACERA's financial condition as of a single date. The valuation can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. We have shown the results based on a variety of alternative assumptions and scenarios in this report.

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

These alternatives are not intended to be inclusive of all the possible outcomes. The valuation results were developed using models intended for valuations that use standard actuarial techniques.

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

(a) The System may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

(b) The System may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

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1. Report Overview

Purpose of this Report

The June 30, 2023 actuarial valuation includes a Risk Discussion section – section 9 beginning on page 42 - that provides a general discussion of the main risks that could result in a deviation from the results shown in that report, and could cause a material financial impact to LACERA, as measured by impacts on the Funded Ratio and employer contribution rates. This report provides a more detailed discussion of the potential risks and a quantitative analysis of the potential impact of selected risk factors.

This report is informational in nature, and as such there are no specific recommendations included. The Board of Investments has adopted several policies (including funding and investment policies) and procedures to guide the Trustees in fulfilling their fiduciary responsibilities to the members and stakeholders of LACERA. This report should be considered as an additional resource, along with information and guidance provided by advisors and staff, to help the Trustees meet their fiduciary responsibilities.

Identifying and Assessing Risk

The results of any actuarial valuation are based on one set of assumptions. Although we believe the current assumptions used in LACERA's June 30, 2023 actuarial valuation provide a reasonable estimate of future expectations as of that date, it is almost certain that future experience will differ, to some extent, from the assumptions. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan, or of the plan's members.

Actuarial Standard of Practice No. 51 (ASOP 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the plan, and in some cases to the plan's participants.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

Addressing Risks

This report is designed to identify and assess risks. Once these risks are understood, the important issue for LACERA is how these risks are addressed and potentially reduced. To help meet its fiduciary responsibilities to members and stakeholders of LACERA, the Board of Investments already has policies and procedures in place to mitigate key aspects of these risks. The way these policies and procedures help to mitigate these risks is summarized below.

Assets: LACERA regularly performs asset allocation studies which are integrated with LACERA's funding in order to set a target allocation that maximizes return at a level of risk that is acceptable to the System.

Liabilities: LACERA has regular investigations of experience performed to monitor and set the assumptions and methods used to calculate the liabilities.

Funding: LACERA strives to balance projected funding levels with reasonable and stable employer contribution rates. To help meet these often-conflicting goals, LACERA amortizes the Unfunded Actuarial Accrued Liability

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(UAAL) using a closed 20-year layered approach. In addition, a five-year asset smoothing period is used to help stabilize employer contribution rates and the Funded Ratio by reducing asset value volatility.

As discussed above, LACERA has several procedures in place to mitigate risk; however, the effectiveness of these techniques is limited. There will always be a trade-off between projected funding levels and low employer contribution rates, particularly for a mature plan such as LACERA. The risks inherent in these limitations are discussed further in this report.

Note that when action is taken to reduce risk, there is almost always a cost, sometimes referred to as the "cost of certainty." For example, reductions in investment risk tend to reduce expected returns, which increases expected costs. These additional costs will generally be in the form of increased employer contributions. LACERA should regularly evaluate the current level of risk and whether more resources should be devoted to reducing risk.

Report Outline

The remainder of the report is divided into four sections.

Section 2 (Identification of Risks) This section identifies and discusses the key risks to LACERA's future funding. In our opinion the key risk factors are investment returns and payroll growth, with compensation increases and mortality, being additional risks. Looking at the sources of change in the UAAL over the past 20 valuations, the single biggest source of annual change in most individual years is the return on investments being either greater than or less than the assumption. However, cumulatively, investment gains and losses have largely offset over the last 20 years.

This section includes a discussion of the likelihood of eliminating the UAAL in the upcoming years under different investment return scenarios.

Section 3 (Maturity Measures) Like other public retirement systems, LACERA continues to mature. As pension plans mature, they become more sensitive to certain risks. In this section, the maturity of LACERA is examined in the context of the number of active members to retirees, the projected cash flows, and volatility ratios.

Section 4 (Historical Measures) One way to assess future risks is to look at historical measurements. In this section, we review how the employer contribution rate and Funded Ratio have changed over the last 20 to 30 years. We also look at past investment returns for LACERA as they have been a key factor in the other two measurements.

Section 5 (Assessment of Risks) This section analyzes the potential impact of key risk factors on future employer contribution rates and Funded Ratios, with the emphasis on investment returns. Note that member contribution rates are not included in this analysis, as they are not materially impacted by future experience, only assumption changes.

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There are several methods to analyze and assess risk. ASOP 51 states that the actuary should use professional judgment in selecting the appropriate methods to use. Methods may include, but are not limited to, scenario tests, sensitivity tests, stress tests and stochastic modeling. ASOP 51 defines these tests as follows:

- Scenario Test — A process for assessing the impact of one possible event, or several simultaneously or sequentially occurring possible events, on a plan's financial condition.
- Sensitivity Test — A process for assessing the impact of a change in an actuarial assumption on an actuarial measurement.
- Stress Test — A process for assessing the impact of adverse changes in one or relatively few factors affecting a plan's financial condition.
- Stochastic Modeling — A process for generating numerous potential outcomes by allowing for random variations in one or more inputs over time for the purpose of assessing the distribution of those outcomes.

Throughout this report we have utilized each of these methods to assess risks facing LACERA. We believe the included testing presents a reasonable assessment of the financial impact of the measured risks to LACERA's Funded Ratio and employer contribution rates. Additional testing can be performed if the Trustees believe it would be helpful.

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2. Identification of Risks

Factors Affecting Future Results

There are a number of factors that will affect future valuation results. To the extent actual experience for these factors varies from the assumptions, this will likely cause either increases or decreases in the plan's future funding level and the employer contribution rate.

While these factors can be reviewed and analyzed directly to measure the magnitude of the variance, the reasons for the actual experience that is observed is often not as clear, or at least not easily assigned to one particular cause. The macro environment continues to pose risks and challenges to LACERA, in addition to the global and national environments. These risks and challenges are not mutually exclusive and include, but are not limited to:

- governmental fiscal and monetary policy,
- investment markets,
- labor markets, and
- inflation.

The effects of the COVID-19 pandemic continue to evolve and have impacts on the health and longevity of the world's population and continues to cause evolution in workplaces and people's behavior as it relates to employment and personal priorities.

All of these factors, and more, will have an impact on the macro environment in which LACERA operates, and could also have a direct impact on the operation of LACERA and its participating employers. Combinations of these factors may result in more investment market volatility, higher salaries and retiree cost-of-living adjustments, difficulties hiring and retaining qualified employees, and continually evolving mortality and longevity expectations. These will all have an impact on the operation and financing of LACERA either directly or indirectly, although the precise implications are unknown.

Ultimately the risks faced by LACERA and other retirement systems remain similar to what they have always been, however, over time the relative magnitude and likelihood of individual risks may change due to the evolving macro conditions. Regardless of the reasons, the factors that are likely to have the most significant impact on LACERA's valuation results are:

- Investment risk

  To the extent that actual investment returns differ from the assumed investment return, the plan's future assets, employer contribution rate, and funded status may differ significantly from those presented in the valuation. There are a myriad of factors that can influence investment markets, such as those described above. In addition to the risk of variances in the investment markets, leverage and illiquidity of investments may magnify investment gains or losses for LACERA. Further, risk may be increased if restrictions are put on available investments that impact future returns. These types of risks are outside the scope of our analysis, but we have quantified the potential overall impact of variance in past and future investment returns below and in Section 5, Assessment of Risks.

- Inflation risk

  Current inflation remains higher than has generally been observed over the last three decades, although it has receded somewhat from recent high levels. The impact of inflation risk will be observed in investment risk and compensation risk rather than more directly, as it is generally a component of other assumptions and experience of LACERA rather than a specific component by itself.

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- Compensation risk

  Individual member retirement benefits are linked to the member's compensation. As such, assumptions need to be made as to a member's future compensation increases. Higher future compensation increases will generally result in larger retirement benefits, liabilities, employer contribution rates, and a lower funded status. Conversely, lower compensation increases than assumed will generally result in smaller retirement benefits, liabilities, employer contribution rates, and a higher funded status.

- Payroll risk (includes labor market risk)

  In the valuation, an assumption is made for the overall rate of payroll growth of LACERA members from year-to-year. To the extent that the overall rate of payroll growth is greater than assumed, the employer contribution rate may decrease since the Unfunded Actuarial Accrued Liability (UAAL) will be amortized over a larger payroll base. The opposite will occur if the overall rate of payroll growth is lower than assumed.

  For example, if Los Angeles County were to reduce its payroll, an offsetting increase in the UAAL contribution percentage rate would be necessary to maintain the contribution level needed by LACERA. However, employer contribution dollars are likely to be less volatile than employer contribution rates because the higher contribution rates will be paid on a lower payroll base.

  For LACERA, there are likely other labor market risks that could have an impact on payroll risk, including the following.

  - Any changes in participant behavior, such as through a faster rate of early retirement or terminations from employment that are either not replaced, or that take some time to replace, could cause a decrease in payroll, or an increase less than assumed. (Note that these scenarios also create demographic risks.)
  - Any changes in employer budgets or priorities that restrict the employee base, the pace of hiring replacement employees or level of payroll increases could result in a lower payroll than assumed.

  Note that we do not have any evidence currently to suggest these scenarios are likely or planned. They are included here to illustrate examples of non-pension risks that could have an impact on employer contribution rates and the funding of LACERA.

- Longevity and other demographic risks

  The liabilities reported in the valuation were calculated by assuming that members will follow specific patterns of demographic experience (e.g., mortality, retirement, termination, disability) as described in Appendix A of the valuation report. To the extent that actual demographic experience is different than is assumed to occur, future liabilities, employer contribution rates, and funded status may differ from that presented in the valuation.

  Higher mortality than expected will generally have a positive financial impact on LACERA's funding, and lower mortality than expected will have a negative financial impact. To the extent that the higher mortality occurs among older retirees with lower than average benefits, the financial impact may not be as significant since the liability for those members is generally relatively low.

  An example of mortality changes which could pose a financial risk to LACERA would be a cure for a broad range of cancers, which could reduce mortality over an extended period of time and therefore materially increase future benefit payments.

- Contribution risk

  Contribution risk is defined in ASOP 51 as the potential of actual future contributions deviating from expected future contributions. For example, for some retirement systems in the US, a significant source of their underfunding has been the plan sponsor not making the actuarially determined contribution. If the County does not make its full

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contribution in the future, it could present a significant risk to LACERA's funding. We have assumed for purposes of this analysis that LA County will continue to contribute at the actuarially determined rate in the future. It should be noted that the County has consistently made its actuarially determined contribution in the past, and there are legal requirements specified in the 1937 Act that govern future contributions.

Risks may exist if contributions are pushed off into the future such as when employer contribution rate increases are phased in instead of recognized immediately, and when the County reflects contribution rate decreases as soon as possible (July) and defers increases as late as possible (September), which has been the historical approach. We do not view any of the above as a significant risk to LACERA, but lower contributions in the short term mean higher contributions will ultimately be needed.

Effective June 30, 2022 the Board of Investments adopted a method change to exclude the STAR Reserve from valuation assets, and immediately recognized the increase in the employer contribution rate due to assumption changes. Both of these approaches reduced contribution risk by not deferring contributions into the future.

- Retiree COLA risk

Retiree COLA risk is the potential of actual future cost-of-living adjustments for retirees and beneficiaries deviating from the assumed increases. LACERA's funding could be adversely impacted if greater-than-assumed inflation causes future COLAs to exceed the assumption. For LACERA, COLAs are capped at either 2% or 3% based on the respective plan, with the Plan E cap being based on pro-rated service after 2002. As the assumed COLAs for Plans B-E and G are set equal to the cap, there is no direct risk of the actual COLA exceeding the assumption. All Plan A retirees currently have a COLA Accumulation Bank. When combined with current elevated levels of inflation all Plan A retirees are assumed to receive a 3% annual COLA in the valuation. Therefore, there is no current risk of the actual COLA deviating from the assumption in the short-term. As Plan A retirees account for less than half of the total retiree liability and this proportion is projected to decline in the future, we believe the direct COLA risk from Plan A retirees is small.

Effective June 30, 2022 the Board of Investments adopted a change in method whereby the STAR COLA Reserve is no longer included in Valuation Assets. As a result of this change, the indirect COLA risk related to the STAR COLA Reserve is largely mitigated. If STAR COLAs are granted in future, we expect that an amount equal to the present value of STAR COLAs will be transferred from the STAR COLA Reserve to Valuation Assets. This will offset any increase in liabilities and the UAAL will be unchanged.

The assumptions are reviewed in detail during the triennial Investigation of Experience study and are also reviewed annually during the valuation process. Changes in assumptions are generally recommended as part of the triennial Investigation of Experience if actual experience has been materially different than assumed or forecasts have changed materially. Additionally, changes may be recommended and discussed at each valuation if they are deemed to be appropriate at that time.

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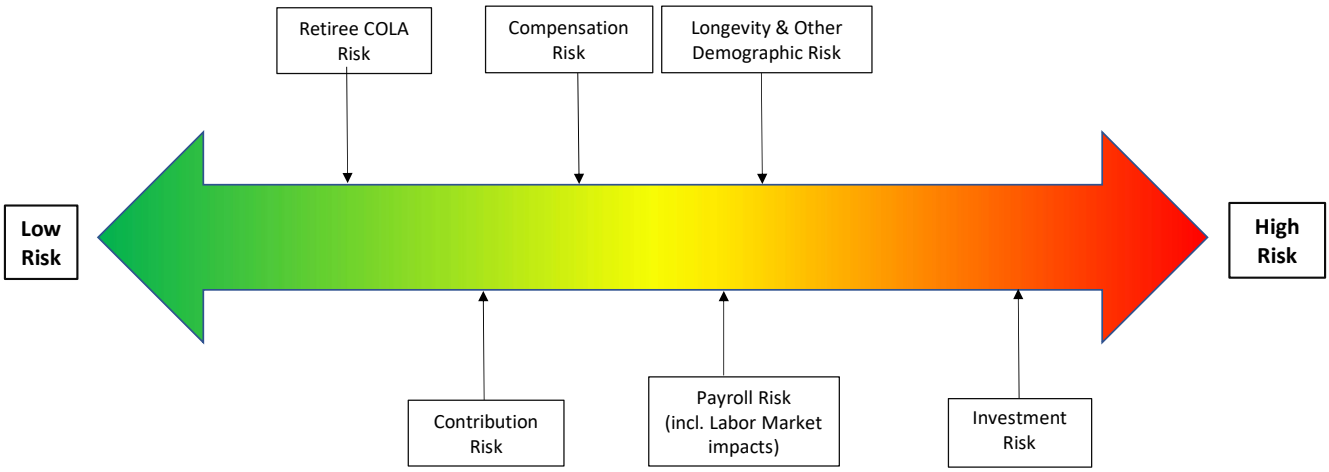
Relative Magnitude of Each Risk

The prior discussion identified the key risks to LACERA's funding. Which risk poses the biggest threat? The analysis at the end of this section provides a historical analysis of how these risks have affected LACERA's funded status. Which of these factors will have the greatest impact on LACERA's future funding is unknown; however, based on the analysis shown in this report and our experience working with public sector retirement systems, we have provided the following ranking of the risks from the greatest risk to the least risk (shown in the table on the following page). This is also illustrated in the scale below. Note that we considered both the likelihood of a negative impact as well as the potential magnitude. For example, since retiree COLAs have an annual cap, the impact of high short-term inflation above the assumption of 2.75% is expected to be small in magnitude, and relative to other risks. Therefore, we view the associated COLA risk to be low.



Note: The above graphic is based on Milliman's opinion and is not numerically based.

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Risk Factor	Commentary
Investment risk	Historically investment performance has had the greatest year-to-year impact on LACERA's Funded Ratio and the employer contribution rate. We believe it is likely that this will continue to be the case in the future.
Longevity and other demographic risks	Of the demographic risks, mortality probably has the greatest potential to impact LACERA's funding. The current valuation assumption includes a provision for mortality improvement, which allows for longevity improvements similar to historical trends; however, if there were a major medical breakthrough, such as a cure for a broad range of cancers, this could significantly increase life expectancies beyond current expectations and materially impact liabilities.
Payroll risk (including labor market risks)	A decline in payroll, or a long-term increase less than the 3.25% assumption, could result in a significant increase in the employer contribution rate as a percentage of payroll. However, provided the calculated employer contribution rate is paid, a decline in payroll should not, by itself, negatively impact the Funded Ratio. Labor market risks, such as hiring not keeping pace with terminations and retirements, which in the current environment could be due to shortages of new employees and reductions in employer budgets that impact hiring, each increase payroll risk.
Contribution risk	Our understanding is that there are certain legal requirements that make it unlikely the employers would not pay the actuarially calculated contribution rate; however, if LACERA were not to receive the full contribution amount, this could become a significant risk.
Compensation risk	Compensation increases larger than assumed will result in larger retirement benefits, and therefore liabilities than currently projected. Conversely, smaller increases than assumed will result in smaller liabilities. The impact on the employer contribution rate of larger or smaller than assumed compensation increases will generally be offset somewhat by changes in payroll (as discussed above) since these two risks generally occur in tandem. We note that generally large compensation increases occur when there is either high inflation or a strong economy. Either case is likely to be associated with better-than-assumed investment returns (although in the case of higher inflation, it may take a while for higher returns to materialize), which should mitigate the liability increase due to the compensation increase.
Retiree COLA risk	As previously noted, the potential for significant actuarial losses for COLAs greater than the assumption are limited due to the cap on COLAs, so the retiree COLA risk is relatively small.

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Unfunded Actuarial Accrued Liability – How we got here

The portion allocated to service already rendered or accrued is called the Actuarial Accrued Liability (AAL). The difference between the AAL and the Valuation Assets is called the UAAL. If a UAAL exists, it usually results from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the employer had always contributed the current Normal Cost, and if there were no prior benefit or assumption changes, and if actual experience exactly matched the actuarial assumptions, then the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

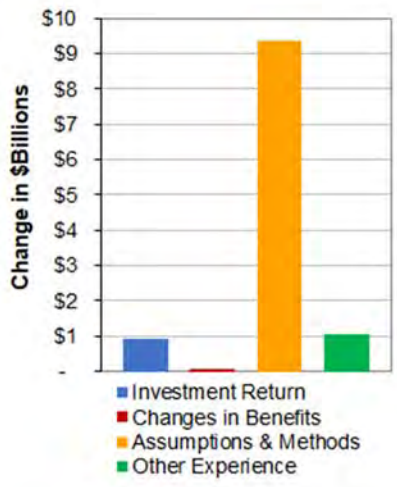
The UAAL, at any date after establishment of a pension plan, is affected by any actuarial gains (decreases in UAAL) or losses (increases in UAAL) arising when the actual experience of the pension plan varies from the experience anticipated by the actuarial assumptions. To the extent actual experience, as it develops, differs from that expected according to the assumptions used, so also will the emerging costs differ from the estimated costs. Additionally, changes in assumptions or benefit provisions can also increase or decrease the UAAL.

Over the last 20 years, the UAAL has increased and decreased from year to year due to a number of factors:

- Investment Returns: The average actual return on market assets for the 20-year period was 7.8% (net of investment expenses) compared to the assumed returns for the period of between 7.0% and 8.0%. This was the primary cause of year-to-year changes in the UAAL.
- Actuarial Assumptions and Methods: Changes in the actuarial assumptions were the primary cause of the total increase in the UAAL over the 20-year period, with the reduction in the investment return assumption from 8.0% to 7.0% having the greatest impact.
- Other Experience: This includes gains and losses from demographic experience different than assumed, such as termination, service retirement, disability retirement, and mortality experience. It also includes the difference between actual and assumed salary increases and COLAs.
- Changes in Benefits: Benefit changes (related to two separate court cases) increased the UAAL over the 20-year period. However, the relative impact is much smaller than other sources. Note that PEPRA, which was effective in 2013, did not affect past benefit accruals, so it did not impact the UAAL at that time.

UAAL Changes

An analysis of changes in the UAAL over the last 20 years show the two primary factors that have caused increases in the UAAL are actual investment returns less than the assumed return and changes in assumptions, primarily decreases in the investment return assumption.



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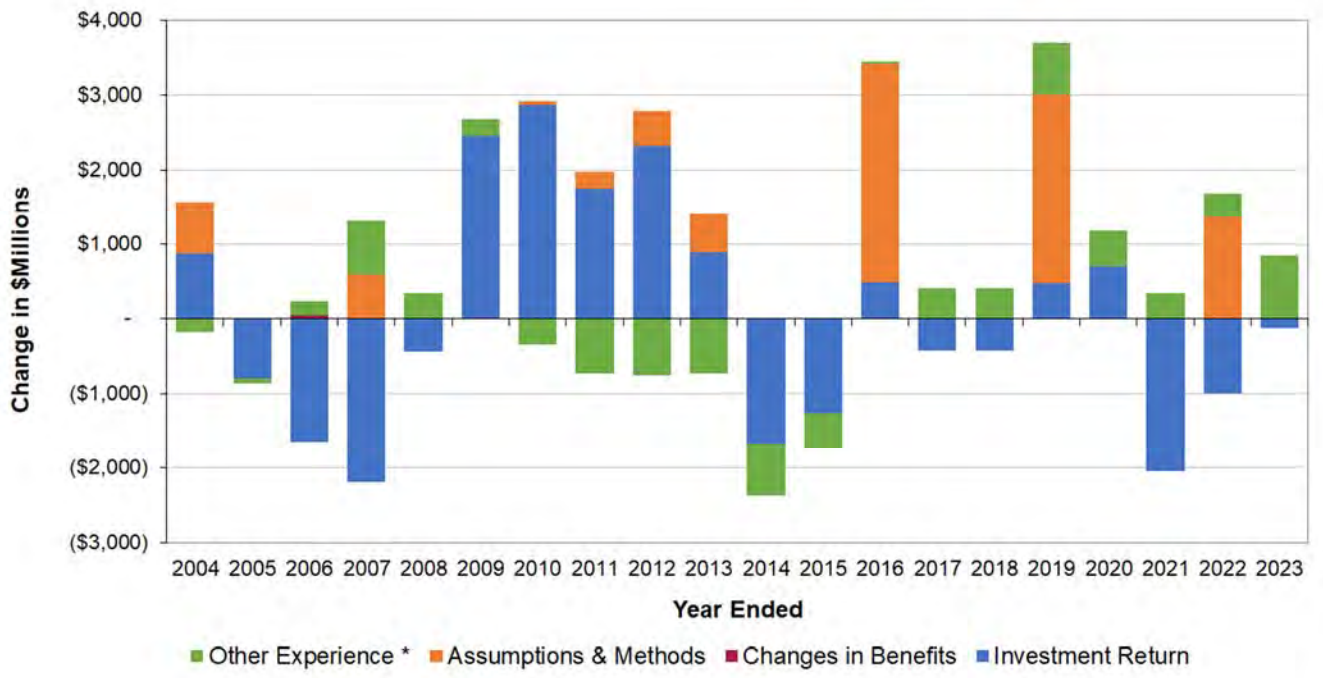
The following exhibit shows the sources of change in the UAAL over the past 20 valuations. The single biggest source of annual change in most years is the return on investments being either greater than or less than the assumption (blue bars).

Analysis of Change in Unfunded Actuarial Accrued Liability
(Dollars in Millions)



** Other Experience includes changes due to Salary, CPI, Mortality, and other factors.*

Unfunded Actuarial Accrued Liability – when will it be fully amortized?

In the prior section we reviewed the main historical factors that have created the UAAL. Investment returns less than assumed and assumption changes, largely driven by declining expectations of future investment returns, were the main reasons for the growth of the UAAL.

Under LACERA's Funding Policy, a new UAAL "layer" is established each year when the Funded Ratio is less than 100% or greater than or equal to 120%. Effective with the June 30, 2019 valuation, all new UAAL layers are amortized over 20-year periods. These UAAL layers are eliminated when LACERA attains a Funded Ratio of 100%. This may occur due to UAAL contributions being made to amortize the UAAL, and from future experience being favorable relative to the actuarial assumptions. Conversely, if experience is less favorable, a larger UAAL may develop.

Absent additional gains and losses, the UAAL increases each year with interest at 7.0% and decreases by the amount of any UAAL contributions made by employers.

Since investment returns are expected to be the most significant risk to LACERA, we have projected the probability of when the UAAL is expected to be fully amortized reflecting investment return variance. If LACERA

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earns 7.0% investment return net of investment expenses every year, then absent additional actuarial gains or losses, it is projected to eliminate the UAAL (and attain 100% funding) by June 30, 2041.

In last year's risk assessment report the equivalent date was June 30, 2040. This date has moved out one year due to actual experience between June 30, 2022 and June 30, 2023. In the risk assessment report as of June 30, 2019 the projected date to reach 100% funded was also June 30, 2040. This fluctuating date until the plan is projected to reach 100% funded highlights some of the uncertainty (and risk) in the plan, and the impact actual experience can have on the projected funded status of LACERA. We expect that over time, as actual experience materializes, this date may move further out into the future (if the plan has adverse experience) or may move closer (if the plan has favorable experience).

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3. Plan Maturity Measures

Like other public retirement systems, LACERA continues to mature. As pension plans mature, they become more sensitive to certain risks. In this section, the maturity of LACERA is examined in the context of the number of active members to retirees, the projected cash flows, and volatility ratios.

The magnitude of the year-to-year increase or decrease in the employer contribution rate is affected by the maturity level, and specifically, the asset volatility ratio (the ratio of LACERA assets to payroll). LACERA has accumulated a significant amount of assets relative to its payroll and by several measures is considered a mature plan. Accumulating assets to pay for future benefit obligations is responsible funding, but it does mean that changes in the investment markets can have a significant impact on the employer contribution rate.

This section discusses the following plan maturity measures:

- Active-to-Retiree Ratio: As the percentage of actives declines relative to the number of retirees, this indicates a maturing of the plan.
- Cash Flow: As the cash flow (contributions less benefit payments) becomes increasingly negative, this generally indicates a maturing of the plan.
- Asset Volatility Ratio: A higher ratio indicates a maturing of the plan and greater sensitivity in the employer contribution rate to investment returns.
- Liability Volatility Ratio: A higher ratio indicates a maturing of the plan and greater sensitivity in the employer contribution rate to liability experience and changes in valuation assumptions.

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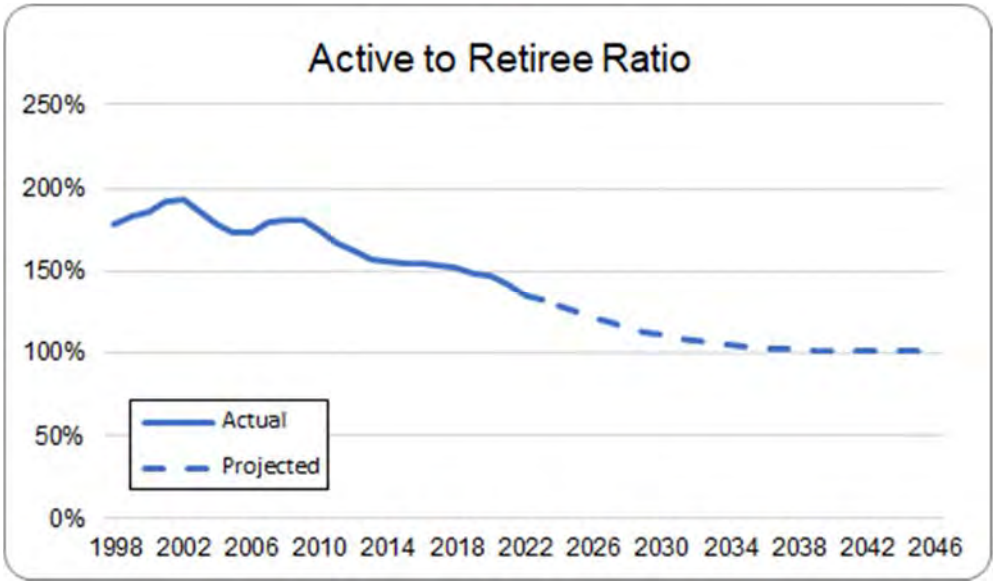
Active Members to Retirees Ratio

As the number of retirees (and dollar value of retiree liabilities) grows, the dollar size of any gains or losses (particularly mortality and COLA gains and losses) associated with retirees also grows, and has a more significant impact on the overall Funded Ratio. Additionally, as the number of actives compared to retirees decreases, a larger percent of active payroll is needed to finance any gains or losses associated with retirees. The aging of the population and the retirement of baby boomers has been felt by retirement systems across the nation. This demographic shift has long been predicted by actuaries and taken into account in LACERA's funding calculations. Even though it was anticipated, this demographic shift is impacting LACERA and has increased the amount of risk faced, which is seen throughout this report.

There are various ways to assess the maturity level of a retirement system. One way is to look at the ratio of active members to retirees. In the early years of a retirement system, the ratio of active to retired members will be very high as the system will be mostly comprised of active members. As the system matures, the ratio starts declining. A mature system will often have a ratio near or below one. For LACERA and other retirement systems in the U.S., these ratios have been steadily declining.

The chart below illustrates LACERA's historical and projected active members to retirees ratio. Consistent with the assumption used in the valuation, we have assumed that the active population will remain at the same level in the future.



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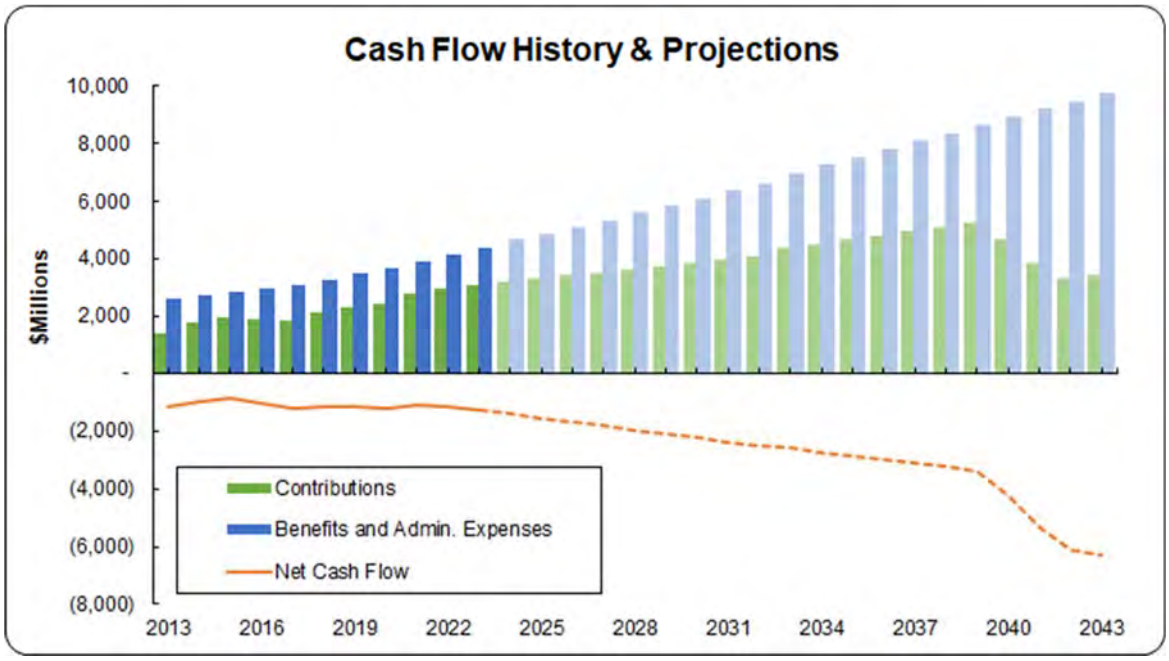
Cash Flow

The cash flows for a retirement system are another good indicator of the maturity level of the system. As a pension plan matures, it is normal for benefit payments to exceed contributions coming into the system. When pre-funding a pension plan, it is important to remember that the objective is to accumulate assets to pay benefits. Put another way, pre-funding is expected to ultimately create negative cash flows. Note that cash flows for purposes of this analysis do not take into account cash income generated from investments.

LACERA has been in a negative cash flow position for over 25 years. The gap between contributions (combined member and employer) and benefits paid plus expenses has increased over time, and this trend is projected to continue in the future. The graph below shows LACERA's projected cash flows. Note that the cash flow is projected to become increasingly negative after 2038 when UAAL amortization layers begin to become fully amortized resulting in a reduction in the contributions, all else being equal.



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Asset and Liability Volatility Ratios

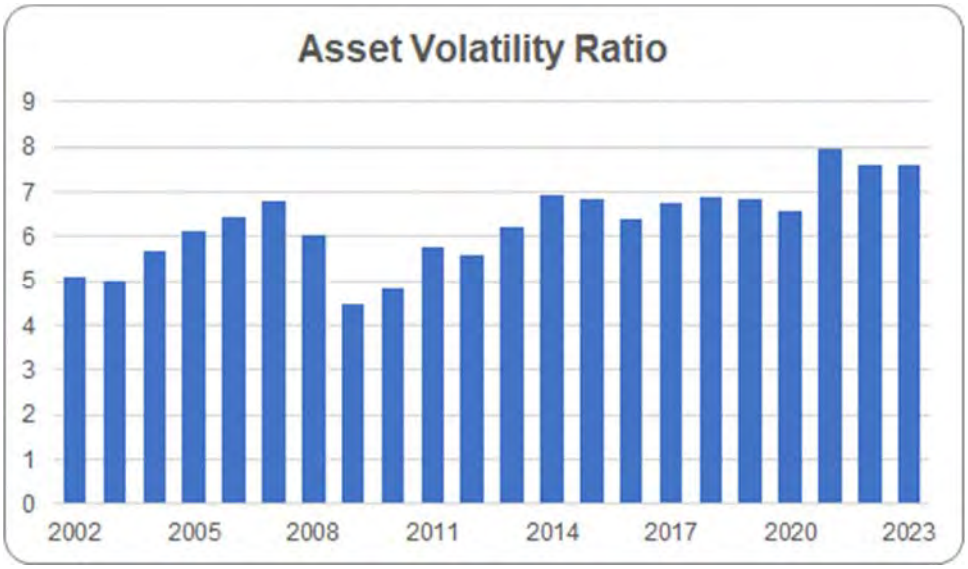
The Asset-to-Payroll ratio, also referred to as the Asset Volatility Ratio (AVR), is a measure of the level of assets to payroll. As assets grow compared to payroll, so does the size of any asset gains or losses compared to payroll. This causes asset gains and losses to have a larger impact on employer contribution rates that are calculated as a percent of payroll.

As shown in the graphs below, the AVR has increased over time as LACERA has matured. As of June 30, 2023, LACERA has an AVR of 7.6, which is typical of a mature system. Expressed another way, LACERA's June 30, 2023 market value of assets of $73.9 billion is approximately 7.6 times larger than the payroll of all active members of LACERA ($9.5 billion).

The graph below shows that LACERA has gradually matured over the last 20+ years, as represented by the increasing AVR, although the ratio has declined in some years corresponding to those with poor investment returns in the prior year.

Asset Volatility Ratio

LACERA has an Asset Volatility Ratio of 7.6; that is, assets are about 7.6 times as big as the payroll. In practical terms, a - 3% return is expected to ultimately cause a 5.3% of pay increase in the employer contribution rate.



The 7.6 AVR means that for each 1% asset loss (or gain) in relation to the assumed investment return, the employer contribution rate will increase (or decrease) by 0.53% of payroll. Since LACERA uses actuarial smoothing, the increase would not be immediate, but would occur gradually over five years and could potentially be offset, or further increased, by future investment gains or losses or other factors.

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The Liability-to-Payroll ratio, also referred to as the Liability Volatility Ratio (LVR) is another measure of a system's maturity. This ratio provides an indication of employer contribution rate volatility due to liability experience (gains and losses) and liability re-measurements (assumption changes). For LACERA, the LVR as of June 30, 2023 is 9.5. That is, the June 30, 2023 Actuarial Accrued Liability of $90.6 billion is approximately 9.5 times larger than the payroll of all active members of LACERA ($9.5 billion). Ultimately, the AVR and LVR will converge to the LVR as LACERA moves toward 100% funding in the future.

The graph below shows the historical LVR. The ratio has increased gradually, with much less year-to-year variance than observed in the AVR. The 9.5 AVR means that for each 1% liability loss (or gain), other than those due to assumption changes, the employer contribution rate will increase (or decrease) by 0.64% of payroll. Assumption changes can also affect employer Normal Cost and member contribution rates.

Note that when measured against their own payroll, the liability of Safety members is more than twice as mature as that of General members. However, since LACERA calculates a single Unfunded Actuarial Accrued Liability (UAAL) amortization rate applicable to all plans, liability losses (or gains) affects the employer contribution rate for all plans equally.

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4. Historical Measures

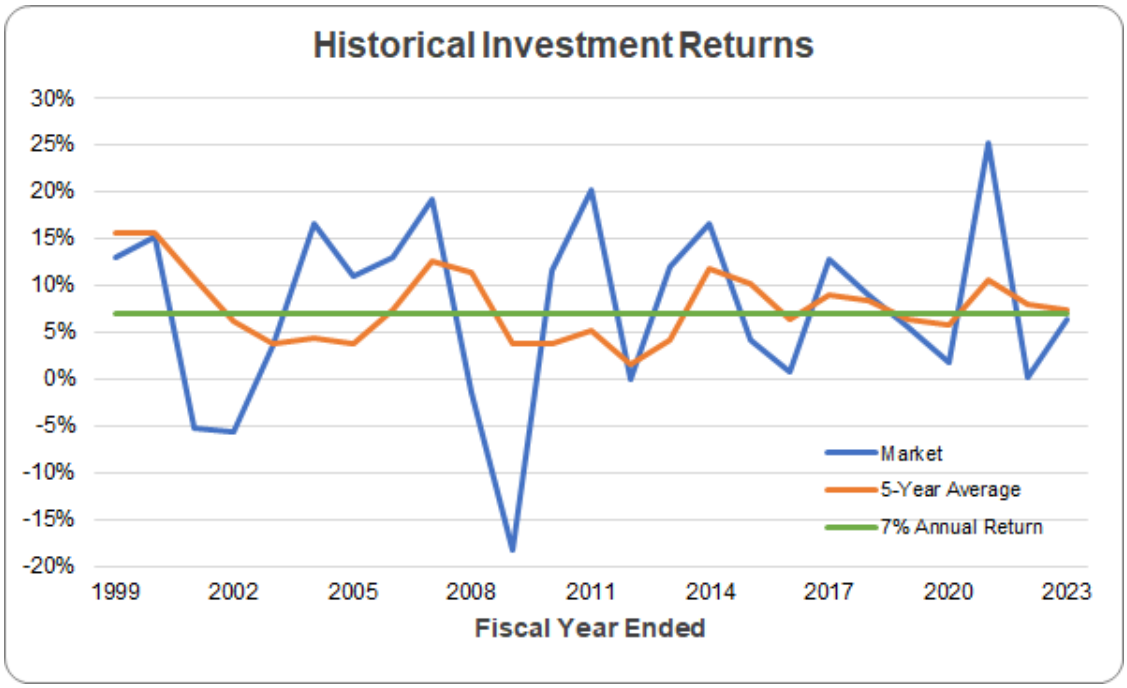
One way to assess future risks is to look at historical measurements. This section discusses the following historical measures:

- Investment Returns
- Funded Ratio
- Employer Contribution Rate

Historical Investment Returns

Investment returns over the last 25 years have varied significantly from year-to-year. This variance is the primary cause of year-to-year changes in funded status and employer contribution rates. The valuation uses an actuarial asset method that smooths investment gains or losses (in relationship to the assumed return) over a five-year period. The graph below presents a comparison of historical returns for LACERA on a market basis and a five-year average to approximate the return on actuarial assets. Although the five-year average is smoother, it has still been as high as 15% and as low as 2%, showing that not all market volatility can be smoothed over time.

Additionally, the graph highlights the year-to-year volatility of market and smoothed asset values relative to an annual 7% investment return. This volatility exists and leads to variance in year-to-year funded status and employer contribution rates even if the long term average annual investment return is close to 7%.



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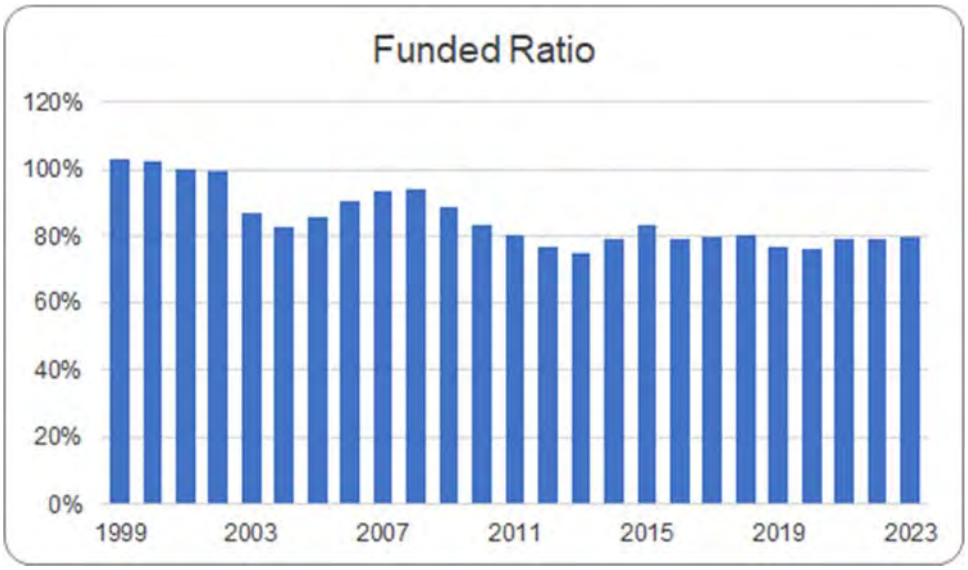
Historical Funded Ratios

The graph below shows how LACERA's Funded Ratio has varied over the last 25 years. In particular, it reflects the significant impact that investment returns can have. The two periods where LACERA experienced significant declines in its Funded Ratio were following the dot-com bubble of the early 2000s and the financial crisis that started in 2008.



Funded Ratio

Over the past quarter century, LACERA has experienced two noticeable declines in Funded Ratio, both following periods of low investment returns: 1) after the Dot-com bubble; and 2) after the financial crisis.

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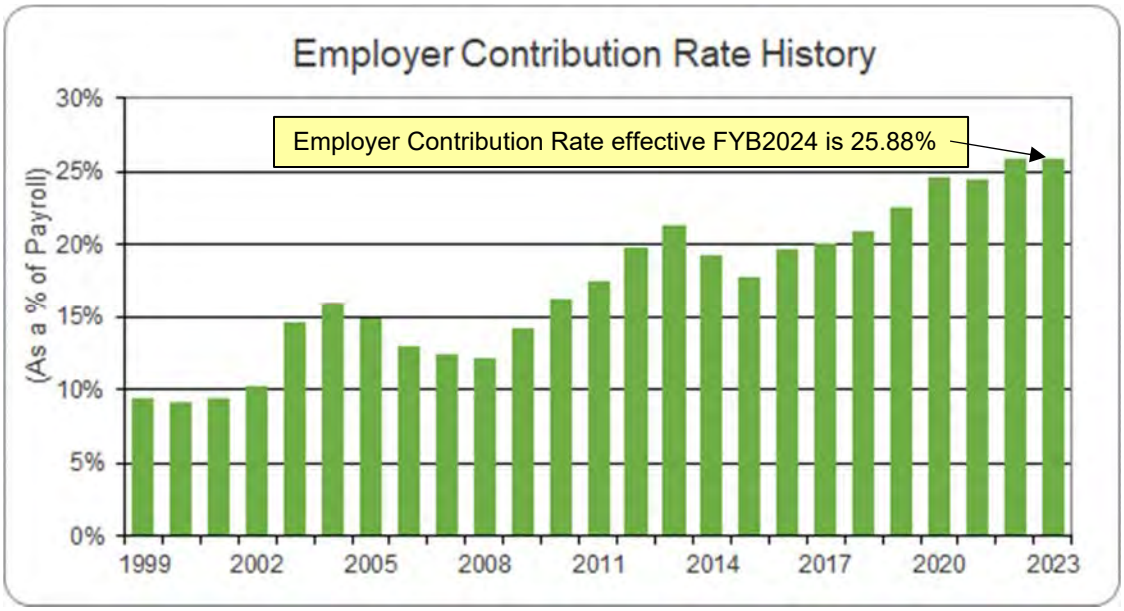
Historical Employer Contribution Rates

The graph below shows how the employer contribution rate has varied over the last 25 years. Similar to the Funded Ratio history, the impact that investment returns have can be seen here. Significant increases in the employer contribution rate occurred following the dot-com bubble of the early 2000s and the financial crisis that started in 2008. The recent uptick in employer contribution rates has been primarily due to a reduction in expectations for future investment returns (as reflected in the investment return assumption), and larger salary increases than expected by the salary increase assumption.



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5. Assessment of Risks

The prior sections identified risks and discussed risk measures. This section quantifies the potential impact of several risks that could materially impact the employer contribution rate and Funded Ratio. The risks assessed for this purpose include:

- Investment risk
- Retiree COLA risk
- Payroll growth and salary increase risk
- Longevity risk

In order to understand the extent of the risks faced, several stress tests were performed to determine the impact on employer contribution rates and funding levels. Although each risk was examined in isolation, the System has the potential to face these challenges in combination, which could have either an offsetting or compounding effect. Specifically, inflation is generally a component of investment return, payroll growth, salary increases, and retiree COLAs. High inflation might reasonably be expected to result in higher payroll growth, salary increases, and retiree cost of living adjustments (COLAs). Similarly, sustained high inflation will likely lead to higher interest rates which will result in decreasing values of traditional government-issued fixed income investments. However, new issues of those fixed income investments will include higher yields which could result in higher future investment returns from that asset class in the longer-term.

One-Time Investment Shock

The valuation assumes LACERA earns a constant 7% per year in the future. The reality is the actual return will vary from year to year. As shown in the Historical Measures section, LACERA's return has ranged from approximately -20% to 25% over the last 25 years. As discussed in the Asset Volatility Ratio portion of Section 3, as a plan matures the employer contribution rate tends to become more sensitive to asset losses and gains. Asset losses and gains are generated by actual investment returns less than, or greater than, the investment return assumption.

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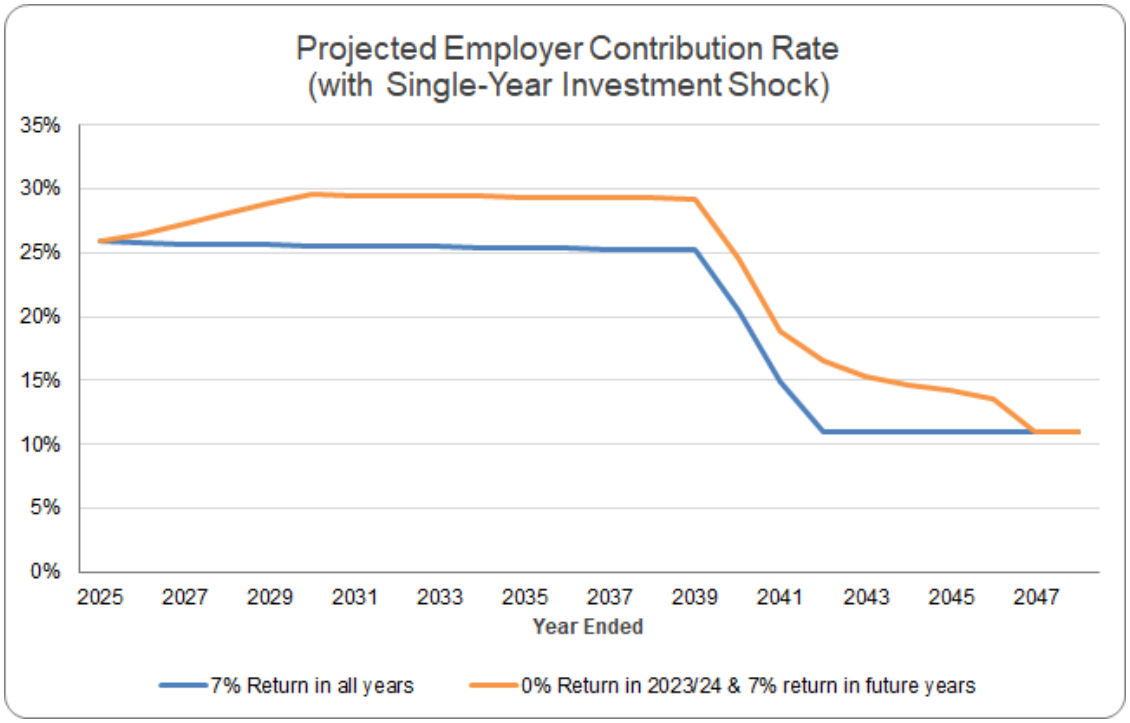
The graph below shows the potential impact of a 0% return (a 7% loss relative to the 7% assumption) on the employer contribution rate if that return were to occur in the fiscal year ending 2024. Based on LACERA's assumed 7% return and a standard deviation of 12.4% (from asset allocation option B of the Strategic Asset Allocation – LACERA Pension Trust memo for the May 19, 2021 Board of Investments meeting), there is an approximate 26% probability that in any given year the investment return will be 0% percent or less.



As expected, a one-time investment shock causes an immediate increase in the employer contribution rate (orange line), with a gradual increase over the following five-year period as the investment loss is recognized through the asset smoothing method. After the UAAL layers become fully amortized, the employer contribution rate is projected to decline towards the Normal Cost rate. Under the investment shock scenario, the employer contribution rate is projected to remain higher for longer.

Note that in the one-time investment shock scenario we have assumed 7% returns in all years after June 30, 2024.

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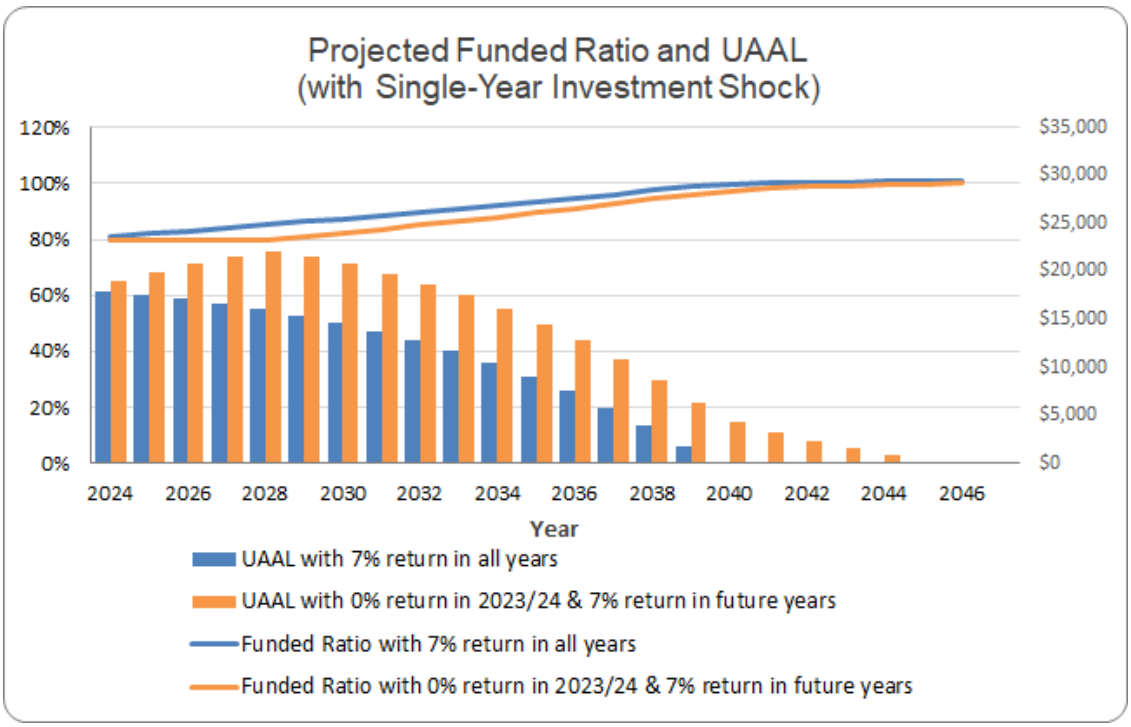
The graph below shows the projected Funded Ratio and UAAL under the single shock scenario compared to the scenario where all assumptions are met. As expected, the one-time shock scenario (orange line and bar) leads to an increase in the UAAL and decrease in the Funded Ratio. The UAAL is projected to increase over the first five years as the investment loss is recognized through the asset smoothing method and is fully reflected in the year ending 2028. At that time, the Funded Ratio is projected to be about 5% lower under the one-time shock scenario than if all assumptions were met.

Over time the Funded Ratio is projected to recover, and the UAAL to be reduced, due to the higher employer contributions shown above.



The following table shows the total employer contributions projected over the 20-year period beginning July 1, 2025 under each scenario. As can be seen in the table, total contributions are projected to be higher by about $10.7 billion under the investment shock scenario.

	(amounts in $ billions)	
	All Assumptions Met	Investment Shock (0%) in FYE 2024
Total Contributions (2025 - 2044)	$ 59.7	$ 70.4

We note that based on preliminary portfolio performance metrics that the fiscal year-to-date investment return through March 2024 is 7.4%, which on an annualized basis is greater than the 7% investment return valuation assumption.

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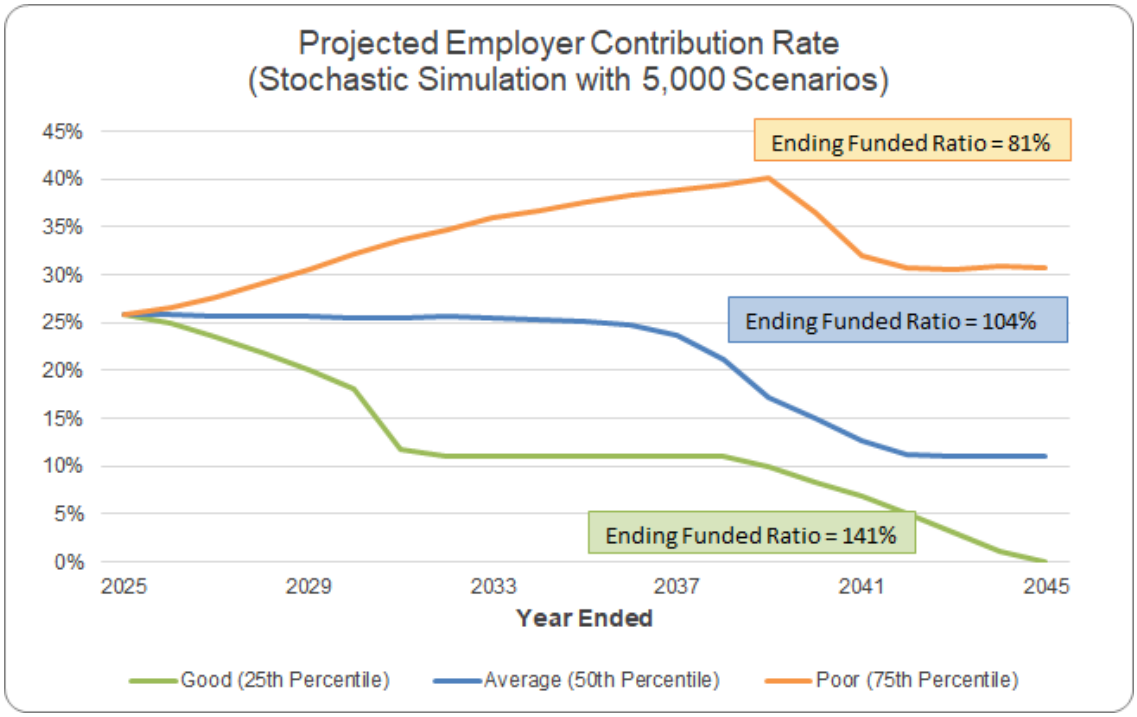
Stochastic Analysis of Investment Returns

The analyses above focused on deterministic scenarios based on a specific set of returns. To better understand how the variance of future returns could impact LACERA's funding, a stochastic model was used to generate 5,000 sets of Monte Carlo simulations based on LACERA's assumed 7.0% return and our estimate of the standard deviation of LACERA's target asset allocation of 12.4%.

Each of these 5,000 simulations represent a hypothetical future set of returns that could occur based on the assumed return and standard deviation. For each simulation, the assets and liabilities for the System were projected for the next 20 years. With this information it is possible to assess the potential impact of long-term investment performance and variance in funding levels.

The graph below shows the 25th, 50th, and 75th percentile of the projected funded status for LACERA. For example, the 75th percentile indicates that 75% of the results under the model were better (in the case of the employer contribution rate, lower than the orange line) and 25% were worse. Combining a large number of scenarios in this type of analysis results in smooth lines, although the actual outcome will have more variability. Note that the compounded investment return over the 20-year period was about 8.8% for the 25th percentile (above average) and about 5.1% for the 75th percentile (below average).



The goal of these stochastic simulations is to provide a realistic estimate of the range of possible future outcomes. The stochastic analysis shows that the range between the 25th and 75th percentiles is quite large, illustrating the potential variance in future funding of the System. It should be remembered that half of the scenarios fall outside this range, with 25% of the scenarios being at or above the green line and 25% being at or below the blue line. Ideally, the range between the 25th and 75th percentiles for both measures would be narrower; however, there is a tradeoff between each of the two outcomes. To reduce the variance in the employer contribution rates would likely lead to an increase in the 50th percentile employer contribution rate and cause a wider range in the Funded Ratios.

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The charts below show additional information regarding funding levels and employer contribution rates based on the stochastic analysis.

Funded Ratio after 20 Years	
Probability greater than 60%	95%
Probability greater than 80%	77%
Probability greater than 100%	53%

Employer Contribution Rate	
How often is the Employer Contribution Rate > 30%? [1]	29%
How often is the Employer Contribution Rate Increase > 3%? [2]	10%

1. Percentage of years that the total employer contribution rate exceeds 30% of payroll during the 20-year projection period.

2. Probability of increase exceeding 3% of payroll in any given year of 20-year projection period.

Retiree Cost of Living Adjustments (COLAs)

LACERA provides annual cost of living adjustments (COLAs) to a significant majority of retirees. These COLAs are determined based on published local Consumer Price Index (CPI) statistics and cannot be greater than 3% (Plan A retiree allowances) or 2% (all other non-Plan E retiree allowances). Plan E retiree allowances receive a pro-rated COLA up to 2% based on the proportion of service after June 4, 2002. LACERA maintains a COLA accumulation bank for retirees so that in years when the calculated COLA exceeds the maximum COLA the excess is accumulated in the bank and may be used to “top-up” retiree COLAs in future years when calculated COLAs are less than the maximum allowed.

Based on the current accumulations of the COLA accumulation bank and current actual and projected CPI we expect maximum COLAs to be paid to most, if not all, current retirees for the next several years.

The funding valuation CPI assumption is 2.75%, and the COLA assumption is set equal to the CPI assumption with consideration of COLA accumulation banks, subject to the maximum COLA allowed by each Plan. Since recent CPI has resulted in all Plan A retirees having a COLA accumulation bank, the funding valuation liabilities include an expectation that all current Plan A retirees will receive a 3% annual COLA and all other non-Plan E retirees will receive a 2% annual COLA.

Even if CPI exceeds 3% annually, there is essentially no impact on the funding valuation since all current Plan A retirees have a COLA accumulation bank. Future retiree COLAs would need to be less than 2% to create an actuarial gain. Note that there is a small group of Plan A active members who will retire in the future that could be affected by CPI changes, but this would not be expected to have a material impact on the valuation results.

Supplemental Targeted Adjustment for Retirees (STAR) COLA

The STAR program is designed as a restoration-of-purchasing-power program for eligible retirees whose retirement allowance has lost more than 20% of its purchasing power since retirement. STAR COLAs were awarded effective January 1, 2023 and January 1, 2024. Prior to these awards, a STAR COLA had not been awarded in more than a decade.

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The LACERA Board of Retirement determines on an annual basis whether to provide either on an ad-hoc or permanent basis STAR COLA to impacted retirees. Based on the current accumulations of the COLA accumulation bank and current actual and projected CPI, all Plan B, C and D retirees who retired prior to March 31, 1992 have retirement allowances that have lost more than 20% of their purchasing power as of December 31, 2023, and it is possible that more recent Plan B, C and D retirees may also cross that threshold in 2024 if actual Los Angeles-area CPI continues to exceed the valuation CPI assumption of 2.75%.

LACERA maintains a STAR COLA reserve ($611.5 million as of June 30, 2023) that may be used to provide STAR COLAs. Effective June 30, 2022 the reserve value for STAR benefits is not included in the Valuation Assets. If STAR COLAs are awarded, we expect that an amount equal to the additional liability incurred will be transferred from the STAR reserve to Valuation Assets. Therefore, we estimate that the financial impact of providing ad-hoc or permanent STAR COLAs in the short-term should not have a material impact on employer contribution rates or LACERA's Funded Ratio.

Future Salary and Payroll Levels

Changes in payroll and salary levels can be caused by the following factors:

1) a decline or an increase in the active employee population, and
2) compensation increases to current active employees that are greater or less than assumed.

As LACERA is funded as a percentage of payroll, a decline in payroll (or an increase less than the assumed annual increase of 3.25%) will result in the calculated percentage of payroll not being a sufficient dollar amount to pay off the UAAL on schedule, which will result in an increase being needed in the UAAL portion of the employer contribution rate to balance this out. That is, the same contribution dollars will still be needed to pay off the UAAL, but they will be a higher percentage of a smaller payroll. Conversely, an increase in payroll greater than the assumed annual increase of 3.25% will result in a smaller percentage of payroll being needed to pay off the UAAL. Note that a higher or lower payroll is not expected to impact the Normal Cost rate however, a lower payroll would be expected to result in reduced employer Normal Cost contributions, and vice versa for a higher payroll.

Compensation increases different than assumed to current active employees can affect the employer contribution rate and Funded Ratio. For current active employees, salary increases greater than expected will generally cause an actuarial loss which will increase the UAAL and lower the Funded Ratio. However, it will also increase the payroll by more than assumed which will result in the UAAL being amortized over a larger payroll and cause an offsetting decrease in the employer contribution rate. The opposite will occur for salary increases lower than expected.

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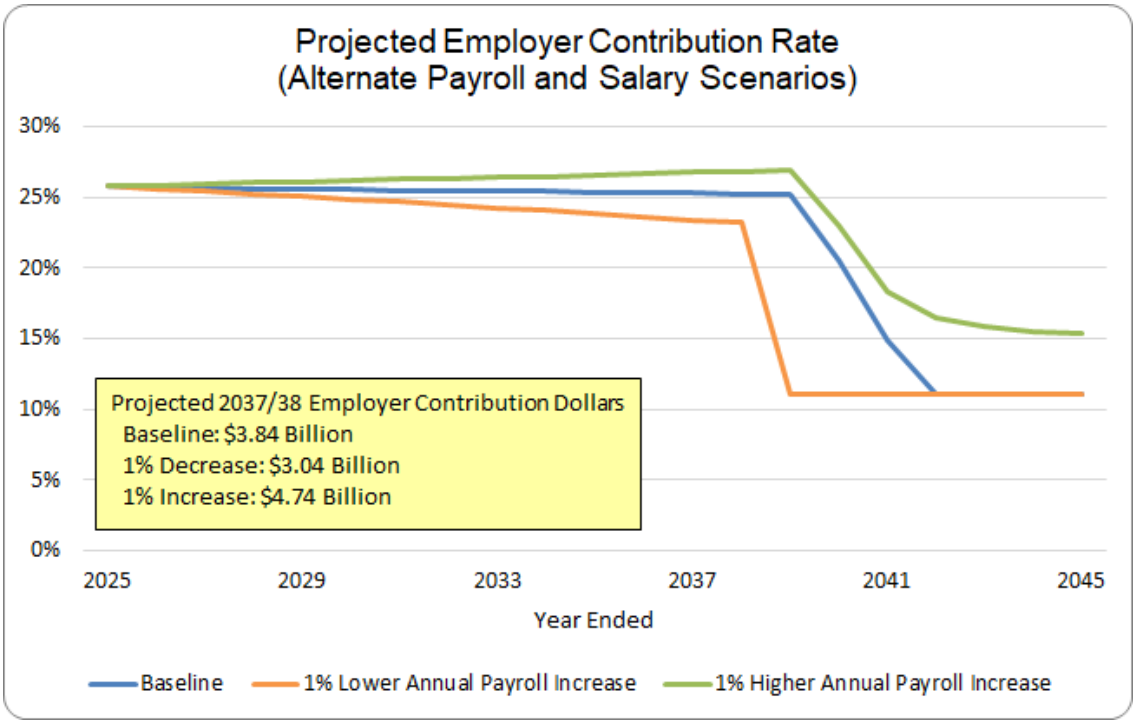
The graph below shows the impact on the employer contribution rate if the annual payroll growth rate and salary increase rates are one percent higher (green line) or one percent lower (orange line) than assumed each year. These scenarios may occur in a high inflationary environment or in an economic recession. For comparison, the baseline (blue line) shows the projected employer contribution rate assuming all assumptions are met, including an annual 3.25% payroll growth rate.



As shown in the graph above, under each of these alternate scenarios the employer contribution rate is projected to increase if salary and payroll are higher (or decrease if salary and payroll are lower) by approximately 2% of projected payroll in the fiscal year ending June 30, 2038 compared to the baseline scenario.

After 20 years, the Funded Ratio is projected to be in the range of 96% to 106% under these scenarios.

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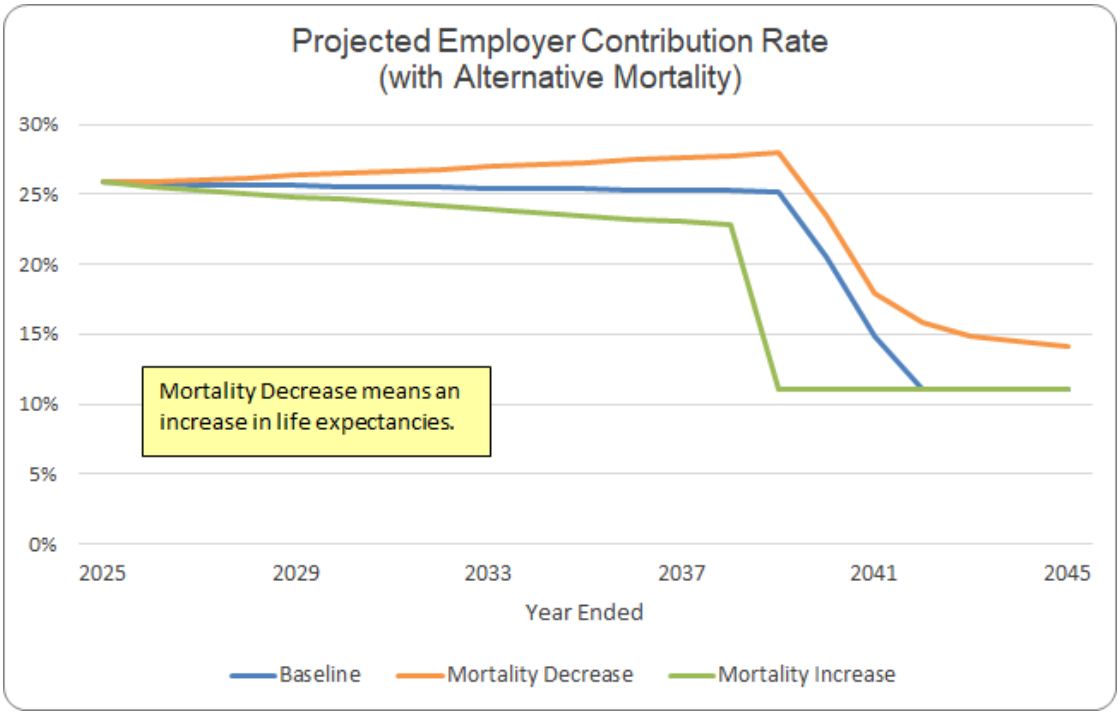
Mortality Risk

Unlike investment returns, mortality rates tend to be fairly consistent from year to year; however, over time mortality rates can shift materially. Historically, mortality rates have gradually declined, which has resulted in increasing life expectancies. LACERA's valuation anticipates a certain level of mortality improvement each year. To the extent future mortality is either better or worse than projected by the assumptions, the valuation results will be affected.

To quantify the potential impact of changes in mortality, the graph below shows a projection if in each future year 0.5% less (or more) of the total population died each year. For perspective, about 3% of LACERA's retiree population dies each year, so reducing the aggregate mortality rate from 3.0% to 2.5% is equivalent to a 1/6th decrease in the number of deaths each year. Over the last four years, the mortality gain on retirees has averaged about 0.05%, so the 0.5% reduction (or increase) is about a 10-fold increase in recent variance. This type of variance seems unlikely unless there was a significant outside factor, such as a medical breakthrough.



As shown in the graph above, under each of these alternate scenarios the employer contribution rate is projected to increase (or decrease) by approximately 2.5% of payroll ($350 - $400 million) in the fiscal year ending June 30, 2038 compared to the baseline scenario.

After 20 years, the Funded Ratio is projected to be in the range 97% to 103% under these scenarios.

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Assumption Risk

The prior analysis has focused on the impact of future experience deviating from the assumptions. As noted in Section 2 (Identification of Risk), one of the biggest factors in the increase of LACERA's UAAL over the last 20 years has been changes in actuarial assumptions, in particular changes in the investment return assumption. These changes are driven by expectations of future experience, and generally guided by the triennial Investigation of Experience study. The following table provides a simple analysis on how the short-term costs are affected by the investment return assumption. Note that the long-term cost of the Plan will be largely driven by actual investment returns and other experience; the assumptions used in the valuation impact the timing of the contributions over the long term.

	Investment Return Assumption		
	Current 7.00%	+0.5% 7.50%	-0.5% 6.50%
Employer Contribution Rate	25.88%	20.96%	31.03%
Change		-4.92%	5.15%
Funded Ratio	79.9%	84.8%	75.1%
Change		4.9%	-4.8%

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Attachment B

LACERA
Pension Risk Assessment

Based on June 30, 2023 Actuarial Valuation of Retirement Benefits

Nick Collier, Craig Glyde

June 12, 2024

Milliman

Introduction / Overview

Valuations are based on one set of assumptions

- Almost certain that future experience will differ from the assumptions
- Important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the plan

The risk assessment:

- Identifies and assesses risks that have potential to be significant to the funding and contribution levels of the plan
- Gives Trustees information to assist them in carrying out their fiduciary responsibilities, and helps them understand the risks of the plan

Guidance on risk assessment for actuaries is provided in Actuarial Standard of Practice No. 51

Background and Valuation Basics

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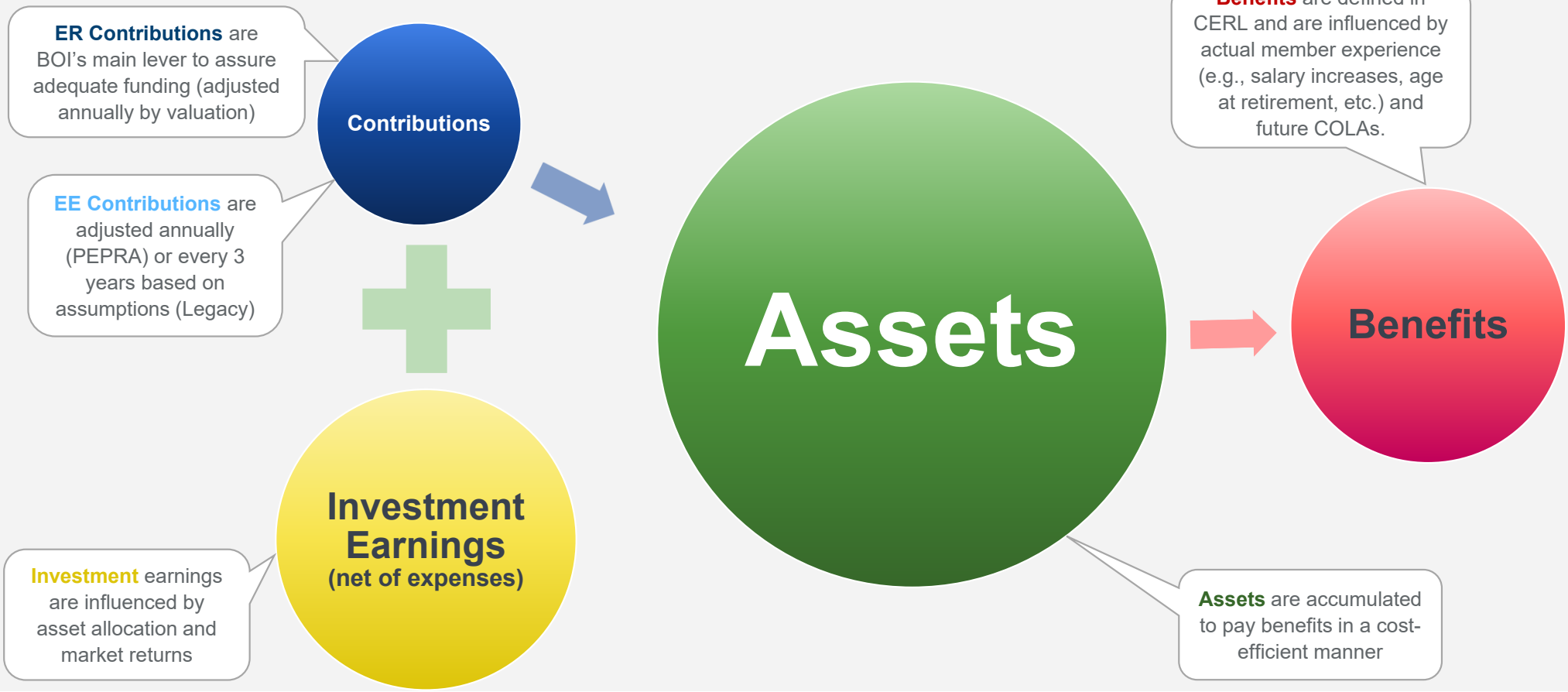
Funding Principles & Basics



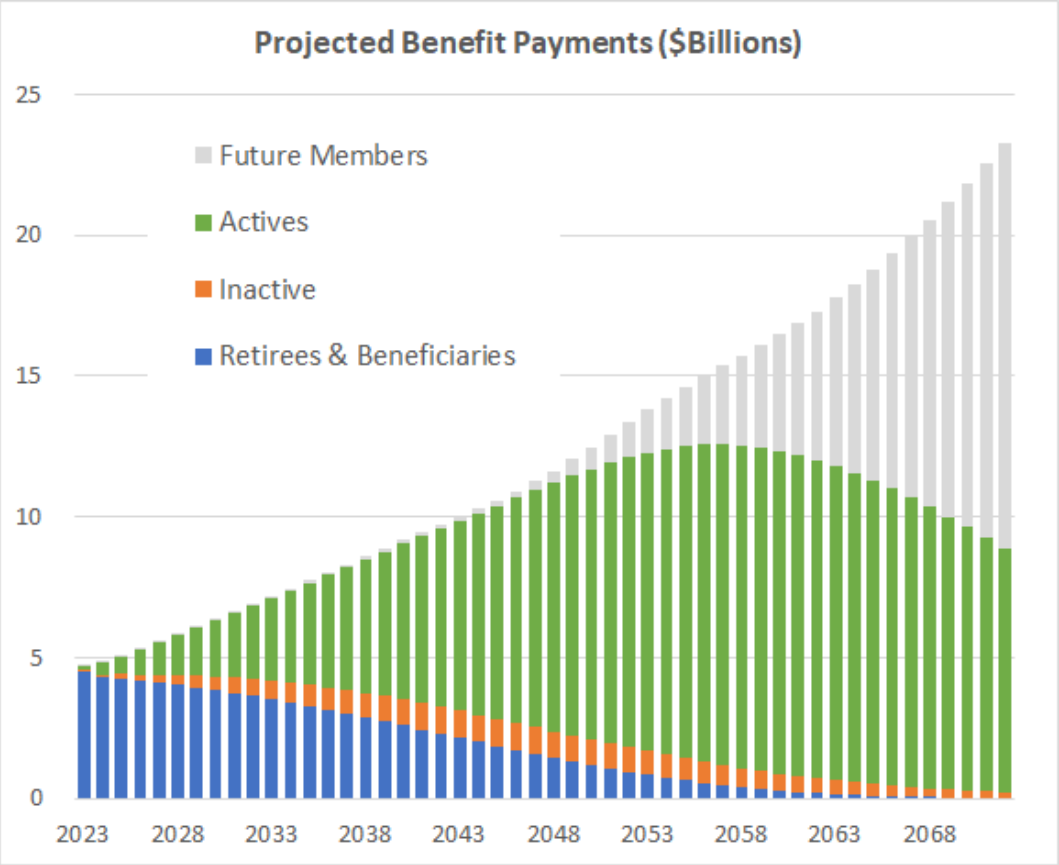
Projected Future Benefit Payments

Benefit payments are projected based on plan provisions, member data and assumptions such as:

- Future salary increases
- Retirement age
- Type of benefit (service retirement, service-connected disability, etc.)
- Mortality (life expectancy)
- Future COLAs for retirees

Payments for future members are not directly included in valuation

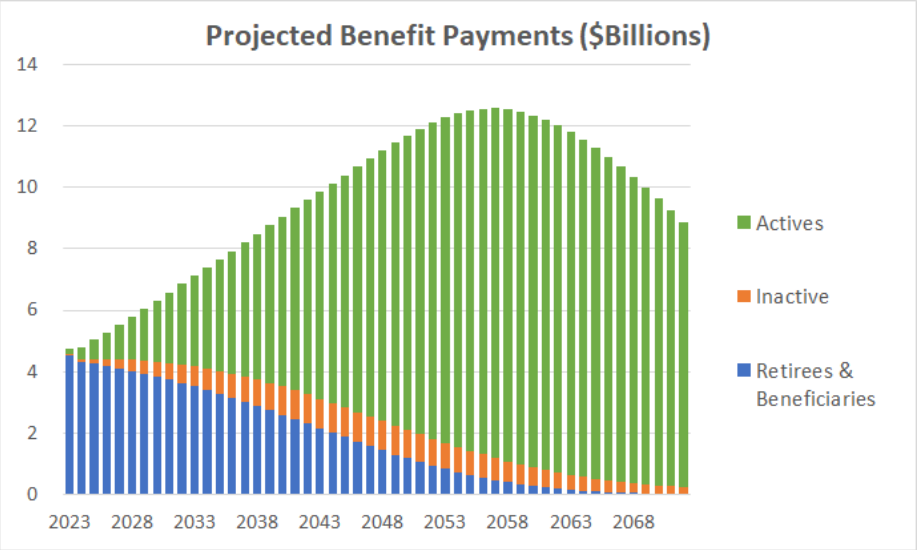
- Assumed to be funded through future normal cost contributions

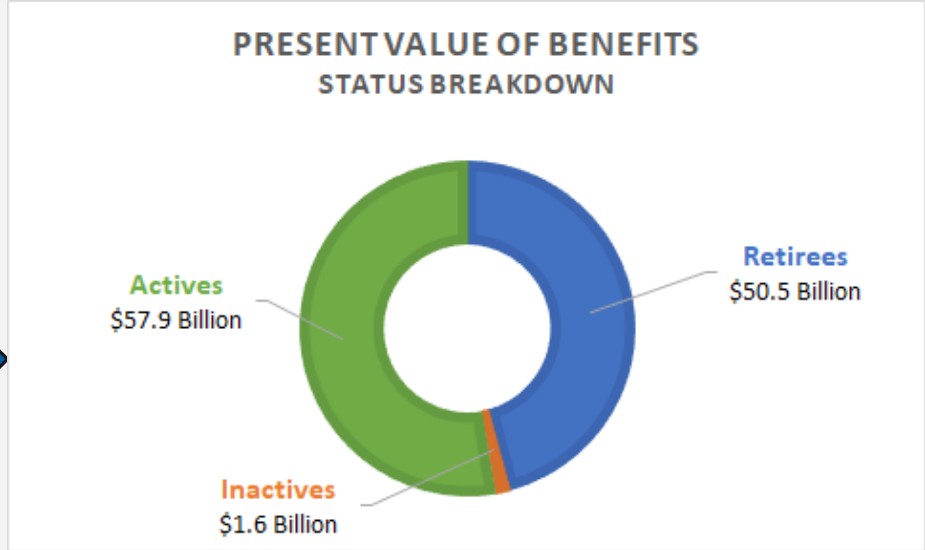


Note: payments are approximate based on LACERA's June 30, 2023 valuation.

Convert Projected Payments to Present Value

- Discount projected payments at 7% investment return assumption to calculate the Present Value of Benefits = $110 billion
  - Discount based on time value of money ($1 paid today is more valuable than $1 paid in the future)
  - In other words, if LACERA had $110 billion today and earned exactly 7.0% each year, it would exactly pay the projected benefits for current members and beneficiaries (if all assumptions are met)





Identification and Assessment of Pension Risks

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Identification and Assessment of Pension Risks

Identification: *"The actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition"*

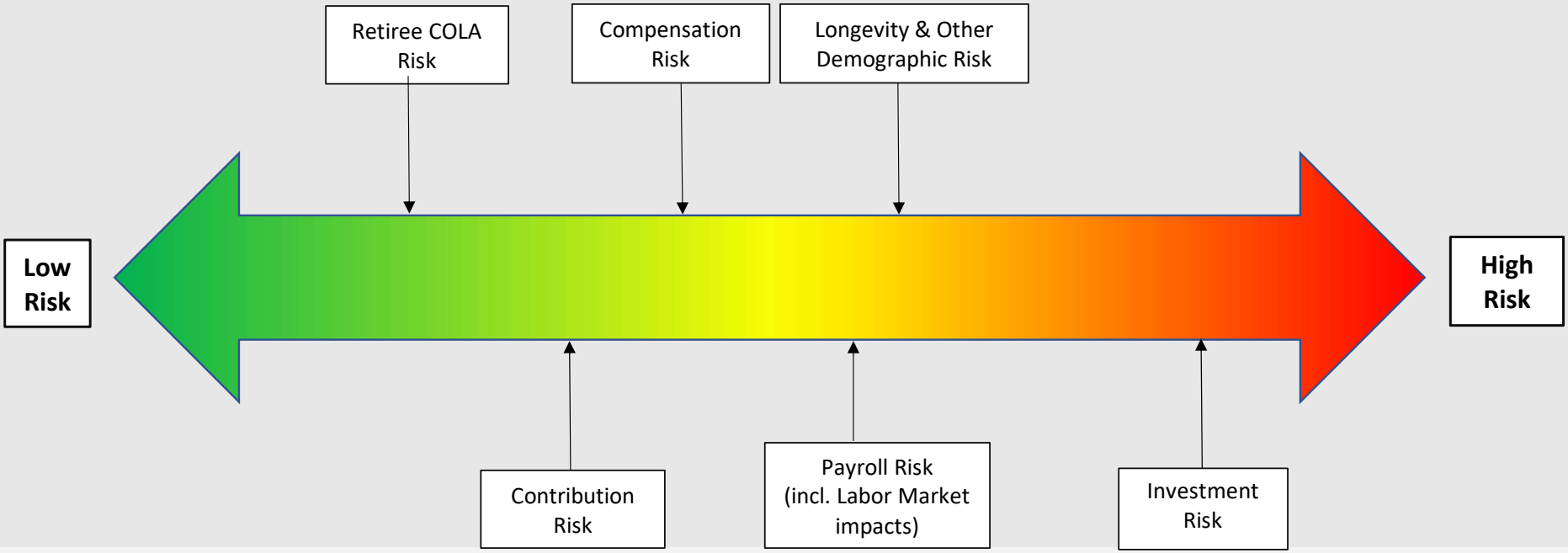
Assessment: *"The actuary should assess the risks identified… including the potential effects of the identified risks on the plan's future financial condition.*

- Primarily focused on the risk on the plan's financial condition if future experience deviates from that assumed by the valuation assumptions
- Many reasons why future experience may deviate from assumptions
- Many risks may cause deviation from assumptions but are not directly / exclusively measurable. They can include, but are not limited to:
  - Governance & operational risk - could manifest in many identified risks
  - Hiring / retention risk – manifests in payroll growth risk
  - Inflation risk – manifests in salaries, payroll, investments, retiree COLA
- Experience study / assumption setting considers factors that may impact future experience

Identification of Pension Risks – Ranking

This chart reflects the relative risk of various valuation assumptions on the financial condition of the LACERA pension plan. It reflects relative magnitude of each risk.

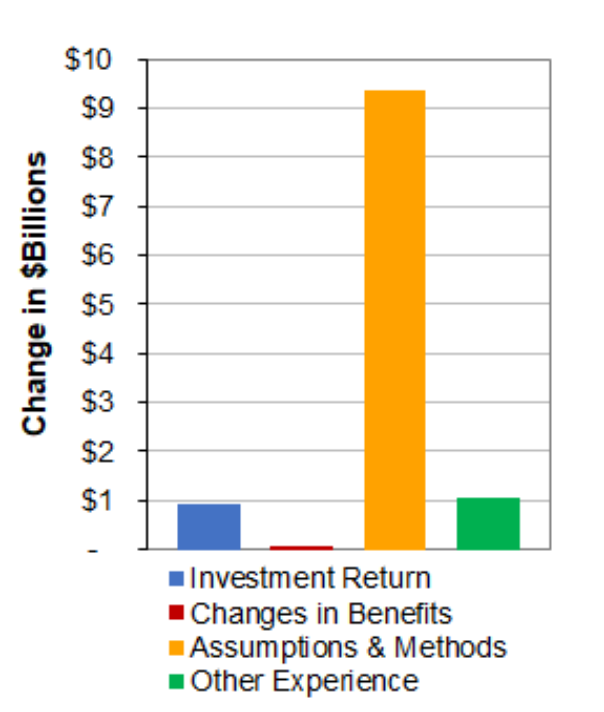
- We view **future investment returns** as the risk with the potential to have the greatest impact



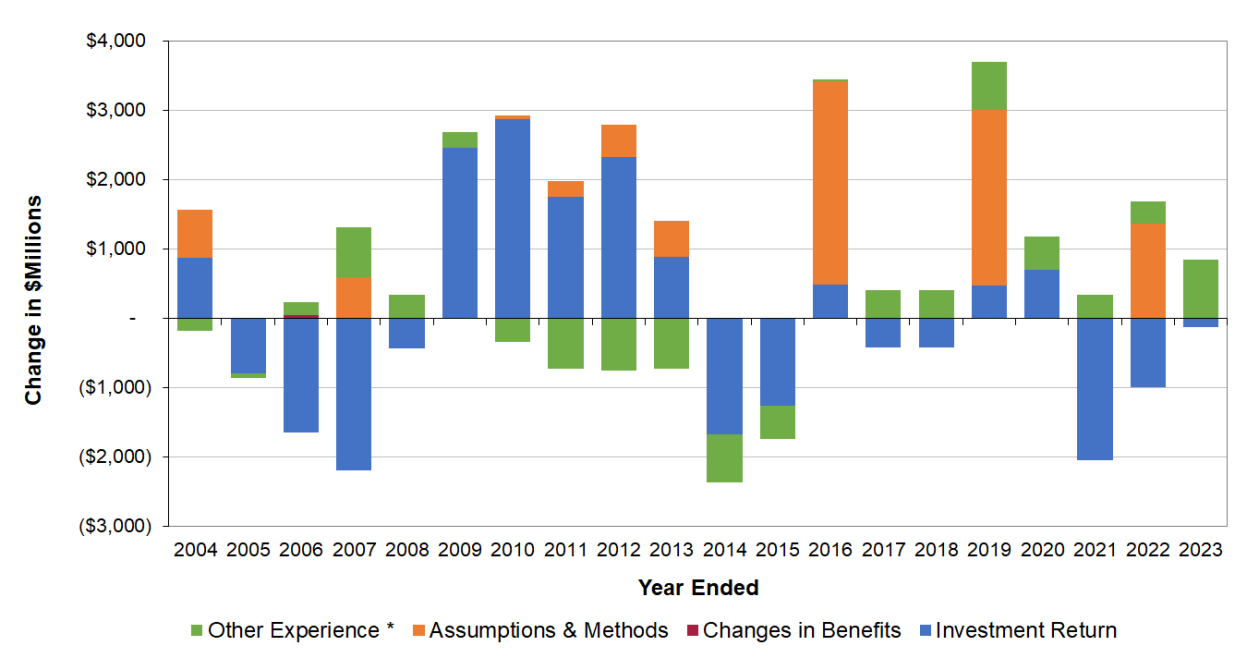
Note: Above chart is based on Milliman's opinion and is not numerically based.

Identification of Pension Risks – Historical Experience

Cumulative changes in UAAL since June 30, 2003



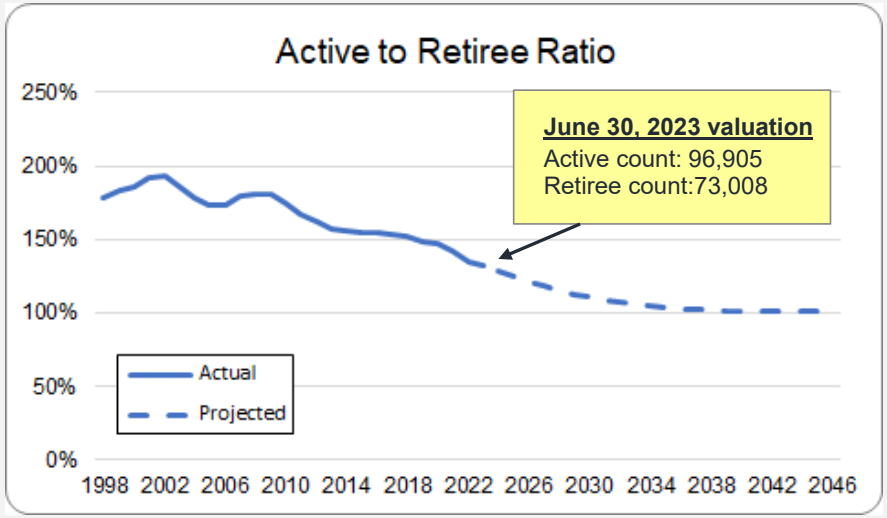
Year-to-year changes in the UAAL



- Other Experience includes changes due to Salary, CPI, Mortality and other factors.
- See Appendix for detail on main sources of assumption & method changes in last 10 years

Pension Plan Maturity Measures

- Mature plans are generally more susceptible to risk
  - A lower active to retiree ratio means that the retiree liability as a percentage of the total is higher, and any retiree gains / losses need to be supported by a relatively smaller active payroll



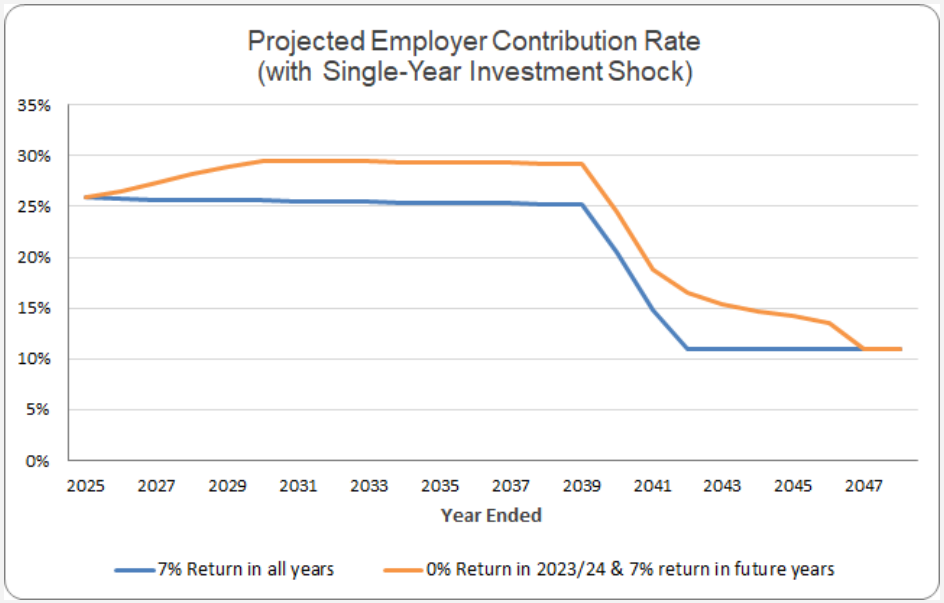
- Asset Volatility Ratio (AVR) = Assets / Payroll
  - A higher ratio means that employer contribution rate is more sensitive to changes in level of assets
  - LACERA's AVR as of June 30, 2023 = 7.6

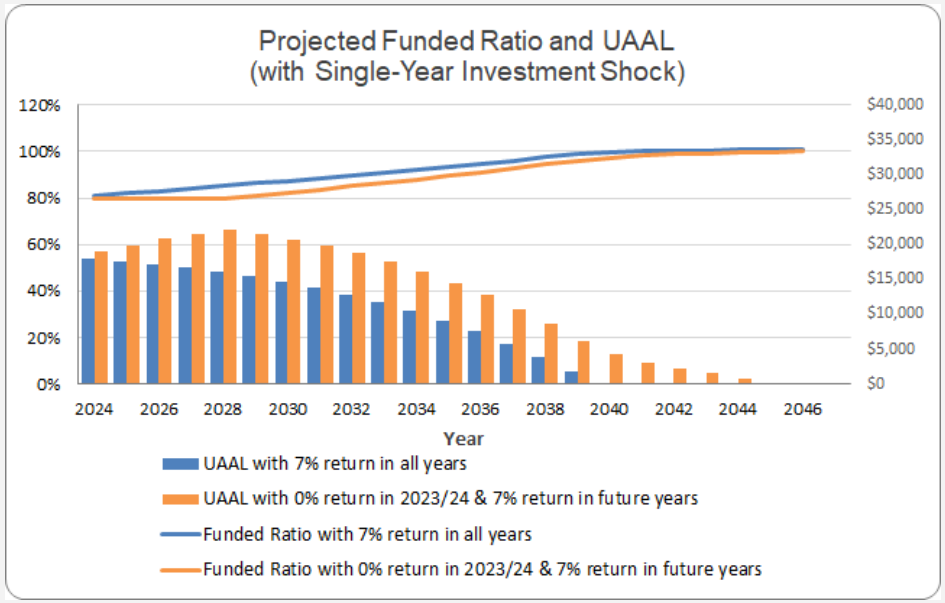
Fair Value of Assets (June 30, 2023)	Covered Payroll (YE June 30, 2023)	AVR
$72.5 billion	$9.5 billion	7.6

  - An increase from 5.0 in 2003
  - AVR of 7.6 -> if actual return is 1% less than the assumed return, the employer contribution rate increases by 0.53% of pay

Assessment of Pension Risk – Investment Risk

- One-year Shock (0% Return)
  - Investment loss causes a greater increase in the employer contribution rate as LACERA matures
  - Contribution rate pattern driven by size of UAAL





** Future investment returns are uncertain. The above charts are an illustration of potential outcomes and are not a prediction of future outcomes.*

Assessment of Pension Risk – Other Risks

- Salary / Compensation
  - Increase in compensation will increase liabilities and create a loss (and higher UAAL rate), but higher payroll base will lower projected employer contribution rate, offsetting the increase due to the loss.
- Payroll Growth
  - Decrease in payroll could materially affect employer contribution as a percentage of pay
- Retiree COLA
  - Annual regular retiree COLA is linked to Consumer Price Index (CPI) and capped
- Mortality
  - Impact is likely to be small in a given year, but can add up over time
  - Biggest risk is a breakthrough in medical treatment, resulting in longer life expectancy
- Contributions
  - Main risk is failure of employers to make required contributions -> has not been an issue for LACERA
  - Additional minor risk is deferring contributions into the future

Addressing Pension Risk – Management of Risk

- The Board of Investments has policies and procedures to guide it:
  - In the fulfillment of its fiduciary responsibilities, and
  - To address the management of risk.

- Risk management processes:
  - LACERA regularly performs asset allocation studies to set a target allocation that maximizes return at a level of risk that is acceptable to the system.
  - LACERA has regular investigations of experience performed to monitor and set the assumptions and methods used to calculate the liabilities.
  - LACERA strives to balance projected funding levels with reasonable and stable employer contribution rates.

Addressing Pension Risk - Tradeoffs

Reducing risk generally creates tradeoffs

- It lowers the likelihood of a significant poor single-year return.
- But also reduces the expected long-term investment return.
- A lower expected future income will likely result in the need for additional contributions.
- A lower investment return assumption reduces the likelihood and magnitude of investment losses, but it also increases the member and employer contribution rates.

Conclusion

- As a mature plan, LACERA is subject to a number of risks which could ultimately affect the Funded Ratio and employer contribution rate
  - Investment returns have historically had the greatest impact and this is likely to continue
- LACERA has several mechanisms in place to address risks, but they can only mitigate risks, not eliminate them
  - Reducing risks generally creates a tradeoff
- Continue to monitor risks and consider areas where additional risk mitigation may be appropriate

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Thank you

Nick Collier nick.collier@milliman.com

Craig Glyde craig.glyde@milliman.com

Appendix

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Assumption Changes – Historical Summary of Main Financial Sources (Last 10 years)

- 2022
  - Service retirement assumption
  - Merit salary increase assumption
  - Exclude STAR Reserve from Valuation Assets
- 2019
  - Investment return assumption (7.25% -> 7.00%)
- 2016
  - Mortality assumption (generational mortality adopted)
  - Investment return assumption (7.50% -> 7.25%)
- 2010 – 2013
  - Investment return assumption (7.75% -> 7.50%)

Attachment C

Los Angeles County Employees Retirement Association

Actuarial Valuation of Retirement Benefits

June 30, 2023

Prepared by:

Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

Milliman, Inc.
1301 Fifth Avenue, Suite 3800
Seattle, WA 98101-2605
Tel +1 206 624 7940
milliman.com

Issued November 21, 2023

1301 Fifth Avenue
Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940

milliman.com

November 21, 2023

Board of Investments
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Re: **Los Angeles County Employees Retirement Association as of June 30, 2023**

Dear Trustees of the Board:

As part of our engagement with the Los Angeles County Employees Retirement Association (LACERA), we have performed an actuarial valuation of LACERA retirement benefits as of June 30, 2023. This report reflects the benefit provisions and contribution rates in effect as of June 30, 2023, and LACERA's Retirement Benefit Funding Policy (Funding Policy) that was adopted in December of 2009 and amended as of February 2013, and reflects changes adopted at the Board of Investments December 2022 meeting.

The main purposes of this report are:

- to provide the actuarially determined employer and member contribution rates for the fiscal year beginning July 1, 2024;
- to assess the funded position of the Plan as of June 30, 2023; and
- to review the experience under the Plan for the valuation year ending June 30, 2023.

The calculations in this report have been made on a basis consistent with our understanding of LACERA's funding requirements as stated under their Funding Policy. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. Milliman will provide LACERA financial reporting results relevant to GASB Statements No. 67 and 68 in separate reports.

Actuarial assumptions

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods were adopted by the LACERA Board of Investments (BOI) at its December 2022 meeting. The BOI is responsible for selecting LACERA's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. LACERA is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for LACERA have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of LACERA and reasonable expectations); and that, in combination, offer a reasonable estimate of anticipated experience affecting LACERA and are expected to have no significant bias.

Variability of results

This valuation report is only an estimate of LACERA's financial condition as of a single date. It can neither predict LACERA's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of benefits, only the timing of contributions. While the valuation is based on an array of individually

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reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement, although for informational purposes we have shown valuation results at +/- 0.5% on the investment return assumption at the end of the Executive Summary.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Investments has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A of this report.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

No legal duty to third-party recipients

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

(a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit LACERA.

(b) LACERA may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models employing standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. Reliance on other experts is reflected in Milliman's capital market assumptions, and in Milliman's expected return model maintained by Milliman investment consultants.

Qualifications and Certification

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the Plan Sponsors. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We would like to express our appreciation to members of LACERA staff who gave substantial assistance in supplying the data on which this report is based.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,

Nick Collier, ASA, EA, MAAA
Consulting Actuary

Craig Glyde, ASA, EA, MAAA
Consulting Actuary

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1. Summary of Findings

2023 Valuation Results

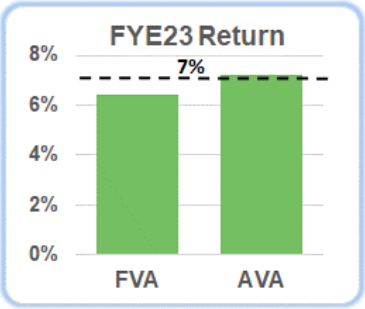
	Valuation Date	
	June 30, 2023	June 30, 2022
Employer Contribution Rate	25.88% (1)	25.84% (2)
Funded Ratio	79.9%	79.6%

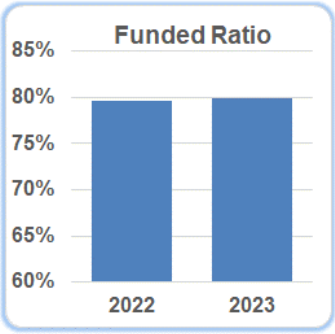
1. *The June 30, 2023 valuation calculates the employer contribution rate effective July 1, 2024.*
2. *The June 30, 2022 valuation calculates the employer contribution rate effective July 1, 2023.*

This report presents the results of the June 30, 2023 actuarial valuation. This valuation determines the member and employer contribution rates payable starting July 1, 2024. Several key points are summarized below:

Investment Returns

For the fiscal year ending in 2023, the fund returned 6.4% on a fair-value (FVA) basis (net of investment expenses). In total, there was a small loss on the fair-value of assets basis relative to the assumed rate of return of 7.0%. The return on the actuarial value of assets (AVA) was 7.2% (equivalent to a gain of $0.1 billion relative to the assumed rate) as a result of recognizing deferred investment gains from prior years. Effective June 30, 2023 there are deferred investment gains of $0.1 billion to be recognized evenly over the next two fiscal years.





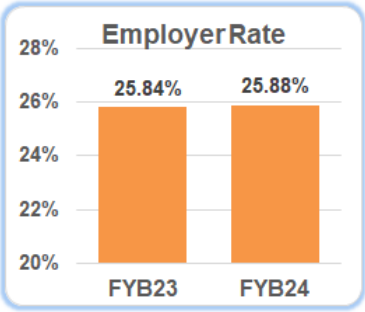
Funded Ratio

The Funded Ratio increased from 79.6% to 79.9% on an actuarial value of assets basis. Contributions to amortize the Unfunded Actuarial Accrued Liability (UAAL) increased the Funded Ratio, and greater than assumed salary increases partially offset the positive factors. On a fair-value basis, the Funded Ratio increased from 79.9% to 80.0%.

The Analysis of Change – Funded Ratio section that follows later in Section 1 provides an analysis of the sources of change in the Funded Ratio since last year.

Employer Contribution Rate

The total calculated employer contribution rate increased from the prior valuation by 0.04% of payroll, from 25.84% to 25.88%. The most significant factor causing this increase was the greater than expected salary increases, however this was mostly offset by the rate-reducing impact of higher payroll growth than expected, which caused a reduction in the percentage of payroll needed to amortize the unfunded liability.



The Analysis of Change – Employer Contribution Rate section provides an analysis of the sources of change in employer contribution rates since last year. In addition, the section "Projected Future Employer Contribution Rates" below shows a 10-year projection of employer contribution rates.

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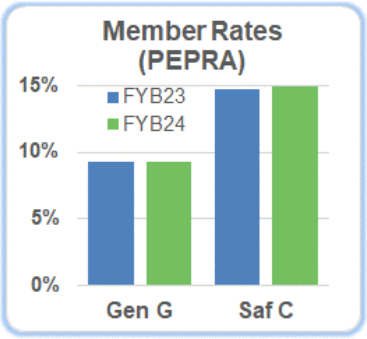
Member Contribution Rates

New member contribution rates are recommended for General Plan G and Safety Plan C effective July 1, 2024. General Plan G and Safety Plan C member rates are required to be equal to 50% of the Gross Normal Cost rate of the respective plan. The recommended member contribution rates are higher for General Plan G (9.24% increased to 9.28%) and Safety Plan C (14.76% increased to 14.97%) relative to the fiscal year beginning July 1, 2023. The high level of inflation resulted in the PEPRA compensation limit increasing more than expected which caused an increase in the projected level of benefits to be paid and the corresponding Normal Cost rate. As the contribution rate for PEPRA members is based on the Normal Cost rate, this caused member contribution rates for the two PEPRA plans to increase more than expected.



Member contribution rates for the contributory legacy plans (General Plans A to D and Safety Plans A and B) vary based on a member's entry age to LACERA and the underlying actuarial assumptions. Since no new assumptions were adopted effective with this valuation, there are no recommended changes to member contribution rates for the legacy plans.

Member contribution rates are discussed in Section 5 of this report.

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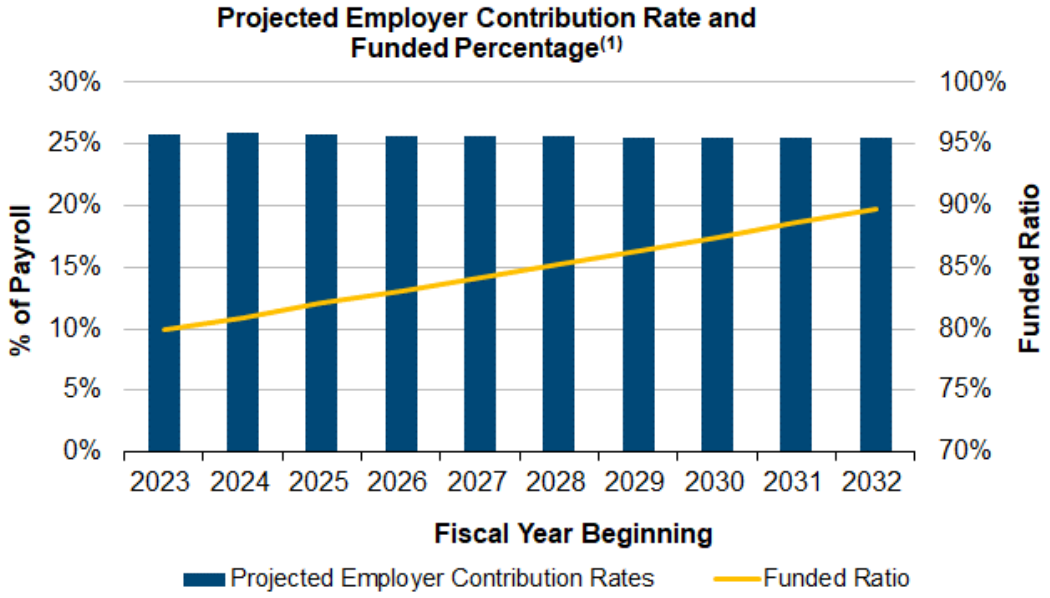
Projected Future Employer Contribution Rates

The employer contribution rate beginning July 1, 2024 is 25.88% of payroll, which is a weighted average for all LACERA plans. The actual percent of payroll to be contributed by the employers varies by plan as shown in Exhibit 11.

The calculated employer contribution rate is effective for the fiscal year beginning July 1, 2024. Employer contribution rates in future years will be largely dependent on actual experience relative to that projected by the actuarial assumptions, particularly the investment return assumption. Additionally, if the assumptions change, this could also have a material impact on future results. Even if all actuarial assumptions are met over the next few years and there are no changes in the underlying assumptions, we project changes in future employer contribution rates as deferred investment gains and losses are recognized and member demographics change as a higher percentage of active members participate in the PEPRA plans.

We have performed a 10-year projection of the employer contribution rate and Funded Ratio assuming that all actuarial assumptions are met (including 10 years of investment returns based on fair value of 7.0% per year). This projection is shown in the chart below. It should be noted that actual experience will not exactly match the actuarial assumptions over the period, and a different pattern of future employer contribution rates will likely emerge.



1. Projections assume that actuarial assumptions are met after June 30, 2023, and reflect the scheduled recognition of asset gains and losses currently being deferred.

As shown in the chart above, if all assumptions are met in future years, the employer contribution rate will decrease slightly from the 25.88% rate calculated in this valuation over the next few years. Under this projection scenario, and assuming future experience is exactly as assumed, the Funded Ratio is projected to be approximately 90% as of June 30, 2032 and approximately 100% as of June 30, 2040. However, future results will vary as actual experience will not exactly meet the assumptions.

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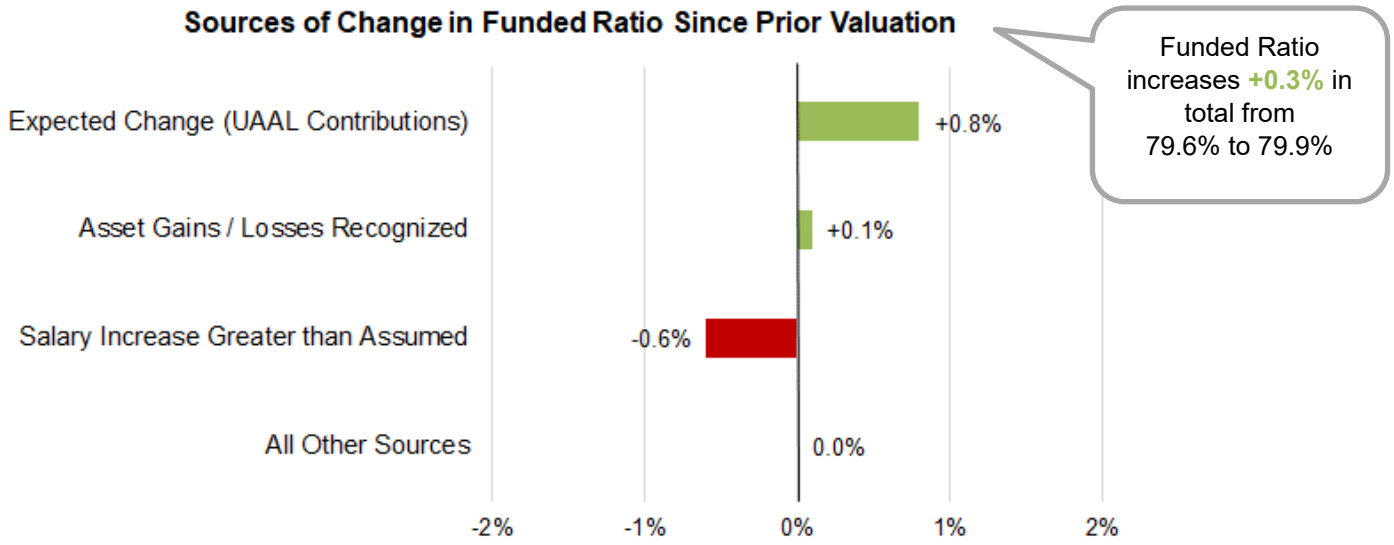
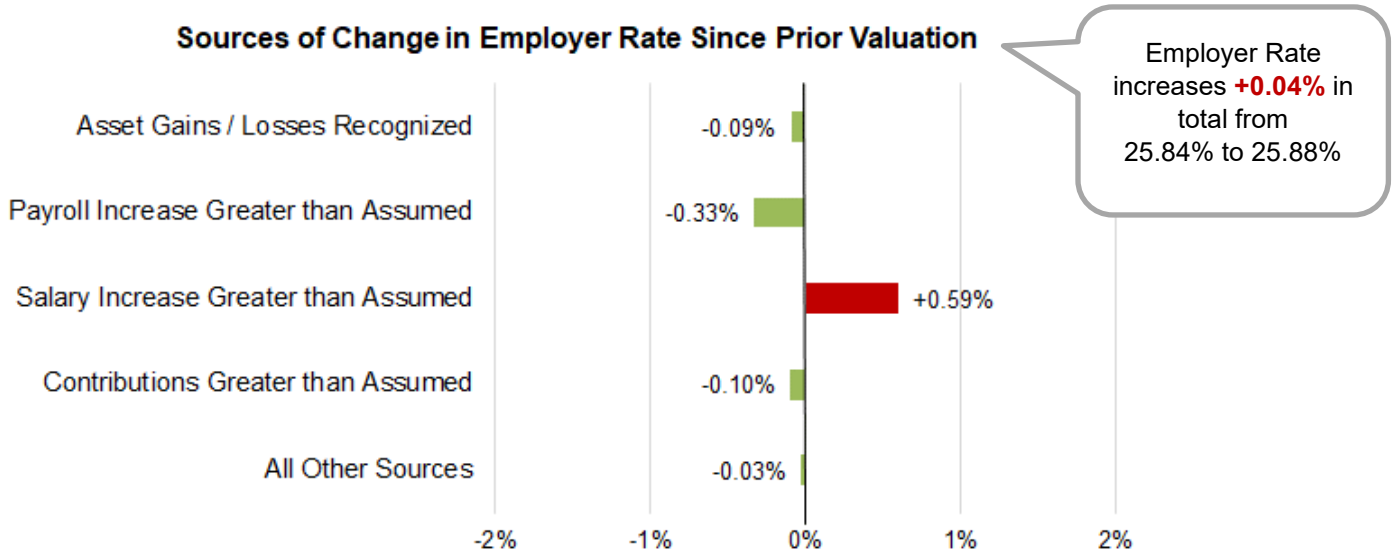
Analysis of Change – Funded Ratio

The following table shows an analysis of the primary causes of the change in the Funded Ratio since the last valuation. Employer contributions to amortize the unfunded liability and salary increases greater than assumed were the most significant factor impacting the Funded Ratio, although these were largely offsetting factors.



Analysis of Change – Employer Contribution Rate

The following table shows an analysis of the primary causes of the change in the employer contribution rate since the last valuation. Salary and payroll increases greater than assumed were the most significant factors causing the change in the employer contribution rate, although their impacts were mostly offsetting.



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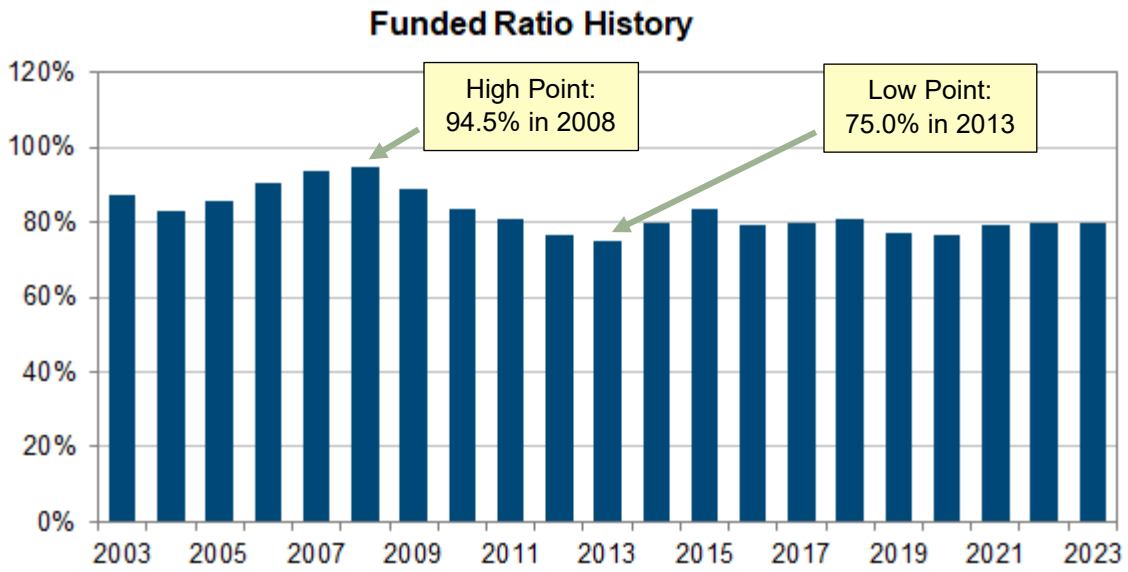
Funding Progress

One measure of the funding adequacy of the system is the Funded Ratio, which compares the Valuation Assets (the actuarial value of assets net of certain non-valuation reserves) to the Actuarial Accrued Liability (AAL). The Funded Ratio shown in this valuation is appropriate for assessing the future contributions needed. Other calculations may be necessary for other purposes, such as assessing the sufficiency of current system assets to satisfy the estimated cost of settling the system's accrued benefit obligations.

As shown in the graph that follows, the Funded Ratio was 94.5% as of June 30, 2008, but decreased steadily over the five-year period following the economic downturn to a low of 75.0% as of June 30, 2013 as asset losses were gradually recognized. The Funded Ratio has increased slightly since that time, although this increase has been slow as the actuarial assumptions have been strengthened over the period, thereby increasing the AAL and offsetting some of the increase in the Funded Ratio from other sources.

A historical perspective of the Funded Ratio is shown in the following chart.



Assets

On June 30, 2023, the fair value of the fund (including non-valuation reserves) was $73.9 billion. The actuarial value of assets was $73.8 billion, split between $1.4 billion of Non-Valuation Assets and $72.4 billion of Valuation Assets. The actuarial value of assets is approximately 100% of the fair value of assets.

On a fair-value basis, for the fiscal year ended June 30, 2023, LACERA earned 6.4% net of investment expenses, as reported by LACERA in the June 30, 2023 Annual Comprehensive Financial Report (ACFR). The fair value of assets is used in calculating the actuarial value of assets. Under the actuarial asset method, investment gains and losses are generally recognized (or smoothed in) over a five-year period. Due to the recognition of current and deferred asset gains and losses (in total a net asset gain), the return on the actuarial valuation of assets for the most recent fiscal year is 7.2% net of investment and administrative expenses, which is higher than the assumed return for the prior year of 7.0%.

Valuation Assets are used in the calculation of the UAAL contribution rate and Funded Ratio. Valuation Assets are equal to the actuarial value of assets less certain non-valuation reserves. The Valuation Assets of $72.4 billion are equal to 79.9% of the $90.7 billion AAL.

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The non-valuation reserves are set aside for obligations or contingencies and are excluded from the assets used in the funding valuation. They are not used to fund the retirement benefits unless explicitly stated. As of June 30, 2023, the non-valuation reserves include:

- the Contingency Reserve, which is equal to 1% of the fair value of assets, or $739 million, and
- the STAR Reserve of $611.5 million.

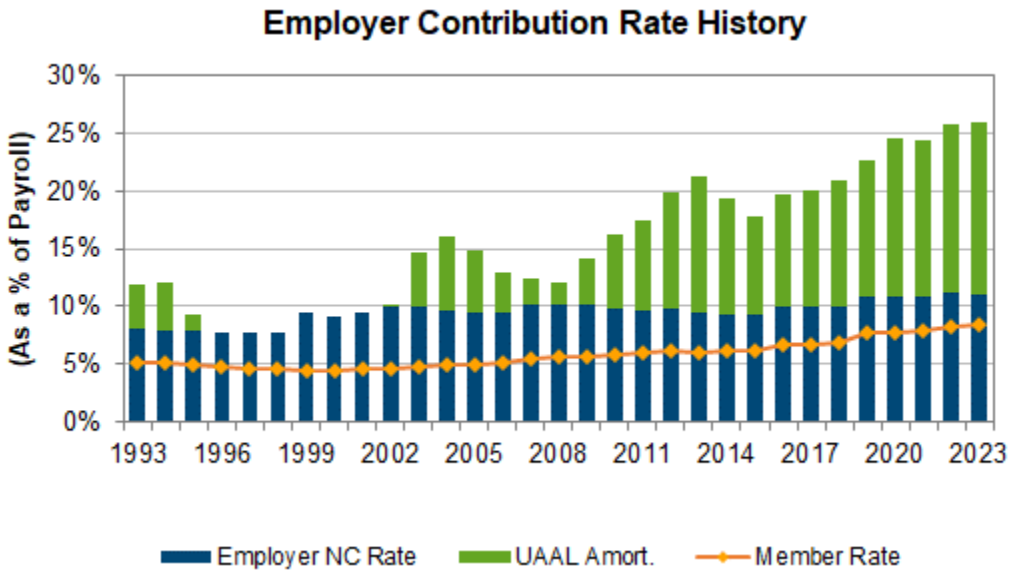
Note that this Contingency Reserve is different than the Contingency Reserve amount determined by LACERA for accounting purposes and included in the ACFR.

Future Impact of Recognition of Deferred Gains/Losses

The smoothing method is currently deferring $87 million in investment gains. As the currently deferred gains are recognized over upcoming valuations, it is projected there will be small decreases in the calculated employer contribution rate. The potential future impact of the recognition of these deferred gains on the projected employer contribution rate is included in the graph on page 3.

Employer Contribution Rate History

Based on the results of the valuation, the calculated employer contribution rate will increase for the fiscal year beginning in 2024 to a rate of 25.88% of pay, compared to 25.84% for the fiscal year beginning in 2023. A historical perspective of the employer contribution rates is shown in the following chart.



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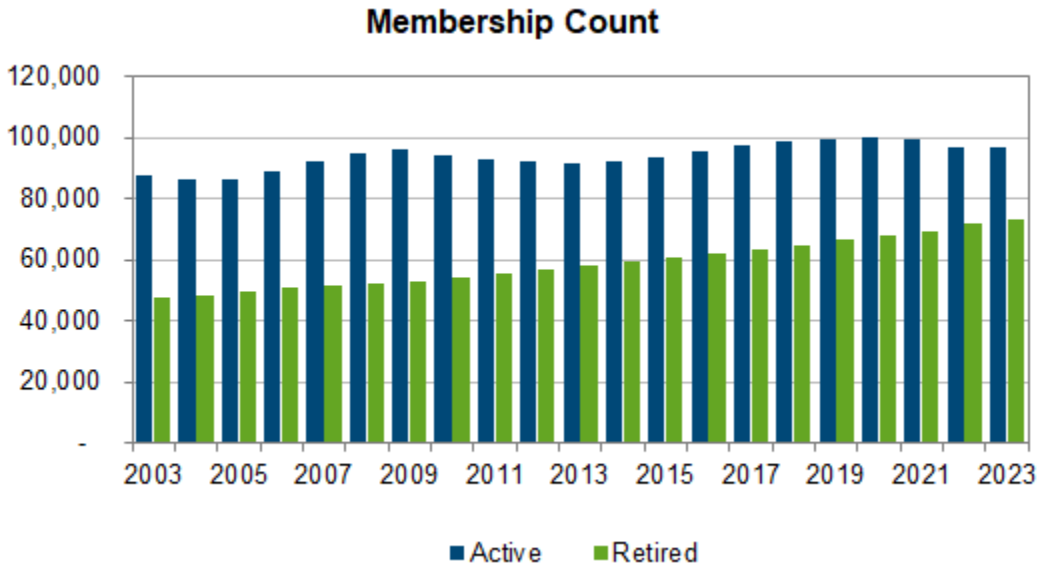
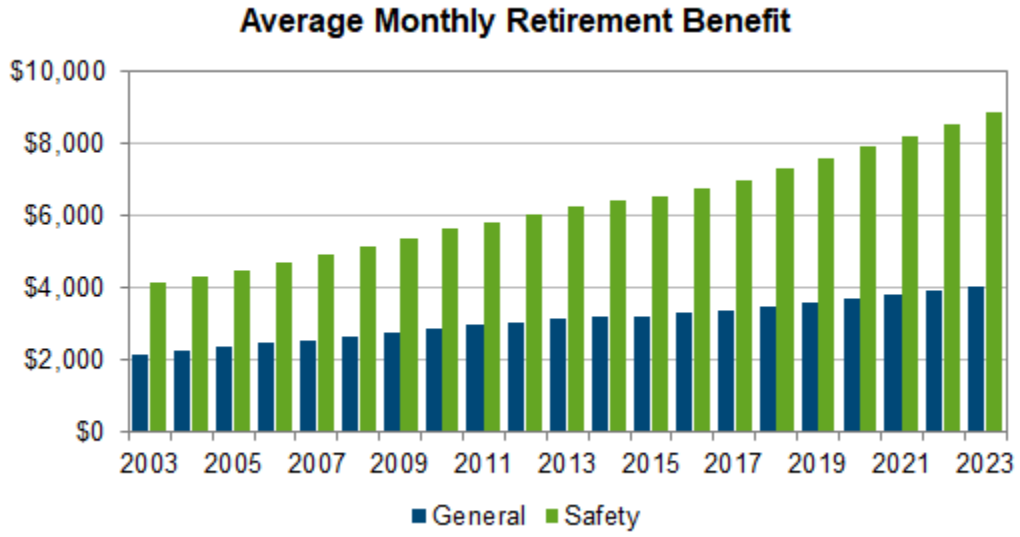
Member Information

Active payroll and active membership have both increased since 2023. As of June 30, 2023, the annualized payroll is $9.5 billion for 96,905 active members. This reflects a 5.5% increase in total payroll and a 0.4% increase in the number of active members. Average member pay increased by 5.1% over the period.



Retired member counts and average retirement benefit amounts continue to increase steadily. For 2023, there were 73,008 retired members and beneficiaries with an average benefit of $4,986 per month. This represents a 2.0% increase in count and a 3.2% increase in the average monthly benefit.



The charts show that over the last 20 years the number of retired members has grown faster than the number of active members, and the average monthly benefit of retired members and beneficiaries has roughly doubled. This is typical of a maturing retirement system. The increasing number of retirees and average monthly benefit is a key driver of the negative cashflows (contributions paid in less than benefits paid out) experienced over the last

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several years, and that are projected to continue growing. Cashflow history and projections are shown and described in more detail in Section 8.

Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population.

	Active Members	Inactive Members	Service Retired Members	Disabled Retired Members	Beneficiaries in Pay	Total
As of June 30, 2022	**96,539**	**19,047**	**51,471**	**10,449**	**9,651**	**187,157**
New Members	5,799	325	6		767	6,897
Status Change:						
to Active	253	(252)	(1)			-
to Inactive	(2,258)	2,258				-
to Service Retirement	(2,577)	(420)	2,997			-
to Disabled Retirement	(287)	(14)	(298)	599		-
Refunds	(364)	(482)				(846)
Terminated non-vested	(7)					(7)
Benefits Expired			(17)		(12)	(29)
Deaths	(193)	(48)	(1,749)	(311)	(544)	(2,845)
As of June 30, 2023	**96,905**	**20,414**	**52,409**	**10,737**	**9,862**	**190,327**

Note: Inactive Members include non-vested former members who have not taken a refund of their contributions.

Sensitivity to Investment Return Assumption

The valuation results are projections based on the actuarial assumptions. Actual experience will differ from these assumptions, either increasing or decreasing the ultimate cost. Of the assumptions, the investment return generally has the biggest impact. The following table provides a simple analysis on how the short-term costs are affected by the investment return assumption. Note that the long-term cost of the Plan will be largely driven by actual investment returns and other experience; the assumptions used in the valuation impact the timing of the contributions over the long term.

	Investment Return Assumption		
	Current 7.00%	+0.5% 7.50%	-0.5% 6.50%
Employer Contribution Rate	25.88%	20.96%	31.03%
Change		-4.92%	5.15%
Funded Ratio	79.9%	84.8%	75.1%
Change		4.9%	-4.8%

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Risk Discussion

Additional risks to the Plan are described in more detail in Section 9: Risk Disclosure. Some key points that can be seen in this report are:

- **Maturity**: As previously discussed, LACERA continues to mature as a system. One example of the impact of this maturity is that the employer contribution rate is becoming more sensitive to investment gains or losses and other experience. This sensitivity is measured by the asset and liability volatility ratios discussed in Section 9.
- **Risk Factors**: We believe investment returns are the greatest potential risk to future valuation results of LACERA. One way to measure the potential impact is using the Asset Volatility Ratio (AVR), which is a measure of the level of assets to payroll. LACERA's AVR of 7.6 implies that a 10% investment gain or loss relative to the assumed 7% investment return (that is, an investment return of -3% or +17%) will result in a 5.4% of pay increase (or decrease) in the employer contribution rate (after investment gains or losses are smoothed in).

  Payroll growth lower than assumed by the assumptions is another potential risk as it will result in increases in the employer contribution rate. Although the employer contribution rate may increase, total employer contributions may not be as significantly impacted as the higher rates would be applied to a smaller payroll base.
- **Variation**: Although we believe the actuarial assumptions provide a reasonable estimate of future experience, it is almost certain that future results will vary from those projected by the actuarial assumptions, either better or worse. One way to assess the potential future variation is to look at the past. The Funding Progress and Employer Contribution Rate History subsections above provide a historical perspective of LACERA's Funded Ratios and the employer contribution rate. These both show noticeable year-to-year variation, both up and down, over the last 20 years.

Summary Valuation Results

Exhibit 1 on the following page presents a summary of key valuation elements as of June 30, 2023 and June 30, 2022 and shows the relative change over the past year. More detail on each of these elements can be found in the following sections and exhibits of this report.

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Exhibit 1
Summary of Significant Valuation Results

	June 30, 2023	June 30, 2022	Percentage Change
Total Membership			
A. Active Members	96,905	96,539	0.4%
B. Retired Members & Beneficiaries	73,008	71,571	2.0%
C. Vested Former Members[1]	20,414	19,047	7.2%
D. Total	190,327	187,157	1.7%
Pay Rate as of valuation date			
A. Annual Total ($millions)	$ 9,548	$ 9,048	5.5%
B. Monthly Average per Active Member	8,211	7,811	5.1%
Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	4,824	4,707	2.5%
B. Disability Retirement	7,094	6,744	5.2%
C. Surviving Spouse and Dependents	3,554	3,429	3.6%
D. Total	4,986	4,832	3.2%
Actuarial Accrued Liability ($millions)			
A. Active Members	38,535	36,683	5.0%
B. Retired Members	50,528	48,161	4.9%
C. Vested Former Members	1,588	1,476	7.6%
D. Total	90,651	86,320	5.0%
Assets			
A. Fair Value of Fund ($millions)	73,852	70,290	5.1%
B. Actuarial Value ($millions)			
1. Valuation Reserves	72,415	68,712	5.4%
2. Non-valuation Reserves	1,350	1,317	2.5%
C. Annual Investment Return			
1. Fair Value Basis (Net Return)	6.4%	0.1%	n/a
2. Valuation (Actuarial) Basis	7.2%	8.5%	n/a
Unfunded Actuarial Accrued Liability ($ millions)	$ 18,236	$ 17,608	3.6%
Employer contribution rate for all plans combined as a percent of total payroll			
A. Gross Normal Cost	19.38%	19.33%	0.3%
B. Member Contributions[2]	(8.37)%	(8.21)%	1.9%
C. Employer Normal Cost	11.01%	11.12%	(1.0)%
D. UAAL Amortization	14.87%	14.72%	1.0%
E. Employer Contribution Rate	25.88%	25.84%	0.2%
Funded Ratio	79.9%	79.6%	0.4%
Results Based on Fair Value (Informational Purposes Only)			
Calculated Contribution Rate	25.82%	25.63%	0.7%
Funded Ratio (excluding non-valuation reserves)	80.0%	79.9%	0.1%

1. Includes non-vested former members with contributions on deposit.
2. Includes non-contributory members. The average rate for contributory plans increased from 9.45% to 9.54%.

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2. Scope of the Report

This report presents the actuarial valuation of the Los Angeles County Employees Retirement Association as of June 30, 2023. This valuation was requested by the Board of Investments. Section 31453 of the County Employees Retirement Law of 1937 (the CERL) requires an actuarial valuation to be performed at least every three years for the purpose of setting contribution rates. The 2023 valuation meets this requirement. Under LACERA's Funding Policy, annual valuations determine the employer contribution rates each year. Member contribution rates for all plans except General Plan G and Safety Plan C are set in years in which relevant actuarial assumptions are altered. For members of General Plan G and Safety Plan C, member contribution rates are recalculated each year, based on one-half of the Plan's normal cost rate.

A summary of the findings resulting from this valuation is presented in the previous section.

Section 3 describes the assets and investment experience of the Plan.

- The assets and investment income are presented in Exhibits 2-4.
- Exhibit 5 develops the actuarial value of assets as of June 30, 2023.
- Exhibit 6 develops the Valuation Assets used for funding benefits.

Section 4 describes the benefit obligations of LACERA.

- Exhibit 7 is the Actuarial Balance Sheet.
- Exhibit 8a analyzes the change in UAAL, and Exhibit 8b shows a history of these changes.

Section 5 discusses the member contribution rates.

Section 6 discusses the employer contributions rates.

Section 7 discloses supplemental information for use in the Annual Comprehensive Financial Report (ACFR). Milliman provides LACERA financial reporting information relevant to GASB Statements No. 67 and 68 in separate reports.

Section 8 shows the estimated cash flow of the Plan, including a projection of both contributions and benefit payments.

Section 9 provides a discussion of the risks to the Plan. A more comprehensive analysis of risks was provided as part of Milliman's Risk Assessment based on the June 30, 2022 actuarial valuation.

This report includes several appendices:

Appendix A Summary of the actuarial procedures and assumptions used to estimate liabilities and contributions.

Appendix B Summary of the current benefit structure, as determined by the provisions of governing law, on June 30, 2023.

Appendix C Schedules of valuation data classified by various categories of plan members.

Appendix D Member contribution rates by plan.

Appendix E Historical information.

Appendix F A glossary of actuarial terms used in this report.

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3. Assets

This section of the report focuses on the assets accumulated to pay retirement benefits when due to all current members of LACERA as of the valuation date. These assets are also used to determine the amount of contributions required for funding purposes. A historical summary of the Plan's assets is presented below (dollar amounts in billions).

	Fair Value of Total Assets	Actuarial Value		
		Non-Valuation Reserves	Valuation Assets	Total Fund Return (%)[1]
2014	$ 47.7	0.5	43.7	16.5
2015	48.8	0.5	47.3	4.1
2016	47.8	0.5	49.4	0.8
2017	52.7	0.5	52.2	12.7
2018	56.3	0.6	55.2	9.0
2019	58.3	0.6	57.6	6.4
2020	58.5	0.6	59.8	1.8
2021	73.0	0.7	64.9	25.2
2022	70.3	1.3	68.7	0.1
2023	73.9	1.4	72.4	6.4

1. As reported in the Investment Section of LACERA's ACFR for the fiscal year ended June 30, 2023. All returns are shown net of investment expenses and calculated on a time-weighted basis.

On June 30, 2023, the total fair value of assets restricted for pension benefits was $73.9 billion. The actuarial value of assets was determined to be $73.8 billion, including the non-valuation reserves. The average total investment return for the last 10 years is 8.1% net of fees, as reported by LACERA.

Financial Exhibits

Exhibit 2 presents a Statement of Fiduciary Net Position and Exhibit 3 presents a Statement of Changes in Fiduciary Net Position. Exhibit 4 describes the allocation of LACERA's assets by the various reserve values determined for accounting purposes as disclosed in the audited financial statements.

Exhibits 2-4 are taken directly from data furnished to us by LACERA in its annual financial report. We have accepted these tables for use in this report without audit, but we have reviewed them both for the prior year and the current year for reasonableness and consistency with previous reports.

Actuarial Asset Method

The actuarial asset method projects the expected fair value of assets based on the prior year's fair value of assets, the actual cash flow of contributions and benefit payments, and the assumed investment rate of return. For the previous year, the assumed rate of return was 7.0%, net of all expenses. The difference between the actual fair value and the expected fair value is recognized (or "smoothed") over a five-year period.

Effective with the June 30, 2022 valuation all deferred investment gains and losses were combined into one single amount such that the actuarial asset value was unchanged from the prior method. Beginning with the period immediately following the June 30, 2022 valuation, offsetting of current period gains or losses against prior period gains or losses occur, as follows: to the extent there is an investment loss for the year and there are unrecognized

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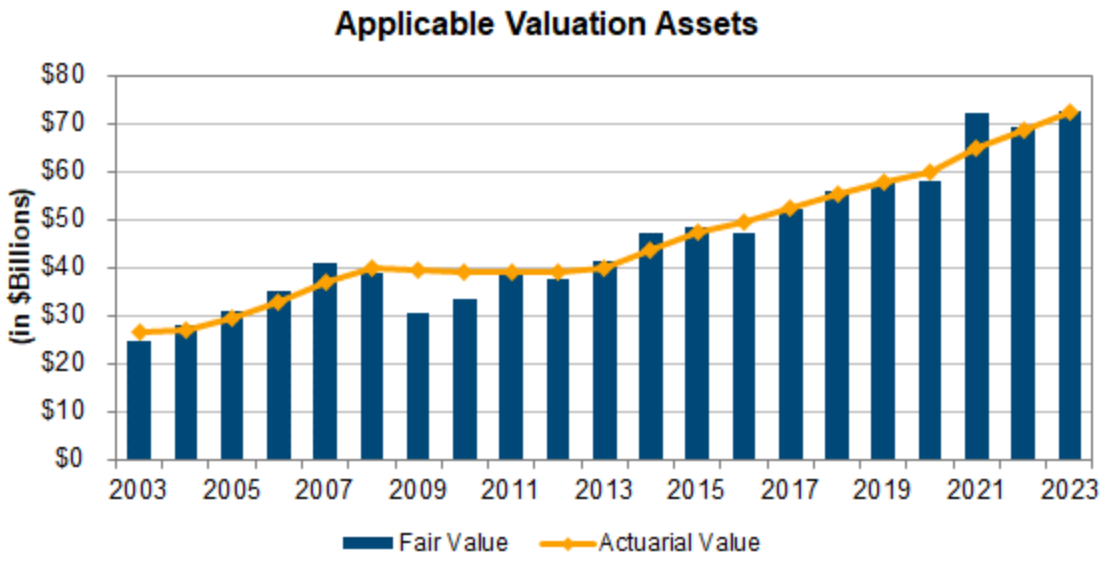
investment gains from previous years, or to the extent that there is an investment gain for the year and there are unrecognized investment losses from previous years, the gain or loss for the year shall be used to offset unrecognized gains or losses from previous years in the order of oldest to most recent. Any remaining gain or loss for the year is recognized over a five-year period. With this modification to the actuarial asset method, in any given valuation only investment gains or losses will be present, which is expected to result in a less volatile actuarial value of assets.

Actuarial Value of Assets

The development of the actuarial value of assets is shown in Exhibit 5. As of June 30, 2023 there are $0.1 billion of unrecognized investment gains, which means that the actuarial value of assets is $0.1 billion less than the fair value of assets. These unrecognized investment gains will be recognized in the actuarial value of assets in the coming years. The following graph shows a historical comparison of the actuarial and fair value of assets used for valuation purposes.



Funding Policy

Under LACERA's Retirement Benefit Funding Policy a Funded Ratio equal to 100% is the Funding Goal. Note that although the allocation of assets used in the actuarial valuation is similar to the process LACERA uses for accounting purposes, there are some differences, including the earnings considered for interest crediting purposes.

For funding purposes and for setting employer contributions rates, recognized earnings for a plan year is the recognized investment income as determined by the actuarial asset method and includes both unrealized income and net realized income, together with the prior balance in the Contingency Reserve. The allocation of recognized earnings is performed once a year as of the valuation date in the following order of priority:

Priority 1: Allocate to the Member Reserve so the Actuarial Asset allocation to that Reserve equals the accounting value for that Reserve on the valuation date.

Priority 2: Allocate to the Advanced Employer Contributions Reserve so the Actuarial Asset allocation to that Reserve equals the accounting value for that Reserve on the valuation date.

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Priority 3: Allocate to the Employer Reserve so the Actuarial Asset allocation to that reserve equals the accounting value for that Reserve on the valuation date.

Priority 4: Allocate to the County Contribution Credit Reserve so the Actuarial Asset allocation to that reserve equals the accounting value for that Reserve on the valuation date. Note: This Reserve is not a Valuation Reserve.

Priority 5: Allocate to the Employer Reserve so the total amounts allocated equal one-year's interest at the assumed interest rate used in the actuarial valuation as of the preceding valuation date to the extent there are positive recognized earnings to allocate.

Priority 6: Allocate to the Contingency Reserve an amount equal to 1% of the Fair Value of Assets as of the valuation date to the extent there are positive recognized earnings to allocate.

Priority 7: Allocate to the Employer Reserve an amount, if necessary, when combined with other Valuation Reserves, to provide 100% funding of the AAL as of the valuation date to reach the Funding Goal. In the event there are negative recognized earnings, allocate the entire amount.

Priority 8: The Board may consider additional actions as permitted under the County Employee Retirement Law (CERL) using funds in excess of the amount needed to meet the Funding Goal for funding discretionary benefits. "Excess Earnings" as defined in the County Employees Retirement Law (CERL) may be appropriated upon reaching the Funding Goal; however, the Board may consider adjustment to the employer's contributions only upon satisfying California Government Code Section 7522.52(b).

Valuation Assets

Valuation Assets are the actuarial value of the fund less the value of any Non-Valuation Reserves. Non-Valuation Reserves include Contingency Reserves (minimum of 1% of the Fiduciary Net Position for Pension Benefits) and other reserves that have been set aside for current liabilities and special benefits to be funded outside of the actuarially determined contribution rates. Only Valuation Assets are used to determine employer contribution rates.

Effective June 30, 2022 the STAR Reserve is considered a Non-Valuation Reserve. Consistent with the exclusion of the STAR Reserve from Valuation Assets, the liability for any STAR benefits that may be granted in the future is not included in the liability portion of valuation. The June 30, 2023 STAR Reserve accounting value is $611.5 million.

The Non-Valuation Reserves shown in Exhibit 6 for funding purposes are different from those shown in the audited financial statements and in Exhibit 4.

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Exhibit 2
Statement of Fiduciary Net Position
As of June 30, 2023 and June 30, 2022

	2023	2022
Assets		
Cash and Short-Term Investments	$ 2,222,256,792	$ 3,058,494,546
Cash Collateral on Loaned Securities	1,869,432,645	1,401,076,878
Receivables		
Contributions Receivable	127,192,052	119,635,183
Accounts Receivable - Sale of Investments	233,150,293	355,515,478
Accrued Interest and Dividends	220,243,947	226,860,897
Accounts Receivable - Other	5,940,399	10,226,949
Total Receivables	586,526,691	712,238,507
Investments at Fair Value		
Equity	27,130,122,428	24,464,719,621
Fixed Income	17,921,556,526	18,641,786,544
Private Equity	13,894,495,311	12,753,842,152
Real Estate	5,109,454,330	5,802,979,342
Hedge Funds	4,890,856,047	4,440,433,903
Real Assets	2,514,132,334	1,363,251,696
Total Investments	71,460,616,976	67,467,013,256
Total Assets	**76,138,833,103**	**72,638,823,188**
Liabilities		
Accounts Payable - Purchase of Investments	332,063,234	835,073,030
Retiree Payroll and Other Payables	2,259,401	1,779,455
Accrued Expenses	29,343,832	63,266,240
Tax Withholding Payable	43,525,048	42,715,354
Obligations under Securities Lending Program	1,869,432,645	1,401,076,878
Accounts Payable - Other	10,322,874	5,299,875
Total Liabilities	**2,286,947,034**	**2,349,210,833**
Fiduciary Net Position Restricted For Pension Benefits	**$ 73,851,886,070**	**$ 70,289,612,355**

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Exhibit 3
Statement of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	2023	2022
Additions		
Contributions		
Employer	$ 2,301,705,589	$ 2,199,888,716
Member[1]	793,244,127	758,632,238
Total Contributions	3,094,949,716	2,958,520,953
Investment Income		
From Investing Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments	1,943,782,733	(6,717,556,042)
Investment Income/(Loss)	3,087,891,275	5,476,668,193
Total Investing Activity Income	5,031,674,008	(1,240,887,848)
Less Expenses From Investing Activities	(189,483,833)	(310,360,199)
Net Investing Activity Income	4,842,190,175	(1,551,248,047)
From Securities Lending Activities:		
Securities Lending Income	63,652,080	12,294,541
Less Expenses From Securities Lending Activities:		
Borrower Rebates	(47,869,289)	125,823
Management Fees	(1,687,343)	(1,317,057)
Total Expenses from Securities Lending Activities	(49,556,631)	(1,191,234)
Net Securities Lending Income	14,095,448	11,103,307
Total Net Investment Income	4,856,285,624	(1,540,144,740)
Miscellaneous	5,009,033	4,117,638
Total Additions	7,956,244,372	1,422,493,851
Deductions		
Retiree Payroll	4,234,600,092	4,002,272,810
Administrative Expenses	97,014,656	86,110,835
Investment Expenses	15,135,017	14,010,176
Refunds	43,412,068	38,088,986
Lump Sum Death Benefits	3,351,047	4,205,274
Miscellaneous	457,778	219,132
Total Deductions	4,393,970,658	4,144,907,213
Net Increase/(Decrease)	3,562,273,714	(2,722,413,362)
Fiduciary Net Position Restricted For Pension Benefits		
Beginning of Year	70,289,612,355	73,012,025,718
End of Year	**$ 73,851,886,070**	**$ 70,289,612,355**

1. Member contributions include employer pick-up contributions.

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Exhibit 4
Allocation of Assets by Accounting Reserve Amounts

(Dollars in Thousands)

	June 30, 2023	June 30, 2022
1. Member Reserves		
a. Active Members	$ 26,932,000	$ 25,804,263
b. Unclaimed Deposits	-	-
c. Total Member Reserves	26,932,000	25,804,263
2. Employer Reserves		
a. Actual Employer Contributions	32,504,476	32,011,255
b. Advanced Employer Contributions	-	-
c. Total Employer Contributions	32,504,476	32,011,255
3. County Contribution Credit Reserve	-	-
4. STAR Reserve	611,544	614,011
5. Contingency Reserve	-	-
6. Total Reserves at Book Value	60,048,020	58,429,529
7. Unrealized Investment Portfolio Appreciation	13,803,866	11,860,083
8. **Total Reserves at Fair Value**	**$ 73,851,886**	**$ 70,289,612**

Note: These amounts were determined by LACERA for accounting purposes and are reported in the ACFR for the fiscal year ended June 30, 2023.

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Exhibit 5
Five-Year Smoothing of Gains and Losses on Fair Value

(Dollars in Thousands)

June 30, 2023 Valuation									
Plan Year Ending	Contributions	Benefit Payments	Expected Fair Value	Actual Fair Value	Investment Gain / (Loss)	(a) Investment Gain / (Loss) Excluded in Prior Year	(b) Prior Year Investment Gain / (Loss) Offset in Current Year	(c) Investment Gain / (Loss) Recognized in Current Year	(d) Investment Gain / (Loss) Excluded in Current Year (a) - (b) - (c)
06/30/2023	$ 3,094,950	$ 4,281,363	$ 73,982,650	$ 73,851,886	$ (130,764)	$ 0	$ 0	$ 0	$ 0
06/30/2022	2,958,521	4,044,567	76,999,453	70,289,612	(6,709,841)	0	0	0	0
06/30/2021	2,773,871	3,814,262	61,529,948	73,012,026	11,482,078	261,095	130,764	43,444	86,887
06/30/2020	2,459,433	3,606,340	61,189,106	58,510,408	(2,678,698)	0	0	0	0
06/30/2019	2,303,566	3,407,155	59,238,837	58,294,837	(944,000)	0	0	0	0
								(A) Total Excluded Gain / (Loss) =	$ 86,887
								(B) Total Fair Value of Assets =	$ 73,851,886
								(C) Total Actuarial Value of Assets [(B) - (A)] =	**$ 73,764,999**

Column (c) Investment Gain / (Loss) Recognized in Current Year = { 20% x [(a) - (b)] } / { 100% - 20% x [Valuation Year - Plan Year Ending] }
Total Actuarial Value of Assets = Total Fair Value of Assets less the Total Excluded Gain / (Loss) amount. Excluded amounts will be recognized in future years.

Projected Recognition of Actuarial Asset Gains / (Losses) in Future Valuations

	2024 Val	2025 Val	2026 Val	2027 Val	Total
Amount to be Recognized	$ 43,444	$ 43,443	$ -	$ -	$ 86,887

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Exhibit 6
Allocation of Valuation and Non-Valuation Assets

(Dollars in Thousands)

	June 30, 2023	June 30, 2022
1. Total Fair Value of Assets	$ 76,138,833	$ 72,638,823
2. Current Liabilities	2,286,947	2,349,211
3. Net Assets Held in Trust for Pension Benefits	73,851,886	70,289,612
4. Market Stabilization Reserve[1]	86,887	261,095
5. Actuarial Value of Assets	73,764,999	70,028,517
6. Non-Valuation Reserves[2]		
a. Contingency Reserve	738,519	702,896
b. Advanced Employer Contributions	-	-
c. County Contribution Credit Reserve	-	-
d. Reserve for STAR Program	611,544	614,011
e. Total Non-Valuation Reserves	1,350,063	1,316,907
7. Actuarial Value of Assets *minus* Non-Valuation Reserves	$ 72,414,936	$ 68,711,610
8. Valuation Assets[2]		
a. Member Reserves	26,932,000	25,804,263
b. Employer Reserves for Funding Purposes	45,482,936	42,907,347
c. Total Valuation Assets	$ 72,414,936	$ 68,711,610

1. The Market Stabilization Reserve represents the difference between the Fair Value of the fund less Current Liabilities, and the Actuarial Value of the fund as determined in Exhibit 5.

2. The values used for funding purposes for all reserves are based on the Board's Funding Policy and reflect the change in the treatment of the STAR Reserve adopted by the Board of Investments at the December 2022 meeting. Amounts used for funding purposes may differ from those reported in the audited financial statements as shown in Exhibit 4.

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4. Actuarial Liabilities

This section of the report focuses on the commitments of LACERA for retirement benefits, which are referred to as its actuarial liabilities.

LACERA's liabilities are the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member this includes benefits already earned and future benefits to be earned. For all members, active and inactive, the liability extends over the rest of their lives and for the lives of any surviving beneficiaries.

All liabilities reflect the benefits effective through June 30, 2023. This includes permanent STAR benefits that have been adopted and are in effect as of the valuation date, but does not include any STAR benefits that have been adopted but are not effective until after the valuation date nor any STAR benefits that may be granted in the future.

The actuarial assumptions used to determine the liabilities are based on the results of the 2022 Investigation of Experience study for the period ended June 30, 2022 which were adopted by the Board of Investments at its January 2023 meeting, as recommended by Milliman. These assumptions are shown in Appendix A and will next be reviewed in detail as part of the 2025 Investigation of Experience study.

Actuarial Balance Sheet

The Actuarial Balance Sheet compares the Present Value of Future Benefits (PVFB) for retired, inactive and active members to the resources available to meet them. For the purpose of the Actuarial Balance Sheet, LACERA's resources are equal to the sum of:

(a) Assets currently available to pay benefits and considered for funding purposes (Valuation Assets),

(b) The present value of future contributions expected to be made by current active members, and

(c) The present value of future Normal Cost contributions expected to be made by the employer.

The amount of any difference is called the Unfunded Actuarial Accrued Liability (UAAL).

Exhibit 7 contains an analysis of the PVFB for inactive members (both retired and vested former members) and active members, and is shown by class of membership, by plan and by type of benefit. The Actuarial Balance Sheet for each plan, as well as its UAAL, is based on an estimated allocation of total LACERA Valuation Assets. The allocation is based on the relative value of each plan's employer and member reserves as reported to us by LACERA. These allocations are shown for illustrative purposes only, as the UAAL contribution rates are paid by the employer based on the valuation results in aggregate.

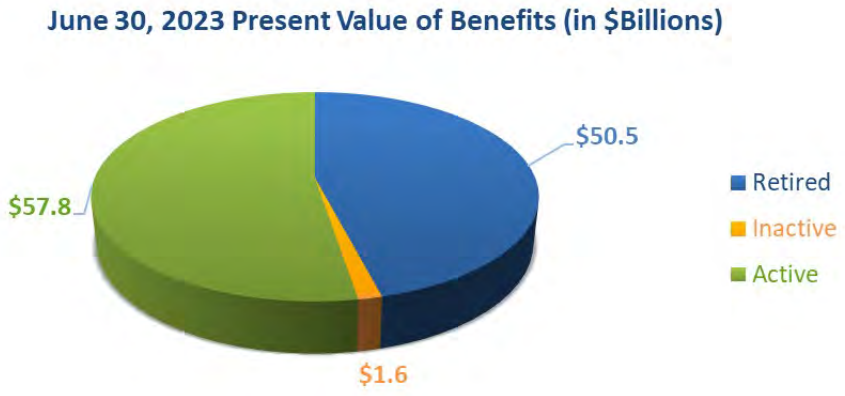

Exhibit 7
Actuarial Balance Sheet – June 30, 2023

(Dollars in Millions)

	General						Safety			
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Plan A	Plan B	Plan C	All Plans
LIABILITIES										
Present Value of Benefits - Inactives										
- Retirees and Beneficiaries	$ 9,900	$ 456	$ 286	$ 13,899	$ 5,703	$ 63	$ 6,530	$ 13,667	$ 24	$ 50,528
- Vested Former	3	1	1	792	453	155	0	165	18	1,588
- Inactive Total	9,903	457	287	14,691	6,156	218	6,530	13,832	42	52,116
Present Value of Benefits - Actives										
- Service Retirement	61	15	18	23,650	6,164	9,173	0	9,119	2,216	50,416
- Transfer Service (prior LACERA plan)	0	0	0	256	393	17	0	15	0	681
- Disability Retirement	0	0	0	794	N/A	601	0	2,893	1,132	5,420
- Death	0	0	0	285	N/A	165	0	62	33	545
- Termination	0	0	0	127	62	470	0	30	98	787
- Active Total	61	15	18	25,112	6,619	10,426	0	12,119	3,479	57,849
Total Actuarial Liabilities	**$ 9,964**	**$ 472**	**$ 305**	**$ 39,803**	**$ 12,775**	**$ 10,644**	**$ 6,530**	**$ 25,951**	**$ 3,521**	**$ 109,965**
ASSETS										
Valuation Assets	(6,592)	284	251	37,323	16,411	5,819	(3,878)	21,459	1,338	72,415
PV Future Member Contributions	0	0	0	2,543	N/A	3,885	0	987	1,384	8,799
PV Future Employer Normal Cost Contributions	1	1	0	2,947	946	3,585	0	1,727	1,308	10,515
UAAL or (Surplus Funding)	16,555	187	54	(3,010)	(4,582)	(2,645)	10,408	1,778	(509)	18,236
Total Current and Future Assets	**$ 9,964**	**$ 472**	**$ 305**	**$ 39,803**	**$ 12,775**	**$ 10,644**	**$ 6,530**	**$ 25,951**	**$ 3,521**	**$ 109,965**

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Actuarial Accrued Liability

As noted above, the PVFB is the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this includes benefits already earned and future benefits to be earned. For active members, future benefits are expected to be funded by employee contributions and employer Normal Cost contributions (collectively, Normal Cost contributions).

The Actuarial Accrued Liability (AAL) is the PVFB less the present value of expected future Normal Cost contributions. That is, it is the liability for all benefits earned as of the valuation date, as allocated by the actuarial cost method. The difference between the AAL and Valuation Assets is referred to as the Unfunded Actuarial Accrued Liability (UAAL). A summary of the results for all LACERA plans in aggregate is shown below:

(Dollars in millions)	2023	2022	Percent Change
A. Actuarial present value of all future benefits for contributing members, former contributing members, and their survivors	$ 109,965	$ 104,543	5.2%
B. Actuarial present value of total future normal costs for current members	19,314	18,223	6.0%
C. Actuarial accrued liability [A-B]	90,651	86,320	5.0%
D. Valuation Assets	72,415	68,712	5.4%
E. UAAL or (Surplus Funding) [C-D]	18,236	17,608	3.6%
F. Funded Ratio [D/C]	79.9%	79.6%	0.4%

Unfunded Actuarial Accrued Liability

The difference between the AAL and the Valuation Assets is the UAAL. If a UAAL exists, it usually resulted from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the employer had always contributed the current Normal Cost, and if there were no prior benefit or assumption changes, and if actual experience exactly matched the actuarial assumptions, then the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

Exhibit 8a provides an analysis of the change in the UAAL since the prior valuation date.

The 2023 actuarial valuation reflects an increase in the UAAL of approximately $0.6 billion since the prior year. A summary of these factors is:

- Investment Returns: Returns on actuarial value of assets were 7.2% compared to the assumed return of 7.0%. This resulted in an actuarial asset gain of $118 million.
- Active Member Experience (non-salary): This includes gains and losses from termination, service retirement, disability retirement, and death different than assumed. This resulted in an actuarial gain of $1 million.
- Salary Increases: Individual salaries for continuing active members increased at a higher rate than the valuation assumption. This resulted in an actuarial loss of $771 million.
- PEPRA Compensation Limit Increases: The PEPRA compensation limit increased by 8.2% from 2022 to 2023 compared to the assumed increase of 2.75%. This resulted in an actuarial loss of $32 million.

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- Retiree COLA Increases: The actual COLA increases were the same as expected by the assumptions which generated no actuarial gain or loss.
- Mortality Experience: An actuarial loss due to mortality generally indicates that retired members are living longer than the current assumption predicts. Similarly, an actuarial gain on mortality indicates that retired members are not living as long as predicted. This year, there was an actuarial gain of $13 million due to mortality experience for retirees and beneficiaries.
- Other Experience: Examples of this are gains and losses from retirement and mortality experience of inactive members, reciprocity, unexpected benefit amount changes, and transfers between plans. These factors combined resulted in an actuarial loss of $65 million.

Change in Unfunded Actuarial Accrued Liability – History

Exhibit 8b shows the sources of change in the UAAL over the past five valuations. The single biggest source of annual change in most years, when there are no changes in the assumptions, is the return on investments being either greater than or less than the assumption.

Funding Adequacy

A key consideration in determining the adequacy of the funding of LACERA is how the UAAL is being funded. Under LACERA's Funding Policy, a new UAAL "layer" is established each year when the Funded Ratio is less than 100%. All new UAAL layers are amortized over 20-year periods.

If future experience is significantly more favorable than expected based on the actuarial assumptions, then LACERA's UAAL may be eliminated. Conversely, if experience is less favorable, a larger UAAL will develop.

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Exhibit 8a
Analysis of Change in Unfunded Actuarial Accrued Liability

(Dollars in Millions)

			Amount	As a Percent of June 30, 2023 Actuarial Accrued Liability
Unfunded Actuarial Accrued Liability - June 30, 2022			**$ 17,608**	**19.42%**
Interest Accrued			1,244	1.37%
Benefits Accrued (Normal Cost)			1,743	1.92%
Contributions				
Employer - Cash	$	(2,302)		-2.54%
Employer - Contribution Credit		-		0.00%
Member		(793)		-0.87%
Total			(3,095)	-3.41%
Expected Unfunded Actuarial Accrued Liability - June 30, 2023			**$ 17,500**	**19.30%**
Sources of Change:				
Asset (Gains) and Losses				
(Gain) / Loss due to Investment Income			(118)	-0.13%
Liability (Gains) and Losses				
Active Member Experience (non salary)	$	(1)		0.00%
Salary Increases Greater than Expected		771		0.85%
PEPRA Limit Increases Greater than Expected		32		0.04%
Retiree COLAs Greater than Expected		-		0.00%
Mortality Experience		(13)		-0.01%
All Other Experience		65		0.07%
Total			854	0.94%
Total Changes			**$ 736**	0.81%
Unfunded Actuarial Accrued Liability - June 30, 2023			**$ 18,236**	**20.12%**

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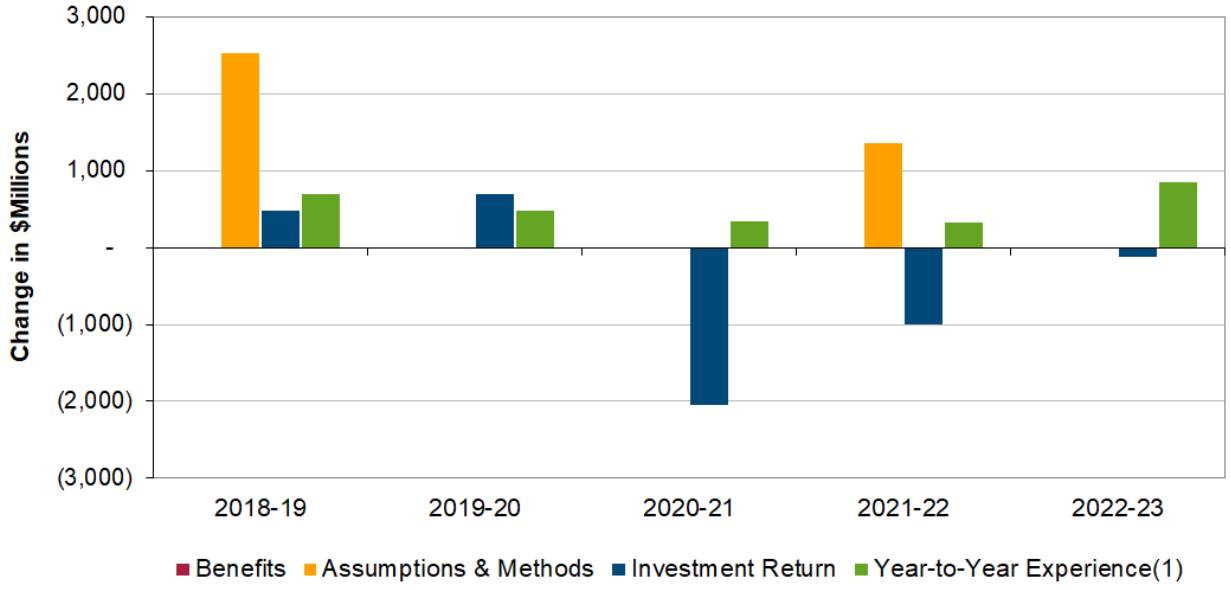
Exhibit 8b
History of Changes in Unfunded Actuarial Accrued Liability

(Dollars in Millions)

	2018-19	2019-20	2020-21	2021-22	2022-23	2018-23
Prior Valuation UAAL	**$ 13,294**	**$ 17,018**	**$ 18,512**	**$ 16,989**	**$ 17,608**	**$ 13,294**
Increase in UAAL due to:						
Expected Increase / (Decrease)	25	306	171	(76)	(108)	318
Asset (Gains) and Losses	477	701	(2,039)	(996)	(118)	(1,975)
Changes in Benefits	-	-	-	-	-	-
Changes in Assumptions	2,528	-	-	750	-	3,278
Changes in Methods	-	-	-	614	-	614
Salary Increases	486	388	484	(21)	771	2,108
Retiree COLA Increases	44	43	(73)	355	-	369
Mortality Experience	(6)	1	(96)	(36)	(13)	(150)
All Other Experience	170	55	30	29	96	380
Total Increase / (Decrease)	**3,724**	**1,494**	**(1,523)**	**619**	**628**	**4,942**
Valuation UAAL	**$ 17,018**	**$ 18,512**	**$ 16,989**	**$ 17,608**	**$ 18,236**	**$ 18,236**
Funded Ratio	**77.2%**	**76.3%**	**79.3%**	**79.6%**	**79.9%**	**79.9%**



1. Year-to-Year Experience includes changes due to Salary, Retiree COLA, Mortality and Other Experience.

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5. Member Contributions

Normal Contributions for Legacy Plans

Member contributions are of two types: Normal contributions and cost-of-living contributions.

Normal contributions for each of the legacy plans (all plans except General Plan G and Safety Plan C) are defined in the following sections of the CERL:

Plan	CERL Reference	Formula
General A	31621.3	1/240th of FAC at age 55
General B	31621.1	1/120th of FAC at age 55
General C	31621	1/120th of FAC at age 60
General D	31621	1/120th of FAC at age 60
General E	N/A	Plan E is non-contributory
Safety A	31639.5	1/200th of FAC at age 50
Safety B	31639.25	1/100th of FAC at age 50

Note: FAC = Final Average Compensation

Normal member contributions are determined using the Entry Age Normal Funding Method and the following actuarial assumptions:

1. Expected rate of return on assets.
2. Individual salary increase rate (wage growth + merit).
3. Mortality for members on service retirement.

We are not recommending changes to the member contribution rates for legacy plans for the fiscal year beginning July 1, 2024 because new assumptions were not adopted for the 2023 valuation. A sample of the member contribution rates is shown in Exhibit 9. All member contribution rates are shown in Appendix D.

Member contribution rates for General Plan G and Safety Plan C are discussed below.

Cost-of-Living Contributions for Legacy Plans

The determination of the member cost-of-living (COLA) contributions is based on Section 31873 of the CERL. This section requires that the cost of the COLA benefit be shared equally between members and the employer. Unlike the member normal contributions, these rates are based on the actuarial cost of the benefits and reflect all assumptions used in the valuation of liabilities.

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We are not recommending changes in the member cost-of-living contribution rates for the fiscal year beginning July 1, 2024 because new assumptions were not adopted for the 2023 valuation. The recommended cost-of-living contribution rates, expressed as a percentage of the normal member contribution rates, are as follows:

Plan	COLA %
General A	82.08%
General B	26.10%
General C	26.19%
General D	26.59%
General E	0.00%
Safety A	87.15%
Safety B	33.43%

The relative magnitude of these amounts reflects the differences in the normal contribution rates for each plan and the different cost-of-living benefits offered by the different plans. The rate for Plan E is 0.00% since it is non-contributory.

A sample of the current member contribution rates (normal plus cost-of-living) can be found in Exhibit 9.

Full disclosure of the member rates showing both the normal and the total (normal plus cost-of-living) contribution rates can be found in Appendix D.

Member Contribution Rates for General Plan G and Safety Plan C (PEPRA Plans)

Members of the two plans developed in compliance with the California Public Employees' Pension Reform Act of 2013 (PEPRA) contribute a flat rate (i.e., does not vary by entry age) based on whether they are in the General or Safety plan. This rate is set equal to one-half of the total Normal Cost rate for the respective plan. We are recommending changes to the member contribution rates for these plans, as shown below, to reflect the Plan's Normal Cost rates for the 2023 valuation.

	General Plan G	Safety Plan C
All Ages: Recommended	**9.28%**	**14.97%**
All Ages: Current	9.24%	14.76%
Ratio (Recommended / Current)	100.4%	101.4%

Note that the member contribution rates for these plans are further split for purposes of this report into a "Normal" and "Cost of Living" component. The cost-of-living component for these members, as shown in Exhibit 9 on the following page, represents one-half of the cost of the COLA for these plans.

Average Member Rates

The average member contribution rate for only those active members in contributory plans at June 30, 2023 is 9.54% of covered payroll, compared to 8.37% of covered payroll for all active members including non-contributory members. The 8.37% offsets the gross normal cost to yield the employer normal cost rate. Note that covered payroll does not include pay for PEPRA plan members that is above the PEPRA compensation limit.

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Exhibit 9
Sample Member Contribution Rates

	Entry Age	Recommended Rates (Based on 2023 Valuation) Normal	Cost of Living	Total as a % of Pay	Current Rate (Total)	Ratio (New / Current)
General Members						
Plan A	25	3.33%	2.73%	6.06%	6.06%	100.0%
	35	4.06%	3.33%	7.39%	7.39%	100.0%
	45	4.86%	3.99%	8.85%	8.85%	100.0%
	55	5.16%	4.24%	9.40%	9.40%	100.0%
Plan B	25	6.65%	1.74%	8.39%	8.39%	100.0%
	35	8.12%	2.12%	10.24%	10.24%	100.0%
	45	9.73%	2.54%	12.27%	12.27%	100.0%
	55	10.32%	2.69%	13.01%	13.01%	100.0%
Plan C	25	5.70%	1.49%	7.19%	7.19%	100.0%
	35	6.96%	1.82%	8.78%	8.78%	100.0%
	45	8.44%	2.21%	10.65%	10.65%	100.0%
	55	9.74%	2.55%	12.29%	12.29%	100.0%
Plan D	25	5.70%	1.52%	7.22%	7.22%	100.0%
	35	6.96%	1.85%	8.81%	8.81%	100.0%
	45	8.44%	2.24%	10.68%	10.68%	100.0%
	55	9.74%	2.59%	12.33%	12.33%	100.0%
Plan G	All Ages	7.51%	1.77%	9.28%	9.24%	100.4%
Safety Members						
Plan A	25	4.89%	4.26%	9.15%	9.15%	100.0%
	35	5.69%	4.96%	10.65%	10.65%	100.0%
	45	6.70%	5.84%	12.54%	12.54%	100.0%
	55	6.70%	5.84%	12.54%	12.54%	100.0%
Plan B	25	9.77%	3.27%	13.04%	13.04%	100.0%
	35	11.37%	3.80%	15.17%	15.17%	100.0%
	45	13.40%	4.48%	17.88%	17.88%	100.0%
	55	13.41%	4.48%	17.89%	17.89%	100.0%
Plan C	All Ages	11.66%	3.31%	14.97%	14.76%	101.4%

Note: A portion of some of the member contribution rates is paid for ("picked up") by the employer and is not considered part of the member's contribution account for refund purposes. Such contributions are referred to as the surcharge amount and are subject to change each year. The rates shown in the table above are prior to any surcharge payments.

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6. Employer Contributions

Calculated Employer Contribution Rate

Contributions to LACERA are determined using the Entry Age Normal Cost Method. The portion of the actuarial present value of retirement benefits allocated to a valuation year by the actuarial cost method is called the Normal Cost. These amounts are usually expressed as a percentage of payroll and called the Normal Cost Contribution Rate. Exhibit 10 illustrates the Normal Cost Contribution Rates by type of benefit and for each plan based on this valuation. A comparison with last year is also shown.

Under the Funding Policy, the total contribution rate is set equal to the Normal Cost contribution rate plus a payment by the employer towards the UAAL. The calculation of the UAAL contribution rate is shown in Exhibit 12. A portion of the Normal Cost contribution is funded by member contributions. The remainder is paid for by the employer.

The total calculated employer contribution rates for each plan, along with a comparison to the prior year's calculated rates, can be found in Exhibit 11. These results are expressed as a percentage of payroll and annual contribution dollars. Note that LACERA's UAAL contribution rate is not determined separately for each plan but is funded evenly as a percentage of pay over salaries for all members.

For the fiscal year beginning in 2024, the total calculated employer contribution rate increases to 25.88% from the current fiscal year rate of 25.84%. This is equal to the aggregate employer Normal Cost contribution rate of 11.01% based on the 2023 valuation, plus the layered amortization payment of the UAAL, shown in Exhibit 12.

(All values as a % of Payroll)

Employer Normal Cost Contribution Rate	11.01%
Layered Amortization of UAAL	14.87%
Calculated Employer Contribution Rate	25.88%

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Exhibit 10
Calculated Normal Cost Contribution Rates – June 30, 2023

	General							Safety				Grand
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Total	Plan A [1]	Plan B	Plan C	Total	Total
A. Normal Cost Contribution Rate												
Service Retirement	20.83%	19.39%	13.69%	15.04%	10.38%	15.91%	14.68%	19.74%	19.74%	18.11%	19.23%	15.51%
Disability Retirement	1.03%	1.15%	0.70%	1.07%	0.00%	1.25%	0.98%	9.31%	9.31%	10.54%	9.70%	2.60%
Death	0.28%	0.29%	0.23%	0.32%	0.00%	0.30%	0.26%	0.33%	0.33%	0.29%	0.32%	0.27%
Termination	0.46%	0.41%	0.40%	1.10%	0.64%	1.10%	1.03%	0.84%	0.84%	1.00%	0.89%	1.00%
Total	**22.60%**	**21.24%**	**15.02%**	**17.53%**	**11.02%**	**18.56%**	**16.95%**	**30.22%**	**30.22%**	**29.94%**	**30.14%**	**19.38%**
B. Member Contributions	(5.90)%	(9.99)%	(7.28)%	(8.17)%	0.00%	(9.28)%	(7.37)%	(11.86)%	(11.86)%	(14.97)%	(12.84)%	(8.37)%
C. Net Employer Normal Cost as of June 30, 2023 (A) - (B)	16.70%	11.25%	7.74%	9.36%	11.02%	9.28%	9.58%	18.36%	18.36%	14.97%	17.30%	11.01%
D. Net Employer Normal Cost as of June 30, 2022	16.26%	11.07%	7.73%	9.44%	11.02%	9.24%	9.62%	27.46%	18.60%	14.76%	17.52%	11.12%
E. Increase (Decrease) as a Percentage of Payroll (C) - (D)	0.44%	0.18%	0.01%	(0.08)%	0.00%	0.04%	(0.04)%	(9.10)%	(0.24)%	0.21%	(0.22)%	(0.11)%
F. Estimated Payroll for fiscal year beginning July 1, 2024 [2]	$ 7	$ 2	$ 2	$ 3,806	$ 1,221	$ 2,987	$ 8,024	$ -	$ 1,258	$ 576	$ 1,834	$ 9,858
G. Estimated Total Normal Cost Contribution in Dollars (A x F) [3]	$ 2	$ -	$ -	$ 667	$ 135	$ 554	$ 1,360	$ -	$ 380	$ 173	$ 553	$ 1,913

1. As of the valuation date there are no active members in Safety Plan A. Normal Cost rates are set equal to Safety Plan B rates.
2. Estimated Payroll based upon annualized salary rate as of June 30, 2023 increased by 3.25% wage inflation. Dollar figures in millions.
3. The timing of the Normal Cost shown in this exhibit is spread over the entire year and corresponds to payroll timing.

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Exhibit 11
Total Employer Contributions

	General							Safety				All
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan G	Total	Plan A [1]	Plan B	Plan C	Total	Plans
A. Net Employer Normal Cost												
1. Basic Benefits	13.41%	9.15%	6.23%	7.70%	9.12%	7.51%	7.84%	14.66%	14.66%	11.66%	13.72%	8.92%
2. Cost-of-Living Benefits	3.29%	2.10%	1.51%	1.66%	1.90%	1.77%	1.74%	3.70%	3.70%	3.31%	3.58%	2.09%
3. Total June 30, 2023	16.70%	11.25%	7.74%	9.36%	11.02%	9.28%	9.58%	18.36%	18.36%	14.97%	17.30%	11.01%
B. UAAL Contribution Rate	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%	14.87%
C. Total June 30, 2023 Contribution Rate (A) + (B)	**31.57%**	**26.12%**	**22.61%**	**24.23%**	**25.89%**	**24.15%**	**24.45%**	**33.23%**	**33.23%**	**29.84%**	**32.17%**	**25.88%**
D. Total June 30, 2022 Contribution Rate	30.98%	25.79%	22.45%	24.16%	25.74%	23.96%	24.34%	42.18%	33.32%	29.48%	32.24%	25.84%
E. Estimated Payroll for fiscal year beginning July 1, 2024 [2]	$ 7	$ 2	$ 2	$ 3,806	$ 1,221	$ 2,987	$ 8,024	$ -	$ 1,258	$ 576	$ 1,834	$ 9,858
F. Est. Employer NC Contribution	$ 1	$ -	$ -	$ 356	$ 135	$ 277	$ 768	$ -	$ 231	$ 86	$ 317	$ 1,085
G. Est. UAAL Contribution	$ 1	$ -	$ -	$ 566	$ 181	$ 444	$ 1,194 0	$ -	$ 187	$ 86	$ 273	$ 1,467
H. Estimated Annual Contribution (C x E)	**$ 2**	**$ -**	**$ -**	**$ 922**	**$ 316**	**$ 721**	**$ 1,962**	**$ -**	**$ 418**	**$ 172**	**$ 590**	**$ 2,552**
I. Last Year's Estimated Annual Contribution	$ 2	$ 1	$ -	$ 920	$ 320	$ 600	$ 1,842	$ -	$ 424	$ 148	$ 572	$ 2,414
J. Increase / (Decrease) in Annual Contribution	$ -	$ (1)	$ -	$ 2	$ (4)	$ 121	$ 120	$ -	$ (6)	$ 24	$ 18	$ 138

1. As of the valuation date there are no active members in Safety Plan A. Normal Cost rates are set equal to Safety Plan B rates.
2. Estimated Payroll based upon annualized salary rate as of June 30, 2023 increased by 3.25% wage inflation. Dollar figures in millions.

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Exhibit 12
Unfunded Actuarial Accrued Liability Detail

(Dollars in Millions)

Unfunded Actuarial Accrued Liability - Amortization Detail

Date Established	Description	Balance as of June 30, 2023	Interest on Balance	Amort. Payment on June 30, 2024 (1)	Balance as of June 30, 2024 (2)	Remaining Period as of June 30, 2024 (5)	July 1, 2024 Amortization Payment
June 30, 2009	Initial UAAL	$ 5,447.3	$ 381.3	$ 469.7	$ 5,359.0	15 Years	$ 462.1
June 30, 2010	(Gain) / Loss(3)	3,001.4	210.1	247.5	2,963.9	16 Years	243.5
June 30, 2011	(Gain) / Loss(3)	1,500.1	105.0	118.7	1,486.4	17 Years	116.8
June 30, 2012	(Gain) / Loss(3)	2,471.0	173.0	188.2	2,455.8	18 Years	185.2
June 30, 2013	(Gain) / Loss(3)	1,397.0	97.8	106.4	1,388.4	18 Years	104.7
June 30, 2014	(Gain) / Loss	(2,587.0)	(181.1)	(197.1)	(2,571.0)	18 Years	(193.9)
June 30, 2015	(Gain) / Loss	(2,021.1)	(141.5)	(154.0)	(2,008.6)	18 Years	(151.5)
June 30, 2016	(Gain) / Loss(3)	3,883.3	271.8	295.8	3,859.3	18 Years	291.0
June 30, 2017	(Gain) / Loss	(21.0)	(1.5)	(1.6)	(20.9)	18 Years	(1.6)
June 30, 2018	(Gain) / Loss	60.8	4.3	4.6	60.4	18 Years	4.6
June 30, 2019	(Gain) / Loss(3)	3,875.7	271.3	319.6	3,827.4	16 Years	314.4
June 30, 2020	(Gain) / Loss	1,447.6	101.3	114.6	1,434.4	17 Years	112.7
June 30, 2021	(Gain) / Loss	(1,743.7)	(122.1)	(132.8)	(1,733.0)	18 Years	(130.7)
June 30, 2022	(Gain) / Loss(3)	862.3	60.4	63.4	859.3	19 Years	62.4
June 30, 2023	(Gain) / Loss	662.2	46.4	43.0 (4)	665.6	20 Years	46.6
						Total Amortization Payment July 1, 2024:	$ 1,466.3
						Projected Payroll July 1, 2024:	$ 9,858.2
		UAAL as of June 30, 2023:				**UAAL Contribution Rate (as a % of Payroll) FYB July 1, 2024:**	**14.87%**
		$ 18,236.0					

Explanatory Notes:

1. Amortization Payments are based on a fixed schedule that increases by the payroll assumption each year.
2. The assets and liabilities used in the calculation of the UAAL are as of June 30, 2023, whereas the contribution rates are not effective until July 1, 2024. Therefore, the UAAL is projected to June 30, 2024 based on the actual contribution rate for the period, with the projected UAAL as of June 30, 2024 equaling $18,026 million.
3. (Gain) / Loss layers include the impact of assumption and method changes in these years.
4. The amortization of UAAL does not begin until July 1, 2024; therefore, the UAAL amount is adjusted by one year to reflect the actual July 1, 2023 contribution rate.
5. Effective with the June 30, 2019 valuation, all new UAAL layers are amortized over a 20-year period, beginning with the date the contribution is first expected to be made.

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7. Supplemental Information

Governmental Accounting Standards Board (GASB) Statement 67 sets out requirements for defined benefit pension plan reporting and disclosures. GASB Statement 68 sets out requirements for accounting by state and local government employers.

Milliman provides LACERA with results relevant to Statements 67 and 68 in separate stand-alone financial reporting valuation reports.

For informational purposes, we have provided the following exhibits in this report that LACERA may use in the audited financial statements:

Exhibit 13: Schedule of Funding Progress
Exhibit 14: Schedule of Employer Contributions
Exhibit 15: Funding Liabilities by Type
Exhibit 16: Actuarial Analysis of Financial Experience
Exhibit 17: Retirants and Beneficiaries added to / removed from Retiree Payroll

Exhibit 13, Schedule of Funding Progress, compares actuarial assets and liabilities of the Plan, based on the actuarial funding method used.

Exhibit 14, Schedule of Employer Contributions, compares the employer contributions required based on the actuarial valuation with the employer contributions actually made. Information shown in this exhibit comes from LACERA's audited financial statements.

Exhibit 15 compares the Actuarial Value of Valuation Assets to the types of Actuarial Accrued Liabilities, applying them first to Active Member contributions, then to retirees and beneficiaries, and then the remaining amount to the Active Members benefits.

Exhibit 16 shows the changes in actual versus expected UAAL from year to year.

Exhibit 17 reconciles the retired members and beneficiaries who have been added to and removed from the retiree payroll.

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Exhibit 13
Schedule of Funding Progress

(Dollars in Thousands)

Actuarial Valuation Date	(a) Actuarial Value of Valuation Assets	(b) Actuarial Accrued Liabilities	(b-a) Unfunded Actuarial Accrued Liabilities (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll[1]	[(b-a)/c] UAAL as a Percentage of Covered Payroll
June 30, 2014	$ 43,654,462	$ 54,942,453	$ 11,287,991	79.5%	$ 6,672,228	169.2%
June 30, 2015	47,328,270	56,819,215	9,490,945	83.3%	6,948,738	136.6%
June 30, 2016[2]	49,357,847	62,199,214	12,841,367	79.4%	7,279,777	176.4%
June 30, 2017	52,166,307	65,310,803	13,144,496	79.9%	7,637,032	172.1%
June 30, 2018	55,233,108	68,527,354	13,294,246	80.6%	7,957,981	167.1%
June 30, 2019[2]	57,617,288	74,635,840	17,018,552	77.2%	8,370,050	203.3%
June 30, 2020	59,762,991	78,275,175	18,512,184	76.3%	8,724,151	212.2%
June 30, 2021	64,909,377	81,898,044	16,988,667	79.3%	9,062,051	187.5%
June 30, 2022[2]	68,711,610	86,320,151	17,608,541	79.6%	9,100,791	193.5%
June 30, 2023	72,414,936	90,651,092	18,236,156	79.9%	9,425,690	193.5%

1. Covered Payroll includes compensation paid to all active employees on which contributions are calculated, as reported by LACERA. Covered Payroll differs from the Active Member Valuation Payroll shown in Table C-1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

2. Assumption and method changes.

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Exhibit 14
Schedule of Contributions from the Employer

(Dollars in Thousands)

Fiscal Year Ending	Actuarially Determined Employer Contribution	Actual Employer Contributions			Percentage of Actuarially Determined Contribution Contributed
		Cash Payment	Transfer from Reserve Accounts	Total	
June 30, 2014	$ 1,320,442	$ 1,320,442	$ -	$ 1,320,442	100%
June 30, 2015	1,494,975	1,494,975	-	1,494,975	100%
June 30, 2016	1,443,130	1,443,130	-	1,443,130	100%
June 30, 2017[1]	1,392,813	1,370,922	21,891	1,392,813	100%
June 30, 2018	1,564,284	1,564,284	-	1,564,284	100%
June 30, 2019	1,708,122	1,708,122	-	1,708,122	100%
June 30, 2020	1,800,137	1,800,137	-	1,800,137	100%
June 30, 2021	2,012,877	2,012,877	-	2,012,877	100%
June 30, 2022	2,199,889	2,199,889	-	2,199,889	100%
June 30, 2023	2,301,706	2,301,706	-	2,301,706	100%

1. The County Contribution Reserve was used to offset the contribution required from the Courts in the fiscal year ended June 30, 2017.

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Exhibit 15
Funding Liabilities by Type

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for: Active Member Contributions (A)	Actuarial Accrued Liabilities for: Retirees and Beneficiaries[1] (B)	Actuarial Accrued Liabilities for: Active Members (Employer Financed Portion) (C)	Portion of Actuarial Accrued Liabilities Covered by Assets (A)	Portion of Actuarial Accrued Liabilities Covered by Assets (B)	Portion of Actuarial Accrued Liabilities Covered by Assets (C)
June 30, 2014	$ 43,654	$ 8,354	$ 31,882	$ 14,706	100%	100%	23%
June 30, 2015	47,328	8,805	32,734	15,280	100%	100%	38%
June 30, 2016	49,358	8,767	35,316	18,116	100%	100%	29%
June 30, 2017	52,166	9,482	37,077	18,752	100%	100%	30%
June 30, 2018	55,233	9,882	39,192	19,453	100%	100%	32%
June 30, 2019	57,617	10,210	42,235	22,190	100%	100%	23%
June 30, 2020	59,763	10,650	44,500	23,125	100%	100%	20%
June 30, 2021	64,909	11,115	46,774	24,009	100%	100%	29%
June 30, 2022	68,712	11,029	49,637	25,654	100%	100%	31%
June 30, 2023	72,415	11,930	52,116	26,605	100%	100%	31%

1. Includes vested and non-vested former members.

Notes:

For the purpose of this exhibit, Valuation Assets are allocated, in order, to active member contribution accounts (A), the Actuarial Accrued Liability for retirees and beneficiaries (B) and the employer financed portion of active member liabilities (C). Active member contributions are always assumed to be 100% funded. Assets are then allocated to the Actuarial Accrued Liability for retirees and beneficiaries until that category is 100% funded, and then any remaining Valuation Assets are allocated to the employer financed portion of active member liabilities. The employer's UAAL contributions are based on a percentage of active member salaries and those contributions are projected to eliminate any unfunded liability in that category over the scheduled amortization period.

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Exhibit 16
Actuarial Analysis of Financial Experience

(Dollars in Millions)

	Valuation as of June 30						
	2017	2018	2019	2020	2021	2022	2023
Unfunded Actuarial Accrued Liability	$12,841	$13,145	$13,294	$17,018	$18,512	$16,989	$17,608
Expected Increase/(Decrease) from Prior Valuation	320	146	25	306	171	(76)	(108)
Salary Increases Greater/(Less) than Expected	277	223	486	388	484	(21)	771
Retiree COLA Greater/(Less) than Expected	(139)	45	44	43	(73)	355	-
Change in Assumptions / Methods	-	-	2,528	-	-	1,364	-
Asset Return Less/(Greater) than Expected	(421)	(411)	477	701	(2,039)	(996)	(118)
All Other Experience	267	146	164	56	(66)	(7)	83
Ending Unfunded Actuarial Accrued Liability	**$13,145**	**$13,294**	**$17,018**	**$18,512**	**$16,989**	**$17,608**	**$18,236**

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Exhibit 17
Retirants and Beneficiaries added to and removed from Retiree Payroll

(Dollars in Thousands)

	Added to Rolls		Removed from Rolls		Rolls at End of Year			
Valuation Date	Member Count	Annual Allowance[1][2]	Member Count	Annual Allowance[1]	Member Count[3]	Annual Allowance[1]	% Increase in Retiree Allowance	Average Annual Allowance
June 30, 2014	3,128	$ 172,743	(1,985)	$ (71,730)	59,229	$ 2,712,080	3.87%	$ 45.8
June 30, 2015	3,501	180,549	(2,124)	(80,028)	60,606	2,812,601	3.71%	46.4
June 30, 2016	3,479	220,632	(2,171)	(80,881)	61,914	2,952,352	4.97%	47.7
June 30, 2017	3,721	245,915	(2,311)	(89,624)	63,324	3,108,643	5.29%	49.1
June 30, 2018	3,826	276,118	(2,270)	(89,033)	64,880	3,295,728	6.02%	50.8
June 30, 2019	3,978	302,022	(2,351)	(97,840)	66,507	3,499,910	6.20%	52.6
June 30, 2020	3,930	311,206	(2,425)	(104,914)	68,012	3,706,202	5.89%	54.5
June 30, 2021	4,350	327,745	(2,865)	(132,185)	69,497	3,901,762	5.28%	56.1
June 30, 2022	4,796	378,343	(2,722)	(130,089)	71,571	4,150,016	6.36%	58.0
June 30, 2023	4,071	347,718	(2,634)	(129,276)	73,008	4,368,458	5.26%	59.8

1. Annual allowance is the monthly benefit allowance annualized for those members counted as of June 30.

2. Includes COLAs that occurred during the fiscal year and therefore were not included in the previous years' Annual Allowance totals.

3. For the actuarial valuation year, Member Count includes retirees who due to timing at year end, are not yet included in the total Retired Members count disclosed in Note A - Plan Description of LACERA's ACFR for the fiscal year ended June 30, 2023.

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8. Cash Flow History and Projections

Exhibits 18a and 18b contain tables and graphs that illustrate both the cash flow history for the past 10 years and a projection on the valuation basis for the next 10 years.

Contributions include both employer and member contributions. Exhibit 18a shows that net cash outflow has gradually increased over the last five years. In future years, the cash flow is expected to become increasingly negative. This is a typical pattern for a mature retirement plan where it is expected that contributions will be less than benefits and that the Plan will begin drawing on the fund that has been built up over prior years.

Note that the actual cash contributions do not reflect the transfers made between reserve funds, but only cash coming into the Plan. We are assuming no further transfers, only full cash contributions. In addition, LACERA will receive dividends and interest payments from its investments. These types of payments are not considered for this analysis, which focuses solely on comparing contributions with benefit payments and administrative expenses.

The projected cash flows include contributions, statutory benefits, and administrative expenses only. They are based on the actuarial assumptions as stated in Appendix A of this valuation report. The total employer contribution rate is assumed to be 25.84% for the first year and 25.88% for the second year; total employer contributions for the remainder of the period reflect the expected recognition of asset gains and losses currently being deferred. The aggregate member rate is assumed to stay at the calculated rate for June 30, 2023 of 8.37% of payroll. Expenses are based on the expenses for the year ended June 30, 2023, increased annually with the actuarial inflation assumption of 2.75%.

Any increases or reductions in future contribution rates will increase or decrease the net cash flow. The projected cash flows do not include:

- Projected STAR benefits that have not yet been granted and STAR benefits that have been adopted but are not effective until after the valuation date.
- Projected benefits payable under certain insurance contracts for a group of retired members. These payments are netted against the total expected retiree benefits.

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Exhibit 18a
Cash Flow History and Projections – Dollars

Plan Year Ending	Cash Flow History: Total Contributions	Benefits & Administrative Expenses[1]	Net Cash Flow	Net Cash Flow as a Percent of Fair Value of Assets
2014	$ 1,759	$ 2,719	$ (960)	-2.3%
2015	1,936	2,829	(893)	-1.9%
2016	1,902	2,954	(1,052)	-2.2%
2017	1,858	3,094	(1,236)	-2.6%
2018	2,116	3,268	(1,152)	-2.2%
2019	2,304	3,475	(1,171)	-2.1%
2020	2,459	3,676	(1,217)	-2.1%
2021	2,774	3,886	(1,112)	-1.9%
2022	2,959	4,126	(1,167)	-1.6%
2023	3,095	4,375	(1,280)	-1.8%

Plan Year Ending	Cash Flow Projections[2]: Total Contributions	Benefits & Administrative Expenses[1]	Net Cash Flow	Net Cash Flow as a Percent of Fair Value of Assets
2024	$ 3,303	$ 4,830	$ (1,527)	-2.1%
2025	3,431	4,908	(1,477)	-1.9%
2026	3,529	5,149	(1,620)	-2.0%
2027	3,636	5,395	(1,759)	-2.1%
2028	3,750	5,645	(1,895)	-2.1%
2029	3,867	5,900	(2,033)	-2.2%
2030	3,988	6,163	(2,175)	-2.2%
2031	4,112	6,430	(2,318)	-2.2%
2032	4,242	6,701	(2,459)	-2.3%
2033	4,374	6,975	(2,601)	-2.3%

1. Investment expenses are assumed to be covered by investment return.
2. Future contributions reflect the expected impact of asset gains and losses currently being deferred.

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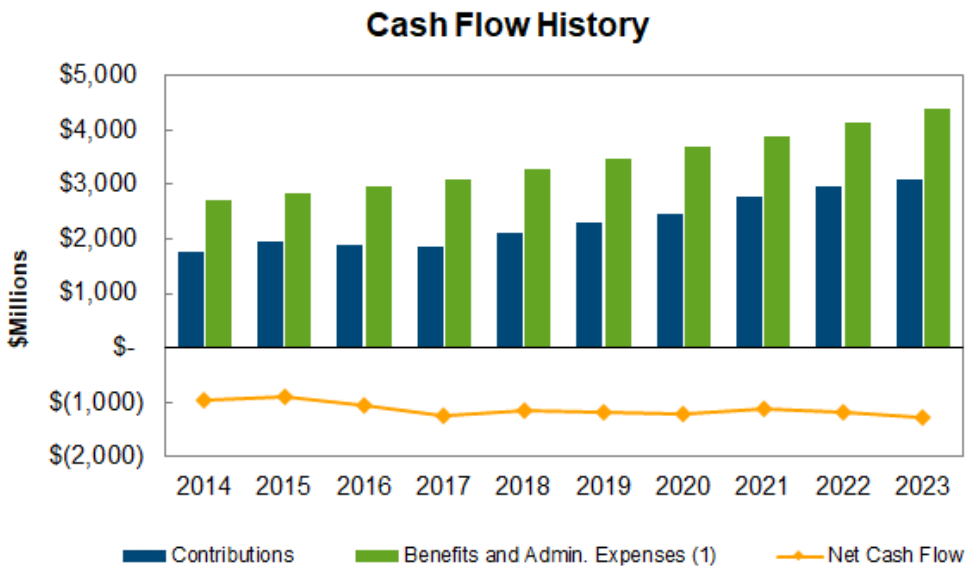
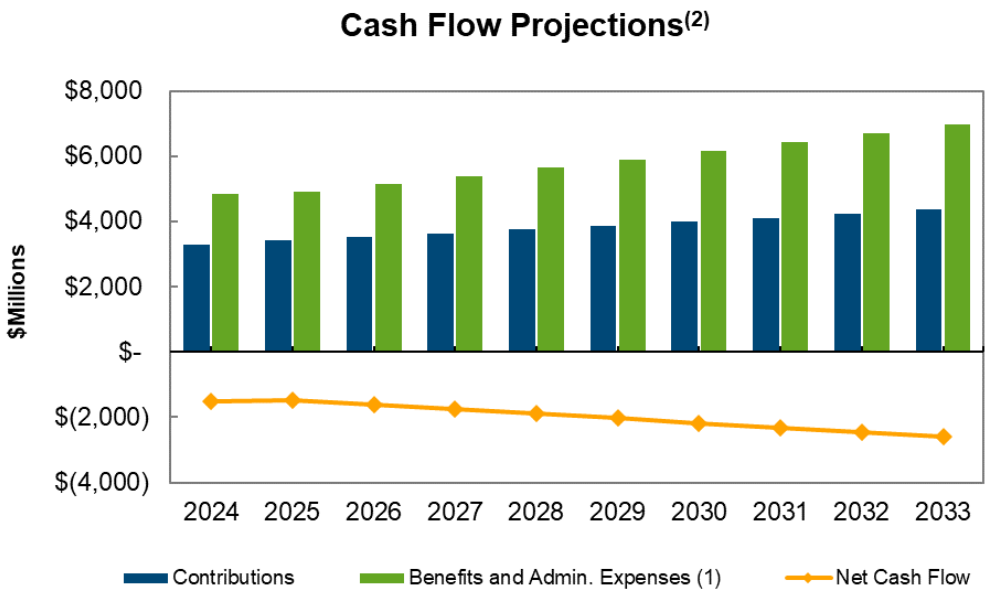
Exhibit 18b
Cash Flow History and Projections – Graphs





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9. Risk Discussion

Please refer to the Risk Assessment report dated May 25, 2023 (which is based on the June 30, 2022 valuation) for a detailed analysis of the main risks applicable to LACERA. That report includes detailed identification and assessment of risks.

Overview

The results of any actuarial valuation are based on one set of reasonable assumptions. Although we believe the current assumptions provide a reasonable estimate of future expectations, it is almost certain that future experience will differ from the assumptions to some extent. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the Plan, or of the Plan's members.

Actuarial Standard of Practice 51 (ASOP 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the Plan.
- Assess the risks identified as significant to the Plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the Plan's risks.

ASOP 51 states that if in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the Plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

In addition, the California Actuarial Advisory Panel (CAAP) has adopted a set of model disclosure elements for actuarial valuation reports of public retirement systems in California. Most of these elements are included in other areas of this report. The remaining CAAP-recommended disclosures are as follows:

Disclosure Element	Description	Value
Gross Normal Cost $ [1]	Normal Cost allocated to valuation year, paid at mid-year.	$ 1,880.2
Statutory Contribution $ [1]	Expected Employer Contribution paid at mid-year.	$ 2,506.9
Asset Smoothing Ratio	Actuarial Value of Assets divided by Fair Value of Assets	99.9%
Asset Volatility Ratio	Fair Value of Assets divided by Payroll	7.6
Liability Volatility Ratio	Actuarial Accrued Liability divided by Payroll	9.5

1. Amounts shown in millions of dollars.

This Section 9 uses the framework of ASOP 51 and the Asset and Liability Volatility Ratios shown above to communicate important information about: significant risks to the Plan, the Plan's maturity, and relevant historical plan data.

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Factors Affecting Future Results

There are a number of factors that affect future valuation results. To the extent actual experience for these factors varies from the assumptions, this will likely cause either increases or decreases in the Plan's future funding level and employer contribution rates (ECR). The factors that can have the most significant impact on LACERA's valuation results are:

- Investment returns

  To the extent that actual investment returns differ from the assumed investment return, the Plan's future assets, ECR, and funded status may differ significantly from those presented in this valuation. Additional discussion of the impact of variance of investment returns is included below.

- Compensation increases

  Individual member retirement benefits are linked to that member's compensation. As such, assumptions need to be made as to a member's future compensation increases. Higher future compensation increases will generally result in larger retirement benefits, liabilities, ECRs, and a lower funded status. Conversely, lower compensation increases than assumed will generally result in smaller retirement benefits, liabilities, ECRs, and a higher funded status.

- Payroll variation

  In the valuation, an assumption is made for the overall rate of payroll growth of LACERA from year-to-year. To the extent that the overall rate of payroll growth is greater than assumed, the ECR may decrease since the UAAL will be amortized over a larger payroll base. If the overall rate of payroll growth is less than assumed, the ECR is expected to increase since the UAAL will be amortized over a smaller payroll base.

  This effect often will offset somewhat with individual compensation increases, discussed above.

- Longevity and other demographic risks

  The liabilities reported in this valuation have been calculated by assuming that members will follow specific patterns of demographic experience (e.g., mortality, retirement, termination, disability) as described in Appendix A. To the extent that actual demographic experience is different than is assumed to occur, future liabilities, ECRs, and funded status may differ from that presented in this valuation.

All of these assumptions are reviewed in detail during the triennial Investigation of Experience study, and are also reviewed annually during the valuation process. Changes in assumptions are generally recommended as part of the triennial Investigation of Experience if actual experience has been materially different than assumed or forecasts have changed significantly. Additionally, changes may be recommended and discussed at each valuation if they are deemed to be appropriate at that time.

Discussion of Investment Return Risk

Of these factors, we believe the factor with the greatest potential risk to impact future valuation results for LACERA is future investment returns. For example, if actual returns fall short of the current assumption of 7.0% per year, this will cause an increase in the ECR and a decrease in the Funded Ratio, all other things being equal. Conversely, if actual returns exceed the current assumption of 7.0% per year, this will cause a decrease in the ECR and an increase in the Funded Ratio.

The magnitude of the increase or decrease in the ECR is affected by the maturity level, and specifically, the asset volatility ratio. LACERA has accumulated a significant amount of assets relative to its payroll and by several measures is considered a mature plan. Accumulating assets to pay for future benefit obligations is responsible funding, but it does mean that changes in the investment markets can have a significant impact on the ECR.

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Low-Default-Risk Obligation Measure (LDROM)

Effective for measurement dates February 15, 2023 or later, Actuarial Standard of Practice 4 (ASOP 4) states that when performing a funding valuation, the actuary should calculate and disclose a low-default-risk obligation measure (LDROM) of the benefits earned or accrued under the actuarial cost method used as of the measurement date. The actuary should select a discount rate derived from low-default-risk fixed income securities. We have used the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The index is a 20-year high quality AA municipal bond rate and, based on Section 3.11.c. of ASOP 4, we believe this index meets the requirements for a discount rate for the LDROM. The index was 3.65% as of June 30, 2023.

This required disclosure shows significantly higher plan liabilities and a lower funded ratio than under the funding valuation assumption, as shown in the following chart. It provides the Plan Sponsors and other interested parties with additional funding metrics of the Plan for informational purposes, but does not impact the funding of the Plan which is based on the valuation assumptions.

	Bond Buyer Index	Valuation Assumption
Discount Rate	3.65%	7.00%
Actuarial Accrued Liability as of June 30, 2023 [1,2]	$143.3	$90.7
Funding Ratio - Valuation Assets	50.6%	79.9%
Funding Ratio - Fair Value of Assets	50.6%	80.0%

1. Calculated using the same actuarial assumptions and methods as used for this valuation, except for the discount rate.

2. Amounts in billions of dollars.

LACERA's investment policy and strategy is complex, and its target asset allocation reflects a balance of risk and return. The expected return based on LACERA's target allocation, and consequently the investment return assumption, is significantly higher than the discount rate based on the Bond Buyer Index. Investing in asset classes with a low default risk would be expected to reduce future investment returns and therefore increase future contributions needed and lower the current Funded Ratio. However, the lower investment risk levels would be expected to result in lower year-to-year volatility in the ECR, and a portfolio with a lower default risk might provide more benefit security for members if the associated liabilities are adequately funded. Conversely, investing in asset classes with higher expected returns and volatility would be expected to decrease future contributions and increase the current Funded Ratio, but it would increase the year-to-year volatility of the ECR and could provide less benefit security for members. A change away from the current return-seeking-with-reasonable-risk investment strategy is not being considered by LACERA.

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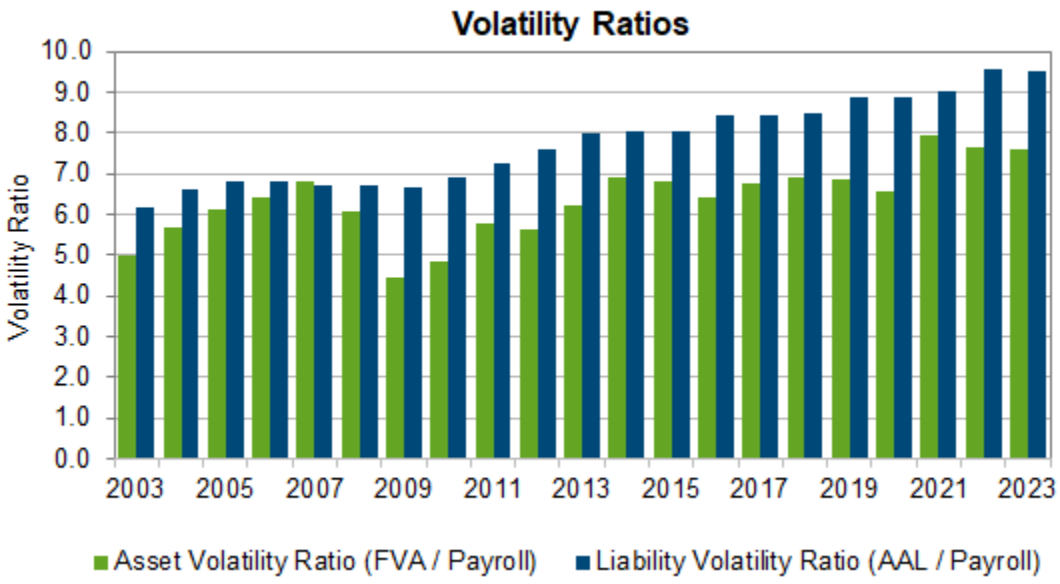
Asset and Liability Volatility Ratios

Asset and Liability Volatility Ratios are a measure of the level of assets (or liabilities) to payroll. In general, a higher ratio means that the employer contribution rates (ECR) are more sensitive to changes in levels of assets or liabilities. Asset and Liability Volatility Ratios are shown below, and in Exhibit E-4.



As shown above, in the current valuation LACERA has an Asset Volatility Ratio of 7.6 and a Liability Volatility Ratio of 9.5. These ratios have increased over time as LACERA has matured.

LACERA has accumulated a significant amount of assets relative to its payroll and by several measures is considered a mature plan. Accumulating assets to pay for future benefit obligations is responsible funding, but it does mean changes in the investment markets can have a significant impact on the ECR.

For LACERA, 7.6 Asset Volatility Ratio means that a 10% investment gain or loss relative to the assumed 7.0% investment return assumption (that is, an investment return of -3.0% or of 17.0%) translates to a 5.4% of pay increase (or decrease) in the ECR, all other things being equal. Since LACERA uses actuarial smoothing, the increase would not be immediate, but would occur gradually over five years and could potentially be offset, or further increased, by future investment gains or losses or other factors.

The Liability Volatility Ratio measures the sensitivity of the ECR to changes in the level of liabilities, all else being equal. With a liability volatility ratio of 9.5 an increase (or decrease) in the investment return assumption of 0.5% translates to a decrease (or increase) in the ECR of approximately 5.2% of pay for LACERA.

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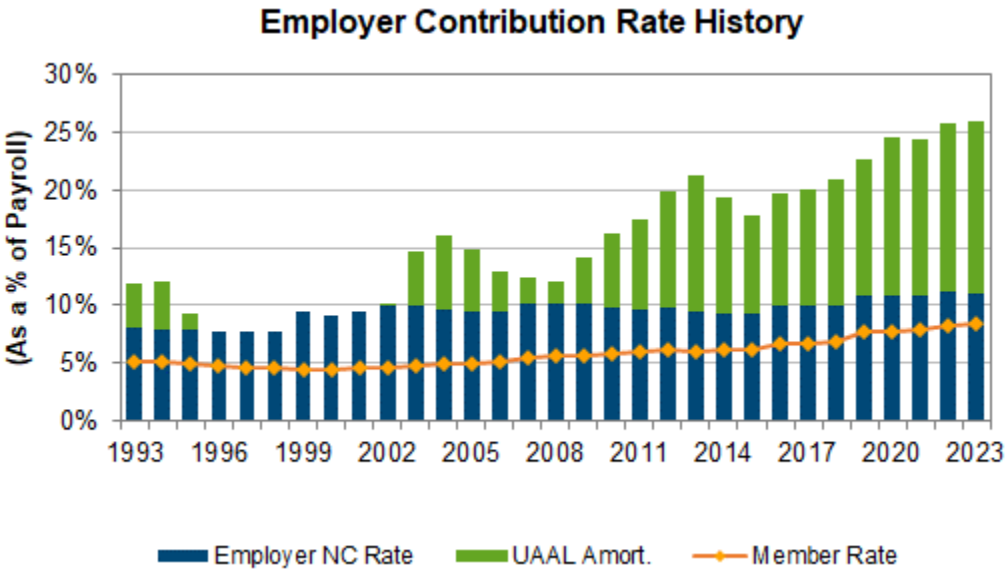
Historical Variation in Employer Contribution Rate

One way to assess future risks is to look at historical measurements. The following graph shows how the ECR has varied over the last 30 years under various investment return and assumption environments.



Appendix A Actuarial Procedures and Assumptions

The actuarial procedures and assumptions used in this valuation are described in this section. The assumptions were reviewed and changed for the June 30, 2022 actuarial valuation as a result of the 2022 triennial Investigation of Experience Study.

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of LACERA and of LACERA itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of LACERA's benefits.

Table A-1 summarizes the assumptions.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of contributions upon termination of employment while vested.

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-13 presents the probabilities that a member will leave the System for various reasons.

Actuarial Cost Method

The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age).

The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL).

For members who transferred between plans, entry age is based on original entry into the System.

For General Plan G and Safety Plan C, the normal cost rate is rounded up to the nearest 0.02%.

Amortization Method

The original UAAL as of June 30, 2009 is amortized as a level percentage of the projected salaries of present and future members of LACERA over a closed 30-year period. As of the June 30, 2019 valuation, all amortization layers with periods greater than 22 years as of July 1, 2020 were amortized over a 22-year period. Future changes in the UAAL due to actuarial gains and losses and assumption changes are amortized over new closed 20-year periods, beginning with the date the contribution is first expected to be made. This is referred to as “layered” amortization. For increases in the UAAL due to changes in benefit provisions, the increase is amortized over a 10-year period.

Records and Data

The data used in this valuation consists of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by LACERA and are accepted for valuation purposes without audit.

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Replacement of Former Members

The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. The normal cost rates for active members within an individual plan will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions, or the pattern of the new entrants.

Growth in Membership

For benefit determination purposes, no growth in the membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth or decline in the total number of active members is assumed.

Payroll Growth

Total payroll is expected to grow at 3.25% per year.

Internal Revenue Code Section 415 Limit

The Internal Revenue Code (IRC) Section 415 maximum benefit limitation is not explicitly reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit calculation at retirement.

Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

Government Code Section 7522.10

The maximum compensation limit under Government Code Section 7522.10 is reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

Employer Contributions

The employer contribution rate is set by the Board of Investments based on actuarial valuations.

Member Contributions

The member contribution rates of contributory legacy plans (all plans except General Plans E and G and Safety Plan C) vary by entry age and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section.

The individual member rates by entry age, plan, and class are illustrated in Appendix D of the valuation report.

Valuation of Assets

The assets are valued using a five-year smoothed method based on the difference between the expected fair value and the actual fair value of the assets as of the valuation date. The expected fair value is the prior year's fair value increased with the net increase in the cash flow of funds, all increased with interest during the past fiscal year at the expected investment return rate assumption. To the extent that there is a loss for the year and there are unrecognized gains from previous years, or to the extent that there is a gain for the year and there are unrecognized losses from previous years, the gain or loss for the year shall be used to offset unrecognized gains or losses from previous years in the order of oldest to most recent. Any remaining gain or loss for the year is

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recognized over a five-year period. Valuation Assets exclude the statutory Contingency Reserve and the STAR Reserve. The five-year smoothing valuation basis for all assets was adopted effective June 30, 2009, and the offsetting methodology and STAR Reserve treatment were adopted effective June 30, 2022.

Price Inflation (Local and National)

The price inflation assumption is used in the determination of assumptions for individual salary increases, overall wage growth, postretirement benefit increases, and PEPRA compensation limit increases. Both the local and national price inflation assumptions are 2.75% per year.

Investment Earnings and Expenses

The future investment earnings of the assets of LACERA are assumed to accrue at an annual rate of 7.00% compounded annually, net of both investment and administrative expenses. This rate was adopted June 30, 2019.

Postretirement Benefit Increases

Postretirement increases are assumed for the valuation in accordance with the benefits provided as described in Appendix B. These adjustments vary by plan and are assumed payable each year in the future but are limited to not exceed the expected local inflation of 2.75% per year, with the exception that any COLA accumulation banks for Plan A members are reflected in the valuation. The local inflation rate used for the postretirement benefit assumptions was adopted June 30, 2016.

Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 7.00% compounded semi-annually for an annualized rate of 7.12%. This rate was adopted effective June 30, 2019.

Future Salaries

The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 3.25% per annum rate of increase in the general wage level of the membership. These rates were adopted June 30, 2022.

Increases are assumed to occur mid-year (i.e., January 1st) and only apply to base salary, excluding megaflex compensation. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.

For plans with a one-year final average compensation period, actual average annual compensation is used. For Plan E, Plan G and Safety Plan C, the monthly rate as of June of the valuation year was annualized. Due to irregular compensation payments included as pensionable earnings, actual annual pay is preferred over annualizing a single monthly payment amount.

Social Security Wage Base

Plan E members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 3.25% per year. Note that statutory provisions describe exactly how to compute the offset for purposes of determining a member's offset amount at time of termination or retirement. This rate was adopted June 30, 2016.

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Note also, that it is assumed all Plan E members born after 1950 have less than 10 years of Social Security-covered service and, therefore, do not have their benefit offset.

General Plan G and Safety Plan C members have their compensation limited to approximately 120% of the Social Security Wage Base. The limit for 2023 is $175,250 (after applying the 120% factor) and is projected to increase at the assumed national CPI rate of 2.75%. This rate of future increase was adopted effective June 30, 2016.

Retirement

Members in General Plans A-D may retire at age 50 with 10 years of service, or any age with 30 years of service, or age 70 regardless of the number of years of service. General Plan G members are eligible to retire at age 52 with 5 years of service, or age 70 regardless of the number of years of service. Non-contributory Plan E members may retire at age 55 with 10 years of service. Members of Safety Plans A and B may retire at age 50 with 10 years of service, or any age with 20 years of service. Safety Plan C members are eligible to retire at age 50 with 5 years of County service. Retirement probabilities vary by age and are shown by plan in Tables A-6 through A-13.

All General members who attain or have attained age 75 in active service and all Safety members who attain or have attained age 65 in active service are assumed to retire immediately (except for Safety Plan C members who have not yet attained 5 years of service).

Vested former members are assumed to retire at the later of their current age and the assumed retirement age specified as follows:

Assumption for Deferred Commencement

Plan	Age at Commencement
GA	62
GB	62
GC	62
GD	59
GE	62
GG	57
SA	55
SB	50
SC	50

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regard to a particular member. For example, a General Plan D member hired at age 30 has a probability of withdrawing from LACERA due to death, disability or other termination of employment until age 50. After age 50, the member can withdraw due to death, disability, or retirement. Thus, in no year during the member's projected employment would the member be eligible for both a probability of other termination of employment and a probability of retirement.

The retirement probabilities were adopted June 30, 2022.

Disability

The probabilities of disability used in the valuation are also illustrated in Tables A-6 through A-13. These probabilities were adopted June 30, 2019.

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Postretirement Mortality – Other Than Disabled Members

The same postretirement mortality probabilities are used in the valuation for members retired for service and beneficiaries. These probabilities are illustrated in Table A-2. Current beneficiary mortality is assumed to be the same as for healthy members of the same sex. Future beneficiaries are assumed to be of the opposite sex and have the same mortality as General members. The amount-weighted Pub-2010 mortality tables are used. These probabilities were adopted June 30, 2019.

Note that these assumptions include a projection for expected future mortality improvement. The new projection scale was adopted June 30, 2022.

Males: General members: PubG-2010 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2010 Healthy Retiree Mortality Table for Males multiplied by 85%, with MP-2021 Ultimate Projection Scale.

Females: General members: PubG-2010 Healthy Retiree Mortality Table for Females multiplied by 110%, with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Postretirement Mortality – Disabled Members

For members retired for disability, the mortality probabilities used in the valuation are illustrated in Table A-3. The amount-weighted Pub-2010 mortality tables are used. These probabilities were adopted June 30, 2019.

Note that these assumptions include a projection for expected future mortality improvement. The new projection scale was adopted June 30, 2022.

Males: General members: Average of PubG-2010 Healthy Retiree Mortality Table for Males and PubG-2010 Disabled Retiree Mortality Table for Males, both projected with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2010 Healthy Retiree Mortality Table for Males, with MP-2021 Ultimate Projection Scale.

Females: General members: Average of PubG-2010 Healthy Retiree Mortality Table for Females and PubG-2010 Disabled Retiree Mortality Table for Females, both projected with MP-2021 Ultimate Projection Scale.

Safety members: PubS-2010 Healthy Retiree Mortality Table for Females, with MP-2021 Ultimate Projection Scale.

Mortality while in Active Status

For active members, the mortality probabilities used in the valuation are illustrated in Tables A-6 through A-13. The amount-weighted Pub-2010 mortality tables are used. These mortality tables were adopted June 30, 2019.

Class	Gender	Proposed Table
General	Male	PubG-2010 (120%) Employee Male[1]
General	Female	PubG-2010 (130%) Employee Female[1]
Safety	Male	PubS-2010 (100%) Employee Male[1]
Safety	Female	PubS-2010 (100%) Employee Female[1]

1. *Projected using the MP-2021 Ultimate projection scale.*

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These assumptions include a projection for expected future mortality improvement, which was adopted June 30, 2022.

Note that Safety members have an additional service-connected mortality probability of 0.01% per year.

Other Employment Terminations

Tables A-6 to A-13 show, for all ages, the probabilities assumed in this valuation for future termination from active service other than for death, disability, or retirement. These probabilities do not apply to members eligible for service retirement. These probabilities were adopted June 30, 2022.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work, or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement system. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately. It is assumed that all terminating members will not be rehired in the future.

Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability that remaining members will elect a deferred vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These probabilities were adopted June 30, 2022.

Probability of Eligible Survivors

For members not currently in pay status, 77% of all males and 48% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be three years younger than male members and two years older than female members. Survivors are assumed to be of the opposite gender as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur. These probabilities were adopted June 30, 2022.

Valuation of Vested Former Members

The deferred retirement benefit is calculated based on the member's final compensation and service at termination. The compensation amount is projected until the assumed retirement age for members who are assumed to be employed by a reciprocal agency. For members who are missing compensation data, Final Compensation is estimated as the average amount for all members who terminated during the same year and had a valid compensation amount. The greater of the present value of the calculated benefit and the employee's current contribution balance is valued for future deferred vested members.

Reciprocal Employment

17% of General and 36% of Safety current and future vested former members are assumed to work for a reciprocal employer. These probabilities were adopted June 30, 2022.

Current vested reciprocal members are assumed to receive annual salary increases of 4.25%. Future reciprocal vested members are assumed to receive the same salary increases they would have received if they had stayed in active employment with LACERA and retired at the assumed retirement age.

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Other Technical Assumptions

Decrements are assumed to occur mid-year, except that if the retirement rate is 100% at a given age then the member is assumed to retire at the beginning of the year at that age.

Decrement rates shown are probabilities and are non-competing.

Termination rates are asummed to be 0% if the member is eligible for service retirement.

Valuation of Annuity Purchases

Over 30 years ago, LACERA purchased single life annuities from two insurance companies for some retired members (currently less than 1% of the retired population). The total liability for these members is calculated and then offset by the expected value of the benefit to be paid by the insurance companies.

For affected members, the insurance companies are responsible for:

1. Straight life annuity payments
2. Statutory COLAs

LACERA is responsible for:

1. Benefit payments payable to any beneficiary
2. STAR COLAs

Member Contribution Rate Assumptions

The following assumptions summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the Present Value of the Future Benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL:

A. The Annuity factor used for General members is based on a 35% / 65% blend of the male and female valuation mortality tables and projection scale, with a static projection to 2044. For Safety members, it is based on an 85% / 15% blend of the male and female annuity factors determined using the same mortality tables as used for service-retired members.
B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 7.00%.
C. The Final Compensation is based on the salary paid in the year prior to attaining the retirement age.
D. Example: For a General Plan C Member who enters at age 59 or earlier, the Final Compensation at retirement (age 60) will be the monthly average of the annual salaries during age 59.
E. Member Rates are assumed to increase with entry age. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age. In these cases the member contribution rate is adjusted so that it is no less than the value for the previous entry age.

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Table A-1
Summary of Valuation Assumptions as of June 30, 2023

I. Economic assumptions

A.	Payroll / General wage increases	3.25%
B.	Investment earnings	7.00%
C.	Growth in membership	0.00%
D.	Postretirement benefit increases (varies by plan)	Plan COLA not greater than local price inflation assumption[1]
E.	National price inflation assumption	2.75%
F.	Local price inflation assumption	2.75%

II. Demographic assumptions

A.	Salary increases due to service	Table A-5
B.	Retirement	Tables A-6 to A-13
C.	Disability	Tables A-6 to A-13
D.	Mortality during active employment	Tables A-6 to A-13
E.	Mortality for active members after termination and service retired members[2]	Table A-2

Class	Gender	
General	Male	PubG-2010 (100%) Healthy Retiree Male
General	Female	PubG-2010 (110%) Healthy Retiree Female
Safety	Male	PubS-2010 (85%) Healthy Retiree Male
Safety	Female	PubS-2010 (100%) Healthy Retiree Female

F. Mortality among disabled members[2] — Table A-3

Class	Gender	
General	Male	Avg of: PubG-2010 (100%) Healthy Retiree Male PubG-2010 (100%) Disabled Retiree Male
General	Female	Avg of: PubG-2010 (100%) Healthy Retiree Female PubG-2010 (100%) Disabled Retiree Female
Safety	Male	PubS-2010 (100%) Healthy Retiree Male
Safety	Female	PubS-2010 (100%) Healthy Retiree Female

G. Mortality for beneficiaries[1] — Table A-2
Basis – Beneficiaries are assumed to have the same mortality as a General member of the opposite gender who has taken a service retirement.

H.	Other terminations of employment	Tables A-6 to A-13
I.	Refund of contributions on vested termination	Table A-4

1. To account for existing Plan A COLA accumulation balances, retirees and beneficiaries with a retirement date prior to April 1, 2023 are assumed to receive 3.00% annual COLAs.

2. All mortality probabilities are projected using the MP-2021 Ultimate projection scale.

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Table A-2
Mortality for Members Retired for Service[1]

Age	Safety Male	Safety Female	General Male	General Female
20	0.0520%	0.0210%	0.0740%	0.0380%
25	0.0470%	0.0260%	0.0560%	0.0260%
30	0.0520%	0.0350%	0.0720%	0.0440%
35	0.0590%	0.0470%	0.0940%	0.0680%
40	0.0750%	0.0640%	0.1320%	0.1060%
45	0.1037%	0.0870%	0.1960%	0.1650%
50	0.1632%	0.1490%	0.2980%	0.2442%
55	0.2601%	0.2580%	0.4310%	0.3146%
60	0.4318%	0.4460%	0.6150%	0.4224%
65	0.7489%	0.7700%	0.9130%	0.6743%
70	1.3328%	1.3290%	1.5260%	1.1693%
75	2.4021%	2.2950%	2.6710%	2.0713%
80	4.3376%	3.9620%	4.7740%	3.6960%
85	7.7648%	6.8420%	8.5910%	6.8255%
90	13.4810%	11.8150%	14.6720%	12.6357%

Mortality Improvement Scale

Age	All Groups
60 & Less	1.350%
61	1.350%
62	1.350%
63	1.340%
64	1.320%
65	1.310%
70	1.240%
75	1.170%
80	1.100%
85	0.870%
90	0.630%
95	0.400%
100	0.300%
105	0.200%
110	0.100%
115	0.000%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2010. Annual projected improvements are assumed in the following years under the schedule shown. For example, the annual mortality probability for an 85-year old Safety male in fiscal year beginning in 2023 is 6.9310% calculated as follows:

Age 85 probability in 2023 = Age 85 probability in 2010 with 13 years improvement

= 7.7648% x (100.0% - 0.87%) ^ 13 = 6.9310%

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Table A-3
Mortality for Members Retired for Disability[1]

Age	Safety Male	Safety Female	General Male	General Female
20	0.0610%	0.0210%	0.2430%	0.1340%
25	0.0550%	0.0260%	0.1670%	0.0940%
30	0.0610%	0.0350%	0.2130%	0.1485%
35	0.0700%	0.0470%	0.2760%	0.2315%
40	0.0880%	0.0640%	0.3885%	0.3625%
45	0.1220%	0.0870%	0.6015%	0.5675%
50	0.1920%	0.1490%	0.9515%	0.8525%
55	0.3060%	0.2580%	1.2725%	1.0140%
60	0.5080%	0.4460%	1.5590%	1.1700%
65	0.8810%	0.7700%	1.9785%	1.4345%
70	1.5680%	1.3290%	2.7135%	1.9625%
75	2.8260%	2.2950%	3.9315%	2.9430%
80	5.1030%	3.9620%	6.0610%	4.6835%
85	9.1350%	6.8420%	9.7030%	7.7680%
90	15.8600%	11.8150%	15.4625%	12.5760%

1. Mortality probabilities are those applicable for the fiscal year beginning in 2010. Annual projected improvements are assumed in the following years under the schedule shown on the preceding page.

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Table A-4
Immediate Refund of Contributions upon Termination of Employment
(Excludes Plan E)

Years of Service	General	Safety
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	30%	30%
6	30%	30%
7	30%	30%
8	29%	28%
9	28%	26%
10	28%	24%
11	28%	22%
12	28%	20%
13	27%	18%
14	26%	16%
15	26%	14%
16	25%	12%
17	24%	10%
18	22%	9%
19	21%	8%
20	19%	7%
21	18%	6%
22	16%	5%
23	14%	4%
24	12%	3%
25	10%	2%
26	8%	2%
27	6%	2%
28	4%	2%
29	2%	2%
30 & Up	0%	0%

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Table A-5
Annual Increase in Salary[1]

Years of Service	General	Safety
<1	6.00%	9.00%
1	5.25%	8.50%
2	4.75%	7.50%
3	4.10%	5.75%
4	3.50%	4.25%
5	3.00%	3.00%
6	2.50%	2.50%
7	2.00%	2.10%
8	1.60%	1.70%
9	1.45%	1.45%
10	1.30%	1.30%
11	1.15%	1.20%
12	1.00%	1.10%
13	0.90%	1.00%
14	0.85%	0.90%
15	0.80%	0.90%
16	0.75%	0.90%
17	0.70%	0.90%
18	0.65%	0.90%
19	0.60%	2.25%
20	0.55%	0.90%
21	0.50%	0.90%
22	0.45%	0.90%
23	0.40%	0.90%
24	0.40%	3.00%
25	0.40%	0.90%
26	0.40%	0.90%
27	0.40%	0.90%
28	0.40%	0.90%
29	0.40%	3.00%
30 or More	0.40%	0.90%

1. The total expected increase in salary includes both merit (shown above) and the general wage increase assumption of 3.25% per annum increase. The total result is compounded rather than additive. For example, the total assumed increase for General members for service less than one year is 9.45%.

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Appendix A Probabilities of Separation from Active Service Tables A-6 to A-13

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each of these represents the probability that a member will separate from service at each age due to the particular cause. For example, a probability of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed probabilities needed for each LACERA plan by gender:

Table	A-6: General Plan A, B & C – Males	A-10: General Plan E – Males
	A-7: General Plan A, B & C – Females	A-11: General Plan E – Females
	A-8: General Plan D & G – Males	A-12: Safety Plan A, B & C – Males
	A-9: General Plan D & G – Females	A-13: Safety Plan A, B & C – Females

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Table A-6
Probability of Separation from Active Service for General Members
Plans A, B & C – Male

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.00000	0.00500	0.00010	0.00010	N/A	0.00043
19	0.00000	0.00500	0.00010	0.00010	N/A	0.00046
20	0.00000	0.00500	0.00010	0.00010	N/A	0.00044
21	0.00000	0.00500	0.00010	0.00010	N/A	0.00043
22	0.00000	0.00500	0.00010	0.00010	N/A	0.00040
23	0.00000	0.00500	0.00010	0.00010	N/A	0.00037
24	0.00000	0.00500	0.00010	0.00010	N/A	0.00035
25	0.00000	0.00500	0.00010	0.00010	N/A	0.00034
26	0.00000	0.00500	0.00010	0.00010	N/A	0.00036
27	0.00000	0.00500	0.00010	0.00010	N/A	0.00037
28	0.00000	0.00500	0.00010	0.00010	N/A	0.00040
29	0.00000	0.00500	0.00010	0.00010	N/A	0.00041
30	0.00000	0.00500	0.00010	0.00020	N/A	0.00043
31	0.00000	0.00500	0.00010	0.00020	N/A	0.00046
32	0.00000	0.00500	0.00010	0.00020	N/A	0.00048
33	0.00000	0.00500	0.00016	0.00020	N/A	0.00050
34	0.00000	0.00500	0.00022	0.00020	N/A	0.00053
35	0.00000	0.00500	0.00028	0.00020	N/A	0.00056
36	0.00000	0.00500	0.00034	0.00020	N/A	0.00060
37	0.00000	0.00500	0.00040	0.00020	N/A	0.00064
38	0.00000	0.00500	0.00048	0.00020	N/A	0.00068
39	0.00000	0.00500	0.00056	0.00020	N/A	0.00073
40	0.03000	0.00500	0.00064	0.00020	N/A	0.00079
41	0.03000	0.00500	0.00072	0.00020	N/A	0.00085
42	0.03000	0.00500	0.00080	0.00020	N/A	0.00092
43	0.03000	0.00500	0.00084	0.00024	N/A	0.00100
44	0.03000	0.00500	0.00088	0.00028	N/A	0.00108
45	0.03000	0.00500	0.00092	0.00032	N/A	0.00118
46	0.03000	0.00500	0.00096	0.00036	N/A	0.00128
47	0.03000	0.00500	0.00100	0.00040	N/A	0.00139
48	0.03000	0.00500	0.00104	0.00044	N/A	0.00152
49	0.03000	0.00500	0.00108	0.00048	N/A	0.00166
50	0.03000	0.00500	0.00112	0.00052	N/A	0.00179
51	0.03000	0.00500	0.00116	0.00056	N/A	0.00194
52	0.03000	0.00500	0.00120	0.00060	N/A	0.00210
53	0.03000	0.00500	0.00156	0.00064	N/A	0.00227
54	0.06000	0.00500	0.00192	0.00068	N/A	0.00244
55	0.10000	0.00500	0.00228	0.00072	N/A	0.00263
56	0.12000	0.00500	0.00264	0.00076	N/A	0.00283
57	0.17000	0.00500	0.00300	0.00080	N/A	0.00306
58	0.26000	0.00500	0.00330	0.00084	N/A	0.00330
59	0.26000	0.00500	0.00360	0.00088	N/A	0.00355
60	0.30000	0.00500	0.00390	0.00092	N/A	0.00383
61	0.30000	0.00500	0.00420	0.00096	N/A	0.00413
62	0.30000	0.00500	0.00450	0.00100	N/A	0.00445
63	0.30000	0.00500	0.00450	0.00104	N/A	0.00481
64	0.30000	0.00500	0.00450	0.00108	N/A	0.00520
65	0.30000	0.00500	0.00450	0.00112	N/A	0.00562
66	0.22000	0.00500	0.00450	0.00116	N/A	0.00607
67	0.22000	0.00500	0.00450	0.00120	N/A	0.00658
68	0.22000	0.00500	0.00450	0.00124	N/A	0.00713
69	0.22000	0.00500	0.00450	0.00128	N/A	0.00775
70	0.22000	0.00500	0.00450	0.00132	N/A	0.00844
71	0.22000	0.00500	0.00450	0.00136	N/A	0.00920
72	0.22000	0.00500	0.00450	0.00140	N/A	0.01004
73	0.22000	0.00500	0.00450	0.00144	N/A	0.01098
74	0.22000	0.00500	0.00450	0.00148	N/A	0.01201
75	1.00000	0.00000	0.00000	0.00000	N/A	0.01315

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Table A-7
Probability of Separation from Active Service for General Members
Plans A, B & C – Female

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
19	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
20	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
21	0.00000	0.00500	0.00015	0.00010	N/A	0.00016
22	0.00000	0.00500	0.00015	0.00010	N/A	0.00014
23	0.00000	0.00500	0.00015	0.00010	N/A	0.00013
24	0.00000	0.00500	0.00015	0.00010	N/A	0.00012
25	0.00000	0.00500	0.00015	0.00010	N/A	0.00012
26	0.00000	0.00500	0.00015	0.00010	N/A	0.00013
27	0.00000	0.00500	0.00015	0.00010	N/A	0.00014
28	0.00000	0.00500	0.00015	0.00010	N/A	0.00016
29	0.00000	0.00500	0.00015	0.00010	N/A	0.00017
30	0.00000	0.00500	0.00015	0.00010	N/A	0.00020
31	0.00000	0.00500	0.00015	0.00010	N/A	0.00021
32	0.00000	0.00500	0.00015	0.00010	N/A	0.00023
33	0.00000	0.00500	0.00020	0.00010	N/A	0.00025
34	0.00000	0.00500	0.00025	0.00010	N/A	0.00027
35	0.00000	0.00500	0.00030	0.00010	N/A	0.00030
36	0.00000	0.00500	0.00035	0.00010	N/A	0.00033
37	0.00000	0.00500	0.00040	0.00010	N/A	0.00036
38	0.00000	0.00500	0.00042	0.00014	N/A	0.00039
39	0.00000	0.00500	0.00044	0.00018	N/A	0.00043
40	0.03000	0.00500	0.00046	0.00022	N/A	0.00047
41	0.03000	0.00500	0.00048	0.00026	N/A	0.00052
42	0.03000	0.00500	0.00050	0.00030	N/A	0.00056
43	0.03000	0.00500	0.00060	0.00032	N/A	0.00061
44	0.03000	0.00500	0.00070	0.00034	N/A	0.00066
45	0.03000	0.00500	0.00080	0.00036	N/A	0.00073
46	0.03000	0.00500	0.00090	0.00038	N/A	0.00079
47	0.03000	0.00500	0.00100	0.00040	N/A	0.00086
48	0.03000	0.00500	0.00110	0.00042	N/A	0.00092
49	0.03000	0.00500	0.00120	0.00044	N/A	0.00100
50	0.03000	0.00500	0.00130	0.00046	N/A	0.00108
51	0.03000	0.00500	0.00140	0.00048	N/A	0.00117
52	0.03000	0.00500	0.00150	0.00050	N/A	0.00126
53	0.03000	0.00500	0.00156	0.00052	N/A	0.00137
54	0.06000	0.00500	0.00162	0.00054	N/A	0.00147
55	0.10000	0.00500	0.00168	0.00056	N/A	0.00160
56	0.12000	0.00500	0.00174	0.00058	N/A	0.00173
57	0.17000	0.00500	0.00180	0.00060	N/A	0.00187
58	0.26000	0.00500	0.00194	0.00064	N/A	0.00203
59	0.26000	0.00500	0.00208	0.00068	N/A	0.00221
60	0.30000	0.00500	0.00222	0.00072	N/A	0.00242
61	0.30000	0.00500	0.00236	0.00076	N/A	0.00264
62	0.30000	0.00500	0.00250	0.00080	N/A	0.00289
63	0.30000	0.00500	0.00250	0.00084	N/A	0.00317
64	0.30000	0.00500	0.00250	0.00088	N/A	0.00350
65	0.30000	0.00500	0.00250	0.00092	N/A	0.00385
66	0.22000	0.00500	0.00250	0.00096	N/A	0.00425
67	0.22000	0.00500	0.00250	0.00100	N/A	0.00471
68	0.22000	0.00500	0.00250	0.00104	N/A	0.00520
69	0.22000	0.00500	0.00250	0.00108	N/A	0.00575
70	0.22000	0.00500	0.00250	0.00112	N/A	0.00636
71	0.22000	0.00500	0.00250	0.00116	N/A	0.00703
72	0.22000	0.00500	0.00250	0.00120	N/A	0.00777
73	0.22000	0.00500	0.00250	0.00124	N/A	0.00859
74	0.22000	0.00500	0.00250	0.00128	N/A	0.00950
75	1.00000	0.00000	0.00000	0.00000	N/A	0.01050

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Table A-8
Probability of Separation from Active Service for General Members
Plans D & G – Male

Age	Service Retirement[1] Plan D	Service Retirement[1] Plan G	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading[2]
18	0.00000	0.00000	0.00010	0.00010	N/A	0.00043	0	0.08000	80%
19	0.00000	0.00000	0.00010	0.00010	N/A	0.00046	1	0.06500	80%
20	0.00000	0.00000	0.00010	0.00010	N/A	0.00044	2	0.05000	80%
21	0.00000	0.00000	0.00010	0.00010	N/A	0.00043	3	0.04250	80%
22	0.00000	0.00000	0.00010	0.00010	N/A	0.00040	4	0.03500	80%
23	0.00000	0.00000	0.00010	0.00010	N/A	0.00037	5	0.03100	80%
24	0.00000	0.00000	0.00010	0.00010	N/A	0.00035	6	0.02900	80%
25	0.00000	0.00000	0.00010	0.00010	N/A	0.00034	7	0.02700	80%
26	0.00000	0.00000	0.00010	0.00010	N/A	0.00036	8	0.02500	80%
27	0.00000	0.00000	0.00010	0.00010	N/A	0.00037	9	0.02000	80%
28	0.00000	0.00000	0.00010	0.00010	N/A	0.00040	10	0.01700	80%
29	0.00000	0.00000	0.00010	0.00010	N/A	0.00041	11	0.01500	80%
30	0.00000	0.00000	0.00010	0.00020	N/A	0.00043	12	0.01350	80%
31	0.00000	0.00000	0.00010	0.00020	N/A	0.00046	13	0.01200	80%
32	0.00000	0.00000	0.00010	0.00020	N/A	0.00048	14	0.01100	80%
33	0.00000	0.00000	0.00016	0.00020	N/A	0.00050	15	0.01000	80%
34	0.00000	0.00000	0.00022	0.00020	N/A	0.00053	16	0.00950	80%
35	0.00000	0.00000	0.00028	0.00020	N/A	0.00056	17	0.00900	80%
36	0.00000	0.00000	0.00034	0.00020	N/A	0.00060	18	0.00850	80%
37	0.00000	0.00000	0.00040	0.00020	N/A	0.00064	19	0.00800	80%
38	0.00000	0.00000	0.00048	0.00020	N/A	0.00068	20	0.00750	90%
39	0.00000	0.00000	0.00056	0.00020	N/A	0.00073	21	0.00700	90%
40	0.01500	0.00000	0.00064	0.00020	N/A	0.00079	22	0.00650	90%
41	0.01500	0.00000	0.00072	0.00020	N/A	0.00085	23	0.00600	90%
42	0.01500	0.00000	0.00080	0.00020	N/A	0.00092	24	0.00550	90%
43	0.01500	0.00000	0.00084	0.00024	N/A	0.00100	25	0.00500	110%
44	0.01500	0.00000	0.00088	0.00028	N/A	0.00108	26	0.00450	110%
45	0.01500	0.00000	0.00092	0.00032	N/A	0.00118	27	0.00400	110%
46	0.01500	0.00000	0.00096	0.00036	N/A	0.00128	28	0.00400	110%
47	0.01500	0.00000	0.00100	0.00040	N/A	0.00139	29	0.00400	110%
48	0.01500	0.00000	0.00104	0.00044	N/A	0.00152	30 & Above	0.00000	160%
49	0.01500	0.00000	0.00108	0.00048	N/A	0.00166			
50	0.01500	0.01200	0.00112	0.00052	N/A	0.00179			
51	0.01200	0.00960	0.00116	0.00056	N/A	0.00194			
52	0.01200	0.00960	0.00120	0.00060	N/A	0.00210			
53	0.01500	0.01200	0.00156	0.00064	N/A	0.00227			
54	0.02000	0.01600	0.00192	0.00068	N/A	0.00244			
55	0.03000	0.02400	0.00228	0.00072	N/A	0.00263			
56	0.03000	0.02400	0.00264	0.00076	N/A	0.00283			
57	0.03000	0.02400	0.00300	0.00080	N/A	0.00306			
58	0.04000	0.03200	0.00330	0.00084	N/A	0.00330			
59	0.05000	0.04000	0.00360	0.00088	N/A	0.00355			
60	0.07000	0.05600	0.00390	0.00092	N/A	0.00383			
61	0.07000	0.05600	0.00420	0.00096	N/A	0.00413			
62	0.10000	0.10000	0.00450	0.00100	N/A	0.00445			
63	0.12000	0.12000	0.00450	0.00104	N/A	0.00481			
64	0.17000	0.17000	0.00450	0.00108	N/A	0.00520			
65	0.23000	0.18400	0.00450	0.00112	N/A	0.00562			
66	0.19000	0.15200	0.00450	0.00116	N/A	0.00607			
67	0.19000	0.30000	0.00450	0.00120	N/A	0.00658			
68	0.19000	0.19000	0.00450	0.00124	N/A	0.00713			
69	0.19000	0.19000	0.00450	0.00128	N/A	0.00775			
70	0.24000	0.24000	0.00450	0.00132	N/A	0.00844			
71	0.19000	0.19000	0.00450	0.00136	N/A	0.00920			
72	0.19000	0.19000	0.00450	0.00140	N/A	0.01004			
73	0.19000	0.19000	0.00450	0.00144	N/A	0.01098			
74	0.19000	0.19000	0.00450	0.00148	N/A	0.01201			
75	1.00000	1.00000	0.00000	0.00000	N/A	0.01315			

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Table A-9
Probability of Separation from Active Service for General Members
Plans D & G – Female

Age	Service Retirement[1] Plan D	Service Retirement[1] Plan G	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading[2]
18	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	0	0.08000	80%
19	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	1	0.06500	80%
20	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	2	0.05000	80%
21	0.00000	0.00000	0.00015	0.00010	N/A	0.00016	3	0.04250	80%
22	0.00000	0.00000	0.00015	0.00010	N/A	0.00014	4	0.03500	80%
23	0.00000	0.00000	0.00015	0.00010	N/A	0.00013	5	0.03100	80%
24	0.00000	0.00000	0.00015	0.00010	N/A	0.00012	6	0.02900	80%
25	0.00000	0.00000	0.00015	0.00010	N/A	0.00012	7	0.02700	80%
26	0.00000	0.00000	0.00015	0.00010	N/A	0.00013	8	0.02500	80%
27	0.00000	0.00000	0.00015	0.00010	N/A	0.00014	9	0.02000	80%
28	0.00000	0.00000	0.00015	0.00010	N/A	0.00016	10	0.01700	80%
29	0.00000	0.00000	0.00015	0.00010	N/A	0.00017	11	0.01500	80%
30	0.00000	0.00000	0.00015	0.00010	N/A	0.00020	12	0.01350	80%
31	0.00000	0.00000	0.00015	0.00010	N/A	0.00021	13	0.01200	80%
32	0.00000	0.00000	0.00015	0.00010	N/A	0.00023	14	0.01100	80%
33	0.00000	0.00000	0.00020	0.00010	N/A	0.00025	15	0.01000	80%
34	0.00000	0.00000	0.00025	0.00010	N/A	0.00027	16	0.00950	80%
35	0.00000	0.00000	0.00030	0.00010	N/A	0.00030	17	0.00900	80%
36	0.00000	0.00000	0.00035	0.00010	N/A	0.00033	18	0.00850	80%
37	0.00000	0.00000	0.00040	0.00010	N/A	0.00036	19	0.00800	80%
38	0.00000	0.00000	0.00042	0.00014	N/A	0.00039	20	0.00750	90%
39	0.00000	0.00000	0.00044	0.00018	N/A	0.00043	21	0.00700	90%
40	0.01500	0.00000	0.00046	0.00022	N/A	0.00047	22	0.00650	90%
41	0.01500	0.00000	0.00048	0.00026	N/A	0.00052	23	0.00600	90%
42	0.01500	0.00000	0.00050	0.00030	N/A	0.00056	24	0.00550	90%
43	0.01500	0.00000	0.00060	0.00032	N/A	0.00061	25	0.00500	110%
44	0.01500	0.00000	0.00070	0.00034	N/A	0.00066	26	0.00450	110%
45	0.01500	0.00000	0.00080	0.00036	N/A	0.00073	27	0.00400	110%
46	0.01500	0.00000	0.00090	0.00038	N/A	0.00079	28	0.00400	110%
47	0.01500	0.00000	0.00100	0.00040	N/A	0.00086	29	0.00400	110%
48	0.01500	0.00000	0.00110	0.00042	N/A	0.00092	30 & Above	0.00000	160%
49	0.01500	0.00000	0.00120	0.00044	N/A	0.00100			
50	0.01500	0.01200	0.00130	0.00046	N/A	0.00108			
51	0.01200	0.00960	0.00140	0.00048	N/A	0.00117			
52	0.01200	0.00960	0.00150	0.00050	N/A	0.00126			
53	0.01500	0.01200	0.00156	0.00052	N/A	0.00137			
54	0.02000	0.01600	0.00162	0.00054	N/A	0.00147			
55	0.03000	0.02400	0.00168	0.00056	N/A	0.00160			
56	0.03000	0.02400	0.00174	0.00058	N/A	0.00173			
57	0.03000	0.02400	0.00180	0.00060	N/A	0.00187			
58	0.04000	0.03200	0.00194	0.00064	N/A	0.00203			
59	0.05000	0.04000	0.00208	0.00068	N/A	0.00221			
60	0.07000	0.05600	0.00222	0.00072	N/A	0.00242			
61	0.07000	0.05600	0.00236	0.00076	N/A	0.00264			
62	0.10000	0.10000	0.00250	0.00080	N/A	0.00289			
63	0.12000	0.12000	0.00250	0.00084	N/A	0.00317			
64	0.17000	0.17000	0.00250	0.00088	N/A	0.00350			
65	0.23000	0.18400	0.00250	0.00092	N/A	0.00385			
66	0.19000	0.15200	0.00250	0.00096	N/A	0.00425			
67	0.19000	0.30000	0.00250	0.00100	N/A	0.00471			
68	0.19000	0.19000	0.00250	0.00104	N/A	0.00520			
69	0.19000	0.19000	0.00250	0.00108	N/A	0.00575			
70	0.24000	0.24000	0.00250	0.00112	N/A	0.00636			
71	0.19000	0.19000	0.00250	0.00116	N/A	0.00703			
72	0.19000	0.19000	0.00250	0.00120	N/A	0.00777			
73	0.19000	0.19000	0.00250	0.00124	N/A	0.00859			
74	0.19000	0.19000	0.00250	0.00128	N/A	0.00950			
75	1.00000	1.00000	0.00000	0.00000	N/A	0.01050			

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Table A-10
Probability of Separation from Active Service for General Members
Plan E – Male

Age	Service Retirement[1]	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading[2]
18	0.00000	N/A	N/A	N/A	0.00043	0	0.08000	70%
19	0.00000	N/A	N/A	N/A	0.00046	1	0.06500	70%
20	0.00000	N/A	N/A	N/A	0.00044	2	0.05000	70%
21	0.00000	N/A	N/A	N/A	0.00043	3	0.04250	70%
22	0.00000	N/A	N/A	N/A	0.00040	4	0.03500	70%
23	0.00000	N/A	N/A	N/A	0.00037	5	0.03100	70%
24	0.00000	N/A	N/A	N/A	0.00035	6	0.02700	70%
25	0.00000	N/A	N/A	N/A	0.00034	7	0.02300	70%
26	0.00000	N/A	N/A	N/A	0.00036	8	0.02300	70%
27	0.00000	N/A	N/A	N/A	0.00037	9	0.02300	70%
28	0.00000	N/A	N/A	N/A	0.00040	10	0.02300	70%
29	0.00000	N/A	N/A	N/A	0.00041	11	0.01900	70%
30	0.00000	N/A	N/A	N/A	0.00043	12	0.01800	70%
31	0.00000	N/A	N/A	N/A	0.00046	13	0.01680	70%
32	0.00000	N/A	N/A	N/A	0.00048	14	0.01560	70%
33	0.00000	N/A	N/A	N/A	0.00050	15	0.01440	70%
34	0.00000	N/A	N/A	N/A	0.00053	16	0.01320	70%
35	0.00000	N/A	N/A	N/A	0.00056	17	0.01200	70%
36	0.00000	N/A	N/A	N/A	0.00060	18	0.01160	70%
37	0.00000	N/A	N/A	N/A	0.00064	19	0.01120	70%
38	0.00000	N/A	N/A	N/A	0.00068	20	0.01080	70%
39	0.00000	N/A	N/A	N/A	0.00073	21	0.01040	70%
40	0.00000	N/A	N/A	N/A	0.00079	22	0.01000	70%
41	0.00000	N/A	N/A	N/A	0.00085	23	0.01000	70%
42	0.00000	N/A	N/A	N/A	0.00092	24	0.01000	70%
43	0.00000	N/A	N/A	N/A	0.00100	25	0.01000	100%
44	0.00000	N/A	N/A	N/A	0.00108	26	0.01000	100%
45	0.00000	N/A	N/A	N/A	0.00118	27	0.01000	100%
46	0.00000	N/A	N/A	N/A	0.00128	28	0.01000	100%
47	0.00000	N/A	N/A	N/A	0.00139	29	0.01000	100%
48	0.00000	N/A	N/A	N/A	0.00152	30 & Above	0.01000	130%
49	0.00000	N/A	N/A	N/A	0.00166			
50	0.00000	N/A	N/A	N/A	0.00179			
51	0.00000	N/A	N/A	N/A	0.00194			
52	0.00000	N/A	N/A	N/A	0.00210			
53	0.00000	N/A	N/A	N/A	0.00227			
54	0.00000	N/A	N/A	N/A	0.00244			
55	0.02000	N/A	N/A	N/A	0.00263			
56	0.02000	N/A	N/A	N/A	0.00283			
57	0.02500	N/A	N/A	N/A	0.00306			
58	0.02500	N/A	N/A	N/A	0.00330			
59	0.03000	N/A	N/A	N/A	0.00355			
60	0.04000	N/A	N/A	N/A	0.00383			
61	0.06000	N/A	N/A	N/A	0.00413			
62	0.09000	N/A	N/A	N/A	0.00445			
63	0.09000	N/A	N/A	N/A	0.00481			
64	0.19000	N/A	N/A	N/A	0.00520			
65	0.27000	N/A	N/A	N/A	0.00562			
66	0.20000	N/A	N/A	N/A	0.00607			
67	0.20000	N/A	N/A	N/A	0.00658			
68	0.20000	N/A	N/A	N/A	0.00713			
69	0.20000	N/A	N/A	N/A	0.00775			
70	0.20000	N/A	N/A	N/A	0.00844			
71	0.20000	N/A	N/A	N/A	0.00920			
72	0.20000	N/A	N/A	N/A	0.01004			
73	0.20000	N/A	N/A	N/A	0.01098			
74	0.20000	N/A	N/A	N/A	0.01201			
75	1.00000	N/A	N/A	N/A	0.01315			

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Table A-11
Probability of Separation from Active Service for General Members
Plan E – Female

Age	Service Retirement[1]	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.00000	N/A	N/A	N/A	0.00017
19	0.00000	N/A	N/A	N/A	0.00017
20	0.00000	N/A	N/A	N/A	0.00017
21	0.00000	N/A	N/A	N/A	0.00016
22	0.00000	N/A	N/A	N/A	0.00014
23	0.00000	N/A	N/A	N/A	0.00013
24	0.00000	N/A	N/A	N/A	0.00012
25	0.00000	N/A	N/A	N/A	0.00012
26	0.00000	N/A	N/A	N/A	0.00013
27	0.00000	N/A	N/A	N/A	0.00014
28	0.00000	N/A	N/A	N/A	0.00016
29	0.00000	N/A	N/A	N/A	0.00017
30	0.00000	N/A	N/A	N/A	0.00020
31	0.00000	N/A	N/A	N/A	0.00021
32	0.00000	N/A	N/A	N/A	0.00023
33	0.00000	N/A	N/A	N/A	0.00025
34	0.00000	N/A	N/A	N/A	0.00027
35	0.00000	N/A	N/A	N/A	0.00030
36	0.00000	N/A	N/A	N/A	0.00033
37	0.00000	N/A	N/A	N/A	0.00036
38	0.00000	N/A	N/A	N/A	0.00039
39	0.00000	N/A	N/A	N/A	0.00043
40	0.00000	N/A	N/A	N/A	0.00047
41	0.00000	N/A	N/A	N/A	0.00052
42	0.00000	N/A	N/A	N/A	0.00056
43	0.00000	N/A	N/A	N/A	0.00061
44	0.00000	N/A	N/A	N/A	0.00066
45	0.00000	N/A	N/A	N/A	0.00073
46	0.00000	N/A	N/A	N/A	0.00079
47	0.00000	N/A	N/A	N/A	0.00086
48	0.00000	N/A	N/A	N/A	0.00092
49	0.00000	N/A	N/A	N/A	0.00100
50	0.00000	N/A	N/A	N/A	0.00108
51	0.00000	N/A	N/A	N/A	0.00117
52	0.00000	N/A	N/A	N/A	0.00126
53	0.00000	N/A	N/A	N/A	0.00137
54	0.00000	N/A	N/A	N/A	0.00147
55	0.02000	N/A	N/A	N/A	0.00160
56	0.02000	N/A	N/A	N/A	0.00173
57	0.02500	N/A	N/A	N/A	0.00187
58	0.02500	N/A	N/A	N/A	0.00203
59	0.03000	N/A	N/A	N/A	0.00221
60	0.04000	N/A	N/A	N/A	0.00242
61	0.06000	N/A	N/A	N/A	0.00264
62	0.09000	N/A	N/A	N/A	0.00289
63	0.09000	N/A	N/A	N/A	0.00317
64	0.19000	N/A	N/A	N/A	0.00350
65	0.27000	N/A	N/A	N/A	0.00385
66	0.20000	N/A	N/A	N/A	0.00425
67	0.20000	N/A	N/A	N/A	0.00471
68	0.20000	N/A	N/A	N/A	0.00520
69	0.20000	N/A	N/A	N/A	0.00575
70	0.20000	N/A	N/A	N/A	0.00636
71	0.20000	N/A	N/A	N/A	0.00703
72	0.20000	N/A	N/A	N/A	0.00777
73	0.20000	N/A	N/A	N/A	0.00859
74	0.20000	N/A	N/A	N/A	0.00950
75	1.00000	N/A	N/A	N/A	0.01050

Years of Service	Other Terminations	Retirement Rate Loading[2]
0	0.08000	70%
1	0.06500	70%
2	0.05000	70%
3	0.04250	70%
4	0.03500	70%
5	0.03100	70%
6	0.02700	70%
7	0.02300	70%
8	0.02300	70%
9	0.02300	70%
10	0.02300	70%
11	0.01900	70%
12	0.01800	70%
13	0.01680	70%
14	0.01560	70%
15	0.01440	70%
16	0.01320	70%
17	0.01200	70%
18	0.01160	70%
19	0.01120	70%
20	0.01080	70%
21	0.01040	70%
22	0.01000	70%
23	0.01000	70%
24	0.01000	70%
25	0.01000	100%
26	0.01000	100%
27	0.01000	100%
28	0.01000	100%
29	0.01000	100%
30 & Above	0.01000	130%

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Table A-12
Probability of Separation from Active Service for Safety Members
Plans A, B & C – Male

Age	Service Retirement[1] Plans A & B	Service Retirement[1] Plan C	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading[2]
18	0.00000	0.00000	0.00200	0.00000	0.00010	0.00037	0	0.05000	30%
19	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	1	0.03750	30%
20	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	2	0.02000	30%
21	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	3	0.01500	30%
22	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	4	0.01200	30%
23	0.00000	0.00000	0.00200	0.00000	0.00010	0.00039	5	0.01130	30%
24	0.00000	0.00000	0.00200	0.00000	0.00010	0.00038	6	0.01070	30%
25	0.00000	0.00000	0.00200	0.00000	0.00010	0.00037	7	0.01000	30%
26	0.00000	0.00000	0.00200	0.00000	0.00010	0.00038	8	0.00920	30%
27	0.00000	0.00000	0.00200	0.00000	0.00010	0.00039	9	0.00840	30%
28	0.00000	0.00000	0.00200	0.00000	0.00010	0.00040	10	0.00760	30%
29	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	11	0.00680	30%
30	0.00000	0.00000	0.00200	0.00000	0.00010	0.00041	12	0.00600	30%
31	0.00000	0.00000	0.00200	0.00000	0.00010	0.00042	13	0.00560	30%
32	0.00000	0.00000	0.00200	0.00000	0.00010	0.00043	14	0.00520	30%
33	0.00000	0.00000	0.00210	0.00000	0.00010	0.00044	15	0.00480	40%
34	0.00000	0.00000	0.00220	0.00000	0.00010	0.00045	16	0.00440	40%
35	0.00000	0.00000	0.00230	0.00000	0.00010	0.00047	17	0.00400	40%
36	0.00000	0.00000	0.00240	0.00000	0.00010	0.00049	18	0.00360	40%
37	0.00000	0.00000	0.00250	0.00000	0.00010	0.00050	19	0.00320	40%
38	0.00000	0.00000	0.00260	0.00000	0.00010	0.00053	20	0.00280	70%
39	0.00000	0.00000	0.00270	0.00000	0.00010	0.00056	21	0.00240	70%
40	0.00750	0.00000	0.00280	0.00000	0.00010	0.00059	22	0.00200	70%
41	0.00750	0.00000	0.00290	0.00000	0.00010	0.00062	23	0.00200	70%
42	0.00750	0.00000	0.00300	0.00000	0.00010	0.00067	24	0.00200	70%
43	0.00750	0.00000	0.00310	0.00000	0.00010	0.00071	25	0.00200	110%
44	0.00750	0.00000	0.00320	0.00000	0.00010	0.00076	26	0.00200	110%
45	0.00750	0.00000	0.00330	0.00000	0.00010	0.00082	27	0.00200	110%
46	0.00750	0.00000	0.00340	0.00000	0.00010	0.00088	28	0.00200	110%
47	0.00750	0.00000	0.00350	0.00000	0.00010	0.00095	29	0.00200	110%
48	0.00750	0.00000	0.00400	0.00000	0.00010	0.00102	30 & Above	0.00000	170%
49	0.00750	0.00000	0.00500	0.00000	0.00010	0.00111			
50	0.02000	0.02000	0.00750	0.00000	0.00010	0.00120			
51	0.02000	0.02000	0.00750	0.00000	0.00010	0.00129			
52	0.02000	0.02000	0.00750	0.00000	0.00010	0.00140			
53	0.03000	0.03000	0.02000	0.00000	0.00010	0.00151			
54	0.12000	0.08000	0.02000	0.00000	0.00010	0.00162			
55	0.22000	0.15000	0.07500	0.00000	0.00010	0.00175			
56	0.18000	0.15000	0.07500	0.00000	0.00010	0.00190			
57	0.14000	0.23000	0.10000	0.00000	0.00010	0.00205			
58	0.15000	0.15000	0.10000	0.00000	0.00010	0.00223			
59	0.22000	0.22000	0.10000	0.00000	0.00010	0.00243			
60	0.21000	0.21000	0.10000	0.00000	0.00010	0.00264			
61	0.20000	0.20000	0.05000	0.00000	0.00010	0.00288			
62	0.20000	0.20000	0.05000	0.00000	0.00010	0.00315			
63	0.20000	0.20000	0.05000	0.00000	0.00010	0.00344			
64	0.23000	0.23000	0.05000	0.00000	0.00010	0.00375			
65	1.00000	1.00000	0.00000	0.00000	0.00000	0.00410			

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Table A-13
Probability of Separation from Active Service for Safety Members
Plans A, B & C – Female

Age	Service Retirement[1] Plans A & B	Service Retirement[1] Plan C	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations	Retirement Rate Loading[2]
18	0.00000	0.00000	0.00300	0.00000	0.00010	0.00014	0	0.05000	30%
19	0.00000	0.00000	0.00300	0.00000	0.00010	0.00015	1	0.03750	30%
20	0.00000	0.00000	0.00300	0.00000	0.00010	0.00016	2	0.02000	30%
21	0.00000	0.00000	0.00300	0.00000	0.00010	0.00017	3	0.01500	30%
22	0.00000	0.00000	0.00300	0.00000	0.00010	0.00017	4	0.01200	30%
23	0.00000	0.00000	0.00300	0.00000	0.00010	0.00018	5	0.01130	30%
24	0.00000	0.00000	0.00300	0.00000	0.00010	0.00019	6	0.01070	30%
25	0.00000	0.00000	0.00300	0.00000	0.00010	0.00020	7	0.01000	30%
26	0.00000	0.00000	0.00300	0.00000	0.00010	0.00021	8	0.00920	30%
27	0.00000	0.00000	0.00300	0.00000	0.00010	0.00022	9	0.00840	30%
28	0.00000	0.00000	0.00340	0.00000	0.00010	0.00024	10	0.00760	30%
29	0.00000	0.00000	0.00380	0.00000	0.00010	0.00025	11	0.00680	30%
30	0.00000	0.00000	0.00420	0.00000	0.00010	0.00027	12	0.00600	30%
31	0.00000	0.00000	0.00460	0.00000	0.00010	0.00028	13	0.00560	30%
32	0.00000	0.00000	0.00500	0.00000	0.00010	0.00030	14	0.00520	30%
33	0.00000	0.00000	0.00560	0.00000	0.00010	0.00032	15	0.00480	40%
34	0.00000	0.00000	0.00620	0.00000	0.00010	0.00034	16	0.00440	40%
35	0.00000	0.00000	0.00680	0.00000	0.00010	0.00036	17	0.00400	40%
36	0.00000	0.00000	0.00740	0.00000	0.00010	0.00038	18	0.00360	40%
37	0.00000	0.00000	0.00800	0.00000	0.00010	0.00041	19	0.00320	40%
38	0.00000	0.00000	0.00840	0.00000	0.00010	0.00043	20	0.00280	70%
39	0.00000	0.00000	0.00880	0.00000	0.00010	0.00046	21	0.00240	70%
40	0.00750	0.00000	0.00920	0.00000	0.00010	0.00049	22	0.00200	70%
41	0.00750	0.00000	0.00960	0.00000	0.00010	0.00052	23	0.00200	70%
42	0.00750	0.00000	0.01000	0.00000	0.00010	0.00056	24	0.00200	70%
43	0.00750	0.00000	0.01040	0.00000	0.00010	0.00059	25	0.00200	110%
44	0.00750	0.00000	0.01080	0.00000	0.00010	0.00063	26	0.00200	110%
45	0.00750	0.00000	0.01120	0.00000	0.00010	0.00067	27	0.00200	110%
46	0.00750	0.00000	0.01160	0.00000	0.00010	0.00071	28	0.00200	110%
47	0.00750	0.00000	0.01200	0.00000	0.00010	0.00076	29	0.00200	110%
48	0.00750	0.00000	0.01300	0.00000	0.00010	0.00080	30 & Above	0.00000	170%
49	0.00750	0.00000	0.01500	0.00000	0.00010	0.00085			
50	0.02000	0.02000	0.01800	0.00000	0.00010	0.00091			
51	0.02000	0.02000	0.02000	0.00000	0.00010	0.00097			
52	0.02000	0.02000	0.02400	0.00000	0.00010	0.00103			
53	0.03000	0.03000	0.02800	0.00000	0.00010	0.00109			
54	0.12000	0.08000	0.03200	0.00000	0.00010	0.00116			
55	0.22000	0.15000	0.11000	0.00000	0.00010	0.00123			
56	0.18000	0.15000	0.06000	0.00000	0.00010	0.00131			
57	0.14000	0.23000	0.06000	0.00000	0.00010	0.00140			
58	0.15000	0.15000	0.06000	0.00000	0.00010	0.00148			
59	0.22000	0.22000	0.06000	0.00000	0.00010	0.00158			
60	0.21000	0.21000	0.06000	0.00000	0.00010	0.00168			
61	0.20000	0.20000	0.06000	0.00000	0.00010	0.00178			
62	0.20000	0.20000	0.06000	0.00000	0.00010	0.00190			
63	0.20000	0.20000	0.06000	0.00000	0.00010	0.00202			
64	0.23000	0.23000	0.06000	0.00000	0.00010	0.00215			
65	1.00000	1.00000	0.00000	0.00000	0.00000	0.00228			

1. Service retirement rates vary by years of service. The applicable retirement rate loading that varies by years of service is shown on this page in a separate column.
2. The retirement rate loading is applied to the service retirement rate at each member's applicable age and years of service.

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Appendix B Summary of Plan Provisions

All actuarial calculations are based on our understanding of the statutes governing LACERA as contained in the County Employees Retirement Law (CERL) of 1937 and the California Public Employees' Pension Reform Act of 2013 (PEPRA). The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the Government Code Section. This summary does not attempt to cover all the detailed provisions of the law.

MEMBERSHIP	Government Code Section
Permanent employees of Los Angeles County (County) and participating districts who work ¾ time or more are eligible for membership in LACERA.	(31551, 31552, Bylaws)
Employees eligible for safety membership (law enforcement, firefighting and specific lifeguards) become safety members on the first day of the month after date of hire. Employees who become members on or after January 1, 2013, will enter into Safety Plan C.	(31558)
All other employees become general members on the first day of the month after date of hire or the first day of the month after they make an election of either Plan D or Plan E, depending on the law in effect at that time. Employees who become members on or after January 1, 2013 will enter into General Plan G.	(31493, 31493.5, 31493.6, Bylaws)
Elective officers become members on the first day of the month after filing a declaration with the Board of Retirement (Board).	(31553, 31562)
General members in Plan E may transfer all their Plan E service credit to Plan D during an approved transfer period by making the required contributions. Transferred members relinquish, waive, and forfeit any and all vested or accrued benefits available under any other retirement plan and are entitled only to the benefits of Plan D.	(31494.1, 31494.3)

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RETIREMENT PLANS

The County has established nine defined benefit plans. The following outlines the dates these plans were available, based on a member's date of entry into LACERA:

Safety Member Plans:

Plan A: Inception to August 1977
Plan B: September 1977 through December 2012
Plan C: January 2013 to present (7522.02)

General Member Plans:

Plan A: Inception through August 1977
Plan B: September 1977 through September 1978
Plan C: October 1978 through May 1979
Plan D: June 1979 through December 2012
Plan E: February 1982 through December 2012
Plan G: January 2013 to present (31487, 31496) (7522.02)

NOTE: After review of a new member's account, a member with prior membership may be enrolled into one of the pre-PEPRA plans.

MEMBER CONTRIBUTIONS

Plans A, B, D and General Plan C members

Contributions are based on the entry age and class of each member and are required of all members in Plans A, B, C, and D. Current member rates are shown in Appendix D. Section 5 provides additional detail on how these rates are calculated. (31620)

Contributions cease when general members are credited with 30 years of service in a contributory plan, provided they were members of LACERA or a reciprocal plan on March 7, 1973, and continuously thereafter. All safety members are eligible for the 30-year cessation of contributions. (31625.2, 31836.1)

Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Investments on amounts that have been on deposit for at least six months. (31591, 31700)

In addition to the normal contributions, members pay one-half of the cost of their plan's COLA. This is discussed further in Section 5 of this report. (31873)

General Plan G and Safety Plan C members

Members contribute 50% of the aggregate Normal Cost rate for their Plan. (7522.30)

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EMPLOYER CONTRIBUTIONS

The employer (County or District) contributes to the retirement fund a percent of the total compensation provided for all members based on an actuarial valuation and recommendation of the actuary and the Board of Investments. (31453, 31454 31581)

SERVICE RETIREMENT ALLOWANCE

Eligibility

Plans A-B: **Safety members** (31662.4, 31662.6, 31663.25)

Age 50 with 10 years of County service;
Any age with 20 years of service; or

Plans A-D: **General members** (31672)

Age 50 with 10 years of County service;
Any age with 30 years of service; or
Age 70 and actively employed, regardless of service.

Plan C: **Safety members** (7522.25(d))

Age 50 with 5 years of service.

Plan E: **General members** (31491, 31491.3)

Age 65 with 10 years of service.
A reduced benefit is also payable at age 55 with 10 years of service.

Plan G: **General members** (7522.20(a))

Age 52 with 5 years of service.

Final Compensation

General Plans A-D and Safety Plans A-B (31462.3)

Average of the member's highest monthly pensionable earnings during any 12-consecutive-month period.

Plan E: Average of the member's highest monthly pensionable earnings during any three 12-consecutive month periods. (31488)

General Plan G and Safety Plan C

Average of the member's highest monthly pensionable earnings during any 36-consecutive month period. (7522.32)

The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code. (31671)

The amount of compensation taken into account for General Plan G and Safety Plan C members is limited to $175,250 for 2023. The amount of compensation taken into account shall be adjusted based on changes in the Consumer Price Index for All Urban Consumers: U.S. City Average. Adjustments shall be effective annually on January 1. (7522.10)

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SERVICE RETIREMENT ALLOWANCE (continued)

Monthly Allowance

Plans A-B:	**Safety members**	
	1/50 x Final Compensation x Safety age factor x Years of service. (The Safety Plan A and Safety Plan B age factors are the same.)	(31664)
Plans A-D:	**General members**	(31676.1)
	1/60 x Final Compensation x a Plan specific age factor x years of service. (The General Plan C and General D age factors are the same.)	(31676.11) (31676.14) (7522.25(d))
Plan C:	**Safety members**	
	Final Compensation x Safety Plan percentage x Years of service.	
Plan E:	**General members [(a)+(b)-(c)] x d where:**	(31491, 31491.3 (b)&(c))
	(a) 2% x Final Compensation x (Years of Service (up to 35 years), plus (b) 1 % x Final Compensation x Years of Service in excess of 35 (up to 10) (c) Estimated Primary Insurance Amount (PIA) x Years of Covered Service (up to 35) divided by 35. (d) Early Retirement Adjustment Factor The PIA is calculated based on certain assumptions specified by statute, and an assumed Social Security retirement age of 62. If retirement occurs prior to age 65, benefit amount is adjusted by an Early Retirement Adjustment Factor.	
Plan G:	**General members**	(7522.20(a))
	Final Compensation x General Plan percentage x Years of Service.	

Social Security Integration

Plans A-C:	**General Members**	
	For County service covered by Social Security prior to January 1, 1983, the 1/60 factor is replaced by 1/90 for the first $350 of compensation.	(31808)
Plan D:	The 1/90 factor is applied to the first $1,050 of compensation.	

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SERVICE RETIREMENT ALLOWANCE (continued)

Sample Plan Age Factors

Plan	Age 50	Age 55	Age 60	Age 65 & Up	
General A	0.8850	1.1686	1.4638	1.5668	(31676.14)
General B	0.7454	1.0000	1.3093	1.5668	(31676.11)
General C&D	0.7091	0.8954	1.1500	1.4593	(31676.1)
General E	N/A	0.3748	0.6009	1.0000	(31491.3(a))
Safety A&B	1.0000	1.3099	1.3099	1.3099	(31664)

Sample Plan Age Percentages

Plan	Age 50	Age 55	Age 60	Age 65 & Up	
General G	N/A	1.30%	1.80%	2.30%*	(7522.20(a))
Safety C	2.00%	2.50%	2.70%	2.70%	(7522.25(d))

**Maximum percentage for General Plan G is 2.50% at age 67.*

Maximum Allowance

Plans A-D, G: Allowance may not exceed 100% of final compensation. (31676.1, 31676.11, 31676.14)

Plan E: The sum of the normal retirement allowance and the estimated PIA cannot exceed 70% of Final Compensation for a member with 35 or less years of service, and cannot exceed 80% of Final Compensation if service exceeds 35 years. (31491)

Unmodified Retirement Allowance (Normal Form)

Plans A-D, G: Life Annuity payable to retired member with 65% continuance to an eligible survivor (or eligible children). (31760.12, 31785.4)

Plan E: Life Annuity payable to retired member with 55% continuance to an eligible survivor (or eligible children). (31492.1)

Eligible survivor includes certain domestic partners. (31780.2)

Optional Retirement Allowance

A member may elect to have the actuarial equivalent of the service or disability retirement allowance applied to a lesser retirement allowance during the retired member's life in order to provide an optional survivor allowance. (31760)

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Unmodified Plus:	Members with eligible survivors may elect a higher percent than the standard unmodified continuance, up to 100%. The benefit is actuarially reduced from the unmodified amount. The elected percent of the member's reduced allowance is payable to the eligible survivor.	(31760.5)
Option 1:	Member's allowance is reduced to pay a cash refund of any unpaid annuity payments (up to the amount of the member's contributions at retirement) to the member's estate or to a beneficiary having an insurable interest in the life of the member.	(31761)
Option 2:	100% of member's reduced allowance is payable to a beneficiary having an insurable interest in the life of the member.	(31762)
Option 3:	50% of member's reduced allowance is payable to a beneficiary having an insurable interest in the life of the member.	(31763)
Option 4:	Other % of member's reduced allowance is payable to a beneficiary(ies) having an insurable interest in the life of the member.	(31764)

A member may not revoke and name another beneficiary if the member elects Option 2, 3, or 4. (31782)

Pension Advance Option:	The Pension Advance Option is available to members who are fully insured under Social Security for the purpose of coordinating a member's retirement allowance with benefits receivable from Social Security. It is not available to disability retirees or members who elect Option 2, 3, or 4. The allowance is increased prior to age 62 and then reduced after 62 by amounts which have equivalent actuarial values. The automatic 65% continuance for eligible spouses of members who elect the Pension Advance Option is based on the unmodified allowance the member would have received if the member had not elected the option.	(31810, 31811)

All Allowances (31452.7, 31600)

All allowances are made on a pro-rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. For deaths that occur mid-month, the full month's payment is made.

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SERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility

Plans A-D, G:	Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.	(31720)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance

Greater of (1) 50% of final compensation, and (2) the service retirement allowance, if eligible to retire. (31727.4)

Normal Form Of Payment

Life Annuity with 100% continuance to a surviving spouse (or eligible children). (31786)

NONSERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility

Plans A-D, G:	Any age with five years of service, and permanently incapacitated for the performance of duty.	(31720)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance

The monthly allowance is equal to a service retirement allowance if a General member is age 65 or a Safety member is age 55; otherwise the monthly allowance is the greater of that to which the member would be entitled as service retirement or the sum of (a) or (b) where: (31726, 31726.5)

General Members:	(a) 90% of 1/60 of Final Compensation x years of service, if member must rely on service in another retirement plan in order to be eligible to retire, or allowance exceeds 1/3 of final compensation.	(31727(a))
	(b) 90% of 1/60 of Final Compensation x years of service projected to age 65, not to exceed 1/3 of Final Compensation.	(31727(b))
Safety Members:	1/60 is replaced by 1/50 and age 65 is replaced by age 55 in (a) and (b) above.	(31727.2)

Normal Form of Payment

Life Annuity with 65% continuance to a surviving spouse (or eligible children). (31760.1, 31760.12, 31785, 31785.4)

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SERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS

Eligibility

Plans A-D, G:	Active members who die in service as a result of injury or disease arising out of and in the course of employment.	(31787)
Plan E:	Not available under Plan E.	(31487)

Monthly Allowance (31787)

A monthly allowance payable to an eligible survivor (or eligible children) equal to the retirement allowance the deceased member would have received under a service-connected disability retirement.

Optional Combined Benefit (31781.3)

In lieu of the monthly allowance above, a surviving spouse may elect:

(a) A lump sum equal to 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation), plus

(b) A monthly payment equal to 50% of the member's Final Compensation, reduced by a monthly amount, which is the actuarial equivalent of (a) above based on the age of surviving spouse.

Death Benefit (Lump Sum) (31781)

The member's accumulated contributions with interest, plus 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation).

Additional Allowance for Children (31787.5)

In the case of a surviving spouse of a member who is killed in the performance of duty or who dies as the result of an accident or an injury caused by external violence or physical force, incurred in the performance of the member's duty: 25% of death allowance (whether or not the monthly allowance or combined benefit is chosen) for one child, 40% for two children, and 50% for three or more children.

Additional Amount for Spouse of Safety Member (31787.6)

A surviving spouse of a safety member, who is killed in the performance of duty or who dies as the result of an accident or injury caused by external violence or physical force, incurred in the performance of his or her duty, is also entitled to receive a lump-sum death benefit equal to 12 x monthly rate of compensation at the time of member's death in addition to all other benefits.

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the monthly allowance or the lump sum, whichever is more valuable.

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NONSERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS

Eligibility

Plans A-D, G:	Active members who die while in service or while physically or mentally incapacitated for the performance of duty.	(31780)
Plan E:	Not available under Plan E.	(31487)

Death Benefit (Lump Sum) (31781)

The member's accumulated contributions with interest, plus 1/12 of the compensation earned in preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation).

Optional Death Benefit

In lieu of the lump-sum death benefit, the following several optional death benefits are available to provide flexibility to survivors.

First Optional Death Benefit (31781.1, 31781.12)

If a member who would have been entitled to a non-service-connected disability retirement allowance dies prior to retirement as a result of such disability, the surviving spouse (or eligible children) may elect to receive an optional death allowance equal to 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death.

Second Optional Death Benefit (31781.2, 31765.2)

If a member dies prior to reaching the minimum retirement age but has 10 or more years of County service, a surviving spouse (or eligible children) may elect to leave the amount of the death benefit on deposit until the earliest date the member could have retired and at that time receive the allowance provided for in Section 31765 (an Option 3 benefit) or 31765.2 (a 65% continuance).

Third Optional Death Benefit

A surviving spouse of a member who dies after five years of County service may elect a combined benefit equal to:

(a) A lump sum equal to 1/12 of the compensation earnable in the preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation), plus (31781.3)

(b) A monthly payment equal to 65% of the monthly retirement allowance to which the member would have been entitled if the member retired or could have retired for a non-service-connected disability as of the date of death, reduced by a monthly amount which is the actuarial equivalent of (a) above based on the age of surviving spouse. (31781.1, 31781.12)

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NONSERVICE-CONNECTED PRE-RETIREMENT DEATH BENEFITS (continued)

Fourth Optional Death Benefit

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary, the spouse (or eligible children) may elect to receive 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31765.1, 31765.2)

Fifth Optional Death Benefit

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary and survives the member by not less than 30 days, the spouse (or eligible children) may elect to receive the same retirement allowance as the spouse would have received had the member retired on the date of death and selected Option 3. (31765)

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the first optional death benefit or the lump sum, whichever is more valuable.

POSTRETIREMENT DEATH/BURIAL BENEFIT

Plans A-E:	A one-time lump-sum benefit of $5,000 is payable to the estate or to the beneficiary designated by the member upon the death of any member while receiving a retirement allowance. This is in addition to any other death or survivor benefits. The amount is currently paid by the County based on agreement with LACERA. It is not included for valuation purposes.	(31789.3)

DEFERRED RETIREMENT ALLOWANCE

Eligibility

Plans A, B, D and General Plan C:		
	Five years of county or reciprocal service. Member contributions must be left on deposit.	(31700)
Safety Plan C:	Age 50 with 5 years of service.	(7522.25(d))
Plan E:	Age 55 with 10 years of service.	(31491)
Plan G:	Age 52 with 5 years of service.	(7522.20(a))

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DEFERRED RETIREMENT ALLOWANCE (continued)

Monthly Allowance

Plans A-D, G:	Same as service retirement allowance; payable any time after the member would have been eligible for service retirement.	(31703, 31704, 31705)
	If a former member dies before the effective date of the deferred retirement allowance, the member's accumulated contributions are paid to the estate or to the named beneficiary.	(31702)
Plan E:	Same as service retirement allowance at normal retirement age 65 or in an actuarially equivalent reduced amount at early retirement, after age 55.	(31491)

TRANSFERS BETWEEN PLAN D AND PLAN E

Members in Plan D may transfer to Plan E on a prospective basis. Members in Plan E may transfer to Plan D on a prospective basis.	(31494.2, 31494.5)

RECIPROCITY

All Plans:	Reciprocal benefits are granted to members who are entitled to retirement benefits from two or more retirement plans established under the CERL or from a County retirement plan and the California Public Employees' Retirement System (CalPERS). Reciprocity also applies to the members of the State Teachers' Retirement System Defined Benefit Plan.	(31830, 31840.4, 31840.8)
	Final Compensation may be based on service with CalPERS or another County retirement plan, if greater.	(31835)
	Vested former members are eligible for disability and death benefits from LACERA, if disabled while a member of CalPERS or another County retirement plan, but combined benefits are limited.	(31837, 31838, 31838.5, 31839)

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TRANSFER FROM CALPERS

Whenever firefighting or law enforcement functions performed by a public agency or the state subject to the California Public Employees Retirement Law are transferred to the County, fire authority, or district, employees performing those functions become members of LACERA. LACERA and CalPERS may enter into an agreement whereby the members' service credit plus the members' and the cities' or states' retirement contributions are transferred from CalPERS to LACERA. (31657)

COST-OF-LIVING INCREASES

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the Consumer Price Index (CPI) from the previous January 1 to the current January 1, to the nearest ½ of 1%. (31870, 31870.1)

Plan A:	Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase.	(31870.1)
Plans B-D, G:	Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. When the CPI exceeds 2% or 3%, the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation. It may be used in future years to provide cost-of-living increases when the CPI falls below 2% or 3%, depending on the retirement plan.	(31870)
Plan E:	Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. The 2% is pro-rated based on service earned after June 4, 2002. "Elective COLA" increases for service earned prior to June 4, 2002 may be purchased by the member.	(31495.5)

STAR PROGRAM

Contributory plan members who have a COLA Accumulation of more than 20% resulting from CPI increases that exceeded the maximum cost-of-living increases that could be granted are eligible for a supplemental cost-of-living increase effective January 1 known as the Supplemental Targeted Adjustment for Retirees Cost-of-Living Adjustment (STAR COLA). These benefits are not evaluated in this report, or as part of the actuarially required funding amount, unless they have been vested by the Board of Retirement. (31874.3(b))

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Appendix C Valuation Data and Schedules

On the following table, Exhibit C-1, we present a summary of LACERA membership at June 30, 2023 for active members. Similar information is shown in Exhibit C-2 Retired for retired members and C-2 Former for vested former members.

Note that salary amounts shown are the prior year annual pensionable earnings for those members of plans with a one-year final compensation period. For plans with a three-year final compensation period, the monthly rate of pay at June 2023 is shown.

Additional statistical data on both active and retired members is shown in the following tables. Additional detailed summaries are supplied to LACERA staff in a supplementary report.

Exhibit C-3: Age Distribution of Active Members

Exhibit C-4: Age, Service, Compensation Distribution of Active Members

Exhibit C-5: Age, Retirement Year, Benefit Amount and Plan Distribution of Retired Members

Exhibits C-4 and C-5 are shown for all plans combined as well as for each plan separately.

Data on LACERA membership as of June 30, 2023 was supplied to us by LACERA staff. Based on our review of this data and discussions with LACERA staff, all retiree and beneficiary records were included in our valuation.

All records for active and former members supplied by LACERA were included in the valuation.

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Exhibit C-1
LACERA Membership – Active Members as of June 30, 2023

	Sex	Vested	NonVested	Total Number	Annual Salary	Average Age	Average Monthly Salary	Average Service
General Members								
Plan A	M	19	-	19	$ 3,125,040	77.2	$ 13,706	43.9
	F	32	-	32	3,113,136	72.9	8,107	41.4
Plan B	M	3	-	3	352,800	73.3	9,800	30.0
	F	9	-	9	1,255,812	69.7	11,628	41.7
Plan C	M	3	-	3	231,564	71.0	6,432	44.5
	F	10	-	10	1,490,868	68.5	12,424	42.8
Plan D	M	10,911	48	10,959	1,242,678,480	52.7	9,449	21.2
	F	22,931	78	23,009	2,392,244,472	52.3	8,664	21.3
Plan E	M	4,037	3	4,040	416,857,920	56.5	8,599	24.5
	F	8,939	9	8,948	765,561,924	56.7	7,130	25.2
Plan G	M	6,275	6,187	12,462	1,080,777,780	40.6	7,227	5.0
	F	12,237	12,564	24,801	1,934,911,644	39.9	6,501	4.9
Total		65,406	18,889	84,295	$ 7,842,601,440	47.6	$ 7,753	14.6
Safety Members								
Plan A	M	-	-	-	-	N/A	N/A	N/A
	F	-	-	-	-	N/A	N/A	N/A
Plan B	M	6,322	71	6,393	959,406,420	47.6	12,506	20.8
	F	1,147	4	1,151	165,152,904	45.8	11,957	19.5
Plan C	M	2,141	2,152	4,293	474,020,484	33.5	9,201	5.0
	F	365	408	773	84,896,772	32.5	9,152	5.0
Total		9,975	2,635	12,610	$ 1,683,476,580	41.7	$ 11,125	14.3
Grand Total		75,381	21,524	96,905	$ 9,526,078,020	46.9	$ 8,192	14.6

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Exhibit C-2
Retired LACERA Membership – Retired Members and Beneficiaries as of June 30, 2023

	Sex	Number	Annual Allowance	Average Age	Average Monthly Benefit
General Members					
Plan A	M	5,960	$ 467,547,256	81.9	$ 6,537
	F	11,114	640,192,346	81.4	4,800
Plan B	M	199	15,048,340	76.8	6,302
	F	491	28,518,830	76.5	4,840
Plan C	M	141	8,709,324	75.9	5,147
	F	331	17,192,383	75.8	4,328
Plan D	M	7,948	411,466,150	69.5	4,314
	F	15,250	706,425,063	69.4	3,860
Plan E	M	5,449	197,937,297	73.2	3,027
	F	11,557	350,394,611	73.0	2,527
Plan G	M	131	2,299,715	64.8	1,463
	F	174	2,395,296	64.2	1,147
Total		58,745	$ 2,848,126,611	74.1	$ 4,040
Safety Members					
Plan A	M	3,904	$ 457,329,012	78.9	$ 9,762
	F	2,007	167,145,817	79.8	6,940
Plan B	M	6,825	769,949,369	62.2	9,401
	F	1,497	124,358,207	60.0	6,923
Plan C	M	21	1,189,072	54.7	4,719
	F	9	360,170	40.7	3,335
Total		14,263	$ 1,520,331,647	69.0	$ 8,883
Grand Total		73,008	$ 4,368,458,258	73.1	$ 4,986

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Exhibit C-2
Former LACERA Membership – Vested Former Members as of June 30, 2023[1]
Subtotaled by Plan and Retirement Type

	Sex	Number	Average Age
General Members			
Plan A	M	14	76.7
	F	30	75.6
Plan B	M	2	75.5
	F	6	73.3
Plan C	M	5	70.0
	F	8	68.9
Plan D	M	2,524	51.0
	F	5,286	50.5
Plan E	M	894	57.3
	F	2,012	57.9
Plan G	M	2,441	39.2
	F	5,770	38.5
Total		18,992	46.7
Safety Members			
Plan A	M	4	71.0
	F	-	-
Plan B	M	666	46.2
	F	118	46.5
Plan C	M	545	32.7
	F	89	33.0
Total		1,422	40.3
Grand Total		20,414	46.2

1. Includes non-vested former members who still have member contributions with LACERA

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Exhibit C-2a
LACERA Membership – Retired Members and Beneficiaries as of June 30, 2023
Subtotaled by Plan and Retirement Type

Plan	Retirement Type	Number	Annual Benefits in Thousands	Average Monthly Benefit
General Plans:				
Plan A				
	Healthy	11,909	$ 882,503	$ 6,175
	Disabled	1,117	52,497	3,917
	Beneficiaries	4,048	172,740	3,556
	Total	17,074	$ 1,107,740	$ 5,407
Plan B				
	Healthy	569	$ 38,616	$ 5,656
	Disabled	48	1,909	3,314
	Beneficiaries	73	3,042	3,472
	Total	690	$ 43,567	$ 5,262
Plan C				
	Healthy	361	$ 22,240	$ 5,134
	Disabled	47	1,742	3,088
	Beneficiaries	64	1,920	2,500
	Total	472	$ 25,902	$ 4,573
Plan D				
	Healthy	18,771	$ 969,034	$ 4,302
	Disabled	2,436	94,851	3,245
	Beneficiaries	1,991	54,007	2,260
	Total	23,198	$ 1,117,892	$ 4,016
Plan E				
	Healthy	15,385	$ 521,222	$ 2,823
	Disabled	N/A	N/A	N/A
	Beneficiaries	1,621	27,110	1,394
	Total	17,006	$ 548,332	$ 2,687
Plan G				
	Healthy	252	$ 3,493	$ 1,155
	Disabled	31	916	2,463
	Beneficiaries	22	286	1,083
	Total	305	$ 4,695	$ 1,283
Safety Plans:				
Plan A				
	Healthy	1,832	$ 224,610	$ 10,217
	Disabled	2,447	267,974	9,126
	Beneficiaries	1,632	131,890	6,735
	Total	5,911	$ 624,474	$ 8,804
Plan B				
	Healthy	3,318	$ 371,365	$ 9,327
	Disabled	4,595	493,362	8,947
	Beneficiaries	409	29,581	6,027
	Total	8,322	$ 894,308	$ 8,955
Plan C				
	Healthy	12	$ 746	$ 5,180
	Disabled	16	730	3,803
	Beneficiaries	2	73	3,049
	Total	30	$ 1,549	$ 4,303
Grand Totals		73,008	4,368,459	4,986

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Exhibit C-2b
LACERA Membership – Retired Members and Beneficiaries as of June 30, 2023
Subtotaled by Retirement Type and Plan

Type	Plan	Number		Annual Benefits in Thousands		Average Monthly Benefit
Healthy Retirees						
	General A	11,909	$	882,503	$	6,175
	General B	569		38,616		5,656
	General C	361		22,240		5,134
	General D	18,771		969,034		4,302
	General E	15,385		521,222		2,823
	General G	252		3,493		1,155
	Safety A	1,832		224,610		10,217
	Safety B	3,318		371,365		9,327
	Safety C	12		746		5,180
	Total	52,409	$	3,033,829	$	4,824
Disabled Retirees						
	General A	1,117	$	52,497	$	3,917
	General B	48		1,909		3,314
	General C	47		1,742		3,088
	General D	2,436		94,851		3,245
	General E	N/A		N/A		N/A
	General G	31		916		2,463
	Safety A	2,447		267,974		9,126
	Safety B	4,595		493,362		8,947
	Safety C	16		730		3,803
	Total	10,737	$	913,981	$	7,094
Beneficiaries						
	General A	4,048	$	172,740	$	3,556
	General B	73		3,042		3,472
	General C	64		1,920		2,500
	General D	1,991		54,007		2,260
	General E	1,621		27,110		1,394
	General G	22		286		1,083
	Safety A	1,632		131,890		6,735
	Safety B	409		29,581		6,027
	Safety C	2		73		3,049
	Total	9,862	$	420,649	$	3,554
Grand Totals		73,008	$	4,368,459	$	4,986

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Exhibit C-3
Age Distribution of Active Members as of June 30, 2023

	Age Groups						
	0-29	30-39	40-49	50-59	60-69	70+	Total
General Plans:							
Plan A							
Male	-	-	-	-	2	17	19
Female	-	-	-	-	6	26	32
Plan B							
Male	-	-	-	-	-	3	3
Female	-	-	-	-	5	4	9
Plan C							
Male	-	-	-	-	1	2	3
Female	-	-	-	-	5	5	10
Plan D							
Male	-	645	3,424	4,395	2,219	276	10,959
Female	-	1,314	7,718	9,174	4,294	509	23,009
Plan E							
Male	-	137	805	1,496	1,323	279	4,040
Female	-	244	1,644	3,458	3,099	503	8,948
Plan G							
Male	1,327	5,400	3,368	1,627	678	62	12,462
Female	2,771	11,478	6,266	3,142	1,059	85	24,801
Safety Plans:							
Plan A							
Male	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-
Plan B							
Male	-	911	2,743	2,545	192	2	6,393
Female	-	220	586	331	13	1	1,151
Plan C							
Male	1,196	2,472	509	93	22	1	4,293
Female	247	448	67	10	1	-	773
Grand Totals:	5,541	23,269	27,130	26,271	12,919	1,775	96,905

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Exhibit C-4
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
All Plans

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	463	111	29	45	22	2	-	-	-	-	-	-	672
25-29	1,509	805	694	750	476	635	-	-	-	-	-	-	4,869
30-34	1,506	924	895	1,235	1,189	4,418	353	16	-	-	-	-	10,536
35-39	967	655	617	884	913	5,228	2,228	1,189	52	-	-	-	12,733
40-44	711	385	401	553	574	3,445	2,475	3,936	954	66	1	-	13,501
45-49	490	240	266	379	410	2,229	1,606	3,555	3,520	863	71	-	13,629
50-54	310	192	183	255	279	1,579	1,127	2,586	3,613	2,448	1,239	105	13,916
55-59	242	130	138	185	191	1,152	805	1,774	2,460	1,903	2,327	1,048	12,355
60-64	84	67	56	97	124	767	647	1,411	1,756	1,047	1,474	1,509	9,039
65 & Over	27	24	20	41	57	430	457	1,002	1,379	635	650	933	5,655
Total Count	6,309	3,533	3,299	4,424	4,235	19,885	9,698	15,469	13,734	6,962	5,762	3,595	96,905

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	53,176	60,384	72,456	83,885	64,940	82,332	-	-	-	-	-	-	57,727
25-29	61,063	66,096	73,183	82,288	84,438	90,027	-	-	-	-	-	-	72,955
30-34	66,388	74,101	74,006	80,411	81,944	88,552	101,237	92,428	-	-	-	-	81,612
35-39	73,275	82,854	87,991	84,875	91,269	93,217	104,665	104,059	120,608	-	-	-	93,325
40-44	75,820	85,400	83,951	87,019	94,847	96,494	111,737	106,082	111,219	112,708	230,076	-	100,977
45-49	75,109	76,474	80,056	80,611	89,304	94,311	113,507	105,673	112,948	125,242	139,075	-	104,728
50-54	66,856	77,897	80,718	78,654	87,734	92,296	109,510	106,023	112,332	127,252	129,046	127,102	109,868
55-59	69,869	70,319	82,330	78,423	80,754	88,339	101,425	98,560	103,887	118,909	120,312	112,130	105,619
60-64	90,205	81,226	80,948	68,881	85,868	87,398	101,883	91,073	96,350	112,896	111,305	113,792	101,727
65 & Over	91,752	94,115	87,336	77,889	100,326	90,140	101,779	86,626	86,351	103,422	102,607	108,255	95,476
Avg. Annual Compensation	$ 67,523	$ 75,199	$ 79,051	$ 82,039	$ 87,298	$ 92,121	$ 107,782	$ 102,317	$ 106,279	$ 120,252	$ 118,139	$ 112,260	$ 98,303

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Exhibit C-4a
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan A

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	2	3	3	3	3	37	51
Total Count	-	-	-	-	-	-	2	3	3	3	3	37	51

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	57,216	64,056	66,896	132,048	94,076	136,554	122,317
Avg. Annual Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ 57,216	$ 64,056	$ 66,896	$ 132,048	$ 94,076	$ 136,554	$ 122,317

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-4b
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan B

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	2	1	1	8	12
Total Count	-	-	-	-	-	-	-	-	2	1	1	8	12

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	151,626	170,316	148,872	123,272	134,051
Avg. Annual Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 151,626	$ 170,316	$ 148,872	$ 123,272	$ 134,051

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit C-4c
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan C

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	5	5
65 & Over	-	-	-	-	-	-	-	-	-	-	-	8	8
Total Count	-	-	-	-	-	-	-	-	-	-	-	13	13

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	103,471	103,471
65 & Over	-	-	-	-	-	-	-	-	-	-	-	150,635	150,635
Avg. Annual Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 132,495	$ 132,495

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Exhibit C-4d
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan D

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	1	-	-	7	6	90	8	-	-	-	-	112
35-39	2	1	4	4	11	68	1,155	562	40	-	-	-	1,847
40-44	4	2	6	4	11	109	1,543	2,485	582	56	-	-	4,802
45-49	5	2	2	8	9	89	1,058	2,396	2,189	530	52	-	6,340
50-54	3	4	3	5	12	63	775	1,778	2,295	1,371	653	76	7,038
55-59	1	-	2	4	2	53	537	1,232	1,596	1,219	1,277	608	6,531
60-64	1	2	-	1	2	24	389	949	1,150	683	782	680	4,663
65 & Over	-	-	1	3	1	15	288	643	778	386	292	228	2,635
Total Count	16	12	18	29	55	427	5,835	10,053	8,630	4,245	3,056	1,592	33,968

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	109,548	-	-	103,567	84,490	79,223	76,490	-	-	-	-	81,102
35-39	121,812	116,844	70,437	123,888	105,770	105,203	99,126	87,898	117,646	-	-	-	96,399
40-44	170,871	89,808	127,852	138,393	117,532	110,732	109,270	99,793	102,189	107,055	-	-	103,624
45-49	143,942	179,268	55,890	94,613	157,885	116,345	112,984	103,312	106,977	111,727	127,939	-	107,387
50-54	63,176	128,424	74,412	175,306	160,023	124,402	108,598	106,133	109,427	118,143	114,836	120,368	111,065
55-59	165,888	-	279,936	95,169	93,726	118,826	101,173	99,572	104,821	118,403	116,512	121,424	110,065
60-64	37,584	264,312	-	217,692	114,096	99,812	105,027	95,910	100,945	117,411	114,966	123,475	108,391
65 & Over	-	-	138,096	106,600	46,572	103,376	99,397	89,808	92,006	106,546	110,893	131,147	99,968
Avg. Annual Compensation	$ 127,489	$ 150,572	$ 115,658	$ 124,163	$ 126,996	$ 112,802	$ 105,867	$ 100,037	$ 104,803	$ 116,098	$ 115,416	$ 123,642	$ 107,010

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Exhibit C-4e
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan E

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	1	18	1	-	-	-	-	20
35-39	-	-	-	-	-	1	196	163	1	-	-	-	361
40-44	-	-	-	-	-	2	268	536	122	-	-	-	928
45-49	-	-	-	-	-	4	210	615	612	78	2	-	1,521
50-54	-	-	-	-	-	1	169	514	735	432	241	16	2,108
55-59	-	-	-	-	-	-	157	418	638	472	763	398	2,846
60-64	-	-	-	-	-	2	157	430	555	327	665	796	2,932
65 & Over	-	-	-	-	-	1	105	350	587	243	348	638	2,272
Total Count	-	-	-	-	-	12	1,280	3,027	3,250	1,552	2,019	1,848	12,988

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	68,556	76,034	78,036	-	-	-	-	75,760
35-39	-	-	-	-	-	139,812	85,675	75,777	53,076	-	-	-	81,266
40-44	-	-	-	-	-	131,532	96,110	82,268	79,779	-	-	-	86,045
45-49	-	-	-	-	-	65,124	100,110	87,225	87,197	90,132	72,966	-	89,065
50-54	-	-	-	-	-	62,280	100,959	87,697	88,209	98,016	90,869	99,299	91,492
55-59	-	-	-	-	-	-	96,978	81,410	84,797	100,315	101,870	90,111	92,866
60-64	-	-	-	-	-	53,424	88,686	77,894	82,630	98,615	104,075	102,151	94,186
65 & Over	-	-	-	-	-	24,636	106,141	80,273	77,851	97,589	94,776	96,044	89,320
Avg. Annual Compensation	$ -	$ -	$ -	$ -	$ -	$ 77,141	$ 95,545	$ 82,876	$ 84,198	$ 98,379	$ 100,032	$ 97,425	$ 91,039

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Exhibit C-4f
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
General Plan G

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	388	77	18	16	16	1	-	-	-	-	-	-	516
25-29	1,314	673	502	458	297	338	-	-	-	-	-	-	3,582
30-34	1,386	821	735	986	976	3,431	89	1	-	-	-	-	8,425
35-39	918	605	537	778	809	4,430	370	6	-	-	-	-	8,453
40-44	690	358	363	501	527	3,035	263	1	-	-	-	-	5,738
45-49	480	232	251	345	390	2,043	146	9	-	-	-	-	3,896
50-54	299	183	172	241	265	1,469	112	6	2	-	-	-	2,749
55-59	238	127	123	175	186	1,079	85	4	2	1	-	-	2,020
60-64	81	65	51	95	122	730	89	9	2	-	-	-	1,244
65 & Over	27	24	19	38	56	411	61	2	1	1	-	-	640
Total Count	5,821	3,165	2,771	3,633	3,644	16,967	1,215	38	7	2	-	-	37,263

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	49,239	52,501	57,613	53,625	54,830	73,104	-	-	-	-	-	-	50,373
25-29	58,003	63,200	62,767	64,950	67,129	69,167	-	-	-	-	-	-	62,345
30-34	64,720	72,173	68,286	72,825	75,368	79,758	84,380	53,976	-	-	-	-	74,270
35-39	72,418	82,061	86,459	81,243	88,735	88,235	95,455	74,252	-	-	-	-	85,673
40-44	74,857	85,139	81,437	84,279	93,030	93,426	107,640	110,892	-	-	-	-	89,737
45-49	74,266	75,240	78,606	77,934	86,800	92,070	109,507	98,597	-	-	-	-	86,896
50-54	65,660	75,869	77,467	75,316	84,244	89,785	117,661	149,092	122,280	-	-	-	84,950
55-59	67,859	69,112	70,957	76,224	79,739	86,016	100,565	261,084	182,256	47,832	-	-	81,506
60-64	90,587	75,593	73,771	66,906	85,405	86,113	104,505	111,909	96,750	-	-	-	85,332
65 & Over	91,752	94,115	84,664	75,622	101,286	89,748	106,046	77,514	152,076	129,636	-	-	91,691
Avg. Annual Compensation	$ 66,036	$ 73,695	$ 74,298	$ 75,818	$ 82,955	$ 87,469	$ 102,569	$ 121,023	$ 136,378	$ 88,734	$ -	$ -	$ 80,930

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Exhibit C-4g
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
Safety Plan A

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	-	-	-	-	-

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	-	-	-	-	-	-	-	-
60-64	-	-	-	-	-	-	-	-	-	-	-	-	-
65 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Avg. Annual Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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Exhibit C-4h
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
Safety Plan B

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	1	-	10	131	6	-	-	-	-	148
35-39	-	-	3	9	4	33	466	457	11	-	-	-	983
40-44	-	1	12	8	4	30	372	913	250	10	1	-	1,601
45-49	-	-	3	3	4	15	183	531	717	255	17	-	1,728
50-54	1	-	7	2	1	8	68	287	579	645	345	13	1,956
55-59	-	-	9	1	-	3	25	118	224	211	287	42	920
60-64	-	-	3	-	-	-	9	23	49	37	26	28	175
65 & Over	-	-	-	-	-	-	1	4	7	1	6	14	33
Total Count	1	1	37	24	13	99	1,255	2,339	1,837	1,159	682	97	7,544

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	120,516	-	129,623	126,924	122,486	-	-	-	-	126,883
35-39	-	-	96,536	118,269	140,898	130,099	131,520	134,333	137,519	-	-	-	132,657
40-44	-	117,924	113,826	121,223	133,041	126,010	135,271	137,136	147,583	144,370	230,076	-	137,953
45-49	-	-	148,124	123,284	144,624	133,340	134,625	137,710	153,129	164,072	180,916	-	148,068
50-54	128,640	-	152,637	113,496	118,740	144,744	127,562	137,255	154,430	166,197	182,610	200,691	160,015
55-59	-	-	161,771	166,908	-	123,648	135,971	142,561	150,898	163,763	186,245	186,246	165,049
60-64	-	-	148,372	-	-	-	152,521	129,757	143,908	155,760	186,390	211,428	162,189
65 & Over	-	-	-	-	-	-	158,892	152,514	150,345	136,152	150,108	184,352	164,821
Avg. Annual Compensation	$ 128,640	$ 117,924	$ 137,011	$ 121,603	$ 137,922	$ 130,291	$ 132,652	$ 136,923	$ 152,162	$ 164,739	$ 184,025	$ 195,178	$ 149,067

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Exhibit C-4i
Age and Service Distribution of Active Members by Count and Average Compensation as of June 30, 2023
Safety Plan C

Count

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Total Count
Under 25	75	34	11	29	6	1	-	-	-	-	-	-	156
25-29	195	132	192	292	179	297	-	-	-	-	-	-	1,287
30-34	120	102	160	248	206	970	25	-	-	-	-	-	1,831
35-39	47	49	73	93	89	696	41	1	-	-	-	-	1,089
40-44	17	24	20	40	32	269	29	1	-	-	-	-	432
45-49	5	6	10	23	7	78	9	4	2	-	-	-	144
50-54	7	5	1	7	1	38	3	1	2	-	-	-	65
55-59	3	3	4	5	3	17	1	2	-	-	-	-	38
60-64	2	-	2	1	-	11	3	-	-	-	1	-	20
65 & Over	-	-	-	-	-	3	-	-	1	-	-	-	4
Total Count	471	355	473	738	523	2,380	111	9	5	-	1	-	5,066

Compensation

Age	Years of Service 0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	Average Comp.
Under 25	73,544	78,236	96,745	100,579	91,902	91,560	-	-	-	-	-	-	82,050
25-29	81,687	80,857	100,418	109,482	113,159	113,766	-	-	-	-	-	-	102,483
30-34	85,659	89,271	100,279	110,409	112,363	119,283	124,042	-	-	-	-	-	111,831
35-39	87,959	91,948	99,879	110,349	110,285	121,947	129,376	140,460	-	-	-	-	116,004
40-44	92,538	87,570	98,478	109,369	112,209	121,792	122,654	143,232	-	-	-	-	115,908
45-49	87,233	89,928	100,856	110,335	109,030	121,865	123,032	119,508	123,744	-	-	-	115,441
50-54	110,669	111,718	155,316	114,559	114,072	125,869	113,072	109,476	113,832	-	-	-	120,984
55-59	197,296	121,420	154,509	124,306	135,008	134,449	144,624	138,660	-	-	-	-	139,693
60-64	101,028	-	162,840	107,736	-	151,749	155,304	-	-	-	103,704	-	143,716
65 & Over	-	-	-	-	-	99,560	-	-	90,324	-	-	-	97,251
Avg. Annual Compensation	$ 83,728	$ 85,939	$ 100,967	$ 109,720	$ 112,126	$ 120,069	$ 126,302	$ 127,613	$ 113,095	$ -	$ 103,704	$ -	$ 110,327

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Exhibit C-5
Distribution of Retired Members and Beneficiaries by Age and Retirement Year as of June 30, 2023
All Plans

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	6	4	12	58	67	147	$ 1,152
35-39	-	-	-	-	-	1	2	4	8	55	68	138	2,503
40-44	-	-	-	-	-	1	2	10	26	93	96	228	3,078
45-49	-	-	-	-	-	1	9	30	80	149	155	424	3,474
50-54	-	-	-	-	1	14	71	75	117	257	709	1,244	3,805
55-59	-	-	-	1	40	104	138	137	261	1,094	2,403	4,178	6,243
60-64	-	-	2	21	83	148	175	192	855	3,002	2,979	7,457	5,870
65-69	-	4	28	62	117	147	221	776	2,545	3,862	4,483	12,245	5,135
70-74	3	31	71	98	129	234	784	2,539	3,603	4,759	1,957	14,208	4,810
75-79	11	109	190	158	273	947	2,643	3,005	3,388	1,867	951	13,542	5,013
80-84	28	107	146	198	763	1,704	2,171	1,811	1,200	771	551	9,450	4,902
85-89	51	81	131	462	1,061	1,059	1,031	591	448	442	358	5,715	4,443
90-94	45	78	269	391	656	431	258	216	201	214	159	2,918	4,073
95-99	18	66	133	153	169	80	56	70	74	58	40	917	3,724
100 & Over	11	27	35	33	21	17	13	8	15	12	5	197	3,210
Total Count	167	503	1,005	1,577	3,313	4,888	7,580	9,468	12,833	16,693	14,981	**73,008**	
Avg Monthly Benefit	$ 2,542	$ 3,163	$ 3,202	$ 3,749	$ 4,721	$ 4,856	$ 5,611	$ 4,871	$ 4,867	$ 4,983	$ 5,288		**$ 4,986**

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Exhibit C-5a
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
General Plan A

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	1	-	1	1	2	5	$ 1,009
35-39	-	-	-	-	-	-	-	2	-	4	2	8	1,122
40-44	-	-	-	-	-	-	1	3	3	1	3	11	1,996
45-49	-	-	-	-	-	-	1	3	4	-	-	8	2,603
50-54	-	-	-	-	-	3	1	5	3	3	5	20	2,826
55-59	-	-	-	1	1	1	4	4	3	5	7	26	3,215
60-64	-	-	-	1	2	4	4	12	9	14	9	55	3,343
65-69	-	2	5	7	3	10	33	82	209	132	38	521	5,492
70-74	2	19	27	27	29	79	281	714	866	213	124	2,381	6,003
75-79	5	50	63	49	118	495	1,096	1,283	491	225	189	4,064	6,157
80-84	16	53	67	93	543	854	1,283	506	243	220	211	4,089	5,682
85-89	32	50	76	365	709	706	451	169	171	197	180	3,106	4,913
90-94	25	56	219	281	524	253	105	107	113	122	98	1,903	4,212
95-99	16	54	113	138	137	50	34	51	52	35	31	711	3,793
100 & Over	11	23	34	31	12	14	12	7	11	7	4	166	3,302
Total Count	107	307	604	993	2,078	2,469	3,307	2,948	2,179	1,179	903	**17,074**	
Avg Monthly Benefit	$ 1,946	$ 2,545	$ 2,577	$ 3,242	$ 4,544	$ 4,842	$ 6,559	$ 6,648	$ 6,506	$ 5,011	$ 4,181		**$ 5,407**

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Exhibit C-5b
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
General Plan B

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	-	-	-	$ -
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	-	-	-	1	-	1	2,905
55-59	-	-	-	-	-	-	-	-	-	-	1	1	3,318
60-64	-	-	-	-	-	-	-	2	1	1	5	9	4,722
65-69	-	-	-	-	1	1	2	14	30	52	7	107	5,725
70-74	-	-	-	3	4	2	11	36	85	45	10	196	6,592
75-79	-	-	2	3	4	15	27	45	49	11	5	161	5,108
80-84	-	-	1	3	3	9	30	24	15	6	2	93	4,571
85-89	-	-	1	-	5	14	21	15	7	3	2	68	4,373
90-94	-	-	1	4	10	15	3	3	1	2	2	41	2,544
95-99	-	-	-	2	3	2	3	1	-	1	-	12	2,190
100 & Over	-	-	-	1	-	-	-	-	-	-	-	1	1,780
Total Count	-	-	5	16	30	58	97	140	188	122	34	**690**	
Avg Monthly Benefit	$ -	$ -	$ 1,605	$ 1,666	$ 1,972	$ 2,600	$ 3,805	$ 4,984	$ 6,729	$ 7,125	$ 5,439		**$ 5,262**

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Exhibit C-5c
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
General Plan C

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	1	1	2	$ 2,655
35-39	-	-	-	-	-	-	-	-	-	1	-	1	5,309
40-44	-	-	-	-	-	-	-	-	1	-	-	1	1,722
45-49	-	-	-	-	-	-	-	-	1	-	-	1	1,408
50-54	-	-	-	-	-	-	-	-	1	-	-	1	1,722
55-59	-	-	-	-	-	-	-	-	-	1	1	2	1,273
60-64	-	-	-	-	-	-	1	-	2	8	5	16	4,342
65-69	-	-	1	4	-	1	-	5	12	34	17	74	5,674
70-74	-	1	2	2	2	3	16	14	51	35	4	130	6,188
75-79	-	-	2	1	4	7	9	28	29	11	3	94	4,556
80-84	-	-	-	4	8	9	15	17	12	3	2	70	3,028
85-89	-	-	-	4	6	6	16	5	3	2	2	44	3,024
90-94	-	-	-	3	4	9	2	3	1	1	-	23	2,087
95-99	-	-	-	-	6	2	1	1	1	2	-	13	1,951
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	1	5	18	30	37	60	73	114	99	35	**472**	
Avg Monthly Benefit	$ -	$ 2,016	$ 1,657	$ 1,159	$ 1,501	$ 2,278	$ 3,003	$ 3,561	$ 6,172	$ 6,519	$ 5,969		**$ 4,573**

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Exhibit C-5d
Distribution of Retired Members and Beneficiaries by Age and Retirement Year as of June 30, 2023
General Plan D

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	2	1	9	30	28	70	$ 806
35-39	-	-	-	-	-	-	2	-	2	21	26	51	1,796
40-44	-	-	-	-	-	-	-	4	8	35	45	92	2,093
45-49	-	-	-	-	-	1	1	6	36	51	58	153	2,485
50-54	-	-	-	-	1	3	19	17	43	129	414	626	2,389
55-59	-	-	-	-	5	9	32	46	130	571	844	1,637	3,141
60-64	-	-	-	1	9	36	50	79	450	1,106	1,845	3,576	4,390
65-69	-	-	3	7	28	43	81	383	752	2,028	2,311	5,636	4,737
70-74	-	1	2	13	23	53	218	464	1,240	2,171	906	5,091	4,241
75-79	-	-	2	10	28	139	255	638	1,233	792	304	3,401	3,835
80-84	-	-	2	10	37	118	278	523	430	228	112	1,738	3,285
85-89	-	-	2	10	36	92	242	181	110	71	56	800	2,803
90-94	-	-	2	6	21	68	71	47	28	24	9	276	2,640
95-99	-	-	-	3	5	15	2	7	4	6	2	44	1,819
100 & Over	-	-	-	-	4	-	-	-	-	2	1	7	1,083
Total Count	-	1	13	60	197	577	1,253	2,396	4,475	7,265	6,961	**23,198**	
Avg Monthly Benefit	$ -	$ 3,141	$ 2,051	$ 1,721	$ 1,915	$ 2,136	$ 2,499	$ 2,951	$ 3,771	$ 4,257	$ 4,799		**$ 4,016**

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Exhibit C-5e
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
General Plan E

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	2	-	15	18	35	$ 772
35-39	-	-	-	-	-	1	-	2	3	8	9	23	797
40-44	-	-	-	-	-	1	1	1	4	10	5	22	1,107
45-49	-	-	-	-	-	-	-	1	9	23	12	45	1,343
50-54	-	-	-	-	-	-	1	3	10	20	31	65	1,136
55-59	-	-	-	-	-	-	2	7	19	72	302	402	1,169
60-64	-	-	-	-	-	-	1	3	73	469	621	1,167	2,051
65-69	-	-	-	-	-	-	3	74	543	1,109	1,907	3,636	3,296
70-74	-	-	-	-	-	4	65	592	1,046	2,154	777	4,638	3,074
75-79	-	-	-	-	-	40	375	706	1,503	713	338	3,675	2,663
80-84	-	-	-	-	8	192	323	703	429	220	142	2,017	2,229
85-89	-	-	-	4	60	134	277	178	111	107	55	926	1,774
90-94	-	-	-	14	49	81	58	28	25	27	10	292	1,389
95-99	-	-	1	1	18	9	6	4	6	3	3	51	875
100 & Over	-	-	-	1	3	3	1	1	3	-	-	12	540
Total Count	-	-	1	20	138	465	1,113	2,305	3,784	4,950	4,230	**17,006**	
Avg Monthly Benefit	$ -	$ -	$ 81	$ 246	$ 544	$ 792	$ 1,252	$ 1,701	$ 2,656	$ 3,095	$ 3,443		**$ 2,687**

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Exhibit C-5f
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
General Plan G

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	2	3	5	$ 1,911
35-39	-	-	-	-	-	-	-	-	-	-	4	4	1,688
40-44	-	-	-	-	-	-	-	-	-	1	3	4	1,876
45-49	-	-	-	-	-	-	-	-	-	2	4	6	1,925
50-54	-	-	-	-	-	-	-	-	-	3	13	16	1,169
55-59	-	-	-	-	-	-	-	-	-	2	29	31	880
60-64	-	-	-	-	-	-	-	-	1	6	54	61	1,006
65-69	-	-	-	-	-	-	-	-	-	15	79	94	1,167
70-74	-	-	-	-	-	-	-	-	-	14	45	59	1,243
75-79	-	-	-	-	-	-	-	-	-	7	11	18	2,697
80-84	-	-	-	-	-	-	-	-	-	4	3	7	2,423
85-89	-	-	-	-	-	-	-	-	-	-	-	-	-
90-94	-	-	-	-	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	1	56	248	**305**	
Avg Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,007	$ 1,683	$ 1,194		**$ 1,283**

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Exhibit C-5g
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
Safety Plan A

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	2	2	1	5	$ -
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	1	2	-	3	6,681
50-54	-	-	-	-	-	-	-	-	-	-	-	-	-
55-59	-	-	-	-	-	1	3	-	2	2	3	11	6,707
60-64	-	-	-	-	2	-	3	-	9	9	7	30	7,887
65-69	-	2	7	11	8	11	11	38	130	28	32	278	10,559
70-74	1	10	36	31	42	65	142	468	111	64	72	1,042	9,971
75-79	6	59	114	89	104	230	829	225	52	89	96	1,893	9,139
80-84	12	54	76	88	162	521	231	34	68	87	77	1,410	8,583
85-89	19	31	52	79	243	105	24	43	45	62	62	765	7,579
90-94	20	22	46	83	47	5	18	27	32	37	40	377	6,826
95-99	2	12	19	9	-	2	10	6	11	11	4	86	6,295
100 & Over	-	4	1	-	2	-	-	-	1	3	-	11	6,228
Total Count	60	194	351	390	610	940	1,271	841	464	396	394	**5,911**	
Avg Monthly Benefit	$ 3,607	$ 4,146	$ 4,416	$ 5,917	$ 7,847	$ 9,100	$ 10,710	$ 11,187	$ 10,046	$ 7,819	$ 7,719		**$ 8,804**

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Exhibit C-5h
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
Safety Plan B

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	3	1	-	6	10	20	$ 2,433
35-39	-	-	-	-	-	-	-	-	3	20	23	46	4,302
40-44	-	-	-	-	-	-	-	2	10	46	38	96	4,641
45-49	-	-	-	-	-	-	7	20	29	70	80	206	4,717
50-54	-	-	-	-	-	8	50	50	60	101	245	514	5,992
55-59	-	-	-	-	34	93	97	80	107	441	1,214	2,066	9,813
60-64	-	-	2	19	70	108	116	96	310	1,386	427	2,534	9,893
65-69	-	-	12	33	77	81	91	180	869	464	90	1,897	9,094
70-74	-	-	4	22	29	28	51	251	204	62	19	670	8,377
75-79	-	-	7	6	15	21	52	80	30	19	5	235	6,034
80-84	-	-	-	-	2	1	11	4	3	3	2	26	4,977
85-89	-	-	-	-	2	2	-	-	1	-	1	6	2,985
90-94	-	-	1	-	1	-	1	1	1	1	-	6	1,645
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	26	80	230	342	479	765	1,627	2,619	2,154	**8,322**	
Avg Monthly Benefit	$ -	$ -	$ 2,629	$ 2,882	$ 3,720	$ 4,071	$ 4,496	$ 6,748	$ 9,041	$ 10,036	$ 10,989		**$ 8,955**

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Exhibit C-5i
Distribution of Retired Members and Beneficiaries by Age and Retirement Year
as of June 30, 2023
Safety Plan C

Age	Retirement Year											Total Count	Average Monthly Benefit
	Pre-1975	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-09	2010-14	2015-19	2020-24		
Under 35	-	-	-	-	-	-	-	-	-	1	4	5	$ 3,463
35-39	-	-	-	-	-	-	-	-	-	1	4	5	3,306
40-44	-	-	-	-	-	-	-	-	-	-	2	2	4,097
45-49	-	-	-	-	-	-	-	-	-	1	1	2	3,392
50-54	-	-	-	-	-	-	-	-	-	-	1	1	3,842
55-59	-	-	-	-	-	-	-	-	-	-	2	2	3,119
60-64	-	-	-	-	-	-	-	-	-	3	6	9	2,089
65-69	-	-	-	-	-	-	-	-	-	-	2	2	3,147
70-74	-	-	-	-	-	-	-	-	-	1	-	1	25,359
75-79	-	-	-	-	-	-	-	-	1	-	-	1	19,751
80-84	-	-	-	-	-	-	-	-	-	-	-	-	-
85-89	-	-	-	-	-	-	-	-	-	-	-	-	-
90-94	-	-	-	-	-	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Count	-	-	-	-	-	-	-	-	1	7	22	**30**	
Avg Monthly Benefit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,751	$ 5,522	$ 3,214		**$ 4,303**

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Appendix D Member Contribution Rates

This section illustrates the member normal contribution rates and the normal plus cost-of-living contribution rates by entry age.

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Exhibit D-1
Normal Member Contribution Rates

	General					Safety		
Entry Age	Plan A	Plan B	Plan C	Plan D	Plan G	Plan A	Plan B	Plan C
16	2.78%	5.57%	4.77%	4.77%	7.51%	4.47%	8.94%	11.66%
17	2.84%	5.68%	4.86%	4.86%	7.51%	4.47%	8.94%	11.66%
18	2.90%	5.79%	4.96%	4.96%	7.51%	4.47%	8.94%	11.66%
19	2.95%	5.91%	5.06%	5.06%	7.51%	4.55%	9.09%	11.66%
20	3.01%	6.03%	5.16%	5.16%	7.51%	4.58%	9.16%	11.66%
21	3.07%	6.15%	5.27%	5.27%	7.51%	4.61%	9.22%	11.66%
22	3.13%	6.27%	5.37%	5.37%	7.51%	4.69%	9.38%	11.66%
23	3.20%	6.39%	5.48%	5.48%	7.51%	4.77%	9.54%	11.66%
24	3.26%	6.52%	5.59%	5.59%	7.51%	4.85%	9.70%	11.66%
25	3.33%	6.65%	5.70%	5.70%	7.51%	4.89%	9.77%	11.66%
26	3.39%	6.79%	5.82%	5.82%	7.51%	4.92%	9.84%	11.66%
27	3.46%	6.92%	5.93%	5.93%	7.51%	5.00%	10.01%	11.66%
28	3.53%	7.06%	6.05%	6.05%	7.51%	5.09%	10.18%	11.66%
29	3.60%	7.21%	6.17%	6.17%	7.51%	5.18%	10.36%	11.66%
30	3.68%	7.35%	6.30%	6.30%	7.51%	5.23%	10.47%	11.66%
31	3.75%	7.50%	6.42%	6.42%	7.51%	5.29%	10.58%	11.66%
32	3.83%	7.66%	6.55%	6.55%	7.51%	5.38%	10.77%	11.66%
33	3.91%	7.81%	6.69%	6.69%	7.51%	5.48%	10.96%	11.66%
34	3.98%	7.96%	6.82%	6.82%	7.51%	5.58%	11.16%	11.66%
35	4.06%	8.12%	6.96%	6.96%	7.51%	5.69%	11.37%	11.66%
36	4.14%	8.28%	7.10%	7.10%	7.51%	5.79%	11.59%	11.66%
37	4.22%	8.43%	7.25%	7.25%	7.51%	5.90%	11.80%	11.66%
38	4.30%	8.59%	7.39%	7.39%	7.51%	6.01%	12.02%	11.66%
39	4.38%	8.75%	7.54%	7.54%	7.51%	6.12%	12.24%	11.66%
40	4.46%	8.91%	7.69%	7.69%	7.51%	6.23%	12.47%	11.66%
41	4.54%	9.08%	7.83%	7.83%	7.51%	6.35%	12.69%	11.66%
42	4.62%	9.24%	7.98%	7.98%	7.51%	6.45%	12.90%	11.66%
43	4.70%	9.41%	8.13%	8.13%	7.51%	6.55%	13.10%	11.66%
44	4.78%	9.57%	8.28%	8.28%	7.51%	6.64%	13.28%	11.66%
45	4.86%	9.73%	8.44%	8.44%	7.51%	6.70%	13.40%	11.66%
46	4.94%	9.88%	8.59%	8.59%	7.51%	6.70%	13.41%	11.66%
47	5.01%	10.03%	8.75%	8.75%	7.51%	6.70%	13.41%	11.66%
48	5.07%	10.15%	8.91%	8.91%	7.51%	6.70%	13.41%	11.66%
49	5.12%	10.24%	9.06%	9.06%	7.51%	6.70%	13.41%	11.66%
50	5.15%	10.29%	9.21%	9.21%	7.51%	6.70%	13.41%	11.66%
51	5.16%	10.32%	9.36%	9.36%	7.51%	6.70%	13.41%	11.66%
52	5.16%	10.32%	9.49%	9.49%	7.51%	6.70%	13.41%	11.66%
53	5.16%	10.32%	9.61%	9.61%	7.51%	6.70%	13.41%	11.66%
54	5.16%	10.32%	9.69%	9.69%	7.51%	6.70%	13.41%	11.66%
55	5.16%	10.32%	9.74%	9.74%	7.51%	6.70%	13.41%	11.66%
56	5.16%	10.32%	9.76%	9.76%	7.51%	6.70%	13.41%	11.66%
57	5.16%	10.32%	9.76%	9.76%	7.51%	6.70%	13.41%	11.66%
58	5.16%	10.32%	9.76%	9.76%	7.51%	6.70%	13.41%	11.66%
59	5.16%	10.32%	9.76%	9.76%	7.51%	6.70%	13.41%	11.66%
60	5.16%	10.32%	9.76%	9.76%	7.51%	6.70%	13.41%	11.66%

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Exhibit D-2
Normal Plus Cost-of-Living Member Contribution Rates

	General					Safety		
Entry Age	Plan A	Plan B	Plan C	Plan D	Plan G	Plan A	Plan B	Plan C
16	5.06%	7.02%	6.02%	6.04%	9.28%	8.37%	11.93%	14.97%
17	5.17%	7.16%	6.13%	6.15%	9.28%	8.37%	11.93%	14.97%
18	5.28%	7.30%	6.26%	6.28%	9.28%	8.37%	11.93%	14.97%
19	5.37%	7.45%	6.39%	6.41%	9.28%	8.52%	12.13%	14.97%
20	5.48%	7.60%	6.51%	6.53%	9.28%	8.57%	12.22%	14.97%
21	5.59%	7.76%	6.65%	6.67%	9.28%	8.63%	12.30%	14.97%
22	5.70%	7.91%	6.78%	6.80%	9.28%	8.78%	12.52%	14.97%
23	5.83%	8.06%	6.92%	6.94%	9.28%	8.93%	12.73%	14.97%
24	5.94%	8.22%	7.05%	7.08%	9.28%	9.08%	12.94%	14.97%
25	6.06%	8.39%	7.19%	7.22%	9.28%	9.15%	13.04%	14.97%
26	6.17%	8.56%	7.34%	7.37%	9.28%	9.21%	13.13%	14.97%
27	6.30%	8.73%	7.48%	7.51%	9.28%	9.36%	13.36%	14.97%
28	6.43%	8.90%	7.63%	7.66%	9.28%	9.53%	13.58%	14.97%
29	6.55%	9.09%	7.79%	7.81%	9.28%	9.69%	13.82%	14.97%
30	6.70%	9.27%	7.95%	7.98%	9.28%	9.79%	13.97%	14.97%
31	6.83%	9.46%	8.10%	8.13%	9.28%	9.90%	14.12%	14.97%
32	6.97%	9.66%	8.27%	8.29%	9.28%	10.07%	14.37%	14.97%
33	7.12%	9.85%	8.44%	8.47%	9.28%	10.26%	14.62%	14.97%
34	7.25%	10.04%	8.61%	8.63%	9.28%	10.44%	14.89%	14.97%
35	7.39%	10.24%	8.78%	8.81%	9.28%	10.65%	15.17%	14.97%
36	7.54%	10.44%	8.96%	8.99%	9.28%	10.84%	15.46%	14.97%
37	7.68%	10.63%	9.15%	9.18%	9.28%	11.04%	15.74%	14.97%
38	7.83%	10.83%	9.33%	9.36%	9.28%	11.25%	16.04%	14.97%
39	7.98%	11.03%	9.51%	9.54%	9.28%	11.45%	16.33%	14.97%
40	8.12%	11.24%	9.70%	9.73%	9.28%	11.66%	16.64%	14.97%
41	8.27%	11.45%	9.88%	9.91%	9.28%	11.88%	16.93%	14.97%
42	8.41%	11.65%	10.07%	10.10%	9.28%	12.07%	17.21%	14.97%
43	8.56%	11.87%	10.26%	10.29%	9.28%	12.26%	17.48%	14.97%
44	8.70%	12.07%	10.45%	10.48%	9.28%	12.43%	17.72%	14.97%
45	8.85%	12.27%	10.65%	10.68%	9.28%	12.54%	17.88%	14.97%
46	8.99%	12.46%	10.84%	10.87%	9.28%	12.54%	17.89%	14.97%
47	9.12%	12.65%	11.04%	11.08%	9.28%	12.54%	17.89%	14.97%
48	9.23%	12.80%	11.24%	11.28%	9.28%	12.54%	17.89%	14.97%
49	9.32%	12.91%	11.43%	11.47%	9.28%	12.54%	17.89%	14.97%
50	9.38%	12.98%	11.62%	11.66%	9.28%	12.54%	17.89%	14.97%
51	9.40%	13.01%	11.81%	11.85%	9.28%	12.54%	17.89%	14.97%
52	9.40%	13.01%	11.98%	12.01%	9.28%	12.54%	17.89%	14.97%
53	9.40%	13.01%	12.13%	12.17%	9.28%	12.54%	17.89%	14.97%
54	9.40%	13.01%	12.23%	12.27%	9.28%	12.54%	17.89%	14.97%
55	9.40%	13.01%	12.29%	12.33%	9.28%	12.54%	17.89%	14.97%
56	9.40%	13.01%	12.32%	12.36%	9.28%	12.54%	17.89%	14.97%
57	9.40%	13.01%	12.32%	12.36%	9.28%	12.54%	17.89%	14.97%
58	9.40%	13.01%	12.32%	12.36%	9.28%	12.54%	17.89%	14.97%
59	9.40%	13.01%	12.32%	12.36%	9.28%	12.54%	17.89%	14.97%
60	9.40%	13.01%	12.32%	12.36%	9.28%	12.54%	17.89%	14.97%

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Appendix E Historical Information

This section presents historical statistical information on LACERA's membership and the calculated contribution rates.

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Exhibit E-1
Active Membership Data

	General Members					Safety Members					Total Members				
Valuation Date (June 30)	Number	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Service	Average Monthly Salary
1998	65,782	$ 2,837	44.7	12.9	$ 3,594	10,947	$ 725	39.9	13.8	$ 5,519	76,729	$ 3,562	44.0	13.0	$ 3,870
1999	68,652	$ 3,105	44.6	12.7	$ 3,769	11,024	$ 753	40.0	13.7	$ 5,696	79,676	$ 3,858	43.9	12.8	$ 4,035
2000	71,940	$ 3,353	44.4	12.5	$ 3,884	11,264	$ 790	39.8	13.8	$ 5,849	83,204	$ 4,143	43.8	12.6	$ 4,150
2001	75,048	$ 3,608	44.5	12.3	$ 4,006	12,021	$ 860	39.6	13.0	$ 5,967	87,069	$ 4,468	43.9	12.4	$ 4,277
2002	77,062	$ 3,833	44.7	12.3	$ 4,145	12,190	$ 894	39.6	13.8	$ 6,115	89,252	$ 4,727	44.0	12.5	$ 4,414
2003	75,995	$ 3,954	45.2	12.7	$ 4,336	11,765	$ 899	40.1	13.7	$ 6,370	87,760	$ 4,853	44.5	12.9	$ 4,609
2004	74,826	$ 3,967	45.6	13.1	$ 4,418	11,409	$ 885	40.6	14.7	$ 6,467	86,235	$ 4,852	44.9	13.3	$ 4,689
2005	75,167	$ 4,046	45.8	13.2	$ 4,486	11,217	$ 905	41.0	14.9	$ 6,722	86,384	$ 4,951	45.2	13.4	$ 4,777
2006	77,167	$ 4,267	45.7	13.0	$ 4,608	11,464	$ 969	41.2	15.0	$ 7,047	88,631	$ 5,236	45.1	13.3	$ 4,924
2007	79,829	$ 4,673	45.7	12.8	$ 4,878	12,267	$ 1,104	40.8	14.4	$ 7,499	92,096	$ 5,777	45.1	13.0	$ 5,227
2008	81,664	$ 5,017	45.8	12.8	$ 5,119	12,828	$ 1,187	40.5	13.7	$ 7,714	94,492	$ 6,204	45.1	12.9	$ 5,471
2009	82,878	$ 5,348	46.1	13.1	$ 5,377	12,910	$ 1,240	40.8	14.0	$ 8,002	95,788	$ 6,588	45.4	13.2	$ 5,731
2010	81,413	$ 5,318	46.6	13.6	$ 5,444	12,997	$ 1,257	41.3	14.5	$ 8,062	94,410	$ 6,575	45.9	13.7	$ 5,804
2011	80,145	$ 5,295	47.0	14.0	$ 5,506	12,641	$ 1,240	41.9	15.1	$ 8,172	92,786	$ 6,535	46.3	14.2	$ 5,869
2012	79,467	$ 5,272	47.3	14.4	$ 5,528	12,485	$ 1,230	42.3	15.5	$ 8,209	91,952	$ 6,502	46.7	14.6	$ 5,892
2013	79,006	$ 5,253	47.6	14.8	$ 5,541	12,539	$ 1,235	42.3	15.7	$ 8,207	91,545	$ 6,488	46.9	14.9	$ 5,906
2014	79,943	$ 5,488	47.6	14.9	$ 5,720	12,523	$ 1,253	42.6	15.8	$ 8,337	92,466	$ 6,741	47.0	15.0	$ 6,075
2015	81,228	$ 5,706	47.6	14.8	$ 5,854	12,446	$ 1,300	42.8	16.0	$ 8,702	93,674	$ 7,006	46.9	15.0	$ 6,233
2016	82,916	$ 5,950	47.4	14.6	$ 5,980	12,528	$ 1,343	42.8	16.0	$ 8,931	95,444	$ 7,293	46.8	14.8	$ 6,367
2017	84,513	$ 6,290	47.3	14.5	$ 6,202	12,698	$ 1,388	42.5	15.6	$ 9,110	97,211	$ 7,678	46.7	14.6	$ 6,582
2018	85,703	$ 6,610	47.2	14.4	$ 6,428	12,771	$ 1,452	42.2	15.3	$ 9,471	98,474	$ 8,062	46.6	14.5	$ 6,822
2019	86,392	$ 6,816	47.3	14.4	$ 6,574	12,794	$ 1,540	42.0	15.1	$ 10,032	99,186	$ 8,356	46.6	14.5	$ 7,020
2020	86,930	$ 7,186	47.3	14.4	$ 6,889	13,178	$ 1,591	41.4	14.4	$ 10,058	100,108	$ 8,777	46.5	14.4	$ 7,306
2021	85,963	$ 7,438	47.5	14.6	$ 7,210	13,138	$ 1,651	41.4	14.2	$ 10,471	99,101	$ 9,088	46.7	14.5	$ 7,642
2022	83,689	$ 7,335	47.6	14.7	$ 7,304	12,850	$ 1,627	41.6	14.3	$ 10,551	96,539	$ 8,962	46.8	14.7	$ 7,736
2023	84,295	$ 7,843	47.6	14.6	$ 7,753	12,610	$ 1,683	41.7	14.3	$ 11,125	96,905	$ 9,526	46.9	14.6	$ 8,192

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Exhibit E-2
Retired Membership Data

	General Members				Safety Members				Total Members			
Valuation Date (June 30)	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit
1998	35,462	$ 692	71.1	$ 1,626	7,425	$ 267	62.5	$ 3,001	42,887	$ 959	69.6	$ 1,864
1999	35,837	$ 725	71.4	$ 1,686	7,674	$ 291	63.1	$ 3,166	43,511	$ 1,016	70.0	$ 1,947
2000	36,596	$ 780	71.4	$ 1,778	8,032	$ 324	63.1	$ 3,358	44,628	$ 1,104	69.9	$ 2,062
2001	37,077	$ 890	71.6	$ 2,001	8,319	$ 382	63.4	$ 3,828	45,396	$ 1,272	70.1	$ 2,336
2002	37,618	$ 914	71.8	$ 2,025	8,624	$ 403	63.7	$ 3,892	46,242	$ 1,317	70.3	$ 2,374
2003	38,283	$ 984	71.9	$ 2,142	8,949	$ 443	63.9	$ 4,128	47,232	$ 1,427	70.4	$ 2,518
2004	39,097	$ 1,056	72.0	$ 2,250	9,235	$ 478	64.2	$ 4,318	48,332	$ 1,534	70.5	$ 2,645
2005	40,251	$ 1,138	72.1	$ 2,355	9,518	$ 514	64.6	$ 4,504	49,769	$ 1,652	70.7	$ 2,766
2006	41,309	$ 1,224	72.2	$ 2,469	9,683	$ 549	65.0	$ 4,728	50,992	$ 1,773	70.8	$ 2,898
2007	41,584	$ 1,280	72.2	$ 2,565	9,808	$ 578	65.4	$ 4,914	51,392	$ 1,858	70.9	$ 3,013
2008	42,298	$ 1,356	72.4	$ 2,671	10,052	$ 623	65.8	$ 5,167	52,350	$ 1,979	71.1	$ 3,150
2009	42,825	$ 1,423	72.6	$ 2,768	10,244	$ 663	66.3	$ 5,394	53,069	$ 2,086	71.4	$ 3,275
2010	43,752	$ 1,514	72.7	$ 2,883	10,444	$ 706	66.7	$ 5,638	54,196	$ 2,220	71.6	$ 3,414
2011	44,726	$ 1,597	72.9	$ 2,976	10,645	$ 746	67.0	$ 5,836	55,371	$ 2,343	71.7	$ 3,526
2012	45,899	$ 1,686	73.0	$ 3,061	10,871	$ 789	67.3	$ 6,049	56,770	$ 2,475	71.9	$ 3,633
2013	46,939	$ 1,774	73.2	$ 3,149	11,147	$ 837	67.5	$ 6,261	58,086	$ 2,611	72.1	$ 3,746
2014	47,867	$ 1,836	73.4	$ 3,196	11,362	$ 876	67.8	$ 6,427	59,229	$ 2,712	72.3	$ 3,816
2015	48,958	$ 1,898	73.5	$ 3,231	11,648	$ 914	68.0	$ 6,541	60,606	$ 2,813	72.5	$ 3,867
2016	50,034	$ 1,988	73.6	$ 3,311	11,880	$ 965	68.3	$ 6,766	61,914	$ 2,952	72.6	$ 3,974
2017	51,083	$ 2,079	73.8	$ 3,391	12,241	$ 1,030	68.4	$ 7,012	63,324	$ 3,109	72.7	$ 4,091
2018	52,292	$ 2,192	73.9	$ 3,493	12,588	$ 1,104	68.5	$ 7,308	64,880	$ 3,296	72.8	$ 4,233
2019	53,560	$ 2,316	73.9	$ 3,603	12,947	$ 1,184	68.6	$ 7,620	66,507	$ 3,500	72.9	$ 4,385
2020	54,693	$ 2,436	74.0	$ 3,712	13,319	$ 1,270	68.8	$ 7,946	68,012	$ 3,706	73.0	$ 4,541
2021	55,828	$ 2,552	74.1	$ 3,809	13,669	$ 1,350	68.8	$ 8,228	69,497	$ 3,902	73.0	$ 4,679
2022	57,606	$ 2,716	74.0	$ 3,928	13,965	$ 1,434	68.9	$ 8,560	71,571	$ 4,150	73.0	$ 4,832
2023	58,745	$ 2,848	74.1	$ 4,040	14,263	$ 1,520	69.0	$ 8,883	73,008	$ 4,368	73.1	$ 4,986

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Exhibit E-3
Contribution Rates

	General Plans					Safety Plans					Total All Plans				
Valuation Date (June 30)	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution	Calculated Normal Cost	Member Contributions	Net Employer Normal Cost	UAAL Rate	Total Employer Contribution
1998	10.27%	3.06%	7.21%	0.00%	7.21%	25.00%	8.70%	16.30%	0.00%	16.30%	13.27%	4.21%	9.06%	0.00%	9.06%
1999	10.98%	3.20%	7.78%	0.00%	7.78%	25.41%	9.12%	16.29%	0.00%	16.29%	13.81%	4.36%	9.45%	0.00%	9.45%
2000	10.91%	3.33%	7.58%	0.00%	7.58%	25.22%	9.44%	15.78%	0.00%	15.78%	13.66%	4.51%	9.15%	0.00%	9.15%
2001	11.27%	3.45%	7.82%	0.00%	7.82%	25.47%	9.27%	16.20%	0.00%	16.20%	14.01%	4.57%	9.44%	0.00%	9.44%
2002	12.04%	3.53%	8.51%	0.21%	8.72%	25.92%	9.37%	16.55%	0.21%	16.76%	14.66%	4.63%	10.03%	0.21%	10.24%
2003	12.25%	3.72%	8.53%	4.66%	13.19%	25.89%	9.55%	16.34%	4.66%	21.00%	14.80%	4.81%	9.99%	4.66%	14.65%
2004	12.20%	3.82%	8.38%	6.41%	14.79%	24.61%	9.61%	15.00%	6.41%	21.41%	14.48%	4.88%	9.60%	6.41%	16.01%
2005	12.22%	3.91%	8.31%	5.33%	13.64%	24.69%	9.68%	15.01%	5.33%	20.34%	14.50%	4.97%	9.53%	5.33%	14.86%
2006	12.22%	4.07%	8.15%	3.49%	11.64%	24.70%	9.70%	15.00%	3.49%	18.49%	14.54%	5.12%	9.42%	3.49%	12.91%
2007	13.15%	4.38%	8.77%	2.24%	11.01%	26.04%	10.18%	15.86%	2.24%	18.10%	15.67%	5.51%	10.16%	2.24%	12.40%
2008	13.18%	4.47%	8.71%	1.99%	10.70%	26.01%	10.22%	15.79%	1.99%	17.78%	15.68%	5.59%	10.09%	1.99%	12.08%
2009	13.29%	4.57%	8.72%	4.12%	12.84%	26.08%	10.21%	15.87%	4.12%	19.99%	15.75%	5.65%	10.10%	4.12%	14.22%
2010	13.32%	4.68%	8.64%	6.47%	15.11%	25.00%	10.19%	14.81%	6.47%	21.28%	15.59%	5.75%	9.84%	6.47%	16.31%
2011	13.36%	4.91%	8.45%	7.89%	16.34%	25.09%	10.50%	14.59%	7.89%	22.48%	15.65%	6.00%	9.65%	7.89%	17.54%
2012	13.50%	5.01%	8.49%	10.09%	18.58%	25.42%	10.52%	14.90%	10.09%	24.99%	15.81%	6.08%	9.73%	10.09%	19.82%
2013	13.25%	5.01%	8.24%	11.90%	20.14%	24.67%	10.26%	14.41%	11.90%	26.31%	15.47%	6.03%	9.44%	11.90%	21.34%
2014	13.14%	5.09%	8.05%	10.04%	18.09%	24.71%	10.23%	14.48%	10.04%	24.52%	15.37%	6.08%	9.29%	10.04%	19.33%
2015	13.28%	5.22%	8.06%	8.49%	16.55%	24.71%	10.26%	14.45%	8.49%	22.94%	15.46%	6.18%	9.28%	8.49%	17.77%
2016	14.51%	5.72%	8.79%	9.73%	18.52%	25.54%	10.57%	14.97%	9.73%	24.70%	16.62%	6.65%	9.97%	9.73%	19.70%
2017	14.62%	5.87%	8.75%	10.10%	18.85%	25.69%	10.56%	15.13%	10.10%	25.23%	16.70%	6.76%	9.94%	10.10%	20.04%
2018	14.77%	6.04%	8.73%	10.99%	19.72%	25.70%	10.59%	15.11%	10.99%	26.10%	16.80%	6.88%	9.92%	10.99%	20.91%
2019	16.24%	6.74%	9.50%	11.73%	21.23%	28.58%	11.78%	16.80%	11.73%	28.53%	18.54%	7.68%	10.86%	11.73%	22.59%
2020	16.31%	6.86%	9.45%	13.75%	23.20%	28.95%	11.88%	17.07%	13.75%	30.82%	18.69%	7.80%	10.89%	13.75%	24.64%
2021	16.35%	6.94%	9.41%	13.58%	22.99%	29.09%	11.88%	17.21%	13.58%	30.79%	18.75%	7.87%	10.88%	13.58%	24.46%
2022	16.85%	7.23%	9.62%	14.72%	24.34%	29.97%	12.45%	17.52%	14.72%	32.24%	19.33%	8.21%	11.12%	14.72%	25.84%
2023	16.95%	7.37%	9.58%	14.87%	24.45%	30.14%	12.84%	17.30%	14.87%	32.17%	19.38%	8.37%	11.01%	14.87%	25.88%

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Exhibit E-4
Funded Status History

Valuation Year	Actuarial Accrued Liability (AAL)	Fair Value Basis			Actuarial Value Basis			Annual Total Payroll	Asset Smoothing Ratio (AVA / FVA)	Asset Volatility Ratio (FVA / Payroll)	Liability Volatility Ratio (AAL / Payroll)
		Fair Value of Assets (FVA)[1]	Unfunded AAL (UAAL)/Surplus FVA Basis	Funded Ratio FVA Basis	Actuarial Value of Assets (AVA)[1]	Unfunded AAL (UAAL)/Surplus AVA Basis	Funded Ratio AVA Basis				
1996 [2]	17,300	18,600	1,300	107.5%	17,700	400	102.3%	3,356	95.2%	5.5	5.2
1997 [2]	19,300	21,100	1,800	109.3%	19,600	300	101.6%	3,373	92.9%	6.3	5.7
1998	20,960	22,332	1,372	106.5%	20,851	(109)	99.5%	3,562	93.4%	6.3	5.9
1999	22,785	24,382	1,597	107.0%	23,536	751	103.3%	3,858	96.5%	6.3	5.9
2000	24,721	27,257	2,536	110.3%	25,427	706	102.9%	4,143	93.3%	6.6	6.0
2001	26,490	23,916	(2,574)	90.3%	26,490	-	100.0%	4,469	110.8%	5.4	5.9
2002	28,437	24,085	(4,352)	84.7%	28,262	(175)	99.4%	4,730	117.3%	5.1	6.0
2003	30,474	24,616	(5,858)	80.8%	26,564	(3,910)	87.2%	4,934	107.9%	5.0	6.2
2004	32,700	28,094	(4,606)	85.9%	27,089	(5,611)	82.8%	4,942	96.4%	5.7	6.6
2005	34,375	30,904	(3,471)	89.9%	29,497	(4,878)	85.8%	5,051	95.4%	6.1	6.8
2006	36,259	34,256	(2,003)	94.5%	32,820	(3,439)	90.5%	5,333	95.8%	6.4	6.8
2007	39,503	40,073	570	101.4%	37,042	(2,461)	93.8%	5,886	92.4%	6.8	6.7
2008	41,975	37,834	(4,141)	90.1%	39,662	(2,313)	94.5%	6,257	104.8%	6.0	6.7
2009	44,469	29,723	(14,746)	66.8%	39,542	(4,927)	88.9%	6,673	133.0%	4.5	6.7
2010	46,646	32,629	(14,017)	69.9%	38,839	(7,807)	83.3%	6,739	119.0%	4.8	6.9
2011	48,599	38,587	(10,012)	79.4%	39,194	(9,405)	80.6%	6,705	101.6%	5.8	7.2
2012	50,809	37,453	(13,356)	73.7%	39,039	(11,770)	76.8%	6,675	104.2%	5.6	7.6
2013	53,247	41,334	(11,913)	77.6%	39,932	(13,315)	75.0%	6,656	96.6%	6.2	8.0
2014	54,942	47,223	(7,719)	86.0%	43,654	(11,288)	79.5%	6,815	92.4%	6.9	8.1
2015	56,819	48,308	(8,511)	85.0%	47,328	(9,491)	83.3%	7,078	98.0%	6.8	8.0
2016	62,199	47,347	(14,852)	76.1%	49,358	(12,841)	79.4%	7,390	104.2%	6.4	8.4
2017	65,311	52,217	(13,094)	80.0%	52,166	(13,145)	79.9%	7,749	99.9%	6.7	8.4
2018	68,527	55,737	(12,790)	81.3%	55,233	(13,294)	80.6%	8,079	99.1%	6.9	8.5
2019	74,635	57,712	(16,923)	77.3%	57,617	(17,018)	77.2%	8,423	99.8%	6.9	8.9
2020	78,275	57,925	(20,350)	74.0%	59,763	(18,512)	76.3%	8,819	103.2%	6.6	8.9
2021	81,898	72,282	(9,616)	88.3%	64,909	(16,989)	79.3%	9,080	89.8%	8.0	9.0
2022	86,320	68,973	(17,347)	79.9%	68,712	(17,608)	79.6%	9,048	99.6%	7.6	9.5
2023	90,651	72,502	(18,149)	80.0%	72,415	(18,236)	79.9%	9,548	99.9%	7.6	9.5

1. Asset values exclude non-valuatioin reserves.
2. Only rounded values are available.

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Exhibit E-5
Reconciliation of Changes in Unfunded Actuarial Accrued Liability or Surplus

Valuation Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Prior Year UAAL	11,770	13,315	11,288	9,491	12,841	13,145	13,294	17,018	18,512	16,989	17,608
Normal Cost	1,430	1,163	1,068	1,118	1,246	1,243	1,352	1,553	1,634	1,681	1,743
Contributions	(1,455)	(1,824)	(1,936)	(1,902)	(1,880)	(2,116)	(2,303)	(2,459)	(2,774)	(2,959)	(3,095)
Interest	895	999	814	682	954	968	976	1,212	1,311	1,202	1,244
Changes in Assumptions/Methodology	511	-	-	2,922	-	-	2,528	-	-	1,364	-
Changes in Benefit Provisions	-	-	-	-	-	-	-	-	-	-	-
Expected Current Year UAAL	13,151	13,653	11,234	12,311	13,161	13,240	15,847	17,324	18,683	18,277	17,500
Actual Current Year UAAL	13,315	11,288	9,491	12,841	13,145	13,294	17,018	18,512	16,989	17,608	18,236
Total (Gain)/Loss on UAAL	164	(2,365)	(1,743)	530	(16)	54	1,171	1,188	(1,694)	(669)	736
Asset (Gains)/Losses	893	(1,664)	(1,263)	496	(421)	(411)	477	701	(2,039)	(996)	(118)
Salary Increases	(563)	(291)	79	162	277	223	486	388	484	(21)	771
All Other Actuarial (Gains)/Losses	(166)	(410)	(559)	(128)	128	242	208	99	(139)	348	83

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Exhibit E-6
Reconciliation of Changes in Calculated Employer Contribution Rate

Valuation Year	Prior Year Contribution Rate	Changes in Existing Amortization Bases	Assumption/ Method Changes	Salary/Payroll Variations	Plan Amendments	Asset (Gains)/Losses	Demographic/Other (Gains)/Losses	Current Year Contribution Rate
2004	14.65%	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	16.01%
2005	16.01%	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	N/A[1]	14.86%
2006	14.86%	-0.29%	0.00%	0.02%	0.00%	-1.82%	0.14%	12.91%
2007	12.91%	-0.28%	1.34%	0.61%	0.00%	-2.14%	-0.04%	12.40%
2008	12.40%	-0.17%	0.00%	0.21%	0.00%	-0.24%	-0.12%	12.08%
2009	12.08%	-0.04%	-1.76%	0.21%	0.00%	3.91%	-0.18%	14.22%
2010	14.22%	0.00%	-0.27%	-0.10%	0.00%	2.29%	0.17%	16.31%
2011	16.31%	0.00%	0.25%	-0.14%	0.00%	1.39%	-0.27%	17.54%
2012	17.54%	0.00%	0.54%	-0.11%	0.00%	1.92%	-0.07%	19.82%
2013	19.82%	0.00%	0.82%	-0.01%	0.00%	0.74%	-0.03%	21.34%
2014	21.34%	0.00%	0.00%	-0.15%	0.00%	-1.43%	-0.43%	19.33%
2015	19.33%	0.00%	0.00%	0.04%	0.00%	-1.04%	-0.56%	17.77%
2016	17.77%	0.00%	2.87%	0.20%	0.00%	0.39%	-0.02%	21.21%
2017	21.21%	0.00%	0.00%	0.05%	0.00%	-0.32%	0.06%	21.00%
2018	21.00%	0.00%	0.00%	0.04%	0.00%	-0.30%	0.17%	20.91%
2019	20.91%	0.00%	1.10%	0.20%	0.00%	0.42%	-0.04%	22.59%
2020	22.59%	0.00%	1.09%	0.04%	0.00%	0.58%	0.34%	24.64%
2021	24.64%	0.00%	1.10%	0.39%	0.00%	-1.69%	0.02%	24.46%
2022	24.46%	0.00%	1.38%	0.49%	0.00%	-0.80%	0.31%	25.84%
2023	25.84%	0.00%	0.00%	0.26%	0.00%	-0.09%	-0.13%	25.88%

1. Data not available.

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Exhibit E-7
Funding Policy History

	Description of changes, if any	Effective Date	Impact on Contribution Rate	Impact on Funded Ratio	Rationale
2009	Changed from 3-year to 5-year asset smoothing. Included STAR reserve as a valuation asset. Adopted 30-year layered amortization period.	June 30, 2009	-1.68% [1]	4.40%	See June 30, 2009 valuation report.
2010	Included STAR reserve as a valuation asset.	June 30, 2010	-0.52% [1]	1.40%	See June 30, 2010 valuation report.
2011	Included STAR reserve as a valuation asset.	June 30, 2011	-0.52% [1]	1.20%	See June 30, 2011 valuation report.
2012	Included STAR reserve as a valuation asset for 2012 and future valuations (adopted February 2013).	June 30, 2012	-0.53% [1]	1.20%	See June 30, 2012 valuation report.
2019	Adopted 20-year layered amortization period for new layers. Existing layers are set to be no greater than 22 years, so they are fully amortized no later than 2042.	June 30, 2019	0.30%	0.00%	See June 30, 2019 valuation report.
2022	Excluded STAR reserve from valuation assets.	June 30, 2022	0.46%	-0.70%	See June 30, 2022 valuation report.

1. Note that savings due to inclusion of STAR reserve as valuation asset are not cumulative from year to year.

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Exhibit E-8
History of Changes in Economic Assumptions

Valuation Year	Price Inflation	Wage Inflation	Real Wage Inflation[1]	Investment Return Assumption	Real Investment Return[2]	Effective Date	Change in Contribution Rate	Change in Funded Ratio
2004	3.50%	3.75%	0.25%	7.75%	4.25%	July 1, 2004	1.65%	N/A[3]
2007	3.50%	4.00%	0.50%	7.75%	4.25%	July 1, 2007	0.66%	-1.3%
2011	3.45%	3.95%	0.50%	7.70%	4.25%	July 1, 2011	0.25%	-0.3%
2012	3.35%	3.85%	0.50%	7.60%	4.25%	July 1, 2012	0.54%	-0.7%
2013	3.00%	3.50%	0.50%	7.50%	4.50%	July 1, 2013	0.37%	-0.1%
2016	2.75%	3.25%	0.50%	7.25%	4.50%	July 1, 2016	1.14%	-1.4%
2019	2.75%	3.25%	0.50%	7.00%	4.25%	July 1, 2019	2.20%	-2.3%

1. Excess of assumed wage inflation over price inflation.
2. Excess of assumed investment return over price inflation.
3. Information not available.

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Exhibit E-9
History of Changes in Demographic and Other Non-Economic Assumptions

	Demographic Assumption Revisions	Effective Date	Change in Contribution Rate	Change in Funded Ratio	Rationale
2004	Mortality, merit salary scale, retirement, termination, probability of refund, probability of eligible survivor revised.	July 1, 2004	-0.63%	N/A[1]	Refer to the 2004 Investigation of Experience Report.
2007	Mortality, retirement, termination, probability of refund, merit salary scale for Safety members revised.	July 1, 2007	0.68%	N/A[1]	Refer to the 2007 Investigation of Experience Report.
2010	Mortality, retirement, termination, probability of refund, assumed benefit commencement age revised.	July 1, 2010	-0.27%	-0.1%	Refer to the 2010 Investigation of Experience Report.
2013	Mortality, retirement, termination, probability of refund, merit salary scale for Safety members, probability of eligible survivor, assumption for beneficiary age, reciprocity assumption revised.	July 1, 2013	0.45%	-0.6%	Refer to the 2013 Investigation of Experience Report.
2016	Mortality, retirement, termination, probability of eligible survivor, assumed benefit commencement age, reciprocity assumption revised.	July 1, 2016	1.73%	-2.5%	Refer to the 2016 Investigation of Experience Report.
2019	Mortality, retirement, termination, probability of refund, merit salary scale, assumed benefit commencement age.	July 1, 2019	0.80%	-0.4%	2019 Investigation of Experience.
2022	Mortality, retirement, termination, probability of refund, merit salary scale, probability of eligible survivor, assumption for beneficiary age, reciprocity assumption revised.	July 1, 2022	0.92%	-0.7%	2022 Investigation of Experience.

1. Information not available.

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Appendix F Glossary

The following definitions include excerpts from a list adopted by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA and include terms used exclusively by LACERA. Defined terms are capitalized throughout this Appendix.

Accrued Benefit

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

Actuarial Accrued Liability

That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Amortization Payment

That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

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Contingency Reserve

Reserves accumulated for future earning deficiencies, investment losses, and other contingencies. Additions include investment income and other revenues; deductions include investment expense, administrative expense, interest allocated to other reserves, funding the STAR Reserve, and distributions to the Contribution Credit Reserve. Amounts are allocated to the Contingency Reserve to the extent there are positive recognized earnings to allocate. The California Government Code (Sections 31592 and 31592.2) requires the Contingency Reserve to be set at a minimum of 1.0% of the fair value of total assets.

County Contribution Credit Reserve

The accumulated balance of the County's proportionate share of excess earnings as stipulated in the Retirement System Funding Agreement between LACERA and the County. Additions include distributions from excess earning during the fiscal years ending 1994 through 1998 and related earnings. Deductions include payments, as the County authorizes, for future employer contributions due LACERA and for funding a portion of the Retiree Healthcare Program under the provisions of Internal Revenue Code 401(h).

Employer Reserve

The accumulation of employer contributions for future retirement benefit payments. Additions include contributions from employers and related earnings. Deductions include annuity payments to retired members and survivors, lump sum death benefit payments to member survivors, and supplemental disability payments.

Entry Age Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

Funded Ratio

A measurement of the funded status of the Plan. The Funded Ratio is calculated by dividing the Valuation Assets by the Actuarial Accrued Liability. For example, a Funded Ratio of 90% indicates assets are 10% less than liabilities.

Funding Goal

The Funding Goal is the funded status the Board of Investments would like LACERA to achieve. The main goal is to provide benefit security for its members as well as to achieve and maintain stable employer contributions that are as low as possible. A Funded Ratio equal to 100% is the Funding Goal.

Layered Amortization Period

Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re-amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.

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Member Reserve

The accumulation of member contributions. Additions include member contributions and related earnings. Deductions include annuity payments to retirees and refunds to members.

Non-Valuation Reserves

Reserves excluded from the calculation of contribution rates, including the Contingency Reserve, the County Contribution Credit Reserve, and any other reserves specifically excluded by the Board of Investments.

Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

Plan Year

A 12-month period beginning July 1 and ending June 30.

Projected Benefits

Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

STAR Reserve

Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3.

Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.

Surplus Funding

The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability. Standard actuarial terminology defines this as the “Funding Excess.” LACERA uses the term “Surplus Funding.”

Unfunded Actuarial Accrued Liability

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Valuation Date

The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.

Valuation Reserves

All reserves excluding the Non-Valuation Reserves

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May 29, 2024

TO: Each Trustee,
Board of Investments

FROM: Santos H. Kreimann SHK
Chief Executive Officer

Ted Granger TG
Chief Financial Officer

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: **2023 TRIENNIAL ACTUARIAL PROJECTS – LOS ANGELES COUNTY OTHER POST-EMPLOYMENT BENEFITS (OPEB) PROGRAM EDUCATIONAL SESSION**

For the fiscal year 2023 OPEB actuarial project cycle, Milliman, LACERA's consulting actuary, will conduct an experience study and prepare an annual valuation report. The attached slides and corresponding presentation from Milliman will serve as an educational session to provide an overview of the economic assumptions used for the triennial OPEB experience study. The information presented will help provide an understanding of the link between Board of Investment activities and the actuarial process.

LACERA's consulting actuaries, Nick Collier and Janet Jennings, will facilitate the discussion at the June 12, 2024 Board of Investments meeting.

Attachment

I. LACERA's June 12, 2024 Presentation Slides
II. Milliman's June 12, 2024 Presentation Slides

SHK:tg
BOI Memo – 2023 OPEB Triennial Educational Session – Final

c: Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jonathan Grabel
Cassandra Smith
Richard Bendall

Attachment I

LACERA's June 12, 2024 Presentation Slides

LACERA

Introduction – Actuarial Educational Session

2023 OPEB Experience Study

Board of Investments
June 12, 2024

Agenda

Educational Session

- LACERA
  - Board of Investments / Board of Retirement
  - Actuarial Process

- Milliman
  - Economic Assumptions
  - Investment Return
  - OPEB Education
  - OPEB Trust Investment Return Assumption

Role: Board of Investments

- Investment policy and objectives
  - Pension Trust and OPEB Trust
    - Strategic Asset Allocation (SAA)
    - Investment Policy Statement (IPS)

- Pension Plan actuarial matters
  - Annual valuation
    - Contribution rates
    - Funded status
  - Triennial experience study
    - Actuarial assumptions and methods

Role: Board of Retirement

- Administration
  - Retirement system
  - Retiree healthcare program (OPEB program)
  - Disability retirement program

- Retiree Healthcare (OPEB) Program actuarial matters
  - Annual valuation
    - Contributions (OPEB Trust, Pay-Go)
    - Funded status
  - Triennial experience study
    - Actuarial assumptions and methods

Timeline

Board of Investments

April 2024

- Approved OPEB Trust Strategic Asset Allocation (SAA)

May 2024

- Approved Investment Policy Statement (IPS) & Performance Benchmarks

June 2024

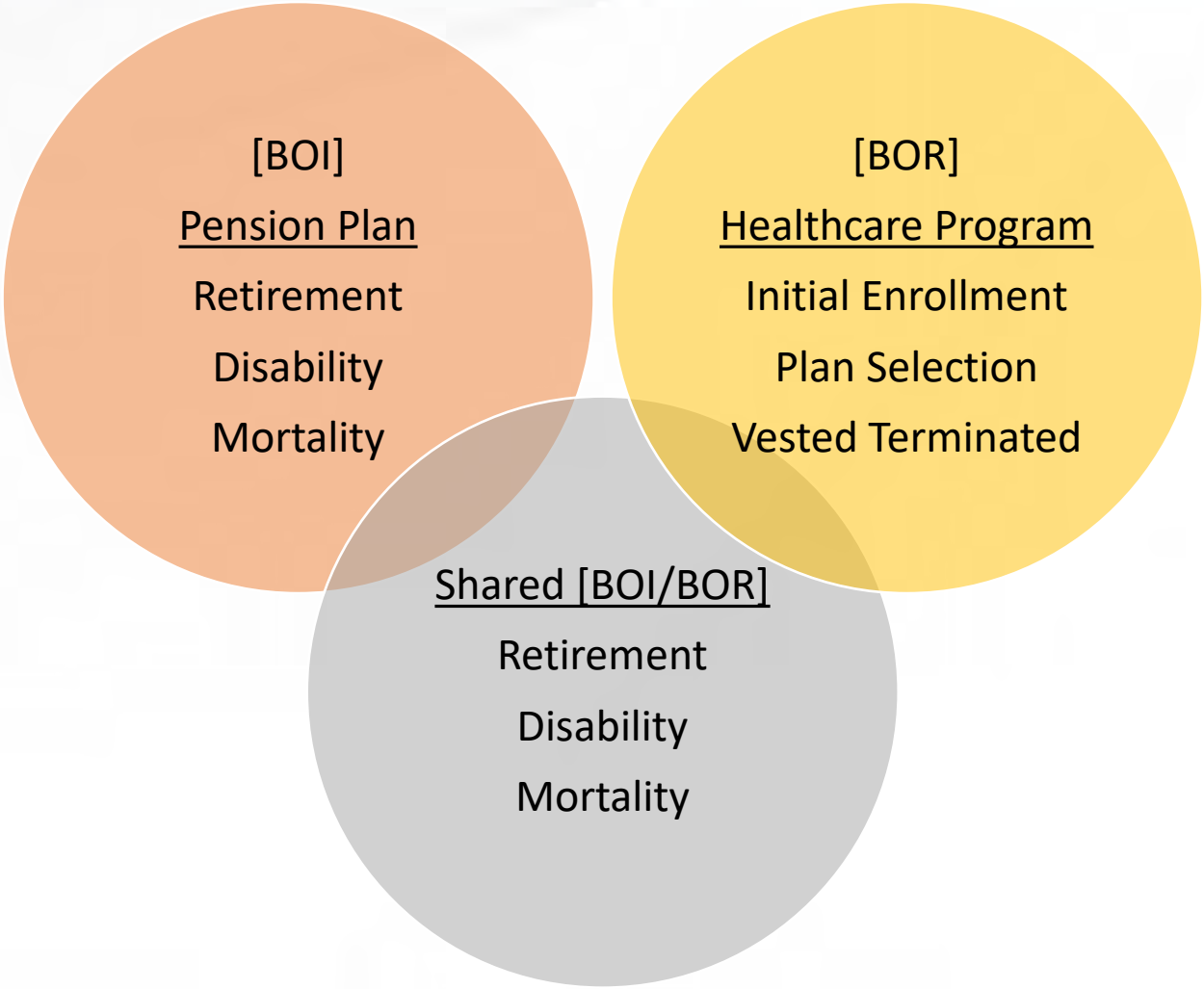
- Review OPEB Trust investment return assumption

July 2024 Board of Retirement

- Approve OPEB Experience Study

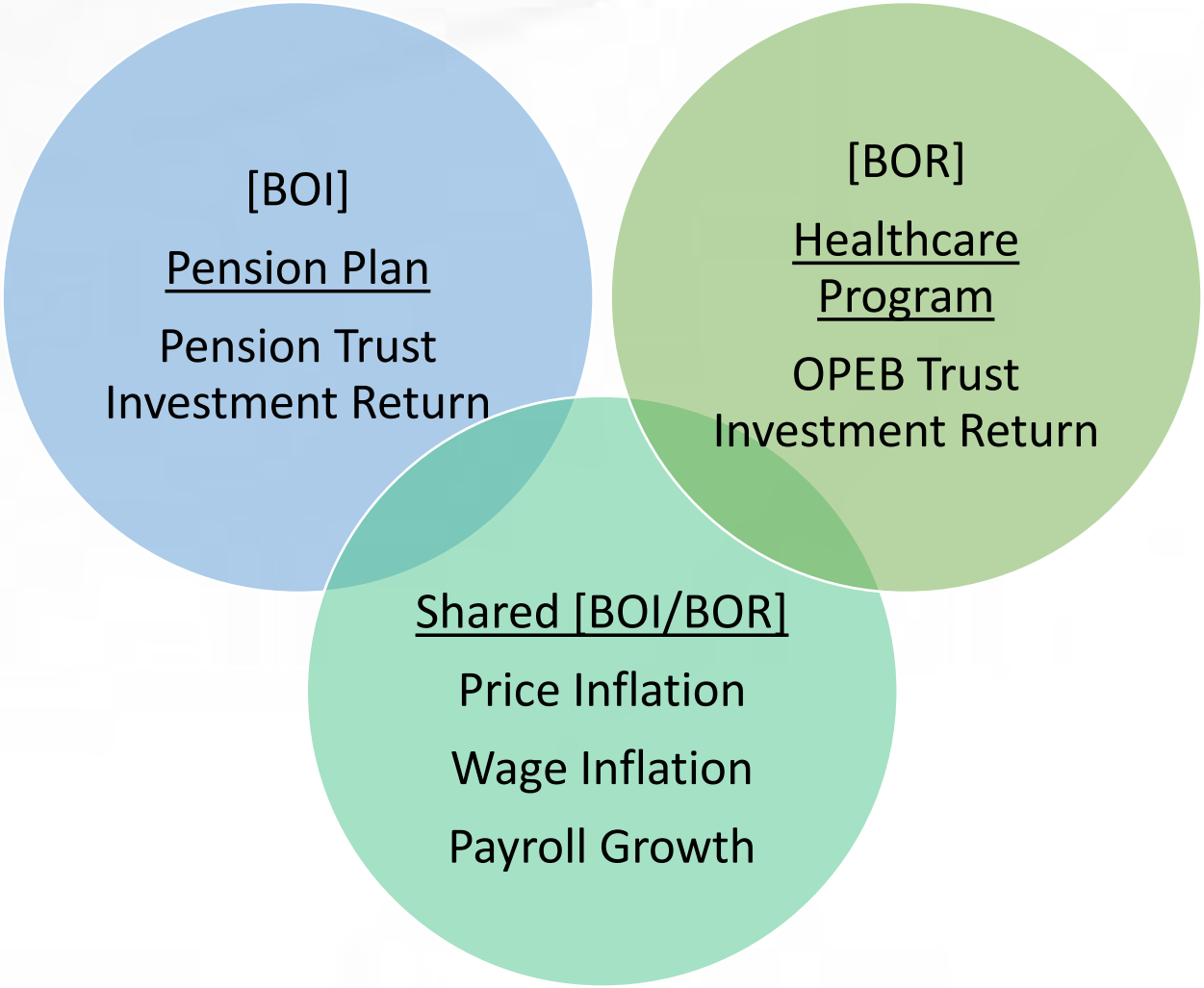
Experience Study

Demographic Assumptions



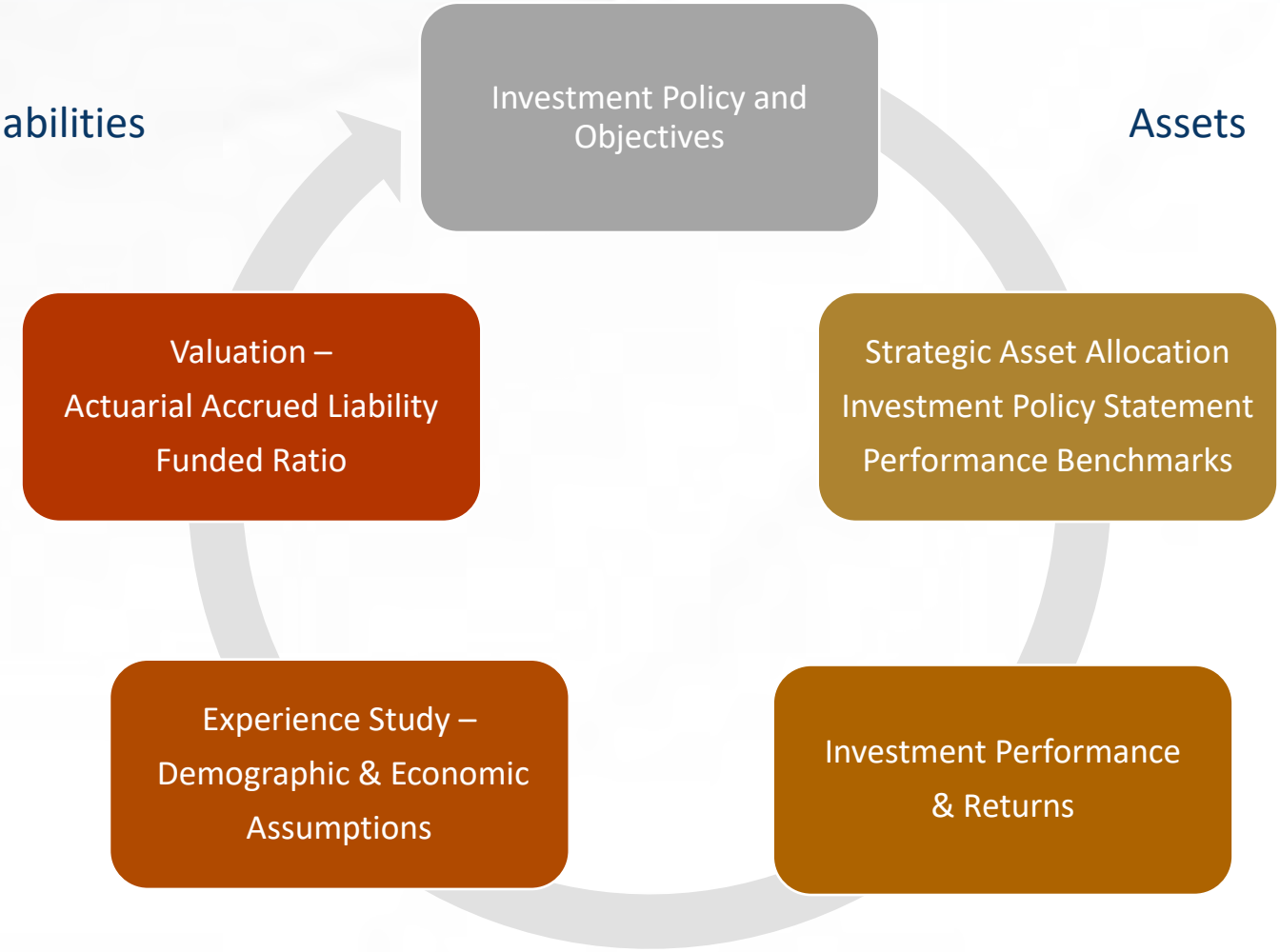
Experience Study

Economic Assumptions



Board of Investments

Process Flow



Questions?

Next up – Milliman

Attachment II

Milliman’s June 12, 2024 Presentation Slides

LACERA

Actuarial Education Session – Investment Return Assumption

Nick Collier, ASA, EA, MAAA
Janet Jennings, ASA, MAAA

JUNE 12, 2024

Milliman

Topics included in this Education Session

- Economic Assumptions Overview
- Investment Return and Funding
- Other Post Employment Benefits (OPEB) Education
- OPEB Trust Investment Return

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Economic Assumptions Overview

Milliman

Economic Assumptions – Overview

(P): Assumption applies to pension
(O): Assumption applies to OPEB
(P&O): Assumption applies to both

National Price Inflation (P&O): Directly used in the valuation to project PEPRA compensation limit. Indirectly considered as part of investment return assumption and healthcare trend.	**Local Price Inflation (P&O):** A key component of assumptions for COLAs, wage and payroll. Does not directly affect valuation.
General Wage Growth (P): Used in the valuation to project salaries used and therefore affects future benefit amounts. Equal to local price inflation plus an additional amount (if any) for real wage growth.	**Payroll Growth (P&O):** Used in the valuation to project payroll used in the calculation of the amortization on the unfunded liability. Equal to wage growth if stable active population is assumed.
Future COLAs (P): Used in the valuation to project current and future retiree benefits. Generally equal to lesser of local price inflation and maximum COLA amount. Existing COLA banks are considered.	**Healthcare Trend (O):** Used in the valuation to project future OPEB medical, Medicare Part B, and dental benefits.
Investment Return/Discount Rate (P&O): Used in the valuation to “discount” future payment stream to present value. Generally, the most significant assumption in allocation of future contributions.	

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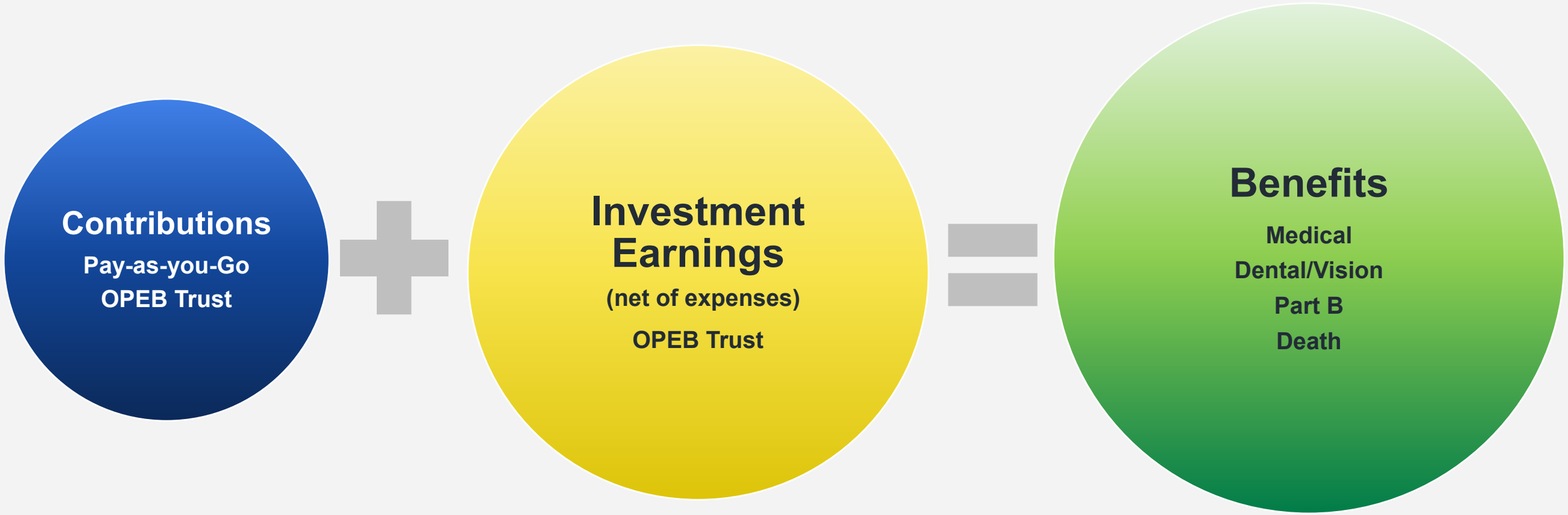
Investment Return and Funding

Milliman

Funding Principles – Balance Equation



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OPEB Education

Milliman

OPEB Actuary

OPEB Valuation: Actuary reviews the funding of the Other Post-Employment Benefits (OPEB) Trust used for retiree healthcare benefits. Actuary generally reports this information to the BOR, although the BOI is involved in the investing of these assets.

Triennial Investigation of OPEB Experience (or OPEB Experience Study) : Actuary reviews past OPEB experience and future expectations and recommends OPEB specific economic (investment return and healthcare trend) and demographic assumptions (health plan enrollment and election)

Financial Reporting: Actuary calculates values under GASB 75 which are included in the annual reports of the employers.

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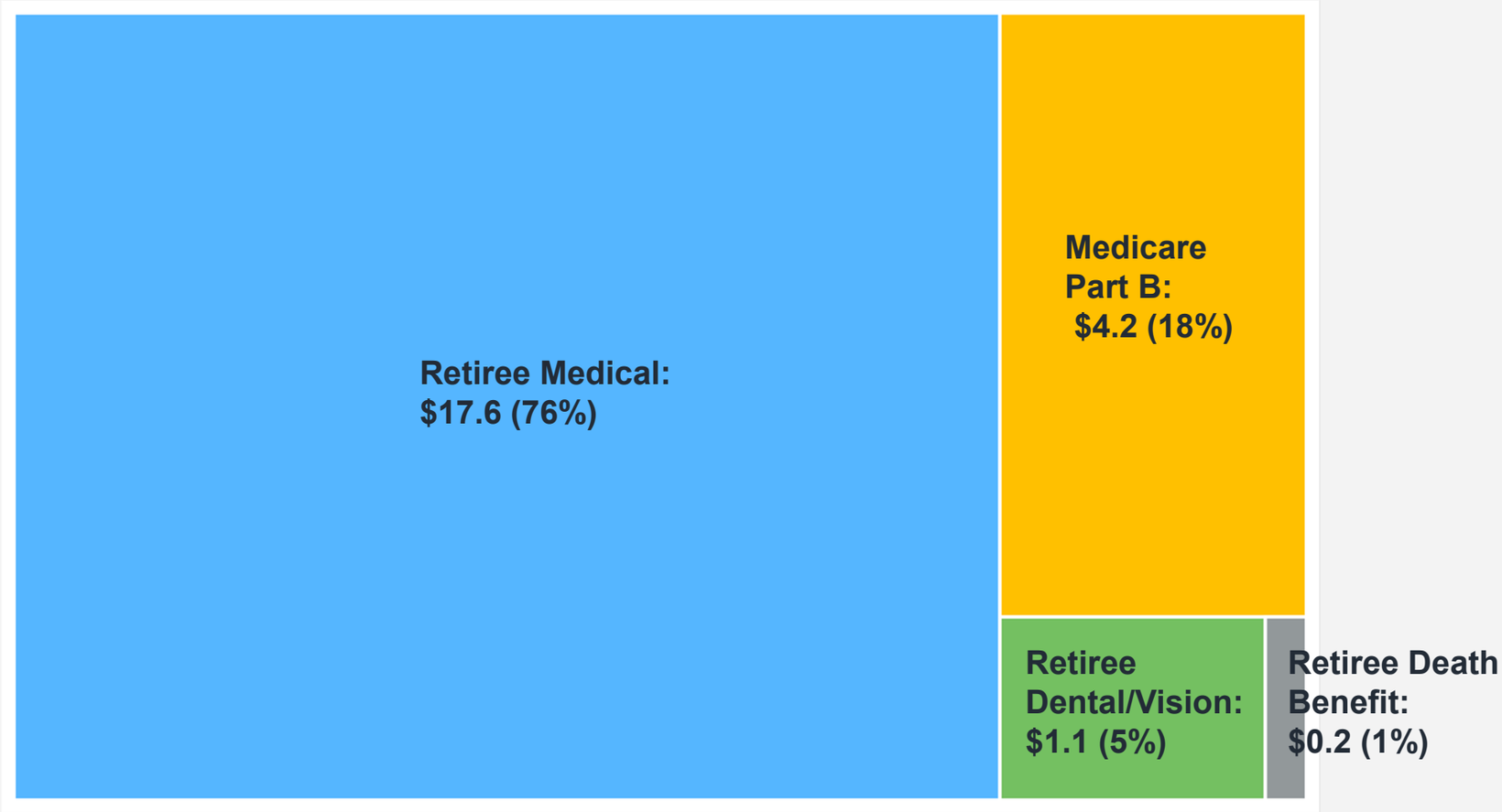
Actuarial Accrued Liability by Benefit Type

The Total 2022 Actuarial Accrued Liability is $23.1 Billion



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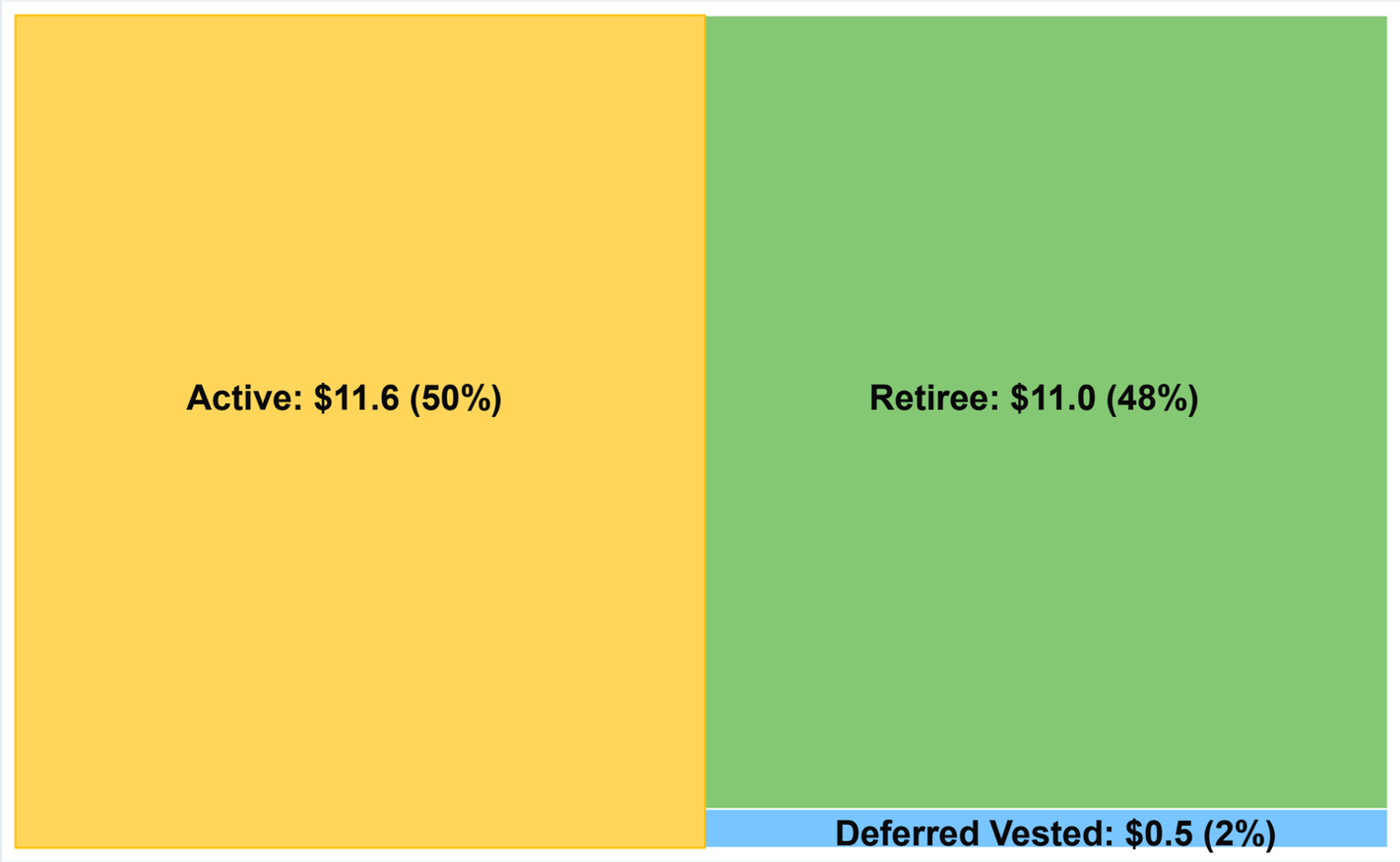
OPEB Actuarial Accrued Liability by Member Status

The Total 2022 Actuarial Accrued Liability is $23.1 Billion



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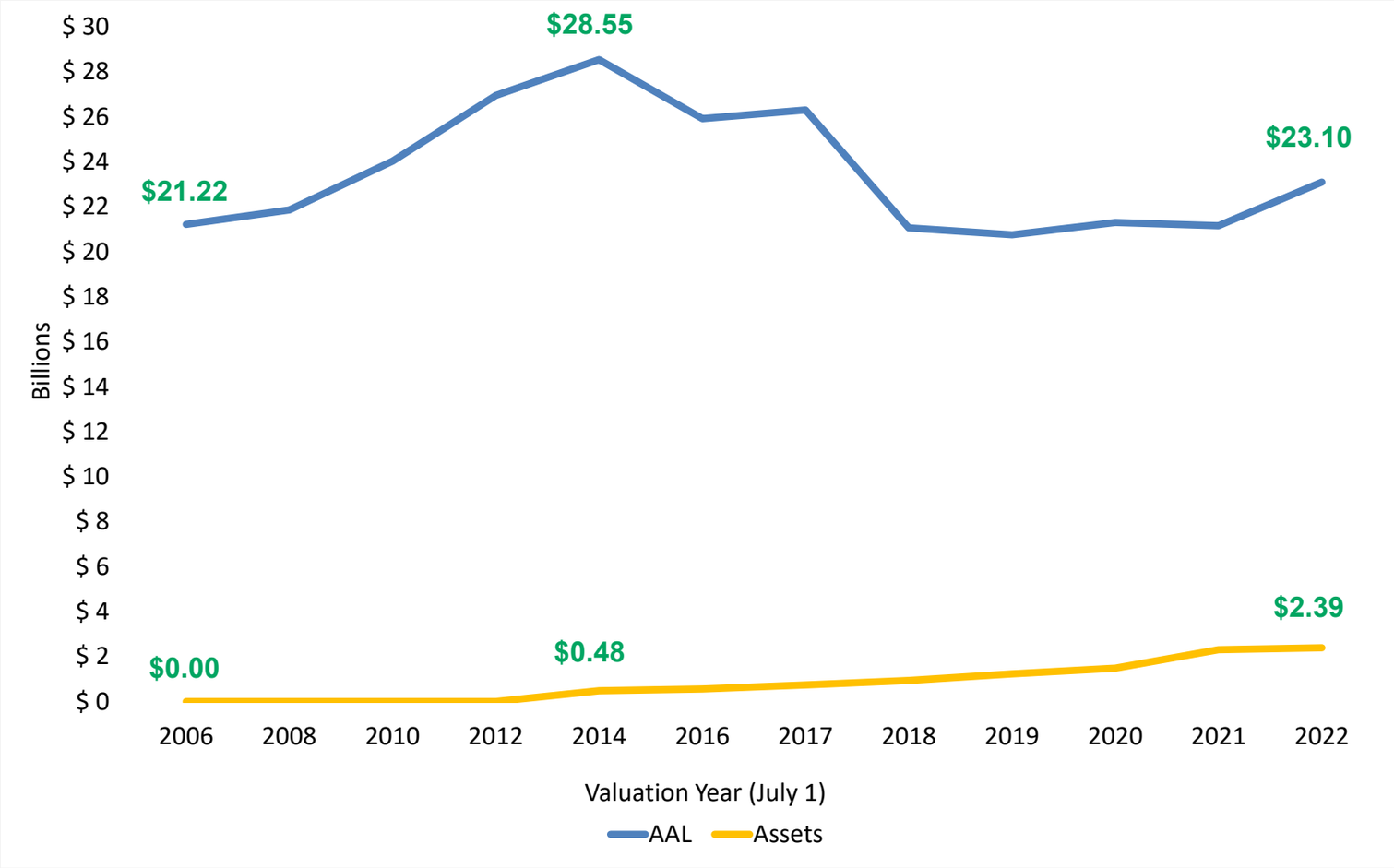
OPEB Actuarial Accrued Liability (AAL) & Assets



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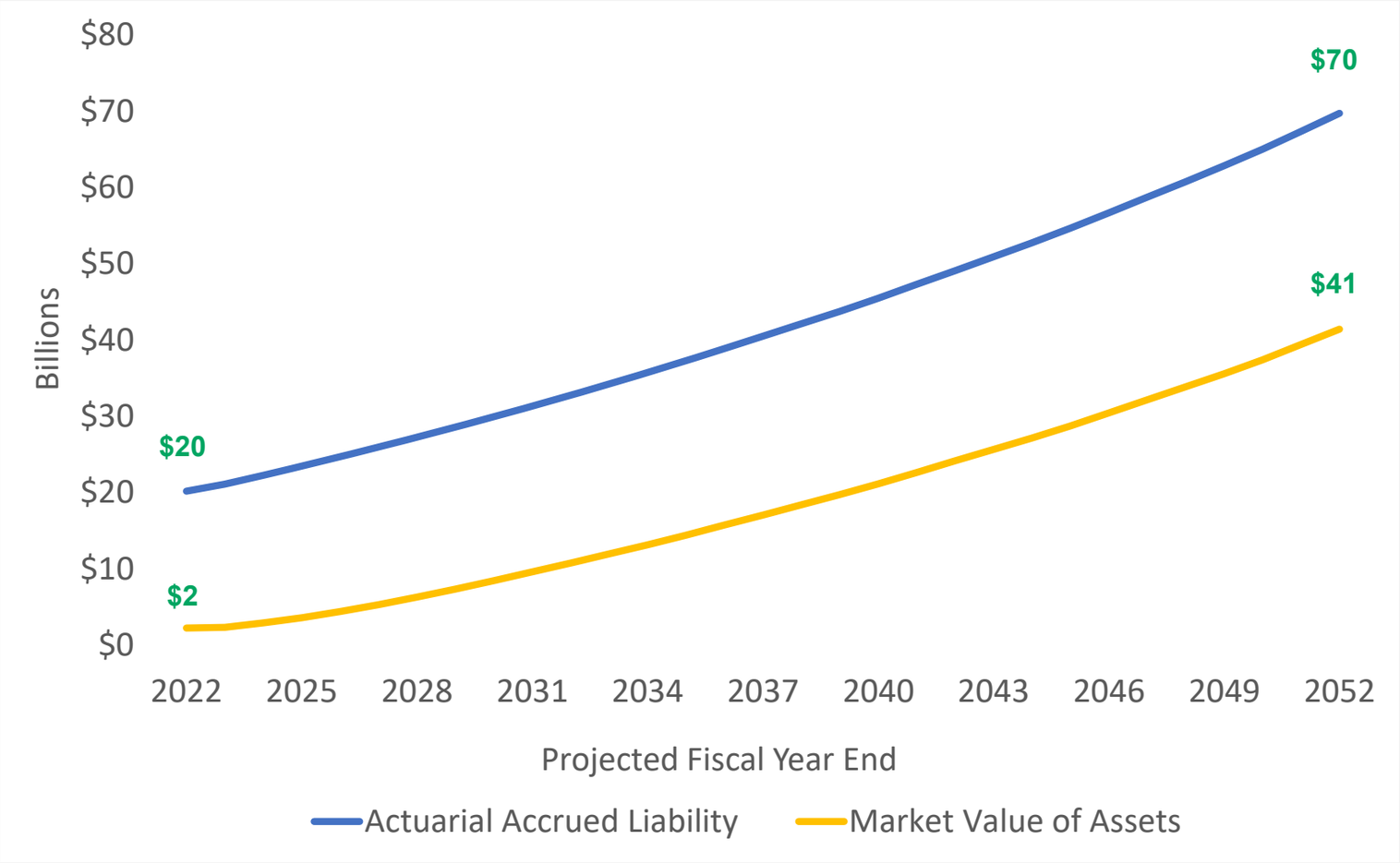
County Projected OPEB Actuarial Accrued Liability & Market Value of Assets



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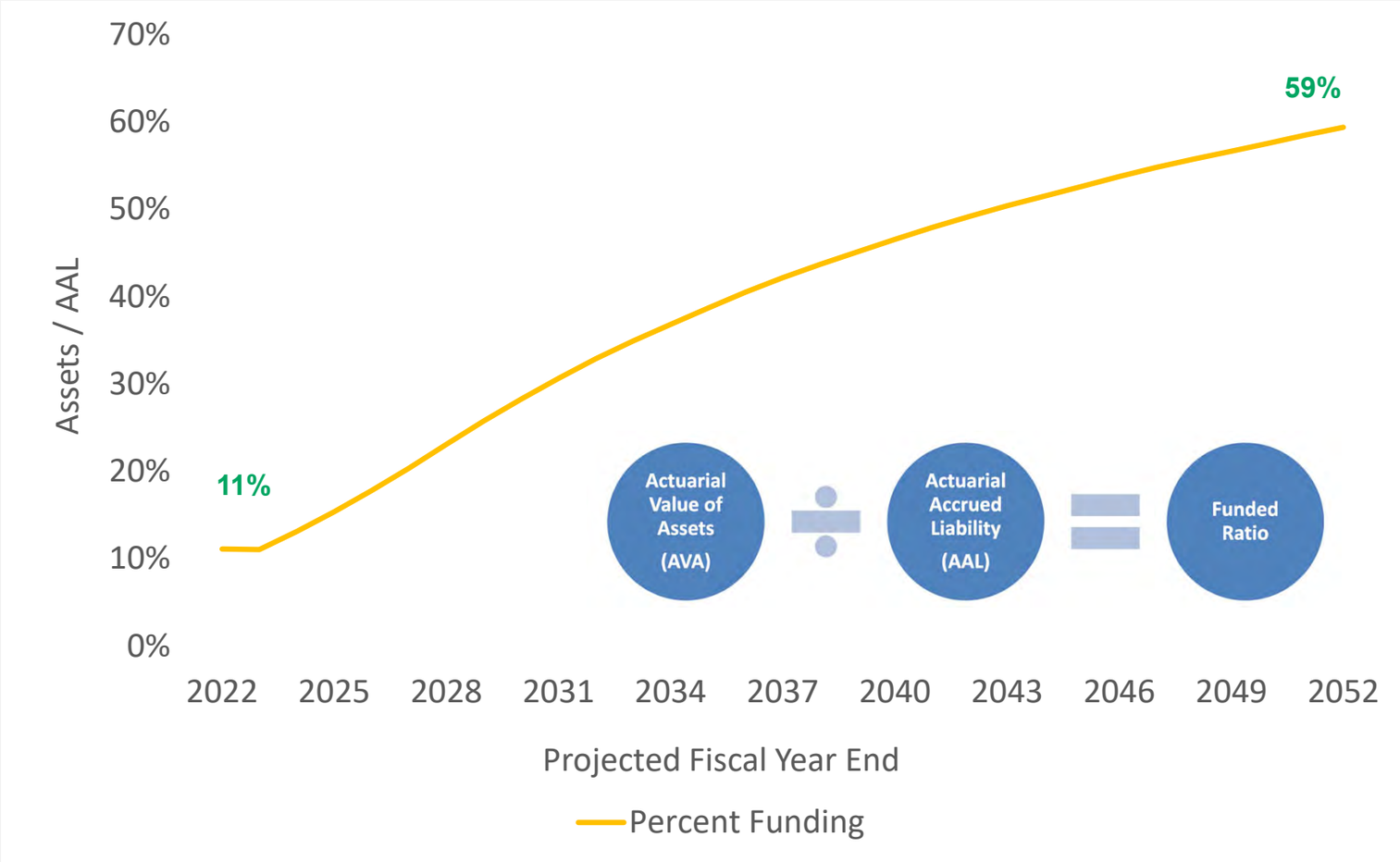
County Projected OPEB Funded Ratio



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OPEB Trust Investment Return

Milliman

Investment Earnings for Each OPEB Agent

Cost Sharing has combined assets with proportionate shares

OPEB reporting changed from Cost Sharing to Agent effective July 1, 2018

Pre-funding creates need for more explicit asset tracking

- Employers have different funding policies
- Necessitates an agent structure

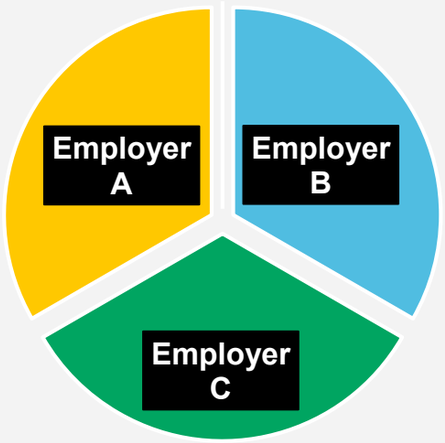
Agent structure partitions assets according to each employer's funding actions

Each agent's investment earnings assumption for the funding valuation should be aligned with their funding policy

- For agents that are pre-funding, the OPEB Trust return assumption is supported by actuarial standards
- For agents that are not pre-funding, the County general fund investment earnings is used as an assumption

Cost Sharing Plan

Agent Plan



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Investment Earnings by Agent from 2020 OPEB Experience Study

OPEB Trust Long Term Rate of Return (Currently 6.00%, *to be considered by BOR 6.25%*)

- Pre-funding Agents
  - LA County
  - LACERA
  - Superior Court

General Assets Rate of Return (Currently 2.30%, *to be considered by BOR 3.50%*)

- Outside District Agents
  - SCAQMD
  - LAFCO
  - LACOE
  - LLCD

The pre-funding agents have an investment earnings assumption based on the long-term rate of return of the OPEB Trust, because the funding policies are designed to accumulate sufficient assets in the OPEB Trust to pay the benefits for the foreseeable future. The outside district agents are not accumulating assets in the OPEB Trust, resulting in an investment earnings assumption based on the return from the County's general assets.

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OPEB Trust Allocation and Return Summary

Class	Target Allocation
Global Equity	40%
Private Equity	5%
High Yield Bonds	4%
Bank Loans	5%
Private Debt	7%
Short Term TIPs	4%
Core Private Real Estate	5%
Natural Resources (Private)	2%
Infrastructure (Core Private)	2%
Investment Grade Bonds	19%
Long-Term Government Bonds	5%
Cash Equivalents	2%

Allocation approved by the Board of Investments in April 2024

Return Summary used to determine OPEB Investment Return assumption to be approved by the Board of Retirement in July 2024

2024 Beginning of Year	Meketa	Milliman	Horizon
Based on 10-Year Assumptions			
Median Annualized Return	**6.5%**	**6.0%**	**6.0%**
Assumed Inflation	2.5%	2.4%	2.4%
Based on 20-Year Assumptions			
Median Annualized Return	**7.3%**	**6.5%**	**6.6%**
Assumed Inflation	2.5%	2.3%	2.4%

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History of OPEB Changes

Valuation Year	Investment Return Assumption: Prefunding Agents	Investment Return Assumption: Outside Districts	Changes
2006	5.00%	5.00%	Initial OPEB Valuation and Segal actuarial review
2008	5.00%	5.00%	Investigation of Experience Study
2010	5.00%	5.00%	Investigation of Experience Study and Segal actuarial review
2012	4.35%	4.35%	2013 Investigation of Experience Study
2014	3.75%	3.75%	Initial Valuation with OPEB Trust assets
2016	4.50%	4.50%	Initial Valuation reflecting Tier 2, Investigation of Experience Study and Segal actuarial review
2017	4.50%	4.50%	Beginning of annual valuations
2018	6.00%	3.69%	Initial agent Valuation, 2018 Investigation of Experience Study and Cavanaugh Macdonald actuarial review
2019	6.00%	3.69%	ACA Excise Tax and Health Insurer Fee repealed
2020	6.00%	2.30%	2020 Investigation of Experience Study and Cavanaugh Macdonald actuarial review
2021	6.00%	2.30%	There were no changes in this valuation year
2022	6.00%	2.30%	There were no changes in this valuation year
2023	6.25%	3.50%	Proposed

2018 was the first year with an OPEB Agent Structure and two different investment return assumptions.

The determination was made in 2018 that the anticipated schedule of OPEB contributions plus interest are anticipated to be adequate to pay benefit payments for the foreseeable future. This was based on the funding plan and historical OPEB trust contributions.

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Milliman

Thank you

Milliman

Certification

This presentation is intended as a high-level discussion of an actuarial investment return assumption. Numerical examples are based on the results of the forthcoming 2023 OPEB investigation of experience study, which is based on the data, methods, assumptions and plan provisions described in our July 1, 2022 OPEB actuarial valuation report dated July 14, 2023. The statements of reliance and limitations on the use of this material is reflected in the actuarial report and still apply to this presentation.

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

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

The results of the OPEB actuarial valuation and experience study are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Program, or the Program's participants.

Nick Collier

Nick Collier, ASA, EA, MAAA
Principal and Consulting Actuary

Janet Jennings

Janet Jennings, ASA, MAAA
Consulting Actuary

LACERA

FOR INFORMATION ONLY

June 1, 2024

TO: Trustees – Board of Investments

FROM: Esmeralda del Bosque, Principal Investment Officer

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: **LACERA Total Fund Quarterly Performance Book**

Attached is LACERA's total Fund quarterly performance book as of March 31, 2024. The report contains performance, risk, and compliance sections utilizing data from our platform providers.

Highlights for this quarter include two redesigned sections: the dedicated public markets manager pages and the Compliance Monitor report. These were revamped to provide a clearer, more intuitive layout and enhanced readability as part of our ongoing process for continuous improvement.

Noted and Reviewed:

_____
Jonathan Grabel
Chief Investment Officer

Attachments

LACERA

Los Angeles County Employees Retirement Association

Investments Division

TOTAL FUND

PERFORMANCE REPORT

For the quarter ended
March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Table of Contents

01 TOTAL FUND

02 GROWTH

03 CREDIT

04 REAL ASSETS & INFLATION HEDGES

05 RISK REDUCTION & MITIGATION

06 OVERLAYS & HEDGES

07 PRIVATE MARKETS

08 EMERGING MANAGER PROGRAM

09 COMPLIANCE MONITOR

10 MANAGER SCORECARDS

11 APPENDIX

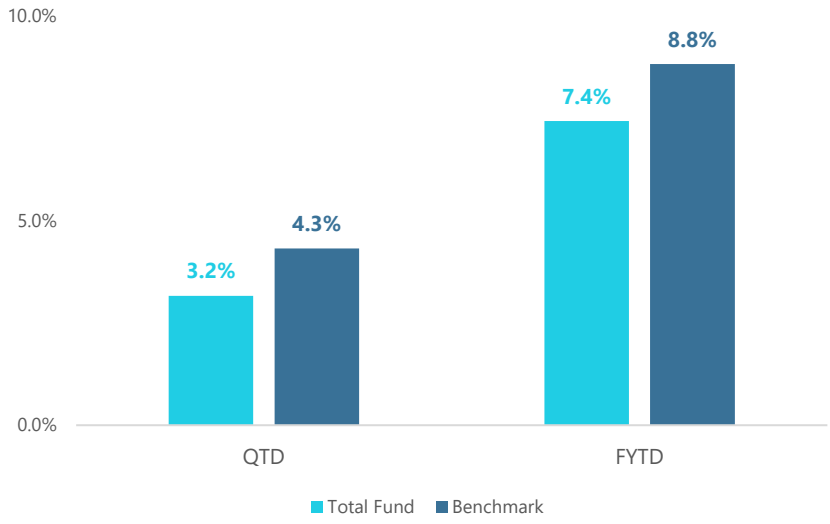
total fund

Quarterly Snapshot

for the quarter ended March 31, 2024

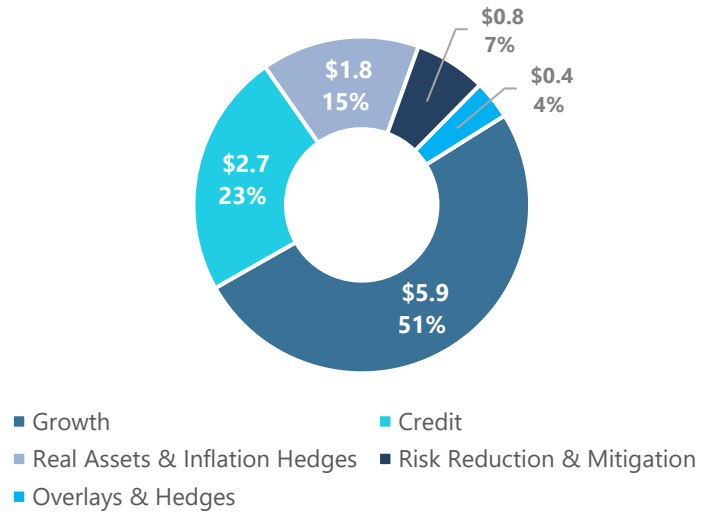
LACERA
Los Angeles County Employees Retirement Association

Performance (net)



Public Markets Fees[1]

(mm)



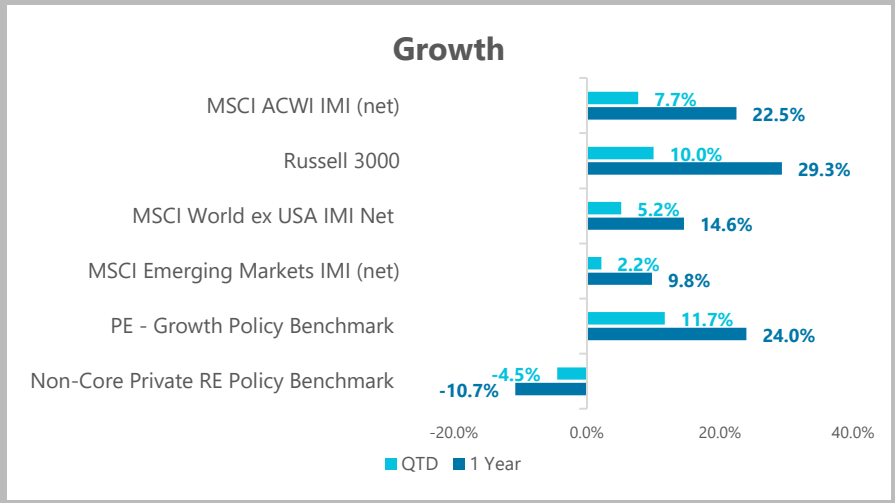
Ending Market Value	Sharpe Ratio[2]	Manager Batting Average[3]	Standard Deviation[2]	Tracking Error[2]
78,031	0.5	.460	7.6	3.0
↑ 3% from prior quarter	↓ -15% from prior quarter	↑ 6% from prior quarter	↓ -1% from prior quarter	↑ 3% from prior quarter

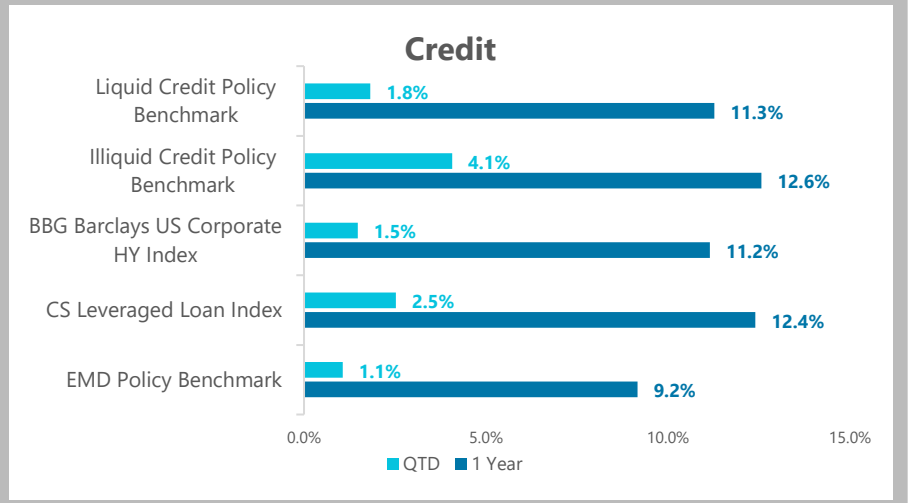
[1] Reflects estimated investment management fees. Additional details in the appendix.
[2] Trailing 3-Year Annualized.
[3] Percentage of managers that outperformed their assigned benchmark for the quarter.

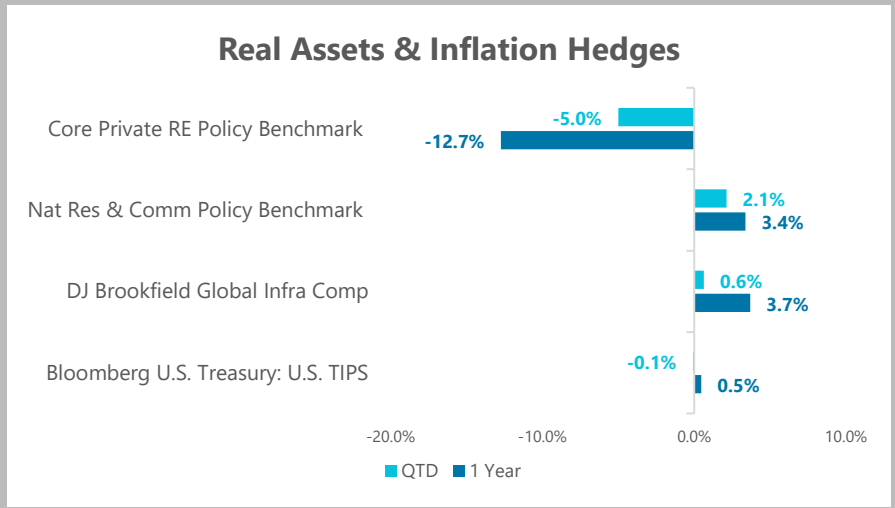
Market Environment

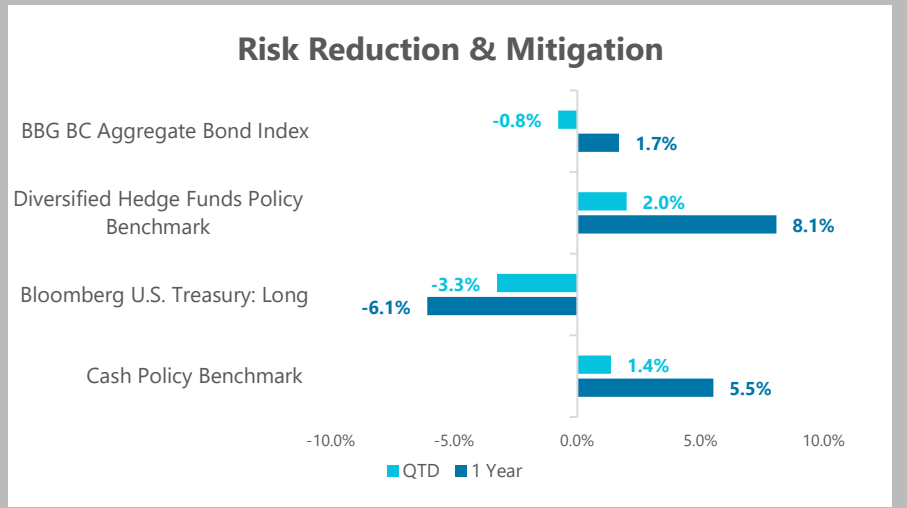
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association







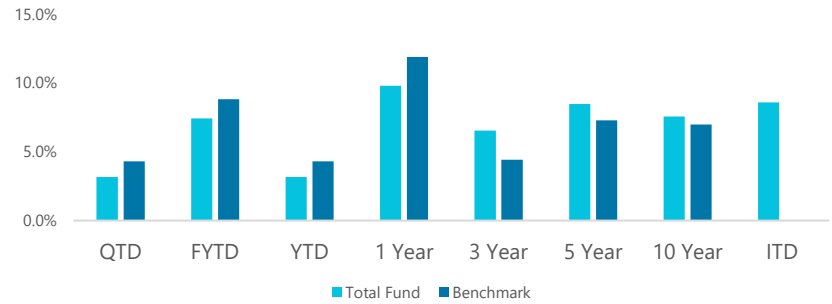


Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)



	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Total Fund	**3.2%**	**7.4%**	**3.2%**	**9.8%**	**6.6%**	**8.5%**	**7.6%**	**8.6%**
Benchmark	4.3%	8.8%	4.3%	11.9%	4.4%	7.3%	7.0%	--
Excess	-1.2%	-1.4%	-1.2%	-2.1%	2.1%	1.2%	0.6%	--

	FY23	FY22	FY21	FY20	FY19
Total Fund	**6.4%**	**0.1%**	**25.2%**	**1.8%**	**6.4%**
Benchmark	5.0%	-4.6%	23.1%	2.0%	8.6%

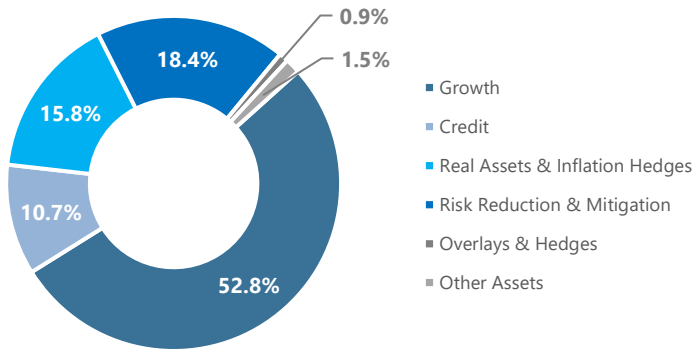
Functional Category[1]

	QTD	FYTD	YTD	1 Year	3 Year
Growth	**5.0%**	**10.6%**	**5.0%**	**15.2%**	**9.1%**
Growth Policy Benchmark	8.1%	14.1%	8.1%	20.7%	6.5%
Excess	-3.1%	-3.5%	-3.1%	-5.5%	2.6%
Credit	**3.4%**	**10.9%**	**3.4%**	**13.6%**	**5.6%**
Credit Policy Benchmark	3.3%	10.2%	3.3%	12.1%	3.2%
Excess	0.2%	0.8%	0.2%	1.5%	2.4%
Real Assets & Inflation Hedges	**-0.2%**	**-0.4%**	**-0.2%**	**-1.6%**	**5.9%**
RA & IH Policy Benchmark	-1.2%	-0.7%	-1.2%	-2.7%	5.2%
Excess	1.0%	0.3%	1.0%	1.1%	0.8%
Risk Reduction & Mitigation	**-0.2%**	**2.2%**	**-0.2%**	**1.0%**	**-1.3%**
RR & M Policy Benchmark	-0.4%	2.2%	-0.4%	1.9%	-1.4%
Excess	0.2%	-0.1%	0.2%	-1.0%	0.1%

[1] Overlays & Hedges composite not shown. Program details can be found in the functional category's dedicated section.

Cumulative Return

Exposure[2]



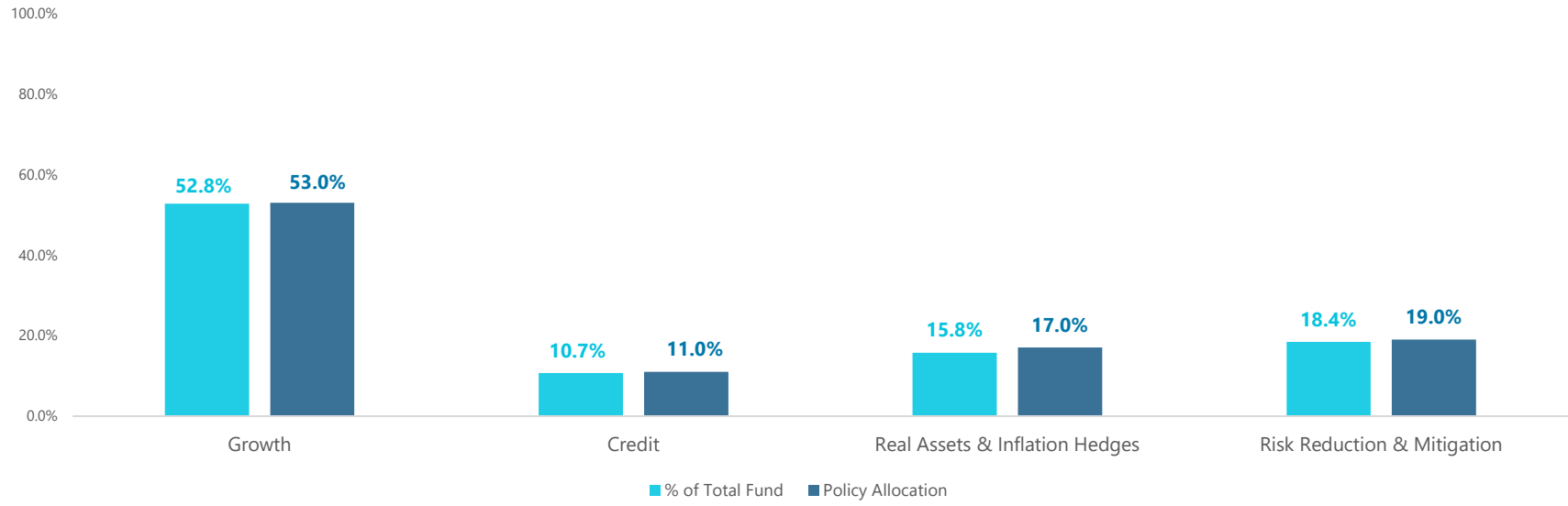
[2] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy[1]



	Ending Market Value (mm)	% of Total Fund	Policy Allocation	Over/Under (%)	Over/Under (mm)
Total Fund	**78,031**	**100.0%**	**100.0%**		
Growth	41,193	52.8%	53.0%	-0.2%	-164
Credit	8,332	10.7%	11.0%	-0.3%	-251
Real Assets & Inflation Hedges	12,293	15.8%	17.0%	-1.2%	-973
Risk Reduction & Mitigation	14,375	18.4%	19.0%	-0.6%	-451
Overlays & Hedges	704	0.9%			
Other Assets	1,135	1.5%			

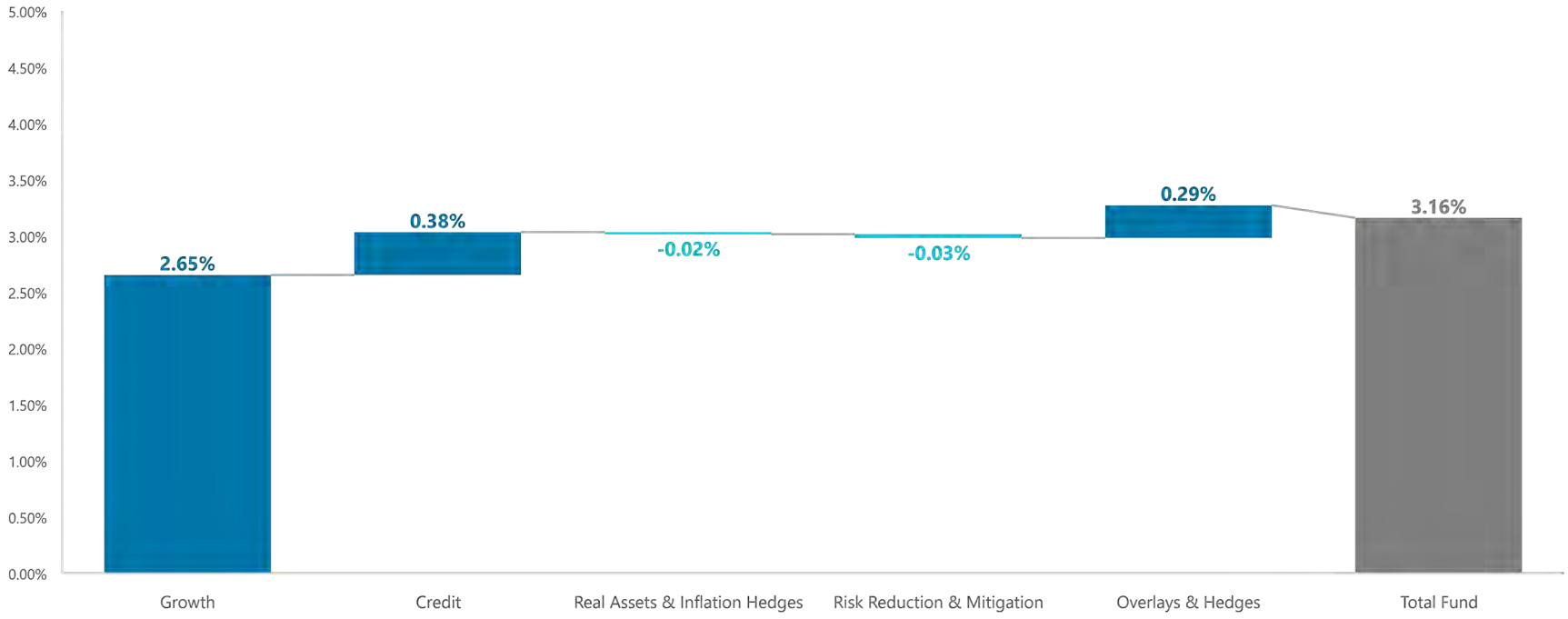
[1] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



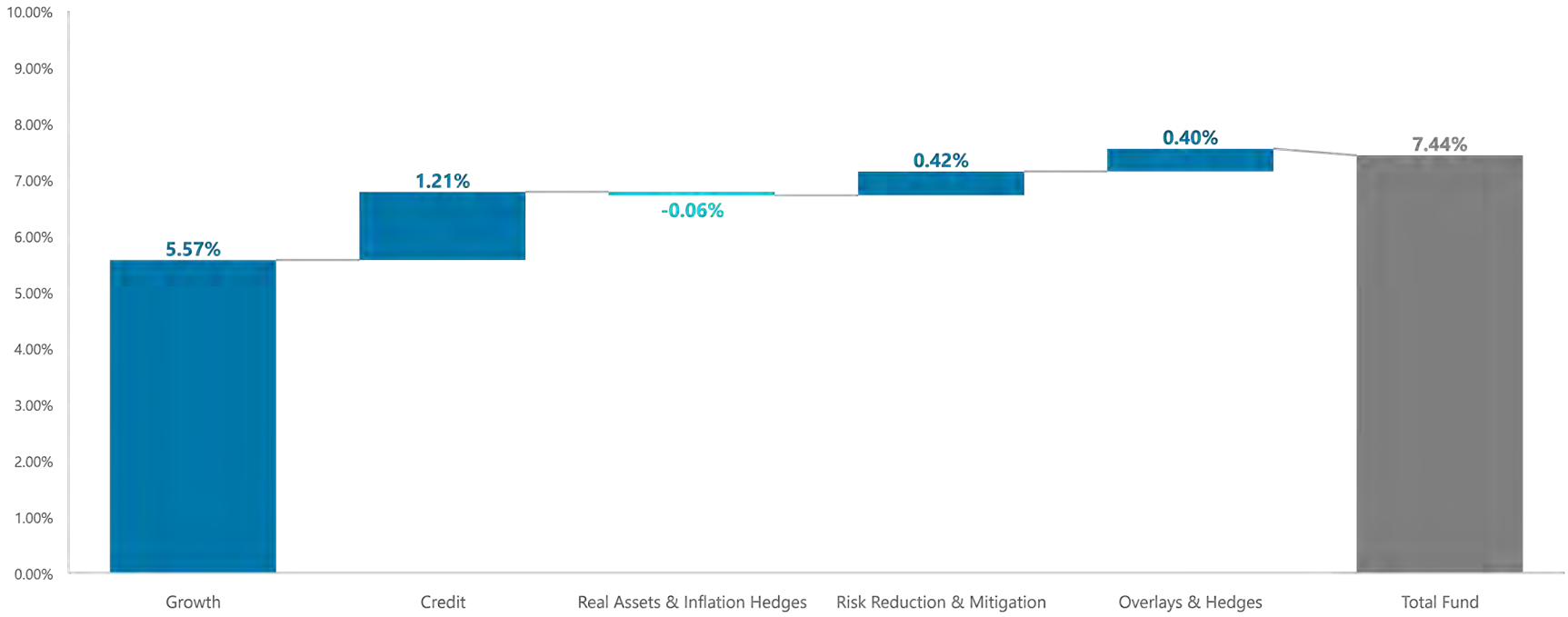
Functional Category		Contributors		Detractors	
Growth	2.65%	SSGA MSCI ACWI IMI	1.66%	Real Estate - Real Assets	-0.30%
Credit	0.38%	JPMAM Strategic Beta US	0.70%	BlackRock Long Treasury Bonds	-0.13%
Real Assets & Inflation Hedges	-0.02%	Magnetar	0.07%	Real Estate - Growth	-0.07%
Risk Reduction & Mitigation	-0.03%	Lake Navy	0.07%	BTC US Debt Index Fund	-0.03%
Overlays & Hedges	0.29%	Lake Cascade	0.06%	Brevan Howard Master Fund	-0.01%
Total Fund	3.16%				

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

FYTD Contribution to Return



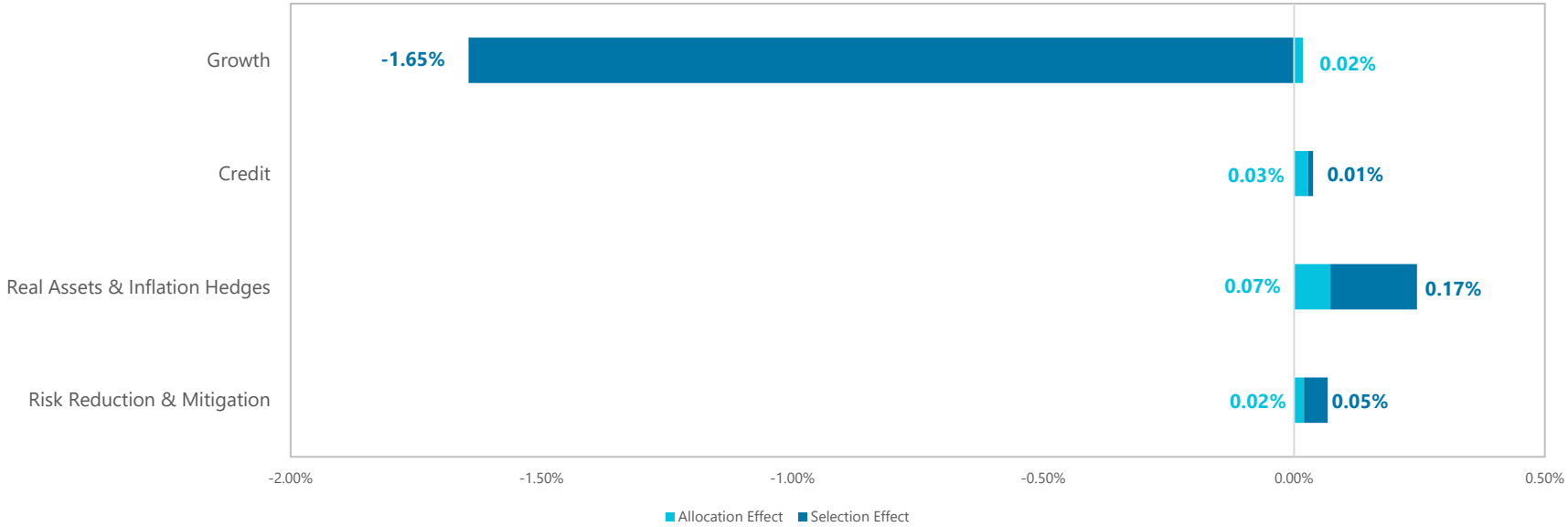
Functional Category		Contributors		Detractors	
Growth	5.57%	SSGA MSCI ACWI IMI	3.24%	Real Estate - Real Assets	-0.67%
Credit	1.21%	JPMAM Strategic Beta US	1.27%	Real Estate - Growth	-0.21%
Real Assets & Inflation Hedges	-0.06%	Private Equity - Growth	0.59%	BlackRock Long Treasury Bonds	-0.16%
Risk Reduction & Mitigation	0.42%	Magnetar	0.23%	AM Asia Strategies	-0.01%
Overlays & Hedges	0.40%	Lake Navy	0.20%		
Total Fund	7.44%				

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1,2,3]



	Ending Market Value (mm)	% of Total Fund	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Total Fund	**78,031**	**100.0%**	**100.0%**	**3.2%**	**4.3%**	**0.07%**	**-1.23%**	**-1.16%**
Growth	41,193	52.8%	53.0%	5.0%	8.1%	0.02%	-1.65%	-1.63%
Credit	8,332	10.7%	11.0%	3.4%	3.3%	0.03%	0.01%	0.04%
Real Assets & Inflation Hedges	12,293	15.8%	17.0%	-0.2%	-1.2%	0.07%	0.17%	0.24%
Risk Reduction & Mitigation	14,375	18.4%	19.0%	-0.2%	-0.4%	0.02%	0.05%	0.07%
Overlays & Hedges	704	0.9%						
Other Assets	1,135	1.5%						

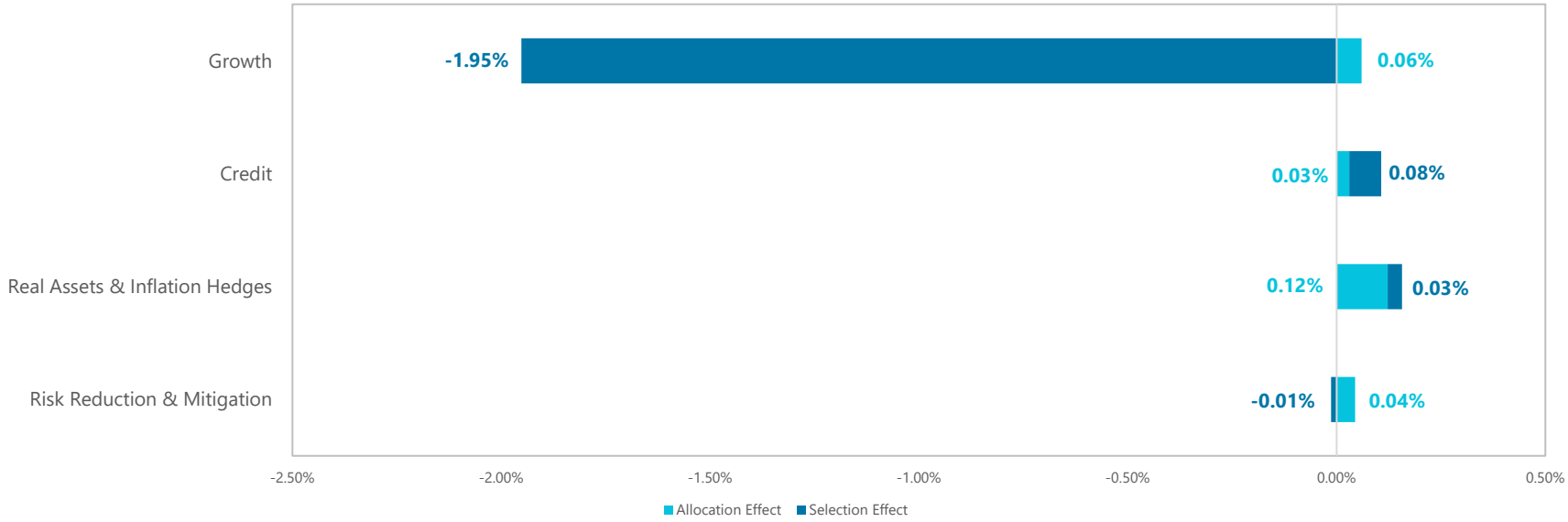
[1] Total Value Add column includes Interaction Effect.
[2] Overlays & Hedges composite attribution not shown. Program details can be found in the functional category's dedicated section.
[3] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

FYTD Performance Attribution[1,2,3]



	Ending Market Value (mm)	% of Total Fund	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Total Fund	**78,031**	**100.0%**	**100.0%**	**7.4%**	**8.8%**	**0.16%**	**-1.55%**	**-1.39%**
Growth	41,193	52.8%	53.0%	10.6%	14.1%	0.06%	-1.95%	-1.89%
Credit	8,332	10.7%	11.0%	10.9%	10.2%	0.03%	0.08%	0.11%
Real Assets & Inflation Hedges	12,293	15.8%	17.0%	-0.4%	-0.7%	0.12%	0.03%	0.16%
Risk Reduction & Mitigation	14,375	18.4%	19.0%	2.2%	2.2%	0.04%	-0.01%	0.03%
Overlays & Hedges	704	0.9%						
Other Assets	1,135	1.5%						

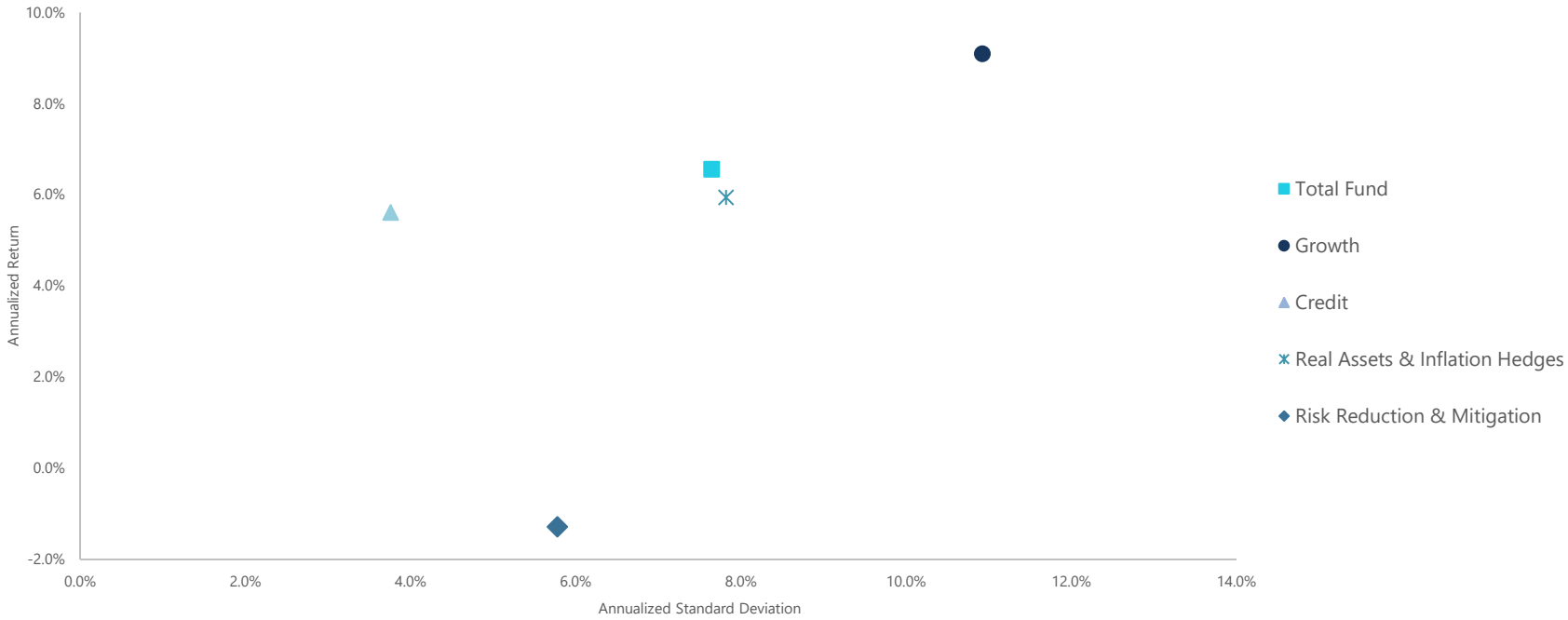
[1] Total Value Add column includes Interaction Effect.
[2] Overlays & Hedges composite attribution not shown. Program details can be found in the functional category's dedicated section.
[3] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)[1]



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Total Fund	**6.6%**	**7.6%**	**0.54**	**0.66**	**0.86**	**3.0%**
Growth	9.1%	10.9%	0.62	0.42	0.81	5.4%
Credit	5.6%	3.8%	0.79	0.69	0.55	3.3%
Real Assets & Inflation Hedges	5.9%	7.8%	0.45	0.23	0.85	2.9%
Risk Reduction & Mitigation	-1.3%	5.8%	(0.64)	0.09	0.89	1.0%

[1] Overlays & Hedges composite not shown. Program details can be found in the functional category's dedicated section.

Performance Detail

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns[1,2]

	% of Total Fund	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Total Fund	**100.0%**	**78,031**	**75,895**	**3.2%**	**7.4%**	**3.2%**	**9.8%**	**6.6%**	**8.5%**	**7.6%**	**8.6%**	**Dec-1988**
Total Fund Policy Benchmark				4.3%	8.8%	4.3%	11.9%	4.4%	7.3%	7.0%	--	
Growth	**52.8%**	**41,193**	**40,355**	**5.0%**	**10.6%**	**5.0%**	**15.2%**	**9.1%**	**12.5%**	**--**	**12.5%**	**Apr-2019**
Growth Policy Benchmark				8.1%	14.1%	8.1%	20.7%	6.5%	11.3%	--	11.3%	
Global Equity	35.1%	27,419	25,394	8.0%	16.1%	8.0%	22.9%	7.1%	11.2%	--	11.2%	Apr-2019
Global Equity Policy Benchmark				7.7%	15.6%	7.7%	22.5%	6.3%	10.6%	--	10.6%	
Private Equity - Growth	16.2%	12,677	13,828	0.2%	3.1%	0.2%	4.8%	15.2%	17.0%	--	16.2%	Jan-2019
PE - Growth Policy Benchmark				11.7%	15.4%	11.7%	24.0%	7.6%	13.7%	--	10.1%	
Non-Core Private Real Estate	1.4%	1,097	1,133	-4.9%	-12.9%	-4.9%	-13.3%	5.5%	6.5%	10.3%	4.0%	Jan-1996
Non-Core Private RE Policy Benchmark				-4.5%	-8.1%	-4.5%	-10.7%	6.5%	6.0%	9.3%	10.4%	
Credit	**10.7%**	**8,332**	**8,883**	**3.4%**	**10.9%**	**3.4%**	**13.6%**	**5.6%**	**6.0%**	**--**	**6.0%**	**Apr-2019**
Credit Policy Benchmark				3.3%	10.2%	3.3%	12.1%	3.2%	4.5%	--	4.5%	
Liquid Credit	2.9%	2,236	3,019	2.1%	9.6%	2.1%	12.7%	--	--	--	2.6%	Oct-2021
Liquid Credit Policy Benchmark				1.8%	8.7%	1.8%	11.3%	--	--	--	2.4%	
Illiquid Credit	7.8%	6,096	5,864	4.0%	11.6%	4.0%	13.9%	9.1%	10.5%	--	10.5%	Apr-2019
Illiquid Credit Policy Benchmark				4.1%	10.9%	4.1%	12.6%	3.8%	5.9%	--	5.9%	
Real Assets & Inflation Hedges	**15.8%**	**12,293**	**12,020**	**-0.2%**	**-0.4%**	**-0.2%**	**-1.6%**	**5.9%**	**4.9%**	**--**	**4.9%**	**Apr-2019**
RA & IH Policy Benchmark				-1.2%	-0.7%	-1.2%	-2.7%	5.2%	5.2%	--	5.2%	
Core Private Real Estate	4.3%	3,370	3,597	-6.5%	-12.6%	-6.5%	-15.7%	3.4%	2.2%	5.6%	6.5%	Oct-1985
Core Private RE Policy Benchmark				-5.0%	-9.7%	-5.0%	-12.7%	4.1%	3.6%	6.7%	6.4%	
Natural Resources & Commodities	3.0%	2,318	2,172	5.2%	7.6%	5.2%	7.8%	12.2%	9.0%	0.4%	-0.3%	Jul-2007
Nat Res & Comm Policy Benchmark				2.1%	7.0%	2.1%	3.4%	10.2%	8.5%	-0.6%	-1.5%	
Infrastructure	5.5%	4,263	4,111	2.2%	6.1%	2.2%	6.8%	6.3%	--	--	7.2%	Jun-2019
DJ Brookfield Global Infra Comp				0.6%	4.1%	0.6%	3.7%	4.8%	--	--	4.0%	
TIPS	3.0%	2,342	2,140	0.0%	1.8%	0.0%	0.3%	-0.5%	--	--	2.4%	May-2019
Bloomberg U.S. Treasury: U.S. TIPS				-0.1%	1.9%	-0.1%	0.5%	-0.5%	--	--	2.5%	
Risk Reduction & Mitigation	**18.4%**	**14,375**	**14,202**	**-0.2%**	**2.2%**	**-0.2%**	**1.0%**	**-1.3%**	**1.4%**	**--**	**1.4%**	**Apr-2019**
RR & M Policy Benchmark				-0.4%	2.2%	-0.4%	1.9%	-1.4%	0.9%	--	0.9%	
Investment Grade Bonds	6.8%	5,279	5,213	-0.6%	2.7%	-0.6%	1.9%	-2.4%	0.6%	1.9%	5.1%	Nov-1994
BBG BC Aggregate Bond Index				-0.8%	2.6%	-0.8%	1.7%	-2.5%	0.4%	1.5%	4.6%	
Diversified Hedge Funds	6.2%	4,873	4,759	1.7%	5.1%	1.7%	3.7%	4.9%	6.4%	--	6.4%	Apr-2019
Diversified Hedge Funds Policy Benchmark				2.0%	6.1%	2.0%	8.1%	5.1%	4.6%	--	4.6%	
Long-Term Government Bonds	3.9%	3,040	3,135	-3.0%	-4.1%	-3.0%	-6.3%	--	--	--	-13.4%	Nov-2021
Bloomberg U.S. Treasury: Long				-3.3%	-3.9%	-3.3%	-6.1%	--	--	--	-14.0%	
Cash	1.5%	1,183	1,095	1.8%	4.2%	1.8%	6.0%	3.8%	2.9%	2.0%	2.1%	Jun-2001
Cash Policy Benchmark				1.4%	4.2%	1.4%	5.5%	2.7%	2.1%	1.4%	1.6%	
Overlays & Hedges	**0.9%**	**704**	**435**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**Oct-2021**
Cash Overlay	0.8%	621	559	--	--	--	--	--	--	--	--	Aug-2019
Total Overlay Custom BM				--	--	--	--	--	--	--	--	
Currency Hedge	0.1%	83	-124	--	--	--	--	--	--	--	--	Oct-2021
50% FX Hedge Custom Benchmark				--	--	--	--	--	--	--	--	
Other Assets	**1.5%**	**1,135**	**0**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**Mar-2024**

[1] Overlays & Hedges composite returns not shown. Program details can be found in the functional category's dedicated section.
[2] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$78.0B	TOTAL FUND 1Y Realized Return: 9.8%
TOTAL FUND Monte Carlo VaR: 15.2%	BENCHMARK Monte Carlo VaR: 15.2%

Total Fund

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

*With **95% confidence**, LACERA would not lose more than **$11.6B** in **1Y**.*

versus

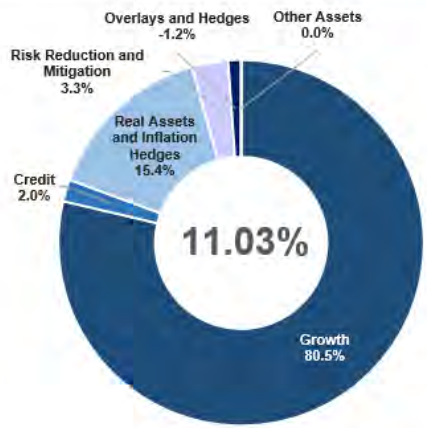
*With **95% confidence**, the Benchmark would not lose more than **$11.6B** in **1Y**.*

64%	40%	71%
Active Market Value Exposure	Private Market Value Exposure	US Market Value Exposure
$50.2B	$31.3B	$55.4B

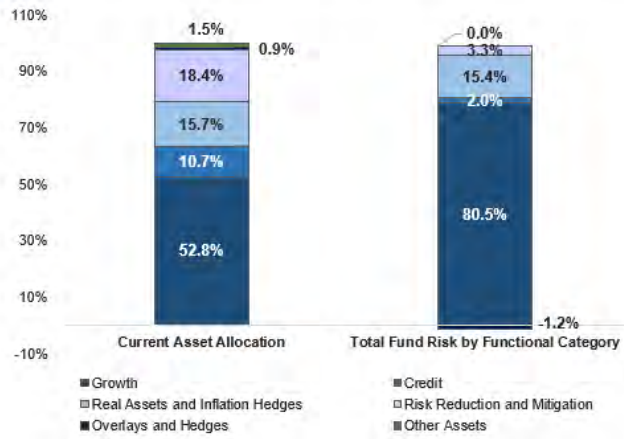
Projected (Ex-Ante) Risks

Total Fund Forecast Volatility: 11.03%	Benchmark Forecast Volatility: 11.26%
Total Fund Forecast Tracking Error: 1.09%	Allocation Risk 0.19%; Selection Risk 0.90%
Portfolio Beta 0.98	Effective Duration 1.58

Functional Category Contributions to Total Fund Risk



Total Fund Asset Allocation
Capital-based versus Risk-based



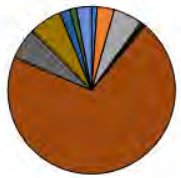
Risk Summary

for the quarter ended March 31, 2024

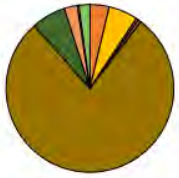
LACERA

Los Angeles County Employees Retirement Association

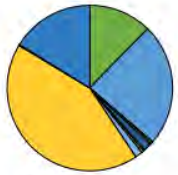
Decomposition of MSCI Risk Factors



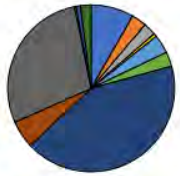
- Commodities 1.1%
- Country 3.3%
- Currency 5.6%
- Idiosyncratic 0.4%
- Implied Volatility 0.1%
- Industry 0.1%
- Inflation 0.5%
- Market 70.4%
- Private Equity 6.1%
- Private Real Estate 6.3%
- Spread 2.0%
- Style 1.3%
- Term Structure 2.9%



- Country 3.7%
- Currency 5.6%
- Idiosyncratic 0.4%
- Industry 0.7%
- Market 78.0%
- Private Equity 6.6%
- Private Real Estate 2.5%
- Spread 0.3%
- Style 2.1%



- Currency 12.4%
- Idiosyncratic 24.1%
- Hedge Funds 0.1%
- Implied Volatility 0.5%
- Inflation 1.5%
- Market 0.3%
- Private Equity 0.5%
- Private Real Estate 1.4%
- Spread 43.2%
- Style -0.2%
- Term Structure 16.2%



- Currency 8.5%
- Commodities 2.9%
- Country 2.5%
- Idiosyncratic 0.6%
- Industry 3.7%
- Inflation 2.9%
- Market 43.1%
- Private Equity 5.4%
- Private Real Estate 28.9%
- Spread 0.3%
- Style -0.9%
- Term Structure 2.1%

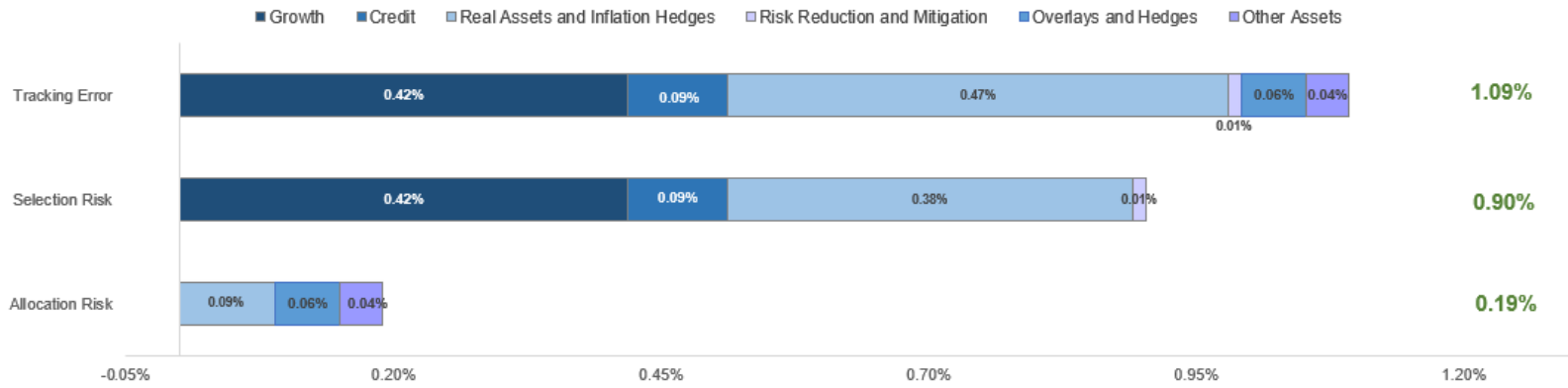
- Currency 3.0%
- Commodities -0.2%
- Country -0.1%
- Hedge Funds 0.2%
- Idiosyncratic 1.5%
- Implied Volatility 0.5%
- Industry -0.1%
- Market 0.2%
- Spread 2.2%
- Term Structure 92.9%

Risk Summary

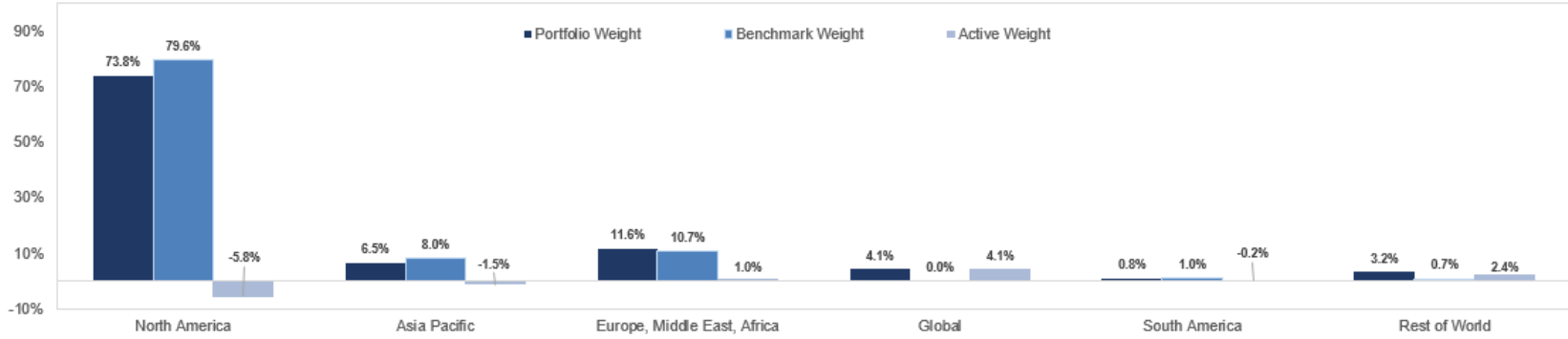
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Functional Category Contributions to Tracking Error



Portfolio Allocation by Region[1,2]



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

[2] Rest of World is sum of countries with weights below 0.5%.

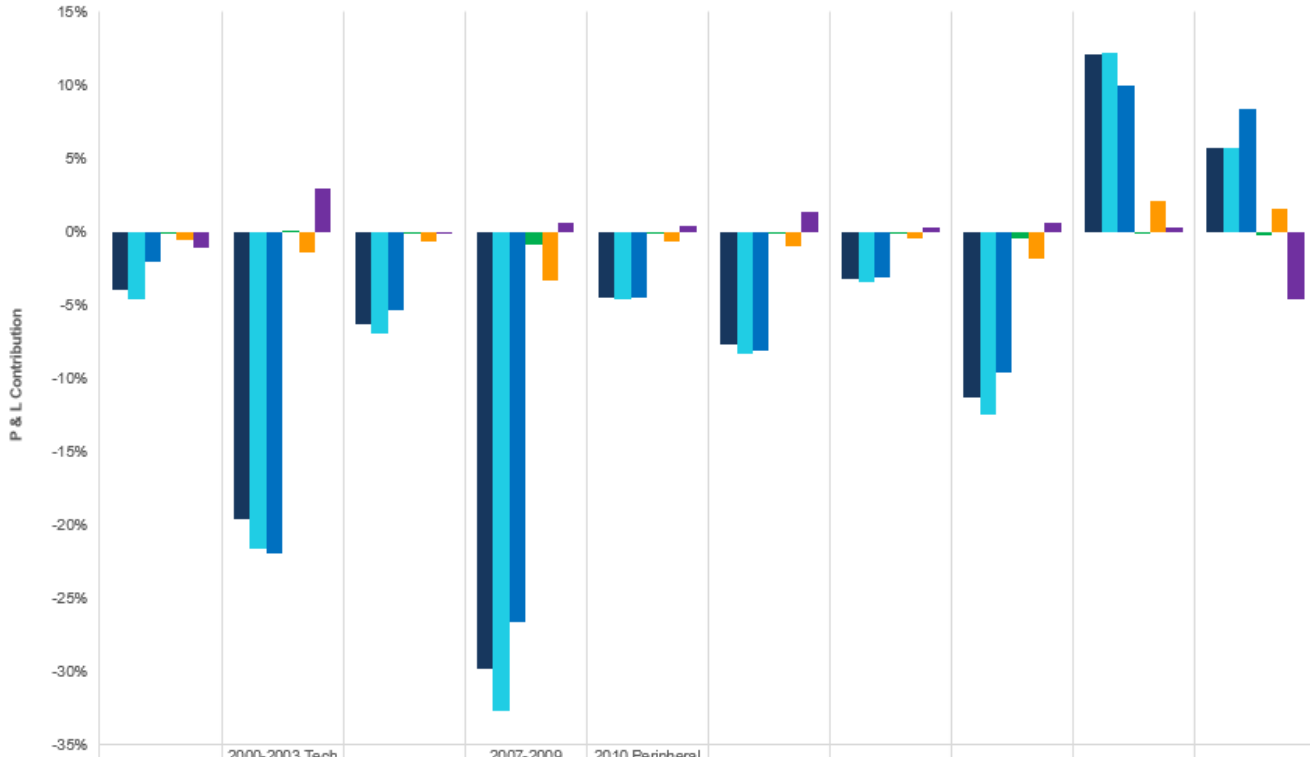
Stress Tests

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

Scenarios by Asset Category



	1994 US Rate Hike	2000-2003 Tech Crash & Recession	2001 Sept 11	2007-2009 Subprime and Credit Crisis	2010 Peripheral European Bond Crisis	2011 US Debt Ceiling Act	2016 Brexit	2020 COVID March Selloff	2020 COVID Volatility Spike	US Interest Rate Hike 2022-2023
Total Fund	-3.99%	-19.61%	-6.28%	-29.75%	-4.53%	-7.67%	-3.22%	-11.28%	12.09%	5.68%
TF Benchmark	-4.56%	-21.57%	-6.90%	-32.65%	-4.62%	-8.36%	-3.43%	-12.49%	12.20%	5.69%
Growth	-2.08%	-21.91%	-5.37%	-26.61%	-4.53%	-8.11%	-3.13%	-9.59%	10.02%	8.33%
Credit	-0.14%	0.11%	-0.11%	-0.89%	-0.09%	-0.18%	-0.06%	-0.48%	-0.12%	-0.27%
Real Assets & Inflation Hedges	-0.53%	-1.37%	-0.64%	-3.37%	-0.65%	-0.97%	-0.45%	-1.88%	2.05%	1.58%
Risk Reduction & Mitigation	-1.06%	2.97%	-0.14%	0.60%	0.43%	1.39%	0.26%	0.62%	0.33%	-4.56%

Stress Tests

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Historical Scenario	Description	Stock Market	Interest Rates	Bond Market	Commodity Market
1994 **US Rate Hike**	In combating inflation, the US Federal Reserve raised rates from 3.25% in February to 5.5% in November 1994.	Slightly Down	Down	Slightly Down	Neutral
2000-2003 **Tech Crash & Recession**	Period of crisis and slowdown for technological firms due to a rapid jump in stock prices when tech bubble began to burst.	Down	Up	Slightly Down	Up
2001 **September 11th**	The US stock market was closed for a week upon a series of coordinated suicide attacks upon the US on September 11, 2001.	Down	Neutral	Slightly Down	Neutral
2008-2009 **Global Financial Crisis**	Major financial crisis starting with the failure of several US-based financial firms. Extended into 2009, when stock markets reached their lowest.	Down	Slightly Up	Down	Down
2010 **European Bond Crisis**	During crisis, the liquidity access for peripheral countries was affected by budget deficits, high borrowing costs, and failing banking systems.	Slightly Down	Slightly Up	Slightly Down	Neutral
2011 **US Debt Ceiling Act**	Political deadlock on appropriate level of US government spending and its impacts. Debt and equity markets experienced significant volatility.	Down	Up	Down	Slightly Down
2016 **Brexit**	The referendum by British voters to exit the European Union roiled global markets causing the pound to fall to its lowest level in decades.	Slightly Down	Slightly Up	Slightly Down	Neutral
2020 **COVID March Selloff**	Peak and Valley of the MSCI ACWI index when Covid became a Global Pandemic.	Down	Slightly Up	Down	Slightly Down
2020 **COVID Volatility Spike**	Period it took for the Cboe Volatility Index (VIX) to revert to pre-pandemic levels.	Up	Slightly Up	Down	Slightly Up
2022-2023 **US Rate Hike**	Period between March 2022 and August 2023 when the US Federal Reserve raised interest rates by 525 bps.	Up	Down	Up	Up

Market Trend Signals

Up · Slightly Up · Neutral · Down · Slightly Down

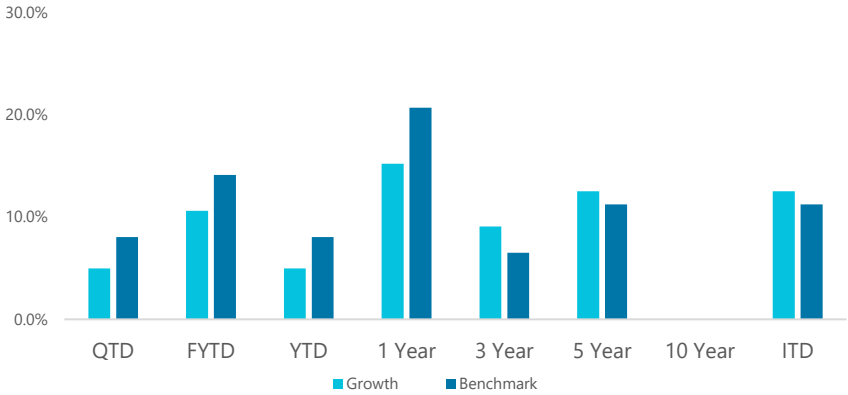
growth

Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)



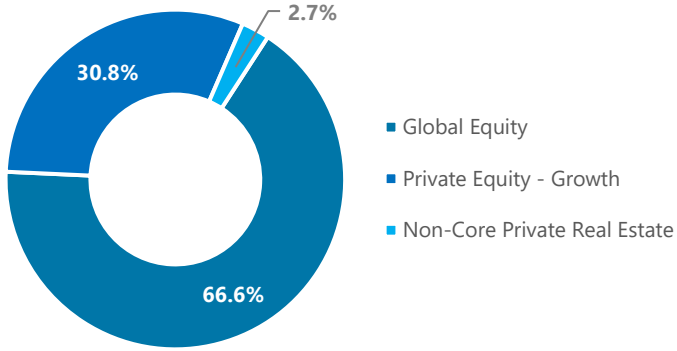
	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Growth	**5.0%**	**10.6%**	**5.0%**	**15.2%**	**9.1%**	**12.5%**	**--**	**12.5%**
Benchmark	8.1%	14.1%	8.1%	20.7%	6.5%	11.3%	--	11.3%
Excess	-3.1%	-3.5%	-3.1%	-5.5%	2.6%	1.3%	--	1.3%

Functional Category

	QTD	FYTD	YTD	1 Year	3 Year
Global Equity	**8.0%**	**16.1%**	**8.0%**	**22.9%**	**7.1%**
Global Equity Policy Benchmark	7.7%	15.6%	7.7%	22.5%	6.3%
Excess	0.3%	0.5%	0.3%	0.4%	0.8%
Private Equity - Growth	**0.2%**	**3.1%**	**0.2%**	**4.8%**	**15.2%**
PE - Growth Policy Benchmark	11.7%	15.4%	11.7%	24.0%	7.6%
Excess	-11.5%	-12.3%	-11.5%	-19.2%	7.6%
Non-Core Private Real Estate	**-4.9%**	**-12.9%**	**-4.9%**	**-13.3%**	**5.5%**
Non-Core Private RE Policy Benchmark	-4.5%	-8.1%	-4.5%	-10.7%	6.5%
Excess	-0.4%	-4.8%	-0.4%	-2.6%	-0.9%

Cumulative Return

Exposure

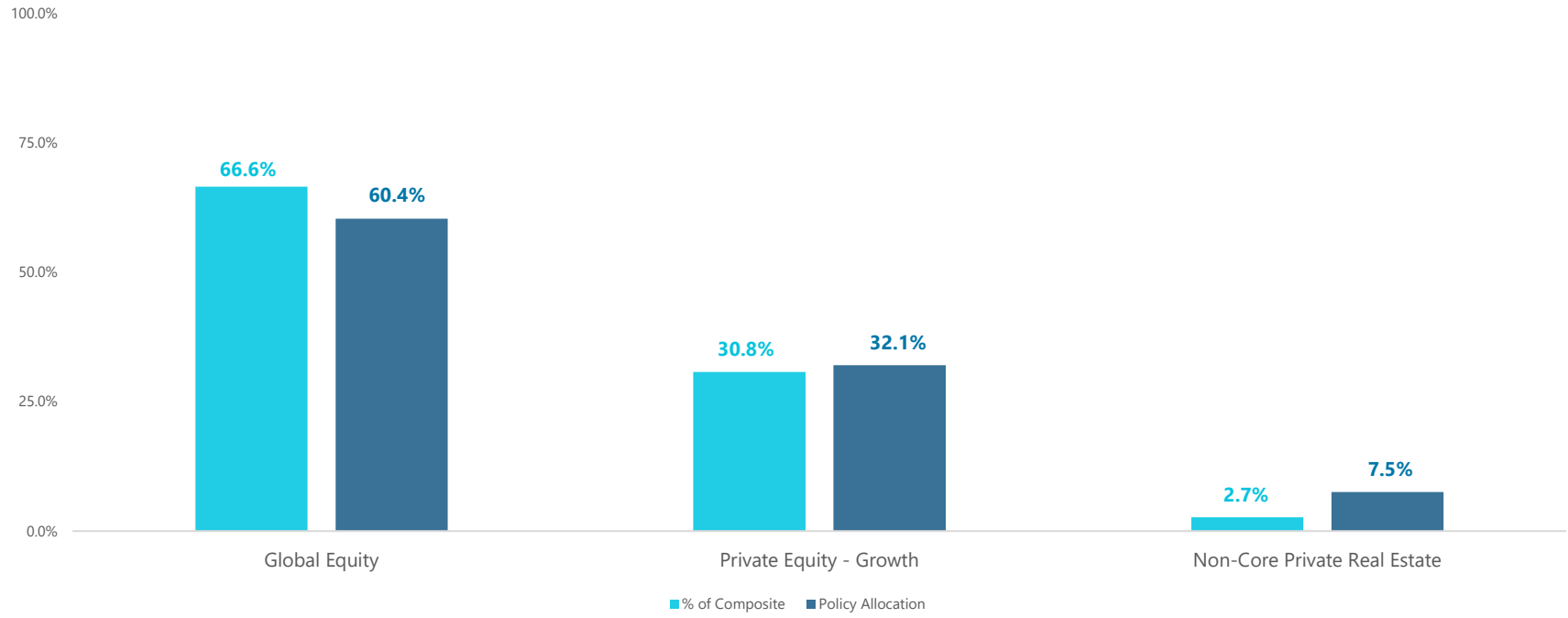


Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy



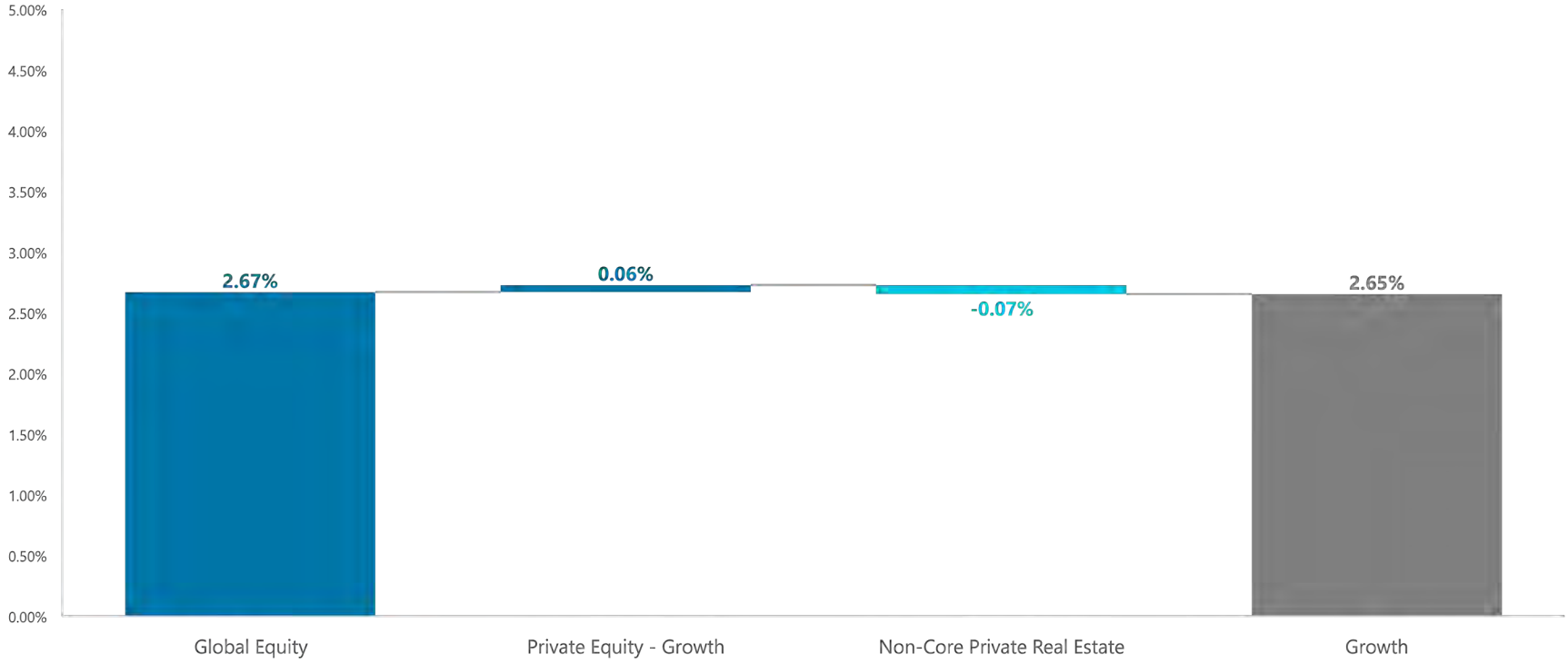
	Ending Market Value (mm)	% of Composite	Policy Allocation	Over / Under (%)	Over / Under (mm)
Growth	**41,193**	**100.0%**	**100.0%**		
Global Equity	27,419	66.6%	60.4%	6.2%	2,547
Private Equity - Growth	12,677	30.8%	32.1%	-1.3%	-537
Non-Core Private Real Estate	1,097	2.7%	7.5%	-4.9%	-2,009

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



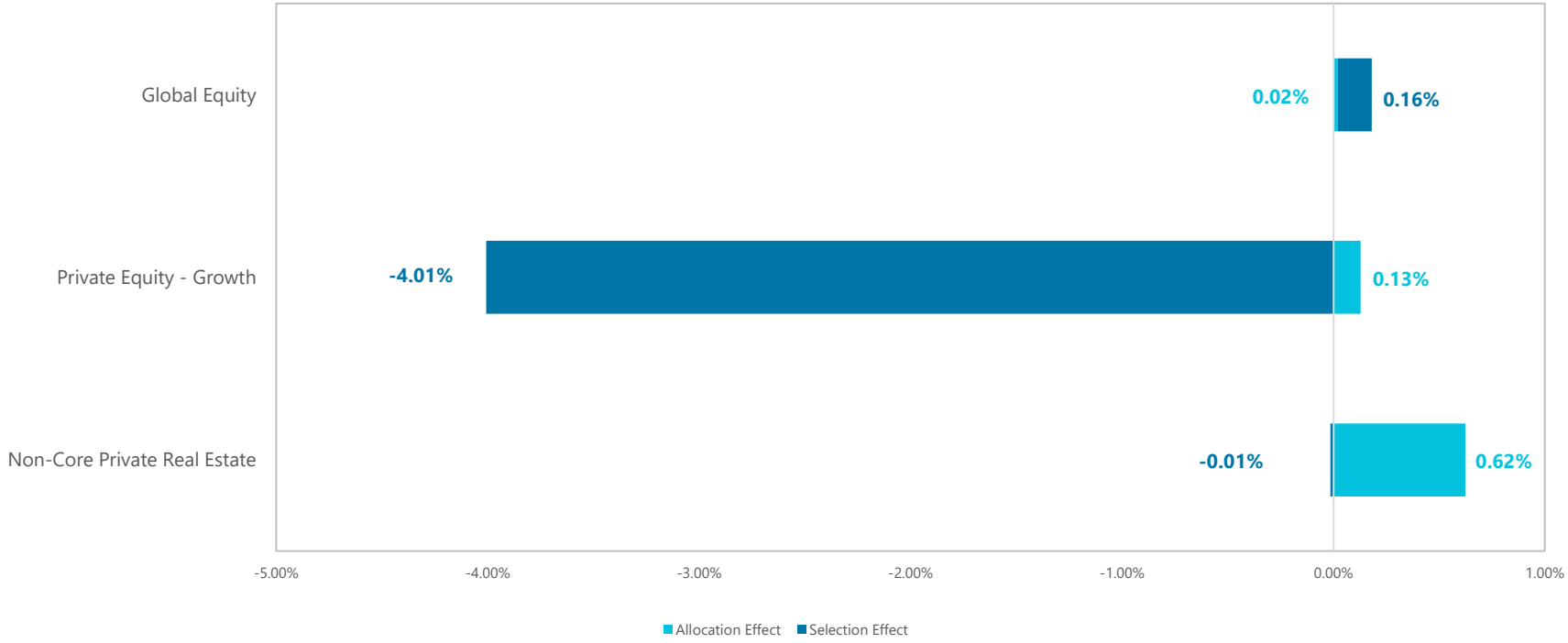
Functional Category		Contributors		Detractors	
Global Equity	2.67%	SSGA MSCI ACWI IMI	1.66%	Real Estate - Growth	-0.07%
Private Equity - Growth	0.06%	JPMAM Strategic Beta US	0.70%		
Non-Core Private Real Estate	-0.07%	Acadian Developed Markets	0.06%		
Growth	2.65%	Private Equity - Growth	0.06%		
		BTC Euro Tilts	0.05%		

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1]



	Ending Market Value (mm)	% of Composite	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Growth	**41,193**	**100.0%**	**100.0%**	**5.0%**	**8.1%**	**0.77%**	**-3.86%**	**-3.09%**
Global Equity	27,419	66.6%	60.4%	8.0%	7.7%	0.02%	0.16%	0.18%
Private Equity - Growth	12,677	30.8%	32.1%	0.2%	11.7%	0.13%	-4.01%	-3.88%
Non-Core Private Real Estate	1,097	2.7%	7.5%	-4.9%	-4.5%	0.62%	-0.01%	0.61%

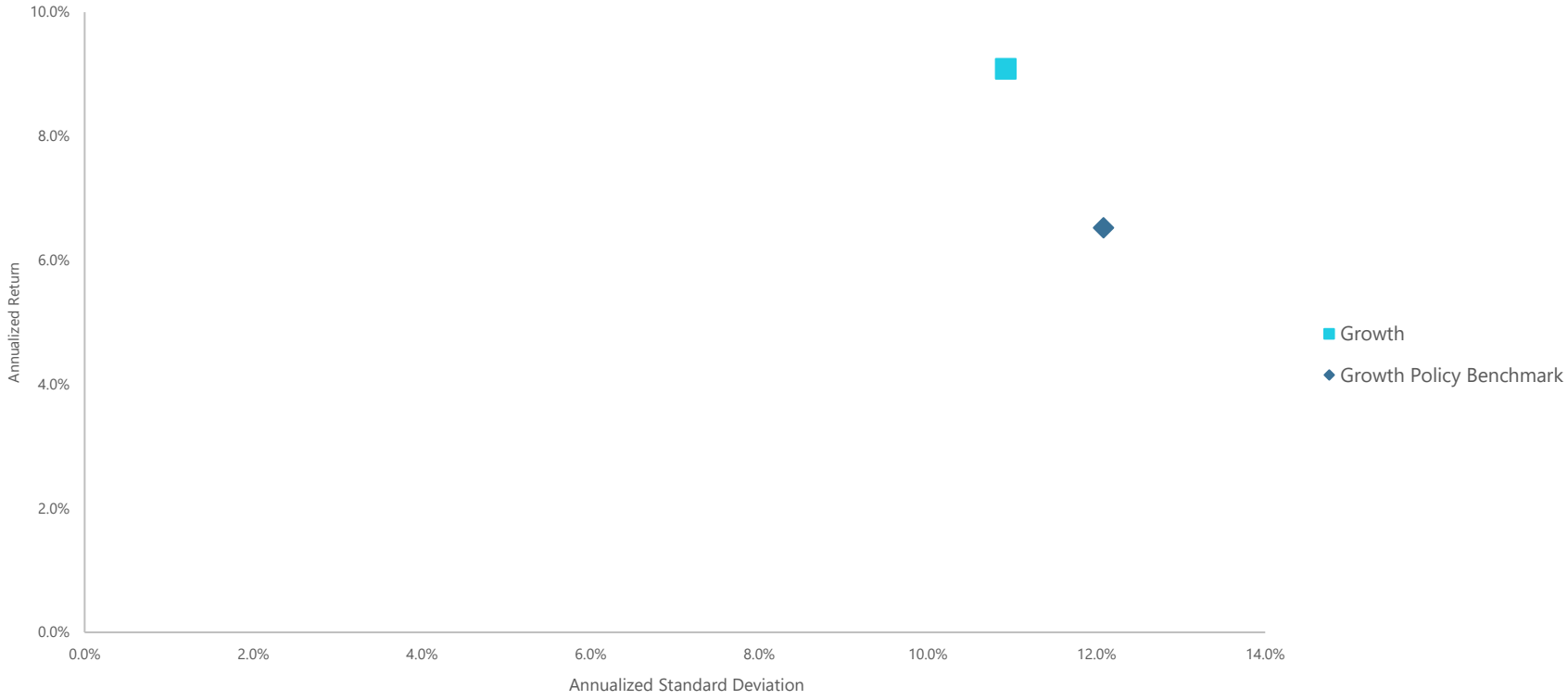
[1] Total Value Add column includes Interaction Effect.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Growth	**9.1%**	**10.9%**	**0.62**	**0.42**	**0.81**	**5.4%**
Growth Policy Benchmark	6.5%	12.1%				

Performance Detail

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns[1]

	% of Composite	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Growth	**100.0%**	**41,193**	**40,355**	**5.0%**	**10.6%**	**5.0%**	**15.2%**	**9.1%**	**12.5%**	**--**	**12.5%**	**Apr-2019**
Growth Policy Benchmark				8.1%	14.1%	8.1%	20.7%	6.5%	11.3%	--	11.3%	
Global Equity	**66.6%**	**27,419**	**25,394**	**8.0%**	**16.1%**	**8.0%**	**22.9%**	**7.1%**	**11.2%**	**--**	**11.2%**	**Apr-2019**
Global Equity Policy Benchmark				7.7%	15.6%	7.7%	22.5%	6.3%	10.6%	--	10.6%	
Passive												
SSGA MSCI ACWI IMI	42.3%	17,431	16,170	7.8%	15.8%	7.8%	22.5%	6.8%	--	--	9.9%	Jan-2020
Factor Based												
JPMAM Strategic Beta Non-US	1.6%	670	639	4.9%	11.6%	4.9%	14.7%	3.2%	--	--	8.6%	Aug-2020
JPMAM Strategic Beta US	13.4%	5,533	4,999	10.7%	20.2%	10.7%	30.4%	11.3%	--	--	17.4%	Jul-2020
Active												
Acadian Developed Markets	1.6%	675	630	7.3%	15.4%	7.3%	16.2%	3.7%	8.0%	6.7%	5.1%	Apr-2006
BTC Euro Tilts	1.7%	681	645	5.5%	12.1%	5.5%	17.2%	9.3%	9.9%	6.0%	4.6%	Jan-2007
Cevian Capital II - Activist	1.3%	549	517	6.3%	21.5%	6.3%	25.0%	12.7%	14.1%	--	11.0%	Oct-2016
CGT International Equity	1.1%	453	427	6.0%	9.5%	6.0%	11.1%	0.4%	7.5%	6.1%	5.7%	Nov-1994
Cornercap US Small Cap - EMP	0.2%	96	92	5.1%	17.4%	5.1%	20.4%	7.2%	11.8%	--	9.0%	Oct-2018
Frontier US SMID Growth	0.8%	339	317	6.9%	11.8%	6.9%	23.0%	5.3%	11.1%	9.1%	10.5%	Jun-2002
Global Alpha	0.4%	184	178	3.5%	4.7%	3.5%	1.7%	-1.1%	4.7%	--	5.3%	Nov-2018
Lazard Emerging Markets	1.0%	405	401	1.0%	6.1%	1.0%	5.4%	-6.5%	3.4%	4.1%	2.7%	Feb-2013
Systematic US Small Cap Value	0.6%	234	217	8.0%	17.6%	8.0%	22.9%	7.0%	11.6%	--	8.3%	Jul-2018
Private Equity - Growth	**30.8%**	**12,677**	**13,828**	**0.2%**	**3.1%**	**0.2%**	**4.8%**	**15.2%**	**17.0%**	**--**	**16.2%**	**Jan-2019**
PE - Growth Policy Benchmark				11.7%	15.4%	11.7%	24.0%	7.6%	13.7%	--	10.1%	
Non-Core Private Real Estate	**2.7%**	**1,097**	**1,133**	**-4.9%**	**-12.9%**	**-4.9%**	**-13.3%**	**5.5%**	**6.5%**	**10.3%**	**4.0%**	**Jan-1996**
Non-Core Private RE Policy Benchmark				-4.5%	-8.1%	-4.5%	-10.7%	6.5%	6.0%	9.3%	10.4%	

[1] Parametric Global Equity overlay accounts not shown. Program details can be found in the Overlays & Hedges section.

Growth
Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$41.2B	GROWTH 1Y Realized Return 15.2%
GROWTH Monte Carlo VaR 26.1%	BENCHMARK Monte Carlo VaR 25.5%

Growth

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $10.6B in 1Y.

versus

With 95% confidence, the Benchmark would not lose more than $10.4B in 1Y.

58% Active Market Value Exposure

33% Private Market Value Exposure

67% US Market Value Exposure

Projected (Ex-Ante) Risks

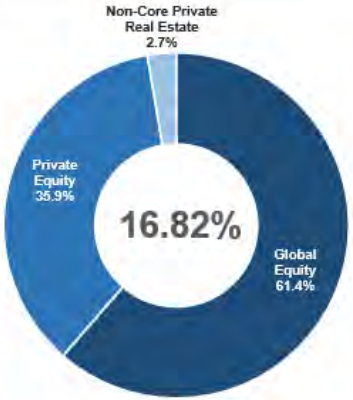
Growth Forecast Volatility	Benchmark Forecast Volatility
16.82%	16.55%

Growth Forecast Tracking Error 1.21%

- Global Equity TE 0.45%
- Private Equity TE 3.17%
- Non-Core Private RE TE 12.39%

Portfolio Beta 1.01

Subcategory Contributions to Growth Risk

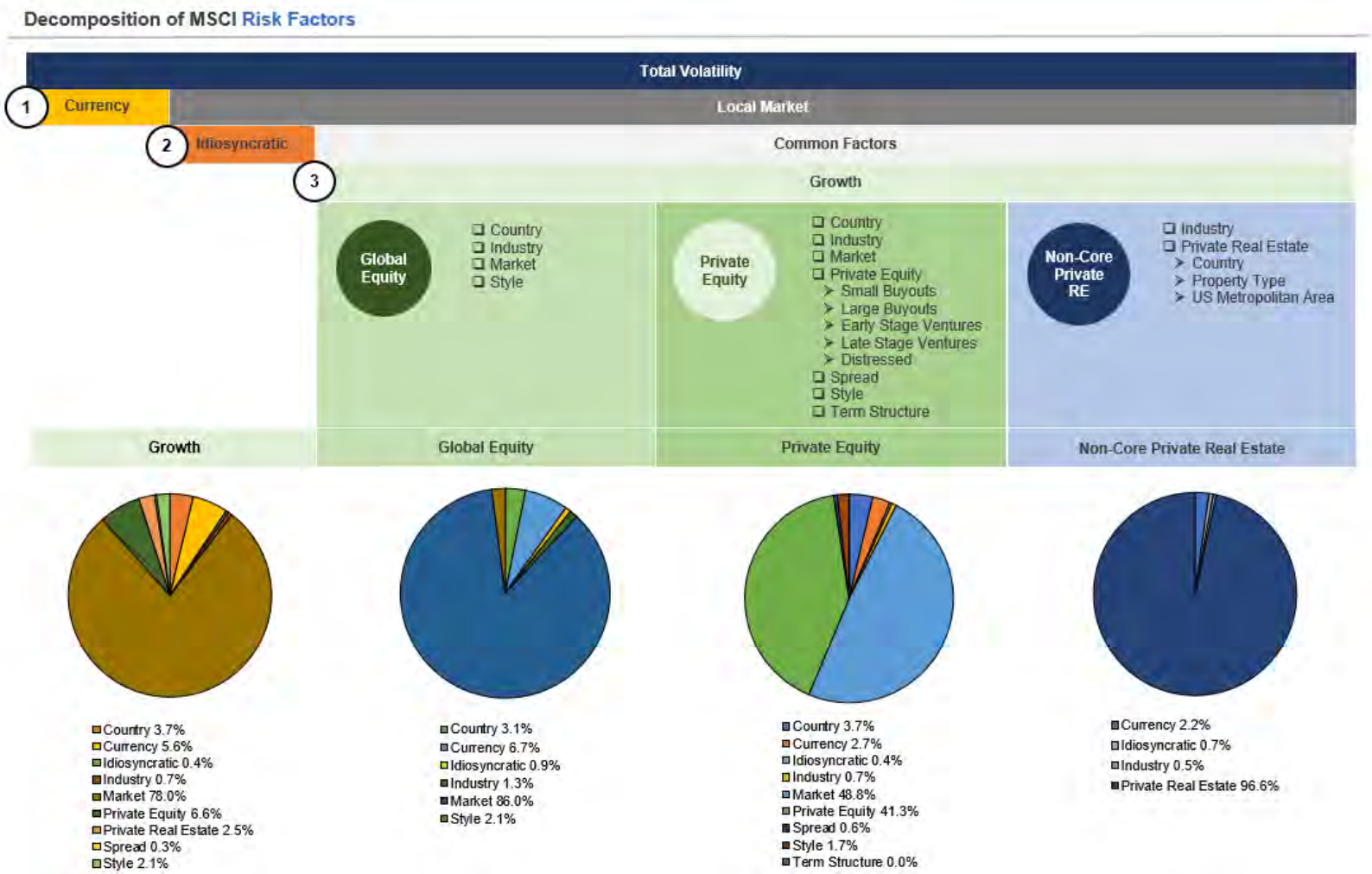


Growth Asset Allocation
Capital-based versus Risk-based

Growth
Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association



Growth
Risk Summary

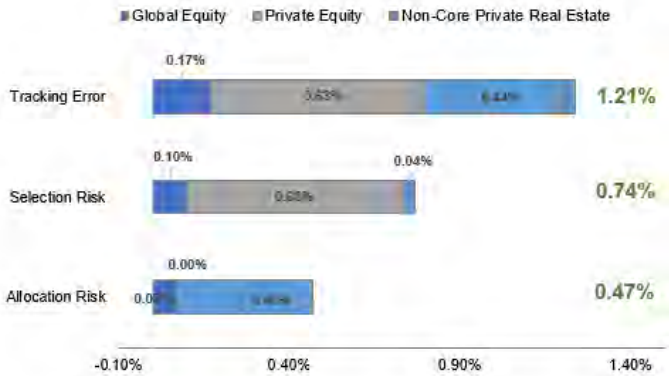
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Portfolio Allocation by GICS Sector

	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Others
Active Weight	1.66%	4.21%	1.43%	0.35%	2.47%	4.86%	4.73%	13.62%	1.10%	0.07%	0.18%	-34.69%
Active Risk Contribution	2.90%	6.38%	-2.02%	-1.33%	0.94%	5.45%	1.73%	42.86%	0.05%	-0.02%	0.40%	42.65%

Subcategory Contributions to Tracking Error



Portfolio Allocation by Region[1,2]

[1] Global represents investments made in regions where specific country allocations are not available.
[2] Rest of World is sum of countries with weights below 0.5%.

Growth – Global Equity
Acadian Developed Markets

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to capture mispriced opportunities through systematic stock, sector, and country valuation models that are customized to each market. The strategy may be suited to investors looking to gain exposure in non-U.S. developed markets and diversify portfolio through active quantitative investment approach.

Inception Date: April 2006

Manager Scorecard Profile

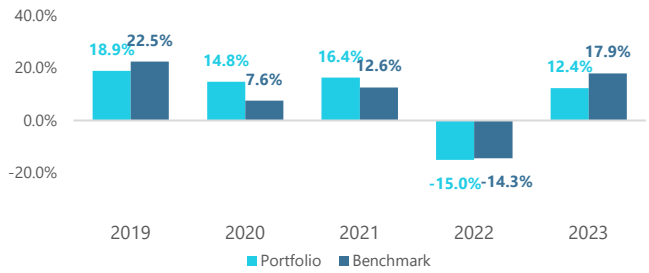
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
5	S-	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Acadian Developed Markets (Gross)	**675.5**	**7.4%**	**13**	**16.6%**	**28**	**4.1%**	**51**	**8.4%**	**31**
Peer Universe Median		5.1%		14.3%		4.2%		7.6%	
Acadian Developed Markets (Net)		**7.3%**		**16.2%**		**3.7%**		**8.0%**	
MSCI EAFE + Canada Net Index		5.6%		15.3%		4.9%		7.5%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: Intl Equity Developed Mkt Funds

Number of observations: 161

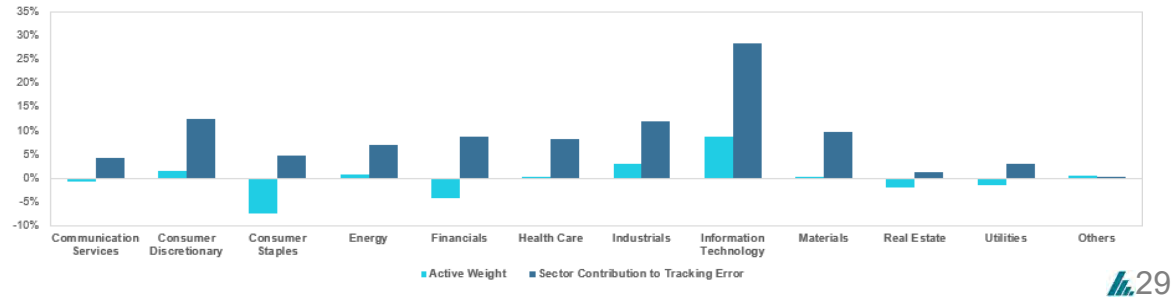


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	15.3%	15.4%
Forecast Tracking Error	3.2%	
Beta	0.97	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Japan	16.6%	21.0%	-4.4%
Switzerland	10.5%	8.4%	2.1%
United Kingdom	7.6%	13.0%	-5.4%
Australia	6.8%	6.5%	0.3%
Denmark	6.7%	3.3%	3.5%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
BTC Europe Alpha Tilts

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to generate risk-controlled and consistent active returns by using a unique blend of bottom-up stock selection insights and broader top-down thematic insights. The strategy may be suited to investors looking to capture active return opportunities in European region.

Inception Date: January 2007

Manager Scorecard Profile

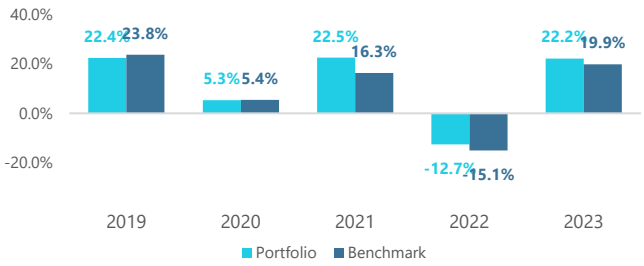
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
5	S	4	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
BTC Euro Tilts (Gross)	**681.0**	**5.6%**	**33**	**17.2%**	**26**	**9.6%**	**9**	**10.2%**	**13**
Peer Universe Median		5.1%		14.3%		4.2%		7.6%	
BTC Euro Tilts (Net)		**5.5%**		**17.2%**		**9.3%**		**9.9%**	
MSCI EUROPE		5.2%		14.1%		6.2%		8.0%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: Intl Equity Developed Mkt Funds

Number of observations: 161

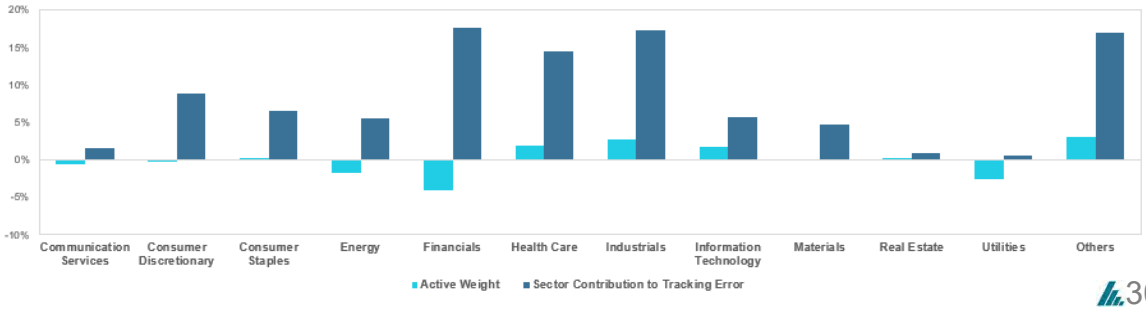


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	16.3%	17.1%
Forecast Tracking Error	1.6%	
Beta	0.95	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United Kingdom	21.0%	22.3%	-1.3%
France	20.4%	18.6%	1.8%
Switzerland	13.4%	14.4%	-1.0%
Germany	12.3%	13.4%	-1.0%
Netherlands	7.0%	7.8%	-0.8%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Capital Group Developed Markets

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to generate long-term capital appreciation through fundamental research and proprietary models for earnings estimates and valuations. The strategy may be suited to investors looking to gain exposures in non-U.S. developed markets with emphasis on bottom-up, fundamental investment analysis.

Inception Date: October 1987

Manager Scorecard Profile

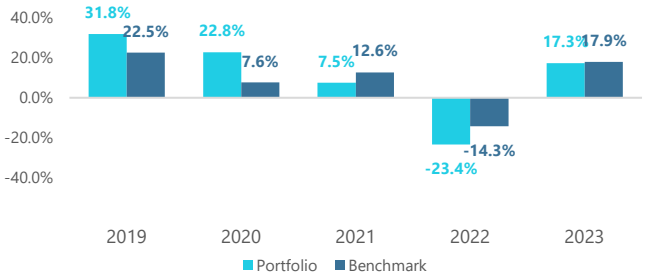
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	2	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Capital Group Developed Markets (Gross)	**452.8**	**6.1%**	**26**	**11.4%**	**88**	**0.8%**	**76**	**7.8%**	**44**
Peer Universe Median		5.1%		14.3%		4.2%		7.6%	
Capital Group Developed Markets (Net)		**6.0%**		**11.1%**		**0.4%**		**7.5%**	
EAFE Custom Benchmark		5.6%		15.3%		4.9%		7.5%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe — Intl Equity Developed Mkt Funds

Number of observations — 161

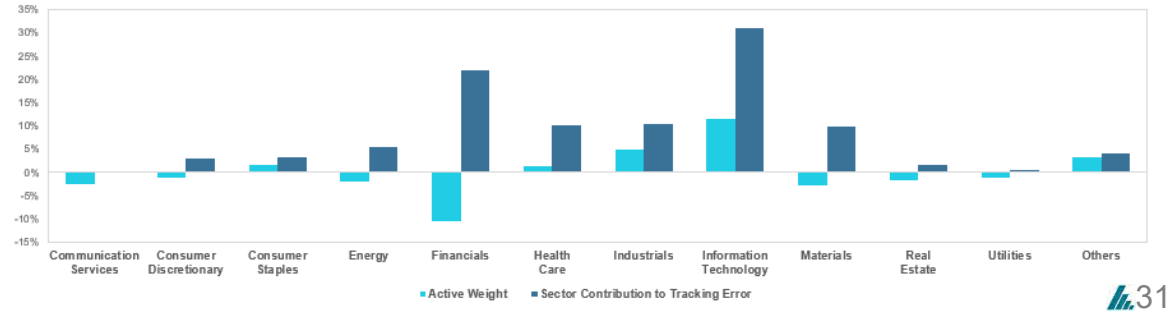


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	15.0%	15.4%
Forecast Tracking Error	3.2%	
Beta	0.95	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
France	21.5%	10.9%	10.6%
Japan	21.3%	21.0%	0.3%
United Kingdom	13.2%	13.0%	0.2%
Switzerland	7.4%	8.4%	-1.0%
Denmark	6.5%	3.3%	3.3%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Cevian Capital II

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to generate long-term returns by researching and investing in European companies that have profitable businesses and significant improvement potential. The strategy may be suited to investors looking to increase portfolio diversification through differentiated investment approach and take advantage of return opportunities in Europe.

Inception Date: October 2016

Manager Scorecard Profile

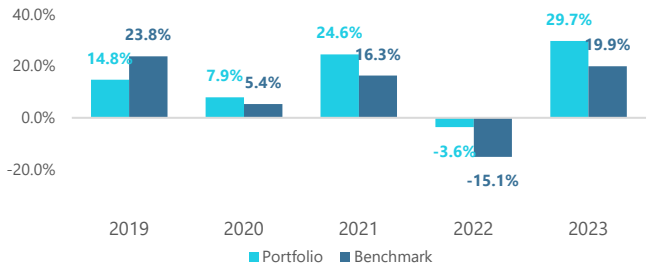
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	4	B	1

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Cevian Capital II - Activist (Gross)	**549.1**	**6.6%**	**20**	**26.4%**	**7**	**14.0%**	**3**	**15.3%**	**4**
Peer Universe Median		5.1%		14.3%		4.2%		7.6%	
Cevian Capital II - Activist (Net)		**6.3%**		**25.0%**		**12.7%**		**14.1%**	
MSCI EUROPE		5.2%		14.1%		6.2%		8.0%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: Intl Equity Developed Mkt Funds

Number of observations: 161



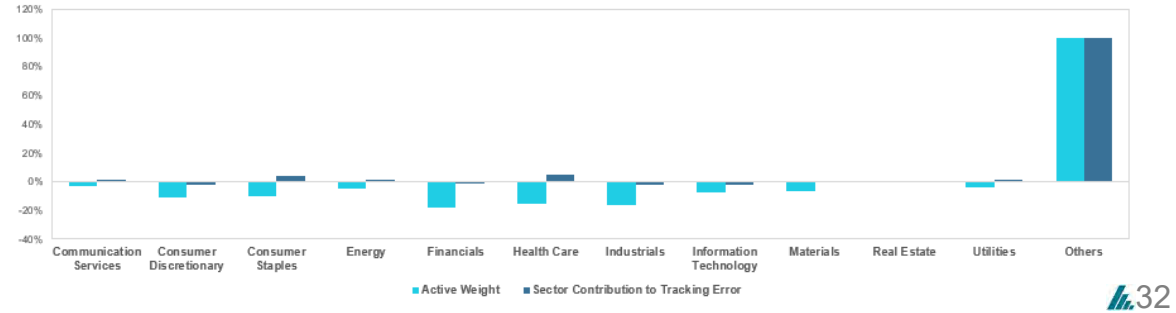
Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	26.7%	17.1%
Forecast Tracking Error	13.8%	
Beta	1.39	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Commingled Fund[1]	100%	0%	100%

[1] Commingled fund account with no position-level transparency.

Contribution to Tracking Error by GICS Sector[1]



Growth – Global Equity
CornerCap US Small Cap

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to exploit small cap market inefficiencies by using proprietary fundamental factors. The strategy may be suited to investors looking to increase U.S. small cap exposure and diversify portfolio through an active quantitative investment approach.

Inception Date: October 2018

Manager Scorecard Profile

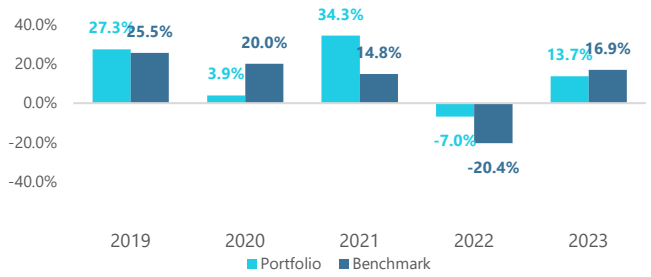
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
5	S-	1	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Cornercap US Small Cap - EMP (Gross)	**96.4**	**5.3%**	**56**	**21.1%**	**50**	**7.8%**	**18**	**12.4%**	**19**
Peer Universe Median		5.9%		20.9%		5.2%		11.3%	
Cornercap US Small Cap - EMP (Net)		**5.1%**		**20.4%**		**7.2%**		**11.8%**	
RUSSELL 2000		5.2%		19.7%		-0.1%		8.1%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: US Equity Funds - Small Cap

Number of observations: 55

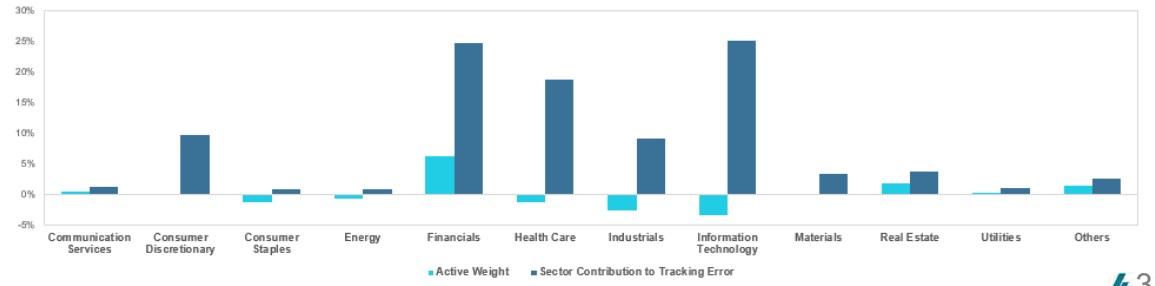


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	22.2%	23.2%
Forecast Tracking Error	3.8%	
Beta	0.95	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	98.7%	99.6%	-0.8%
Norway	0.4%	0.2%	0.2%
Italy	0.4%	0.0%	0.4%
Canada	0.2%	0.1%	0.1%
Ireland	0.2%	0.0%	0.2%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Frontier US SMID Growth

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to invest in high quality companies at attractive valuations and sustainable secular growth through fundamental analysis. The strategy may be suited to investors looking to increase U.S. mid and small cap exposures and generate returns through stock selection and low turnover.

Inception Date: June 2002

Manager Scorecard Profile

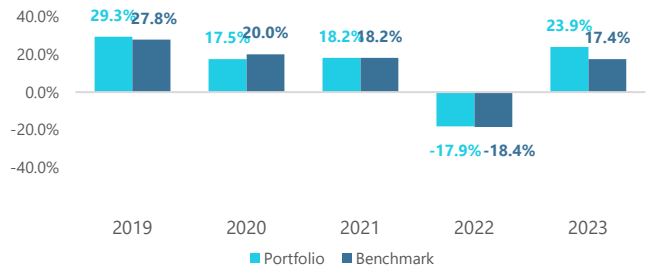
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	2	A	1

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Frontier US SMID Growth (Gross)	**339.3**	**7.1%**	**43**	**23.9%**	**15**	**6.1%**	**44**	**12.0%**	**23**
Peer Universe Median		5.9%		20.9%		5.2%		11.3%	
Frontier US SMID Growth (Net)		**6.9%**		**23.0%**		**5.3%**		**11.1%**	
RUSSELL 2500		6.9%		21.4%		3.0%		9.9%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: US Equity Funds - Small Cap

Number of observations: 55

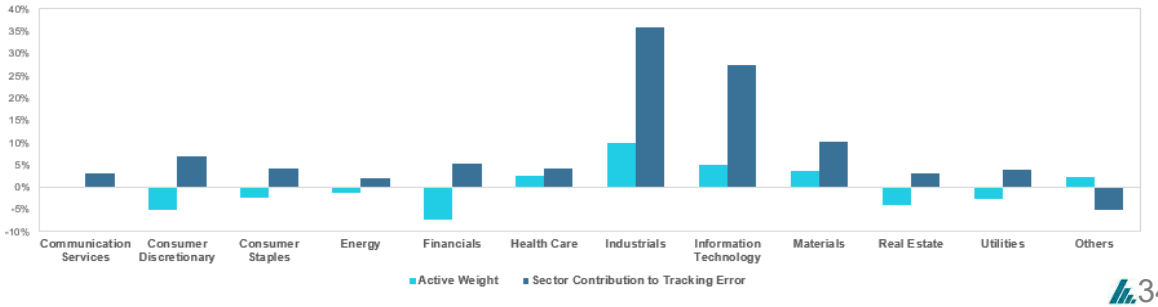


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	23.8%	21.6%
Forecast Tracking Error	4.1%	
Beta	1.09	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	97.6%	99.8%	-2.2%
Brazil	1.0%	0.0%	1.0%
Mexico	0.8%	0.0%	0.8%
Germany	0.3%	0.0%	0.3%
Canada	0.2%	0.0%	0.2%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Global Alpha Non-US Small Cap

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to identify mispriced companies with high rates of growth, strong balance sheets, and high insider ownership using a bottom-up, research-based approach coupled with investment themes. The strategy may be suited to investors looking to increase exposure to international small cap stocks.

Inception Date: November 2018

Manager Scorecard Profile

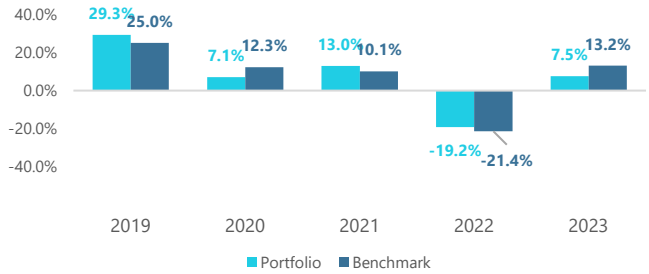
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
1	S+	3	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Global Alpha (Gross)	**184.3**	**3.7%**	**87**	**2.4%**	**86**	**-0.4%**	**83**	**5.4%**	**81**
Peer Universe Median		5.1%		14.3%		4.2%		7.6%	
Global Alpha (Net)		**3.5%**		**1.7%**		**-1.1%**		**4.7%**	
MSCI EAFE SMALL CAP NET		2.4%		10.4%		-1.4%		4.9%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe — Intl Equity Developed Mkt Funds

Number of observations — 161

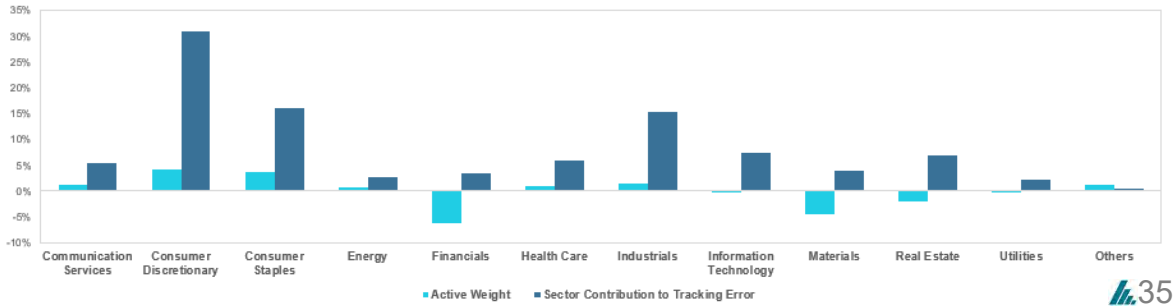


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	17.0%	16.9%
Forecast Tracking Error	3.8%	
Beta	0.98	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Japan	31.0%	34.5%	-3.5%
France	14.0%	3.8%	10.2%
United Kingdom	11.3%	14.7%	-3.4%
Australia	7.7%	9.5%	-1.8%
United States	6.6%	0.4%	6.2%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
JPMorgan Strategic Beta Non-US

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to capture incremental alpha through investing in equity factors that are rule-based, transparent, and academically proven. This strategy may be suited to investors looking to gain equity factor exposures in non-U.S. markets at lower volatility and cost than active strategies.

Inception Date: August 2020

Manager Scorecard Profile

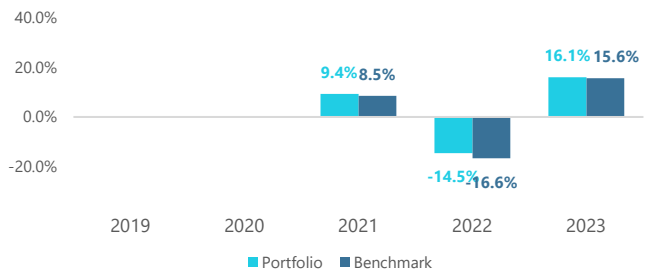
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	1	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
JPMAM Strategic Beta Non-US (Gross)	**670.2**	**4.9%**	**53**	**14.7%**	**45**	**3.2%**	**57**	**--**	**-**
Peer Universe Median		5.1%		14.3%		4.2%		--	
JPMAM Strategic Beta Non-US (Net)		**4.9%**		**14.7%**		**3.2%**		**--**	
MSCI ACWI ex USA IMI Net		4.3%		13.2%		1.7%		--	
Growth Policy Benchmark		8.1%		20.7%		6.5%		--	

Wilshire TUCS Peer Universe: Intl Equity Developed Mkt Funds

Number of observations: 101

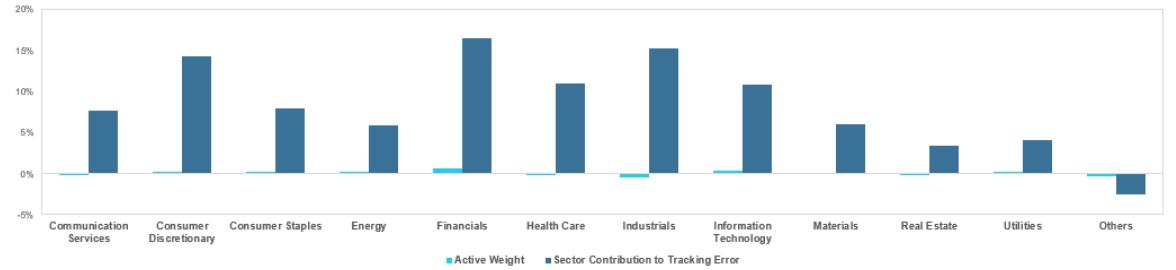


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	14.8%	15.0%
Forecast Tracking Error	0.6%	
Beta	0.99	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Japan	16.2%	16.2%	0.0%
United Kingdom	9.6%	9.4%	0.2%
France	7.5%	7.1%	0.4%
Canada	7.4%	7.5%	-0.1%
China	5.7%	6.3%	-0.6%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
JPMorgan Strategic Beta US

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to capture incremental alpha through investing in equity factors that are rule-based, transparent, and academically proven. This strategy may be suited to investors looking to gain equity factor exposures in the U.S. at lower volatility and cost than active strategies.

Inception Date: July 2020

Manager Scorecard Profile

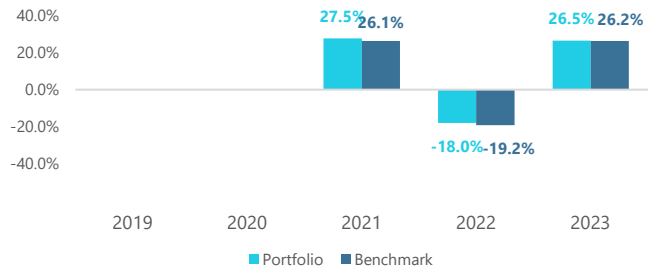
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	1	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
JPMAM Strategic Beta US (Gross)	**5,532.5**	**10.7%**	**46**	**30.4%**	**43**	**11.4%**	**40**	**--**	**-**
Peer Universe Median		10.6%		29.9%		10.9%		--	
JPMAM Strategic Beta US (Net)		**10.7%**		**30.4%**		**11.3%**		**--**	
MSCI USA IMI Gross		10.0%		29.3%		10.0%		--	
Growth Policy Benchmark		8.1%		20.7%		6.5%		--	

Wilshire TUCS Peer Universe: U.S. Equities Total Large Cap

Number of observations: 79

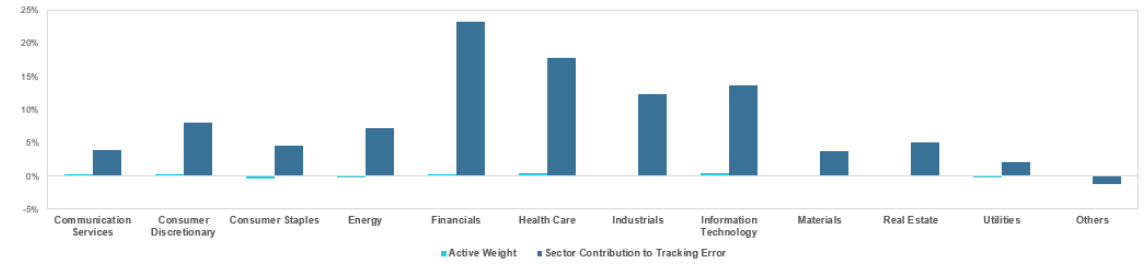


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	17.0%	17.2%
Forecast Tracking Error	0.5%	
Beta	0.99	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Lazard Emerging Markets

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide long-term capital appreciation by investing in funds trading at a discount to their estimated net asset value, sum of the parts valuation, and/or underlying investments/businesses. The strategy may be suited to investors looking to capture growth opportunities in emerging markets and increase portfolio diversification.

Inception Date: February 2013

Manager Scorecard Profile

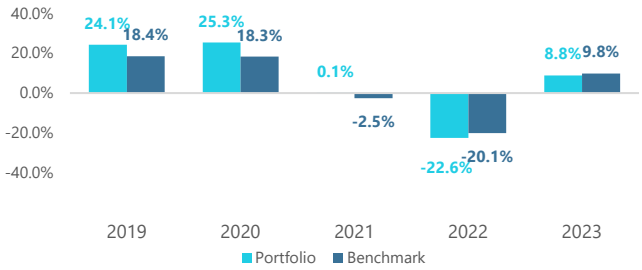
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
2	S-	3	B	1

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Lazard Emerging Markets (Gross)	**404.5**	**1.2%**	**79**	**6.0%**	**82**	**-5.9%**	**77**	**4.1%**	**62**
Peer Universe Median		2.7%		11.9%		-0.4%		4.8%	
Lazard Emerging Markets (Net)		**1.0%**		**5.4%**		**-6.5%**		**3.4%**	
MSCI EMERGING MARKETS		2.4%		8.2%		-5.1%		2.2%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: Intl Equity Emerging Mkt Funds

Number of observations: 71



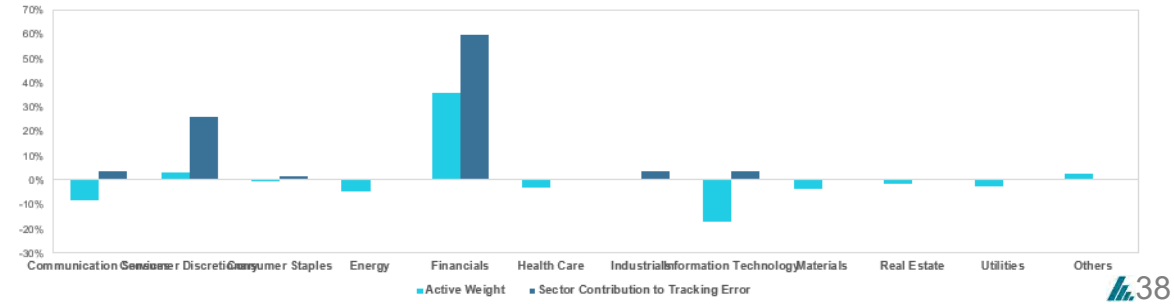
Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	17.7%	15.5%
Forecast Tracking Error	9.2%	
Beta	0.98	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Commingled Fund[1]	100%	0%	100%

[1] Commingled fund account with no position-level transparency.

Contribution to Tracking Error by GICS Sector[1]



Growth – Global Equity
SSGA MSCI ACWI IMI

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide global equity market exposure and passive index returns. This strategy may be suited to investors looking to gain passive, global equity exposures with low tracking error.

Inception Date: January 2020

Manager Scorecard Profile

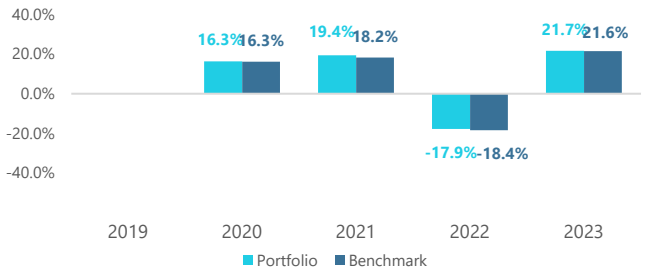
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	—	B	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
SSGA MSCI ACWI IMI (Gross)	**17,431.0**	**7.8%**	**28**	**22.5%**	**27**	**6.9%**	**37**	**--**	**-**
Peer Universe Median		5.5%		16.4%		6.0%		--	
SSGA MSCI ACWI IMI (Net)		**7.8%**		**22.5%**		**6.8%**		**--**	
MSCI ACWI IMI Net		7.7%		22.5%		6.3%		--	
Growth Policy Benchmark		8.1%		20.7%		6.5%		--	

Wilshire TUCS Peer Universe — Global Equity Funds

Number of observations — 98

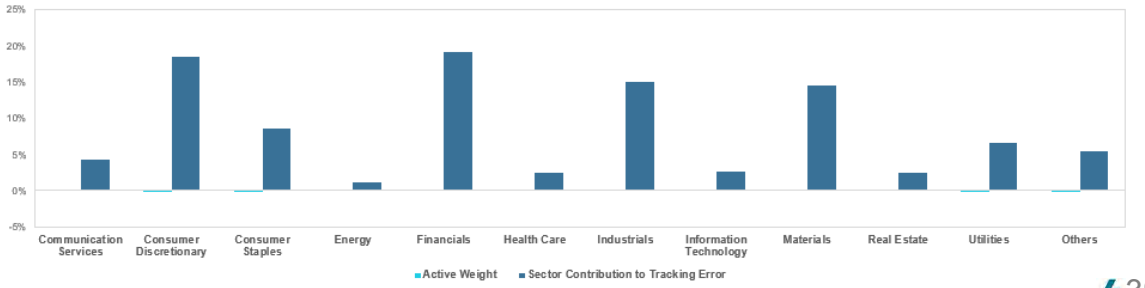


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	15.9%	15.8%
Forecast Tracking Error	0.2%	
Beta	1.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	62.7%	62.8%	-0.1%
Japan	6.2%	6.0%	0.1%
United Kingdom	3.6%	3.5%	0.1%
Canada	2.9%	2.8%	0.1%
France	2.7%	2.7%	0.0%

Contribution to Tracking Error by GICS Sector



Growth – Global Equity
Systematic US Small Cap Value

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to identify high quality small cap companies capable of generating high rates of return with attractive valuations. The strategy may be suited for investors looking to increase U.S. small cap exposure with defensive characteristics.

Inception Date: July 2018

Manager Scorecard Profile

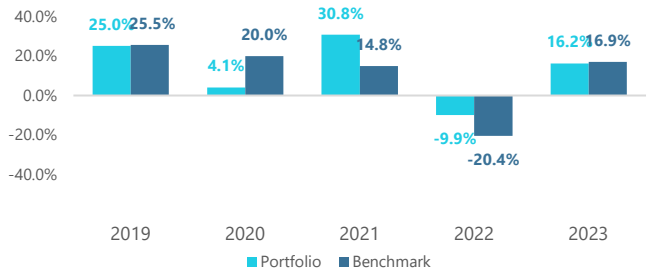
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	2	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Systematic US Small Cap Value (Gross)	**233.9**	**8.2%**	**33**	**23.6%**	**15**	**7.5%**	**19**	**12.2%**	**20**
Peer Universe Median		5.9%		20.9%		5.2%		11.3%	
Systematic US Small Cap Value (Net)		**8.0%**		**22.9%**		**7.0%**		**11.6%**	
RUSSELL 2000		5.2%		19.7%		-0.1%		8.1%	
Growth Policy Benchmark		8.1%		20.7%		6.5%		11.3%	

Wilshire TUCS Peer Universe: US Equity Funds - Small Cap

Number of observations: 55

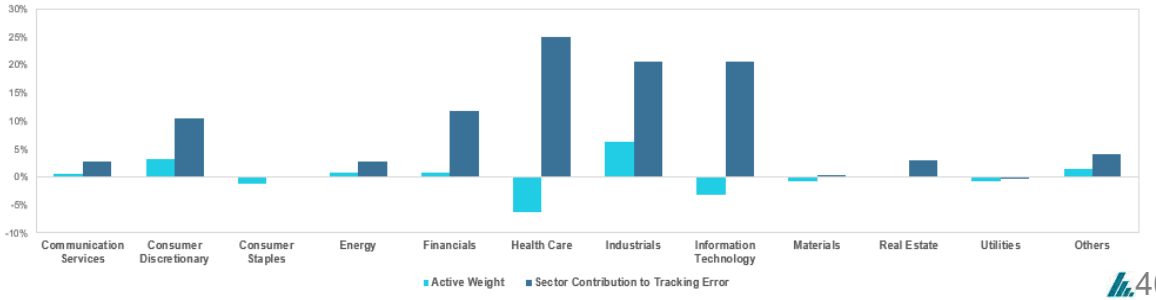


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	20.2%	23.2%
Forecast Tracking Error	5.2%	
Beta	0.85	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	97.2%	99.6%	-2.4%
Israel	1.5%	0.0%	1.5%
Canada	0.8%	0.1%	0.7%
Norway	0.5%	0.2%	0.3%
China	0.0%	0.0%	0.0%

Contribution to Tracking Error by GICS Sector



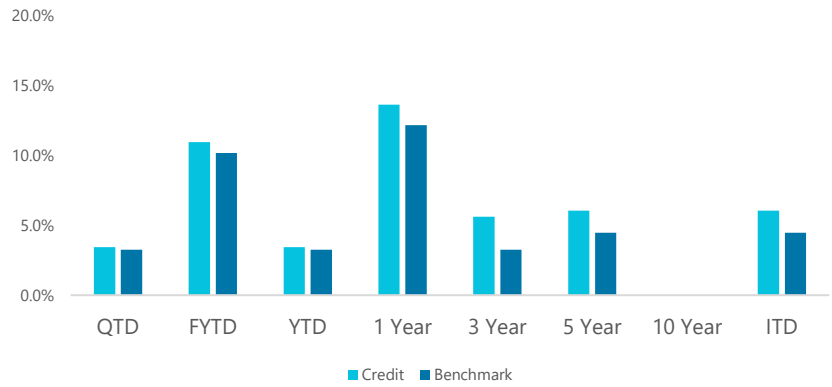
credit

Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)

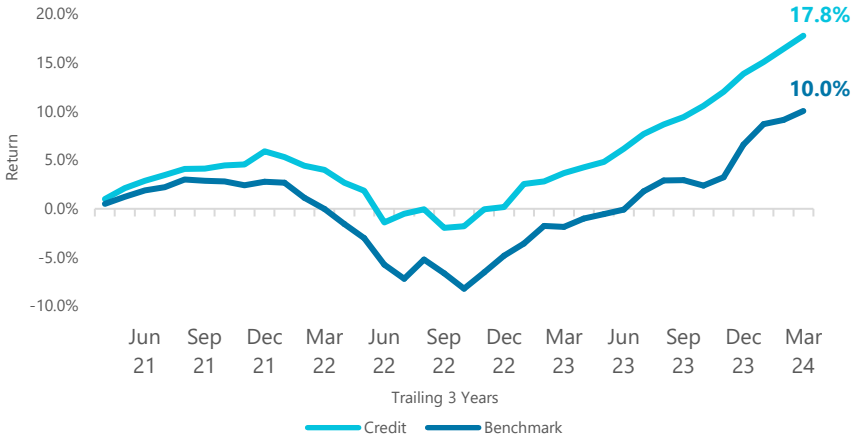


	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Credit	**3.4%**	**10.9%**	**3.4%**	**13.6%**	**5.6%**	**6.0%**	**--**	**6.0%**
Benchmark	3.3%	10.2%	3.3%	12.1%	3.2%	4.5%	--	4.5%
Excess	0.2%	0.8%	0.2%	1.5%	2.4%	1.6%	--	1.6%

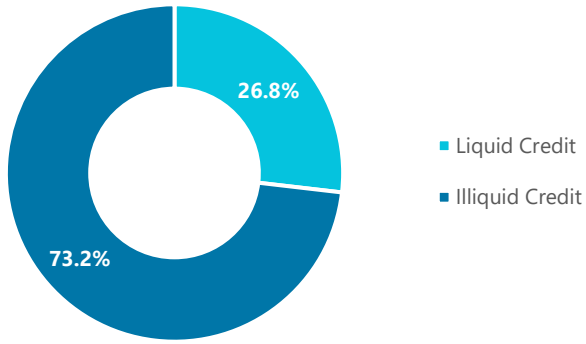
Functional Category

	QTD	FYTD	YTD	1 Year	3 Year
Liquid Credit	**2.1%**	**9.6%**	**2.1%**	**12.7%**	**--**
Liquid Credit Policy Benchmark	1.8%	8.7%	1.8%	11.3%	--
Excess	0.3%	0.9%	0.3%	1.4%	--
Illiquid Credit	**4.0%**	**11.6%**	**4.0%**	**13.9%**	**9.1%**
Illiquid Credit Policy Benchmark	4.1%	10.9%	4.1%	12.6%	3.8%
Excess	0.0%	0.7%	0.0%	1.3%	5.3%

Cumulative Return



Exposure

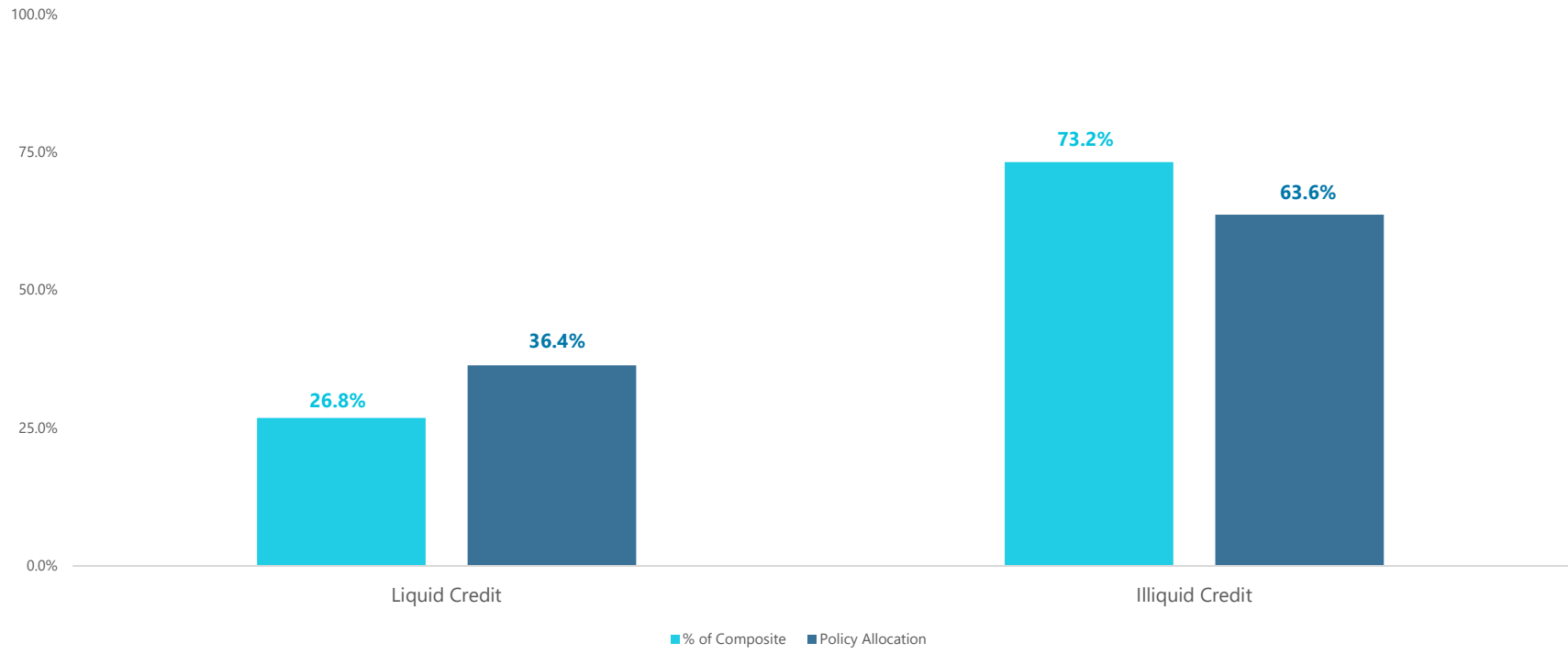


Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy



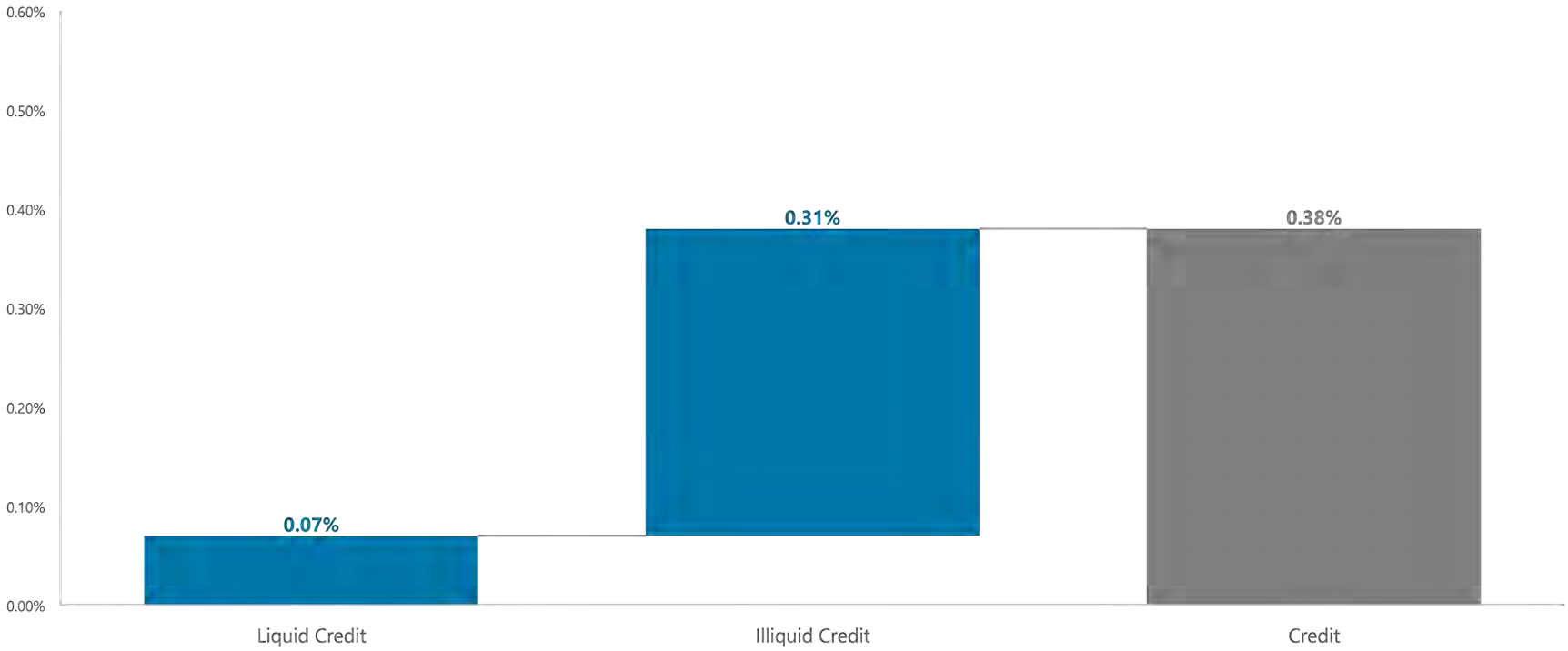
	Ending Market Value (mm)	% of Composite	Policy Allocation	Over / Under (%)	Over / Under (mm)
Credit	**8,332**	**100.0%**	**100.0%**		
Liquid Credit	2,236	26.8%	36.4%	-9.5%	-793
Illiquid Credit	6,096	73.2%	63.6%	9.5%	793

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



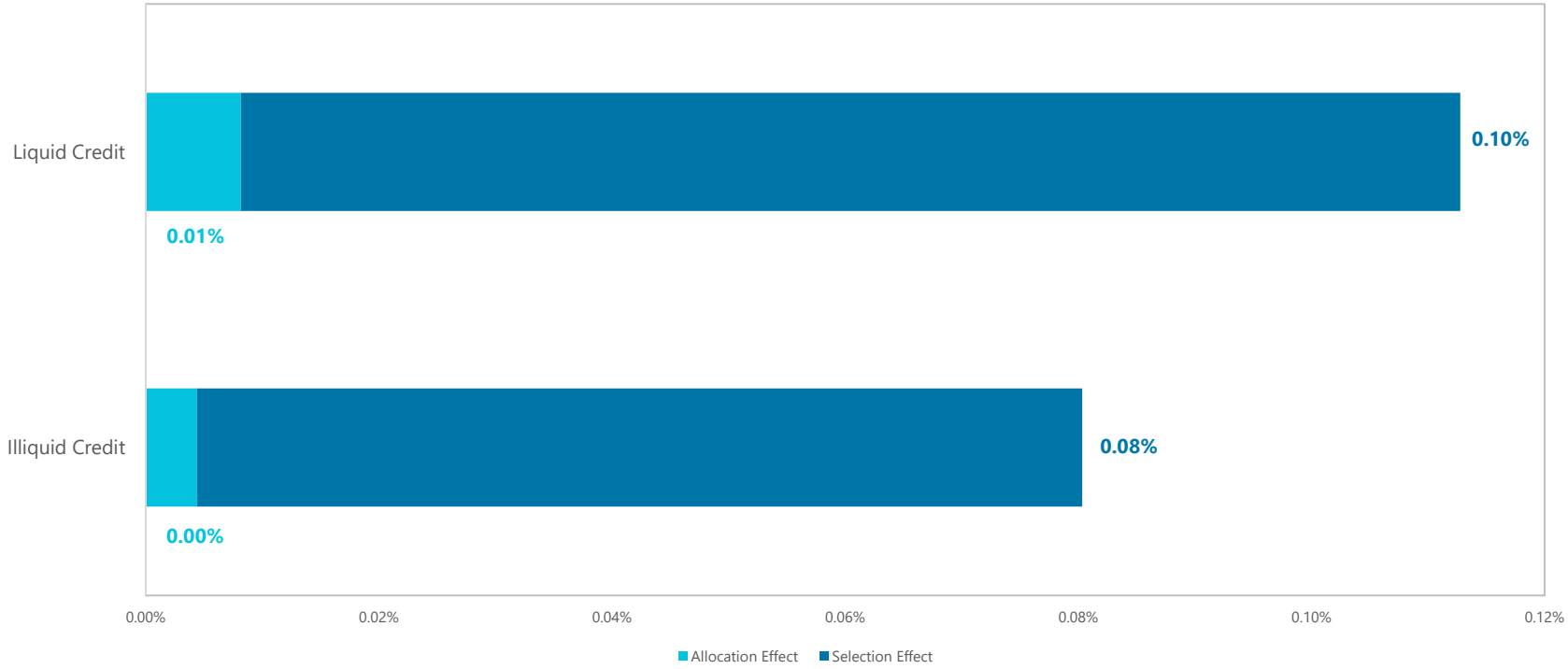
Functional Category		Contributors		Detractors
Liquid Credit	0.07%	Magnetar	0.07%	
Illiquid Credit	0.31%	Lake Navy	0.07%	
Credit	0.38%	Lake Cascade	0.06%	
		Lake Vineyard	0.04%	
		Lake Cottage	0.03%	

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1]



	Ending Market Value (mm)	% of Composite	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Credit	**8,332**	**100.0%**	**100.0%**	**3.4%**	**3.3%**	**0.01%**	**0.18%**	**0.19%**
Liquid Credit	2,236	26.8%	36.4%	2.1%	1.8%	0.01%	0.10%	0.11%
Illiquid Credit	6,096	73.2%	63.6%	4.0%	4.1%	0.00%	0.08%	0.08%

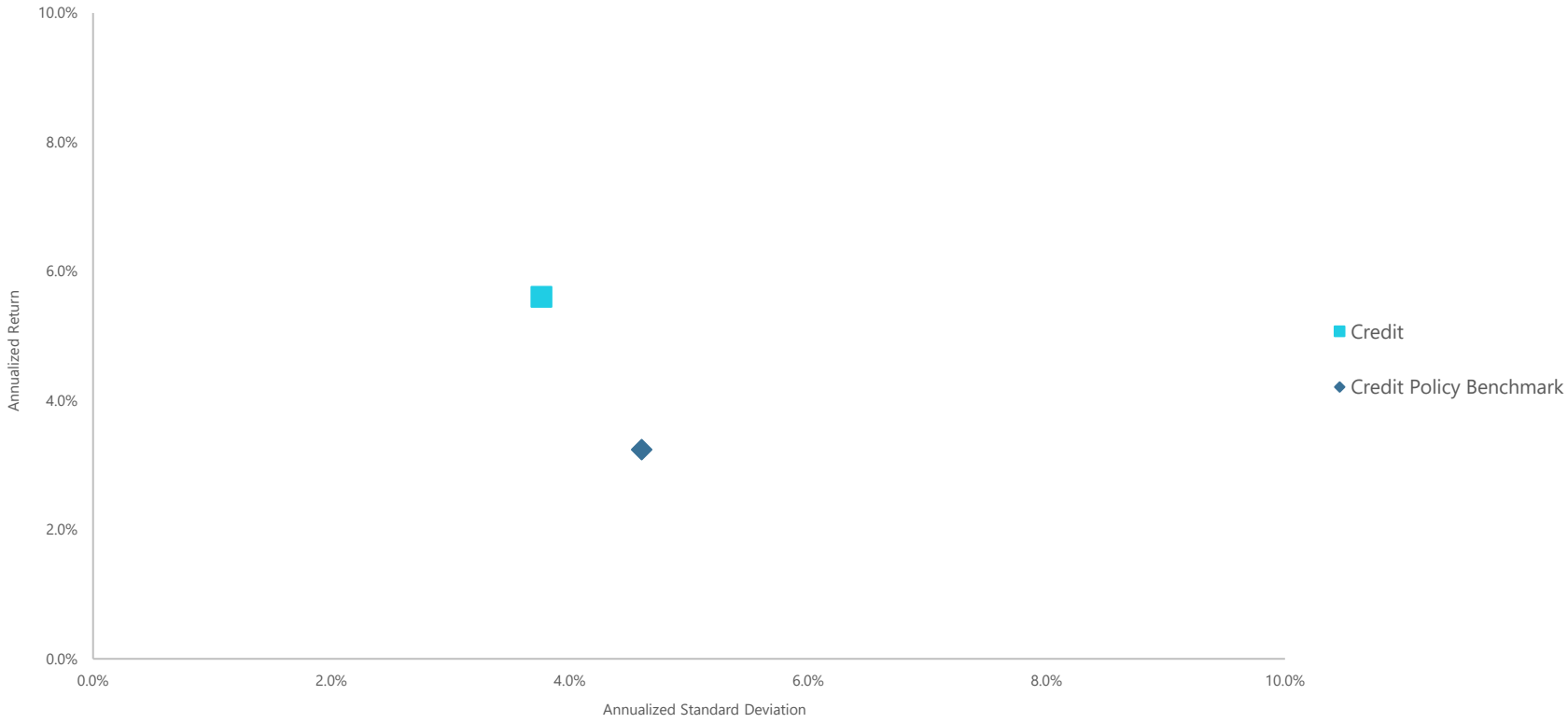
[1] Total Value Add column includes Interaction Effect.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Credit	**5.6%**	**3.8%**	**0.79**	**0.69**	**0.55**	**3.3%**
Credit Policy Benchmark	3.2%	4.6%				

Performance Detail

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns

	% of Composite	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Credit	**100.0%**	**8,332**	**8,883**	**3.4%**	**10.9%**	**3.4%**	**13.6%**	**5.6%**	**6.0%**	**--**	**6.0%**	**Apr-2019**
Credit Policy Benchmark				3.3%	10.2%	3.3%	12.1%	3.2%	4.5%	--	4.5%	Apr-2019
Liquid Credit	**26.8%**	**2,236**	**3,019**	**2.1%**	**9.6%**	**2.1%**	**12.7%**	**--**	**--**	**--**	**2.6%**	**Oct-2021**
Liquid Credit Policy Benchmark				1.8%	8.7%	1.8%	11.3%	--	--	--	2.4%	
abrdn	2.1%	174	263	2.2%	9.4%	2.2%	14.6%	-0.2%	1.3%	--	1.6%	Jul-2017
Ashmore Investment Management	2.1%	173	281	0.7%	10.6%	0.7%	12.3%	-1.6%	-0.8%	--	0.1%	Jun-2017
Bain Capital	3.4%	284	420	2.2%	9.0%	2.2%	12.6%	6.4%	5.9%	--	4.7%	Jun-2014
Beach Point	3.1%	261	320	2.1%	8.9%	2.1%	12.1%	2.1%	4.1%	4.9%	4.9%	Mar-2014
Brigade Cap Mgmt	5.0%	414	495	1.0%	8.6%	1.0%	10.8%	2.2%	4.2%	4.0%	6.1%	Jul-2010
Credit Suisse Bank Loans	3.1%	255	318	3.0%	9.6%	3.0%	13.1%	6.4%	--	--	8.5%	Apr-2020
Crescent Capital	4.8%	400	435	4.7%	10.5%	4.7%	14.2%	5.1%	6.0%	--	4.4%	May-2014
Pinebridge Investments	3.3%	275	487	1.1%	9.5%	1.1%	11.4%	--	--	--	1.2%	Sep-2021
Illiquid Credit	**73.2%**	**6,096**	**5,864**	**4.0%**	**11.6%**	**4.0%**	**13.9%**	**9.1%**	**10.5%**	**--**	**10.5%**	**Apr-2019**
Illiquid Credit Policy Benchmark				4.1%	10.9%	4.1%	12.6%	3.8%	5.9%	--	5.9%	
Beach Point - Fund II	0.1%	11	11	--	--	--	--	--	--	--	--	Jun-2014
Beach Point - Fund III	1.1%	95	107	2.8%	8.8%	2.8%	1.6%	7.8%	8.7%	--	9.0%	Jun-2017
BlackRock/Tennenbaum	6.9%	572	588	2.9%	8.7%	2.9%	11.4%	8.4%	7.7%	--	7.6%	Nov-2014
Grosvenor OPCRD 2 HFOF	0.2%	18	20	--	--	--	--	--	--	--	--	Mar-2016
Lake Cascade	11.8%	985	887	5.2%	10.2%	5.2%	11.4%	--	--	--	9.5%	Jan-2023
Lake Cottage	9.8%	813	790	3.0%	6.8%	3.0%	10.2%	--	--	--	8.5%	Nov-2022
Lake Navy	12.8%	1,067	1,017	4.9%	16.1%	4.9%	17.0%	8.9%	--	--	16.5%	Apr-2020
Lake Vineyard	8.8%	733	674	4.8%	10.3%	4.8%	13.0%	--	--	--	7.3%	Apr-2022
Magnetar	14.9%	1,240	1,144	4.3%	17.0%	4.3%	20.1%	7.8%	--	--	18.3%	Aug-2020
PIMCO Tac Opps	2.4%	199	253	-0.9%	10.2%	-0.9%	14.8%	5.5%	7.1%	--	6.7%	Nov-2018
Private Equity - Credit	2.1%	179	205	7.4%	10.0%	7.4%	14.8%	24.1%	16.6%	--	14.8%	Jan-2019
Real Estate - Credit	0.7%	62	62	1.6%	6.7%	1.6%	12.1%	10.9%	10.1%	9.1%	9.2%	Oct-2011
Stable Asset Management – IC	1.5%	122	106	-0.3%	0.4%	-0.3%	0.0%	--	--	--	0.2%	Nov-2022

Credit
Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$8.3B	CREDIT 1Y Realized Return 13.6%
CREDIT Monte Carlo VaR 5.0%	BENCHMARK Monte Carlo VaR 7.6%

Credit

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $409M in 1Y.

versus

With 95% confidence, the Benchmark would not lose more than $620M in 1Y.

100% Active Market Value Exposure

73% Private Market Value Exposure

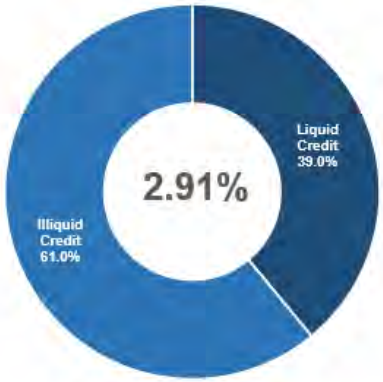
79% US Market Value Exposure

Projected (Ex-Ante) Risks

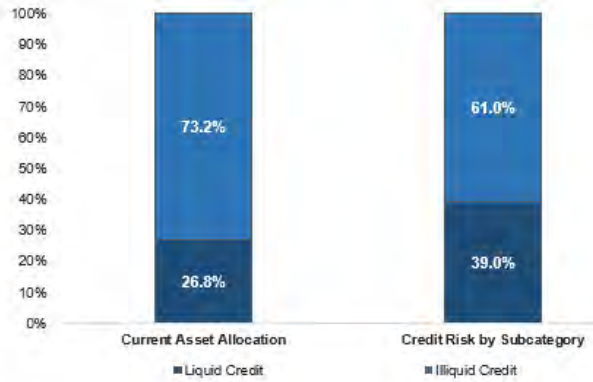
Credit Forecast Volatility	Benchmark Forecast Volatility
2.91%	4.70%

Credit Forecast Tracking Error	Portfolio Beta
2.75%	0.52
	Effective Duration 1.28
Liquid Credit TE 1.02%	Yield to Worst 8.41%
Illiquid Credit TE 3.90%	OAS to Swap 4.11%
	Credit Spread Duration 2.65

Subcategory Contributions to Credit Risk



Credit Asset Allocation
Capital-based versus Risk-based

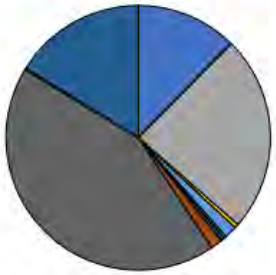


Credit
Risk Summary

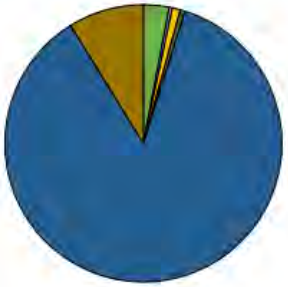
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

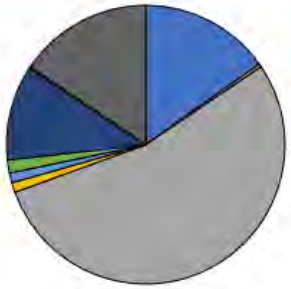
Decomposition of MSCI Risk Factors



Currency 12.4%
Hedge Funds 0.1%
Idiosyncratic 24.1%
Implied Volatility 0.5%
Inflation 1.5%
Market 0.3%
Private Equity 0.5%
Private Real Estate 1.4%
Spread 43.2%
Style -0.2%



Currency 3.0%
Idiosyncratic 0.4%
Implied Volatility 0.9%
Market 0.6%
Spread 86.3%
Term Structure 8.8%



Currency 15.2%
Hedge Funds 0.4%
Idiosyncratic 54.1%
Inflation 1.1%
Private Equity 1.1%
Private Real Estate 1.5%
Spread 11.0%
Style -0.2%
Term Structure 15.6%

Liquid Credit Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$2.2B	LIQUID CREDIT 1Y Realized Return 12.7%
LIQUID CREDIT Monte Carlo VaR 11.1%	BENCHMARK Monte Carlo VaR 10.4%

Liquid Credit

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $236M in 1Y.

versus

With 95% confidence, the Benchmark would not lose more than $221M in 1Y.

100% Active Market Value Exposure — $2.2B

0% Private Market Value Exposure — $0B

20% US Market Value Exposure — $447M

Projected (Ex-Ante) Risks

Liquid Credit Forecast Volatility: 5.33%

Benchmark Forecast Volatility: 4.70%

Liquid Credit Forecast Tracking Error: 1.02%

Portfolio Beta 1.12

Effective Duration 2.19

Yield to Worst 8.41%

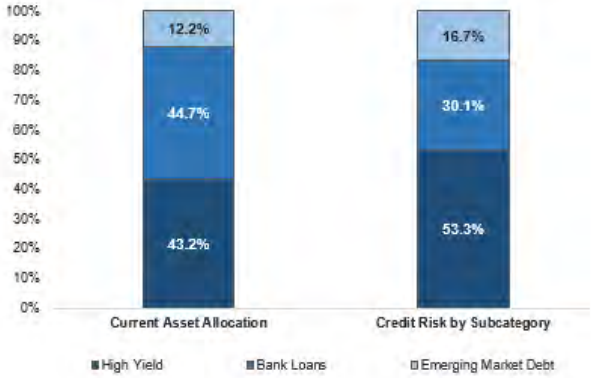
OAS to Swap 4.11%

Credit Spread Duration 2.65

Subcategory Contributions to Liquid Credit Risk

Credit Asset Allocation

Capital-based versus Risk-based



Credit – Liquid Credit
abrdn

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

An emerging market debt strategy that invests in sovereigns, quasi-sovereigns, and corporate bonds denominated in US Dollar or local currencies.

Inception Date: July 2017

Manager Scorecard Profile

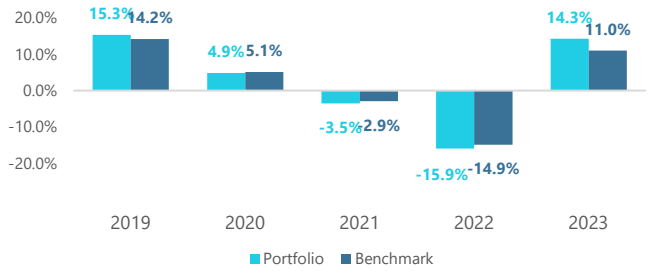
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
abrdn (Gross)	**173.6**	**2.3%**	**17**	**15.0%**	**10**	**0.1%**	**47**	**1.7%**	**47**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
abrdn (Net)		**2.2%**		**14.6%**		**-0.2%**		**1.3%**	
EMD Custom Benchmark		1.1%		9.2%		-1.1%		1.1%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

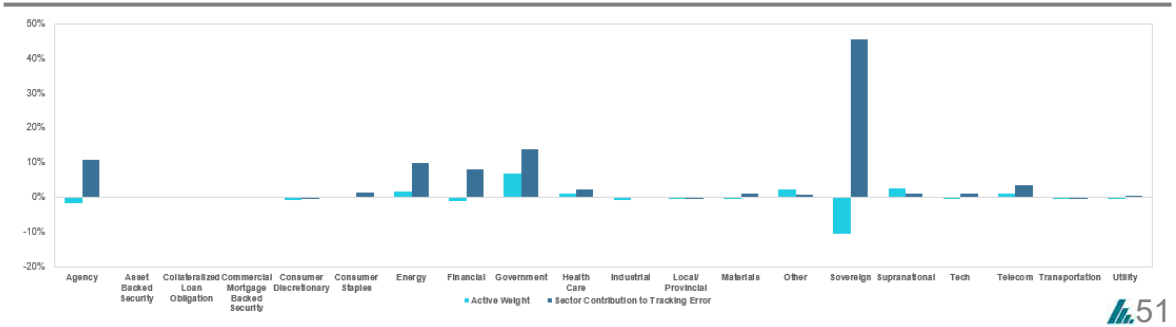


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	8.7%	7.4%
Forecast Tracking Error	2.6%	
Beta	1.12	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Brazil	10.3%	14.2%	-3.9%
Peru	6.0%	2.4%	3.6%
Indonesia	5.6%	4.9%	0.8%
Mexico	5.6%	4.9%	0.7%
Philippines	4.4%	2.2%	2.2%

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit Ashmore

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A value-driven emerging market debt strategy that applies a macro, top-down approach to build a well-diversified portfolio that adds value through asset rotation, security selection, and currency positioning utilizing a committee driven, systematic risk mitigating process.

Inception Date: June 2017

Manager Scorecard Profile

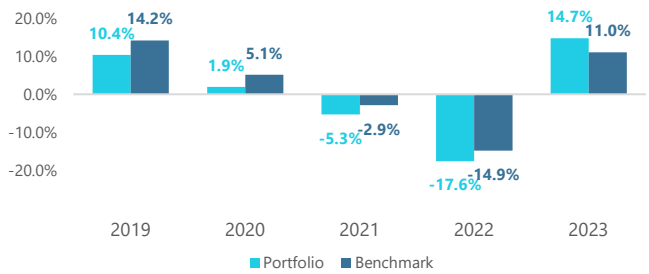
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
1	S	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Ashmore Investment Management (Gross)	**173.4**	**0.9%**	**34**	**12.8%**	**13**	**-1.1%**	**65**	**-0.3%**	**93**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Ashmore Investment Management (Net)		**0.7%**		**12.3%**		**-1.6%**		**-0.8%**	
EMD Custom Benchmark		1.1%		9.2%		-1.1%		1.1%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706



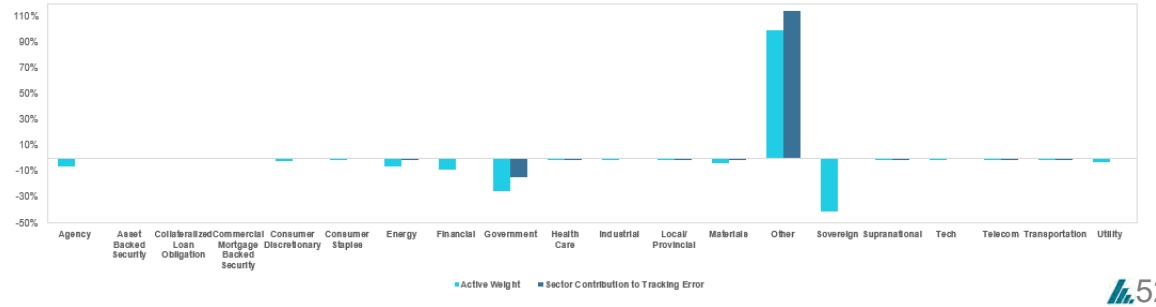
Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	9.7%	7.4%
Forecast Tracking Error	5.6%	
Beta	1.08	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Commingled Fund[1]	100%	0%	100%

[1] Commingled fund account with no position-level transparency.

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit
Bain Capital

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A long-only strategy designed to provide exposure to senior secured, floating-rate bank loans. The strategy takes a fundamental, active, and global approach to investing, capitalizing on opportunities in an inefficient asset class. The return objective is to outperform the Index through strong credit selection and active portfolio management.

Inception Date: June 2014

Manager Scorecard Profile

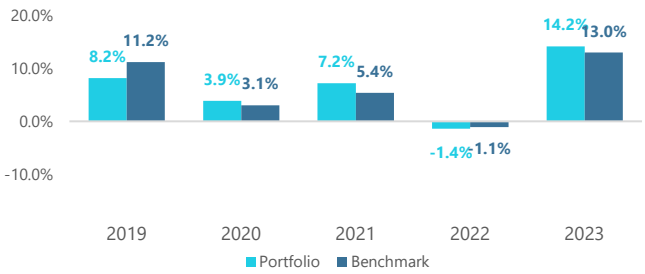
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	3	B	1

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Bain Capital (Gross)	**284.2**	**2.4%**	**16**	**13.3%**	**12**	**7.0%**	**19**	**6.5%**	**16**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Bain Capital (Net)		**2.2%**		**12.6%**		**6.4%**		**5.9%**	
Bank Loans Custom Benchmark		2.5%		12.4%		5.8%		5.6%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

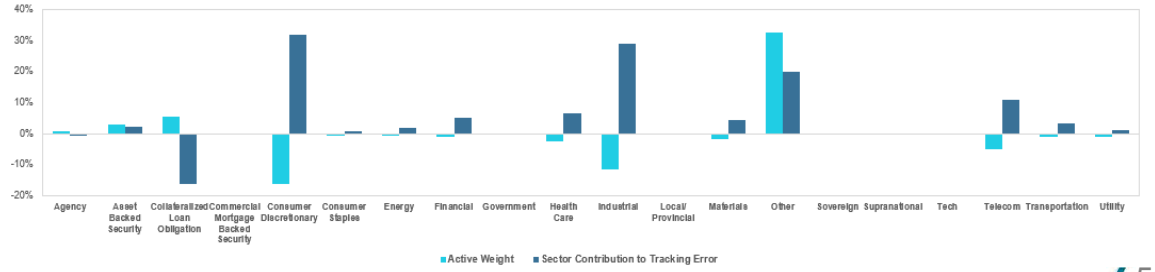


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	3.1%	4.1%
Forecast Tracking Error	1.5%	
Beta	0.73	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	92.4%	88.9%	3.5%
Luxembourg	3.1%	2.4%	0.7%
Canada	1.3%	2.5%	-1.2%
Ireland	0.8%	1.5%	-0.7%
Netherlands	0.8%	1.2%	-0.4%

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit
Beach Point

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A fundamental, value oriented high yield bond strategy that utilizes legal skills to identify market anomalies in bond covenants and indentures. The primary investment goal is to generate superior returns while controlling risk to minimize the possibility of capital impairment.

Inception Date: June 2014

Manager Scorecard Profile

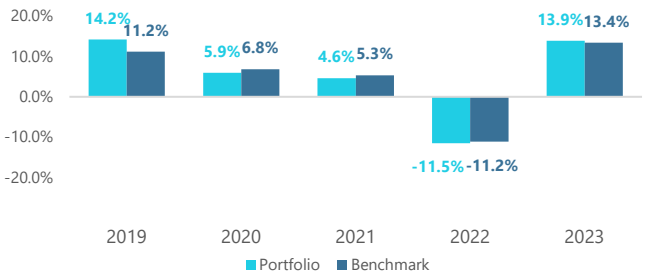
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
5	S	3	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Beach Point (Gross)	**260.6**	**2.2%**	**18**	**12.7%**	**13**	**2.6%**	**32**	**4.6%**	**21**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Beach Point (Net)		**2.1%**		**12.1%**		**2.1%**		**4.1%**	
Beachpoint Custom Benchmark		1.5%		11.2%		2.2%		3.9%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

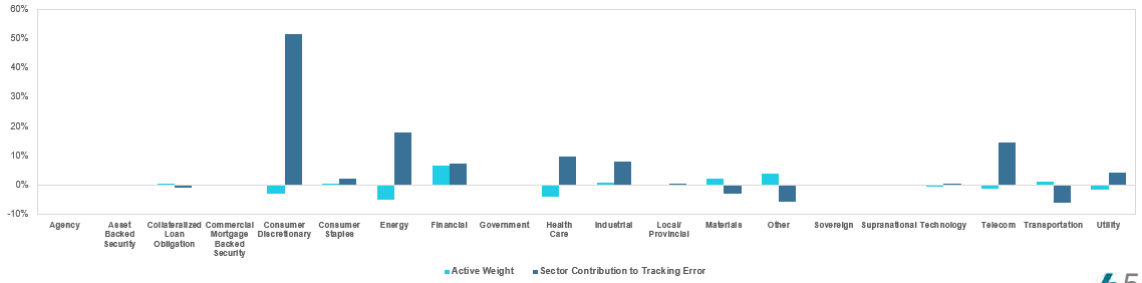


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	5.1%	5.4%
Forecast Tracking Error	0.8%	
Beta	0.93	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	90.4%	82.9%	7.5%
Canada	3.4%	4.6%	-1.2%
United Kingdom	1.9%	2.4%	-0.6%
Luxembourg	1.7%	1.4%	0.3%
Ireland	1.3%	1.5%	-0.2%

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit
Brigade Capital

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A strategy that focuses on identifying attractive companies within the high yield bond marketplace. The strategy invests in companies that have a lower likelihood of default or are better able to recover from economic downturns because of their substantial asset value relative to debt.

Inception Date: July 2010

Manager Scorecard Profile

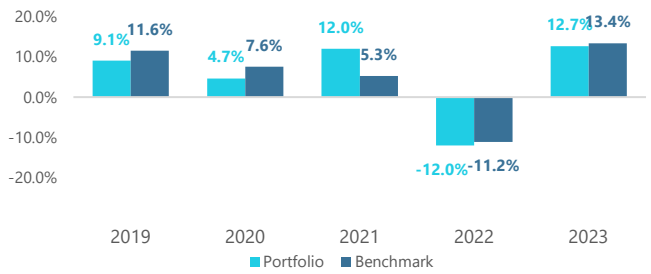
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
2	S	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Brigade Cap Mgmt (Gross)	**414.5**	**1.1%**	**32**	**11.2%**	**16**	**2.5%**	**32**	**4.8%**	**20**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Brigade Cap Mgmt (Net)		**1.0%**		**10.8%**		**2.2%**		**4.2%**	
Brigade Custom Benchmark		1.5%		11.2%		2.2%		4.2%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

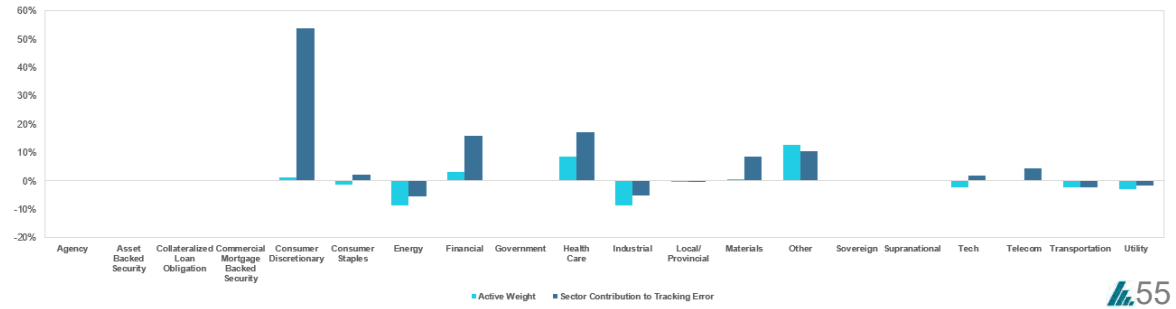


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	8.8%	5.4%
Forecast Tracking Error	4.1%	
Beta	1.54	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	91.2%	82.9%	8.3%
Canada	4.7%	4.6%	0.1%
Italy	1.1%	1.0%	0.0%
United Kingdom	0.9%	2.4%	-1.6%
Luxembourg	0.8%	1.4%	-0.6%

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit
Credit Suisse

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A bank loan strategy that invests in senior floating rate loans whose primary performance objective is to generate alpha while mitigating loss, utilizing bottom-up, fundamental credit analysis emphasizing a relative value approach.

Inception Date: April 2020

Manager Scorecard Profile

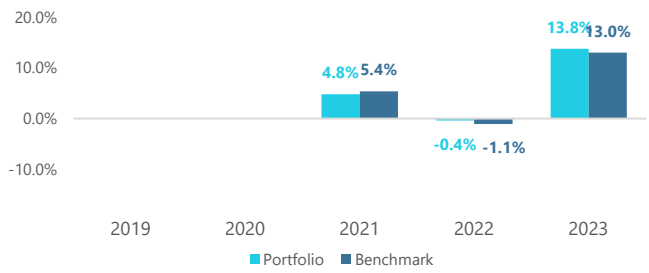
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S-	3	B	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Credit Suisse Bank Loans (Gross)	**255.1**	**3.1%**	**12**	**13.4%**	**12**	**6.6%**	**19**	**--**	**-**
Peer Universe Median		0.0%		3.5%		0.0%		--	
Credit Suisse Bank Loans (Net)		**3.0%**		**13.1%**		**6.4%**		**--**	
CS Leveraged Loan Index		2.5%		12.4%		5.8%		--	
Credit Policy Benchmark		3.3%		12.1%		3.2%		--	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

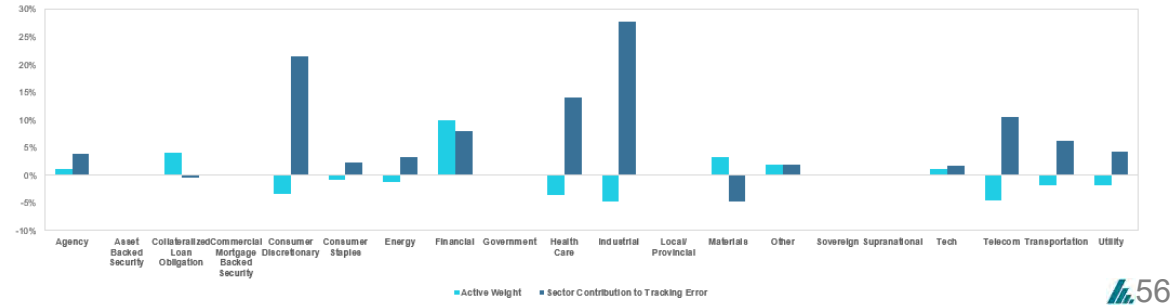


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	3.8%	4.1%
Forecast Tracking Error	0.8%	
Beta	0.90	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	87.1%	88.9%	-1.8%
Canada	5.7%	2.5%	3.1%
France	1.6%	0.5%	1.1%
Germany	1.4%	0.7%	0.7%
Luxembourg	1.2%	2.4%	-1.2%

Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit
Crescent Capital

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A bank loan strategy that invests in privately negotiated, below investment grade, secured corporate debt. The primary target is U.S. based middle market companies whose EBITDA falls between $30M to $100M. The strategy's bottom-up credit research process emphasizes high current income and principal preservation.

Inception Date: May 2014

Manager Scorecard Profile

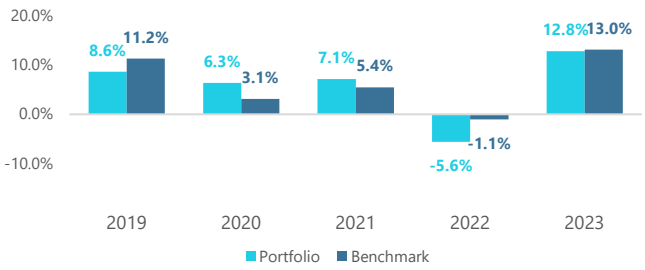
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S-	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Crescent Capital (Gross)	**399.5**	**4.9%**	**7**	**14.7%**	**10**	**5.6%**	**21**	**6.5%**	**16**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Crescent Capital (Net)		**4.7%**		**14.2%**		**5.1%**		**6.0%**	
Bank Loans Custom Benchmark		2.5%		12.4%		5.8%		5.6%	
Credit Policy Benchmark		3.3%		12.1%		3.2%		4.5%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706



Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	4.8%	4.1%
Forecast Tracking Error	1.2%	
Beta	1.14	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	92.7%	88.9%	3.8%
Canada	3.1%	2.5%	0.6%
Bermuda	1.7%	0.0%	1.7%
Luxembourg	1.6%	2.4%	-0.8%
Cayman Islands	0.9%	0.0%	0.8%

Contribution to Tracking Error by Bond Sector

Credit – Liquid Credit
Pinebridge Investments

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Active manager of a broadly diversified portfolio primarily of U.S. dollar denominated high yield securities.

Inception Date: August 2021

Manager Scorecard Profile

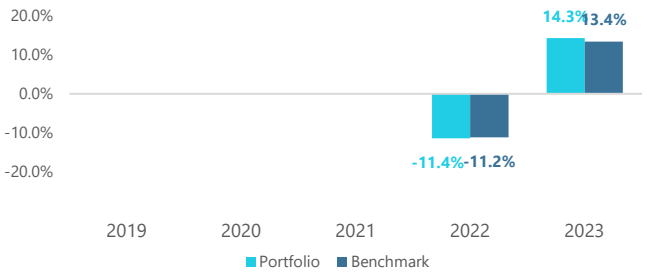
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	3	B	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Pinebridge Investments (Gross)	**275.5**	**1.2%**	**29**	**11.8%**	**15**	**--**	**-**	**--**	**-**
Peer Universe Median		0.0%		3.5%		--		--	
Pinebridge Investments (Net)		**1.1%**		**11.4%**		**--**		**--**	
BBG BARC US Corp HY Idx		1.5%		11.2%		--		--	
Credit Policy Benchmark		3.3%		12.1%		--		--	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

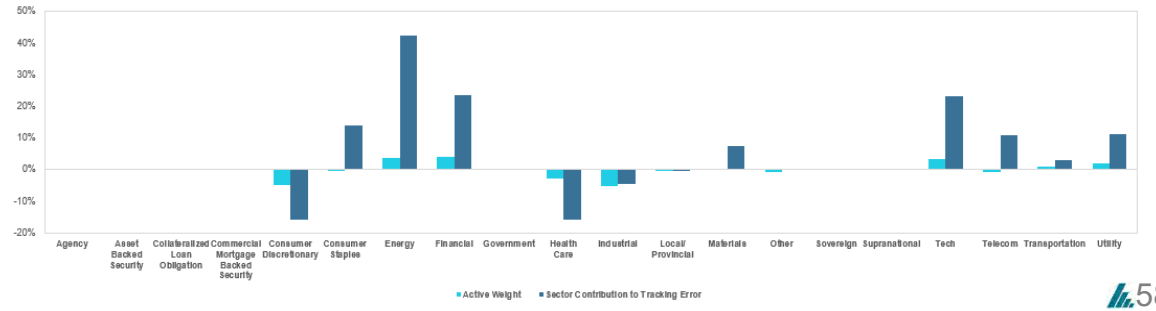


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	5.8%	5.4%
Forecast Tracking Error	0.7%	
Beta	1.07	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	77.4%	82.9%	-5.5%
Canada	5.4%	4.6%	0.8%
United Kingdom	3.2%	2.4%	0.8%
Luxembourg	3.2%	1.4%	1.8%
Ireland	2.7%	1.5%	1.2%

Contribution to Tracking Error by Bond Sector



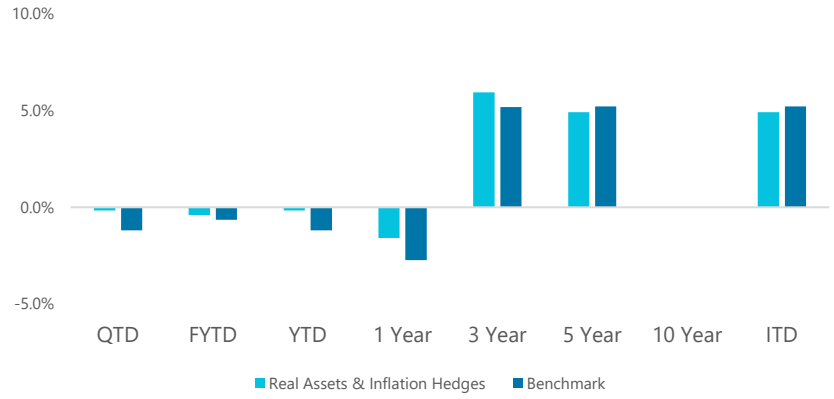
real assets & inflation hedges

Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)

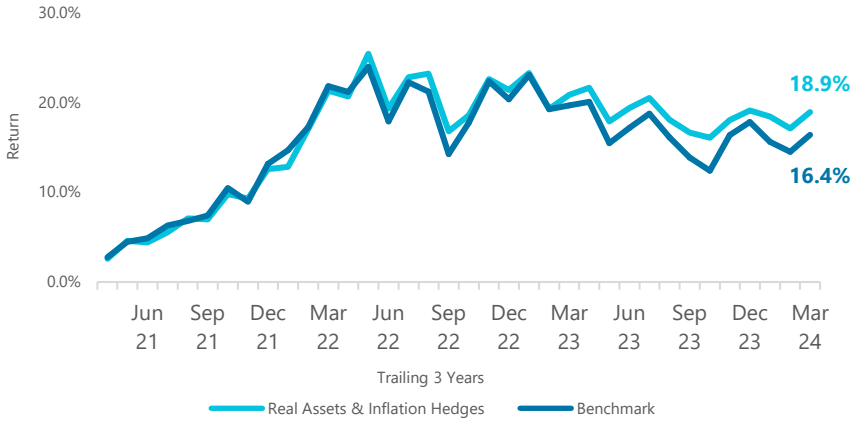


	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Real Assets & Inflation Hedges	**-0.2%**	**-0.4%**	**-0.2%**	**-1.6%**	**5.9%**	**4.9%**	**--**	**4.9%**
Benchmark	-1.2%	-0.7%	-1.2%	-2.7%	5.2%	5.2%	--	5.2%
Excess	1.0%	0.3%	1.0%	1.1%	0.8%	-0.3%	--	-0.3%

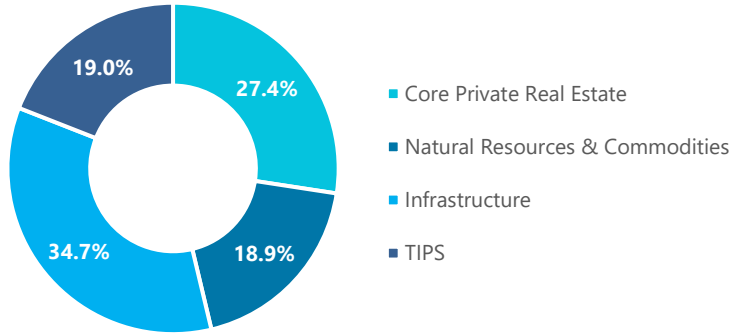
Functional Category

	QTD	FYTD	YTD	1 Year	3 Year
Core Private Real Estate	**-6.5%**	**-12.6%**	**-6.5%**	**-15.7%**	**3.4%**
Core Private RE Policy Benchmark	-5.0%	-9.7%	-5.0%	-12.7%	4.1%
Excess	-1.5%	-2.9%	-1.5%	-3.0%	-0.7%
Natural Resources & Commodities	**5.2%**	**7.6%**	**5.2%**	**7.8%**	**12.2%**
Nat Res & Comm Policy Benchmark	2.1%	7.0%	2.1%	3.4%	10.2%
Excess	3.0%	0.6%	3.0%	4.4%	2.1%
Infrastructure	**2.2%**	**6.1%**	**2.2%**	**6.8%**	**6.3%**
DJ Brookfield Global Infra Comp	0.6%	4.1%	0.6%	3.7%	4.8%
Excess	1.6%	1.9%	1.6%	3.1%	1.4%
TIPS	**0.0%**	**1.8%**	**0.0%**	**0.3%**	**-0.5%**
Bloomberg U.S. Treasury: U.S. TIPS	-0.1%	1.9%	-0.1%	0.5%	-0.5%
Excess	0.1%	-0.1%	0.1%	-0.2%	0.0%

Cumulative Return



Exposure

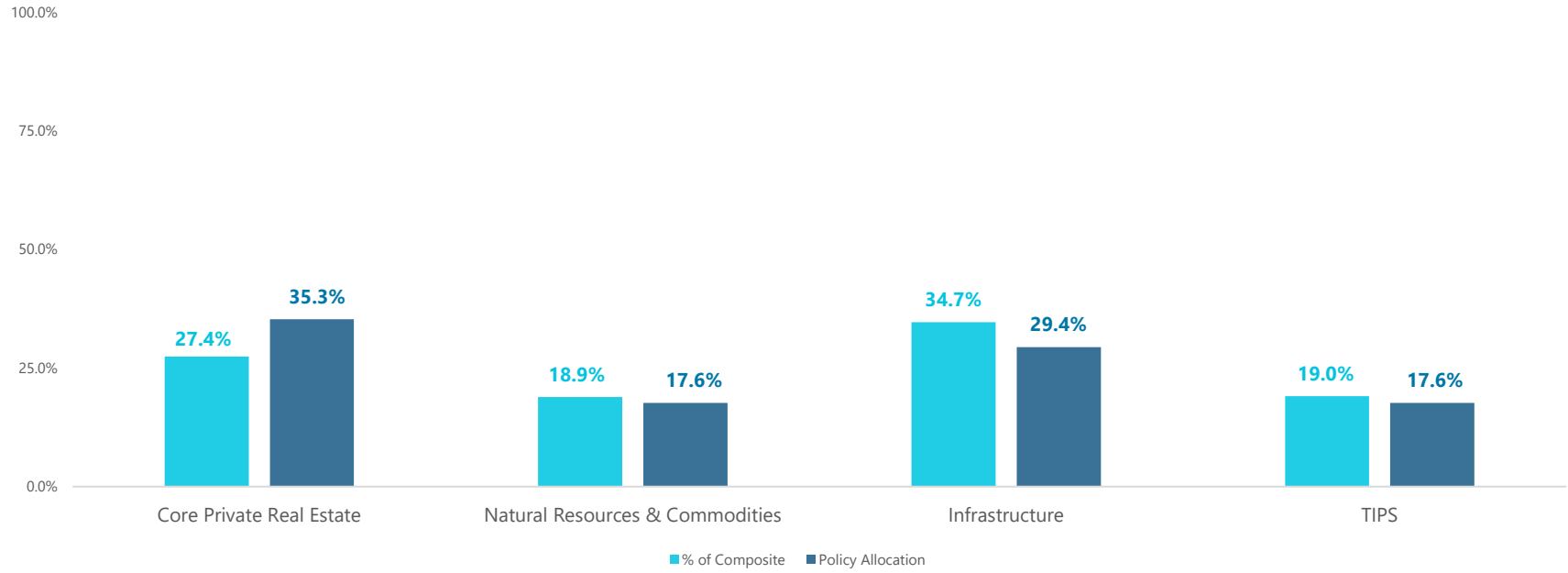


Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy



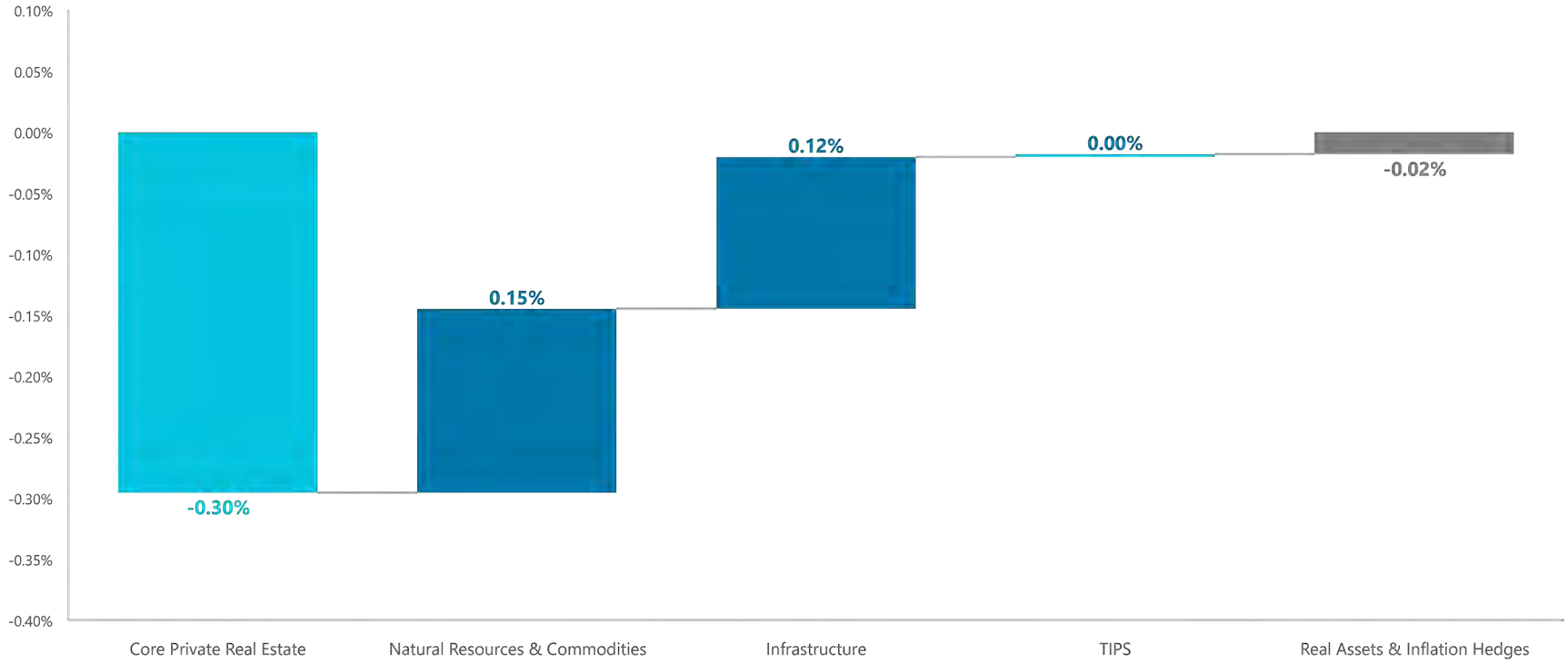
	Ending Market Value (mm)	% of Composite	Policy Allocation	Over / Under (%)	Over / Under (mm)
Real Assets & Inflation Hedges	**12,293**	**100.0%**	**100.0%**		
Core Private Real Estate	3,370	27.4%	35.3%	-7.9%	-968
Natural Resources & Commodities	2,318	18.9%	17.6%	1.2%	149
Infrastructure	4,263	34.7%	29.4%	5.3%	647
TIPS	2,342	19.0%	17.6%	1.4%	172

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



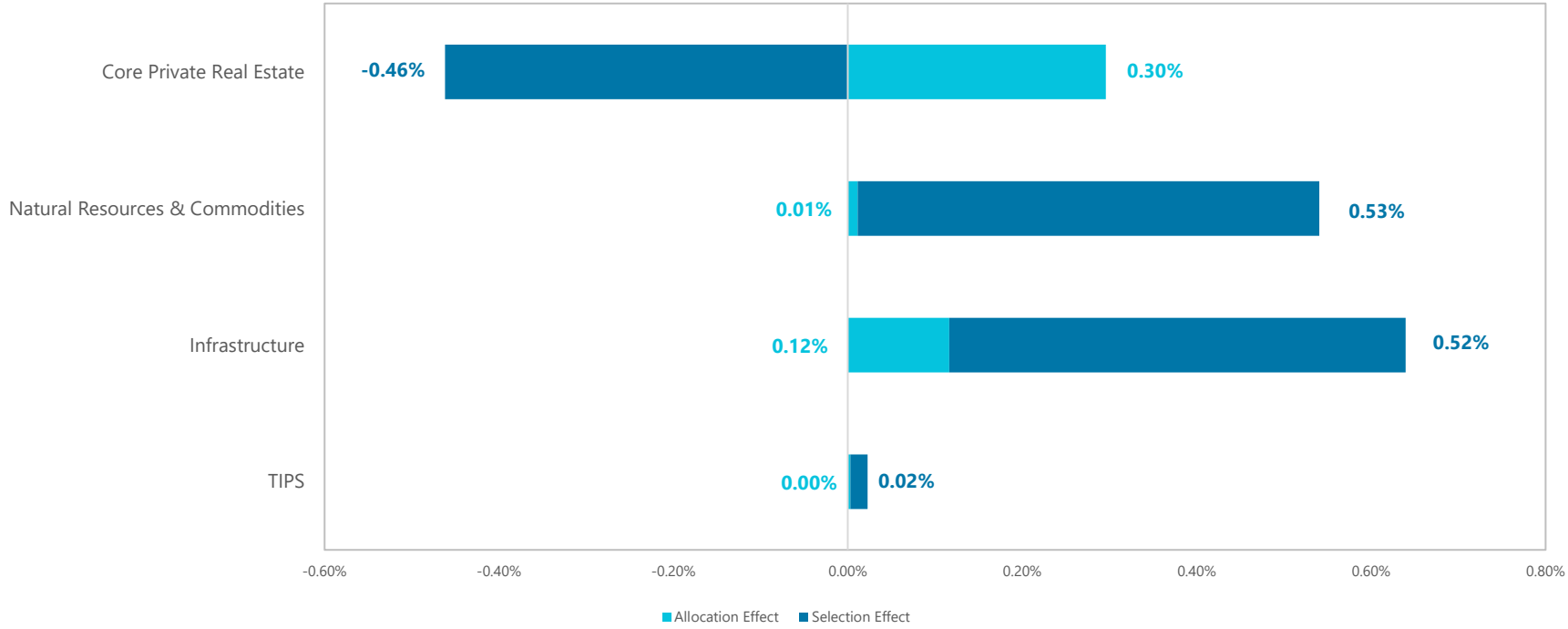
Functional Category		Contributors		Detractors	
Core Private Real Estate	-0.30%	DWS Infrastructure	0.06%	Real Estate - Real Assets	-0.30%
Natural Resources & Commodities	0.15%	TIAA-CREF Global Agriculture II	0.05%		
Infrastructure	0.12%	MGIF	0.04%		
TIPS	0.00%	TIAA-CREF Global Agriculture I	0.04%		
Real Assets & Inflation Hedges	-0.02%	DWS Natural Resources	0.03%		

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1]



	Ending Market Value (mm)	% of Composite	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Real Assets & Inflation Hedges	**12,293**	**100.0%**	**100.0%**	**-0.2%**	**-1.2%**	**0.43%**	**0.61%**	**1.04%**
Core Private Real Estate	3,370	27.4%	35.3%	-6.5%	-5.0%	0.30%	-0.46%	-0.17%
Natural Resources & Commodities	2,318	18.9%	17.6%	5.2%	2.1%	0.01%	0.53%	0.54%
Infrastructure	4,263	34.7%	29.4%	2.2%	0.6%	0.12%	0.52%	0.64%
TIPS	2,342	19.0%	17.6%	0.0%	-0.1%	0.00%	0.02%	0.02%

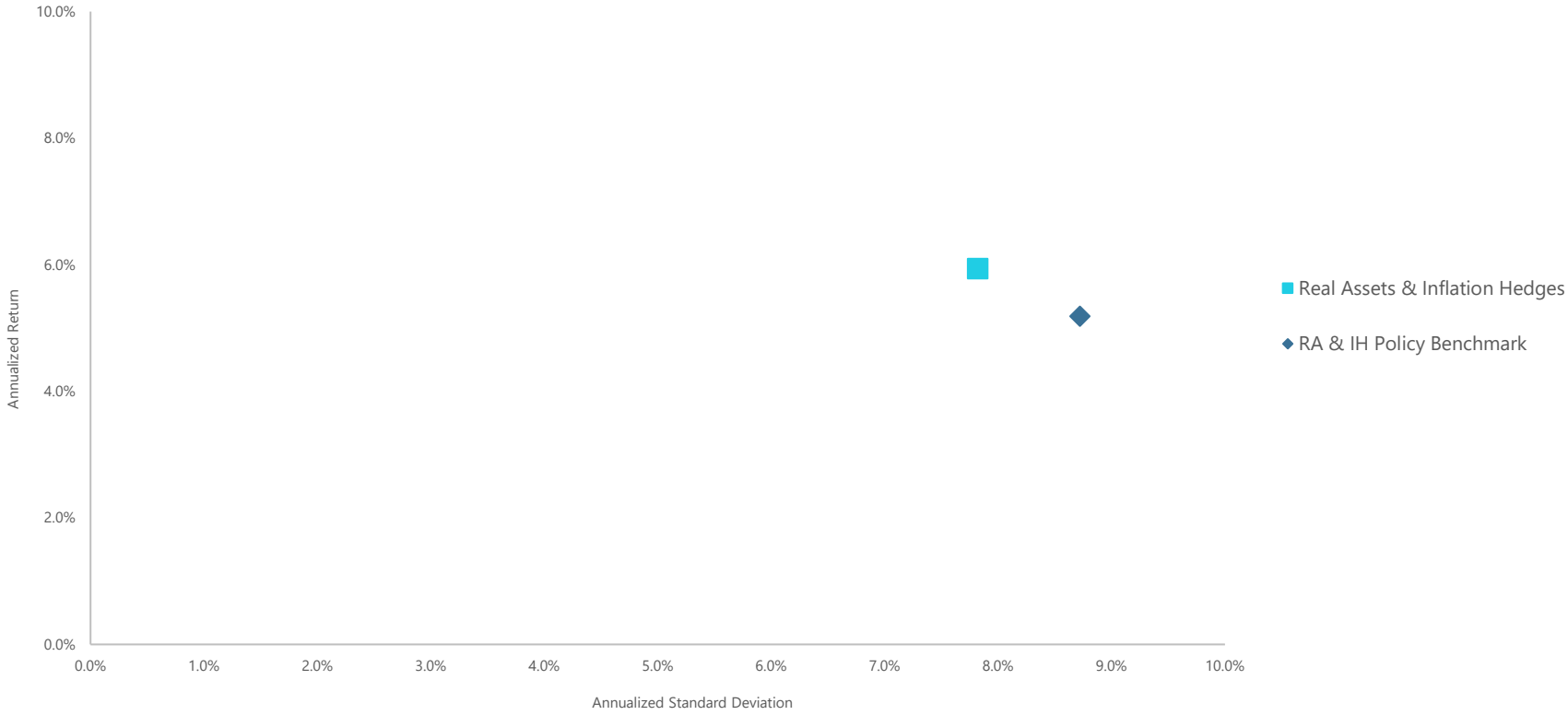
[1] Total Value Add column includes Interaction Effect.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Real Assets & Inflation Hedges	**5.9%**	**7.8%**	**0.45**	**0.23**	**0.85**	**2.9%**
RA & IH Policy Benchmark	5.2%	8.7%				

Performance Detail

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

Annualized Net Returns[1]

	% of Composite	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Real Assets & Inflation Hedges	**100.0%**	**12,293**	**12,020**	**-0.2%**	**-0.4%**	**-0.2%**	**-1.6%**	**5.9%**	**4.9%**	**--**	**4.9%**	**Apr-2019**
RA & IH Policy Benchmark				-1.2%	-0.7%	-1.2%	-2.7%	5.2%	5.2%	--	5.2%	
Core Private Real Estate	**27.4%**	**3,370**	**3,597**	**-6.5%**	**-12.6%**	**-6.5%**	**-15.7%**	**3.4%**	**2.2%**	**5.6%**	**6.5%**	**Oct-1985**
Core Private RE Policy Benchmark				-5.0%	-9.7%	-5.0%	-12.7%	4.1%	3.6%	6.7%	6.4%	
Natural Resources & Commodities	**18.9%**	**2,318**	**2,172**	**5.2%**	**7.6%**	**5.2%**	**7.8%**	**12.2%**	**9.0%**	**0.4%**	**-0.3%**	**Jul-2007**
Nat Res & Comm Policy Benchmark				2.1%	7.0%	2.1%	3.4%	10.2%	8.5%	-0.6%	-1.5%	
Appian Fund III	0.0%	2	3	-23.8%	-67.9%	-23.8%	--	--	--	--	-67.7%	Jun-2023
Ara Fund III	0.1%	13	13	0.0%	--	0.0%	--	--	--	--	-24.0%	Oct-2023
Cibus Enterprise II	0.0%	4	4	-3.2%	-4.9%	-3.2%	-5.0%	--	--	--	-7.5%	Jun-2022
Cibus Fund II	0.2%	28	28	2.6%	-2.3%	2.6%	-4.7%	--	--	--	-10.2%	Jun-2022
Co-Investments - Natural Resources	0.2%	26	25	2.7%	5.6%	2.7%	5.6%	--	--	--	3.7%	Oct-2022
Credit Suisse Commodity	2.4%	293	286	2.4%	2.3%	2.4%	-0.7%	9.5%	7.1%	-1.1%	-2.3%	Mar-2011
DWS Natural Resources	4.0%	496	452	5.0%	11.2%	5.0%	6.9%	9.1%	--	--	10.7%	Jun-2019
HiTecVision New Energy	1.0%	120	107	1.7%	12.0%	1.7%	20.0%	--	--	--	28.7%	Sep-2022
Neuberger Berman/Gresham	2.9%	352	339	3.8%	4.2%	3.8%	2.2%	9.9%	6.5%	-0.8%	-0.8%	Jul-2007
Orion Mine Finance Fund III	1.0%	127	145	0.0%	5.9%	0.0%	21.5%	--	--	--	11.5%	Sep-2021
Orion Mine Finance Fund IV	0.1%	16	0	--	--	--	--	--	--	--	0.0%	Mar-2024
Orion Mining Royalty Fund I	0.3%	36	37	0.0%	5.5%	0.0%	2.6%	--	--	--	0.4%	Sep-2021
Private Equity - Real Assets	0.7%	80	80	0.7%	-0.4%	0.7%	-0.8%	7.5%	-5.0%	--	-6.4%	Jan-2019
Sprott	0.5%	58	51	2.6%	9.0%	2.6%	7.2%	--	--	--	6.6%	Mar-2023
TIAA-CREF Global Agriculture I	2.6%	321	294	9.9%	11.1%	9.9%	18.2%	--	--	--	17.9%	Dec-2021
TIAA-CREF Global Agriculture II	2.8%	346	307	12.5%	13.7%	12.5%	14.9%	--	--	--	15.0%	Dec-2021
Infrastructure	**34.7%**	**4,263**	**4,111**	**2.2%**	**6.1%**	**2.2%**	**6.8%**	**6.3%**	**--**	**--**	**7.2%**	**Jun-2019**
DJ Brookfield Global Infra Comp				0.6%	4.1%	0.6%	3.7%	4.8%	--	--	4.0%	
Antin Mid Cap	0.4%	53	54	-0.7%	1.0%	-0.7%	1.4%	--	--	--	-2.1%	Dec-2021
Axium Infrastructure	2.3%	277	273	2.6%	7.0%	2.6%	9.1%	--	--	--	5.8%	Dec-2021
Axium Infrastructure Canada	1.2%	152	155	-0.8%	4.3%	-0.8%	7.9%	--	--	--	NM	Nov-2021
Co-Investments - Infrastructure	0.4%	49	42	7.2%	22.5%	7.2%	23.8%	--	--	--	21.7%	Mar-2023
DIF CIF III	0.4%	53	58	-1.3%	8.4%	-1.3%	12.7%	--	--	--	5.0%	Jun-2022
DIF Infrastructure VI	1.1%	138	139	-0.1%	7.3%	-0.1%	9.8%	25.8%	--	--	15.7%	Mar-2021
DWS Infrastructure	17.5%	2,153	2,130	2.1%	5.8%	2.1%	6.0%	5.3%	--	--	6.7%	Jun-2019
Grain Communications Opportunity III	0.3%	40	38	4.1%	-5.1%	4.1%	-3.0%	NM	--	--	NM	Feb-2021
Grain Spectrum Holdings III	0.6%	75	71	5.4%	5.1%	5.4%	-0.8%	12.9%	--	--	10.9%	Nov-2020
KKR DCIF	4.2%	520	521	0.9%	5.3%	0.9%	6.5%	--	--	--	4.9%	Apr-2022
MGIF	4.4%	537	435	6.6%	--	6.6%	--	--	--	--	12.1%	Aug-2023
Pan-European Infrastructure Fund III	0.6%	76	77	-1.4%	4.9%	-1.4%	7.5%	9.2%	--	--	5.3%	Nov-2020
Partners Grp Direct Infra 2020	1.1%	141	119	3.2%	8.8%	3.2%	13.6%	--	--	--	11.2%	Jan-2022
TIPS	**19.0%**	**2,342**	**2,140**	**0.0%**	**1.8%**	**0.0%**	**0.3%**	**-0.5%**	**--**	**--**	**2.4%**	**May-2019**
Bloomberg U.S. Treasury: U.S. TIPS				-0.1%	1.9%	-0.1%	0.5%	-0.5%	--	--	2.5%	
Blackrock TIPS	19.0%	2,342	2,140	0.0%	1.8%	0.0%	0.3%	-0.5%	--	--	2.4%	May-2019

[1] Private natural resources and infrastructure funds reflect early-stage life cycle performance.
[2] NM = not meaningful

Real Assets & Inflation Hedges Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$12.3B	REAL ASSETS 1Y Realized Return -1.6%
REAL ASSETS Monte Carlo VaR 17.1%	BENCHMARK Monte Carlo VaR 19.9%

Real Assets & Inflation Hedges

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $1.9B in 1Y.

versus

With 95% confidence, the Benchmark would not lose more than $2.2B in 1Y.

81% Active Market Value Exposure

54% Private Market Value Exposure

73% US Market Value Exposure

Projected (Ex-Ante) Risks

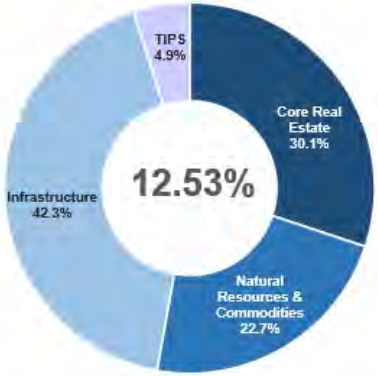
Real Assets Forecast Volatility	Benchmark Forecast Volatility
12.53%	12.77%

Real Assets Forecast Tracking Error: 3.69%

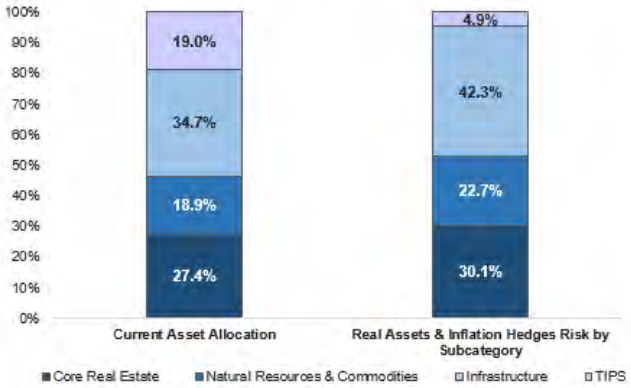
Portfolio Beta: 0.94

Core Private Real Estate TE	4.04%
Natural Resources & Commodities TE	4.02%
Infrastructure TE	7.91%
TIPS TE	0.05%

Subcategory Contributions to Real Assets and Inflation Hedges Risk



Real Assets and Inflation Hedges Asset Allocation
Capital-based versus Risk-based



Real Assets & Inflation Hedges Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

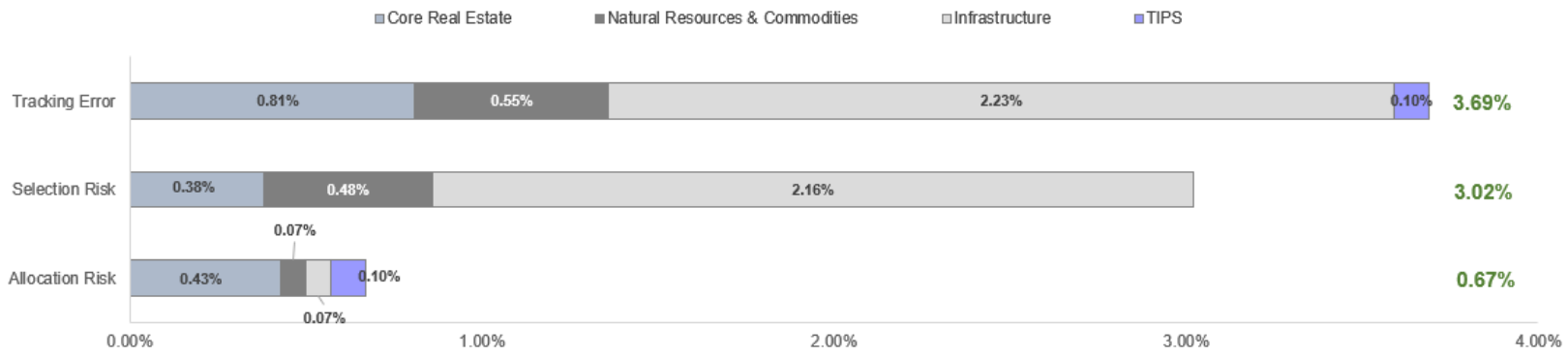
Decomposition of MSCI Risk Factors

Real Assets & Inflation Hedges Risk Summary

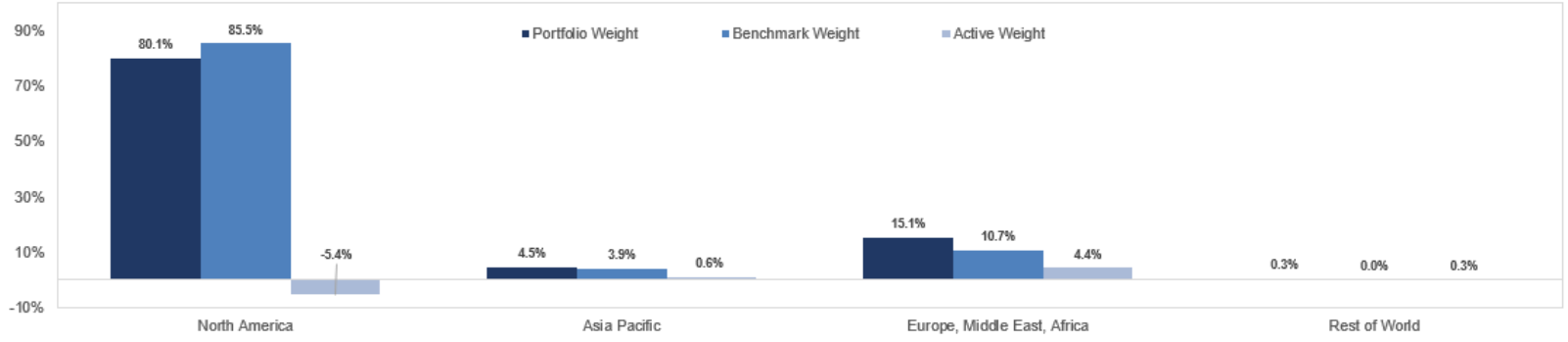
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Subcategory Contributions to Tracking Error



Portfolio Allocation by Region[1]



[1] Rest of World is sum of countries with weights below 0.5%.

Real Assets & Inflation Hedges

Natural Resources & Commodities

Credit Suisse

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

Strategy

Seeks to provide a hedge against inflation and exposure to commodities markets such as energy, agriculture and timber, and metals and mining.

Inception Date: March 2011

Manager Scorecard Profile

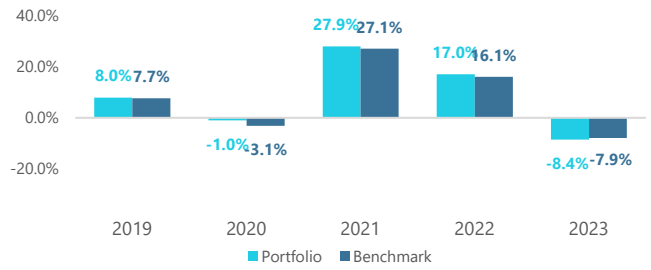
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S-	1	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Credit Suisse Commodity (Gross)	**292.7**	**2.4%**	**36**	**-0.4%**	**67**	**9.8%**	**48**	**7.4%**	**67**
Peer Universe Median		0.2%		1.3%		9.0%		8.6%	
Credit Suisse Commodity (Net)		**2.4%**		**-0.7%**		**9.5%**		**7.1%**	
Bloomberg Commodity Index Total Return		2.2%		-0.6%		9.1%		6.4%	
RA & IH Policy Benchmark		-1.2%		-2.7%		5.2%		5.2%	

Wilshire TUCS Peer Universe: Commodity Funds

Number of observations: 11

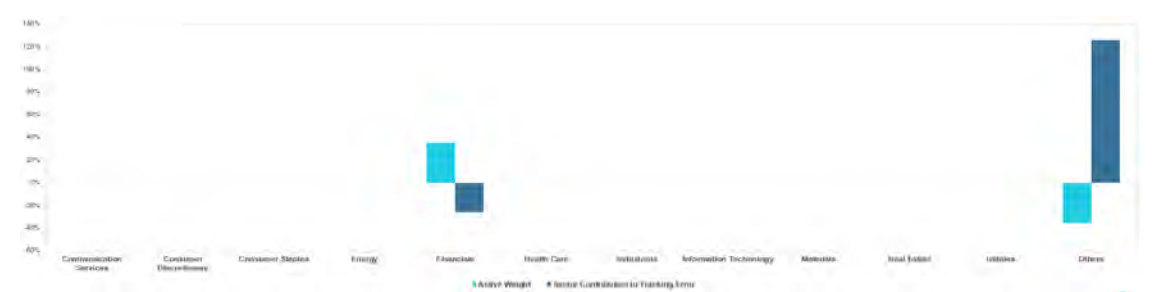


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	13.1%	12.6%
Forecast Tracking Error	2.3%	
Beta	1.02	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Contribution to Tracking Error by GICS Sector



Real Assets & Inflation Hedges

Natural Resources & Commodities

DWS

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide capital appreciation and a hedge to inflation. A diversified approach within infrastructure to gain exposure to infrastructure related to telecommunication, transportation, utilities, waste and energy.

Inception Date: June 2019

Manager Scorecard Profile

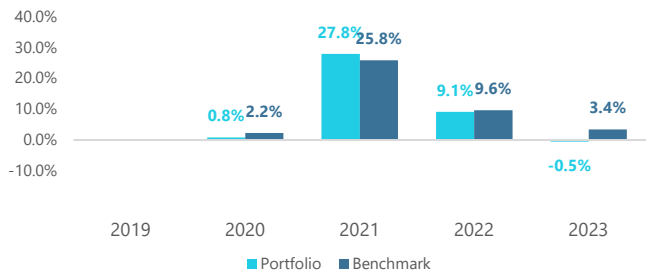
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S-	2	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
DWS Natural Resources (Gross)	**495.8**	**5.0%**	**21**	**7.1%**	**29**	**9.3%**	**49**	**--**	**-**
Peer Universe Median		0.2%		1.3%		9.0%		--	
DWS Natural Resources (Net)		**5.0%**		**6.9%**		**9.1%**		**--**	
DWS NR Custom Benchmark		2.0%		5.0%		9.0%		--	
RA & IH Policy Benchmark		-1.2%		-2.7%		5.2%		--	

Wilshire TUCS Peer Universe: Commodity Funds

Number of observations: 11



Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	21.9%	21.0%
Forecast Tracking Error	4.1%	
Beta	1.03	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	46.2%	37.6%	8.6%
Canada	28.2%	14.5%	13.7%
France	5.6%	2.2%	3.3%
Australia	4.0%	10.1%	-6.1%
Brazil	3.1%	1.0%	2.1%

Contribution to Tracking Error by GICS Sector

Real Assets & Inflation Hedges

Natural Resources & Commodities

Neuberger Berman / Gresham

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide a hedge against inflation and exposure to commodities markets such as energy, agriculture and timber, and metals and mining. The collateral portfolio provides income with conservative fixed income exposure.

Inception Date: July 2007

Manager Scorecard Profile

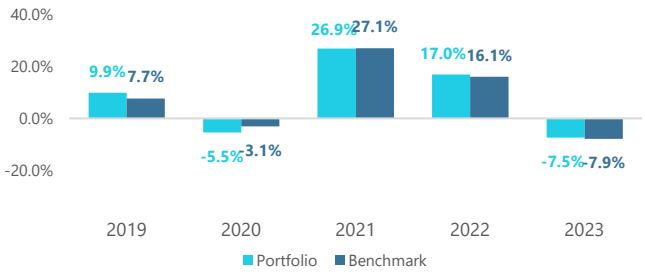
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	1	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Neuberger Berman/Gresham (Gross)	**351.9**	**3.9%**	**24**	**2.6%**	**46**	**10.3%**	**46**	**6.9%**	**69**
Peer Universe Median		0.2%		1.3%		9.0%		8.6%	
Neuberger Berman/Gresham (Net)		**3.8%**		**2.2%**		**9.9%**		**6.5%**	
Bloomberg Commodity Index Total Return		2.2%		-0.6%		9.1%		6.4%	
RA & IH Policy Benchmark		-1.2%		-2.7%		5.2%		5.2%	

Wilshire TUCS Peer Universe: Commodity Funds

Number of observations: 11

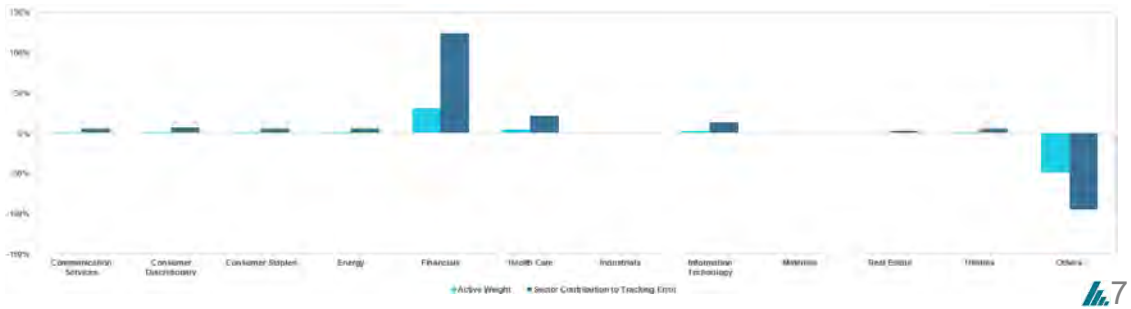


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	12.9%	15.1%
Forecast Tracking Error	3.0%	
Beta	0.84	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	93.2%	100.0%	-6.8%
Switzerland	2.4%	0.0%	2.4%
Canada	2.1%	0.0%	2.1%
United Kingdom	0.9%	0.0%	0.9%
Finland	0.7%	0.0%	0.7%

Contribution to Tracking Error by GICS Sector



Real Assets & Inflation Hedges

Infrastructure

DWS

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide capital appreciation and income with global infrastructure securities. The strategy takes a diversified approach within infrastructure to gain exposure to infrastructure related to telecommunication, transportation, utilities, waste and energy.

Inception Date: June 2019

Manager Scorecard Profile

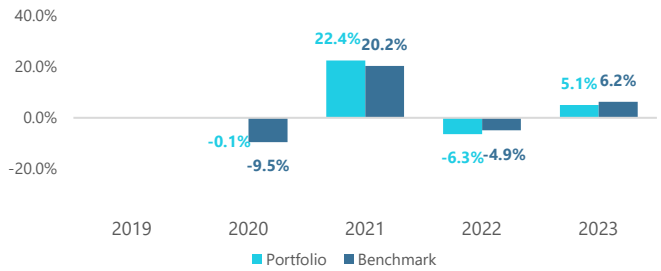
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S-	2	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
DWS Infrastructure (Gross)	**2,152.8**	**2.1%**	**48**	**6.2%**	**53**	**5.5%**	**80**	**--**	**-**
Peer Universe Median		1.8%		6.4%		8.9%		--	
DWS Infrastructure (Net)		**2.1%**		**6.0%**		**5.3%**		**--**	
DJ Brookfield Global Infra Comp		0.6%		3.7%		4.8%		--	
RA & IH Policy Benchmark		-1.2%		-2.7%		5.2%		--	

Wilshire TUCS Peer Universe: Infrastructure

Number of observations: 11

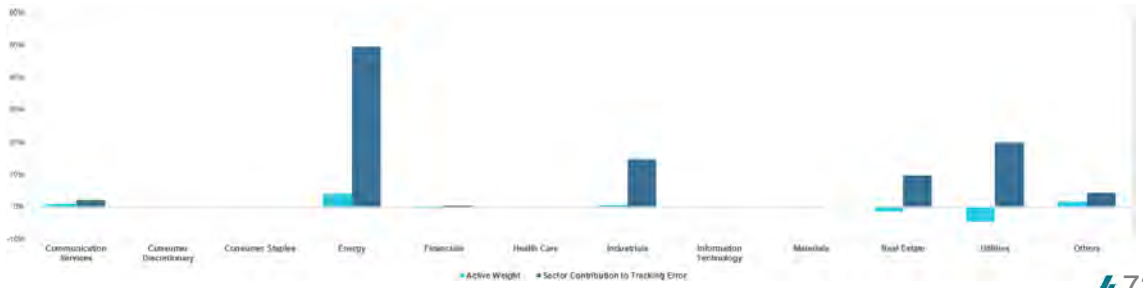


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	15.8%	16.6%
Forecast Tracking Error	2.2%	
Beta	0.95	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	61.6%	50.0%	11.6%
Canada	13.2%	16.9%	-3.7%
United Kingdom	4.8%	6.3%	-1.5%
Spain	4.6%	5.2%	-0.6%
Australia	3.1%	3.7%	-0.6%

Contribution to Tracking Error by GICS Sector



Real Assets & Inflation Hedges

TIPS

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide income and a hedge against inflation with passive TIPS exposure.

Inception Date: May 2019

Manager Scorecard Profile

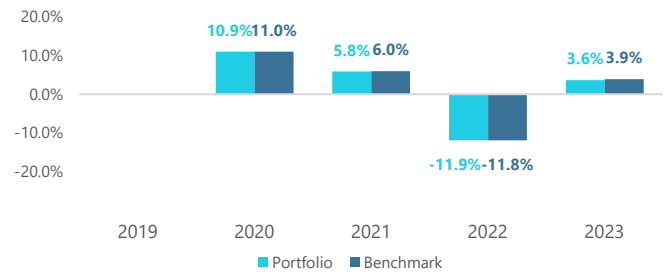
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
1	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
BlackRock TIPS (Gross)	**2,341.6**	**0.0%**	**48**	**0.3%**	**81**	**-0.5%**	**57**	**--**	**-**
Peer Universe Median		0.0%		3.5%		0.0%		--	
BlackRock TIPS (Net)		**0.0%**		**0.3%**		**-0.5%**		**--**	
Bloomberg U.S. Treasury: U.S. TIPS		-0.1%		0.5%		-0.5%		--	
RA & IH Policy Benchmark		-1.2%		-2.7%		5.2%		--	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

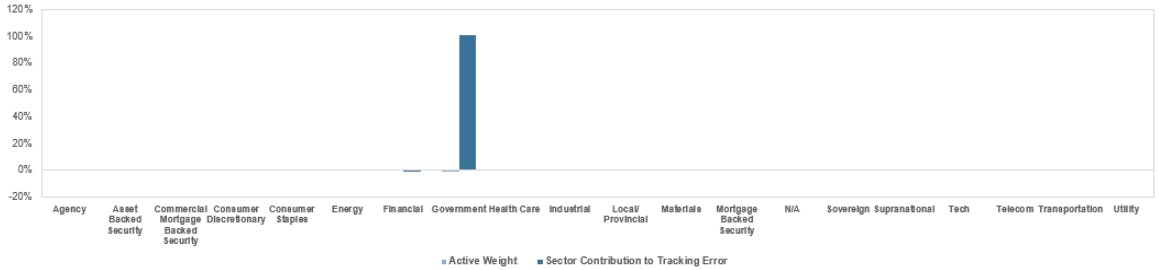


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	6.3%	6.3%
Forecast Tracking Error	0.1%	
Beta	1.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Contribution to Tracking Error by Bond Sector



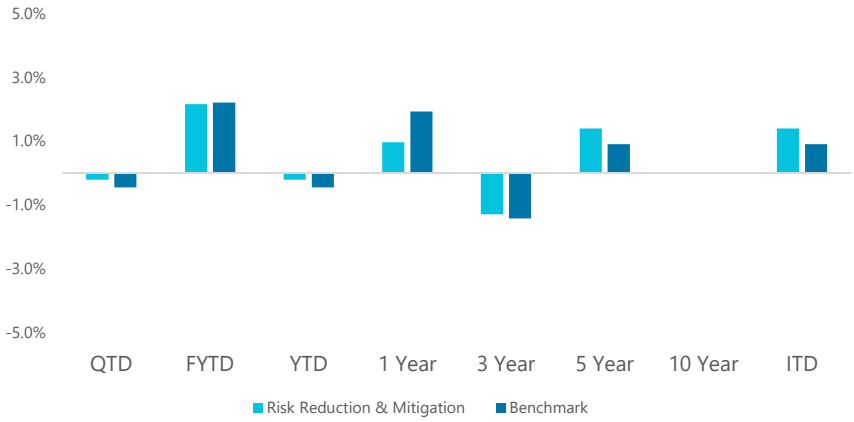
risk reduction & mitigation

Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)

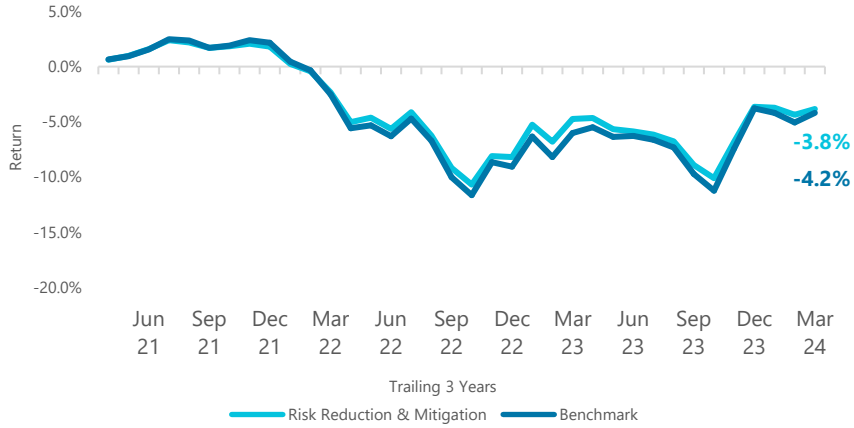


	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Risk Reduction & Mitigation	**-0.2%**	**2.2%**	**-0.2%**	**1.0%**	**-1.3%**	**1.4%**	**--**	**1.4%**
Benchmark	-0.4%	2.2%	-0.4%	1.9%	-1.4%	0.9%	--	0.9%
Excess	0.2%	-0.1%	0.2%	-1.0%	0.1%	0.5%	--	0.5%

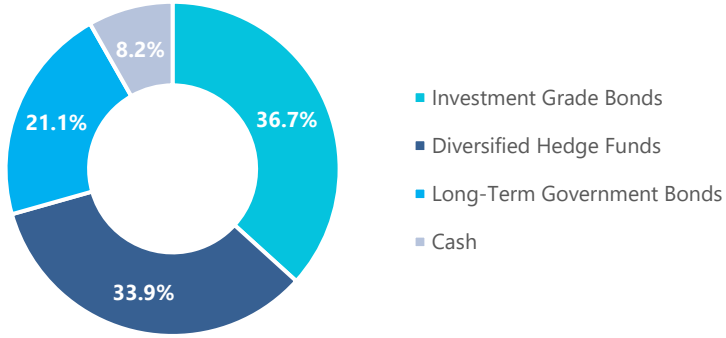
Functional Category

	QTD	FYTD	YTD	1 Year	3 Year
Investment Grade Bonds	**-0.6%**	**2.7%**	**-0.6%**	**1.9%**	**-2.4%**
BBG BC Aggregate Bond Index	-0.8%	2.6%	-0.8%	1.7%	-2.5%
Excess	0.1%	0.1%	0.1%	0.2%	0.0%
Diversified Hedge Funds	**1.7%**	**5.1%**	**1.7%**	**3.7%**	**4.9%**
Diversified Hedge Funds Policy Benchmark	2.0%	6.1%	2.0%	8.1%	5.1%
Excess	-0.3%	-1.0%	-0.3%	-4.4%	-0.2%
Long-Term Government Bonds	**-3.0%**	**-4.1%**	**-3.0%**	**-6.3%**	**--**
Bloomberg U.S. Treasury: Long	-3.3%	-3.9%	-3.3%	-6.1%	--
Excess	0.2%	-0.2%	0.2%	-0.2%	--
Cash	**1.8%**	**4.2%**	**1.8%**	**6.0%**	**3.8%**
Cash Policy Benchmark	1.4%	4.2%	1.4%	5.5%	2.7%
Excess	0.4%	0.0%	0.4%	0.5%	1.1%

Cumulative Return



Exposure

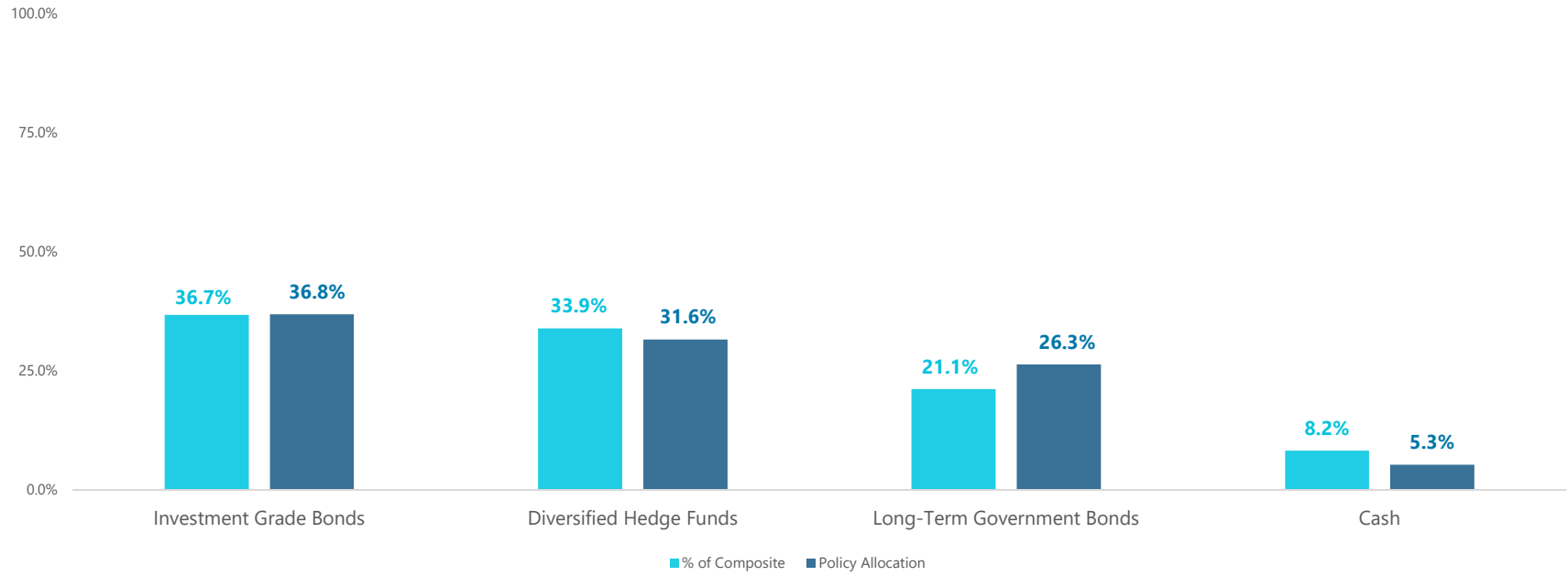


Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy



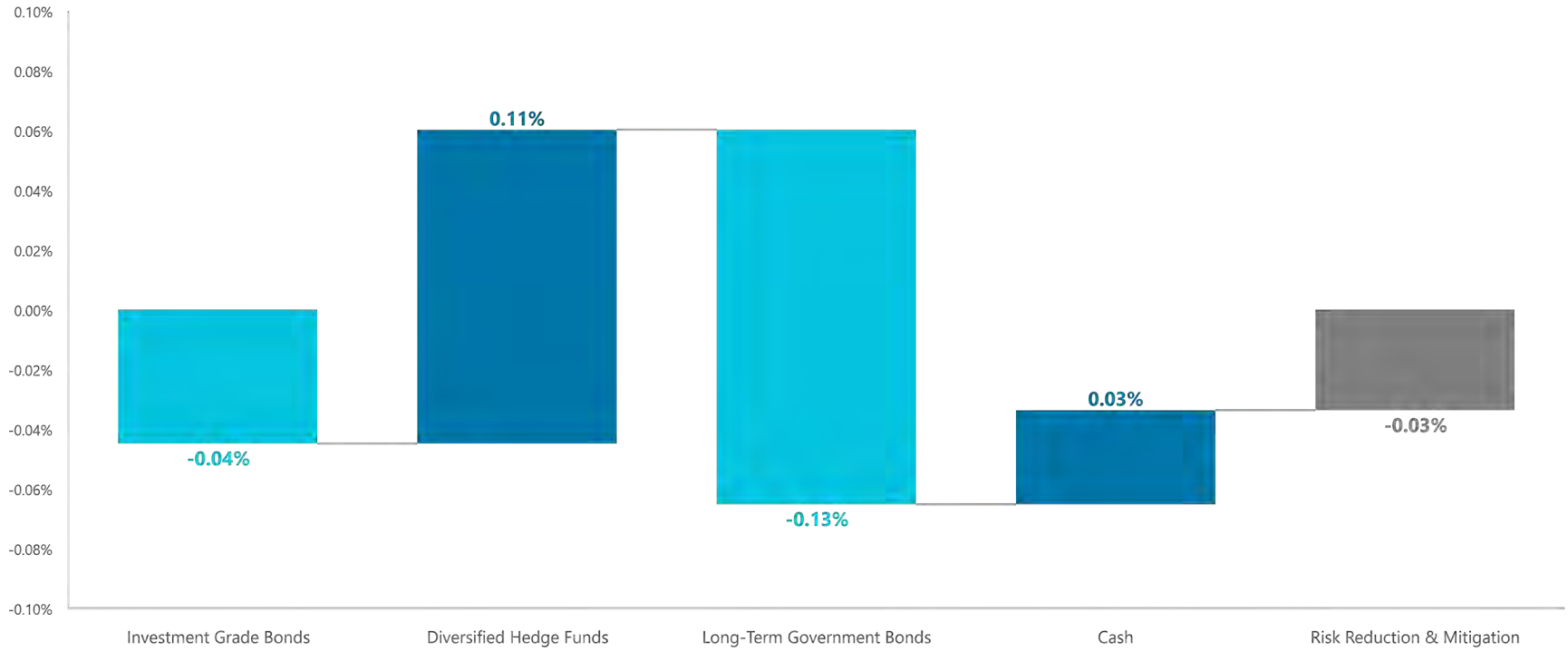
	Ending Market Value (mm)	% of Composite	Policy Allocation	Over / Under (%)	Over / Under (mm)
Risk Reduction & Mitigation	**14,375**	**100.0%**	**100.0%**		
Investment Grade Bonds	5,279	36.7%	36.8%	-0.1%	-17
Diversified Hedge Funds	4,873	33.9%	31.6%	2.3%	334
Long-Term Government Bonds	3,040	21.1%	26.3%	-5.2%	-744
Cash	1,183	8.2%	5.3%	3.0%	427

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



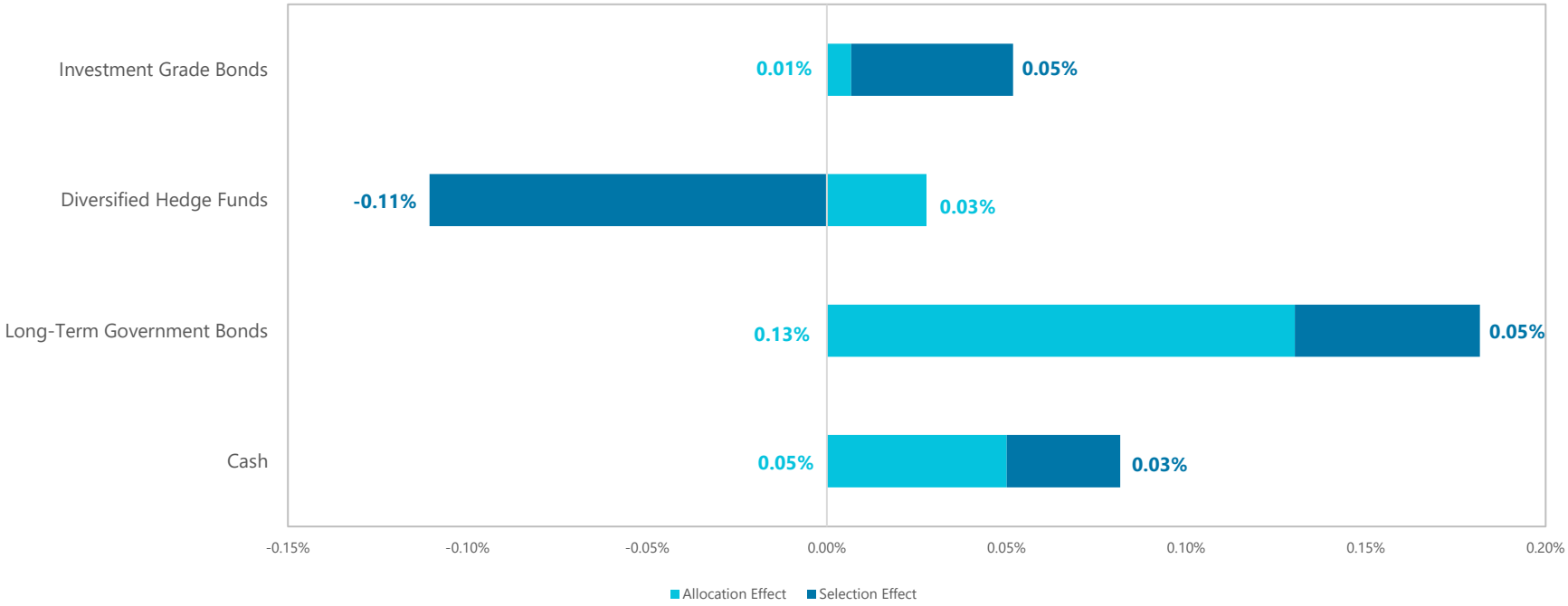
Functional Category		Contributors		Detractors	
Investment Grade Bonds	-0.04%	Cash	0.03%	BlackRock Long Treasury Bonds	-0.13%
Diversified Hedge Funds	0.11%	Polar	0.02%	BTC US Debt Index Fund	-0.03%
Long-Term Government Bonds	-0.13%	DK Institutional Partners	0.02%	Brevan Howard Master Fund	-0.01%
Cash	0.03%	HBK Multi-strategy	0.02%	Allspring/Wells	-0.01%
Risk Reduction & Mitigation	-0.03%	Capula GRV	0.01%	Pugh Capital Mgmt	-0.01%

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1]



	Ending Market Value (mm)	% of Composite	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
Risk Reduction & Mitigation	**14,375**	**100.0%**	**100.0%**	**-0.2%**	**-0.4%**	**0.21%**	**0.02%**	**0.23%**
Investment Grade Bonds	5,279	36.7%	36.8%	-0.6%	-0.8%	0.01%	0.05%	0.05%
Diversified Hedge Funds	4,873	33.9%	31.6%	1.7%	2.0%	0.03%	-0.11%	-0.08%
Long-Term Government Bonds	3,040	21.1%	26.3%	-3.0%	-3.3%	0.13%	0.05%	0.18%
Cash	1,183	8.2%	5.3%	1.8%	1.4%	0.05%	0.03%	0.08%

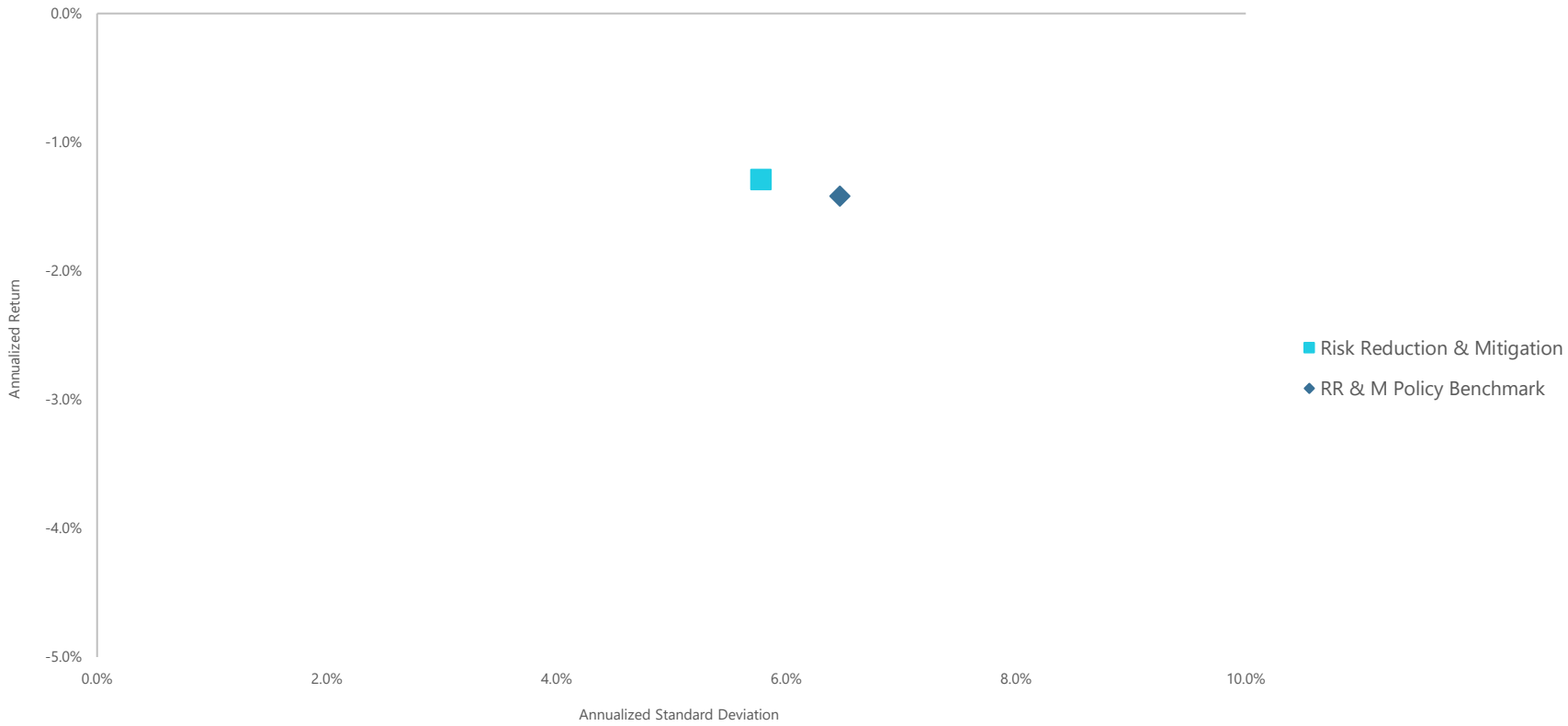
[1] Total Value Add column includes Interaction Effect.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Risk Reduction & Mitigation	**-1.3%**	**5.8%**	**-0.64**	**0.09**	**0.89**	**1.0%**
RR & M Policy Benchmark	-1.4%	6.5%				

Performance Detail

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns

	% of Composite	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Risk Reduction & Mitigation	**100.0%**	**14,375**	**14,202**	**-0.2%**	**2.2%**	**-0.2%**	**1.0%**	**-1.3%**	**1.4%**	**--**	**1.4%**	**Apr-2019**
RR & M Policy Benchmark				-0.4%	2.2%	-0.4%	1.9%	-1.4%	0.9%	--	0.9%	
Investment Grade Bonds	**36.7%**	**5,279**	**5,213**	**-0.6%**	**2.7%**	**-0.6%**	**1.9%**	**-2.4%**	**0.6%**	**1.9%**	**5.1%**	**Nov-1994**
BBG BC Aggregate Bond Index				-0.8%	2.6%	-0.8%	1.7%	-2.5%	0.4%	1.5%	4.6%	
Allspring/Wells	9.2%	1,322	1,329	-0.5%	3.0%	-0.5%	2.4%	-2.1%	0.9%	2.0%	3.8%	Mar-2004
BTC US Debt Index Fund	21.4%	3,071	2,993	-0.7%	2.5%	-0.7%	1.7%	-2.4%	0.4%	1.6%	3.8%	Nov-1999
MHLP	0.1%	9	9	0.7%	1.3%	0.7%	2.6%	4.3%	4.6%	5.4%	5.3%	Apr-2005
Pugh Capital Mgmt	6.1%	878	883	-0.6%	2.7%	-0.6%	2.0%	-2.4%	0.5%	1.6%	3.2%	Jul-2005
Diversified Hedge Funds	**33.9%**	**4,873**	**4,759**	**1.7%**	**5.1%**	**1.7%**	**3.7%**	**4.9%**	**6.4%**	**--**	**6.4%**	**Apr-2019**
Diversified Hedge Funds Policy Benchmark				2.0%	6.1%	2.0%	8.1%	5.1%	4.6%	--	4.6%	
AM Asia Strategies	1.3%	188	234	2.2%	-2.4%	2.2%	-8.9%	--	--	--	2.2%	Jun-2021
Brevan Howard Master Fund	4.4%	632	640	-1.3%	1.2%	-1.3%	-5.5%	4.4%	--	--	4.4%	Apr-2021
Capula GRV	5.0%	723	713	1.4%	7.0%	1.4%	9.1%	8.3%	7.5%	--	7.4%	Dec-2018
Caxton Global Investments	2.1%	301	296	1.7%	6.7%	1.7%	-0.4%	6.6%	--	--	6.4%	Feb-2021
DK Institutional Partners	3.7%	531	513	3.5%	6.9%	3.5%	6.2%	3.7%	5.8%	--	5.2%	May-2018
Grosvenor HFOF	0.1%	14	16	--	--	--	--	--	--	--	--	Nov-2011
HBK Multi-strategy	4.8%	687	621	2.5%	8.6%	2.5%	8.7%	6.0%	6.3%	--	6.0%	Jun-2018
Hudson Bay	4.9%	702	693	1.3%	4.5%	1.3%	5.0%	5.3%	--	--	9.2%	Jul-2020
Polar	3.6%	512	494	3.7%	5.9%	3.7%	6.6%	3.0%	--	--	9.5%	May-2020
Stable Asset Management	4.1%	584	539	1.4%	5.1%	1.4%	5.6%	--	--	--	2.0%	Aug-2021
Long-Term Government Bonds	**21.1%**	**3,040**	**3,135**	**-3.0%**	**-4.1%**	**-3.0%**	**-6.3%**	**--**	**--**	**--**	**-13.4%**	**Nov-2021**
Bloomberg U.S. Treasury: Long				-3.3%	-3.9%	-3.3%	-6.1%	--	--	--	-14.0%	Nov-2021
BlackRock Long Treasury Bonds	21.1%	3,040	3,135	-3.0%	-4.1%	-3.0%	-6.3%	--	--	--	-13.4%	Nov-2021
Cash	**8.2%**	**1,183**	**1,095**	**1.8%**	**4.2%**	**1.8%**	**6.0%**	**3.8%**	**2.9%**	**2.0%**	**2.1%**	**Jun-2001**
Cash Policy Benchmark				1.4%	4.2%	1.4%	5.5%	2.7%	2.1%	1.4%	1.6%	

Risk Reduction & Mitigation
Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$14.4B	RISK REDUCTION 1Y Realized Return 1.0%
RISK REDUCTION Monte Carlo VaR 5.4%	BENCHMARK Monte Carlo VaR 4.8%

Risk Reduction & Mitigation

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $771M in 1Y.

versus

With 95% confidence, the Benchmark would not lose more than $681M in 1Y.

57% Active Market Value Exposure

34% Private Market Value Exposure

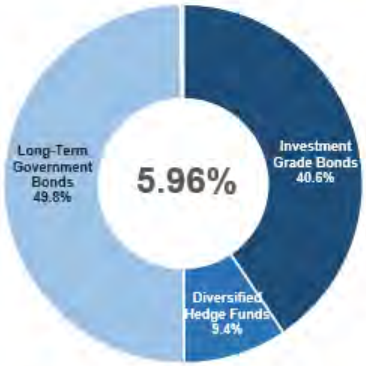
69% US Market Value Exposure

Projected (Ex-Ante) Risks

Risk Reduction Forecast Volatility	Benchmark Forecast Volatility
5.96%	6.05%

Risk Reduction Forecast Tracking Error	
1.00%	
Investment Grade Bonds TE 0.42%	Portfolio Beta 0.97
Diversified Hedge Funds TE 3.05%	Effective Duration 6.09
LT Government Bonds TE 0.02%	Yield to Worst 4.55%
Cash TE 0.26%	OAS to Swap 45
	Credit Spread Duration 2.72

Subcategory Contributions to Risk Reduction & Mitigation (RRM) Risk



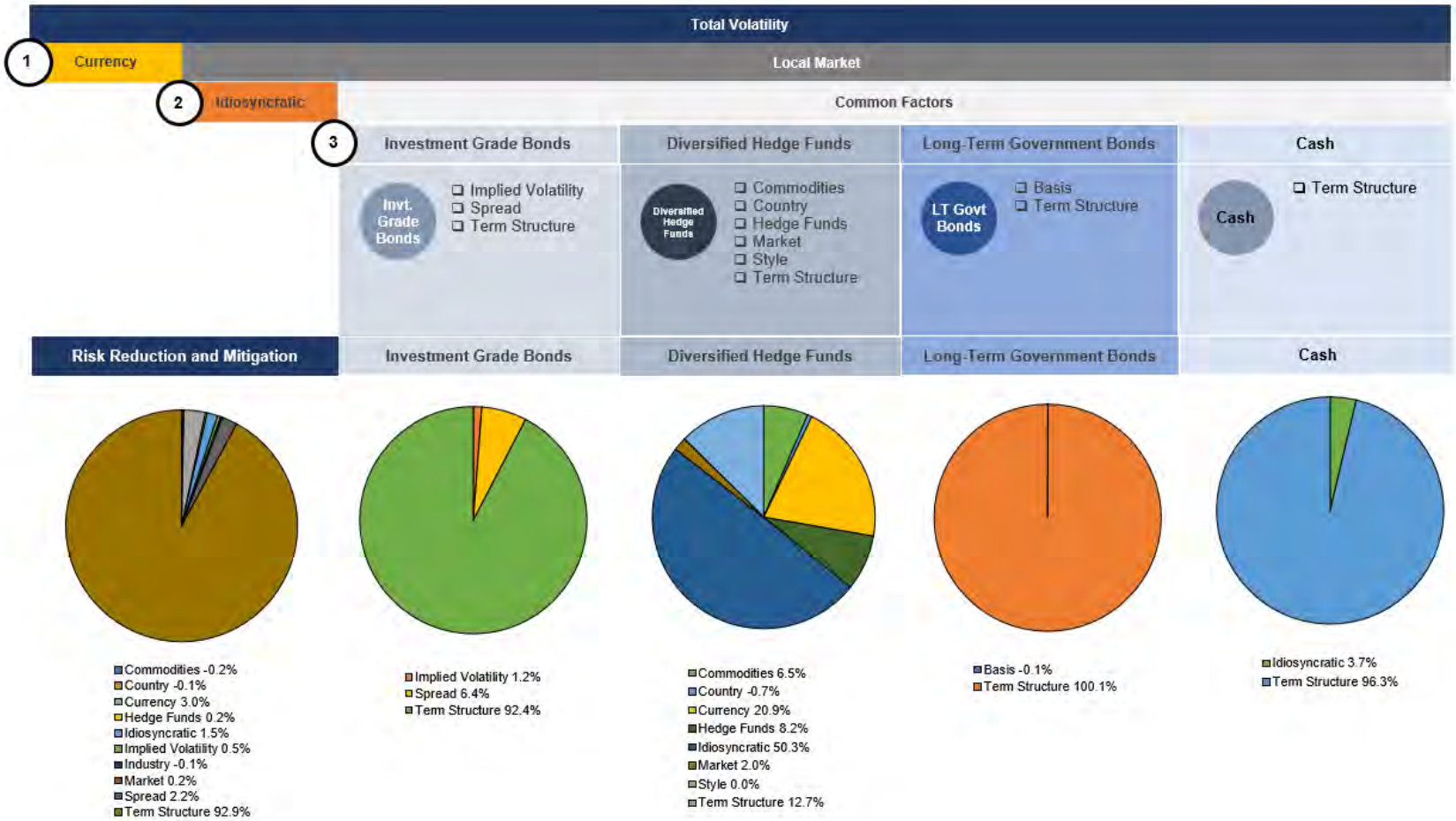
Risk Reduction & Mitigation Asset Allocation
Capital-based versus Risk-based

Risk Reduction & Mitigation
Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Decomposition of MSCI Risk Factors



Risk Reduction & Mitigation

Investment Grade Bonds

Allspring/Wells

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A core fixed income strategy focusing on bottom-up quantitative and qualitative security selection and comprehensive risk management. Value is added primarily through security selection and sector rotation.

Inception Date: June 2004

Manager Scorecard Profile

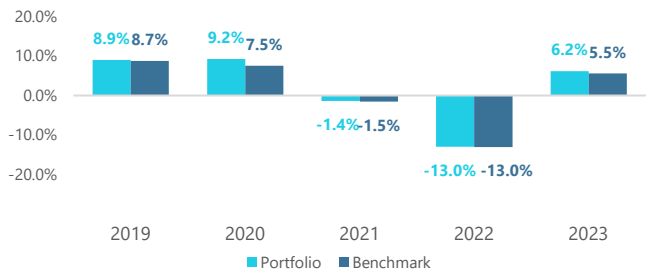
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
5	S	3	B	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Allspring/Wells (Gross)	**1,322.1**	**-0.5%**	**73**	**2.5%**	**66**	**-2.0%**	**78**	**1.0%**	**69**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Allspring/Wells (Net)		**-0.5%**		**2.4%**		**-2.1%**		**0.9%**	
BBG BARC Agg		-0.8%		1.7%		-2.5%		0.4%	
RR & M Policy Benchmark		-0.4%		1.9%		-1.4%		0.9%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

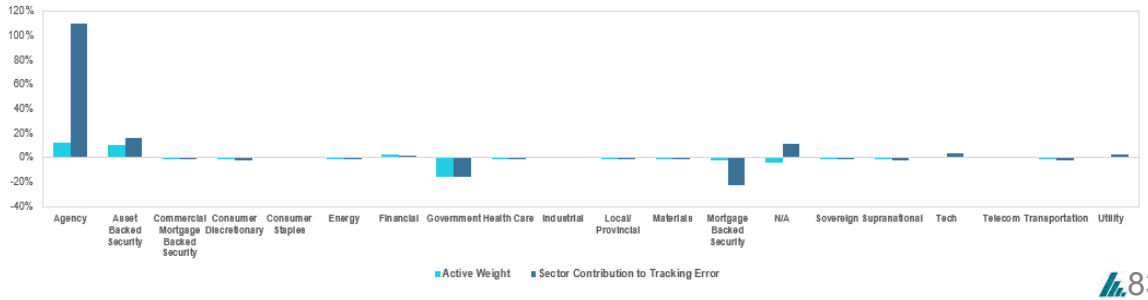


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	7.7%	6.4%
Forecast Tracking Error	1.6%	
Beta	1.21	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	95.3%	92.5%	2.8%
United Kingdom	1.1%	1.4%	-0.3%
Switzerland	0.7%	0.1%	0.6%
Spain	0.6%	0.2%	0.4%
Mexico	0.4%	0.3%	0.1%

Contribution to Tracking Error by Bond Sector



Risk Reduction & Mitigation

Investment Grade Bonds

Pugh Capital

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

A core fixed income strategy that invests in investment-grade securities, with an emphasis on higher credit quality and mortgage-backed securities. The strategy seeks to add value relative to the Index by minimizing downside risk across the portfolio while adding incremental return through issue selection.

Inception Date: July 2005

Manager Scorecard Profile

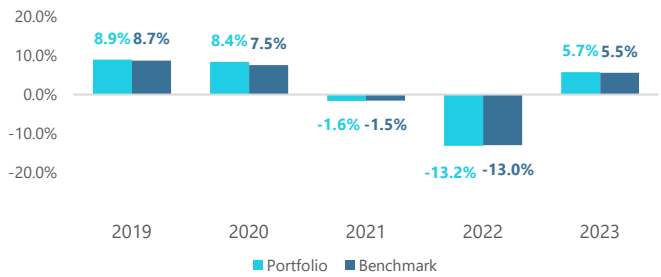
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	2	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
Pugh Capital Mgmt (Gross)	**877.6**	**-0.6%**	**75**	**2.1%**	**70**	**-2.3%**	**80**	**0.7%**	**80**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
Pugh Capital Mgmt (Net)		**-0.6%**		**2.0%**		**-2.4%**		**0.5%**	
BBG BARC Agg		-0.8%		1.7%		-2.5%		0.4%	
RR & M Policy Benchmark		-0.4%		1.9%		-1.4%		0.9%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

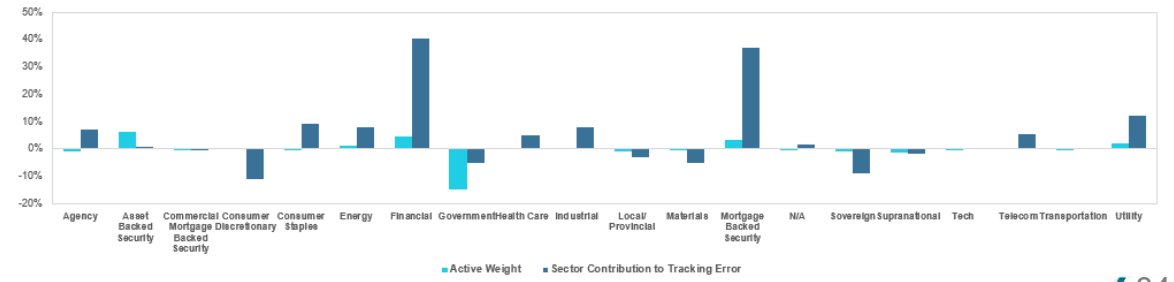


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	6.5%	6.4%
Forecast Tracking Error	0.5%	
Beta	1.02	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	98.5%	92.5%	6.0%
Canada	0.8%	1.1%	-0.3%
United Kingdom	0.6%	1.4%	-0.7%
Ireland	0.1%	0.2%	-0.1%
Australia	0.0%	0.1%	-0.1%

Contribution to Tracking Error by Bond Sector



Risk Reduction & Mitigation

Long-Term Government Bonds
BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks investment results that correspond generally to the price and yield performance of long duration U.S. government bonds.

Inception Date: Nov 2021

Manager Scorecard Profile

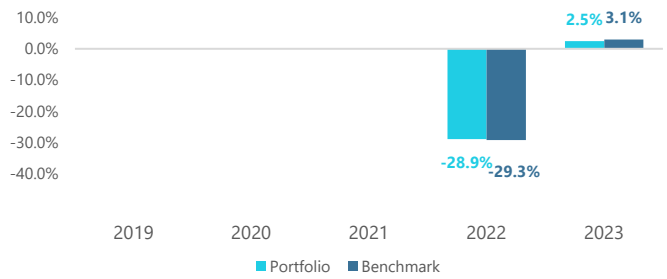
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	—	B	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
BlackRock Long Treasury Bonds (Gross)	**3,039.6**	**-3.0%**	**95**	**-6.3%**	**94**	**--**	**-**	**--**	**-**
Peer Universe Median		0.0%		3.5%		--		--	
BlackRock Long Treasury Bonds (Net)		**-3.0%**		**-6.3%**		**--**		**--**	
Bloomberg U.S. Treasury: Long		-3.3%		-6.1%		--		--	
RR & M Policy Benchmark		-0.4%		1.9%		--		--	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

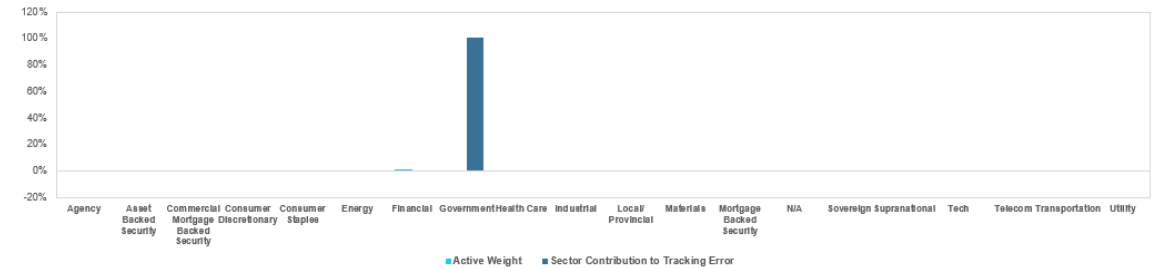


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	14.3%	14.3%
Forecast Tracking Error	0.0%	
Beta	1.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Contribution to Tracking Error by Bond Sector



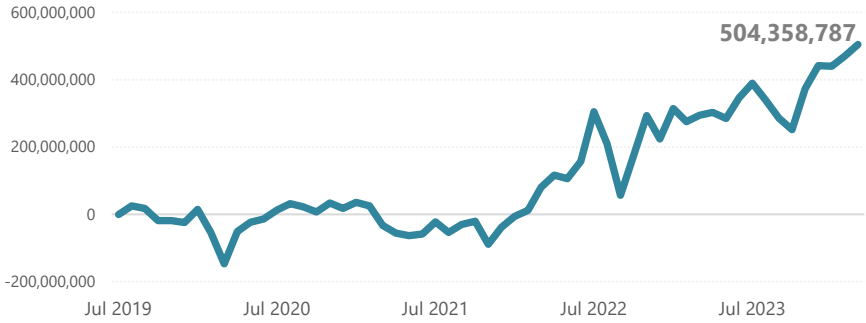
overlays & hedges

Total Fund Cash Overlay

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Cumulative Gain / Loss

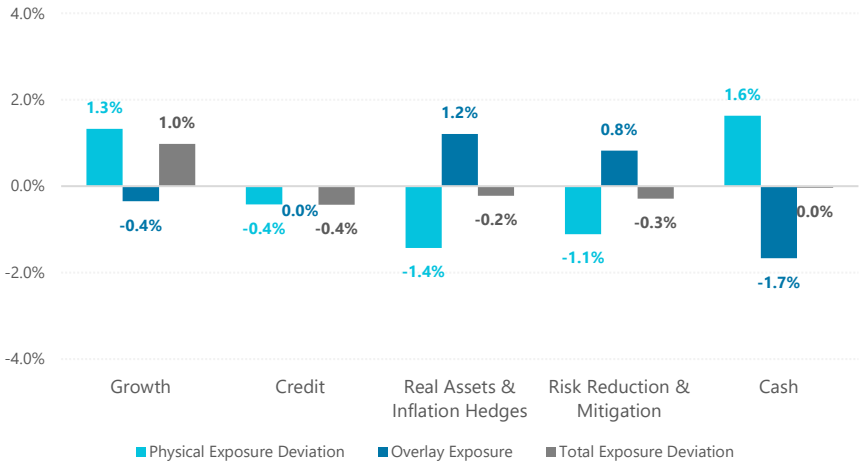


	Total Gain / Loss (in $)
QTD	62,267,600
FYTD	157,299,159
YTD	62,267,600
Since Inception	504,358,787

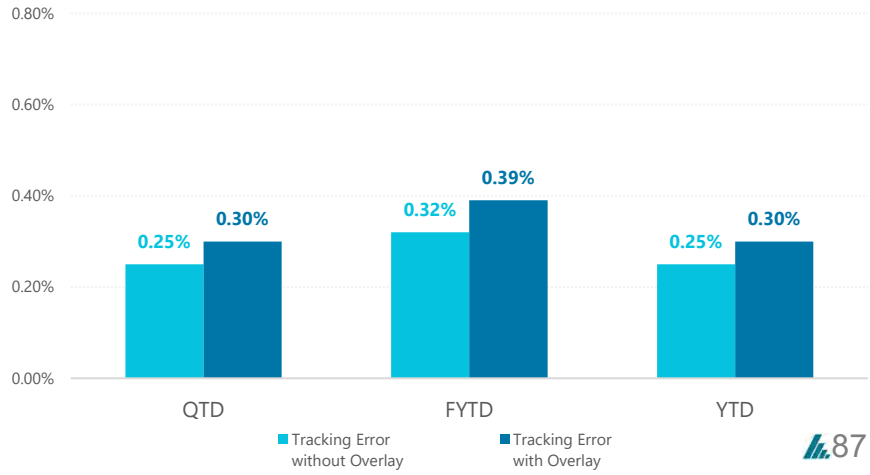
Gain / Loss Attribution

(in $)	QTD	FYTD	YTD	Since Inception
Domestic Equity	25,352,452	90,219,463	25,352,452	6,078,659
International Equity	-14,800,458	18,310,723	-14,800,458	-110,796,292
Fixed Income	13,568,726	-1,889,300	13,568,726	129,912,521
Commodities	36,452,891	46,496,809	36,452,891	470,630,980
Security Only Subtotal	**60,573,611**	**153,137,695**	**60,573,611**	**495,825,868**
Interest	1,693,989	4,161,464	1,693,989	8,532,919
Total Program	**62,267,600**	**157,299,159**	**62,267,600**	**504,358,787**

Total Exposure



Tracking Error

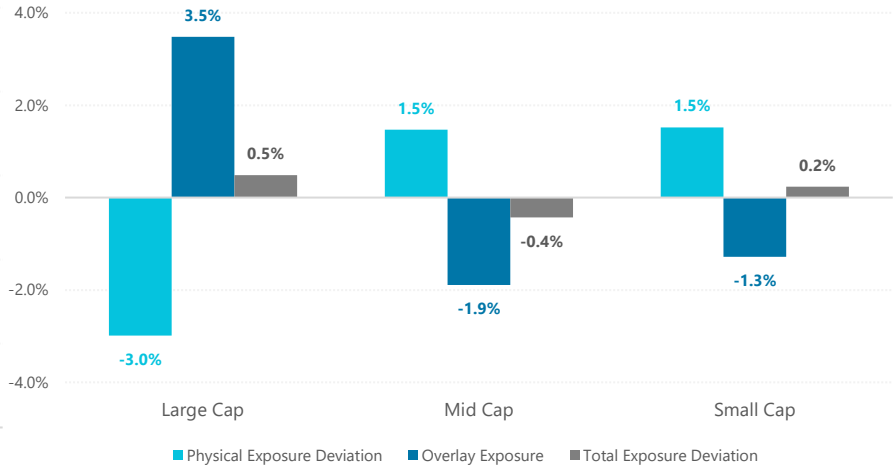


Global Equity Overlay

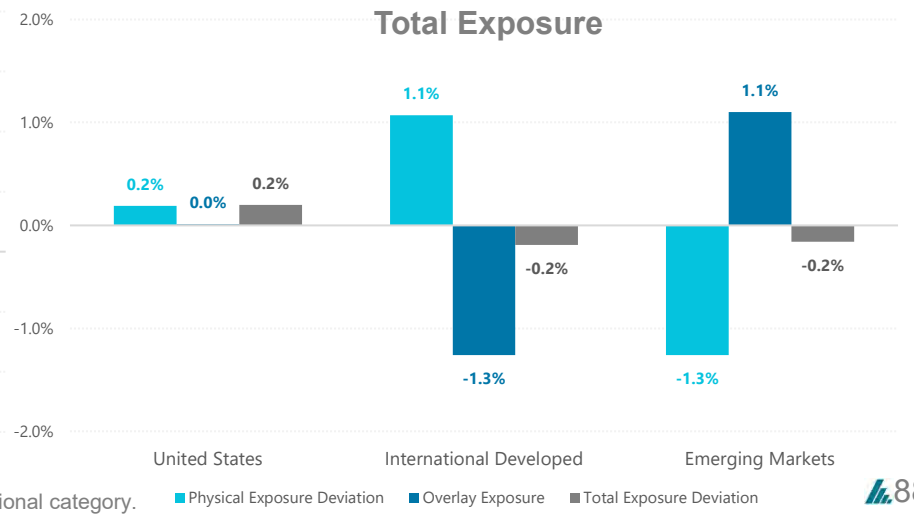
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Market Cap[1]



Region[1]



[1] Global Equity Market Cap and Region Overlay accounts are part of the Growth functional category.

Global Equity Currency Hedge

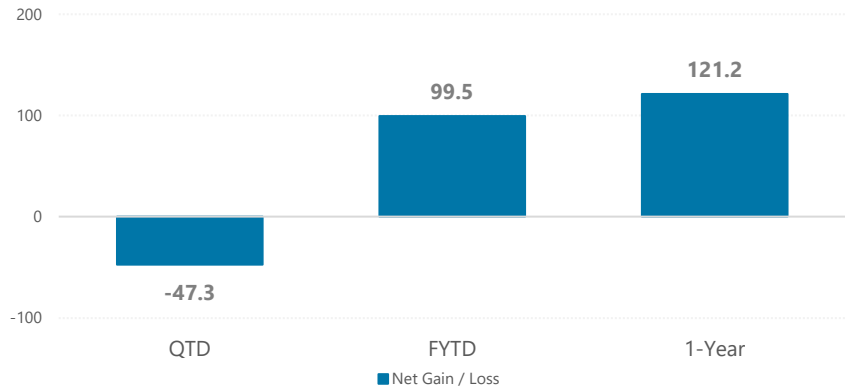
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Portfolio Information

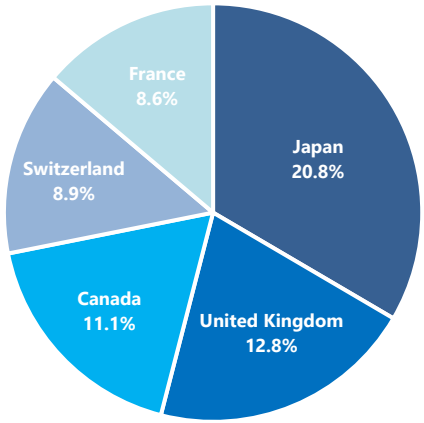
Total fund value	$7.37 billion
Benchmark	MSCI World ex US IMI Index 50% Hedged to USD

Portfolio Gain / Loss



(in $ mm)	QTD	FYTD	1-Year	Since Inception
Net Gain / Loss	-47.3	99.5	121.2	1,458.3

Top Countries[1]



Cumulative Gain / Loss

[1] Top countries in the benchmark.

private markets

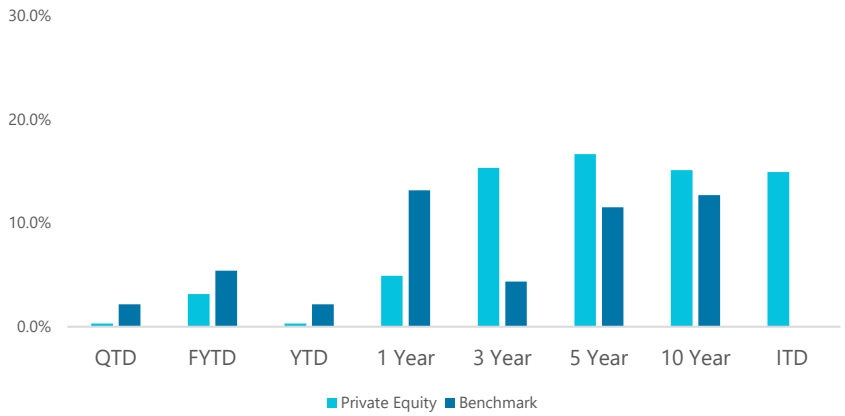
Summary

Private Equity

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

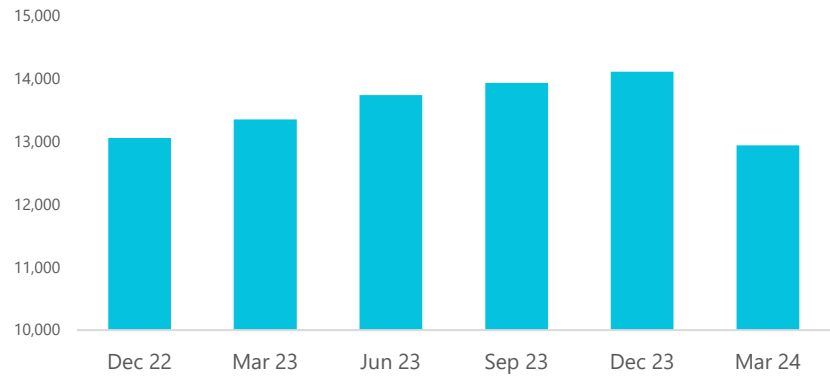
Performance (net)



	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Private Equity	**0.3%**	**3.1%**	**0.3%**	**4.9%**	**15.3%**	**16.6%**	**15.1%**	**14.9%**
Benchmark	2.2%	5.4%	2.2%	13.1%	4.4%	11.5%	12.7%	--
Excess	-1.9%	-2.3%	-1.9%	-8.2%	10.9%	5.1%	2.4%	--

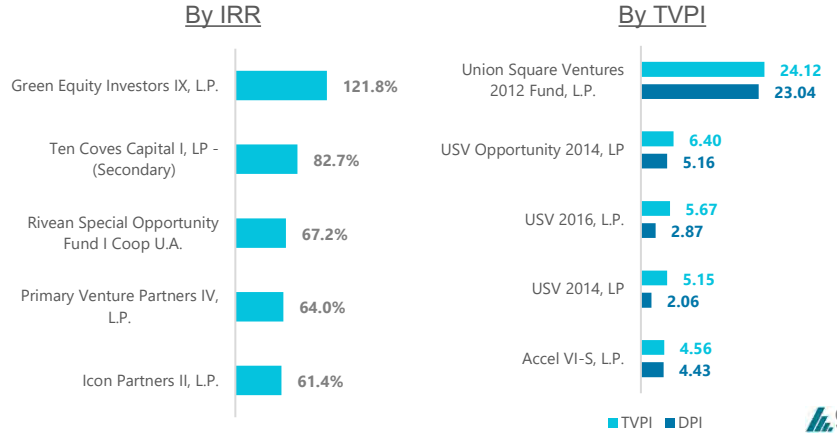
Asset Growth (mm)

	QTD	FYTD	1 Year	3 Year
Beginning Market Value	14,113	14,113	13,351	9,158
Net Cash Flow	-1,235	-1,251	-1,093	-944
Gain/Loss	59	449	679	4,722
Ending Market Value	**12,937**	**12,937**	**12,937**	**12,937**



Cumulative Return

Top Performing Investments (since inception)



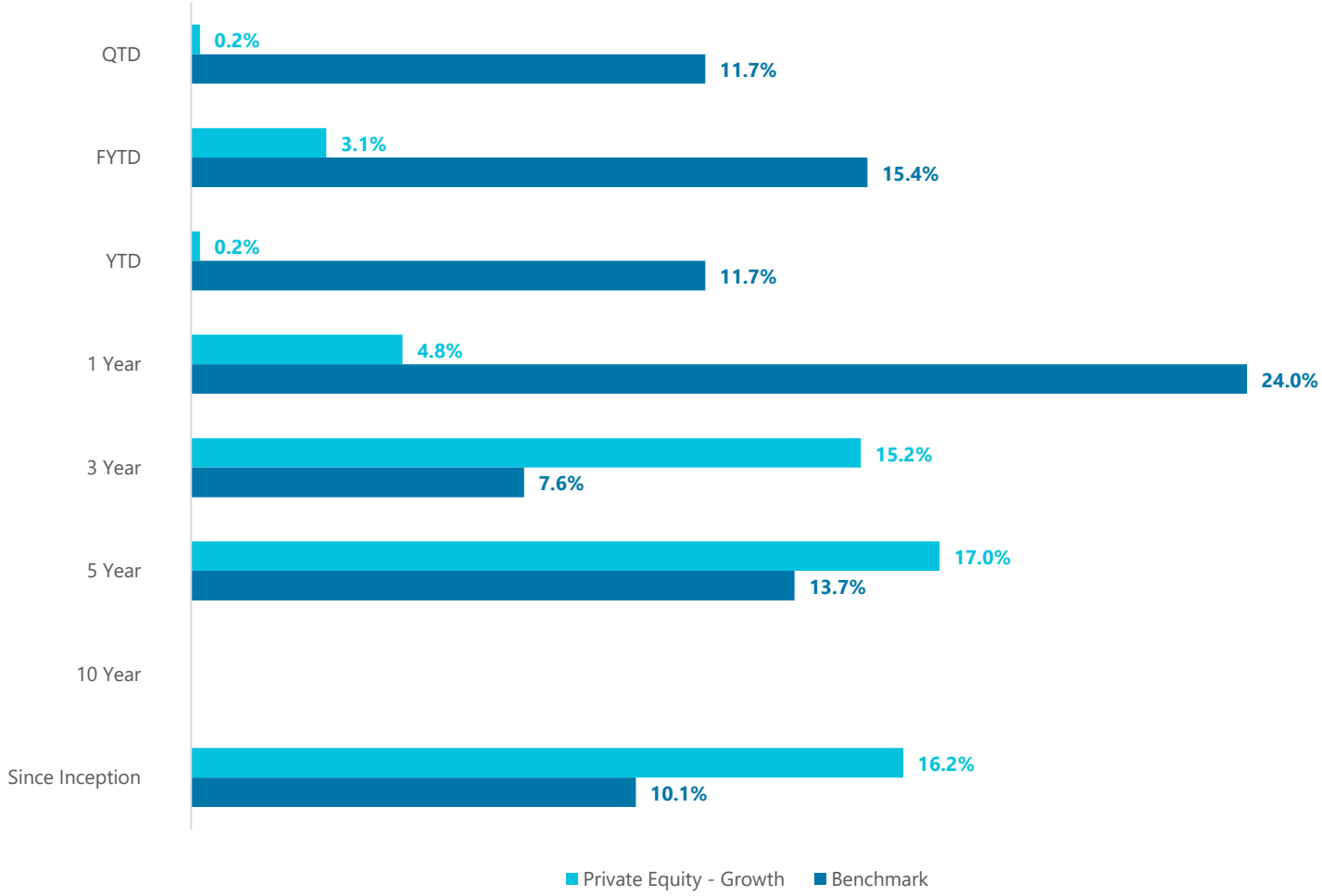
Historical Returns

Private Equity – Growth

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Time-Weighted Returns (net)



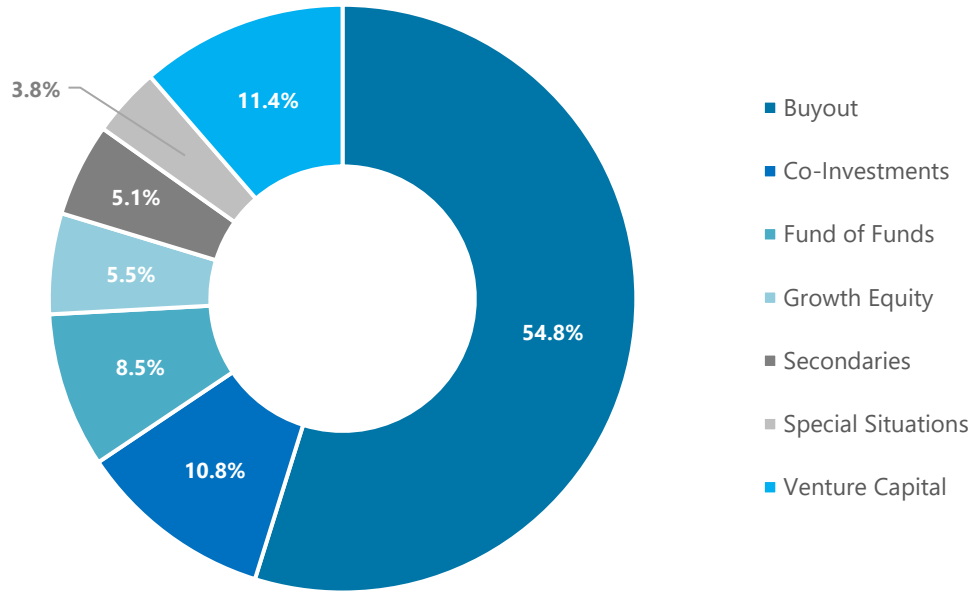
Performance by Strategy

Private Equity – Growth

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Strategy[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Buyout	213	15,796.4	14,205.1	16,664.0	7,064.4	23,728.4	9,523.3	1.17x	1.67x	13.9%	1.51
Co-Investments	34	1,603.6	1,561.1	1,088.5	1,390.4	2,478.8	917.7	0.70x	1.59x	17.9%	1.36
Fund of Funds	103	1,824.5	1,411.5	1,678.8	1,100.4	2,779.3	1,367.7	1.19x	1.97x	13.3%	1.36
Growth Equity	23	1,346.8	1,233.3	1,557.7	714.3	2,272.0	1,038.7	1.26x	1.84x	86.9%	1.63
Secondaries	21	936.4	767.1	427.8	660.9	1,088.7	321.6	0.56x	1.42x	17.3%	1.25
Special Situations	21	1,124.5	1,066.4	1,082.4	492.0	1,574.5	508.0	1.02x	1.48x	9.8%	1.16
Venture Capital	108	2,334.1	2,031.8	2,697.0	1,464.1	4,161.1	2,129.3	1.33x	2.05x	21.7%	1.88
Total Private Equity - Growth	**523**	**24,966.4**	**22,276.4**	**25,196.3**	**12,886.5**	**38,082.9**	**15,806.5**	**1.13x**	**1.71x**	**16.2%**	**1.61**

[1] Based on best available cash flow adjusted market values.
[2] Investment counts for Co-Investments and Fund of Funds do not include underlying funds.

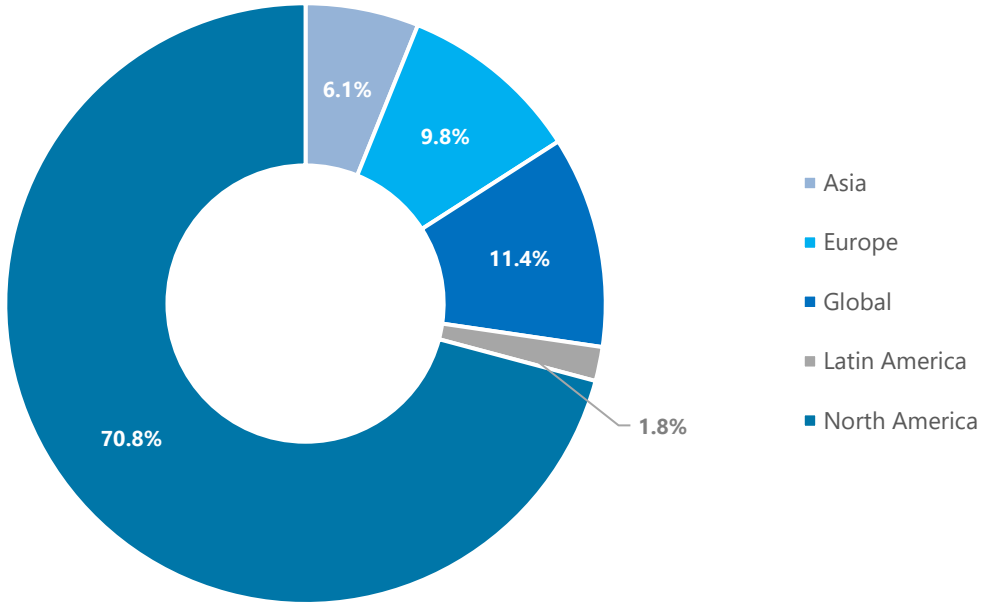
Performance by Geography

Private Equity – Growth

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Geography[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Asia	20	836.0	773.4	510.0	786.9	1,296.9	523.5	0.66x	1.68x	13.1%	1.15
Europe	43	2,646.4	2,504.4	2,656.8	1,265.2	3,922.0	1,417.6	1.06x	1.57x	15.6%	1.31
Global	32	2,699.3	1,972.3	1,300.1	1,467.8	2,767.9	795.7	0.66x	1.40x	14.7%	1.17
Latin America	2	200.0	202.1	58.5	236.6	295.2	93.0	0.29x	1.46x	11.0%	1.03
North America	426	18,584.8	16,824.1	20,670.8	9,129.9	29,800.8	12,976.7	1.23x	1.77x	16.3%	1.66
Total Private Equity - Growth	**523**	**24,966.4**	**22,276.4**	**25,196.3**	**12,886.5**	**38,082.9**	**15,806.5**	**1.13x**	**1.71x**	**16.2%**	**1.61**

[1] Based on best available cash flow adjusted market values.
[2] Investment counts for Co-Investments and Fund of Funds do not include underlying funds.

Performance by Vintage Year

Private Equity – Growth

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

By Vintage Year[1,2,3]

	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME	Quartile Ranking
1986	3	80.0	80.0	267.5	0.0	267.5	187.5	3.34x	3.34x	15.7%	--	1st
1987	1	25.0	25.0	40.3	0.0	40.3	15.3	1.61x	1.61x	7.3%	--	3rd
1988	2	200.0	216.6	466.9	0.0	466.9	250.3	2.16x	2.16x	15.5%	89.91	2nd
1989	0	--	--	--	--	--	--	--	--	--	--	--
1990	1	7.5	7.5	16.7	0.0	16.7	9.2	2.22x	2.22x	13.0%	9.13	3rd
1991	0	--	--	--	--	--	--	--	--	--	--	--
1992	10	116.0	111.0	242.5	0.0	242.5	131.6	2.19x	2.19x	29.1%	3.78	1st
1993	8	68.0	64.8	239.5	0.0	239.5	174.7	3.70x	3.70x	39.7%	3.22	1st
1994	5	56.9	58.8	237.6	0.0	237.6	178.8	4.04x	4.04x	54.1%	2.82	1st
1995	7	100.5	102.3	362.6	0.0	362.6	260.2	3.54x	3.54x	43.2%	2.58	1st
1996	12	222.9	225.2	608.8	0.0	608.8	383.6	2.70x	2.70x	37.5%	2.15	1st
1997	11	397.5	410.4	606.4	0.0	606.4	196.0	1.48x	1.48x	7.7%	1.20	3rd
1998	22	644.4	655.2	945.3	0.5	945.9	290.6	1.44x	1.44x	7.3%	1.19	2nd
1999	21	363.0	369.7	436.6	0.0	436.6	66.9	1.18x	1.18x	3.4%	0.96	2nd
2000	25	375.4	387.3	575.2	0.0	575.2	187.9	1.49x	1.49x	8.7%	1.07	2nd
2001	15	411.1	442.7	836.1	2.4	838.5	395.8	1.89x	1.89x	21.7%	1.38	1st
2002	8	220.4	230.3	537.4	0.0	537.4	307.1	2.33x	2.33x	19.0%	1.64	2nd
2003	8	309.5	339.4	701.9	0.2	702.1	362.7	2.07x	2.07x	21.3%	1.60	1st
2004	7	344.6	392.2	747.0	0.4	747.4	355.2	1.90x	1.91x	19.5%	1.58	1st
2005	15	505.4	506.5	1,041.8	1.8	1,043.6	537.1	2.06x	2.06x	13.4%	1.64	1st
2006	28	1,517.5	1,608.1	2,563.4	6.9	2,570.3	962.3	1.59x	1.60x	8.8%	1.24	2nd
2007	11	516.9	463.3	799.2	23.4	822.6	359.3	1.73x	1.78x	11.5%	1.20	2nd
2008	10	640.3	701.4	1,252.6	11.3	1,263.9	562.6	1.79x	1.80x	13.2%	1.21	2nd
2009	0	--	--	--	--	--	--	--	--	--	--	--
2010	23	450.0	477.3	758.2	212.7	970.9	493.6	1.59x	2.03x	15.2%	1.37	2nd
2011	7	390.3	424.9	853.1	108.9	962.0	537.1	2.01x	2.26x	18.1%	1.44	2nd
2012	7	435.0	584.5	1,087.4	73.6	1,161.0	576.5	1.86x	1.99x	21.4%	1.63	1st
2013	10	896.0	1,005.7	1,412.7	383.1	1,795.8	790.1	1.40x	1.79x	14.4%	1.26	2nd
2014	29	1,246.5	1,415.3	1,605.8	1,198.0	2,803.8	1,388.5	1.13x	1.98x	16.5%	1.35	2nd
2015	10	1,087.0	1,285.0	1,620.2	1,121.3	2,741.5	1,456.6	1.26x	2.13x	20.1%	1.49	2nd
2016	12	1,130.5	1,322.5	1,635.1	839.1	2,474.2	1,151.6	1.24x	1.87x	17.1%	1.29	3rd
2017	26	562.9	605.2	487.6	635.1	1,122.7	517.5	0.81x	1.86x	17.9%	1.30	3rd
2018	39	1,259.5	1,252.3	690.8	1,325.2	2,016.0	763.6	0.55x	1.61x	17.5%	1.24	2nd
2019	30	2,107.4	2,028.8	939.6	1,999.0	2,938.6	909.8	0.46x	1.45x	14.4%	1.11	2nd
2020	16	1,158.8	1,034.8	264.9	1,231.5	1,496.5	461.7	0.26x	1.45x	19.0%	1.24	1st
2021	39	3,017.0	2,108.8	228.6	2,298.6	2,527.2	418.4	0.11x	1.20x	10.8%	1.03	2nd
2022	22	1,563.4	952.6	85.5	988.4	1,073.9	121.3	0.09x	1.13x	9.2%	0.92	1st
2023	22	2,289.4	381.0	1.6	425.1	426.7	45.7	0.00x	1.12x	21.2%	0.97	1st
2024	1	250.0	--	--	0.0	--	--	--	--	--	--	--
Total Private Equity - Growth	**523**	**24,966.4**	**22,276.4**	**25,196.3**	**12,886.5**	**38,082.9**	**15,806.5**	**1.13x**	**1.71x**	**16.2%**	**1.61**	

1. Based on best available cash flow adjusted market values.
2. Investment counts for Co-Investments and Fund of Funds do not include underlying funds.
3. Benchmark data used is latest available by Burgiss Private IQ.

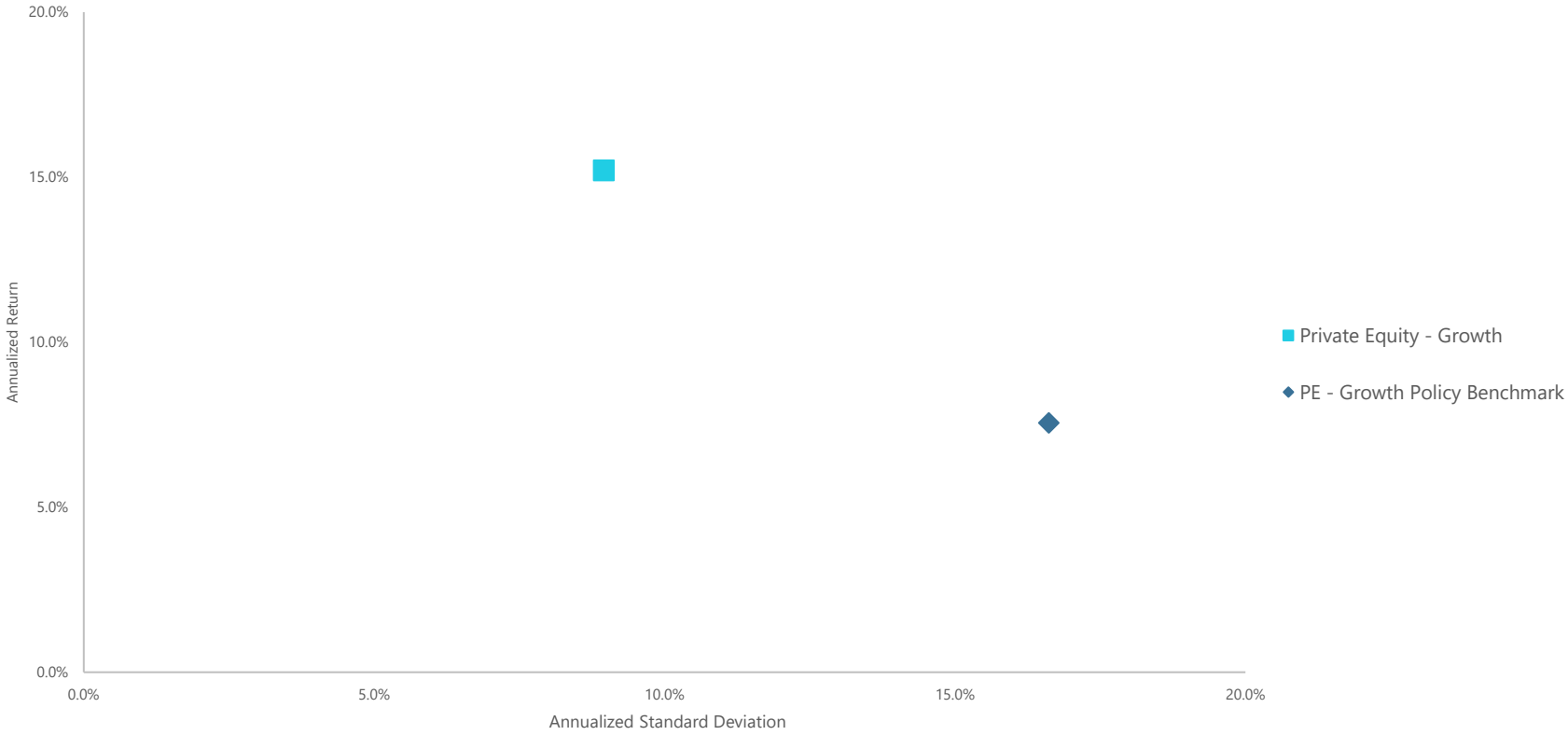
Risk vs. Return

Private Equity – Growth

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Private Equity - Growth	**15.2%**	**9.0%**	**1.35**	**0.33**	**0.07**	**17.9%**
PE - Growth Policy Benchmark	7.6%	16.6%				

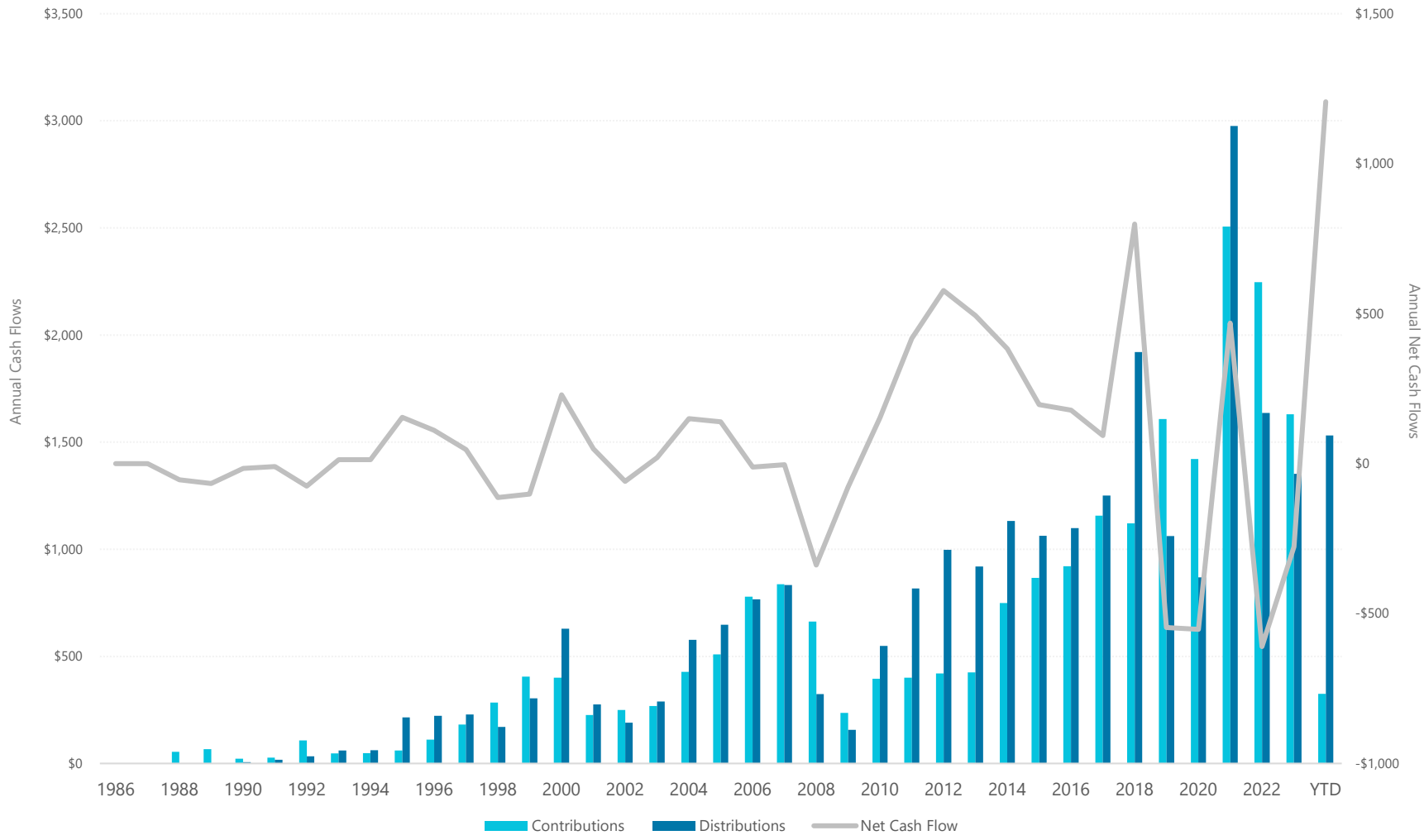
Annual Cash Flow Activity

Private Equity

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Year (mm)



Summary

Real Estate

for the quarter ended March 31, 2024

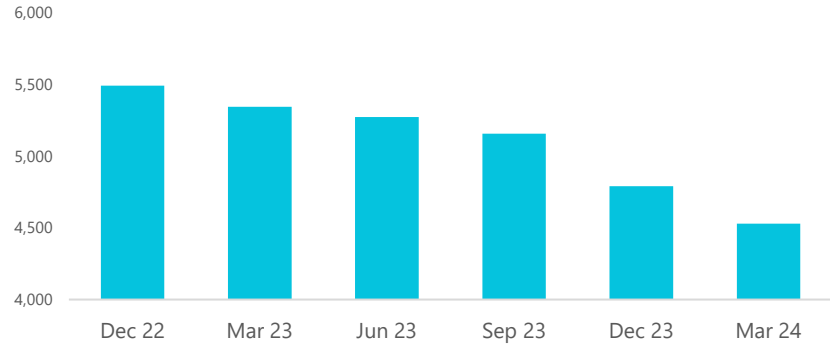
LACERA
Los Angeles County Employees Retirement Association

Performance (net)

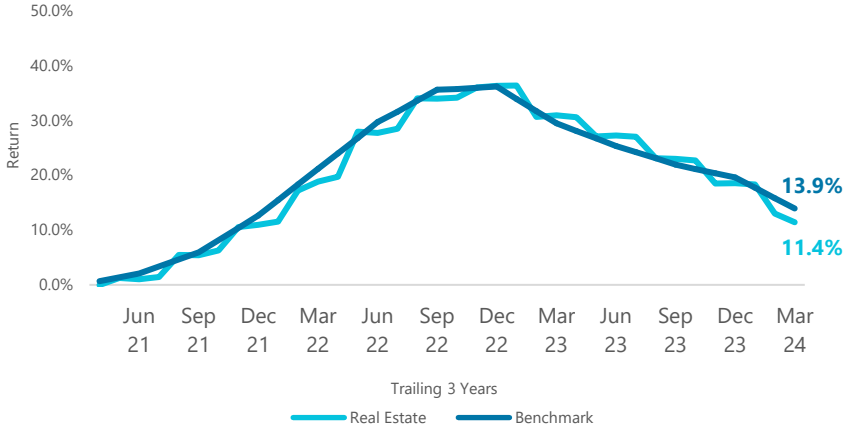
	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Real Estate	**-6.0%**	**-12.4%**	**-6.0%**	**-14.9%**	**3.7%**	**2.9%**	**6.3%**	**7.0%**
Benchmark	-4.7%	-9.1%	-4.7%	-12.0%	4.4%	4.0%	6.9%	--
Excess	-1.3%	-3.3%	-1.3%	-2.9%	-0.8%	-1.1%	-0.5%	--

Asset Growth (mm)

	QTD	FYTD	1 Year	3 Year
Beginning Market Value	4,791	5,275	5,346	5,299
Net Cash Flow	17	-107	-28	-1,423
Gain/Loss	-279	-639	-788	653
Ending Market Value	**4,529**	**4,529**	**4,529**	**4,529**

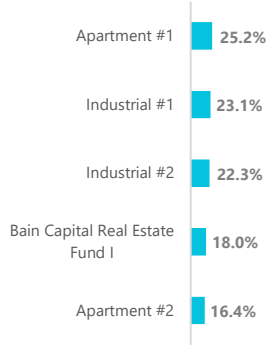


Cumulative Return

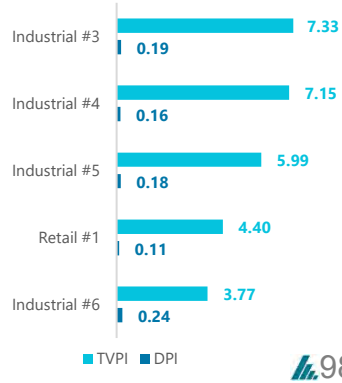


Top Performing Investments (since inception)[1]

By IRR



By TVPI



[1] Property names removed due to confidentiality.

Historical Returns

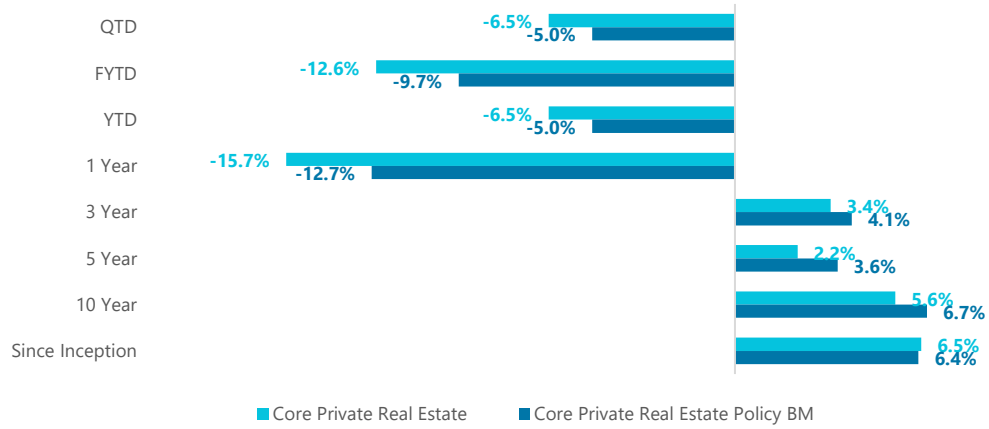
Real Estate

for the quarter ended March 31, 2024

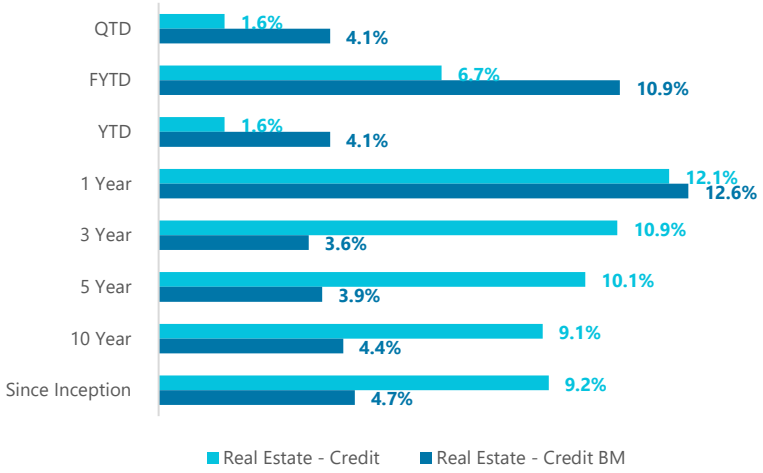
LACERA
Los Angeles County Employees Retirement Association

Time-Weighted Returns (net)

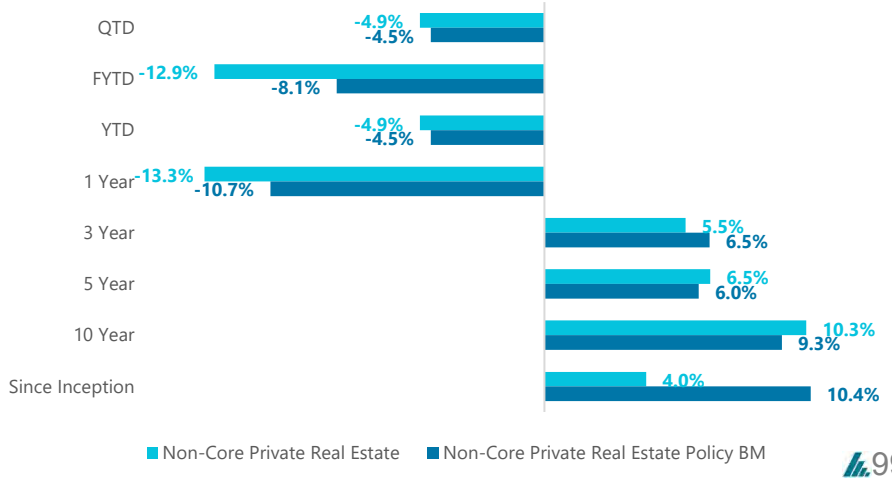
Core



Debt



Non-Core



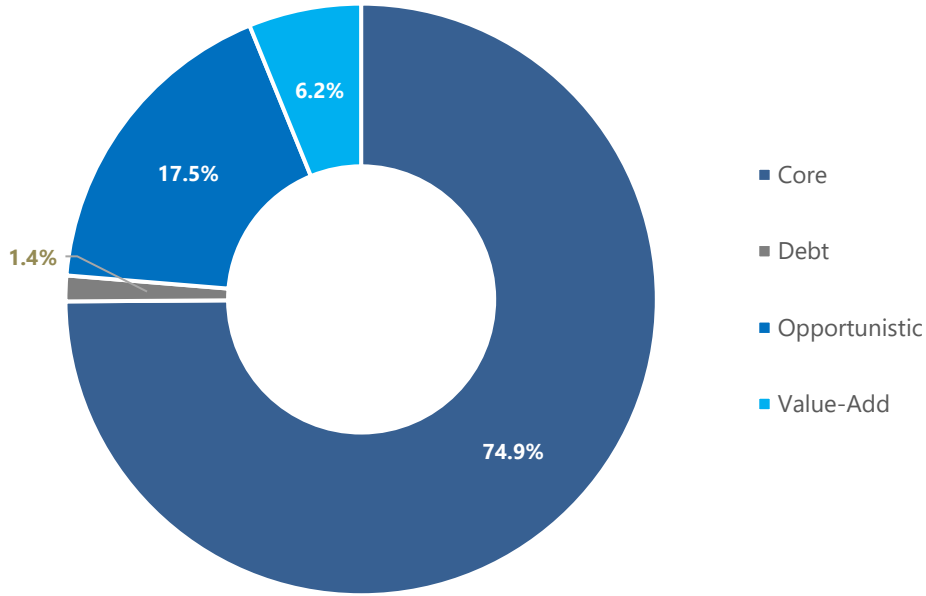
Performance by Strategy

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Strategy[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Core	82	1,653.0	7,998.7	7,531.9	3,360.7	10,892.6	2,893.8	0.94x	1.36x	7.4%	1.06
Debt	7	0.0	158.6	141.2	62.9	204.1	45.5	0.89x	1.29x	8.5%	1.17
Opportunistic	19	2,028.6	1,367.4	833.7	787.3	1,621.0	253.6	0.61x	1.19x	4.4%	0.89
Value-Add	12	470.9	657.0	246.6	276.4	523.0	(134.0)	0.38x	0.80x	-5.1%	0.54
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**

[1] Based on best available cash flow adjusted market values and includes only active investments and sold assets with balance sheet residuals.
[2] Commitment amounts reflect only commingled fund investments.

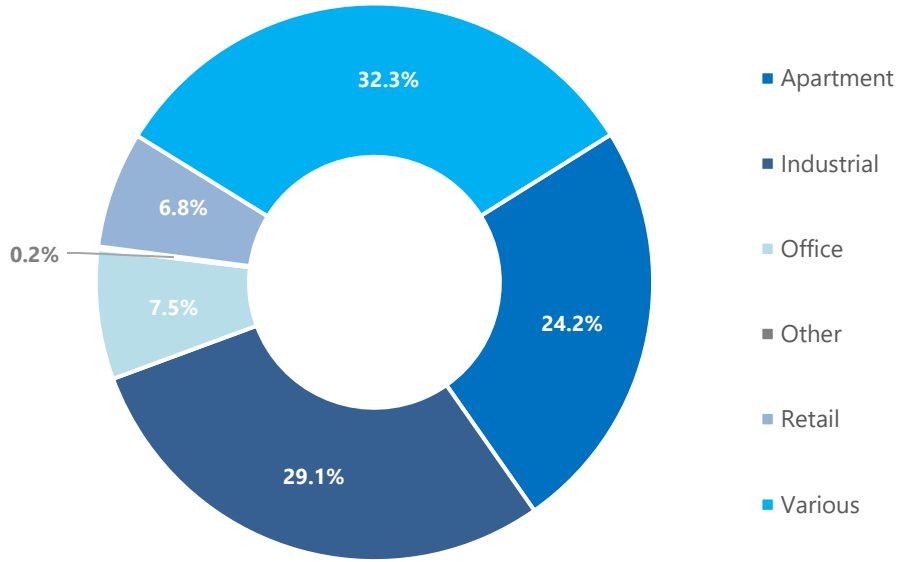
Performance by Property Type

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Property Type[1,2,3]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Apartment	36	404.1	3,113.8	2,766.4	1,084.1	3,850.5	736.7	0.89x	1.24x	5.6%	0.98
Industrial	21	233.0	1,700.3	1,895.8	1,305.9	3,201.7	1,501.4	1.11x	1.88x	12.3%	1.55
Office	19	0.0	2,021.0	2,045.7	338.2	2,383.9	362.9	1.01x	1.18x	4.5%	0.99
Other	4	100.0	170.7	199.0	6.8	205.7	35.1	1.17x	1.21x	4.0%	0.76
Retail	15	0.0	1,282.0	1,322.3	302.9	1,625.2	343.2	1.03x	1.27x	5.7%	0.80
Various	25	3,415.4	1,894.1	524.3	1,449.4	1,973.7	79.6	0.28x	1.04x	1.3%	0.80
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**

[1] Based on best available cash flow adjusted market values and includes only active investments and sold assets with balance sheet residuals.
[2] Commitment amounts reflect only commingled fund investments.
[3] Various refers to commingled fund investments with more than one property type; Other refers to hotel and fund level market values for the debt program.

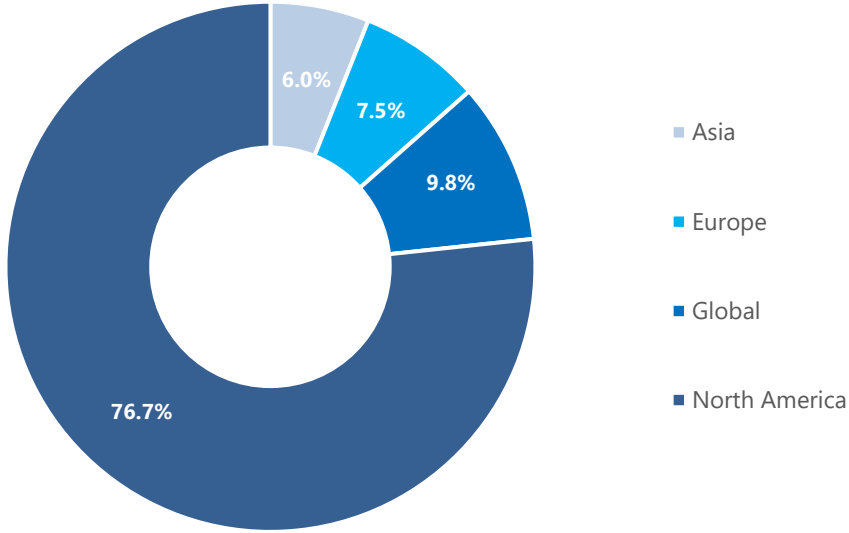
Performance by Geography

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Geography (non-US)[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Asia	4	300.0	320.0	148.7	270.3	419.0	98.9	0.46x	1.31x	5.4%	1.01
Europe	11	654.7	641.2	391.7	334.9	726.6	85.5	0.61x	1.13x	2.9%	0.78
Global	8	1,218.8	561.0	237.9	441.0	678.9	117.9	0.42x	1.21x	9.5%	1.00
North America	97	1,979.1	8,659.5	7,975.1	3,441.1	11,416.2	2,756.7	0.92x	1.32x	6.8%	1.02
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**

[1] Based on best available cash flow adjusted market values and includes only active investments and sold assets with balance sheet residuals.
[2] Commitment amounts reflect only commingled fund investments.

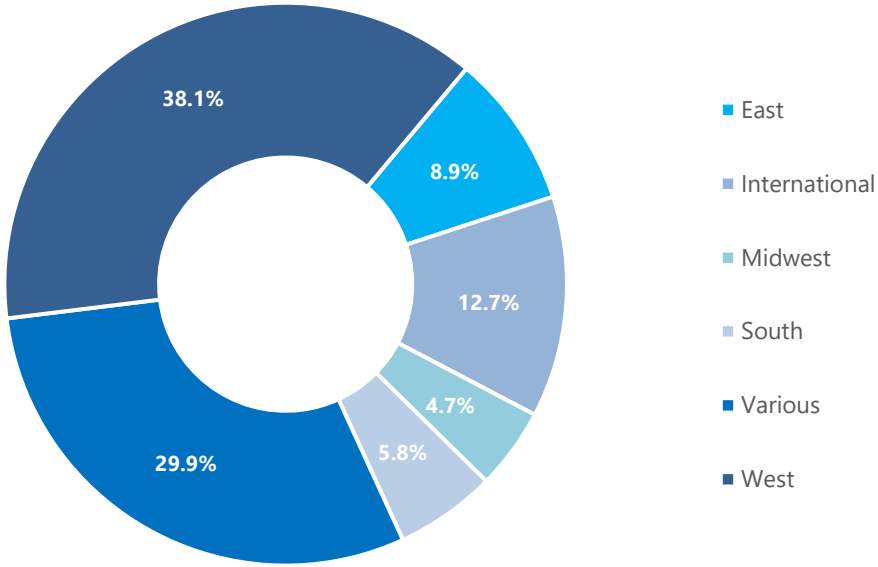
Performance by Geography

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Geography (US NCREIF)[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
East	26	0.0	2,478.4	2,484.6	397.5	2,882.2	403.8	1.00x	1.16x	4.4%	0.83
International	14	900.7	915.9	540.3	570.5	1,110.8	194.9	0.59x	1.21x	4.1%	0.86
Midwest	10	0.0	593.8	506.0	209.5	715.5	121.7	0.85x	1.21x	4.1%	0.79
South	11	0.0	1,199.8	1,331.6	260.6	1,592.1	392.3	1.11x	1.33x	7.5%	0.95
Various	16	2,847.7	1,487.6	386.0	1,341.3	1,727.4	239.8	0.26x	1.16x	5.0%	0.92
West	43	404.1	3,506.3	3,504.9	1,707.9	5,212.7	1,706.4	1.00x	1.49x	8.3%	1.27
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**

[1] Based on best available cash flow adjusted market values and includes only active investments and sold assets with balance sheet residuals.
[2] Commitment amounts reflect only commingled fund investments.

Performance by Vintage Year

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Vintage Year[1,2,3]

	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME	Quartile Ranking
1990	1	0.0	249.9	309.4	85.2	394.6	144.7	1.24x	1.58x	5.9%	4.39	--
1991	3	0.0	33.3	229.0	1.7	230.6	197.4	6.88x	6.93x	12.4%	13.88	--
1992	0	0.0	--	--	--	--	--	--	--	--	--	--
1993	0	0.0	--	--	--	--	--	--	--	--	--	--
1994	1	0.0	15.6	68.5	32.1	100.6	85.1	4.40x	6.47x	12.7%	1.40	--
1995	1	0.0	67.4	115.8	91.1	206.8	139.5	1.72x	3.07x	11.4%	1.18	--
1996	1	0.0	24.2	40.0	22.0	62.0	37.8	1.65x	2.56x	7.0%	0.75	--
1997	1	0.0	18.6	70.0	64.9	134.9	116.3	3.77x	7.27x	15.6%	2.02	--
1998	1	0.0	49.0	112.7	0.3	113.0	64.1	2.30x	2.31x	6.2%	0.69	--
1999	0	0.0	--	--	--	--	--	--	--	--	--	--
2000	0	0.0	--	--	--	--	--	--	--	--	--	--
2001	1	0.0	143.8	82.1	75.1	157.3	13.4	0.57x	1.09x	2.4%	0.65	--
2002	0	0.0	--	--	--	--	--	--	--	--	--	--
2003	1	0.0	143.0	134.0	51.7	185.7	42.7	0.94x	1.30x	3.5%	0.67	--
2004	0	0.0	--	--	--	--	--	--	--	--	--	--
2005	0	0.0	--	--	--	--	--	--	--	--	--	--
2006	0	0.0	--	--	--	--	--	--	--	--	--	--
2007	3	37.7	454.6	402.3	0.1	402.4	(52.2)	0.88x	0.89x	-5.5%	0.54	4th
2008	1	150.0	150.0	96.0	0.0	96.0	(53.9)	0.64x	0.64x	-5.7%	0.34	4th
2009	1	18.7	22.7	29.0	0.0	29.1	6.4	1.28x	1.28x	8.1%	0.84	3rd
2010	1	100.0	97.1	152.0	6.3	158.3	61.2	1.57x	1.63x	9.6%	0.92	3rd
2011	4	17.3	222.5	123.7	2.0	125.7	(96.8)	0.56x	0.56x	-16.4%	0.23	4th
2012	3	134.1	449.8	245.8	0.9	246.7	(203.0)	0.55x	0.55x	-19.1%	0.43	4th
2013	7	100.0	477.2	612.6	17.3	629.9	152.7	1.28x	1.32x	6.7%	0.92	3rd
2014	15	262.0	1,000.1	887.1	517.6	1,404.7	404.5	0.89x	1.40x	6.9%	1.05	3rd
2015	9	20.0	956.8	777.7	629.4	1,407.1	450.3	0.81x	1.47x	9.9%	1.27	2nd
2016	7	150.0	500.4	312.3	383.7	696.0	195.6	0.62x	1.39x	8.1%	1.15	2nd
2017	12	179.0	1,344.7	950.0	717.0	1,666.9	322.3	0.71x	1.24x	6.7%	1.05	3rd
2018	10	150.0	381.6	223.0	227.8	450.8	69.2	0.58x	1.18x	5.3%	1.01	4th
2019	25	412.7	2,439.4	2,680.5	728.3	3,408.8	969.4	1.10x	1.40x	8.2%	0.98	2nd
2020	2	0.0	71.8	82.8	(0.2)	82.6	10.8	1.15x	1.15x	5.9%	1.15	3rd
2021	2	181.0	104.8	5.0	99.2	104.2	(0.6)	0.05x	0.99x	-0.4%	0.97	3rd
2022	3	710.0	236.4	10.5	229.4	239.8	3.4	0.04x	1.01x	1.7%	0.96	2nd
2023	3	1,350.0	527.4	1.6	504.6	506.1	(21.3)	0.00x	0.96x	-8.8%	0.92	2nd
2024	1	180.0	0.0	0.0	0.0	0.0	0.0	--	--	--	--	--
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**	

1. Based on best available cash flow adjusted market values.
2. Commitment amounts reflect only commingled fund investments.
3. Benchmark data used is latest available by Burgiss Private IQ. IRR quartile rankings exclude IMAs and Core Funds.

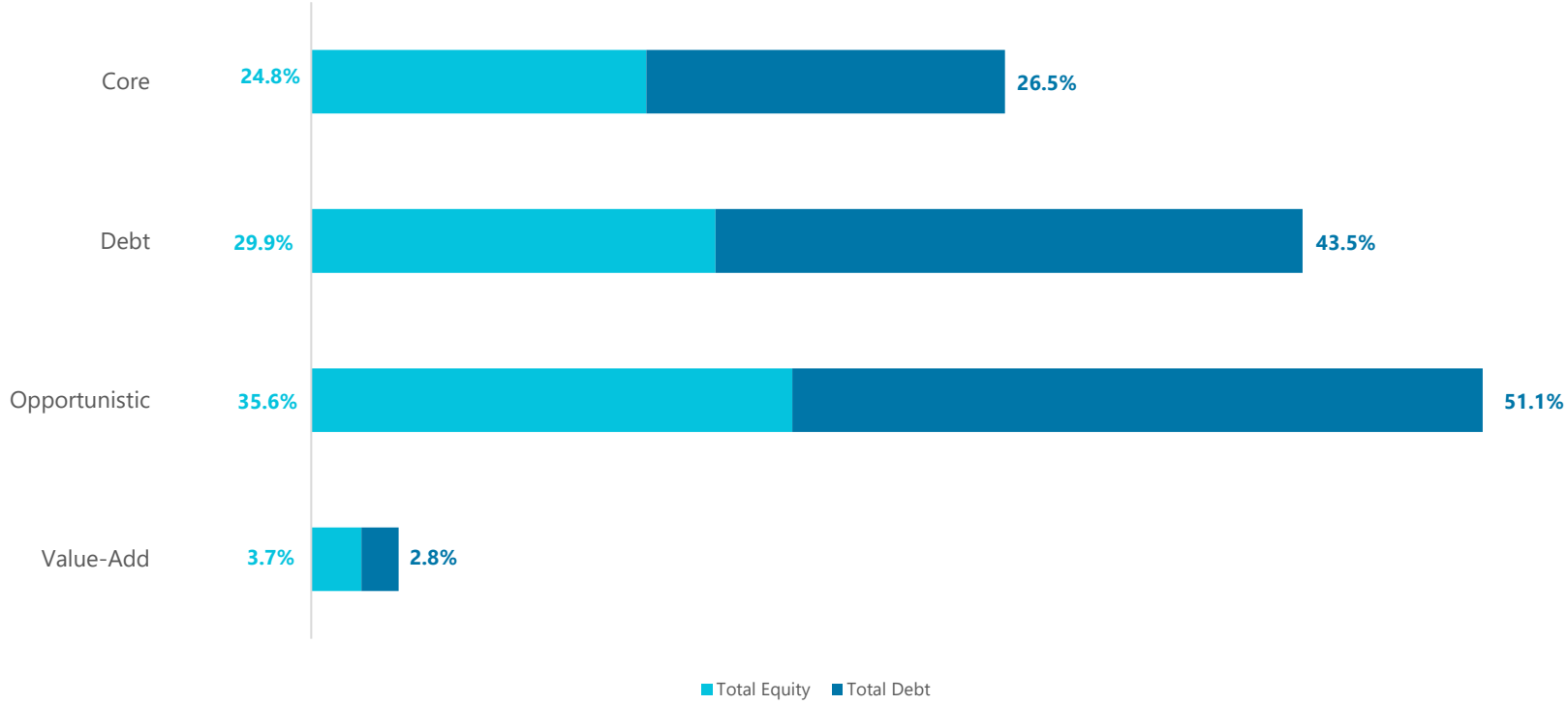
Leverage Exposure

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Leverage Exposure[1,2]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / (Loss) (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME	Total Debt Fund Level (mm)	Total Equity Fund Level (mm)	Total Debt Fund Level (%)	Total Equity Fund Level (%)
Core	82	1,653.0	7,998.7	7,531.9	3,360.7	10,892.6	2,893.8	0.94x	1.36x	7.4%	1.06	9,520.4	8,900.5	26.5%	24.8%
Debt	7	0.0	158.6	141.2	62.9	204.1	45.5	0.89x	1.29x	8.5%	1.17	109.3	75.2	43.5%	29.9%
Opportunistic	19	2,028.6	1,367.4	833.7	787.3	1,621.0	253.6	0.61x	1.19x	4.4%	0.89	15,890.1	11,068.6	51.1%	35.6%
Value-Add	12	470.9	657.0	246.6	276.4	523.0	(134.0)	0.38x	0.80x	-5.1%	0.54	4,110.8	5,541.7	2.8%	3.7%
Total Real Estate	**120**	**4,152.5**	**10,181.8**	**8,753.4**	**4,487.3**	**13,240.7**	**3,058.9**	**0.86x**	**1.30x**	**6.6%**	**1.01**	**29,630.6**	**25,586.1**	**13.7%**	**11.8%**

[1] Based on best available cash flow adjusted market values and includes only active investments and sold assets with balance sheet residuals.
[2] Commitment amounts reflect only commingled fund investments.

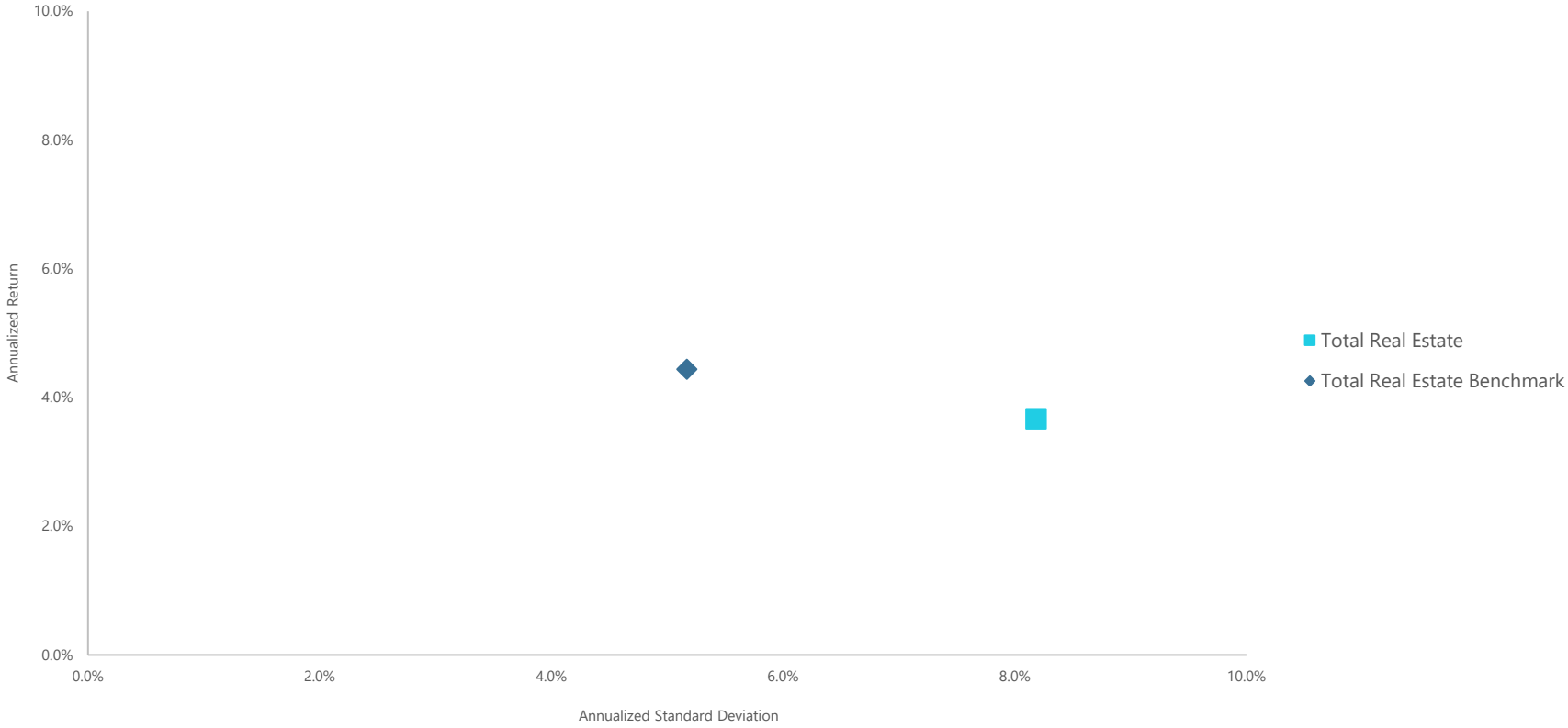
Risk vs. Return

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Total Real Estate	**3.7%**	**8.2%**	**0.17**	**-0.12**	**1.01**	**21.8%**
Total Real Estate Benchmark	4.4%	5.2%				

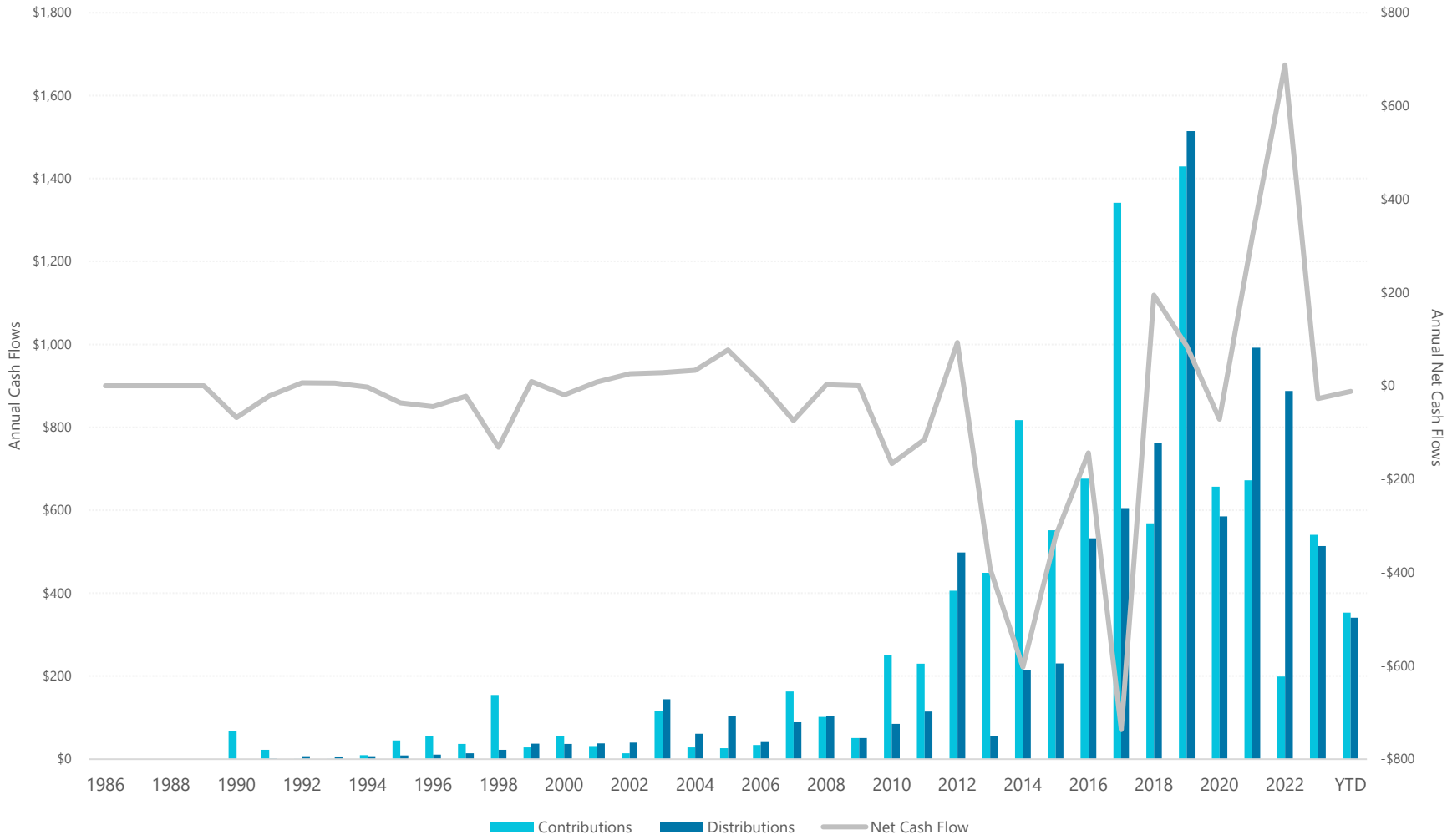
Annual Cash Flow Activity

Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Year (mm)



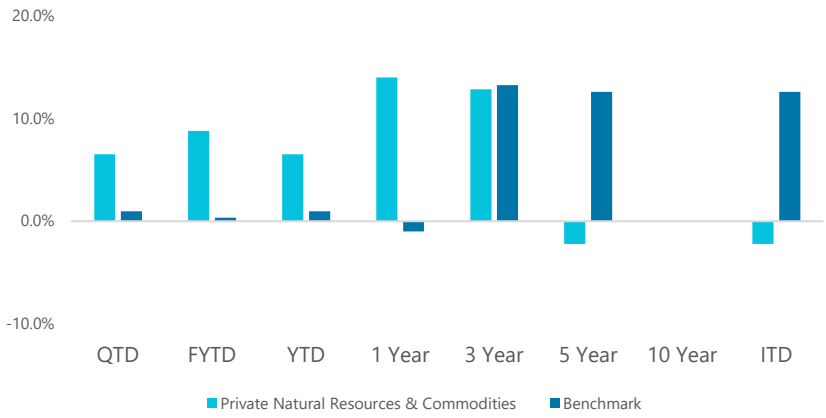
Summary

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

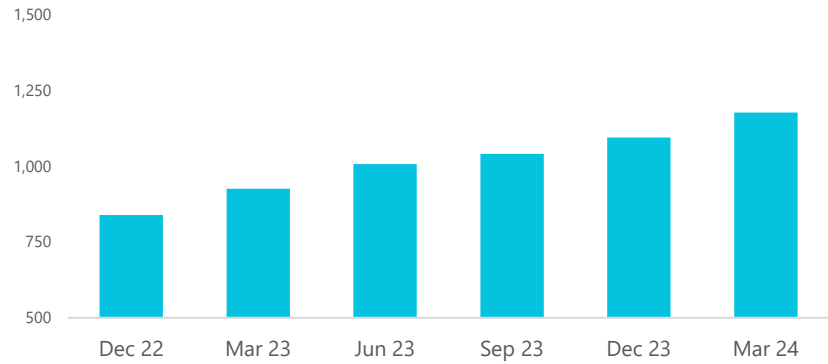
Performance (net)[1]



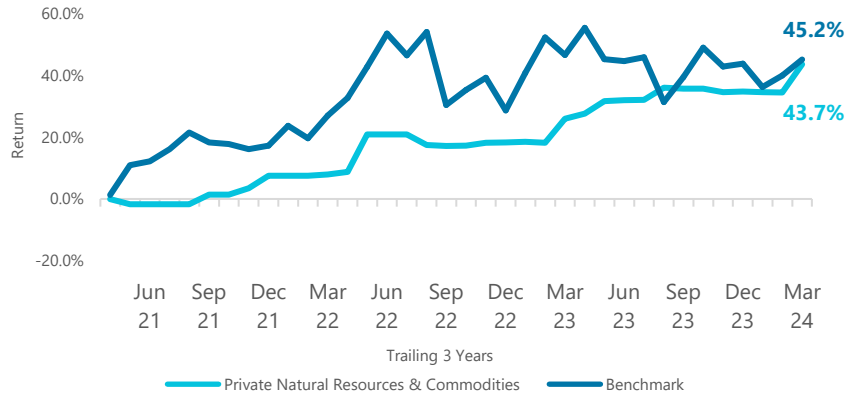
	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Private Natural Resources & Commodities	**6.5%**	**8.8%**	**6.5%**	**14.0%**	**12.8%**	**-2.2%**	**--**	**-2.2%**
Benchmark	1.0%	0.3%	1.0%	-1.0%	13.2%	12.6%	--	12.6%
Excess	5.6%	8.5%	5.6%	15.0%	-0.4%	-14.8%	--	-14.8%

Asset Growth (mm)

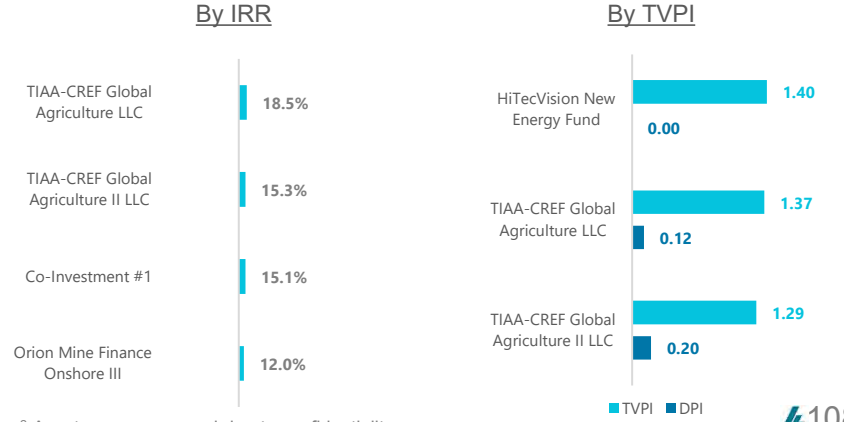
	QTD	FYTD	1 Year	3 Year
Beginning Market Value	1,095	1,007	925	71
Net Cash Flow	10	77	115	838
Gain/Loss	72	93.1	137.0	268.0
Ending Market Value	**1,177**	**1,177**	**1,177**	**1,177**



Cumulative Return[1]



Top Performing Investments (since inception)[1,2]



[1] Private natural resources & commodities funds reflect early-stage life cycle performance.

[2] Asset names removed due to confidentiality.

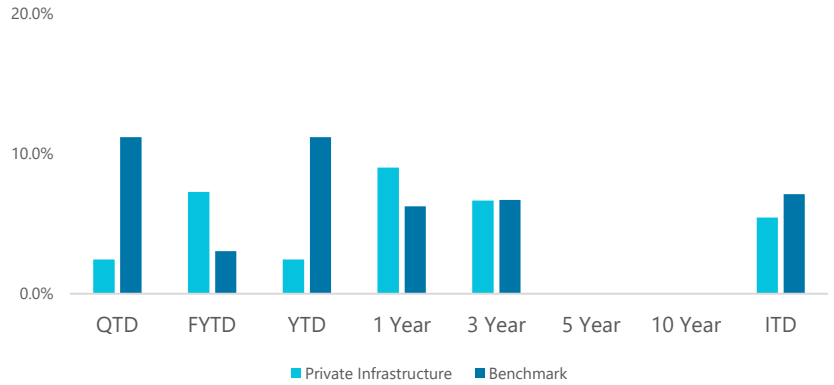
Summary

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

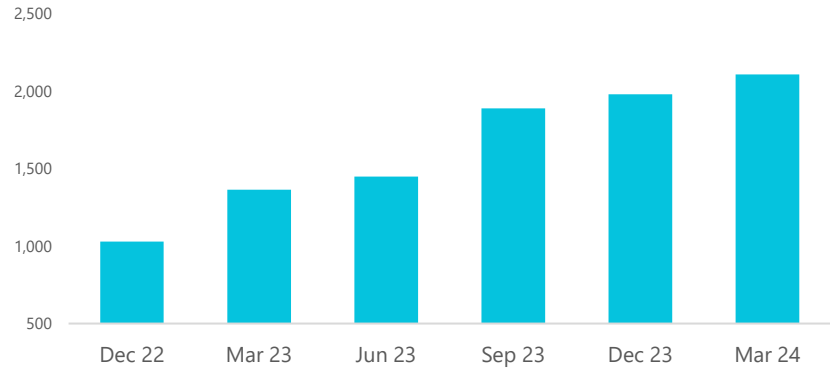
Performance (net)[1]



	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Private Infrastructure	**2.5%**	**7.3%**	**2.5%**	**9.0%**	**6.7%**	**--**	**--**	**5.4%**
Benchmark	11.2%	3.0%	11.2%	6.2%	6.7%	--	--	7.1%
Excess	-8.7%	4.2%	-8.7%	2.8%	0.0%	--	--	-1.7%

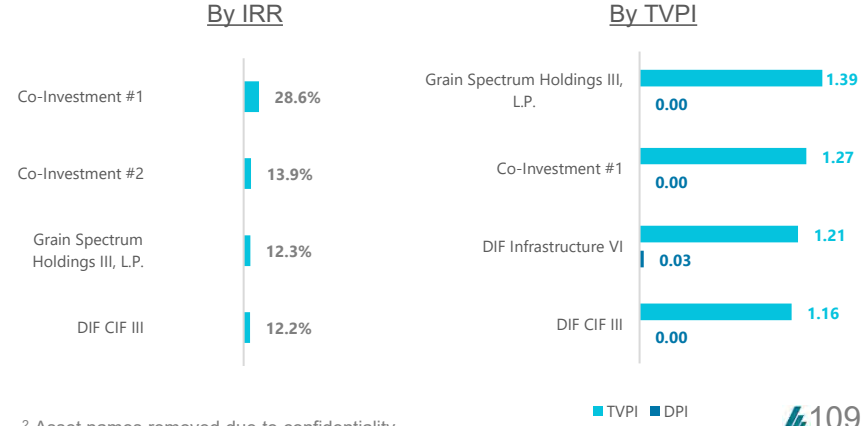
Asset Growth (mm)

	QTD	FYTD	1 Year	3 Year
Beginning Market Value	1,981	1,449	1,365	--
Net Cash Flow	79	523	585	--
Gain/Loss	50	138	160	--
Ending Market Value	**2,110**	**2,110**	**2,110**	**--**



Cumulative Return[1]

Top Performing Investments (since inception)[1,2]



[1] Private infrastructure funds reflect early-stage life cycle performance.

[2] Asset names removed due to confidentiality.

Historical Returns

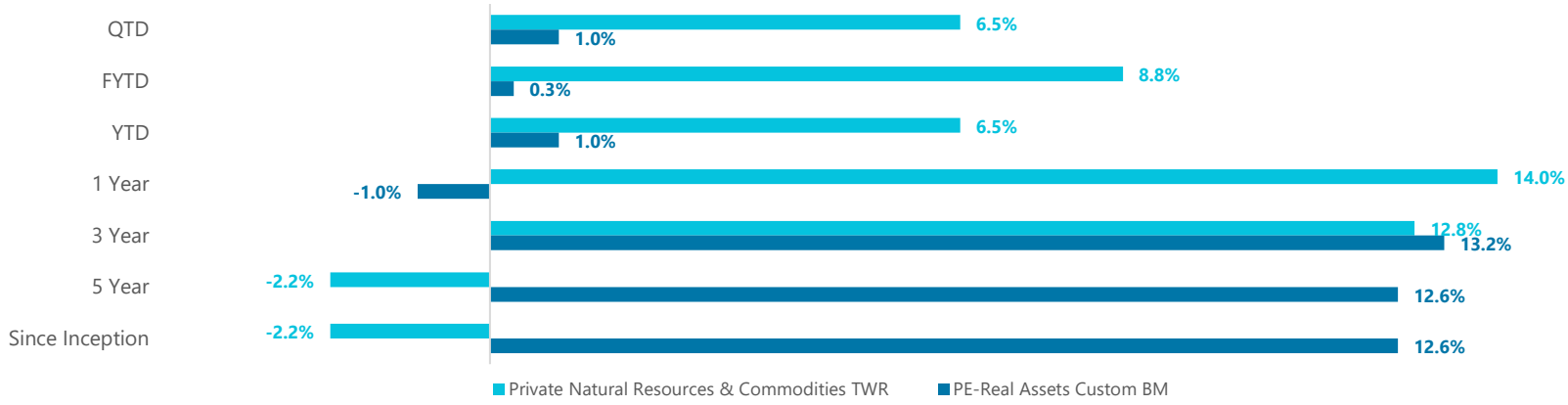
Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

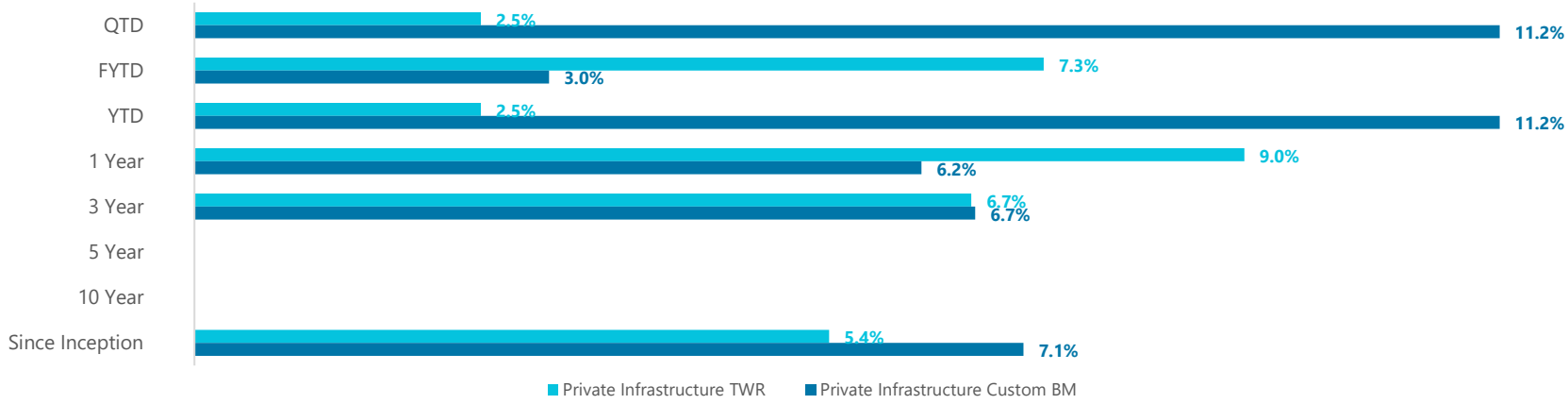
LACERA
Los Angeles County Employees Retirement Association

Time-Weighted Returns (net)[1]

Private Natural Resources & Commodities



Private Infrastructure



[1] Private natural resources and infrastructure funds reflect early-stage life cycle performance.

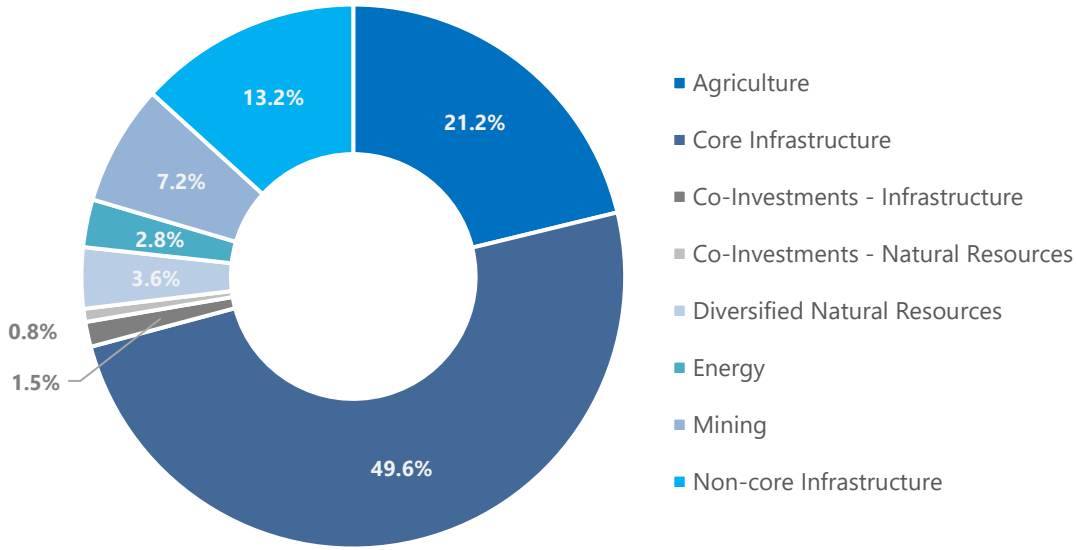
Performance by Strategy

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Strategy[1]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Agriculture	4	800.0	610.0	94.9	698.8	793.7	183.7	0.16x	1.30x	15.7%	1.16
Core Infrastructure	5	1,659.8	1,554.5	77.8	1,634.9	1,712.7	158.2	0.05x	1.10x	8.1%	1.03
Co-Investments - Infrastructure	5	150.0	40.7	0.0	48.9	48.9	8.3	0.00x	1.20x	22.4%	1.14
Co-Investments - Natural Resources	3	140.1	24.4	0.0	25.6	25.6	1.2	0.00x	1.05x	4.2%	0.93
Diversified Natural Resources	1	135.0	85.4	0.0	119.5	119.5	34.1	0.00x	1.40x	29.4%	1.25
Energy	4	541.0	221.7	120.9	93.6	214.5	(7.2)	0.55x	0.97x	-1.0%	0.74
Mining	6	675.0	262.0	55.7	236.6	292.3	30.3	0.21x	1.12x	8.1%	1.00
Non-core Infrastructure	8	805.5	413.4	31.0	436.5	467.5	54.1	0.08x	1.13x	7.5%	0.99
Total Private Real Assets ex. Real Estate	**36**	**4,906.3**	**3,212.1**	**380.3**	**3,294.5**	**3,674.8**	**462.7**	**0.12x**	**1.14x**	**8.6%**	**1.03**

[1] Based on best available cash flow adjusted market values.

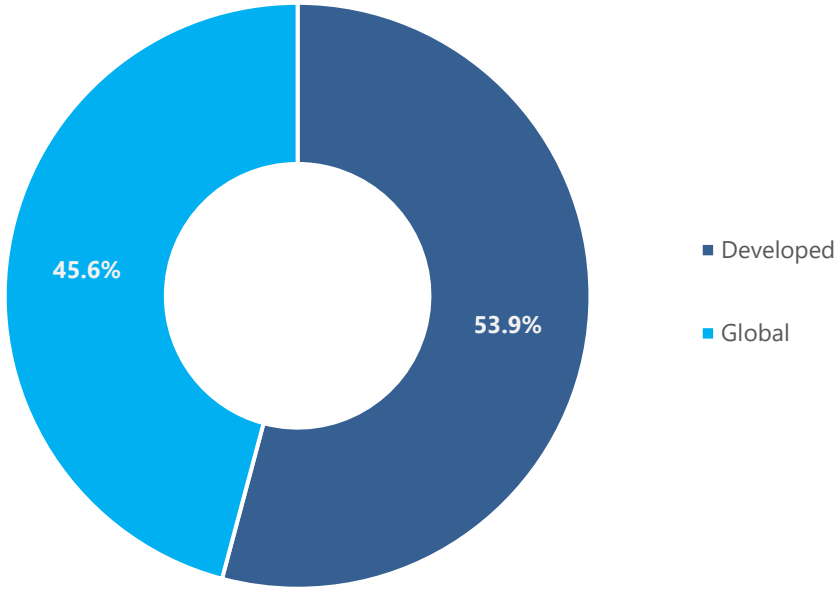
Performance by Geography

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Geography[1]



	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME
Developed	17	2,135.8	1,797.9	258.4	1,775.2	2,033.6	235.7	0.14x	1.13x	7.6%	1.00
Global	19	2,250.5	1,397.7	121.9	1,502.7	1,624.6	227.0	0.09x	1.16x	9.9%	1.06
Total Private Real Assets ex. Real Estate	**36**	**4,906.3**	**3,212.1**	**380.3**	**3,294.5**	**3,674.8**	**462.7**	**0.12x**	**1.14x**	**8.6%**	**1.03**

[1] Based on best available cash flow adjusted market values.

Performance by Vintage Year

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Vintage Year[1,2]

Private Natural Resources & Commodities

	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME	Quartile Ranking
2004	1	50.0	50.0	91.4	0.0	91.4	41.4	1.83x	1.83x	31.1%	1.40	1st
2011	1	350.0	256.9	32.0	320.9	352.9	96.1	0.12x	1.37x	18.5%	1.22	1st
2014	2	500.0	473.3	92.4	426.2	518.6	45.3	0.20x	1.10x	2.4%	0.85	3rd
2021	2	250.0	186.2	55.7	159.7	215.3	29.2	0.30x	1.16x	8.8%	1.03	3rd
2022	4	250.0	136.7	0.0	166.6	166.6	29.9	0.00x	1.22x	15.7%	1.11	1st
2023	7	604.0	100.5	0.0	100.8	100.8	0.3	0.00x	1.00x	0.6%	0.93	4th
2024	2	341.0	0.0	0.0	0.0	0.0	0.0	--	--	--	--	--
Total Private Natural Resources & Commodities	**19**	**2,345.0**	**1,203.5**	**271.5**	**1,174.2**	**1,445.6**	**242.1**	**0.23x**	**1.20x**	**8.9%**	**1.02**	

1. Based on best available cash flow adjusted market values.
2. Benchmark data used to generate IRR quartile rankings is latest available by Burgiss Private IQ.

Private Infrastructure

	Number of Investments	Commitments (mm)	Cumulative Contributions (mm)	Cumulative Distributions (mm)	Market Value (mm)	Total Value (mm)	Total Gain / Loss (mm)	Distributed to Paid-In	Total Value to Paid-In	Since Inception Net IRR	Since Inception PME	Quartile Ranking
2020	3	330.0	259.7	27.8	288.8	316.5	56.9	0.11x	1.22x	10.2%	1.03	3rd
2021	6	1,173.3	1,037.6	54.4	1,058.4	1,112.7	75.1	0.05x	1.07x	6.8%	1.01	3rd
2022	4	962.0	670.6	26.7	724.3	751.0	80.4	0.04x	1.12x	7.9%	1.04	2nd
2023	4	96.0	40.7	0.0	48.9	48.9	8.3	0.00x	1.20x	22.4%	1.14	1st
2024	0	0.0	--	--	--	--	--	--	--	--	--	--
Total Private Infrastructure	**17**	**2,561.3**	**2,008.6**	**108.8**	**2,120.4**	**2,229.2**	**220.6**	**0.05x**	**1.11x**	**8.1%**	**1.03**	

1. Based on best available cash flow adjusted market values.
2. Benchmark data used to generate IRR quartile rankings is latest available by Burgiss Private IQ.

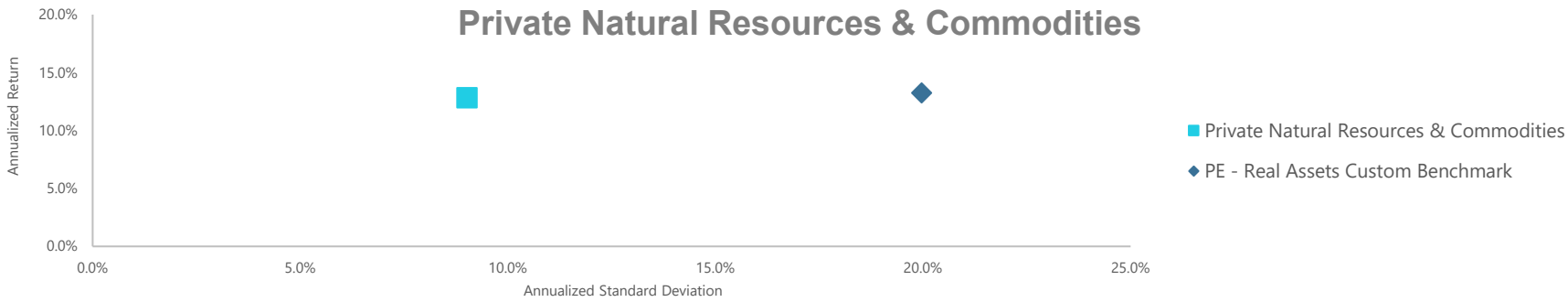
Risk vs. Return

Private Real Assets ex. Real Estate

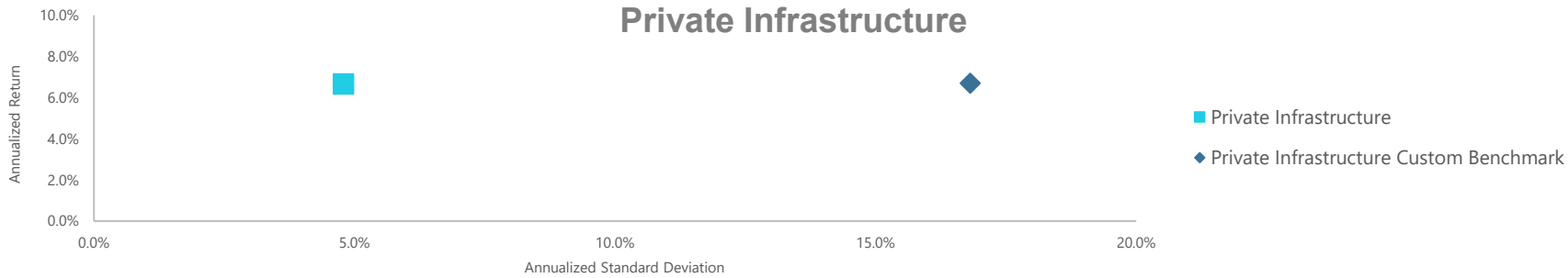
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Since Inception (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Private Natural Resources & Commodities	**12.8%**	**9.0%**	**1.11**	**-0.09**	**-0.02**	**22.3%**
PE - Real Assets Custom Benchmark	13.2%	20.0%				



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Private Infrastructure	**6.7%**	**4.8%**	**0.84**	**-0.07**	**-0.03**	**18.0%**
Private Infrastructure Custom Benchmark	6.7%	16.8%				

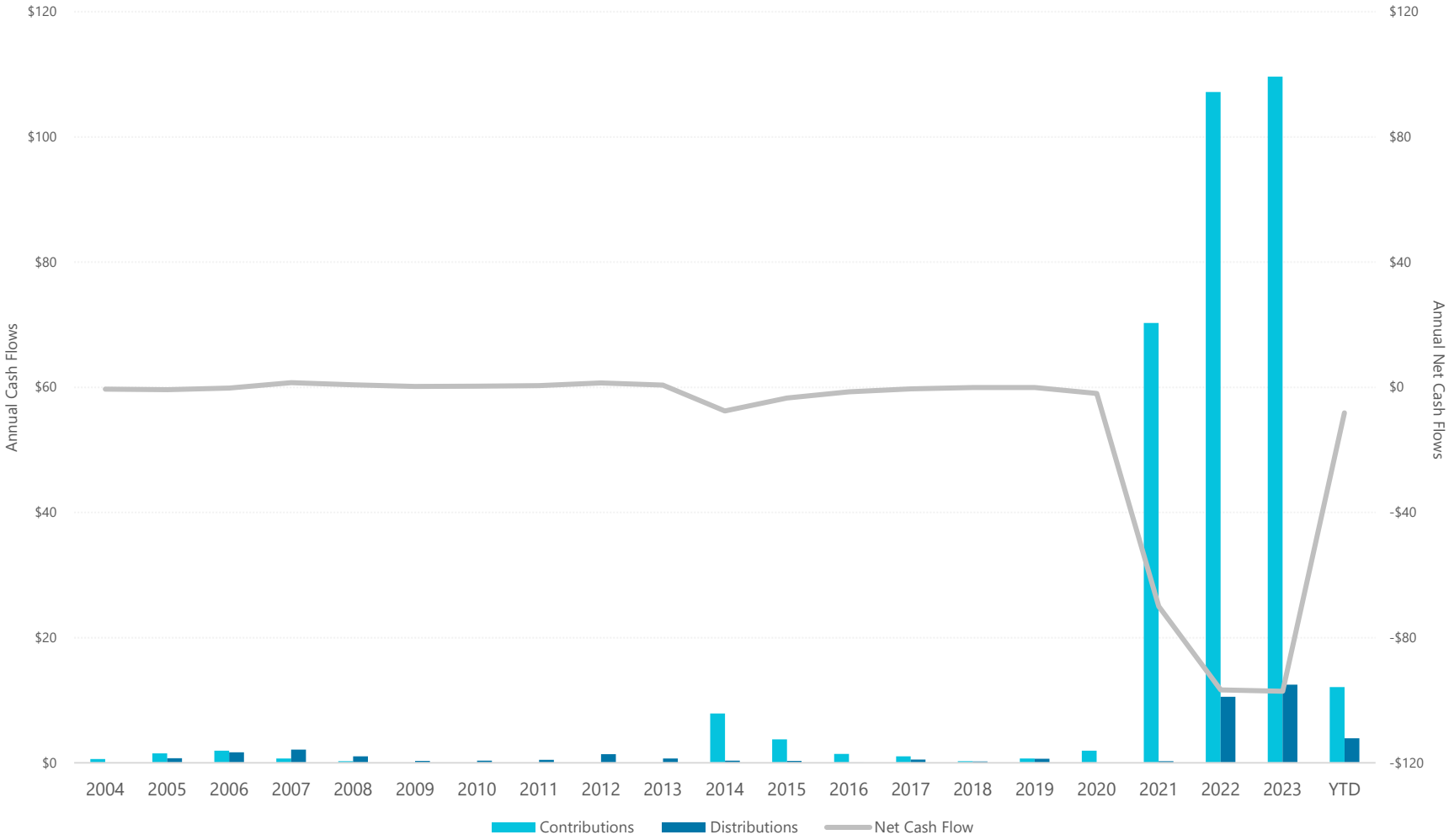
Annual Cash Flow Activity

Private Real Assets ex. Real Estate

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

By Year (mm)



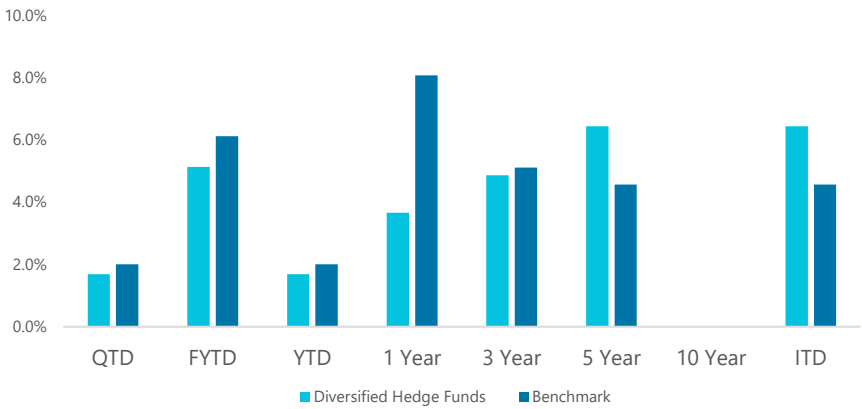
Summary

Diversified Hedge Funds

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

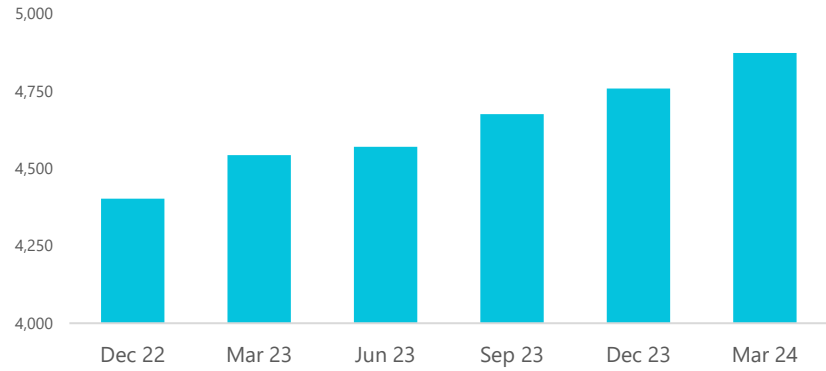
Performance (net)



	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
Diversified Hedge Funds	**1.7%**	**5.1%**	**1.7%**	**3.7%**	**4.9%**	**6.4%**	**--**	**6.4%**
Benchmark	2.0%	6.1%	2.0%	8.1%	5.1%	4.6%	--	4.6%
Excess	-0.3%	-1.0%	-0.3%	-4.4%	-0.2%	1.9%	--	1.9%

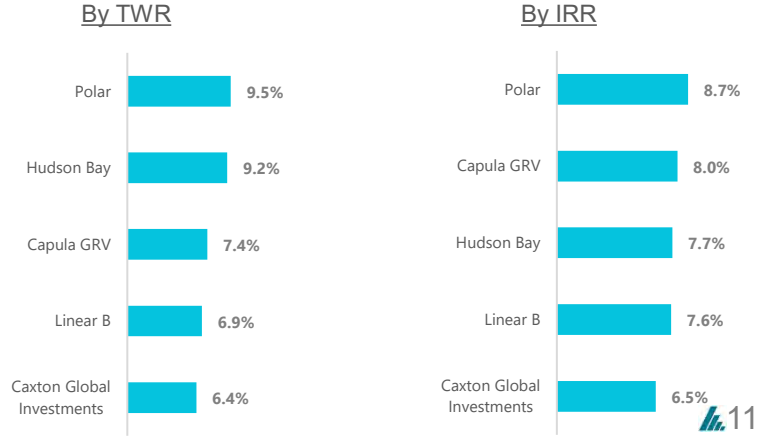
Asset Growth (mm)

	QTD	FYTD	1 Year	3 Year
Beginning Market Value	4,759	4,570	4,544	2,297
Net Cash Flow	34	68	159	1,970
Gain/Loss	80	235	171	606
Ending Market Value	**4,873**	**4,873**	**4,873**	**4,873**



Cumulative Return

Top Performing Investments (since inception)



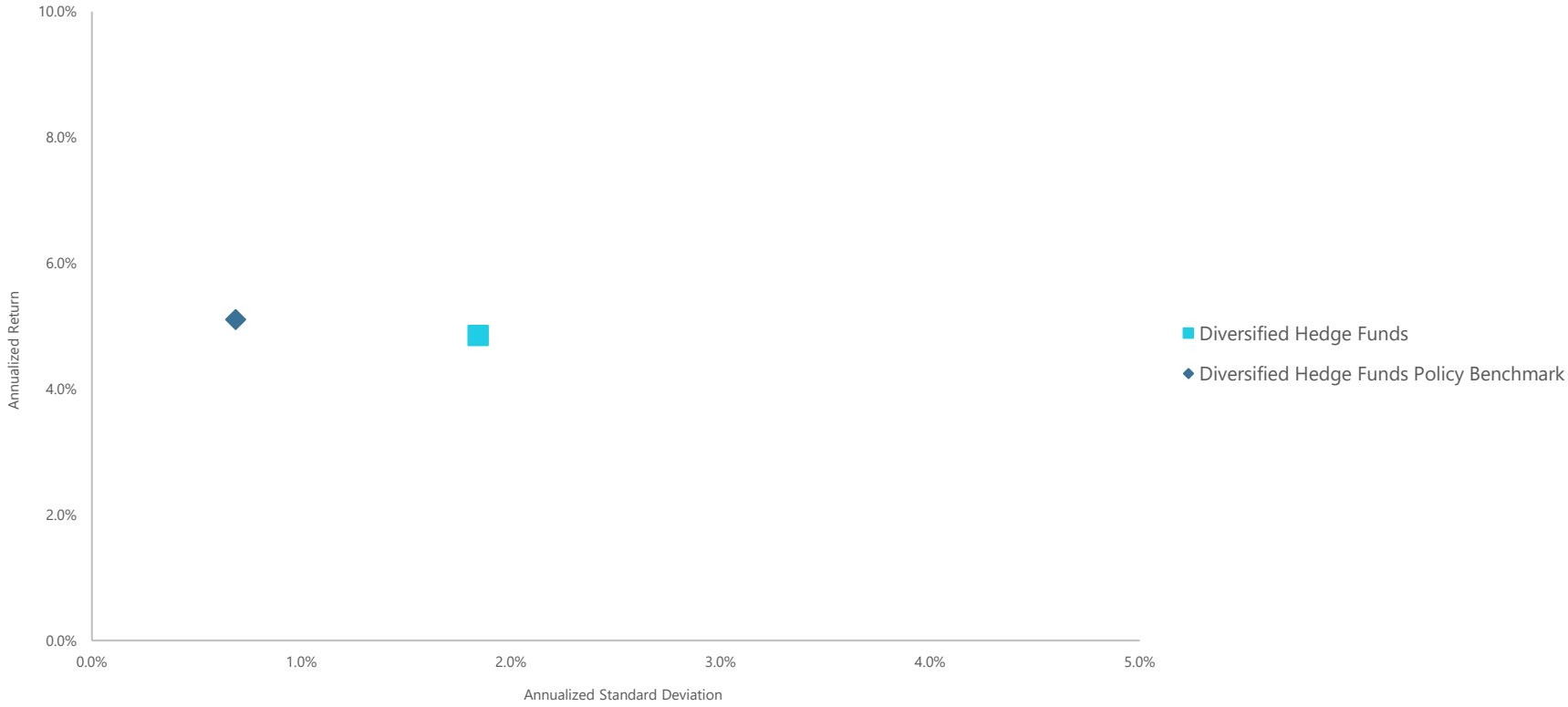
Risk vs. Return

Diversified Hedge Funds

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
Diversified Hedge Funds	**4.9%**	**1.8%**	**1.20**	**-0.12**	**-2.44**	**1.9%**
Diversified Hedge Funds Policy Benchmark	5.1%	0.7%				

Performance Detail

Diversified Hedge Funds

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns

	% of Composite	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
Diversified Hedge Funds	**100.0%**	**4,873**	**4,759**	**1.7%**	**5.1%**	**1.7%**	**3.7%**	**4.9%**	**6.4%**	**--**	**6.4%**	**Apr-2019**
Diversified Hedge Funds Policy Benchmark				2.0%	6.1%	2.0%	8.1%	5.1%	4.6%	--	4.6%	
LACERA HF Direct	**87.7%**	**4,276**	**4,205**	**1.7%**	**5.2%**	**1.7%**	**3.5%**	**5.1%**	**6.6%**	**--**	**5.2%**	**Apr-2019**
Custom Hedge Fund Benchmark				2.0%	6.1%	2.0%	8.1%	5.1%	4.6%	--	4.6%	
AM Asia Strategies	3.9%	188	234	2.2%	-2.4%	2.2%	-8.9%	--	--	--	2.2%	Jun-2021
Brevan Howard Master Fund	13.0%	632	640	-1.3%	1.2%	-1.3%	-5.5%	4.4%	--	--	4.4%	Apr-2021
Capula GRV	14.8%	723	713	1.4%	7.0%	1.4%	9.1%	8.3%	7.5%	--	7.4%	Dec-2018
Caxton Global Investments	6.2%	301	296	1.7%	6.7%	1.7%	-0.4%	6.6%	--	--	6.4%	Feb-2021
DK Institutional Partners	10.9%	531	513	3.5%	6.9%	3.5%	6.2%	3.7%	5.8%	--	5.2%	May-2018
HBK Multi-strategy	14.1%	687	621	2.5%	8.6%	2.5%	8.7%	6.0%	6.3%	--	6.0%	Jun-2018
Hudson Bay	14.4%	702	693	1.3%	4.5%	1.3%	5.0%	5.3%	--	--	9.2%	Jul-2020
Polar	10.5%	512	494	3.7%	5.9%	3.7%	6.6%	3.0%	--	--	9.5%	May-2020
HF Emerging Managers Program	**12.0%**	**584**	**539**	**1.4%**	**5.1%**	**1.4%**	**5.6%**	**--**	**--**	**--**	**2.0%**	**Aug-2021**
Custom Hedge Fund Benchmark				2.0%	6.1%	2.0%	8.1%	--	--	--	5.4%	
Stable Asset Management	12.0%	584	539	1.4%	5.1%	1.4%	5.6%	--	--	--	2.0%	Aug-2021

LACERA
Los Angeles County Employees Retirement Association

emerging manager program

Emerging Manager Program

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns

	Ending Market Value (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	ITD TWR	ITD IRR	Inception Date
Growth										
Global Equity										
Cornercap	96.4	5.1%	17.4%	5.1%	20.4%	7.2%	11.8%	9.0%	9.0%	Oct-2018
Global Equity Policy Benchmark		7.7%	15.6%	7.7%	22.5%	6.3%	10.6%	10.6%	10.6%	
Private Equity										
Hamilton Lane Emerging Managers Program	9.4	2.1%	5.4%	2.1%	24.0%	--	--	104.0%	52.4%	Mar-2023
J.P. Morgan Emerging Managers Program	60.3	0.1%	-0.9%	0.1%	-3.8%	9.5%	19.1%	24.3%	22.4%	Jan-2010
J.P. Morgan Emerging Managers Program II	61.6	0.3%	-7.5%	0.3%	-10.3%	-3.1%	5.4%	23.1%	35.0%	Apr-2014
J.P. Morgan Emerging Managers Program III	102.2	1.2%	11.1%	1.2%	11.2%	15.5%	23.9%	25.5%	28.3%	Jan-2017
J.P. Morgan Emerging Managers Program IV	278.0	0.0%	5.6%	0.0%	5.3%	14.2%	18.7%	17.3%	14.5%	Nov-2018
Total Private Equity Custom Benchmark		2.2%	5.4%	2.2%	13.1%	4.4%	11.5%	13.5%	13.5%	
Non-Core Private Real Estate										
Cityview Bay Area Fund II	23.5	0.0%	-74.8%	0.0%	-75.6%	-36.1%	-23.8%	--	3.6%	Nov-2012
Cityview Western Fund I, L.P	185.5	0.0%	-16.4%	0.0%	-17.7%	6.8%	7.3%	-45.8%	6.8%	Jul-2016
CVBAF II Union City Co-Invest	4.8	0.7%	-79.5%	0.7%	-77.5%	-38.8%	-27.4%	-13.7%	-9.3%	Dec-2015
Non-Core Private RE Policy Benchmark		-4.5%	-8.1%	-4.5%	-10.7%	6.5%	6.0%	10.4%	10.4%	
Credit										
Illiquid Credit										
Stable Asset Management - IC	121.8	-0.3%	0.4%	-0.3%	0.0%	--	--	0.2%	0.0%	Nov-2022
Illiquid Credit Policy Benchmark		4.1%	10.9%	4.1%	12.6%	--	--	16.7%	16.7%	
Real Assets & Inflation Hedges										
Core Private Real Estate										
Cityview Core I.M.A	158.7	0.1%	-6.1%	0.1%	-15.4%	-3.1%	-3.0%	1.6%	1.8%	Jun-2014
Core Private RE Policy Benchmark		-5.0%	-9.7%	-5.0%	-12.7%	4.1%	3.6%	6.4%	6.4%	
Risk Reduction & Mitigation										
Hedge Funds										
Stable Asset Management	583.7	1.4%	5.1%	1.4%	5.6%	--	--	2.0%	3.3%	Aug-2021
Custom Hedge Fund Benchmark		2.0%	6.1%	2.0%	8.1%	--	--	5.4%	5.4%	

LACERA

Los Angeles County Employees Retirement Association

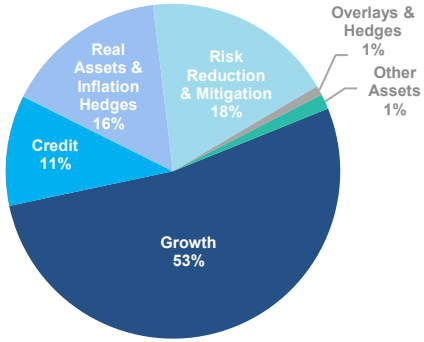
compliance monitor

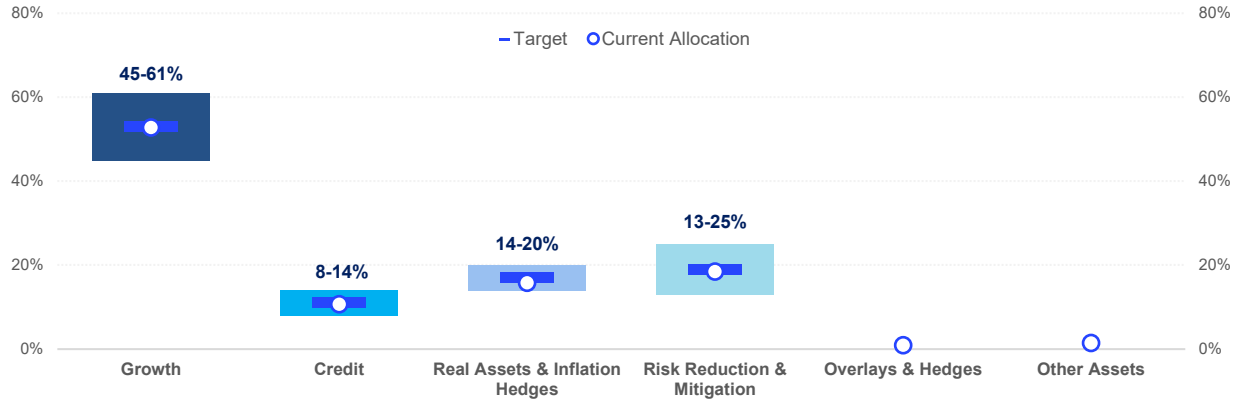
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

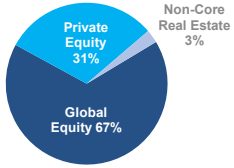
Total Fund Asset Allocation, Policy Ranges, and Targets[1]

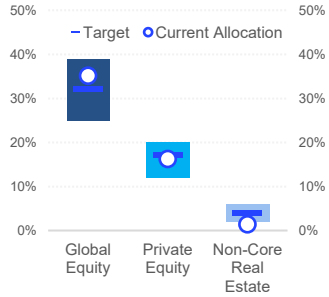




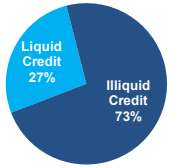
Q1 2024 Compliance Overview by Functional and Sub-asset Category

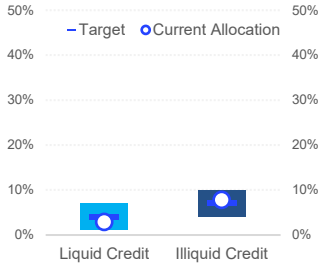
Growth
3 Advisories
4 Exceptions



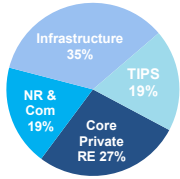


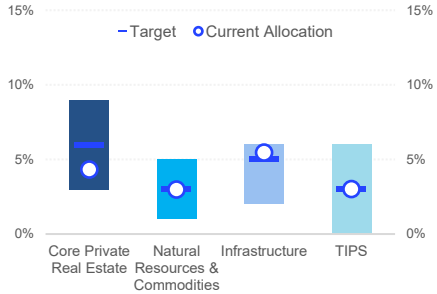
Credit
1 Advisory
0 Exceptions



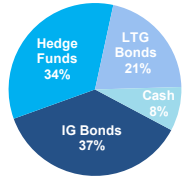


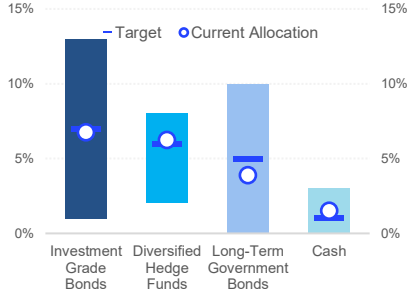
Real Assets & Inflation Hedges
0 Advisories
3 Exceptions



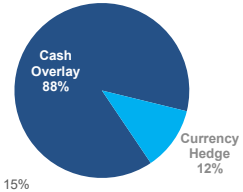


Risk Reduction & Mitigation
2 Advisories
0 Exceptions





Overlays & Hedges
0 Advisories
0 Exceptions



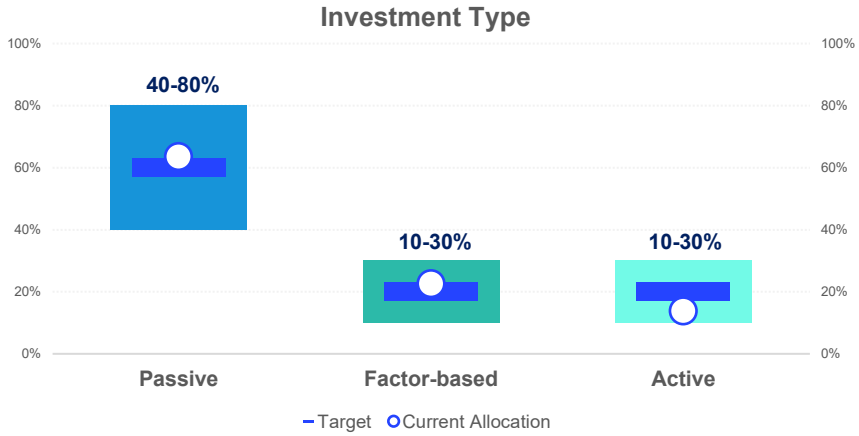
[1] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

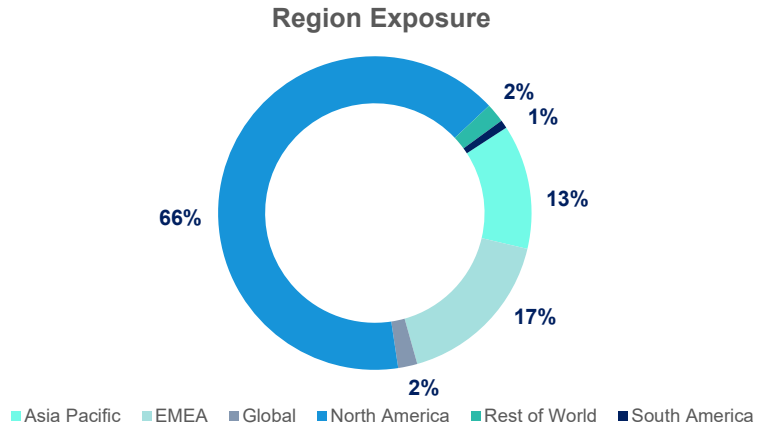
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Growth – Global Equity





Q1 2024 Compliance Review Status

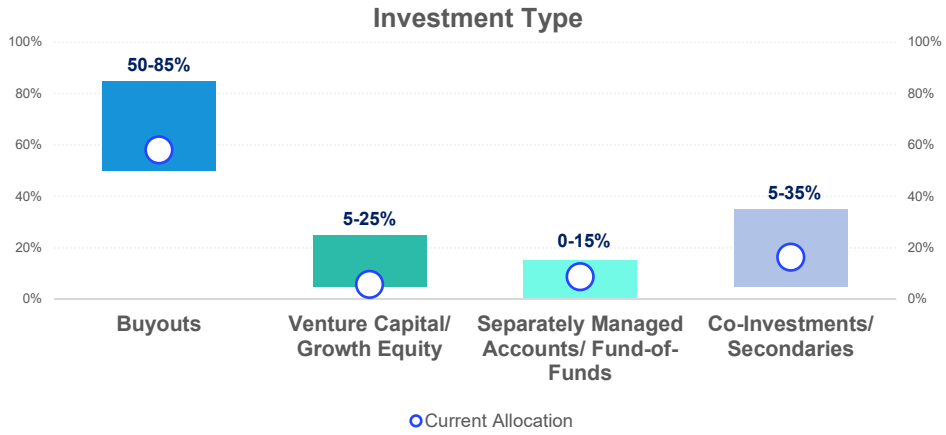
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Geography	
✓	—	N	—	Hedging/ Cash Overlay	
✓	—	N	—	Investment Size/ Range	
✓	—	N	—	Leverage	
✓	—	N	—	Manager Diversification	
✓	—	N	—	Manager Capitalization	
✓	—	N	—	Sector/ Industry	
✓	—	N	—	Sub-Asset Class (Allocation)	
				Volatility	
✓	—	N	—	**Investment Manager Compliance**	
✓	3	N	—	Economic Substitution (Iran, Sudan, Tobacco)	Advisory 1: 3 Iran issuers totaling $7.2 million in market value. Advisory 2: 7 Sudan issuers totaling $35.0 million in market value. Advisory 3: 6 Tobacco issuers totaling $47.0 million in market value.

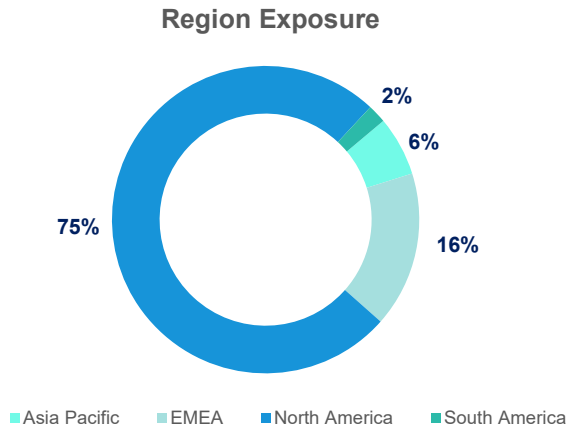
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Growth – Private Equity[1]





Q1 2024 Compliance Review Status

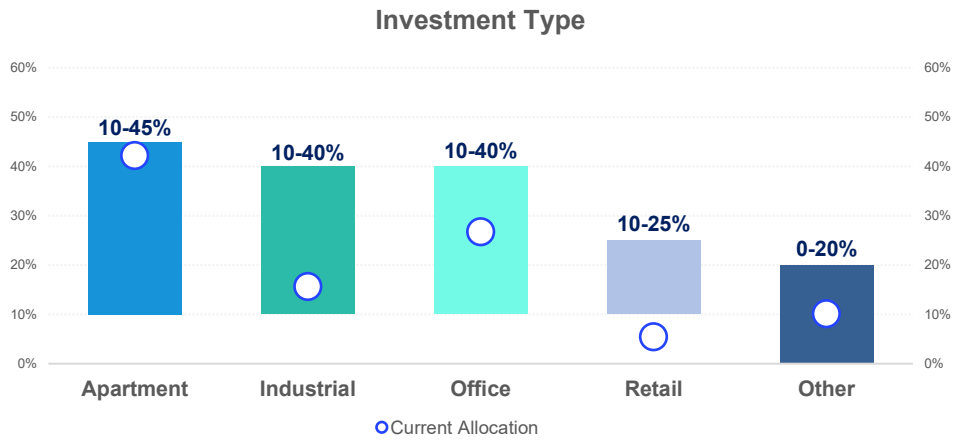
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Alternative Investment Vehicles (Co-Investments, Secondary Purchases and Sales)	
✓	—	N	—	Annual Allocation	
✓	—	N	—	Annual Budget	
✓	—	Y	1	Emerging Manager Program	Exception 1: Venture Capital/Growth Equity is above the policy range by 6%. Reallocation of Emerging Manager Program sub-asset class strategies is underway to align with board-approved weights.
✓	—	N	—	Fund Concentration	
✓	—	N	—	Geography	
✓	—	N	—	Investment Size/ Range	
✓	—	N	—	Sub-Asset Class (Allocation)	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Restricted Investments (Hostile Takeover, Privatization)	

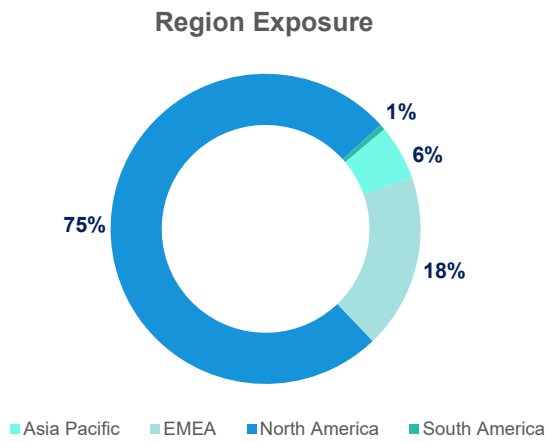
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Growth – Non-Core Private Real Estate[1]





Q1 2024 Compliance Review Status

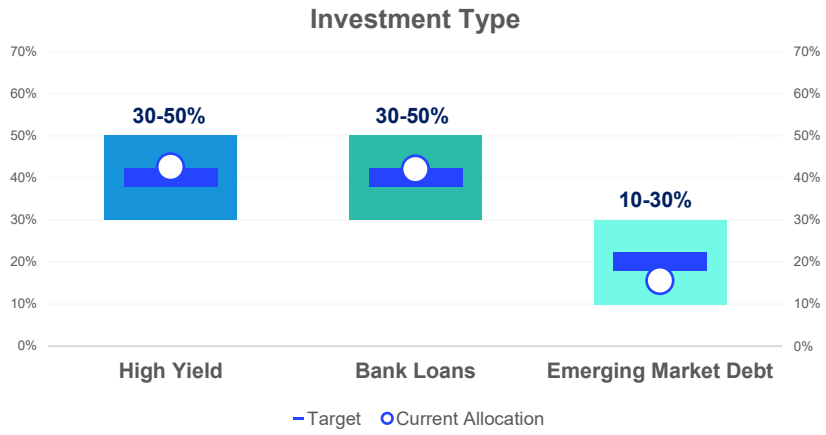
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	Y	1	**Asset Allocation Compliance**	Exception 1: Non-Core Private Real Estate was 0.5% below the target policy range. Actual allocations may fall outside of range as the portfolio makes its Board-approved startegic transition.
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Co-Investments and Secondaries	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Fund Concentration	
✓	—	N	—	Geography	
✓	—	N	—	Investment Size/ Range	
✓	—	N	—	Leverage	
✓	—	Y	1	Manager Diversification/ Concentration	Exception 2: One non-core manager was 3.9% above the 20% manager concentration limit. Actual allocations may fall outside of defined limits as the portfolio makes its Board-approved strategic transition.
✓	—	Y	1	Property Type	Exception 3: Non-Core Retail was 4.6% below the target policy range. Actual allocations may fall outside of range as the portfolio makes its Board-approved strategic transition.
✓	—	N	—	Sector Target Allocation Range	
✓	—	N	—	Sub-Asset Class (Allocation)	
✓	—	N	—	**Investment Manager Compliance**	

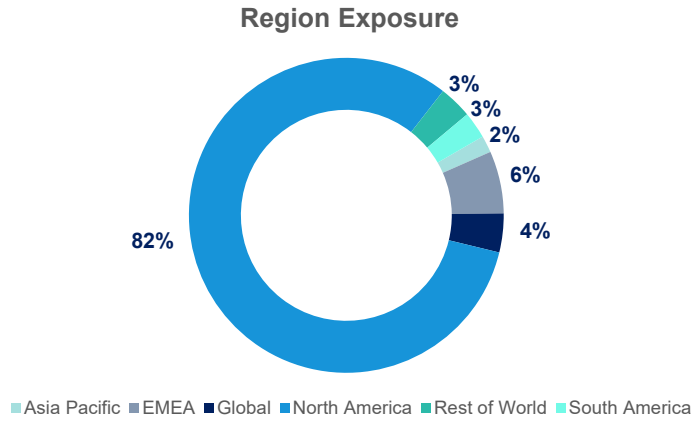
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Credit – Liquid Credit





Q1 2024 Compliance Review Status

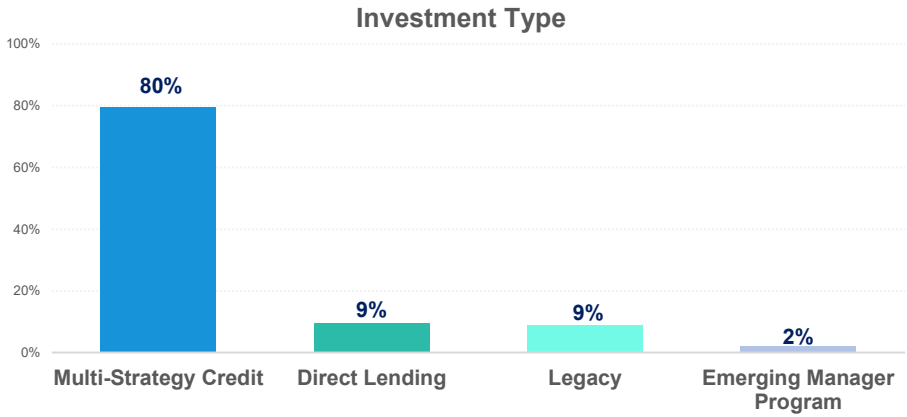
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Allocation Targets and Ranges	
✓	—	N	—	Credit Quality	
✓	—	N	—	Currency	
✓	—	N	—	Geography	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	Risk Target	
✓	—	N	—	Sectors	
✓	—	N	—	**Investment Manager Compliance**	
✓	1	N	—	Economic Substitution (Iran, Sudan, Tobacco)	Advisory 1: 2 Sudan issuers totaling $1.8 million in market value.
✓	—	N	—	Restricted Investments (Los Angeles County, District, and Agency)	

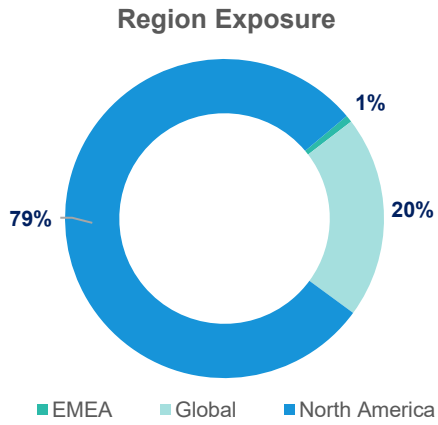
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Credit – Illiquid Credit





Q1 2024 Compliance Review Status

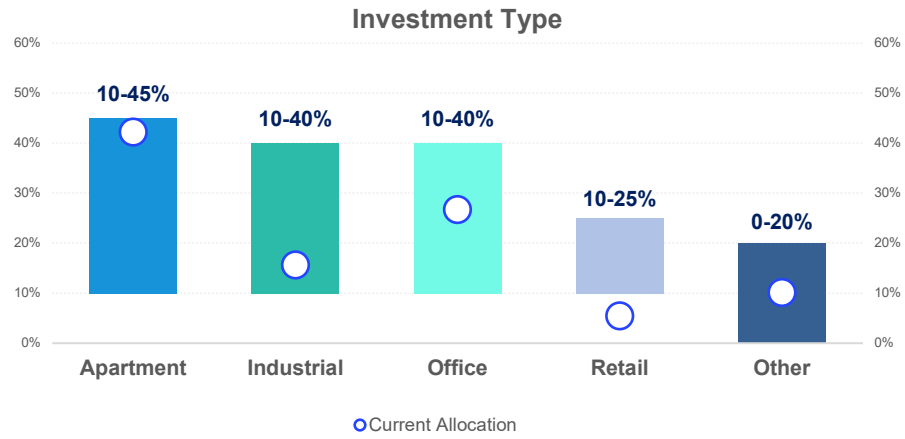
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Co-Investments	
✓	—	N	—	Contingent Capital	
✓	—	N	—	Currency	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Geography	
✓	—	N	—	Manager Count	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	
✓	—	N	—	Restricted Investments (Los Angeles County, District, and Agency)	

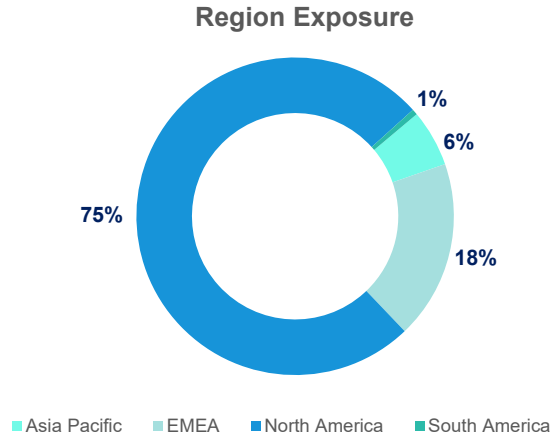
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Real Assets & Inflation Hedges – Core Private Real Estate[1]





Q1 2024 Compliance Review Status

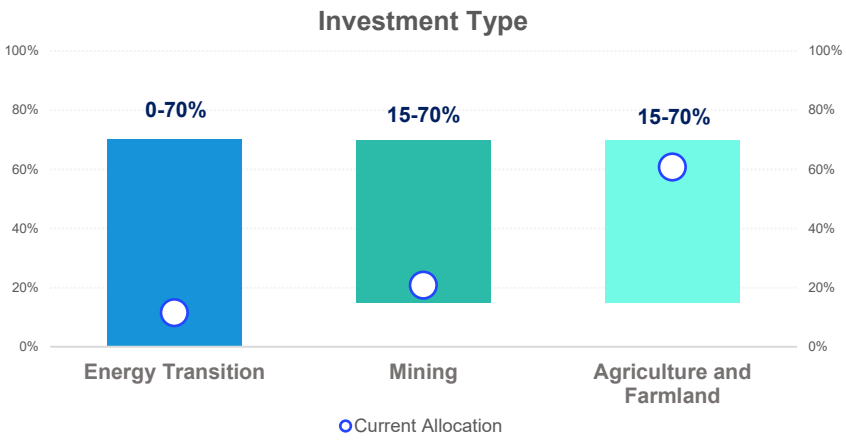
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Co-Investments and Secondaries	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Fund Concentration	
✓	—	Y	1	Geography	Exception 1: Allocations to the Eastern and Western regions surpassed the +/- 10% variance of ODCE by 8.1% and 1.8% respectively. Actual allocations may fall outside of range as the portfolio makes its Board-approved strategic
✓	—	N	—	Investment Size/ Range	
✓	—	N	—	Leverage	
✓	—	Y	1	Manager Diversification	Exception 2: One Core manager was 0.2% above the 35% manager concentration limit. Actual allocations may fall outside of defined limits as the portfolio makes its Board-approved transition.
✓	—	N	—	Property Type	
✓	—	N	—	Sector Target Allocation Range	
✓	—	N	—	Volatility	
✓	—	N	—	**Investment Manager Compliance**	

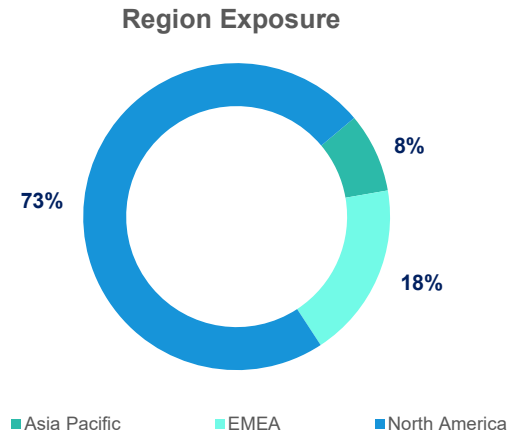
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Real Assets & Inflation Hedges – Natural Resources & Commodities[1]





Q1 2024 Compliance Review Status

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Private Program Guideline Compliance**	
✓	—	N	—	Co-Investments	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Fund Concentration	
✓	—	N	—	Geography	
✓	—	N	—	Investment Size/Range	
✓	—	N	—	Manager Diversification	
✓	—	N	—	Secondary Purchases	
✓	—	N	—	Sector	
✓	—	N	—	**Public Program Guideline Compliance**	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	Tracking Error	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	

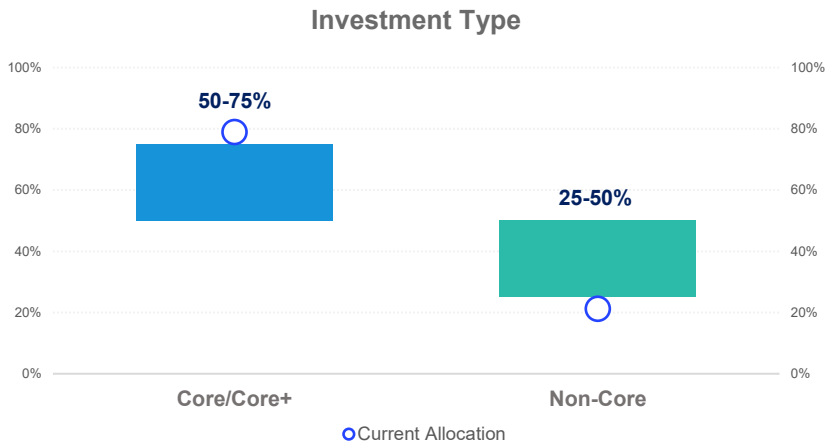
[1] Graphs represent private investments only.

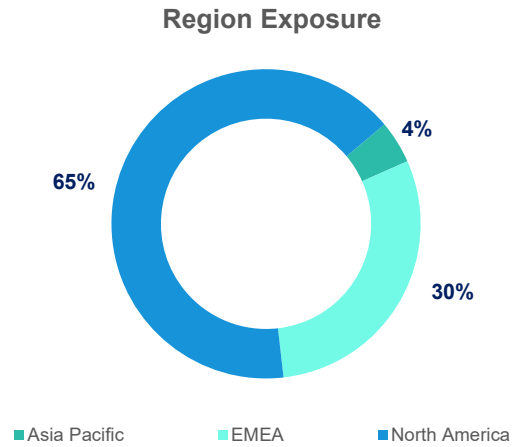
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Real Assets & Inflation Hedges – Infrastructure[1]





Q1 2024 Compliance Review Status

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Private Program Guideline Compliance**	
✓	—	N	—	Allocation Range	
✓	—	N	—	Co-Investments	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Fund Concentration	
✓	—	N	—	Geography	
✓	—	N	—	Investment Size/Range	
✓	—	N	—	Manager Diversification	
✓	—	N	—	Secondary Purchases	
✓	—	Y	1	Sector	Exception 1: Core/Core+ is above the policy range by 3.8%. Non-Core is below the policy range by 3.8%. Allocations may fall outside of defined ranges as capital is deployed into from public market to private markets.
✓	—	N	—	**Public Program Guideline Compliance**	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	Tracking Error	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	

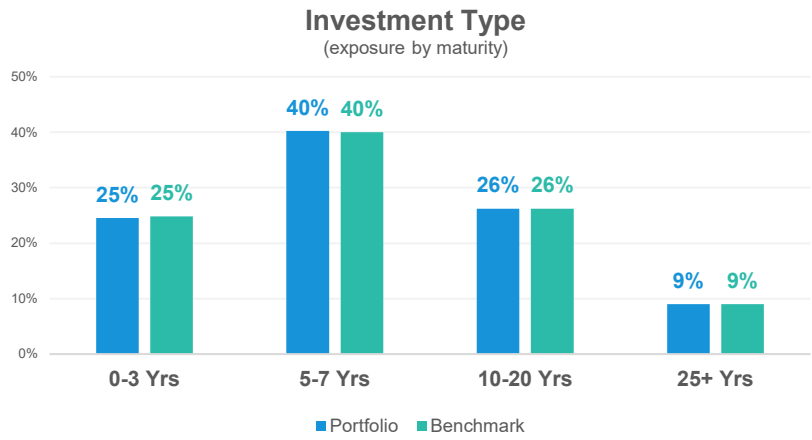
[1] Graphs represent private investments only.

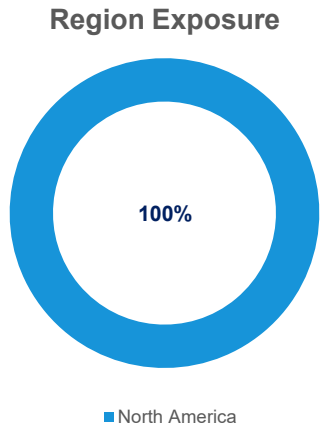
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Real Assets & Inflation Hedges – TIPS





Q1 2024 Compliance Review Status

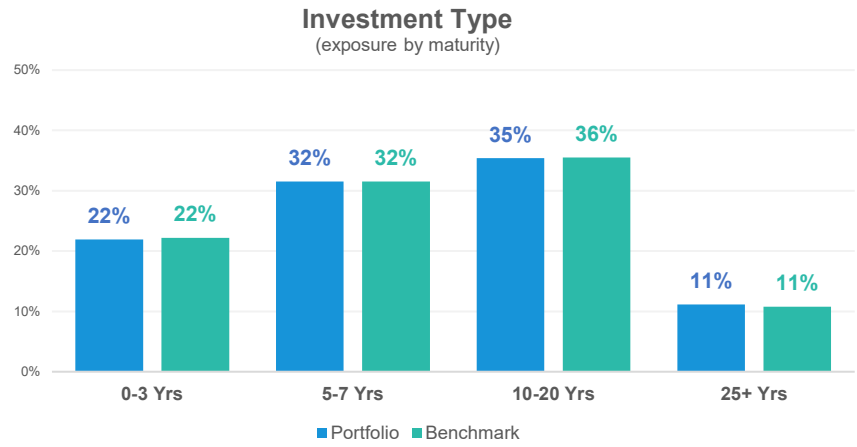
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Aggregate Duration	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	
✓	—	N	—	Restricted Investments (Los Angeles County, District and Agency)	

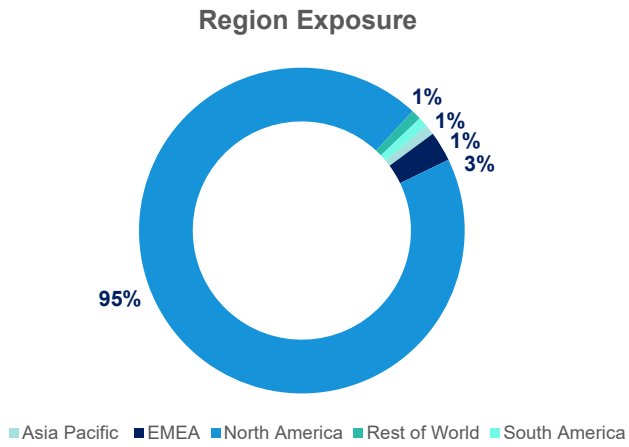
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Risk Reduction & Mitigation – Investment Grade Bonds





Q1 2024 Compliance Review Status

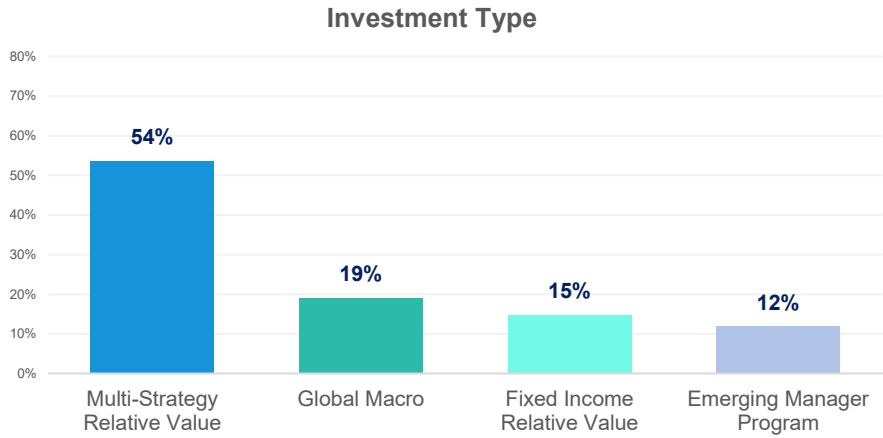
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Aggregate Duration	
✓	—	N	—	Eligible Investments	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	**Investment Manager Compliance**	
✓	2	N	—	Economic Substitution (Iran, Sudan, Tobacco)	Advisory 1: 1 Sudan issuer totaling $3.5 million in market value. Advisory 2: 1 Tobacco issuers totaling $6.8 million in market value.
✓	—	N	—	Restricted Investments (Los Angeles County, District and Agency)	

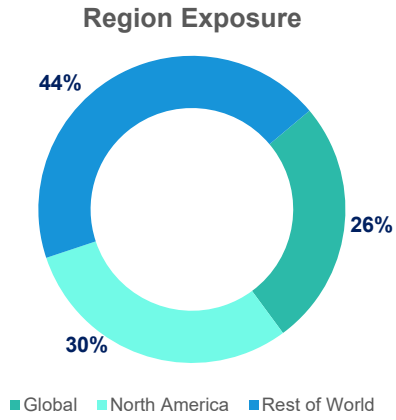
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Risk Reduction & Mitigation – Diversified Hedge Funds





Q1 2024 Compliance Review Status

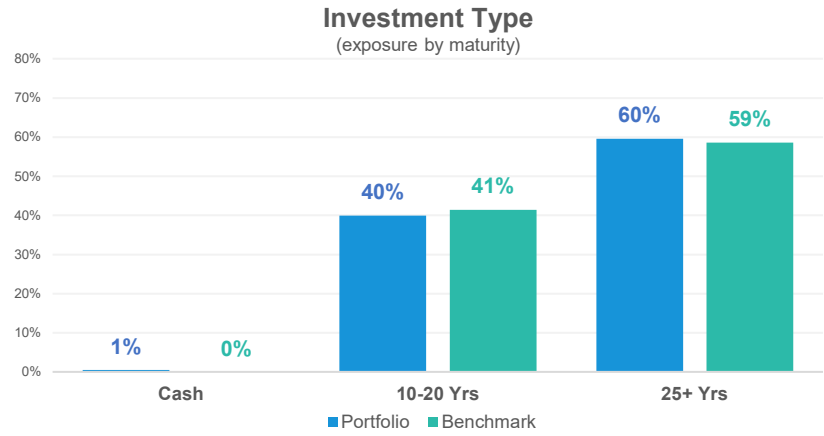
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Emerging Manager Program	
✓	—	N	—	Geography	
✓	—	N	—	Leverage	
✓	—	N	—	Liquidity	
✓	—	N	—	Manager Count	
✓	—	N	—	Market Sensitivity	
✓	—	N	—	Partnership Size Limits	
✓	—	N	—	Risk Target	
✓	—	N	—	Side Pockets	
✓	—	N	—	Transparency	
✓	—	N	—	**Investment Manager Compliance**	

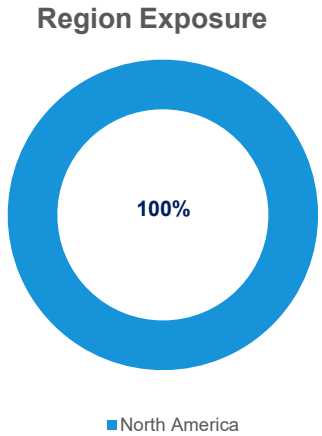
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Risk Reduction & Mitigation – Long-Term Government Bonds





Q1 2024 Compliance Review Status

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Aggregate Duration	
✓	—	N	—	Leverage (Not permitted)	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	
✓	—	N	—	Restricted Investments (Los Angeles County, District and Agency)	

Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Cash[1]

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	
✓	—	N	—	Restricted Investments (Los Angeles County, District, and Agency)	

[1] Cash is part of the Risk Reduction & Mitigation functional category.

Overlays & Hedges

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Asset Allocation Compliance**	
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Cash Overlay Program	
✓	—	N	—	Currency Hedge Program	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	
✓	—	N	—	Restricted Investments (Los Angeles County, District, and Agency)	

Securities Lending

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	N	—	**Program Guideline Compliance**	
✓	—	N	—	Amount of Collateralization	
✓	—	N	—	Eligible Collateral	
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Economic Substitution (Iran, Sudan, Tobacco)	

Compliance Monitor

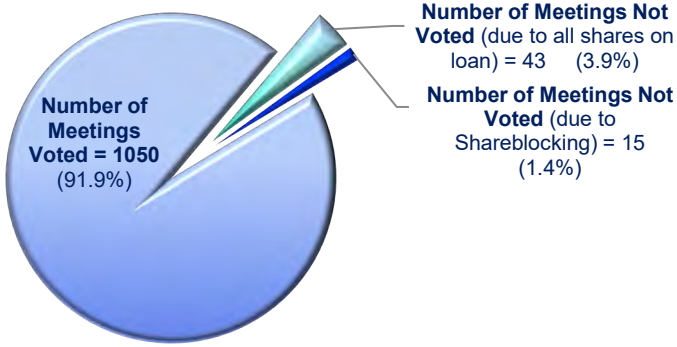
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

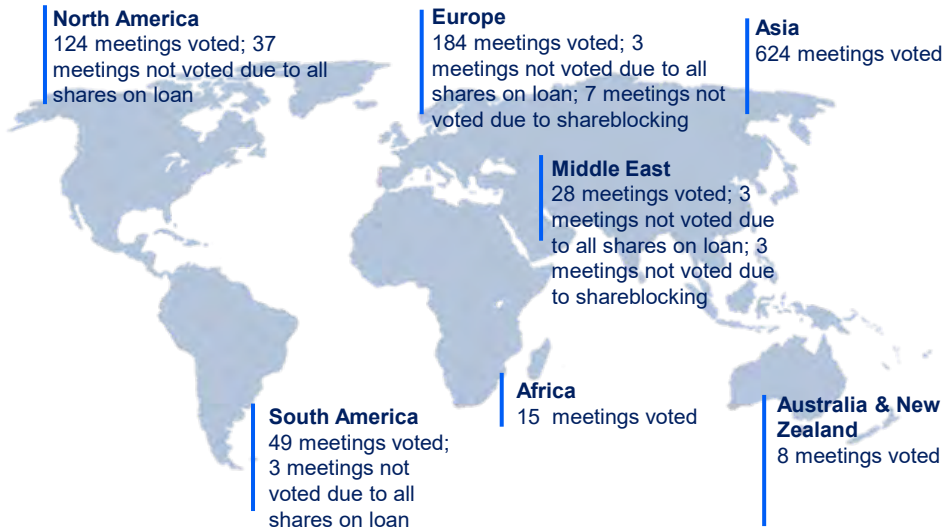
Special Programs and Investment Operations

Proxy Voting

Meetings Voted vs. Not-Voted



Meetings Voted vs. Not-Voted



Securities Lending Program

$6,148.0 million
$ Value of Cash/ Non-Cash Collaterals

$5,466.2 million
$ Value on Loan

$4.9 million
Total Income - Calendar YTD

Paid Tax Reclaims

$1.3 million
Calendar YTD Total

Pending Tax Reclaims

$34.0 million
Calendar YTD Total

Special Projects

Strategic Asset Allocation Implementation	In Progress
Fee Reconciliation Project	Q4 2024
Investment Manager Meeting Requests	No Advisory Noted
Annual Assessment of IC Meetings	Q1 2025

Reference Guide

General Information

Overview and Purpose: This report is delivered to the Board of Investments every quarter as a means of oversight; ensuring that asset category and investment manager activity align with established guidelines. It is a tool to monitor adherence, ensure transparency, and facilitate communication of investment and operational activities.

Methodology

- Data collected from multiple sources including: LACERA's custodian, MSCI BarraOne Risk platform, Investment Consultant and Manager reports.
- Analysis period for private market allocations may exhibit a lag and is reported based on best available data.
- For Q1 2024, Private Equity data as of 12/31/2023, Core and Non-Core Real Estate data as of 9/30/2023.
- Region Exposure graphs based on country of domicile.

Terms

- "Advisory" is a monitoring measure and does not equate to a compliance exception.
- "Exception" refers to instances where investment activity falls outside of predefined guidelines, prompting a need for further review.
- "Asset Allocation Compliance" measures actual asset allocation versus investment policy target weights and ranges.
- "Program Guideline Compliance" assesses asset category level guidelines.
- "Investment Guideline Compliance" measures investment manager guideline compliance as established in investment manager agreements.
- "Rest of World" equates to the sum of all countries with an exposure of less than 0.5%.
- "Global" represents investments allocated to regions where specific country allocations are not available, e.g., securities in the European Union.
- Investments identified as "Legacy" are closed-end, fixed life vehicles in process of winding down.
- "Economic Substitution Policy" LACERA policy on Iran, Sudan, Tobacco: Manager should refrain from purchasing securities when the same investment goals concerning risk, return, and and diversification can be achieved through the purchase of another security.
- For Investment Manager Meeting Requests, an "Advisory" is noted if the CEO or a Board member recommends staff to meet with a specific manager three or more times in a year. The purpose of notifying the activity is to promote transparency and governance best practices designed to preserve the integrity of the decision-making process.
- Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

manager scorecards

LACERA

Los Angeles County Employees Retirement Association

PUBLIC MARKETS MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Total Fund		Performance (1 to 5 (with 5 the best)) SCORE		Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
GROWTH	**GLOBAL EQUITY**									
	Acadian Developed Markets	675.5	0.9%		5		S-	3	B	3
	BTC Euro Tilts	681.0	0.9%		5		S	4	A	3
	Capital Group Developed Markets	452.8	0.6%		4		S	2	B	3
	Cevian Capital II - Activist	549.1	0.7%		4		S	4	B	1
	Cornercap US SC - EMP	96.4	0.1%		5		S-	1	A	3
	Frontier US SMID Growth	339.3	0.4%		3		S	2	A	1
	Global Alpha	184.3	0.2%		1		S+	3	A	3
	JPMAM Strategic Beta Non-U.S.	670.2	0.9%		3		S	1	B	3
	JPMAM Strategic Beta U.S.	5,532.5	7.1%		3		S	1	B	3
	Lazard Emerging Markets	404.5	0.5%		2		S-	3	B	1
	Parametric GE Cash Overlay	148.1	0.2%		—		S	—	A	5
	SSGA MSCI ACWI IMI	17,431.0	22.3%		3		S	—	B	5
	Systematic US Small Cap Value	233.9	0.3%		4		S	2	A	3
CREDIT	**HIGH YIELD**									
	Beach Point	260.6	0.3%		5		S	3	A	3
	Brigade Cap Mgmt	414.5	0.5%		2		S	3	B	3
	Pinebridge Investments	275.5	0.4%	*	3		S	3	B	3
	BANK LOANS									
	Bain Capital Credit	284.2	0.4%		4		S	3	B	1
	Credit Suisse Bank Loans	255.1	0.3%		3		S-	3	B	5
	Crescent Capital	399.5	0.5%		4		S-	3	B	3
	EMERGING MARKET DEBT									
	Aberdeen Asset Management	173.6	0.2%		4		S	3	B	3
	Ashmore Investment Management	173.4	0.2%		1		S	3	B	3
REAL ASSETS & INFLATION HEDGES	**NATURAL RESOURCES & COMMODITIES**									
	Credit Suisse Commodity	292.7	0.4%		4		S-	1	A	3
	DWS Natural Resources	495.8	0.6%		3		S-	2	A	5
	Neuberger Berman/Gresham	351.9	0.5%		4		S	1	A	5
	INFRASTRUCTURE									
	DWS Infrastructure	2,152.8	2.8%		3		S-	2	A	5
	TIPS									
	Blackrock TIPS	2,341.6	3.0%		1		S	—	A	5

LACERA

Los Angeles County Employees Retirement Association

PUBLIC MARKETS MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
RISK REDUCTION & MITIGATION	**INVESTMENT GRADE BONDS**							
	Allspring/Wells	1,322.1	1.7%	5	S	3	B	5
	BTC US Debt Index Fund	3,070.5	3.9%	4	S	—	B	5
	Pugh Capital Mgmt	877.6	1.1%	3	S	2	A	3
	LONG-TERM GOVERNMENT BONDS							
	BlackRock	3,039.6	3.9%	* 3	S	—	B	5
	CASH							
	SSGA Cash	884.1	1.1%	3	S	—	B	5
OVERLAYS & HEDGES	**OVERLAYS**							
	Parametric Cash Overlay	621.2	0.8%	—	S	—	A	5
	HEDGES							
	BTC Passive Currency Hedge	82.6	0.1%	—	S	—	B	5

- Exceeds 3-Year Net Excess Return
- Meets 3-Year Net Excess Return
- Below 3-Year Net Excess Return

For Organization, ESG, and Partnership
- Downgrade from the prior quarter
- Upgrade from the prior quarter

Footnotes

Pillar methodologies in refinement and may evolve over time

Category Descriptions

Performance

Quarterly score based on Sharpe and Information Ratios, which provide insight into a manager's risk-adjusted performance and performance relative to its benchmark, respectively
'*' denotes a manager with an inception date of less than 3 years, resulting in a neutral score of 3
Circle icons reflect trailing 3-year net excess returns against the manager's benchmark above or below a specified range

Organization & Operations

Includes factors such as organization, professional staff, diversity & inclusion, investment philosophy & process, risk management, legal & compliance framework
'**S**' stands for Satisfactory

ESG

Evaluates the extent to which material ESG factors are identified, assessed, and incorporated into risk/return analysis and portfolio construction
'—' denotes passive index funds and cash where ESG scores are not relevant and/or reflect strategies that do not incorporate active decisions, including ESG considerations, in portfolio construction
'+' denotes mandates where ESG scores are currently under review

Partnership

Blended score based on:
- Value added services – e.g., providing education, distributing research, and performing analytics on portfolio
- Client service – e.g., responsiveness, timeliness, competency, and approach
- Size of LACERA's investment relative to the firm's assets under management

Fees & Terms

Compared to a benchmark of median fees by asset category and/or investment structure

LACERA

Los Angeles County Employees Retirement Association

PRIVATE MARKETS MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
PRIVATE EQUITY	**GLOBAL/LARGE BUYOUT**							
	Advent International Group	177.5	0.2%	4	S+	3	C	4
	Blackstone Management	193.1	0.2%	2	S	4	B	5
	CVC Capital Partners	582.2	0.7%	5	S	4	A	4
	Green Equity Investors	394.3	0.5%	2	S+	3	A	4
	Hellman & Friedman	527.2	0.7%	1	S+	3	B	4
	MBK	310.9	0.4%	5	S	4	A	2
	Silver Lake Partners	596.3	0.8%	4	S+	3	A	5
	Thoma Bravo	270.1	0.3%	1	S+	3	B	3
	Vista Equity Partners	803.7	1.0%	3	S-	3	A	2
	MID-MARKET BUYOUT							
	Accel-KKR Capital Partners	253.8	0.3%	2	S+	4	A	3
	Alpine Investors	12.1	0.0%	*	S+	3	B	2
	BlackFin Capital Partners	75.5	0.1%	1	S	3	B	3
	Carlyle Group	197.8	0.3%	3	S+	4	B	4
	Clearlake Capital	622.8	0.8%	5	S	4	A	4
	GHO Capital	134.5	0.2%	*	S	3	A	3
	Gilde Partners	129.6	0.2%	5	S	2	A	5
	Harvest Partners	44.5	0.1%	4	S	1	C	3
	Integral	0.0	0.0%	*	S	4	B	3
	Marlin Equity	21.6	0.0%	1	S-	2	C	3
	Novacap	33.1	0.0%	*	S	3	B	3
	Onex Partners	335.6	0.4%	3	S	4	A	5
	PAI	191.2	0.2%	5	S-	2	C	4
	Revelstoke	163.4	0.2%	4	S	4	A	2
	Riverside Capital	120.4	0.2%	2	S	3	B	3
	Siris Capital Group	165.2	0.2%	1	S	3	B	4
	Sterling Partners	98.2	0.1%	5	S	3	A	4
	STG Partners	90.3	0.1%	*	S	3	A	3
	Triton	171.8	0.2%	5	S-	3	C	5
	TSG	17.2	0.0%	*	S+	3	C	2
	Veritas Capital	103.3	0.1%	*	S+	3	A	3
	Vinci Partners	100.7	0.1%	4	S	4	B	5
	Webster Equity Partners	110.0	0.1%	*	S	3	B	3
	Wynnchurch Capital	66.2	0.1%	2	S+	3	B	3

LACERA

Los Angeles County Employees Retirement Association

PRIVATE MARKETS MANAGER SCORECARD

1st Quarter 2024

PRIVATE EQUITY (continued)

Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
SMALL BUYOUT							
AE Industrial Partners	156.3	0.2%	4	S+	3	A	3
Atlantic Street Capital	52.1	0.1%	5	S	3	A	3
Clarion	35.4	0.0%	2	S+	2	B	4
Excellere Partners	152.0	0.2%	3	S-	3	A	3
Incline Equity Partners	21.5	0.0%	5	S	2	C	4
Insignia Capital Partners	120.6	0.2%	5	S	1	B	5
Juggernaut Capital Partners	309.1	0.4%	2	S	3	A	4
Lightyear Capital	262.7	0.3%	4	S	3	A	5
Livingbridge	68.6	0.1%	3	S+	4	A	3
Monteflore Investment	44.9	0.1%	2	S+	4	B	4
One Rock Capital Partners	267.6	0.3%	1	S	3	A	4
Palladium Equity Partners	107.9	0.1%	1	S-	4	C	2
GROWTH EQUITY							
Australis Partners	135.4	0.2%	1	S-	4	B	5
Great Hill Partners	16.1	0.0%	*	S	4	A	4
JMI Equity	1.7	0.0%	3	S	3	C	2
RedBird Capital Partners	195.9	0.3%	4	S	4	A	3
Summit Partners	106.5	0.1%	2	S	4	A	4
TA Associates	193.2	0.2%	5	S	4	B	4
Technology Crossover Ventures	2.1	0.0%	5	S	2	B	3
VENTURE CAPITAL							
BlueRun Ventures	132.8	0.2%	2	S	2	B	2
Canaan Partners	164.9	0.2%	4	S	3	A	4
GGV Capital	388.1	0.5%	2	S	3	A	3
Innovation Endeavors	0.0	0.0%	*	S	3	C	3
Institutional Venture Partners	124.5	0.2%	5	S	1	C	5
Joy Capital	78.9	0.1%	1	S-	2	B	4
Lilly Asia Ventures	163.5	0.2%	4	S	4	B	2
Primary Ventures	7.8	0.0%	*	S	2	C	5
Sinovation Ventures	85.0	0.1%	1	S-	2	C	2
Storm Ventures LLC	226.6	0.3%	4	S	3	A	4
Union Square	95.4	0.1%	5	S-	1	B	5
SPECIAL SITUATIONS							
Alchemy Partners	76.2	0.1%	1	S	3	B	4
Black Diamond	173.3	0.2%	5	S	3	B	4
Centerbridge	256.3	0.3%	3	S	4	A	2
FUND OF FUNDS							
Gateway	605.1	0.8%	5	S	3	C	4
Hamilton Lane	11.9	0.0%	*	S+	3	B	4
MS GTB Capital Partners	379.0	0.5%	1	S	4	A	2
J.P. Morgan	503.0	0.6%	3	S+	3	B	4

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Los Angeles County Employees Retirement Association

PRIVATE MARKETS MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
REAL ESTATE	**COMMINGLED FUNDS**							
	AERMONT Real Estate Fund IV	32.0	0.0%	1	S	4	B	3
	AEW Value Investors Asia III	52.0	0.1%	1	S	4	B	4
	AG Asia Realty Fund IV	76.0	0.1%	4	S	3	B	3
	AG Europe Realty Fund II	42.0	0.1%	1	S	3	B	3
	Bain Capital Real Estate Fund I	84.0	0.1%	5	S	3	A	3
	Bain Capital Real Estate Fund II	58.0	0.1%	*	S	3	A	3
	Bain Capital Real Estate Fund III	10.0	0.0%	*	S	3	A	3
	Blackstone Real Estate Partners Fund X	14.0	0.0%	*	S	3	B	3
	Brookfield Strategic Real Estate Partners Fund IV	185.0	0.2%	*	S	3	B	3
	CapMan Nordic Real Estate Fund II	40.0	0.1%	2	S	4	A	3
	CapMan Nordic Real Estate Fund III	37.0	0.0%	1	S	4	A	3
	CBRE US Core Partners	151.0	0.2%	*	S+	3	A	5
	CityView Bay Area Fund II	19.0	0.0%	1	S-	3	B	3
	CityView Western Fund I	224.0	0.3%	4	S-	3	B	3
	Clarion Lion Properties Fund	94.0	0.1%	*	S	3	A	5
	Core Property Index Fund	105.0	0.1%	4	S	2	A	5
	Europa Fund IV	11.0	0.0%	1	S-	3	C	2
	Heitman Asia-Pacific Property Investors	30.0	0.0%	2	S	3	A	4
	Invesco Real Estate Asia Fund	147.0	0.2%	3	S	4	A	4
	Prologis European Logistics Fund (PELF)	180.0	0.2%	3	S	4	B	1
	RREEF Core Plus Industrial Fund (CPIF)	279.0	0.4%	5	S-	3	B	5
	Starwood Capital Hospitality Fund	6.0	0.0%	4	S	3	C	3
	TPG Real Estate Partners III	36.0	0.0%	4	S	2	C	3
	TPG Real Estate Partners IV	4.0	0.0%	*	S	2	C	3
	SEPARATE ACCOUNTS							
	Cityview Core I.M.A.	162.8	0.2%	2	S-	3	B	2
	Clarion I.M.A.	460.9	0.6%	5	S	3	A	4
	Clarion Takeover Core IMA	289.6	0.4%	*	S	3	A	4
	Clarion Takeover Value IMA	4.3	0.0%	*	S	3	A	3
	Heitman I.M.A.	375.5	0.5%	4	S	3	B	4
	RREEF Core/High Return I.M.A. III	1,056.7	1.4%	2	S-	3	C	5
	RREEF Takeover I.M.A.	3.0	0.0%	2	S-	3	C	4
	Stockbridge I.M.A.	554.2	0.7%	3	S	2	B	4
	Stockbridge High I.M.A. Vintage 2014	35.2	0.0%	*	S	2	B	5
	Stockbridge Value I.M.A. Vintage 2014	25.5	0.0%	*	S	2	B	3

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Los Angeles County Employees Retirement Association

PRIVATE MARKETS MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
PRIVATE REAL ASSETS (ex. Real Estate)	**NATURAL RESOURCES & COMMODITIES**							
	Appian III	2.0	0.0%	*	S	3	B	3
	Ara III	12.7	0.0%	*	S	4	B	3
	Cibus Enterprise II	3.7	0.0%	*	S	3	B	3
	Cibus Fund II	28.3	0.0%	*	S	3	B	3
	EMG	80.4	0.1%	1	S	3	B	1
	HitecVision New Energy I	119.5	0.2%	*	S	4	A	3
	HitecVision New Energy II	0.0	0.0%	*	S	4	A	3
	Orion Mine Finance III	127.0	0.2%	*	S	4	B	4
	Orion Mine Finance IV	0.0	0.0%	*	S	4	B	3
	Orion Mineral Royalty Fund I	36.4	0.0%	*	S	4	B	4
	Sprott	58.4	0.1%	*	S	3	B	5
	TIAA-CREF Global Agriculture	320.9	0.4%	5	S+	4	A	5
	TIAA-CREF Global Agriculture II	345.9	9.0%	5	S+	4	A	5
	INFRASTRUCTURE							
	Antin Mid Cap	53.2	0.1%	*	S-	3	C	2
	Axium Infrastructure Canada II	152.0	0.2%	*	S	4	A	3
	Axium Infrastructure US II	276.7	0.4%	*	S	4	A	3
	DIF CIF III	53.0	0.1%	*	S	3	A	4
	DIF Infrastructure VI	138.4	0.2%	5	S	3	A	2
	Grain Communications Opportunity Fund III	39.8	0.1%	*	S-	3	B	2
	Grain Spectrum Holdings III	74.7	0.1%	3	S-	3	C	2
	Guardian Smart Infrastructure	0.0	0.0%	*	S	3	B	4
	KKR Diversified Core Infrastructure Fund	520.3	0.7%	*	S	3	B	4
	Macquarie Global Infrastructure Fund	536.7	0.7%	*	S-	3	A	4
	Pan-European Infrastructure Fund III	76.7	0.1%	3	S-	3	A	3
	Partners Group Direct Infrastructure 2020	140.7	0.2%	*	S	3	A	3
	Partners Group Direct Infrastructure IV	0.0	0.0%	*	S	3	A	4

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Los Angeles County Employees Retirement Association

PRIVATE MARKETS MANAGER SCORECARD

1st Quarter 2024

DIVERSIFIED HEDGE FUNDS & ILLIQUID CREDIT

Manager	Market Value (in $ millions)	% of Total Fund	Performance (1 to 5 (with 5 the best)) SCORE	Organization & Operations (S+, S, or S- (with S+ the best)) SCORE	ESG (1 to 5 (with 5 the best)) SCORE	Partnership (A, B, or C (with A the best)) SCORE	Fees & Terms (1 to 5 (with 5 the best)) SCORE
DIVERSIFIED HEDGE FUNDS							
AM Asia	188.1	0.2%	3	S	2	A	5
Brevan Howard	632.3	0.8%	4	S	2	A	2
Capula GRV	723.2	0.9%	5	S	2	B	3
Caxton	300.6	0.4%	4	S	3	B	3
DK Institutional Partners	531.1	0.7%	4	S-	2	C	3
HBK Multistrategy	686.5	0.9%	5	S	2	B	3
Hudson Bay	701.8	0.9%	5	S	2	B	3
Polar	512.3	0.7%	4	S	2	B	4
Stable	583.7	0.7%	*	S+	2	A	5
ILLIQUID CREDIT							
Barings	39.1	0.1%	1	S-	3	C	4
Beach Point	366.0	0.5%	3	S	3	B	3
BlackRock/Tennenbaum	572.0	0.7%	4	S-	3	C	4
Glendon	112.9	0.1%	5	S	2	B	2
Magnetar	1,240.3	1.6%	2	S	3	A	3
Napier Park	1,066.8	1.4%	4	S	3	A	4
Oaktree	66.2	0.1%	5	S	2	B	2
PIMCO Tac Opps	199.0	0.3%	2	S-	1	C	3
Quadrant	23.1	0.0%	1	S	2	B	4
Silver Rock	733.2	0.9%	*	S	2	A	4
Stable - IC	106.3	0.1%	*	S+	2	A	4
Varde	813.0	1.0%	*	S	3	A	4
Waterfall	985.1	1.3%	*	S	3	A	4

For Organization, ESG, and Partnership

- Downgrade from the prior quarter
- Upgrade from the prior quarter

Footnotes

Pillar methodologies in refinement and may evolve over time

Category Descriptions

Performance

Quarterly score based on risk-adjusted performance metrics over time

'*' denotes a manager with an inception date of less than 3 years

Organization & Operations

Includes factors such as organization, professional staff, investment philosophy & process, risk management, legal & compliance framework, diversity & inclusion

'**S**' stands for Satisfactory

ESG

Evaluates the extent to which material ESG factors are identified, assessed, and incorporated into risk/return analysis and portfolio construction

'+' denotes mandates where ESG scores are currently under review

Partnership

Assesses the quality of investment manager relationships both quantitatively and qualitatively

Fees & Terms

Compares various fees and terms within each asset category, strategy and/or investment structure

appendix

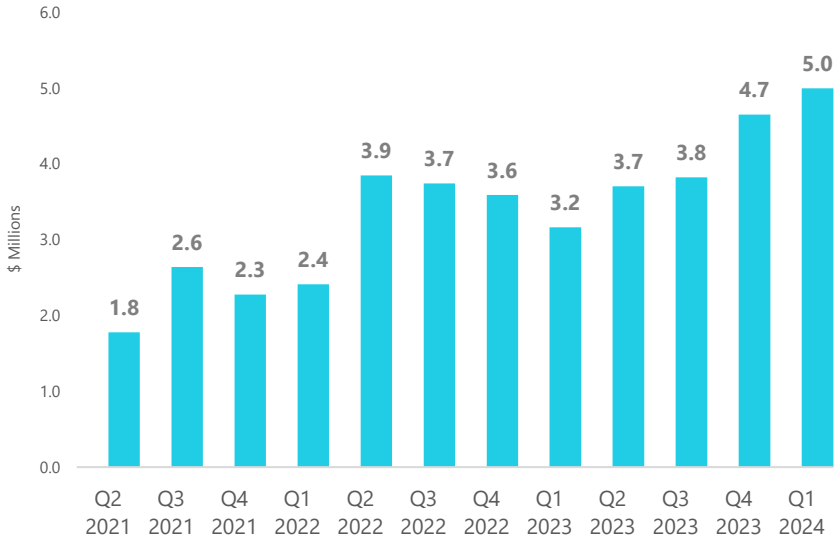
Summary

Securities Lending Income

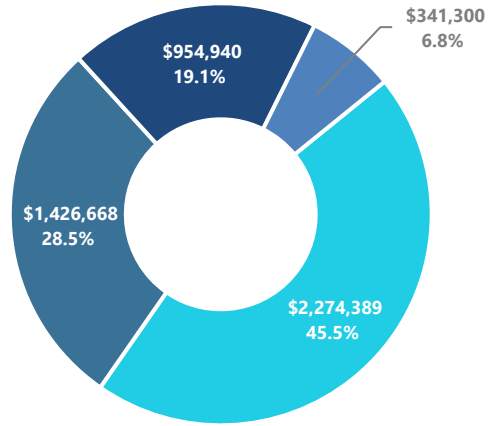
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Earnings by Quarter



Earnings by Functional Category

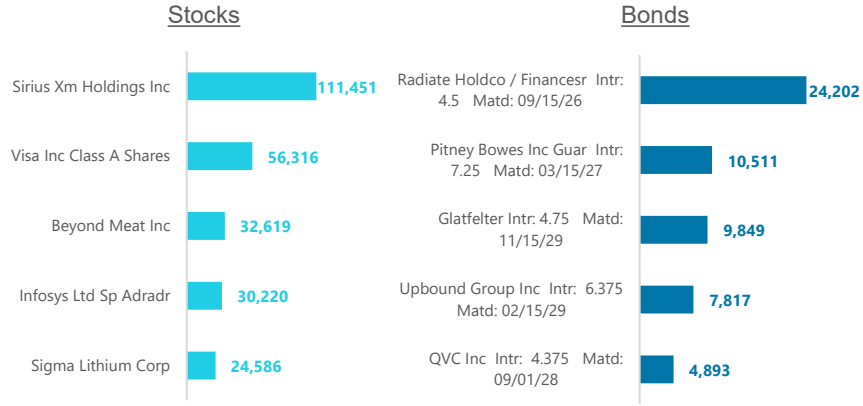


- Growth
- Credit
- Real Assets & Inflation Hedges
- Risk Reduction & Mitigation

Top Earning Funds

	% of Total Fund Earnings	Total Earnings	Cash Earnings	Non-Cash Earnings
SSGA MSCI ACWI IMI	35.7%	1,661,334	71%	29%
Blackrock Long Treasury Bonds	23.3%	1,083,137	13%	87%
Blackrock TIPS	14.3%	666,963	16%	84%
JPMAM Strategic Beta US	8.4%	392,299	84%	16%
Allspring/Wells	3.7%	171,122	56%	44%

Top Earning Securities



Public Markets Manager Fees

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Growth[1,2]

	Average Market Value ($ mm)	Fees	Annualized Effective Rate (bps)
Active			
Acadian Asset Management	$653.6	$602,684	36.9
BTC Europe Alpha Tilts	$642.4	$565,185	35.2
Capital Guardian	$415.8	$360,597	34.7
Cevian Capital	$549.1	$1,489,141	108.5
CornerCap	$92.9	$121,715	52.4
Frontier Capital Management	$322.8	$605,162	75.0
Global Alpha	$179.4	$318,991	71.1
Lazard Asset Management	$395.9	$631,403	63.8
Parametric GE Market Cap	$1,070.8	$69,696	2.6
Parametric GE Region	$625.4	$40,710	2.6
Systematic	$222.3	$305,606	55.0
Subtotal:	**$5,170.4**	**$5,110,890**	**39.5**
Factor-Based			
JPMAM Strategic Beta Non-US	$651.7	$54,334	3.3
JPMAM Strategic Beta US	$5,323.8	$443,829	3.3
Subtotal:	**$5,975.5**	**$498,162**	**3.3**
Passive			
SSGA MSCI ACWI IMI	$16,788.0	$292,425	0.7
Subtotal:	**$16,788.0**	**$292,425**	**0.7**

[1] Reflects estimated investment management fees.
[2] Parametric GE account average market values represent notional values.

Public Markets Manager Fees

for the quarter ended March 31, 2024

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Credit[1]

	Average Market Value ($ mm)	Fees	Annualized Effective Rate (bps)
Liquid Credit			
Aberdeen Standard Investments	$202.2	$214,033	42.3
Ashmore Investment Management	$173.4	$227,943	52.6
Bain Capital	$284.2	$509,323	71.7
Beach Point Capital	$311.0	$349,822	45.0
Brigade Capital Management	$467.2	$498,443	42.7
Credit Suisse Bank Loans	$276.6	$152,150	22.0
Crescent Capital Group	$417.8	$499,044	47.8
Pinebridge	$345.1	$284,706	33.0
Subtotal:	**$2,477.5**	**$2,735,464**	**44.2**

[1] Reflects estimated investment management fees.

Public Markets Manager Fees

for the quarter ended March 31, 2024

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Real Assets & Inflation Hedges[1]

	Average Market Value ($ mm)	Fees	Annualized Effective Rate (bps)
Natural Resources & Commodities			
Credit Suisse	$287.9	$195,216	27.1
DWS Natural Resources	$445.8	$209,311	18.8
Neuberger Berman/Gresham	$627.4	$314,470	20.0
Subtotal:	**$1,361.1**	**$718,997**	**21.1**
Infrastructure			
DWS Infrastructure	$2,121.0	$995,769	18.8
Subtotal:	**$2,121.0**	**$995,769**	**18.8**
Treasury Inflation-Protected Securities			
BlackRock TIPS	$2,238.6	$56,271	1.0
Subtotal:	**$2,238.6**	**$56,271**	**1.0**

[1] Reflects estimated investment management fees.

Public Markets Manager Fees

for the quarter ended March 31, 2024

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Los Angeles County Employees Retirement Association

Risk Reduction & Mitigation[1,2]

	Average Market Value ($ mm)	Fees	Annualized Effective Rate (bps)
Investment Grade Bonds			
Allspring/Wells	$1,319.7	$342,462	10.4
Pugh Capital Management	$876.5	$289,047	13.2
Subtotal:	**$5,197.5**	**$631,509**	**4.9**
Long-Term Government Bonds			
BlackRock	$3,041.9	$74,942	1.0
Subtotal:	**$3,041.9**	**$74,942**	**1.0**
Cash			
SSGA Cash	$975.4	$97,536	4.0
Subtotal:	**$975.4**	**$97,536**	**4.0**

[1] Reflects estimated investment management fees.
[2] Investment Grade Bonds includes the BTC US Debt Index account.

Public Markets Manager Fees

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Overlays & Hedges

	Average Market Value ($ mm)	Fees	Annualized Effective Rate (bps)
Overlays			
Parametric Cash Overlay	$2,363.1	$153,811	2.6
Subtotal:	**$2,363.1**	**$153,811**	**2.6**
Hedges			
BlackRock Developed Markets Currency Hedge	$7,419.4	$279,748	1.5
Subtotal:	**$7,419.4**	**$279,748**	**1.5**

[1] Reflects estimated investment management fees.
[2] Parametric Cash Overlay average market value represents notional value.

Benchmark Definitions

LACERA
Los Angeles County Employees Retirement Association

Current Composition

	Weight	Component
Total Fund		
Total Fund Policy Benchmark		
	53%	Growth Policy Benchmark
	11%	Credit Policy Benchmark
	17%	RA & IH Policy Benchmark
	19%	RR & M Policy Benchmark
Growth		
Growth Policy Benchmark		
	60%	Global Equity Policy Benchmark
	32%	Private Equity – Growth Policy BM
	8%	Non-Core Private RE Policy Benchmark
Global Equity Policy Benchmark		
	100%	MSCI ACWI IMI Net
Private Equity – Growth Policy BM		
	100%	MSCI ACWI IMI Net + 200 bps (3-month lagged)
Non-Core Private RE Policy Benchmark		
	100%	NFI ODCE + 225 bps (3-month lagged)

Benchmark Definitions

LACERA
Los Angeles County Employees Retirement Association

Current Composition

	Weight	Component
Credit		
Credit Policy Benchmark		
	36%	Liquid Credit Policy Benchmark
	64%	Illiquid Credit Policy Benchmark
Liquid Credit Policy Benchmark		
	40%	Bloomberg U.S. Corporate High Yield
	40%	CS Leveraged Loan Index
	10%	JPMorgan EMBI Global Diversified Index
	5%	JPM GBI-EM Global Diversified Index
	5%	JPM CEMBI Broad Diversified
Illiquid Credit Policy Benchmark		
	100%	Liquid Credit Policy BM + 150 bps (1-month lagged)
Bank Loans Custom Benchmark	100%	CS Leveraged Loan Index
Beachpoint Custom Benchmark	100%	Bloomberg U.S. Corporate High Yield
Brigade Custom Index	100%	Bloomberg U.S. Corporate High Yield
EMD Custom Benchmark	50%	JPMorgan EMBI Global Diversified Index
	25%	JPM CEMBI Broad Diversified
	25%	JPM GBI-EM Global Diversified Index

Benchmark Definitions

LACERA
Los Angeles County Employees Retirement Association

Current Composition

	Weight	Component
Real Assets & Inflation Hedges		
RA & IH Policy Benchmark		
	35%	Core Private RE Policy Benchmark
	18%	Nat Res & Comm Policy Benchmark
	29%	DJ Brookfield Global Infra Comp
	18%	Bloomberg U.S. Treasury: U.S. TIPS
Core Private RE Policy Benchmark		
	100%	NFI ODCE (3-month lagged)
Nat Res & Comm Policy Benchmark		
	33%	Bloomberg Commodity Index Total Return
	66%	S&P Global Natural Resources Index
Private Equity – Real Assets Custom BM	100%	S&P Glb LargeMidCap Commod & Resources (3-month lagged)
Private Infrastructure Custom BM	100%	DJ Brookfield Global Infra Comp (3-month lagged)
Risk Reduction & Mitigation		
RR & M Policy Benchmark		
	37%	Bloomberg U.S. Aggregate
	32%	Diversified Hedge Funds Policy Benchmark
	26%	Bloomberg U.S. Treasury: Long
	5%	FTSE 3-Month US Treasury Bill
Diversified Hedge Funds Policy Benchmark		
	100%	FTSE 3-Month US Treasury Bill + 250 bps (1-month lagged)
Cash Policy Benchmark		
	100%	FTSE 3-Month US Treasury Bill
Custom Hedge Fund BM	100%	Diversified Hedge Funds Policy Benchmark

A

Annual Return
The total return of a security over a specified period, expressed as an annual rate of interest.

Active Risk
The expected standard deviation of the differential return between the portfolio and the benchmark. Active total risk arises from active management, and it is the result of active weights (deviations from the benchmark at the asset level) and therefore active exposures; for passively managed portfolios, it is referred to as “total tracking error.”

Active Risk Contribution
Percent contribution to active total risk (or tracking error). The percent of active total risk that an individual asset or risk source contributes. For example, a % CR to Active Total Risk of 10% indicates that 10% of the portfolio’s active total risk is arising from the active position in that particular asset.

B

Basis Points (bps)
One one-hundredth of one percent. One hundred basis points equal one percent.

Beta
A measure of the volatility of a stock relative to the overall market. A beta of less than one indicates lower risk than the market; a beta of more than one indicates higher risk than the market.

D

Duration
A measure of the price sensitivity of a bond portfolio to changes in interest rates.

Distributed to Paid-in (DPI)
A measure of distributions received relative to contributed capital.

F

Futures Contract
Agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price and a stipulated future date.

H

High Yield Bond
A bond with a low investment quality and credit worthiness, usually with a rating of BB or less.

I

Information Ratio
The excess return (alpha) per unit of active risk (tracking error).

Internal Rate of Return (IRR)
A total rate of return that gives full weight to the size and timing of cash flows over the period measured and fully reflects unrealized gains and losses in addition to realized gains and losses, interest and dividend income.

K

Kaplan & Schoar Public Market Equivalent (KS-PME)

A ratio that benchmarks the performance of a fund against an appropriate public market index while accounting for the timing of a fund's cash flows.

M

MC to Total Tracking Error

This value represents the change in the active risk of an asset's portfolio or group that would result from a one percent increase in the asset's effective position plus an equal short position in the benchmark.

S

Sharpe Ratio

Measures the performance of an investment compared to a risk-free asset, after adjusting for its risk. It is the difference between the returns of the investment and the risk-free return, divided by the standard deviation of the investment.

Standard Deviation

Statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

T

Time-Weighted Rate of Return (TWR)

A measure of the compound rate of growth in a portfolio. Often used to compare the returns of investment managers because it eliminates the distorting effects on growth rates created by inflows and outflows of money.

Total Risk

The total (gross) risk to an asset (or portfolio), which is the standard deviation of the asset's total return distribution, expressed in percent. Total risk is forecasted using MSCI Barra's multiple factor models. The total risk for an asset depends on the asset's exposures to the risk factors, the factor variance/covariance matrix, and the forecast selection risk of the asset.

Total Risk Contribution

The percent of total risk that an individual asset or risk source contributes. For example, a % CR to Total Risk of 10% indicates that 10% of the portfolio's total risk is arising from the portfolio's position in that particular asset.

Total Value to Paid-in (TVPI)

A measure of total value created relative to capital invested.

Tracking Error

The volatility of a manager's excess return. It is measured by subtracting the benchmark return from the manager's return and calculating the standard deviation.

Y

Yield to Maturity

The return a bond earns on the price at which it was purchased if it were held to maturity. It assumes that coupon payments can be reinvested at the yield to maturity.

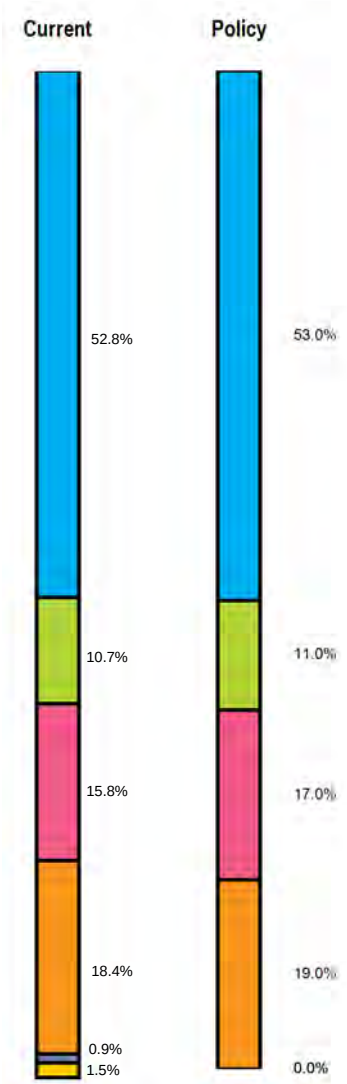
MEKETA

Los Angeles County Employees Retirement Association

March 31, 2024

Fund Evaluation Report

Los Angeles County Employees Retirement Association | March 31, 2024



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Growth	**$41,192,853,714**	**52.8%**	**53.0%**	**-0.2%**	**45.0% - 61.0%**	Yes
Global Equity	$27,418,910,462	35.1%	32.0%	3.1%	25.0% - 39.0%	Yes
Private Equity	$12,677,268,136	16.2%	17.0%	-0.8%	12.0% - 20.0%	Yes
Non-Core Private Real Estate	$1,096,675,116	1.4%	4.0%	-2.6%	2.0% - 6.0%	No
Credit	**$8,331,916,757**	**10.7%**	**11.0%**	**-0.3%**	**8.0% - 14.0%**	Yes
Liquid Credit[1]	$2,236,370,620	2.9%	4.0%	-1.1%	1.0% - 7.0%	Yes
Illiquid Credit[2]	$6,095,546,137	7.8%	7.0%	0.8%	4.0% - 10.0%	Yes
Real Assets and Inflation Hedges	**$12,292,698,579**	**15.8%**	**17.0%**	**-1.2%**	**14.0% - 20.0%**	Yes
Core Real Estate	$3,370,404,544	4.3%	6.0%	-1.7%	3.0% - 9.0%	Yes
Natural Resources & Commodities	$2,317,891,450	3.0%	3.0%	0.0%	1.0% - 5.0%	Yes
Infrastructure	$4,262,795,399	5.5%	5.0%	0.5%	2.0% - 6.0%	Yes
TIPS	$2,341,607,186	3.0%	3.0%	0.0%	0.0% - 6.0%	Yes
Risk Reduction and Mitigation	**$14,374,812,212**	**18.4%**	**19.0%**	**-0.6%**	**13.0% - 25.0%**	Yes
Investment Grade Bonds	$5,278,779,777	6.8%	7.0%	-0.2%	1.0% - 13.0%	Yes
Diversified Hedge Funds	$4,873,468,098	6.2%	6.0%	0.2%	2.0% - 8.0%	Yes
Long-Term Government Bonds	$3,039,645,952	3.9%	5.0%	-1.1%	0.0% - 10.0%	Yes
Cash	$1,182,918,336	1.5%	1.0%	0.5%	0.0% - 3.0%	Yes
Overlays and Hedges	**$703,798,960**	**0.9%**	**0.0%**	**0.9%**	**0.0% - 1.0%**	Yes
Cash Overlay	$621,171,092	0.8%				
Currency Hedge	$82,627,868	0.1%				
Other Assets[3]	**$1,134,791,887**	**1.5%**				
Total[4]	**$78,030,872,348**	**100.0%**	**100.0%**			

[1] Liquid Credit contains high yield, bank loans, and EM debt.
[2] Illiquid Credit contains credit hedge funds, real estate debt, private debt strategies and private equity-related debt.
[3] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.
[4] Totals may not add up due to rounding.
* The Functional Framework became effective April 1, 2019.

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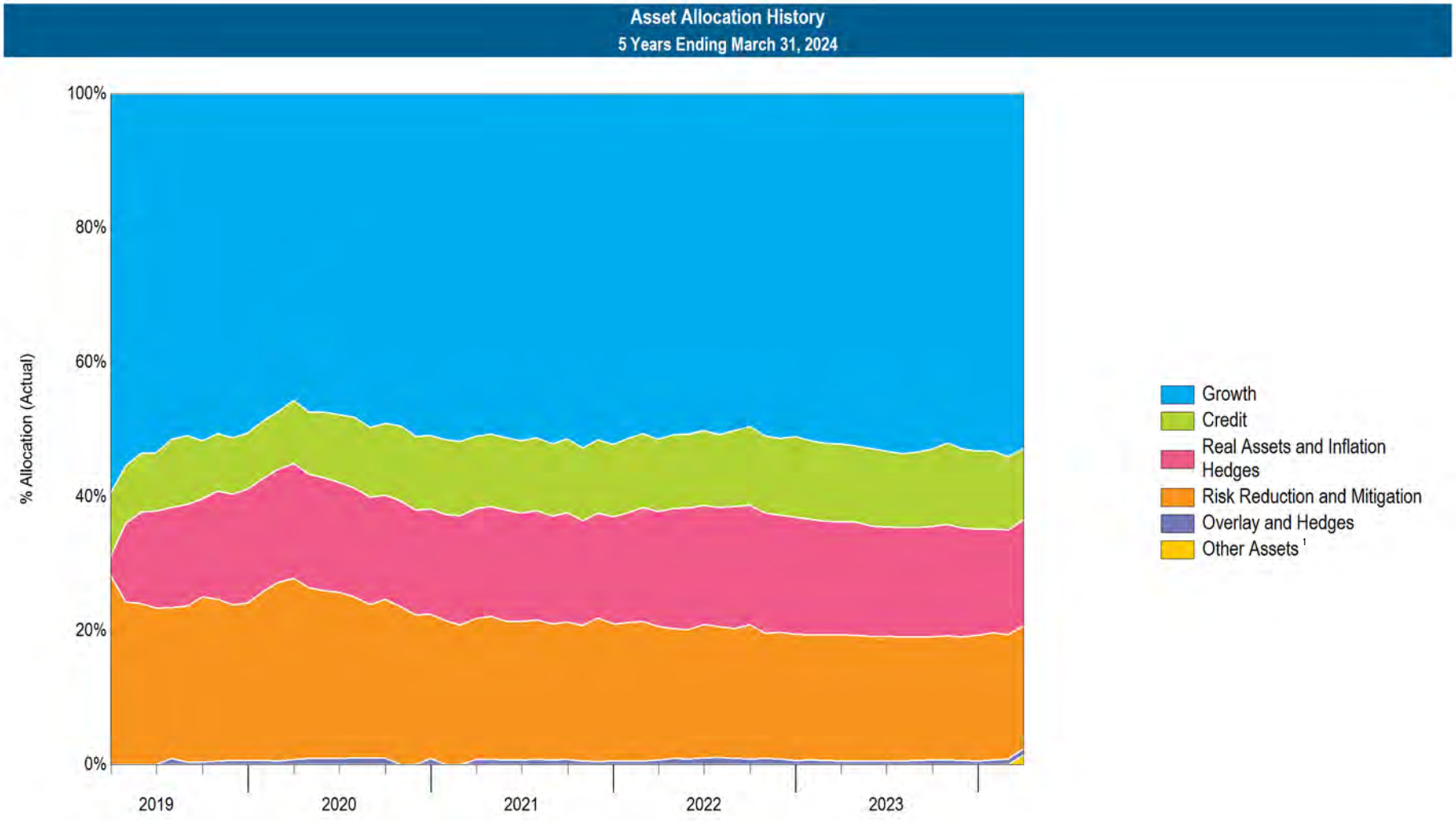

[1] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

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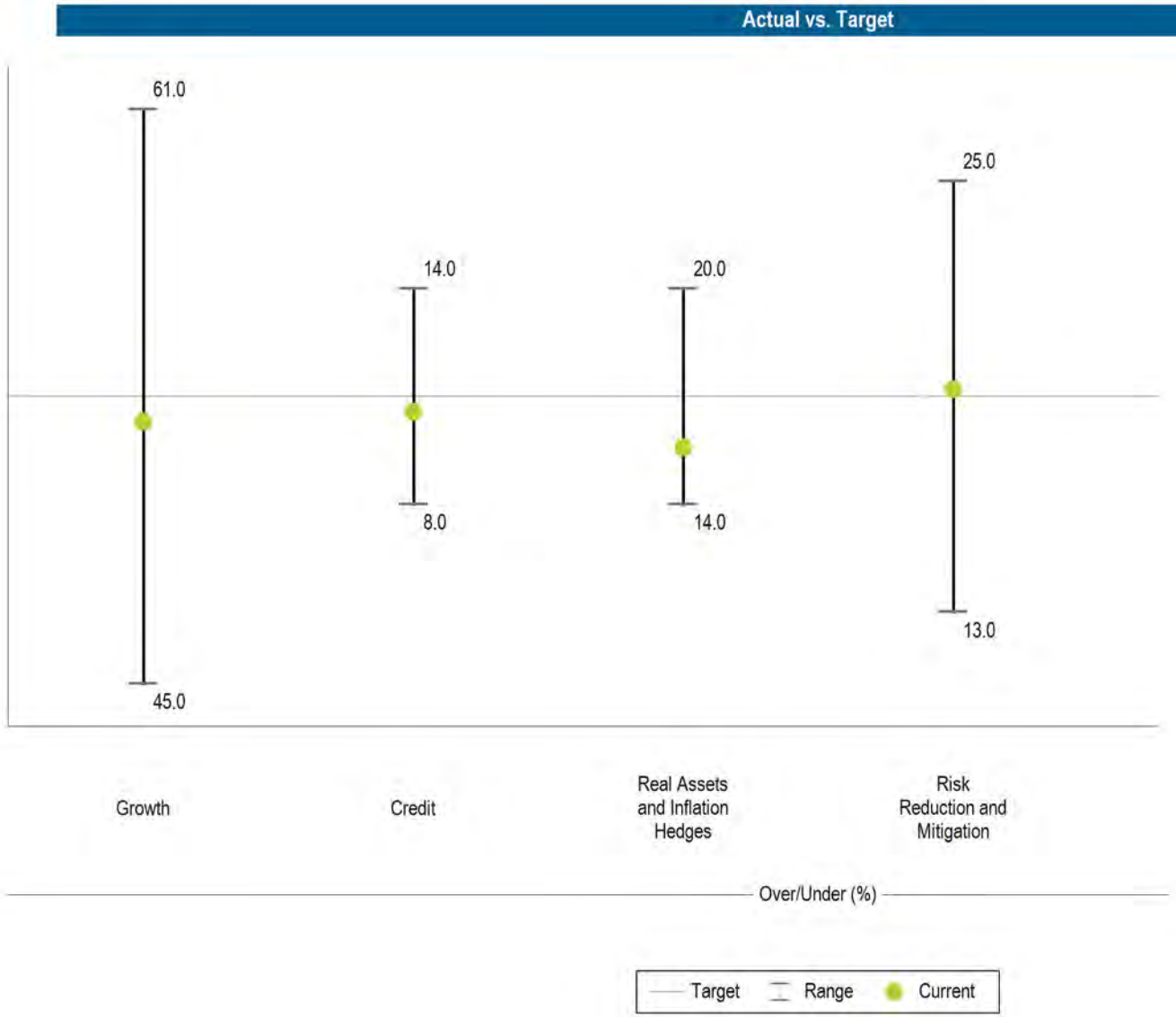
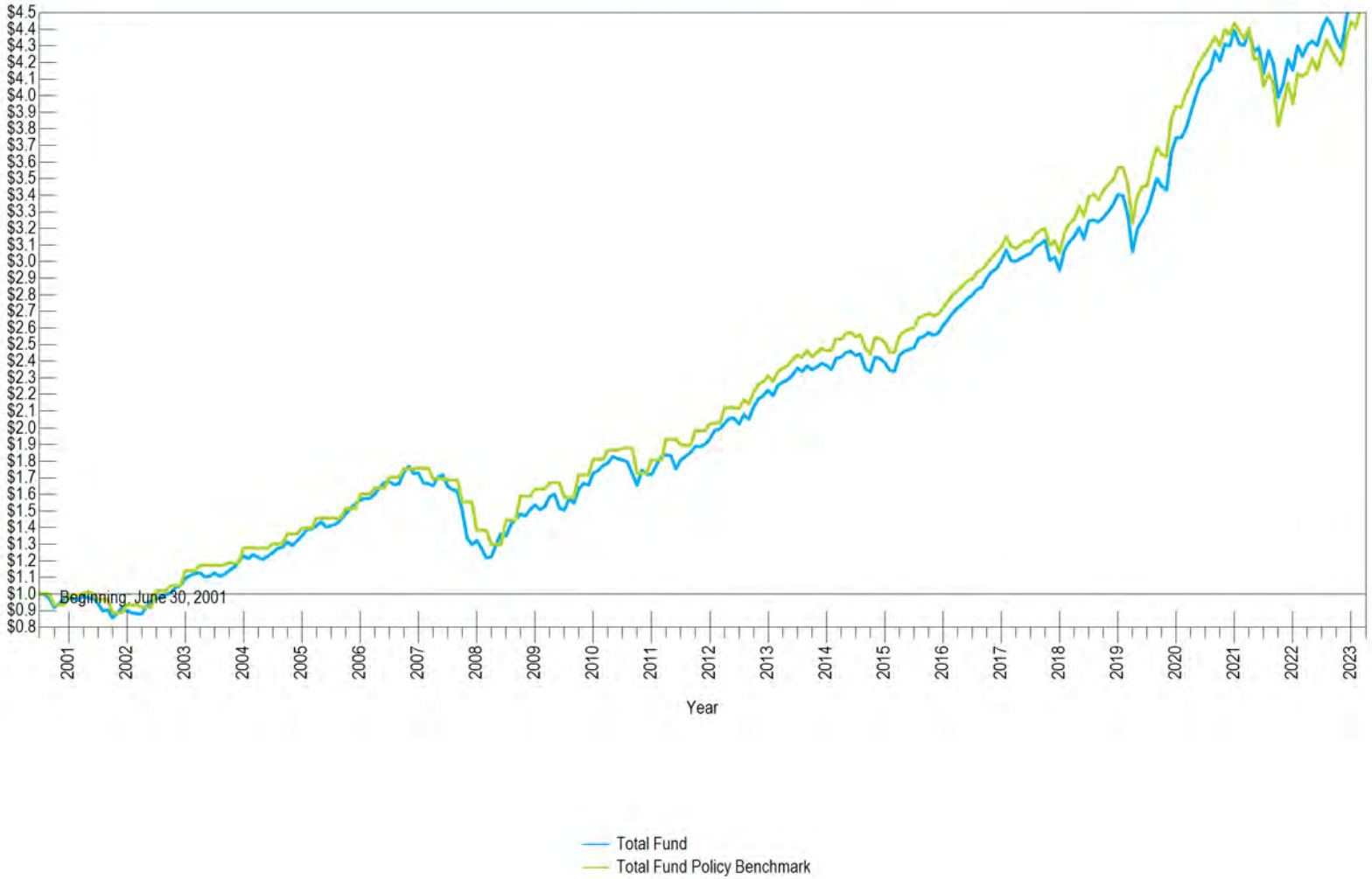


Growth of a Dollar



Asset Class Performance Summary (Net)

	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD[1] (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund (Net)	**78,030,872,348**	**100.0**	**1.4**	**3.2**	**7.4**	**9.8**	**6.6**	**8.5**	**7.6**
Total Fund Policy Benchmark			*2.4*	*4.3*	*8.8*	*11.9*	*4.4*	*7.3*	*7.0*
Excess Return			-1.0	-1.1	-1.4	-2.1	2.2	1.2	0.6
Growth (Net)	**41,192,853,861**	**52.8**	**1.8**	**5.0**	**10.6**	**15.2**	**9.1**	**12.5**	**--**
Growth Custom Blended Benchmark			*3.5*	*8.1*	*14.1*	*20.7*	*6.5*	*11.3*	--
Excess Return			-1.7	-3.1	-3.5	-5.5	2.6	1.2	
Credit (Net)	**8,331,916,848**	**10.7**	**1.2**	**3.4**	**10.9**	**13.6**	**5.6**	**6.0**	**--**
Credit Custom Blended Benchmark			*0.8*	*3.3*	*10.2*	*12.1*	*3.2*	*4.5*	--
Excess Return			0.4	0.1	0.7	1.5	2.4	1.5	
Real Assets and Inflation Hedges (Net)	**12,292,698,579**	**15.8**	**1.6**	**-0.2**	**-0.4**	**-1.6**	**5.9**	**4.9**	**--**
Real Assets & Inflation Hedges Custom BM			*1.7*	*-1.2*	*-0.7*	*-2.7*	*5.2*	*5.2*	--
Excess Return			-0.1	1.0	0.3	1.1	0.7	-0.3	
Risk Reduction and Mitigation (Net)	**14,374,812,212**	**18.4**	**0.6**	**-0.2**	**2.2**	**1.0**	**-1.3**	**1.4**	**--**
Risk Reduction and Mitigation Custom Blended Benchmark			*0.9*	*-0.4*	*2.2*	*1.9*	*-1.4*	*0.9*	--
Excess Return			-0.3	0.2	0.0	-0.9	0.1	0.5	
Overlay and Hedges (Net)	**703,798,960**	**0.9**							
Other Assets (Net)[2]	**1,134,791,887**	**1.5**							

[1] Fiscal Year begins July 1.
[2] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.
* See glossary for all custom index definitions.

Los Angeles County Employees Retirement Association | March 31, 2024

Trailing Performance	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund (Net)	**78,030,872,348**	**100.0**	**1.4**	**3.2**	**7.4**	**9.8**	**6.6**	**8.5**	**7.6**
Total Fund (Gross)			**1.5**	**3.2**	**7.6**	**10.1**	**6.9**	**8.8**	**7.9**
Total Fund Policy Benchmark			*2.4*	*4.3*	*8.8*	*11.9*	*4.4*	*7.3*	*7.0*
Excess Return (vs. Net)			-1.0	-1.1	-1.4	-2.1	2.2	1.2	0.6
Growth (Net)[1]	**41,192,853,861**	**52.8**	**1.8**	**5.0**	**10.6**	**15.2**	**9.1**	**12.5**	--
Growth (Gross)			**1.8**	**5.1**	**10.9**	**15.6**	**9.6**	**12.9**	--
Growth Custom Blended Benchmark			*3.5*	*8.1*	*14.1*	*20.7*	*6.5*	*11.3*	--
Excess Return (vs. Net)			-1.7	-3.1	-3.5	-5.5	2.6	1.2	
Global Equity (Net)	**27,418,910,609**	**35.1**	**3.2**	**8.0**	**16.1**	**22.9**	**7.1**	**11.2**	--
Global Equity (Gross)			**3.2**	**8.0**	**16.2**	**23.0**	**7.2**	**11.3**	--
Global Equity Custom BM			*3.2*	*7.7*	*15.6*	*22.5*	*6.3*	*10.6*	--
Excess Return (vs. Net)			0.0	0.3	0.5	0.4	0.8	0.6	
Acadian Developed Markets (Net)	675,454,786	0.9	3.6	7.3	15.4	16.2	3.7	8.0	6.7
Acadian Developed Markets (Gross)			3.6	7.4	15.7	16.6	4.1	8.4	7.1
EAFE Custom Benchmark			*3.4*	*5.6*	*11.9*	*15.3*	*4.9*	*7.5*	*4.8*
Excess Return (vs. Net)			0.2	1.7	3.5	0.9	-1.2	0.5	1.9
BTC Euro Tilts (Net)	680,965,850	0.9	4.2	5.5	12.1	17.2	9.3	9.9	6.0
BTC Euro Tilts (Gross)			4.3	5.6	12.4	17.2	9.6	10.2	6.4
MSCI EUROPE			*3.7*	*5.2*	*11.1*	*14.1*	*6.2*	*8.0*	*4.4*
Excess Return (vs. Net)			0.5	0.3	1.0	3.1	3.1	1.9	1.6

[1] Includes accounts that are lagged by 3-months and latest available adjusted for cash flows.

Los Angeles County Employees Retirement Association | March 31, 2024

	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Capital Guardian (Net)	452,836,699	0.6	3.2	6.0	9.5	11.1	0.4	7.5	6.1
Capital Guardian (Gross)			3.2	6.1	9.8	11.4	0.8	7.8	6.5
EAFE Custom Benchmark			*3.4*	*5.6*	*11.9*	*15.3*	*4.9*	*7.5*	*4.8*
Excess Return (vs. Net)			-0.2	0.4	-2.4	-4.2	-4.5	0.0	1.3
Cevian Capital (Net)	549,147,083	0.7	3.2	6.3	21.5	25.0	12.7	14.1	--
Cevian Capital (Gross)			3.3	6.6	22.5	26.4	14.0	15.3	--
MSCI EUROPE			*3.7*	*5.2*	*11.1*	*14.1*	*6.2*	*8.0*	--
Excess Return (vs. Net)			-0.5	1.1	10.4	10.9	6.5	6.1	
CornerCap (Net)	96,369,007	0.1	3.8	5.1	17.4	20.4	7.2	11.8	--
CornerCap (Gross)			3.8	5.3	17.9	21.1	7.8	12.4	--
Russell 2000			*3.6*	*5.2*	*13.8*	*19.7*	*-0.1*	*8.1*	--
Excess Return (vs. Net)			0.2	-0.1	3.6	0.7	7.3	3.7	
Frontier Capital Management (Net)	339,309,316	0.4	4.5	6.9	11.8	23.0	5.3	11.1	9.1
Frontier Capital Management (Gross)			4.6	7.1	12.5	23.9	6.1	12.0	10.0
Russell 2500			*4.1*	*6.9*	*15.4*	*21.4*	*3.0*	*9.9*	*8.8*
Excess Return (vs. Net)			0.4	0.0	-3.6	1.6	2.3	1.2	0.3

Los Angeles County Employees Retirement Association | March 31, 2024

	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Global Alpha IE EMP (Net)	184,271,751	0.2	3.1	3.5	4.7	1.7	-1.1	4.7	--
Global Alpha IE EMP (Gross)			3.1	3.7	5.2	2.4	-0.4	5.4	--
MSCI EAFE Small Cap			*3.7*	*2.4*	*9.8*	*10.4*	*-1.4*	*4.9*	--
Excess Return (vs. Net)			-0.6	1.1	-5.1	-8.7	0.3	-0.2	
JPMAM Strategic BETA NON-U.S. (Net)	670,183,613	0.9	3.2	4.9	11.6	14.7	3.2	--	--
JPMAM Strategic BETA NON-U.S. (Gross)			3.2	4.9	11.7	14.7	3.2	--	--
MSCI ACWI ex USA IMI			*3.1*	*4.3*	*10.6*	*13.2*	*1.7*	--	--
Excess Return (vs. Net)			0.1	0.6	1.0	1.5	1.5		
JPMAM Strategic BETA U.S. (Net)	5,532,521,752	7.1	3.3	10.7	20.2	30.4	11.3	--	--
JPMAM Strategic BETA U.S. (Gross)			3.3	10.7	20.2	30.4	11.4	--	--
MSCI USA IMI Gross			*3.2*	*10.0*	*19.3*	*29.3*	*10.0*	--	--
Excess Return (vs. Net)			0.1	0.7	0.9	1.1	1.3		
Lazard Emerging Markets (Net)	404,505,330	0.5	2.4	1.0	6.1	5.4	-6.5	3.4	4.1
Lazard Emerging Markets (Gross)			2.5	1.2	6.6	6.0	-5.9	4.1	4.8
MSCI Emerging Markets			*2.5*	*2.4*	*7.2*	*8.2*	*-5.0*	*2.2*	*3.0*
Excess Return (vs. Net)			-0.1	-1.4	-1.1	-2.8	-1.5	1.2	1.1

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Parametric GE Market Cap (Net)	167,892,664	0.2							
Parametric GE Market Cap (Gross)									
Parametric GE Region (Net)	-19,794,943	0.0							
Parametric GE Region (Gross)									
SSGA MSCI ACWI IMI (Net)	17,430,976,259	22.3	3.2	7.8	15.8	22.5	6.8	--	--
SSGA MSCI ACWI IMI (Gross)			3.2	7.8	15.8	22.5	6.9	--	--
MSCI ACWI IMI Net (DAILY)			*3.2*	*7.7*	*15.6*	*22.5*	*6.3*	--	--
Excess Return (vs. Net)			0.0	0.1	0.2	0.0	0.5		
Systematic Financial Management (Net)	233,862,863	0.3	5.5	8.0	17.6	22.9	7.0	11.6	--
Systematic Financial Management (Gross)			5.6	8.2	18.1	23.6	7.5	12.2	--
Russell 2000			*3.6*	*5.2*	*13.8*	*19.7*	*-0.1*	*8.1*	--
Excess Return (vs. Net)			1.9	2.8	3.8	3.2	7.1	3.5	

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Private Equity - Growth (Net)	**12,677,268,136**	**16.2**	**-0.7**	**0.2**	**3.1**	**4.8**	**15.2**	**17.0**	**--**
Private Equity - Growth (Gross)			**-0.6**	**0.4**	**3.6**	**5.6**	**16.5**	**18.0**	**--**
Private Equity - Growth Custom BM			*5.4*	*11.7*	*15.4*	*24.0*	*7.6*	*13.7*	--
Excess Return (vs. Net)			-6.1	-11.5	-12.3	-19.2	7.6	3.3	
Non-Core Private Real Estate (Net)	**1,096,675,116**	**1.4**	**-1.1**	**-4.9**	**-12.9**	**-13.3**	**5.5**	**6.5**	**10.3**
Non-Core Private Real Estate (Gross)			**-1.1**	**-4.8**	**-12.6**	**-12.8**	**6.2**	**7.6**	**12.0**
Non-Core Private RE Policy BM			*-1.5*	*-4.5*	*-8.1*	*-10.7*	*6.5*	*6.0*	*9.3*
Excess Return (vs. Net)			0.4	-0.4	-4.8	-2.6	-1.0	0.5	1.0
Credit (Net)[1]	**8,331,916,848**	**10.7**	**1.2**	**3.4**	**10.9**	**13.6**	**5.6**	**6.0**	**--**
Credit (Gross)			**1.2**	**3.5**	**11.1**	**13.8**	**5.8**	**6.4**	**--**
Credit Custom Blended Benchmark			*0.8*	*3.3*	*10.2*	*12.1*	*3.2*	*4.5*	--
Excess Return (vs. Net)			0.4	0.1	0.7	1.5	2.4	1.5	
Liquid Credit (Net)	**2,236,370,620**	**2.9**	**1.2**	**2.1**	**9.6**	**12.7**	**--**	**--**	**--**
Liquid Credit (Gross)			**1.2**	**2.3**	**9.9**	**13.2**	**--**	**--**	**--**
Liquid Credit Custom BM			*1.1*	*1.8*	*8.7*	*11.3*	--	--	--
Excess Return (vs. Net)			0.1	0.3	0.9	1.4			

[1] Includes accounts that are lagged by 1-month, 3-months, and latest available adjusted for cash flows.

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
High Yield (Net)	**950,510,761**	**1.2**	**1.0**	**1.3**	**9.0**	**11.4**	**2.0**	**3.7**	--
High Yield (Gross)			**1.1**	**1.4**	**9.3**	**11.9**	**2.3**	**4.1**	--
BBgBarc US High Yield TR			*1.2*	*1.5*	*9.2*	*11.2*	*2.2*	*4.2*	--
Excess Return (vs. Net)			-0.2	-0.2	-0.2	0.2	-0.2	-0.5	
Beach Point (Net)	260,596,978	0.3	1.2	2.1	8.9	12.1	2.1	4.1	4.9
Beach Point (Gross)			1.2	2.2	9.3	12.7	2.6	4.6	5.5
Beach Point Custom BM			*1.2*	*1.5*	*9.2*	*11.2*	*2.2*	*3.9*	*4.1*
Excess Return (vs. Net)			0.0	0.6	-0.3	0.9	-0.1	0.2	0.8
Brigade Capital Management (Net)	414,458,953	0.5	0.9	1.0	8.6	10.8	2.2	4.2	4.0
Brigade Capital Management (Gross)			1.0	1.1	8.8	11.2	2.5	4.8	4.7
Brigade Custom Index			*1.2*	*1.5*	*9.2*	*11.2*	*2.2*	*4.2*	*4.2*
Excess Return (vs. Net)			-0.3	-0.5	-0.6	-0.4	0.0	0.0	-0.2
Pinebridge Investments (Net)	275,454,830	0.4	1.1	1.1	9.5	11.4	--	--	--
Pinebridge Investments (Gross)			1.1	1.2	9.7	11.8	--	--	--
BBgBarc US High Yield TR			*1.2*	*1.5*	*9.2*	*11.2*	--	--	--
Excess Return (vs. Net)			-0.1	-0.4	0.3	0.2			

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Bank Loans (Net)	**938,870,947**	**1.2**	**1.2**	**3.4**	**9.8**	**13.3**	**6.3**	**7.0**	--
Bank Loans (Gross)			**1.3**	**3.5**	**10.1**	**13.8**	**6.7**	**7.4**	--
CS Leveraged Loan Index			*0.8*	*2.5*	*9.0*	*12.4*	*5.8*	*5.3*	--
Excess Return (vs. Net)			0.4	0.9	0.8	0.9	0.5	1.7	
Bain Capital (Net)	284,195,925	0.4	0.7	2.2	9.0	12.6	6.4	5.9	--
Bain Capital (Gross)			0.7	2.4	9.5	13.3	7.0	6.5	--
Bank Loans Custom Index			*0.8*	*2.5*	*9.0*	*12.4*	*5.8*	*5.6*	--
Excess Return (vs. Net)			-0.1	-0.3	0.0	0.2	0.6	0.3	
Credit Suisse Bank Loans (Net)	255,146,672	0.3	0.9	3.0	9.6	13.1	6.4	--	--
Credit Suisse Bank Loans (Gross)			0.9	3.1	9.8	13.4	6.6	--	--
CS Leveraged Loan Index			*0.8*	*2.5*	*9.0*	*12.4*	*5.8*	--	--
Excess Return (vs. Net)			0.1	0.5	0.6	0.7	0.6		
Crescent Capital Group (Net)	399,528,350	0.5	1.9	4.7	10.5	14.2	5.1	6.0	--
Crescent Capital Group (Gross)			2.0	4.9	10.9	14.7	5.6	6.5	--
Bank Loans Custom Index			*0.8*	*2.5*	*9.0*	*12.4*	*5.8*	*5.6*	--
Excess Return (vs. Net)			1.1	2.2	1.5	1.8	-0.7	0.4	

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
EM Debt (Net)	**346,988,911**	**0.4**	**1.4**	**1.4**	**10.1**	**13.6**	**-0.9**	**0.3**	**--**
EM Debt (Gross)			**1.5**	**1.6**	**10.5**	**14.1**	**-0.4**	**0.8**	**--**
EMD Custom			*1.3*	*1.1*	*7.0*	*9.2*	*-1.1*	*1.1*	--
Excess Return (vs. Net)			0.1	0.3	3.1	4.4	0.2	-0.8	
Aberdeen Asset Management (Net)	173,632,450	0.2	1.5	2.2	9.4	14.6	-0.2	1.3	--
Aberdeen Asset Management (Gross)			1.6	2.3	9.8	15.0	0.1	1.7	--
EMD Custom			*1.3*	*1.1*	*7.0*	*9.2*	*-1.1*	*1.1*	--
Excess Return (vs. Net)			0.2	1.1	2.4	5.4	0.9	0.2	
Ashmore Investment Management (Net)	173,356,461	0.2	1.3	0.7	10.6	12.3	-1.6	-0.8	--
Ashmore Investment Management (Gross)			1.4	0.9	11.0	12.8	-1.1	-0.3	--
EMD Custom			*1.3*	*1.1*	*7.0*	*9.2*	*-1.1*	*1.1*	--
Excess Return (vs. Net)			0.0	-0.4	3.6	3.1	-0.5	-1.9	

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Illiquid Credit (Net)	**6,095,546,137**	**7.8**	**1.1**	**4.0**	**11.6**	**13.9**	**9.1**	**10.5**	**--**
Illiquid Credit (Gross)			**1.1**	**4.0**	**11.6**	**13.9**	**9.2**	**11.0**	**--**
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	*3.8*	*5.9*	--
Excess Return (vs. Net)			0.4	-0.1	0.7	1.3	5.3	4.6	
Beach Point - Fund III (Net)	94,689,433	0.1	1.4	2.8	8.8	1.6	7.8	8.7	--
Beach Point - Fund III (Gross)			1.4	2.8	8.8	1.6	5.6	9.2	--
Opportunistic Custom Index 1 Month Lag			*0.6*	*3.7*	*10.2*	*11.2*	*3.7*	*4.7*	--
Excess Return (vs. Net)			0.8	-0.9	-1.4	-9.6	4.1	4.0	
Lake Cascade (Net)	985,095,000	1.3	2.0	5.2	10.2	11.4	--	--	--
Lake Cascade (Gross)			2.0	5.2	10.2	11.4	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			1.3	1.1	-0.7	-1.2			
Lake Cottage (Net)	813,003,501	1.0	1.0	3.0	6.8	10.2	--	--	--
Lake Cottage (Gross)			1.0	3.0	6.8	10.2	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			0.3	-1.1	-4.1	-2.4			
Lake Vineyard (Net)	733,214,427	0.9	0.9	4.8	10.3	13.0	--	--	--
Lake Vineyard (Gross)			0.9	4.8	10.3	13.0	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			0.2	0.7	-0.6	0.4			

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Magnetar Credit Fund (Net)	1,240,322,943	1.6	1.6	4.3	17.0	20.1	7.8	--	--
Magnetar Credit Fund (Gross)			1.6	4.3	17.0	20.1	7.8	--	--
Illiquid Credit Custom BM			0.7	4.1	10.9	12.6	3.8	--	--
Excess Return (vs. Net)			0.9	0.2	6.1	7.5	4.0		
Napier Park (Net)	1,066,767,800	1.4	0.8	4.9	16.1	17.0	8.9	--	--
Napier Park (Gross)			0.8	4.9	16.1	17.0	8.9	--	--
Illiquid Credit Custom BM			0.7	4.1	10.9	12.6	3.8	--	--
Excess Return (vs. Net)			0.1	0.8	5.2	4.4	5.1		
PIMCO Tac Opps (Net)	199,032,909	0.3	0.2	-0.9	10.2	14.8	5.5	7.1	--
PIMCO Tac Opps (Gross)			0.2	-0.9	10.2	14.8	5.5	7.1	--
PIMCO Tac Opps Custom BM			0.7	4.1	10.9	12.6	3.8	3.5	--
Excess Return (vs. Net)			-0.5	-5.0	-0.7	2.2	1.7	3.6	
Private Equity - Credit (Net)	179,084,734	0.2	-0.2	7.4	10.0	14.8	24.1	16.6	--
Private Equity - Credit (Gross)			-0.2	7.4	10.0	14.8	24.1	16.6	--
PE-Credit Custom BM			4.0	7.5	4.4	8.2	-0.9	3.6	--
Excess Return (vs. Net)			-4.2	-0.1	5.6	6.6	25.0	13.0	
Real Estate - Credit (Net)	62,172,088	0.1	0.0	1.6	6.7	12.1	10.9	10.1	9.1
Real Estate - Credit (Gross)			0.0	1.6	6.9	12.3	11.4	10.8	10.0
RE Credit Custom BM			0.7	4.1	10.9	12.6	3.6	3.9	4.4
Excess Return (vs. Net)			-0.7	-2.5	-4.2	-0.5	7.3	6.2	4.7

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Tennenbaum Capital (Net)	572,037,766	0.7	1.1	2.9	8.7	11.4	8.4	7.7	--
Tennenbaum Capital (Gross)			1.1	2.9	8.7	11.4	8.9	8.2	--
CSFB Leveraged Loan Index 1 Month Lagged			*0.9*	*3.3*	*10.5*	*11.4*	*5.6*	*5.1*	--
Excess Return (vs. Net)			0.2	-0.4	-1.8	0.0	2.8	2.6	
IC EM Program (Net)	**121,775,233**	**0.2**	**0.0**	**-0.3**	**0.4**	**0.0**	--	--	--
IC EM Program (Gross)			**0.0**	**-0.3**	**0.8**	**0.4**	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			-0.7	-4.4	-10.5	-12.6			
Stable Asset Management - IC (Net)	**121,775,233**	**0.2**	**0.0**	**-0.3**	**0.4**	**0.0**	--	--	--
Stable Asset Management - IC (Gross)			**0.0**	**-0.3**	**0.8**	**0.4**	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			-0.7	-4.4	-10.5	-12.6			
Stable Fund Investments - IC (Net)	**121,775,233**	**0.2**	**0.0**	**-0.3**	**0.8**	**0.4**	--	--	--
Stable Fund Investments - IC (Gross)			**0.0**	**-0.3**	**0.8**	**0.4**	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			-0.7	-4.4	-10.1	-12.2			
HarbourView (Net)	86,070,998	0.1	0.0	0.0	1.1	0.7	--	--	--
HarbourView (Gross)			0.0	0.0	1.1	0.7	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	*10.9*	*12.6*	--	--	--
Excess Return (vs. Net)			-0.7	-4.1	-9.8	-11.9			

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Phoenix Credit Partners (Net)	35,704,236	0.0	0.0	-1.7	--	--	--	--	--
Phoenix Credit Partners (Gross)			0.0	-1.7	--	--	--	--	--
Illiquid Credit Custom BM			*0.7*	*4.1*	--	--	--	--	--
Excess Return (vs. Net)			-0.7	-5.8					
Real Assets and Inflation Hedges (Net)[1]	**12,292,698,579**	**15.8**	**1.6**	**-0.2**	**-0.4**	**-1.6**	**5.9**	**4.9**	--
Real Assets and Inflation Hedges (Gross)			**1.6**	**-0.1**	**-0.2**	**-1.4**	**6.3**	**5.2**	--
Real Assets & Inflation Hedges Custom BM			*1.7*	*-1.2*	*-0.7*	*-2.7*	*5.2*	*5.2*	--
Excess Return (vs. Net)			-0.1	1.0	0.3	1.1	0.7	-0.3	
Core Private Real Estate (Net)	**3,370,404,544**	**4.3**	**-1.5**	**-6.5**	**-12.6**	**-15.7**	**3.4**	**2.2**	**5.6**
Core Private Real Estate (Gross)			**-1.5**	**-6.4**	**-12.3**	**-15.4**	**3.9**	**2.8**	**6.2**
Core Private Real Estate Custom BM			*-1.7*	*-5.0*	*-9.7*	*-12.7*	*4.1*	*3.6*	*6.7*
Excess Return (vs. Net)			0.2	-1.5	-2.9	-3.0	-0.7	-1.4	-1.1
Natural Resources and Commodities (Net)	**2,317,891,450**	**3.0**	**6.4**	**5.2**	**7.6**	**7.8**	**12.2**	**9.0**	**0.4**
Natural Resources and Commodities (Gross)			**6.4**	**5.2**	**7.7**	**8.0**	**12.6**	**9.3**	**0.7**
Natural Resources & Commodities Custom BM			*6.6*	*2.1*	*7.0*	*3.4*	*10.2*	*8.5*	*-0.6*
Excess Return (vs. Net)			-0.2	3.1	0.6	4.4	2.0	0.5	1.0
Public Natural Resources and Commodities (Net)	**1,140,807,164**	**1.5**	**6.2**	**3.9**	**6.5**	**3.2**	**9.2**	--	--
Public Natural Resources and Commodities (Gross)			**6.2**	**4.0**	**6.7**	**3.5**	**9.5**	--	--
Natural Resources & Commodities Custom BM			*6.6*	*2.1*	*7.0*	*3.4*	*10.2*	--	--
Excess Return (vs. Net)			-0.4	1.8	-0.5	-0.2	-1.0		

[1] Includes accounts that are lagged by 3-months and latest available adjusted for cash flows.

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Credit Suisse Commodity (Net)	292,747,660	0.4	3.4	2.4	2.3	-0.7	9.5	7.1	-1.1
Credit Suisse Commodity (Gross)			3.5	2.4	2.5	-0.4	9.8	7.4	-0.8
Bloomberg Commodity Index TR USD			*3.3*	*2.2*	*2.1*	*-0.6*	*9.1*	*6.4*	*-1.6*
Excess Return (vs. Net)			0.1	0.2	0.2	-0.1	0.4	0.7	0.5
DWS Natural Resources (Net)	495,836,360	0.6	9.6	5.0	11.2	6.9	9.1	--	--
DWS Natural Resources (Gross)			9.6	5.0	11.4	7.1	9.3	--	--
S&P Global Large/MidCap Commodities & Resources			*8.2*	*1.3*	*5.4*	*1.6*	*9.4*	--	--
Excess Return (vs. Net)			1.4	3.7	5.8	5.3	-0.3		
Neuberger Berman/ Gresham (Net)	351,937,668	0.5	4.3	3.8	4.2	2.3	9.9	6.5	-0.8
Neuberger Berman/ Gresham (Gross)			4.3	3.9	4.5	2.6	10.3	6.9	-0.4
Bloomberg Commodity Index TR USD			*3.3*	*2.2*	*2.1*	*-0.6*	*9.1*	*6.4*	*-1.6*
Excess Return (vs. Net)			1.0	1.6	2.1	2.9	0.8	0.1	0.8
Private Natural Resources and Commodities (Net)	**1,177,084,285**	**1.5**	**6.7**	**6.5**	**8.8**	**14.0**	**12.8**	**-2.2**	**--**
Private Natural Resources and Commodities (Gross)			**6.7**	**6.5**	**8.9**	**14.1**	**14.8**	**-1.1**	**--**
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	*13.2*	*12.6*	--
Excess Return (vs. Net)			3.0	5.5	8.5	15.0	-0.4	-14.8	
Cibus Enterprise II (Net)	3,740,853	0.0	-3.1	-3.2	-4.9	-5.0	--	--	--
Cibus Enterprise II (Gross)			-3.1	-3.2	-4.9	-5.0	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-6.8	-4.2	-5.2	-4.0			

Private natural resources and infrastructure funds reflect early-stage life cycle performance.

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Co-Investments - Natural Resources (Net)	25,748,005	0.0	2.7	2.7	5.6	5.6	--	--	--
Co-Investments - Natural Resources (Gross)			2.7	2.7	5.6	5.6	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-1.0	1.7	5.3	6.6			
Cibus Fund II (Net)	28,306,800	0.0	2.6	2.6	-2.3	-4.7	--	--	--
Cibus Fund II (Gross)			2.6	2.6	-2.3	-4.7	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-1.1	1.6	-2.6	-3.7			
HiTecVision New Energy (Net)	119,512,308	0.2	3.8	1.7	12.0	20.0	--	--	--
HiTecVision New Energy (Gross)			3.8	1.7	12.0	20.0	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			0.1	0.7	11.7	21.0			
Orion Mine Finance Fund III (Net)	127,033,025	0.2	0.0	0.0	5.9	21.5	--	--	--
Orion Mine Finance Fund III (Gross)			0.0	0.0	5.9	21.5	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-3.7	-1.0	5.6	22.5			
Orion Mine Finance Fund IV (Net)	16,185,593	0.0	--	--	--	--	--	--	--
Orion Mine Finance Fund IV (Gross)			--	--	--	--	--	--	--

Private natural resources and infrastructure funds reflect early-stage life cycle performance.

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Orion Mining Royalty Fund I (Net)	36,379,044	0.0	0.0	0.0	5.5	2.6	--	--	--
Orion Mining Royalty Fund I (Gross)			0.0	0.0	5.5	2.6	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-3.7	-1.0	5.2	3.6			
PE - Real Assets & Inflation Hedges (Net)	80,352,086	0.1	0.7	0.7	-0.4	-0.8	7.5	-5.0	--
PE - Real Assets & Inflation Hedges (Gross)			0.7	0.7	0.3	0.3	9.8	-3.7	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	*13.2*	*12.6*	--
Excess Return (vs. Net)			-3.0	-0.3	-0.7	0.2	-5.7	-17.6	
TIAA-CREF Global Agriculture (Net)	320,873,488	0.4	9.9	9.9	11.1	18.2	--	--	--
TIAA-CREF Global Agriculture (Gross)			9.9	9.9	11.1	18.2	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			6.2	8.9	10.8	19.2			
TIAA-CREF Global Agriculture II (Net)	345,885,984	0.4	12.5	12.5	13.7	14.9	--	--	--
TIAA-CREF Global Agriculture II (Gross)			12.5	12.5	13.7	14.9	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			8.8	11.5	13.4	15.9			
Sprott (Net)	58,370,049	0.1	2.6	2.6	9.0	7.2	--	--	--
Sprott (Gross)			2.6	2.6	9.0	7.2	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	*-1.0*	--	--	--
Excess Return (vs. Net)			-1.1	1.6	8.7	8.2			

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Appian Fund III (Net)	2,005,703	0.0	-23.7	-23.8	-67.9	--	--	--	--
Appian Fund III (Gross)			-23.7	-23.8	-67.9	--	--	--	--
PE - Real Assets Custom BM			*3.7*	*1.0*	*0.3*	--	--	--	--
Excess Return (vs. Net)			-27.4	-24.8	-68.2				
Infrastructure (Net)	**4,262,795,399**	**5.5**	**2.0**	**2.3**	**6.1**	**6.8**	**6.3**	--	--
Infrastructure (Gross)			**2.0**	**2.3**	**6.2**	**7.0**	**6.5**	--	--
DJ Brookfield Global Infrastructure Comp TR			*3.2*	*0.6*	*4.1*	*3.7*	*4.8*	--	--
Excess Return (vs. Net)			-1.2	1.7	2.0	3.1	1.5		
Public Infrastructure (Net)	**2,152,783,372**	**2.8**	**3.4**	**2.1**	**5.8**	**6.0**	**5.3**	--	--
Public Infrastructure (Gross)			**3.4**	**2.1**	**5.9**	**6.2**	**5.5**	--	--
DJ Brookfield Global Infrastructure Comp TR			*3.2*	*0.6*	*4.1*	*3.7*	*4.8*	--	--
Excess Return (vs. Net)			0.2	1.5	1.7	2.3	0.5		
DWS Infrastructure (Net)	2,152,783,372	2.8	3.4	2.1	5.8	6.0	5.3	--	--
DWS Infrastructure (Gross)			3.4	2.1	5.9	6.2	5.5	--	--
DJ Brookfield Global Infrastructure Comp TR			*3.2*	*0.6*	*4.1*	*3.7*	*4.8*	--	--
Excess Return (vs. Net)			0.2	1.5	1.7	2.3	0.5		
Private Infrastructure (Net)	**2,110,012,028**	**2.7**	**0.6**	**2.5**	**7.3**	**9.1**	**6.7**	--	--
Private Infrastructure (Gross)			**0.6**	**2.5**	**7.5**	**9.2**	**6.6**	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	*6.7*	--	--
Excess Return (vs. Net)			-1.9	-8.7	4.3	2.9	0.0		

Private natural resources and infrastructure funds reflect early-stage life cycle performance.

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Antin Mid Cap (Net)	53,172,213	0.1	1.4	-0.7	1.0	1.4	--	--	--
Antin Mid Cap (Gross)			1.4	-0.7	1.0	1.4	--	--	--
Private Infrastructure Policy BM			2.5	11.2	3.0	6.2	--	--	--
Excess Return (vs. Net)			-1.1	-11.9	-2.0	-4.8			
Axium Infrastructure (Net)	276,723,500	0.4	2.6	2.6	7.0	9.1	--	--	--
Axium Infrastructure (Gross)			2.6	2.8	7.7	10.1	--	--	--
Private Infrastructure Policy BM			2.5	11.2	3.0	6.2	--	--	--
Excess Return (vs. Net)			0.1	-8.6	4.0	2.9			
Axium Infrastructure Canada (Net)	152,014,130	0.2	2.0	-0.8	4.3	7.9	--	--	--
Axium Infrastructure Canada (Gross)			2.2	-0.6	4.9	8.8	--	--	--
Private Infrastructure Policy BM			2.5	11.2	3.0	6.2	--	--	--
Excess Return (vs. Net)			-0.5	-12.0	1.3	1.7			
DIF CIF III (Net)	52,981,207	0.1	-0.2	-1.3	8.4	12.7	--	--	--
DIF CIF III (Gross)			-0.2	-1.3	8.4	12.7	--	--	--
Private Infrastructure Policy BM			2.5	11.2	3.0	6.2	--	--	--
Excess Return (vs. Net)			-2.7	-12.5	5.4	6.5			
DIF Infrastructure VI (Net)	138,366,892	0.2	-0.2	-0.1	7.3	9.8	25.8	--	--
DIF Infrastructure VI (Gross)			-0.2	-0.1	7.1	9.4	23.9	--	--
Private Infrastructure Policy BM			2.5	11.2	3.0	6.2	6.7	--	--
Excess Return (vs. Net)			-2.7	-11.3	4.3	3.6	19.1		

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Grain Communications Opportunity III (Net)	39,759,588	0.1	0.0	4.1	-5.1	-3.0	-100.0	--	--
Grain Communications Opportunity III (Gross)			0.0	4.1	-5.1	-3.0	-100.0	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	*6.7*	--	--
Excess Return (vs. Net)			-2.5	-7.1	-8.1	-9.2	-106.7		
Grain Spectrum Holdings III (Net)	74,650,553	0.1	0.0	5.4	5.1	-0.8	12.9	--	--
Grain Spectrum Holdings III (Gross)			0.0	5.4	5.1	-0.8	12.9	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	*6.7*	--	--
Excess Return (vs. Net)			-2.5	-5.8	2.1	-7.0	6.2		
KKR DCIF (Net)	520,276,000	0.7	0.0	0.9	5.3	6.5	--	--	--
KKR DCIF (Gross)			0.0	0.9	5.3	6.5	--	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	--	--	--
Excess Return (vs. Net)			-2.5	-10.3	2.3	0.3			
MGIF (Net)	536,687,866	0.7	0.0	6.6	--	--	--	--	--
MGIF (Gross)			0.0	6.6	--	--	--	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	--	--	--	--	--
Excess Return (vs. Net)			-2.5	-4.6					
Pan European Infrastructure Fund III (Net)	75,750,207	0.1	0.6	-1.4	4.9	7.5	9.2	--	--
Pan European Infrastructure Fund III (Gross)			0.6	-1.4	4.9	7.5	9.4	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	*6.7*	--	--
Excess Return (vs. Net)			-1.9	-12.6	1.9	1.3	2.5		

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Partners Grp Direct Infra 2020 (Net)	140,694,041	0.2	0.0	3.2	8.8	13.6	--	--	--
Partners Grp Direct Infra 2020 (Gross)			0.0	3.1	8.7	13.4	--	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	--	--	--
Excess Return (vs. Net)			-2.5	-8.0	5.8	7.4			
Private Infrastructure Co-Investments (Net)	48,935,831	0.1	0.0	7.2	22.5	23.8	--	--	--
Private Infrastructure Co-Investments (Gross)			0.0	7.2	22.5	23.8	--	--	--
Private Infrastructure Policy BM			*2.5*	*11.2*	*3.0*	*6.2*	--	--	--
Excess Return (vs. Net)			-2.5	-4.0	19.5	17.6			
TIPS (Net)	**2,341,607,186**	**3.0**	**0.7**	**0.0**	**1.8**	**0.3**	**-0.5**	--	--
TIPS (Gross)			**0.7**	**0.0**	**1.8**	**0.3**	**-0.5**	--	--
BBgBarc US TIPS TR			*0.8*	*-0.1*	*1.9*	*0.5*	*-0.5*	--	--
Excess Return (vs. Net)			-0.1	0.1	-0.1	-0.2	0.0		
Blackrock TIPS (Net)	2,341,607,186	3.0	0.7	0.0	1.8	0.3	-0.5	--	--
Blackrock TIPS (Gross)			0.7	0.0	1.8	0.3	-0.5	--	--
BBgBarc US TIPS TR			*0.8*	*-0.1*	*1.9*	*0.5*	*-0.5*	--	--
Excess Return (vs. Net)			-0.1	0.1	-0.1	-0.2	0.0		

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Risk Reduction and Mitigation (Net)	**14,374,812,212**	**18.4**	**0.6**	**-0.2**	**2.2**	**1.0**	**-1.3**	**1.4**	--
Risk Reduction and Mitigation (Gross)			**0.6**	**-0.2**	**2.2**	**1.0**	**-1.3**	**1.4**	--
Risk Reduction and Mitigation Custom Blended Benchmark			*0.9*	*-0.4*	*2.2*	*1.9*	*-1.4*	*0.9*	--
Excess Return (vs. Net)			-0.3	0.2	0.0	-0.9	0.1	0.5	
Investment Grade Bonds (Net)	**5,278,779,777**	**6.8**	**0.9**	**-0.6**	**2.7**	**1.9**	**-2.4**	**0.6**	**1.9**
Investment Grade Bonds (Gross)			**0.9**	**-0.6**	**2.7**	**2.0**	**-2.4**	**0.6**	**2.0**
BBgBarc US Aggregate TR			*0.9*	*-0.8*	*2.6*	*1.7*	*-2.5*	*0.3*	*1.5*
Excess Return (vs. Net)			0.0	0.2	0.1	0.2	0.1	0.3	0.4
Allspring/Wells (Net)	1,322,067,974	1.7	1.0	-0.5	3.0	2.4	-2.1	0.9	2.0
Allspring/Wells (Gross)			1.0	-0.5	3.1	2.5	-2.0	1.0	2.1
BBgBarc US Aggregate TR			*0.9*	*-0.8*	*2.6*	*1.7*	*-2.5*	*0.3*	*1.5*
Excess Return (vs. Net)			0.1	0.3	0.4	0.7	0.4	0.6	0.5
BTC US Debt Index (Net)	3,070,525,209	3.9	0.9	-0.7	2.5	1.7	-2.4	0.4	1.6
BTC US Debt Index (Gross)			0.9	-0.7	2.5	1.7	-2.4	0.4	1.6
BBgBarc US Aggregate TR			*0.9*	*-0.8*	*2.6*	*1.7*	*-2.5*	*0.3*	*1.5*
Excess Return (vs. Net)			0.0	0.1	-0.1	0.0	0.1	0.1	0.1
Member Home Loan Program (MHLP) (Net)	8,620,332	0.0	0.5	0.7	1.3	2.6	4.3	4.7	5.4
Member Home Loan Program (MHLP) (Gross)			0.5	0.7	1.5	2.9	4.6	4.9	5.7

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Pugh Capital Management (Net)	877,566,263	1.1	0.9	-0.6	2.7	2.0	-2.4	0.5	1.6
Pugh Capital Management (Gross)			0.9	-0.6	2.8	2.1	-2.3	0.7	1.8
BBgBarc US Aggregate TR			*0.9*	*-0.8*	*2.6*	*1.7*	*-2.5*	*0.3*	*1.5*
Excess Return (vs. Net)			0.0	0.2	0.1	0.3	0.1	0.2	0.1
Long-Term Government Bonds (Net)	**3,039,645,952**	**3.9**	**1.1**	**-3.0**	**-4.1**	**-6.3**	--	--	--
Long-Term Government Bonds (Gross)			**1.1**	**-3.0**	**-4.1**	**-6.3**	--	--	--
Bloomberg U.S. Treasury: Long			*1.2*	*-3.3*	*-3.9*	*-6.1*	--	--	--
Excess Return (vs. Net)			-0.1	0.3	-0.2	-0.2			
Blackrock Long Treasury Bonds (Net)	3,039,645,952	3.9	1.1	-3.0	-4.1	-6.3	--	--	--
Blackrock Long Treasury Bonds (Gross)			1.1	-3.0	-4.1	-6.3	--	--	--
Bloomberg U.S. Treasury: Long			*1.2*	*-3.3*	*-3.9*	*-6.1*	--	--	--
Excess Return (vs. Net)			-0.1	0.3	-0.2	-0.2			
Diversified Hedge Fund Portfolio (Net)	**4,873,468,098**	**6.2**	**-0.1**	**1.7**	**5.1**	**3.7**	**4.9**	**6.4**	--
Diversified Hedge Fund Portfolio (Gross)			**-0.1**	**1.7**	**5.2**	**3.7**	**4.9**	**6.5**	--
Diversified Hedge Funds Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	*4.6*	--
Excess Return (vs. Net)			-0.7	-0.3	-1.0	-4.4	-0.2	1.8	
LACERA HF Direct (Net)	**4,276,032,368**	**5.5**	**-0.1**	**1.7**	**5.2**	**3.5**	**5.1**	**6.4**	--
LACERA HF Direct (Gross)			**-0.1**	**1.7**	**5.2**	**3.5**	**5.1**	**6.4**	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	*4.6*	--
Excess Return (vs. Net)			-0.7	-0.3	-0.9	-4.6	0.0	1.8	

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
AM Asia Strategies Fund (Net)	188,143,200	0.2	0.5	2.2	-2.4	-8.9	--	--	--
AM Asia Strategies Fund (Gross)			0.5	2.2	-2.4	-8.9	--	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	--	--	--
Excess Return (vs. Net)			-0.1	0.2	-8.5	-17.0			
Brevan Howard Master Fund (Net)	632,346,000	0.8	-3.2	-1.3	1.2	-5.5	4.4	--	--
Brevan Howard Master Fund (Gross)			-3.2	-1.3	1.2	-5.5	4.4	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	--	--
Excess Return (vs. Net)			-3.8	-3.3	-4.9	-13.6	-0.7		
Capula GRV (Net)	723,202,443	0.9	-0.1	1.4	7.0	9.1	8.3	7.5	--
Capula GRV (Gross)			-0.1	1.4	7.0	9.1	8.3	7.5	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	*4.6*	--
Excess Return (vs. Net)			-0.7	-0.6	0.9	1.0	3.2	2.9	
Caxton Global Investments (Net)	300,641,750	0.4	-1.0	1.7	6.7	-0.4	6.6	--	--
Caxton Global Investments (Gross)			-1.0	1.7	6.7	-0.4	6.6	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	--	--
Excess Return (vs. Net)			-1.6	-0.3	0.6	-8.5	1.5		
DK Institutional Partners (Net)	531,079,200	0.7	1.0	3.5	6.9	6.2	3.7	5.7	--
DK Institutional Partners (Gross)			1.0	3.5	6.9	6.2	3.7	5.7	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	*4.6*	--
Excess Return (vs. Net)			0.4	1.5	0.8	-1.9	-1.4	1.1	

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	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
HBK Multistrategy (Net)	686,500,650	0.9	0.6	2.5	8.6	8.7	6.0	6.3	--
HBK Multistrategy (Gross)			0.6	2.5	8.6	8.7	6.0	6.3	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	*4.6*	--
Excess Return (vs. Net)			0.0	0.5	2.5	0.6	0.9	1.7	
Hudson Bay Fund (Net)	701,811,000	0.9	0.4	1.3	4.5	5.0	5.3	--	--
Hudson Bay Fund (Gross)			0.4	1.3	4.5	5.0	5.3	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	--	--
Excess Return (vs. Net)			-0.2	-0.7	-1.6	-3.1	0.2		
Polar (Net)	512,308,125	0.7	1.0	3.7	5.9	6.6	3.0	--	--
Polar (Gross)			1.0	3.7	5.9	6.6	3.0	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	*5.1*	--	--
Excess Return (vs. Net)			0.4	1.7	-0.2	-1.5	-2.1		
Hedge Fund Emerging Managers Program (Net)	**583,712,288**	**0.7**	**0.3**	**1.4**	**5.1**	**5.6**	--	--	--
Hedge Fund Emerging Managers Program (Gross)			**0.4**	**1.5**	**5.3**	**5.9**	--	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	--	--	--
Excess Return (vs. Net)			-0.3	-0.6	-1.0	-2.5			
Stable Asset Management (Net)	**583,712,288**	**0.7**	**0.3**	**1.4**	**5.1**	**5.6**	--	--	--
Stable Asset Management (Gross)			**0.4**	**1.5**	**5.3**	**5.9**	--	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	--	--	--
Excess Return (vs. Net)			-0.3	-0.6	-1.0	-2.5			

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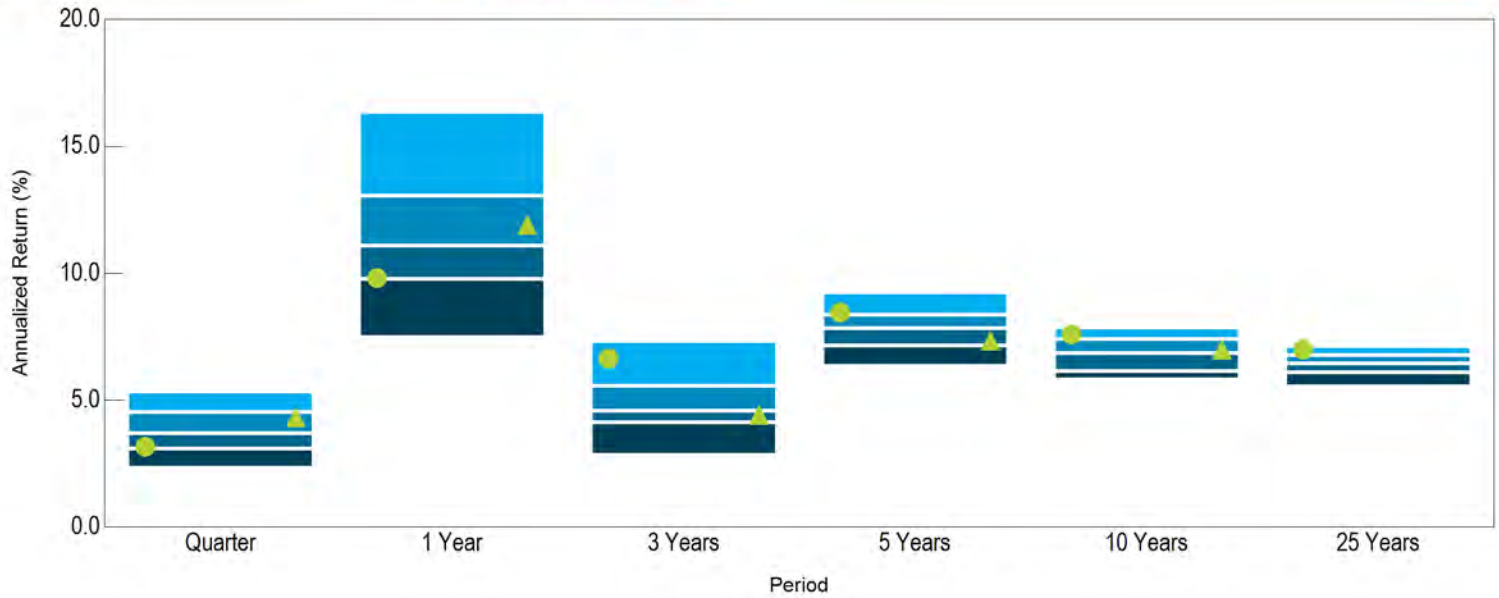
	Market Value ($)	% of Portfolio	1 Mo (%)	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Stable Fund Investments (Net)	**583,712,288**	**0.7**	**0.4**	**1.2**	**5.0**	**5.4**	--	--	--
Stable Fund Investments (Gross)			**0.4**	**1.2**	**5.0**	**5.4**	--	--	--
Hedge Fund Custom BM			*0.6*	*2.0*	*6.1*	*8.1*	--	--	--
Excess Return (vs. Net)			-0.2	-0.8	-1.1	-2.7			
Cash (Net)	**1,182,918,336**	**1.5**	**0.6**	**1.8**	**4.2**	**6.0**	**3.8**	**2.9**	**2.0**
Cash (Gross)			**0.6**	**1.8**	**4.2**	**6.1**	**3.8**	**2.9**	**2.0**
Cash Custom BM			*0.5*	*1.4*	*4.2*	*5.5*	*2.7*	*2.0*	*1.5*
Excess Return (vs. Net)			0.1	0.4	0.0	0.5	1.1	0.9	0.5
SSGA Cash (Net)			0.0	0.0	0.1	0.1	0.5	--	--
SSGA Cash (Gross)			0.0	0.0	0.2	0.2	0.6	--	--
Cash Custom BM			*0.5*	*1.4*	*4.2*	*5.5*	*2.7*	--	--
Excess Return (vs. Net)			-0.5	-1.4	-4.1	-5.4	-2.2		
Overlay and Hedges	**703,798,960**	**0.9**							
Cash Overlay	**621,171,092**	**0.8**							
Currency Hedge	**82,627,868**	**0.1**							
Other Assets[1]	**1,134,791,887**	**1.5**							

[1] Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

InvMetrics Public DB > $1B Net Return Comparison
Ending March 31, 2024



	Return (Rank)											
5th Percentile	5.3		16.4		7.3		9.2		7.9		7.1	
25th Percentile	4.5		13.1		5.6		8.4		7.4		6.8	
Median	3.7		11.1		4.6		7.8		6.9		6.5	
75th Percentile	3.1		9.8		4.2		7.2		6.2		6.1	
95th Percentile	2.3		7.5		2.8		6.4		5.8		5.6	
# of Portfolios	73		73		69		68		63		34	
● Total Fund	3.2	(74)	9.8	(75)	6.6	(8)	8.5	(22)	7.6	(17)	7.0	(9)
▲ Total Fund Policy Benchmark	4.3	(31)	11.9	(37)	4.4	(60)	7.3	(69)	7.0	(43)	--	(--)

Benchmark History

As of March 31, 2024

Total Fund

10/1/2021	Present	53% Growth Custom Blended Benchmark / 11% Credit Custom Blended Benchmark / 17% Real Assets & Inflation Hedges Custom BM / 19% Risk Reduction and Mitigation Custom Blended Benchmark
10/1/2019	9/30/2021	35% Global Equity Custom BM / 10% PE-Credit Custom BM / 2% Non-Core Private RE Policy BM / 3% Bloomberg U.S. High Yield / 4% Credit Suisse Leveraged Loans / 2% EMD Custom / 3% Illiquid Credit Custom BM / 7% Core Private Real Estate Custom BM / 4% Natural Resources & Commodities Custom BM / 3% DJ Brookfield Global Infrastructure Comp TR / 3% Bloomberg U.S. TIPS Index / 19% Bloomberg US Aggregate TR / 4% Diversified Hedge Funds Custom BM / 1% Citigroup 3-Month U.S. Treasury Bill Index
1/1/2019	9/30/2019	41% Global Equity Custom BM / 10% PE-Credit Custom BM / 1% Non-Core Private RE Policy BM / 4% Bloomberg U.S. High Yield / 3% Credit Suisse Leveraged Loans / 1% EMD Custom / 2% Illiquid Credit Custom BM / 8% Core Private Real Estate Custom BM / 3% Natural Resources & Commodities Custom BM / 2% DJ Brookfield Global Infrastructure Comp TR / 2% Bloomberg U.S. TIPS Index / 19% Bloomberg US Aggregate TR / 3% Diversified Hedge Funds Custom BM / 1% Citigroup 3-Month U.S. Treasury Bill Index
10/1/2018	12/31/2018	22.7% Russell 3000 / 18.7% Custom MSCI ACWI IMI Net 50% Hedge / 27.8% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 5.0% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
7/1/2018	9/30/2018	23.1% Russell 3000 / 20.3% Custom MSCI ACWI IMI Net 50% Hedge / 26.6% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 4.2% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
1/1/2018	6/30/2018	22.4% Russell 3000 / 21.0% Custom MSCI ACWI IMI Net 50% Hedge / 26.6% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 4.2% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
10/1/2017	12/31/2017	23.5% Russell 3000 / 21.9% Custom MSCI ACWI IMI Net 50% Hedge / 25.4% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.4% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
7/1/2017	9/30/2017	23.7% Russell 3000 / 21.7% Custom MSCI ACWI IMI Net 50% Hedge / 25.4% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.4% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
4/1/2017	6/30/2017	24.1% Russell 3000 / 21.3% Custom MSCI ACWI IMI Net 50% Hedge / 25.4% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.4% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
1/1/2017	3/31/2017	24.4% Russell 3000 / 21.0% Custom MSCI ACWI IMI Net 50% Hedge / 25.4% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.4% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
10/1/2016	12/31/2016	23.8% Russell 3000 / 21.6% Custom MSCI ACWI IMI Net 50% Hedge / 25.4% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.4% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
7/1/2016	9/30/2016	24.5% Russell 3000 / 21.4% Custom MSCI ACWI IMI Net 50% Hedge / 25.1% Bloomberg US Universal TR / 10% Private Equity Target / 11% Real Estate Target / 3.2% Hedge Fund Custom Index / 2.8% Bloomberg Commodity Index TR USD / 2% FTSE T-Bill 6 Months TR
10/1/2015	6/30/2016	3% Bloomberg Commodity Index TR USD / 25.5% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 22.5% Bloomberg US Universal TR / 11% Private Equity Target / 23% Custom MSCI ACWI IMI Net 50% Hedge / 3% 3-month U.S. T-Bill Index + 5% (1M-lag)

4/1/2015	9/30/2015	3% Bloomberg Commodity Index TR USD / 25% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 22.5% Bloomberg US Universal TR / 11% Private Equity Target / 23.5% Custom MSCI ACWI IMI Net 50% Hedge / 3% 3-month U.S. T-Bill Index + 5% (1M-lag)
1/1/2015	3/31/2015	3% Bloomberg Commodity Index TR USD / 25.5% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 22.5% Bloomberg US Universal TR / 11% Private Equity Target / 23% Custom MSCI ACWI IMI Net 50% Hedge / 3% 3-month U.S. T-Bill Index + 5% (1M-lag)
10/1/2014	12/31/2014	3% Bloomberg Commodity Index TR USD / 25% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 23% Bloomberg US Universal TR / 11% Private Equity Target / 24% Custom MSCI ACWI IMI Net 50% Hedge / 2% 3-month U.S. T-Bill Index + 5% (1M-lag)
1/1/2014	9/30/2014	3% Bloomberg Commodity Index TR USD / 24% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 23% Bloomberg US Universal TR / 11% Private Equity Target / 25% Custom MSCI ACWI IMI Net 50% Hedge / 2% 3-month U.S. T-Bill Index + 5% (1M-lag)
10/1/2013	12/31/2013	3% Bloomberg Commodity Index TR USD / 24% Russell 3000 / 10% Real Estate Target / 2% FTSE T-Bill 6 Months TR / 24% Bloomberg US Universal TR / 10% Private Equity Target / 26% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
4/1/2013	9/30/2013	3% Bloomberg Commodity Index TR USD / 24% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 24% Bloomberg US Universal TR / 10% Private Equity Target / 26% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
1/1/2013	3/31/2013	3% Bloomberg Commodity Index TR USD / 23% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 24% Bloomberg US Universal TR / 10% Private Equity Target / 27% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
10/1/2012	12/31/2012	3% Bloomberg Commodity Index TR USD / 24% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 24% Bloomberg US Universal TR / 10% Private Equity Target / 26% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
1/1/2012	9/30/2012	3% Bloomberg Commodity Index TR USD / 24% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 27% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
10/1/2011	12/31/2011	3% Bloomberg Commodity Index TR USD / 23% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 28% Custom MSCI ACWI IMI Net 50% Hedge / 1% 3-month U.S. T-Bill Index + 5% (1M-lag)
4/1/2011	9/30/2011	3% Bloomberg Commodity Index TR USD / 23% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 29% Custom MSCI ACWI IMI Net 50% Hedge
1/1/2011	3/31/2011	3% Bloomberg Commodity Index TR USD / 22% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 30% Custom MSCI ACWI IMI Net 50% Hedge
10/1/2010	12/31/2010	3% Bloomberg Commodity Index TR USD / 23% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 29% Custom MSCI ACWI IMI Net 50% Hedge
7/1/2010	9/30/2010	3% Bloomberg Commodity Index TR USD / 26% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 26% Custom MSCI ACWI IMI Net 50% Hedge
4/1/2010	6/30/2010	3% Bloomberg Commodity Index TR USD / 26% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 26% MSCI ACWI ex USA IMI
1/1/2010	3/31/2010	3% Bloomberg Commodity Index TR USD / 29% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 26% Bloomberg US Universal TR / 7% Private Equity Target / 23% MSCI ACWI ex USA IMI
4/1/2009	12/31/2009	2% Bloomberg Commodity Index TR USD / 30% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 28% Bloomberg US Universal TR / 7% Private Equity Target / 21% MSCI ACWI ex USA IMI
10/1/2008	3/31/2009	2% Bloomberg Commodity Index TR USD / 30% Russell 3000 / 10% NCREIF Property Index - 25 bps / 2% FTSE T-Bill 6 Months TR / 1.96% Bloomberg US High Yield BA/B TR / 26.04% Bloomberg US Aggregate TR / 7% Private Equity Target / 21% MSCI ACWI ex USA IMI
3/1/2001	9/30/2008	100% LACERA TF Blended Benchmark

Custom Benchmarks Glossary

Bank Loans Custom Index: Credit Suisse Leveraged Loan Index.

Beach Point Custom BM: BBg Barc US Corporate High Yield Index

Brigade Custom Index: BBg Barc US Corporate High Yield Index.

Cash Custom BM: FTSE 3-month Treasury Bill.

Core & Value-Added Real Estate Custom BM: NFI ODCE + 50 bps (3-month lag).

Core Private Real Estate Policy BM: NFI ODCE (3-month lag).

Custom Liquid Credit BM: 40% BBg Barc 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.

Diversified Hedge Funds Custom BM: FTSE 3-Month U.S. Treasury Bill Index + 250 bps (1-month lag).

EAFE Custom Index: MSCI EAFE + Canada (Net).

EMD Custom: 50% JP Morgan EMBI + 25% JP Morgan GBI-EM GD + 25% JP Morgan CEMBI BD.

Global Equity Custom BM: MSCI ACWI IMI Index

Grosvenor Custom BM: 100% Illiquid Credit Custom BM.

Growth Custom Blended BM: 60% Global Equity Custom BM/ 32% Private Equity- Growth Custom BM/ 8% Non-Core Private RE Policy BM.

Hedge Fund Custom Index: 100% Diversified Hedge Funds Custom BM.

Illiquid Credit Custom BM: Custom Liquid Credit BM + 150 bps (1-month lag).

MSCI EM IMI Custom Index: MSCI EM IMI (Net)

Natural Resources & Commodities Custom BM: 33% Bloomberg Commodity Index / 66% S&P Global Large MidCap Commodity and Resources Index.

Non-Core & Private Real Estate Policy BM: NFI ODCE + 225 bps (3-month lag).

Opportunistic Real Estate Custom BM: NFI ODCE + 300 bps (3-month lag).

PE – Credit Custom Benchmark: BBgBarc US Agg Index + 250bps (3-month lag).

Private Equity - Growth Custom BM:MSCI ACWI IMI Index + 200 bps (3-month lag).

PE – Real Assets Custom BM:S&P Global LargeMidCap Commodity and Resources (3-month lag).

Real Assets and Inflation Hedges Policy BM: 35% Core Private Real Estate Policy BM/ 18% Natural Resources & Commodities Custom BM / 29% DJ Brookfield Global Infrastructure /18% BBg Barc US TSY TIPS.

Risk Reduction and Mitigation Custom Blended BM: 37% BBg Barc Agg / 32% Diversified Hedge Funds Custom BM / 26% BBgBarc US TSY TIPS / 5% FTSE 3-month Treasury Bill.

Opportunistic Custom Index 1-Month Lag: 50% Barclays U.S. High Yield Index / 50% Credit Suisse Leveraged Loan Index (1-month lag).

50% FX Hedge Index: 50% MSCI World ex US IMI FX Hedged index 50% Zero Return.

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE"RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD–LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

LACERA

FOR INFORMATION ONLY

June 1, 2024

TO: Trustees – Board of Investments

FROM: Esmeralda del Bosque, Principal Investment Officer

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: **OPEB Trust Quarterly Performance Book**

Attached is the OPEB Trust quarterly performance book as of March 31, 2024. The report contains performance, risk, and compliance sections utilizing data from our platform providers.

Highlights for this quarter include introducing three new sections: the addition of public market investment manager pages, LACERA's Manager Scorecard, and revised Compliance Monitor. The Compliance Monitor report aims to ensure that asset category and investment manager activity align with established guidelines. It is a tool to monitor adherence, ensure transparency, and facilitate communication of investment and operational activities.

Noted and Reviewed:

Jonathan Grabel
Chief Investment Officer

Attachments

LACERA

Los Angeles County Employees Retirement Association

Investments Division

OPEB TRUST

PERFORMANCE REPORT

For the quarter ended
March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

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04 COMPLIANCE MONITOR

05 MANAGER SCORECARD

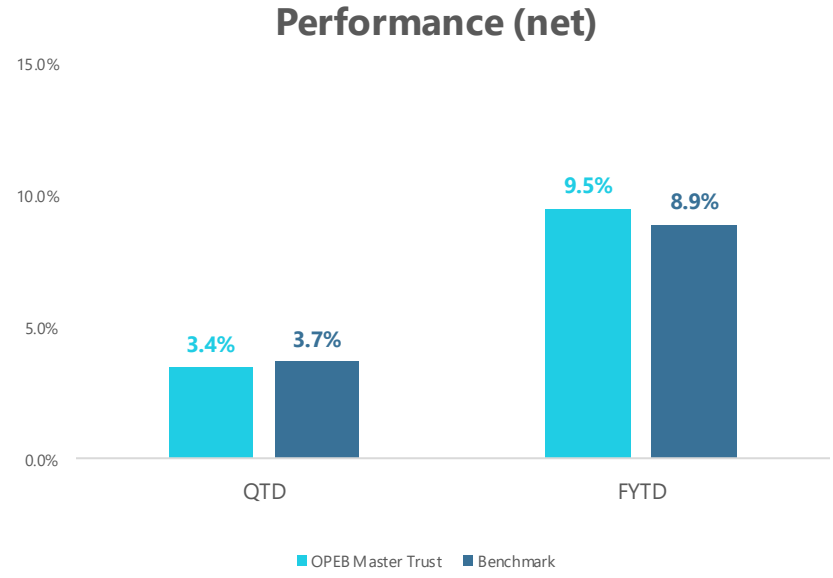
06 APPENDIX

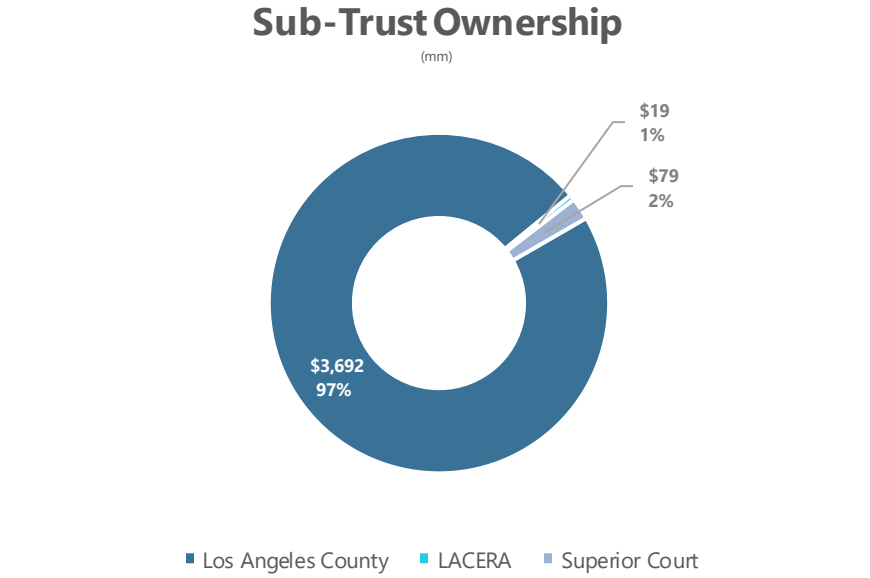
performance

Quarterly Snapshot

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association





Ending Market Value	Sharpe Ratio[1]	Manager Batting Average[2]	Standard Deviation[1]	Tracking Error[1]
3,790	0.2	.438	12.2	1.8
↑ 7% from prior quarter	↓ -16% from prior quarter	↑ 23% from prior quarter	— from prior quarter	↑ 1% from prior quarter

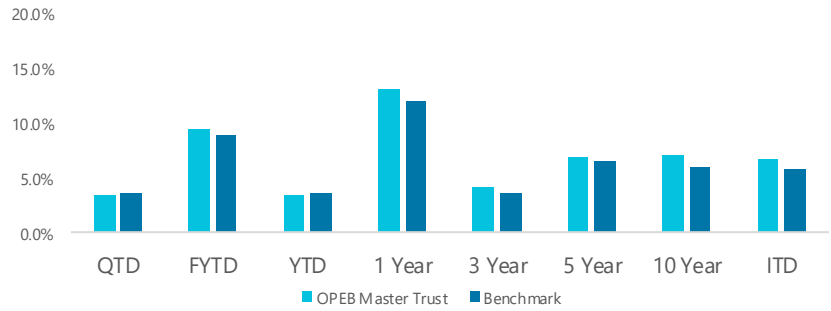
[1] 3-year annualized.
[2] Percentage of managers that outperformed their assigned benchmark for the quarter.

Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Performance (net)



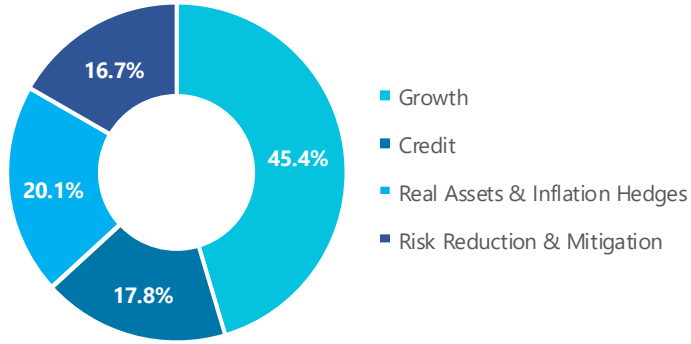
	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD
OPEB Master Trust	**3.4%**	**9.5%**	**3.4%**	**13.1%**	**4.1%**	**6.9%**	**7.0%**	**6.6%**
Benchmark	3.7%	8.9%	3.7%	11.9%	3.6%	6.5%	6.0%	5.7%
Excess	-0.2%	0.6%	-0.2%	1.2%	0.5%	0.4%	1.0%	0.9%
Sub-Trusts								
Los Angeles County	3.4%	9.5%	3.4%	13.1%	4.1%	6.9%	6.5%	6.2%
LACERA	3.4%	9.4%	3.4%	12.9%	4.0%	6.9%	6.5%	6.2%
Superior Court	3.5%	9.3%	3.5%	12.8%	4.0%	6.8%	--	7.5%

Functional Category

	QTD	FYTD	YTD	1 Year	3 Year	5 Year
OPEB Growth	**7.7%**	**15.7%**	**7.7%**	**22.6%**	**6.5%**	**10.8%**
OPEB Growth Policy Benchmark	8.2%	15.9%	8.2%	22.8%	6.0%	10.4%
Excess	-0.5%	-0.1%	-0.5%	-0.1%	0.5%	0.4%
OPEB Credit	**1.1%**	**7.3%**	**1.1%**	**9.9%**	**3.1%**	**3.7%**
OPEB Credit Policy Benchmark	2.5%	9.5%	2.5%	12.0%	3.2%	4.0%
Excess	-1.3%	-2.2%	-1.3%	-2.1%	-0.1%	-0.3%
OPEB Real Assets & Inflation Hedges	**0.1%**	**4.2%**	**0.1%**	**4.8%**	**2.9%**	**3.2%**
OPEB RA & IH Policy Benchmark	-1.1%	0.0%	-1.1%	-1.8%	2.3%	3.0%
Excess	1.1%	4.2%	1.1%	6.6%	0.6%	0.1%
OPEB Risk Reduction & Mitigation	**-1.2%**	**1.1%**	**-1.2%**	**0.3%**	**-1.9%**	**0.5%**
OPEB RR & M Policy Benchmark	-1.3%	1.0%	-1.3%	0.1%	-2.5%	0.1%
Excess	0.0%	0.1%	0.0%	0.2%	0.6%	0.4%

Cumulative Return

Exposure

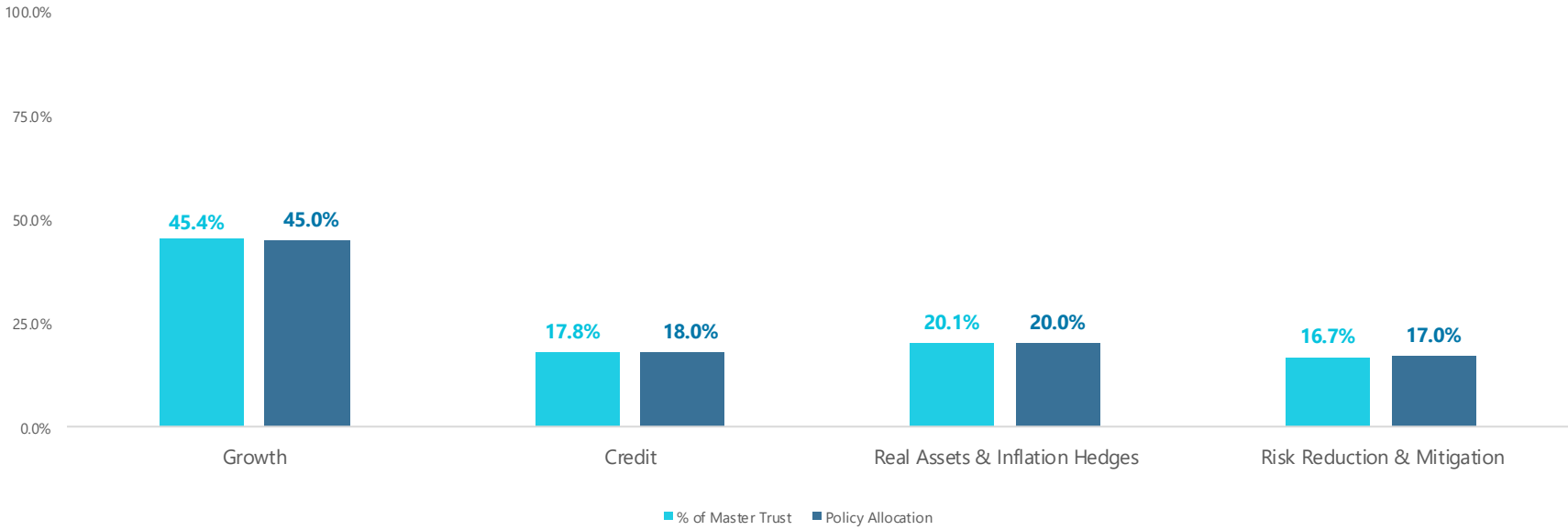


Asset Allocation

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Actual vs. Policy[1]



	Ending Market Value (mm)	% of Master Trust	Policy Allocation	Over / Under (%)	Over / Under (mm)
LACERA Master OPEB Trust Fund	**3,788**	**100.0%**	**100.0%**		
Growth	1,719	45.4%	45.0%	0.4%	14
Credit	674	17.8%	18.0%	-0.2%	-8
Real Assets & Inflation Hedges	763	20.1%	20.0%	0.1%	5
Risk Reduction & Mitigation	632	16.7%	17.0%	-0.3%	-12
OPEB HL PM Cash	0	0.0%			

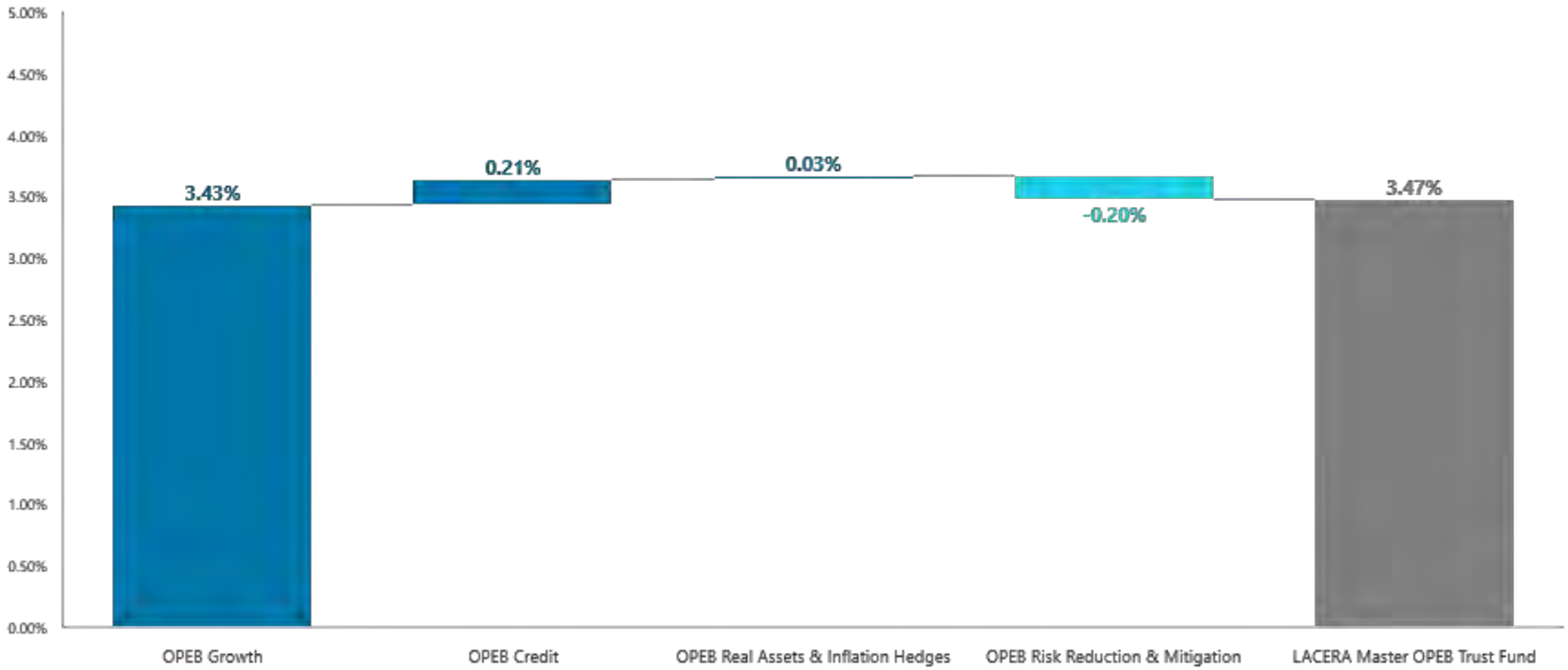
[1] Total market value excludes cash balances held in ownership funds.

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Contribution to Return



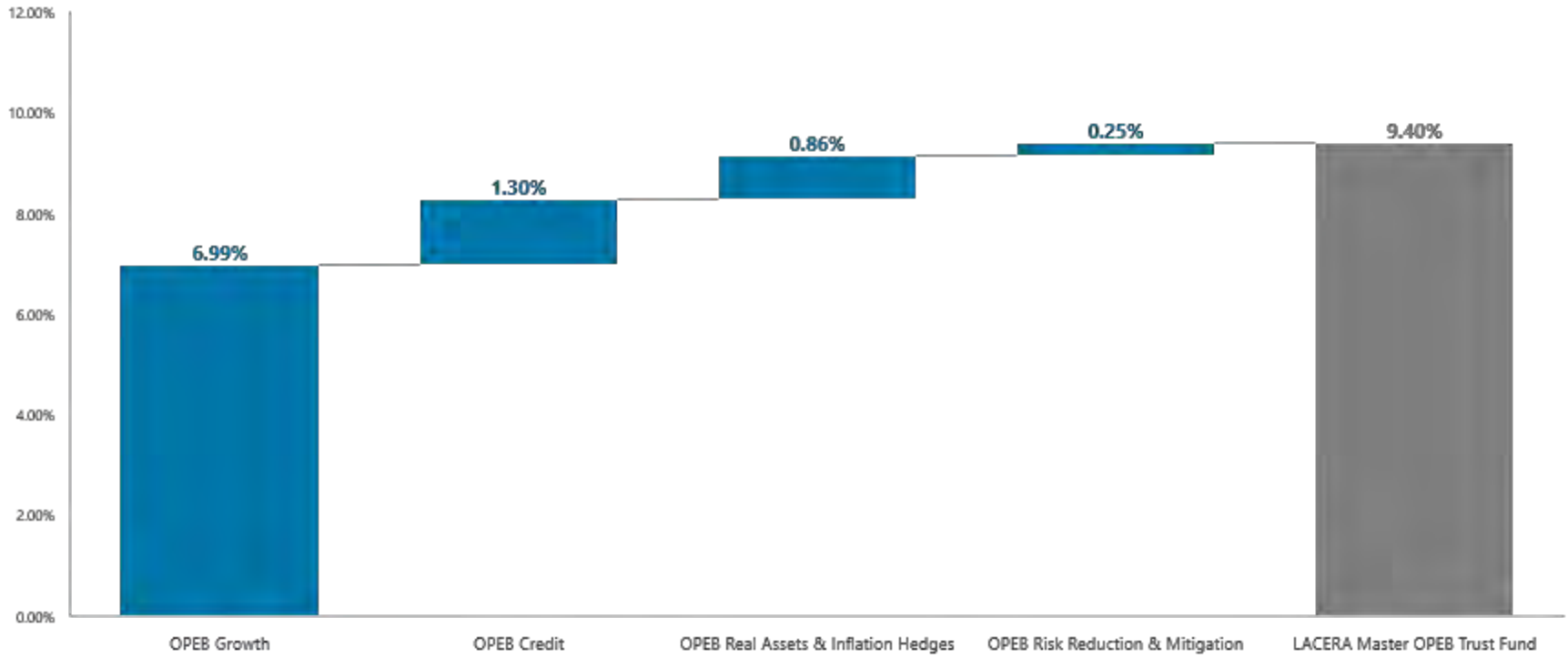
Functional Category		Contributors		Detractors	
OPEB Growth	3.43%	OPEB BLK Global Equities	3.44%	OPEB BLK LTG Bonds	-0.16%
OPEB Credit	0.21%	OPEB BLK Bank Loans	0.20%	OPEB BLK EM Debt CTF	-0.08%
OPEB Real Assets & Inflation Hedges	0.03%	OPEB BLK High Yield	0.09%	OPEB BLK IG Bonds	-0.06%
OPEB Risk Reduction & Mitigation	-0.20%	OPEB BLK Commodities CTF	0.07%	OPEB BLK REITS	-0.04%
LACERA Master OPEB Trust Fund	3.47%	OPEB Cash	0.03%		

Contribution to Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

FYTD Contribution to Return



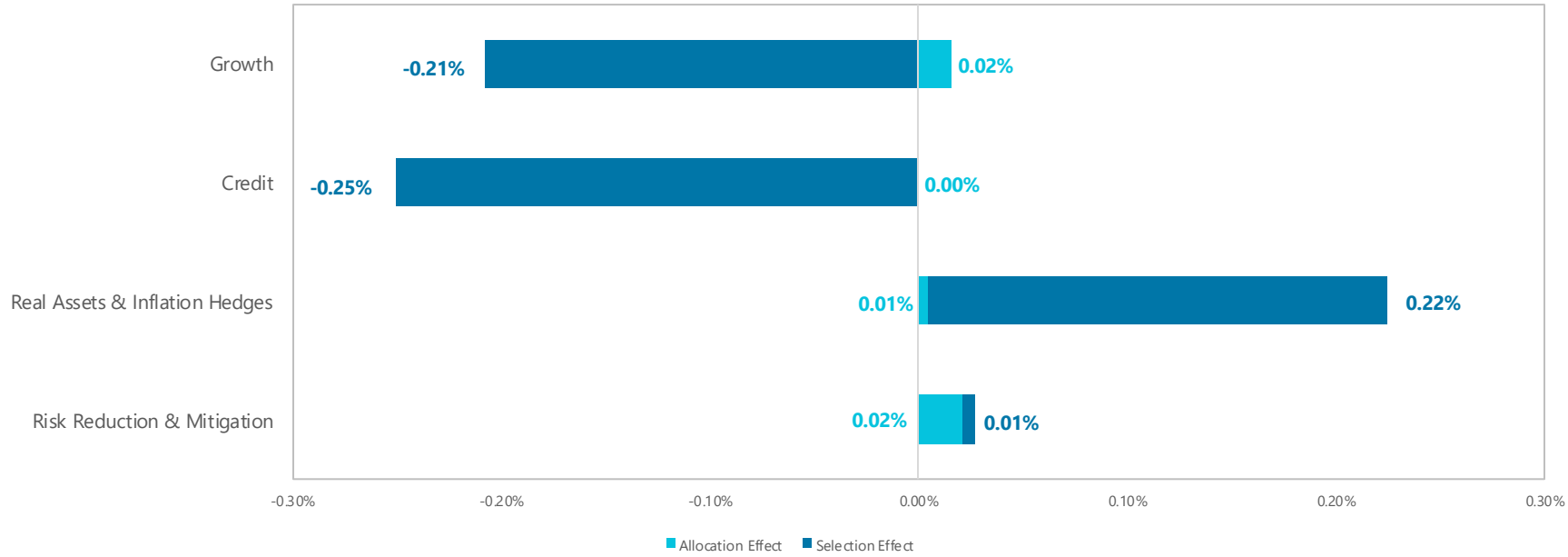
Functional Category		Contributors		Detractors	
OPEB Growth	6.99%	OPEB BLK Global Equities	6.92%	OPEB BLK LTG Bonds	-0.11%
OPEB Credit	1.30%	OPEB BLK Bank Loans	0.73%		
OPEB Real Assets & Inflation Hedges	0.86%	OPEB BLK REITS	0.70%		
OPEB Risk Reduction & Mitigation	0.25%	OPEB BLK High Yield	0.49%		
LACERA Master OPEB Trust Fund	9.40%	OPEB BLK IG Bonds	0.27%		

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

QTD Performance Attribution[1,2]



	Ending Market Value (mm)	% of Master Trust	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
LACERA Master OPEB Trust Fund	**3,788**	**100.0%**	**100.0%**	**3.5%**	**3.7%**	**0.04%**	**-0.23%**	**-0.19%**
Growth	1,719	45.4%	45.0%	7.7%	8.2%	0.02%	-0.21%	-0.19%
Credit	674	17.8%	18.0%	1.1%	2.5%	0.00%	-0.25%	-0.25%
Real Assets & Inflation Hedges	763	20.1%	20.0%	0.1%	-1.1%	0.01%	0.22%	0.22%
Risk Reduction & Mitigation	632	16.7%	17.0%	-1.2%	-1.3%	0.02%	0.01%	0.03%
OPEB HL PM Cash	0	0.0%						

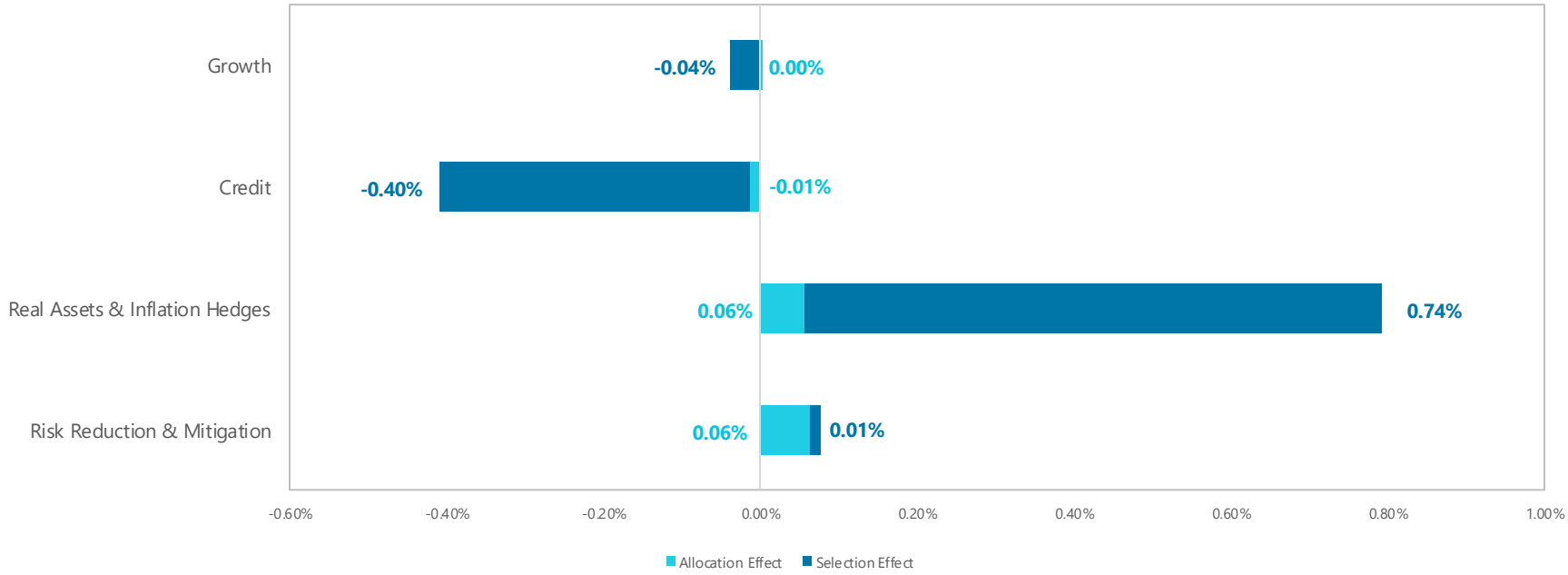
[1] Total market value excludes cash balances held in ownership funds.
[2] Total Value Add column includes Interaction Effect.

Return Attribution

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

FYTD Performance Attribution[1,2]



	Ending Market Value (mm)	% of Master Trust	Policy Allocation	Portfolio Return	Benchmark Return	Allocation Effect	Selection Effect	Total Value Add
LACERA Master OPEB Trust Fund	**3,788**	**100.0%**	**100.0%**	**9.4%**	**8.9%**	**0.11%**	**0.32%**	**0.43%**
Growth	1,719	45.4%	45.0%	15.7%	15.9%	0.00%	-0.04%	-0.04%
Credit	674	17.8%	18.0%	7.3%	9.5%	-0.01%	-0.40%	-0.41%
Real Assets & Inflation Hedges	763	20.1%	20.0%	4.2%	0.0%	0.06%	0.74%	0.79%
Risk Reduction & Mitigation	632	16.7%	17.0%	1.1%	1.0%	0.06%	0.01%	0.08%
OPEB HL PM Cash	0	0.0%						

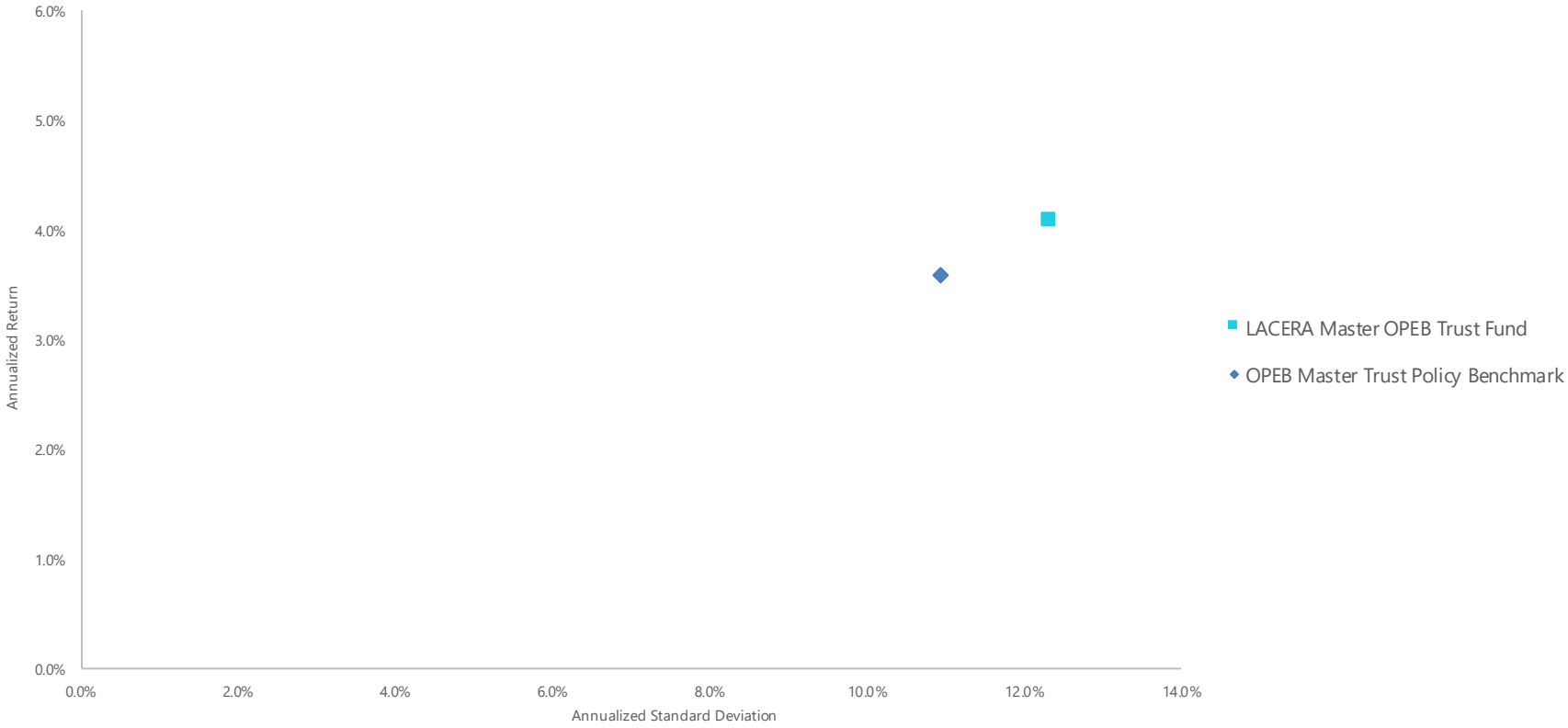
[1] Total market value excludes cash balances held in ownership funds.
[2] Total Value Add column includes Interaction Effect.

Risk vs. Return

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

3 Year (Annualized)



	Annualized Return	Standard Deviation	Sharpe Ratio	Information Ratio	Beta	Tracking Error
LACERA Master OPEB Trust Fund	**4.1%**	**12.3%**	**0.18**	**0.27**	**1.12**	**1.8%**
OPEB Master Trust Policy Benchmark	3.6%	10.9%				

Performance Detail

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Annualized Net Returns[1]

	% of Total	Ending Market Value (mm)	Prior Quarter Ending MV (mm)	QTD	FYTD	YTD	1 Year	3 Year	5 Year	10 Year	ITD	Inception Date
OPEB Master Trust	**100.0%**	**3,790**	**3,534**	**3.4%**	**9.5%**	**3.4%**	**13.1%**	**4.1%**	**6.9%**	**7.0%**	**6.6%**	**Feb-2013**
OPEB Master Trust Policy Benchmark				3.7%	8.9%	3.7%	11.9%	3.6%	6.5%	6.0%	5.7%	
Sub-Trusts												
LACERA	0.5%	19	18	3.4%	9.4%	3.4%	12.9%	4.0%	6.9%	6.5%	6.2%	Feb-2013
Los Angeles County	97.4%	3,692	3,446	3.4%	9.5%	3.4%	13.1%	4.1%	6.9%	6.5%	6.2%	Feb-2013
Superior Court	2.1%	79	71	3.5%	9.3%	3.5%	12.8%	4.0%	6.8%	--	7.5%	Jul-2016
LACERA Master OPEB Trust Fund	**100.0%**	**3,788**	**3,533**	**3.5%**	**9.4%**	**3.5%**	**13.0%**	**4.1%**	**7.0%**	**6.5%**	**6.2%**	**Feb-2013**
OPEB Master Trust Policy Benchmark				3.7%	8.9%	3.7%	11.9%	3.6%	6.5%	6.0%	5.7%	
OPEB Growth	**45.4%**	**1,719**	**1,598**	**7.7%**	**15.7%**	**7.7%**	**22.6%**	**6.5%**	**10.8%**	**--**	**11.0%**	**Jul-2016**
OPEB Growth Policy Benchmark				8.2%	15.9%	8.2%	22.8%	6.0%	10.4%	--	10.7%	
OPEB BLK Global Equities	45.0%	1,703	1,590	7.7%	15.6%	7.7%	22.5%	6.5%	10.8%	8.7%	8.7%	Mar-2014
MSCI ACWI IMI Net				7.7%	15.6%	7.7%	22.5%	6.3%	10.6%	8.4%	8.4%	
OPEB HL Private Equity	0.4%	16	8	-0.3%	--	-0.3%	--	--	--	--	NM	Sep-2023
OPEB Private Equity Policy Benchmark				11.7%	--	11.7%	--	--	--	--	NM	
OPEB Credit	**17.8%**	**674**	**639**	**1.1%**	**7.3%**	**1.1%**	**9.9%**	**3.1%**	**3.7%**	**--**	**3.7%**	**Jul-2018**
OPEB Credit Policy Benchmark				2.5%	9.5%	2.5%	12.0%	3.2%	4.0%	--	4.0%	
OPEB Liquid Credit	17.6%	666	635	1.2%	7.3%	1.2%	9.9%	--	--	--	2.8%	Oct-2021
OPEB Liquid Credit Policy Benchmark				1.9%	8.8%	1.9%	11.4%	--	--	--	2.9%	
OPEB BLK Bank Loans	8.1%	308	311	2.3%	8.4%	2.3%	11.6%	5.8%	5.2%	--	4.9%	Jul-2018
OPEB Bank Loans Custom Benchmark				2.5%	9.0%	2.5%	12.4%	5.8%	5.4%	--	5.1%	
OPEB BLK EM Debt CTF	2.7%	104	130	-2.2%	2.2%	-2.2%	4.6%	-1.9%	-0.3%	--	0.2%	Jul-2018
JPM GBI-EM Global Diversified				-2.1%	2.3%	-2.1%	4.9%	-1.6%	0.1%	--	0.7%	
OPEB BLK High Yield Bonds	6.7%	254	195	1.3%	8.8%	1.3%	10.6%	1.9%	3.7%	--	4.1%	Jul-2018
BBG BC US Corporate HY Index				1.5%	9.2%	1.5%	11.2%	2.2%	4.2%	--	4.5%	
OPEB HL Illiquid Credit	0.2%	8	4	0.6%	--	0.6%	--	--	--	--	0.6%	Sep-2023
OPEB Illiquid Credit Policy Benchmark				4.0%	--	4.0%	--	--	--	--	7.1%	
OPEB Real Assets & Inflation Hedges	**20.1%**	**763**	**702**	**0.1%**	**4.2%**	**0.1%**	**4.8%**	**2.9%**	**3.2%**	**--**	**3.7%**	**Jul-2018**
OPEB RA & IH Policy Benchmark				-1.1%	0.0%	-1.1%	-1.8%	2.3%	3.0%	--	3.3%	
OPEB BLK Commodities CTF	3.8%	143	147	2.3%	2.1%	2.3%	-0.5%	9.2%	6.4%	--	4.5%	Jul-2018
Bloomberg Commodity Index Total Return				2.2%	2.1%	2.2%	-0.6%	9.1%	6.4%	--	4.5%	
OPEB BLK TIPS	6.7%	252	214	0.0%	1.7%	0.0%	0.3%	-0.6%	2.5%	--	2.5%	Jul-2018
Bloomberg U.S. Treasury: U.S. TIPS				-0.1%	1.9%	-0.1%	0.5%	-0.5%	2.5%	--	2.5%	
OPEB HL Infrastructure	0.2%	9	0	0.7%	--	0.7%	--	--	--	--	0.7%	Sep-2023
OPEB Infrastructure Policy Benchmark				11.2%	--	11.2%	--	--	--	--	6.8%	
OPEB HL Natural Resources	0.1%	5	3	-2.2%	--	-2.2%	--	--	--	--	-6.4%	Sep-2023
OPEB Natural Resources Policy Benchmark				3.4%	--	3.4%	--	--	--	--	14.0%	
OPEB Real Estate	9.3%	354	338	-0.5%	7.2%	-0.5%	10.3%	3.7%	2.9%	--	4.0%	Jul-2018
OPEB Real Estate Policy Benchmark				-3.8%	-5.4%	-3.8%	-7.1%	-1.2%	0.0%	--	1.5%	
OPEB BLK REITS	9.3%	351	338	-0.4%	7.2%	-0.4%	10.4%	3.7%	2.9%	--	4.0%	Jul-2018
DJ US Select Real Estate Securities				-0.4%	7.4%	-0.4%	10.6%	3.7%	3.0%	--	4.1%	
OPEB HL Private Real Estate	0.1%	2	0	--	--	--	--	--	--	--	NM	Feb-2024
NCREIF Fund Index - ODCE Net				--	--	--	--	--	--	--	NM	
OPEB Risk Reduction & Mitigation	**16.7%**	**632**	**593**	**-1.2%**	**1.1%**	**-1.2%**	**0.3%**	**-1.9%**	**0.5%**	**--**	**1.2%**	**Jul-2016**
OPEB RR & M Policy Benchmark				-1.3%	1.0%	-1.3%	0.1%	-2.5%	0.1%	--	0.8%	
OPEB BLK IG Bonds	10.3%	389	349	-0.7%	2.5%	-0.7%	1.7%	-2.4%	0.4%	--	1.1%	Jul-2018
BBG BC Aggregate Bond Index				-0.8%	2.6%	-0.8%	1.7%	-2.5%	0.4%	--	1.1%	
OPEB Cash	1.8%	66	59	2.0%	5.1%	2.0%	6.5%	3.2%	2.6%	1.9%	1.7%	Feb-2013
OPEB Cash Policy Benchmark				1.4%	4.2%	1.4%	5.5%	2.7%	2.1%	1.5%	1.3%	
OPEB BLK LTG Bonds	4.7%	177	185	-3.0%	-3.9%	-3.0%	-6.2%	--	--	--	-0.3%	Dec-2022
Bloomberg U.S. Treasury: Long				-3.3%	-3.9%	-3.3%	-6.1%	--	--	--	-0.6%	
OPEB HL PM Cash	0.0%	0	0									

[1] NM = not meaningful

risk

Risk Summary

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Realized (Ex-Post) Risks

$3.8B	OPEB TRUST 1Y Realized Return 13.1%
OPEB TRUST Monte Carlo VaR 12.8%	BENCHMARK Monte Carlo VaR 13.7%

OPEB Master Trust

Value at Risk
VARIABLES
95% Confidence Interval
1Y Time Horizon
1,000 Simulations

With 95% confidence, LACERA would not lose more than $485M in 1Y.

versus

With 95% confidence, Benchmark would not lose more than $519M in 1Y.

97% Passive Market Value Exposure — $3.7B

1% Private Market Value Exposure — $39.7M

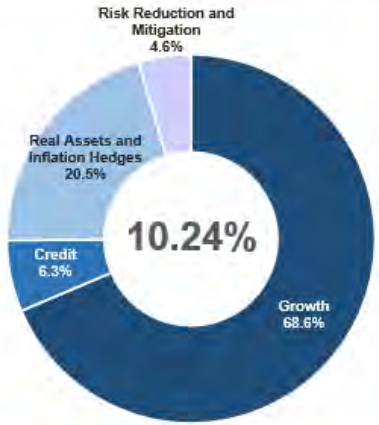
78% US Market Value Exposure — $3.0B

Projected (Ex-Ante) Risks

OPEB Trust Forecast Volatility	Benchmark Forecast Volatility
10.10%	10.24%
OPEB Trust Forecast Tracking Error 1.26%	Allocation Risk 0.18% / Selection Risk 1.08%

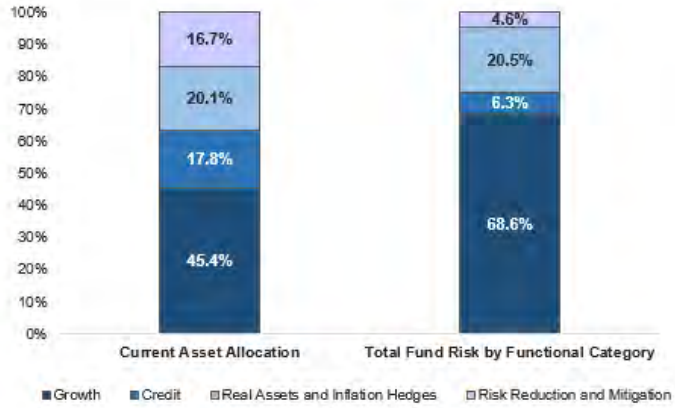
Portfolio Beta
0.98

Functional Category Contributions to OPEB Trust Risk



OPEB Master Trust Asset Allocation

Capital-based versus Risk-based

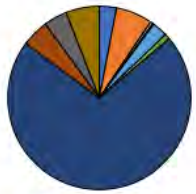


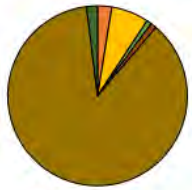
Risk Summary

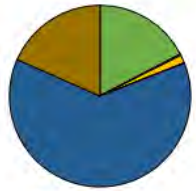
for the quarter ended March 31, 2024

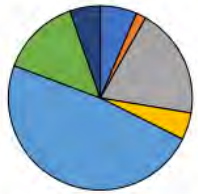
LACERA
Los Angeles County Employees Retirement Association

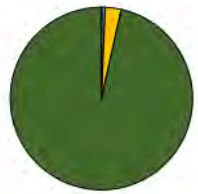
Decomposition of MSCI Risk Factors









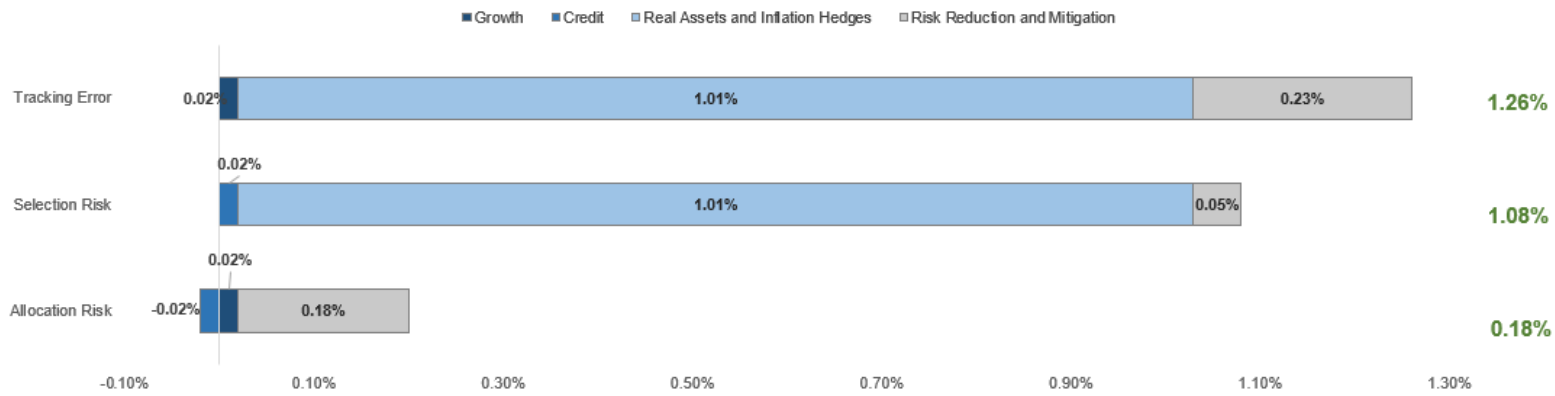


Risk Summary

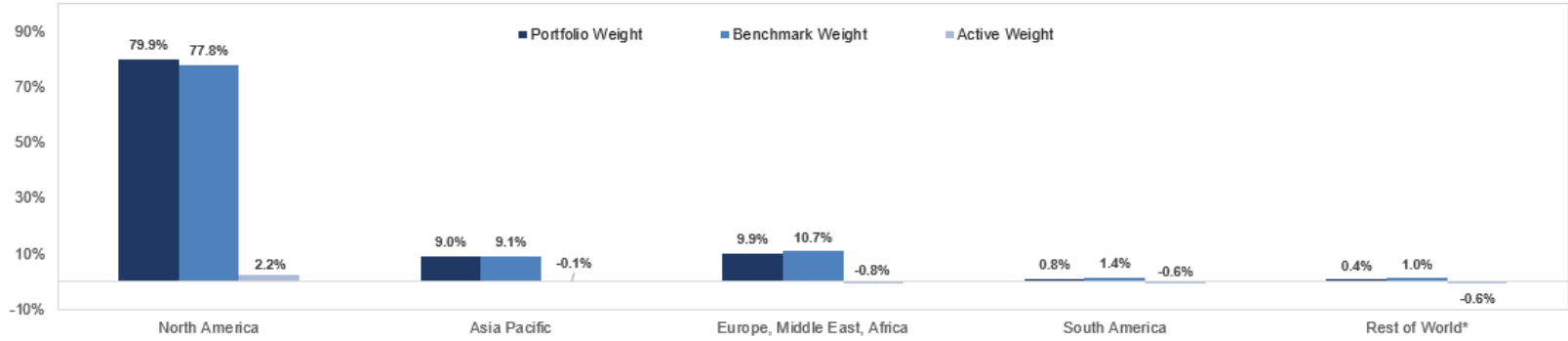
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Functional Category Contributions to Tracking Error



Portfolio Allocation by Region[1]



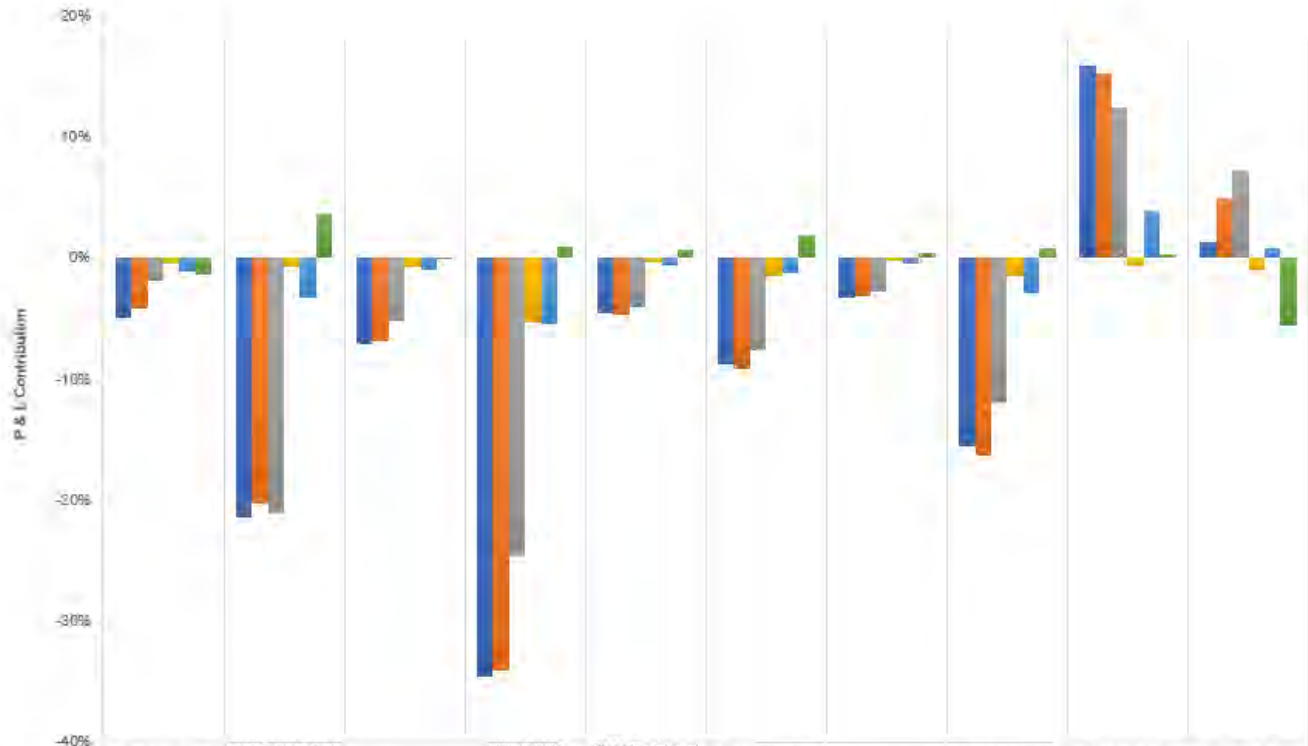
* Rest of World is sum of countries with weights below 0.5%.

Stress Tests

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Scenarios by Asset Category



	1994 US Rate Hike	2000-2003 Tech Crash & Recession	2001 Sept 11	2007-2009 Subprime and Credit Crisis	2010 Peripheral European Bond Crisis	2011 US Debt Ceiling Act	2016 Brexit	2020 COVID March Selloff	2020 COVID Volatility Spike	US Interest Rate Hike 2022-2023
Total Fund	-4.94%	-21.51%	-7.16%	-34.61%	-4.62%	-9.78%	-3.28%	-15.61%	15.85%	1.31%
TF Benchmark	-4.26%	-20.34%	-6.91%	-34.08%	-4.71%	-9.24%	-3.24%	-16.30%	15.21%	4.82%
Growth	-1.97%	-21.02%	-5.20%	-24.63%	-4.13%	-7.61%	-2.83%	-12.01%	12.40%	7.10%
Credit	-0.46%	-0.72%	-0.72%	-5.40%	-0.42%	-1.58%	-0.32%	-1.52%	-0.70%	-0.99%
Real Assets & Inflation Hedges	-1.10%	-3.34%	-1.08%	-5.45%	-0.69%	-1.33%	-0.50%	-2.89%	3.84%	0.80%
Risk Reduction & Mitigation	-1.41%	3.58%	-0.17%	0.87%	0.62%	1.73%	0.37%	0.80%	0.31%	-5.81%

Stress Tests

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Historical Scenario	Description	Stock Market	Interest Rates	Bond Market	Commodity Market
1994 **US Rate Hike**	In combating inflation, the US Federal Reserve raised rates from 3.25% in February to 5.5% in November 1994.	Slightly Down	Down	Slightly Down	Neutral
2000-2003 **Tech Crash & Recession**	Period of crisis and slowdown for technological firms due to a rapid jump in stock prices when tech bubble began to burst.	Down	Up	Slightly Down	Up
2001 **September 11th**	The US stock market was closed for a week upon a series of coordinated suicide attacks upon the US on September 11, 2001.	Down	Neutral	Slightly Down	Neutral
2008-2009 **Global Financial Crisis**	Major financial crisis starting with the failure of several US-based financial firms. Extended into 2009, when stock markets reached their lowest.	Down	Slightly Up	Down	Down
2010 **European Bond Crisis**	During crisis, the liquidity access for peripheral countries was affected by budget deficits, high borrowing costs, and failing banking systems.	Slightly Down	Slightly Up	Slightly Down	Neutral
2011 **US Debt Ceiling Act**	Political deadlock on appropriate level of US government spending and its impacts. Debt and equity markets experienced significant volatility.	Down	Up	Down	Slightly Down
2016 **Brexit**	The referendum by British voters to exit the European Union roiled global markets causing the pound to fall to its lowest level in decades.	Slightly Down	Slightly Up	Slightly Down	Neutral
2020 **COVID March Selloff**	Peak and Valley of the MSCI ACWI index when Covid became a Global Pandemic.	Down	Slightly Up	Down	Slightly Down
2020 **COVID Volatility Spike**	Period it took for the Cboe Volatility Index (VIX) to revert to pre-pandemic levels.	Up	Slightly Up	Down	Slightly Up
2022-2023 **US Rate Hike**	Period between March 2022 and August 2023 when the US Federal Reserve raised interest rates by 525 bps.	Up	Down	Up	Up

Market Trend Signals

Up · Slightly Up · Neutral · Down · Slightly Down

manager pages

Growth – Global Equity
BlackRock MSCI ACWI IMI

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to provide global equity market exposure and passive index returns. This strategy may be suited to investors looking to gain passive, global equity exposures with low tracking error.

Inception Date: March 2014

Manager Scorecard Profile

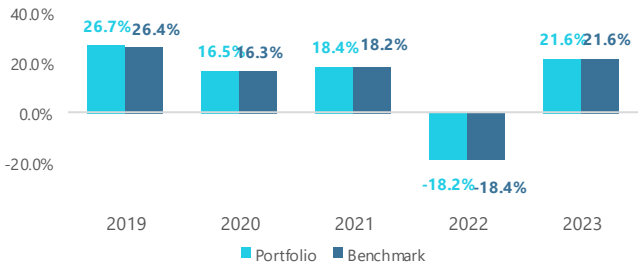
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1to 5 (with 5 the best)	S+, S, or S- (with S+the best)	1to 5 (with 5 the best)	A, B, or C (with A the best)	1to 5 (with 5 the best)
3	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK Global Equities (Gross)	**1,703.2**	**7.7%**	**31**	**22.5%**	**27**	**6.5%**	**46**	**10.8%**	**37**
Peer Universe Median		5.5%		16.4%		6.0%		8.7%	
OPEB BLK Global Equities (Net)		**7.7%**		**22.5%**		**6.5%**		**10.8%**	
MSCI ACWI IMI Net		7.7%		22.5%		6.3%		10.6%	
OPEB Growth Policy Benchmark		8.2%		22.8%		6.0%		10.4%	

Wilshire TUCS Peer Universe — Global Equity Funds

Number of observations — 98

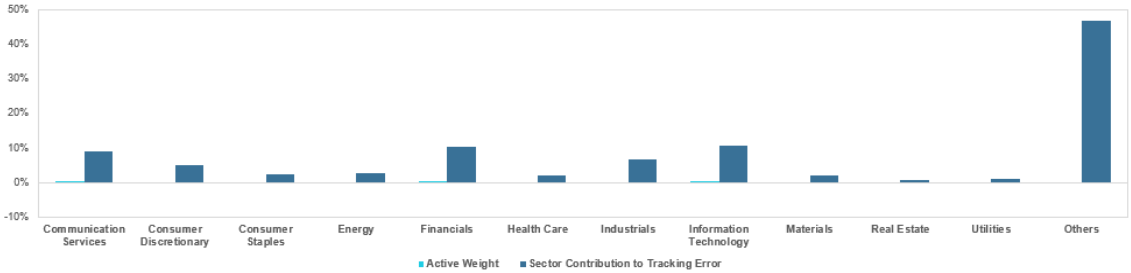


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	15.9%	15.8%
Forecast Tracking Error	0.1%	
Beta	1.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	62.6%	62.8%	-0.2%
Japan	6.0%	6.0%	-0.1%
United Kingdom	3.5%	3.5%	0.0%
Canada	2.8%	2.8%	0.0%
France	2.6%	2.7%	0.0%

Sector Contribution to Tracking Error by GICS Sector



Credit – Liquid Credit

Bank Loans

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to preserve capital and provide income by outperforming the bank loan benchmark that tracks the investable market of the US dollar denominated leveraged loan market.

Inception Date: July 2018

Manager Scorecard Profile

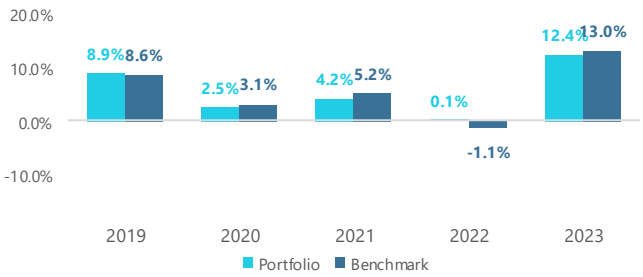
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	—	A	3

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK Bank Loans (Gross)	**308.4**	**2.4%**	**75**	**11.7%**	**70**	**5.7%**	**80**	**5.1%**	**80**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
OPEB BLK Bank Loans (Net)		**2.3%**		**11.6%**		**5.7%**		**5.1%**	
OPEB Bank Loans Custom Benchmark		2.5%		12.4%		5.8%		5.4%	
OPEB Credit Policy Benchmark		2.5%		12.0%		3.2%		4.0%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706



Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	3.4%	4.1%
Forecast Tracking Error	0.9%	
Beta	0.81	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	89.8%	88.9%	0.9%
Canada	3.2%	2.5%	0.7%
Ireland	2.0%	1.5%	0.5%
Luxembourg	1.4%	2.4%	-1.1%
United Kingdom	1.1%	1.5%	-0.4%

Sector Contribution to Tracking Error by Bond Sector

Credit – Liquid Credit

High Yield

BlackRock

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

Strategy

Tracks the Bloomberg US Corporate High Yield index, a broadly diversified portfolio, primarily composed of US dollar denominated high yield securities.

Inception Date: July 2018

Manager Scorecard Profile

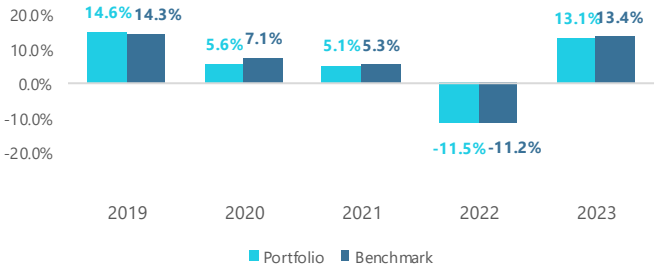
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK High Yield (Gross)	**254.1**	**1.3%**	**27**	**10.7%**	**17**	**2.0%**	**36**	**3.8%**	**23**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
OPEB BLK High Yield (Net)		**1.3%**		**10.6%**		**1.9%**		**3.7%**	
BBG BARC US Corp HY Idx		1.5%		11.2%		2.2%		4.2%	
OPEB Credit Policy Benchmark		2.5%		12.0%		3.2%		4.0%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

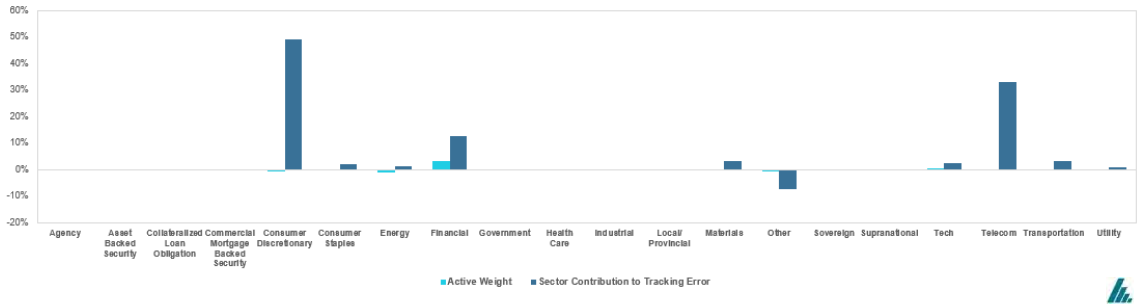


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	5.3%	5.4%
Forecast Tracking Error	0.2%	
Beta	0.98	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	82.9%	82.9%	-0.1%
Canada	4.5%	4.6%	-0.2%
United Kingdom	2.3%	2.4%	-0.2%
Ireland	1.7%	1.5%	0.2%
Luxembourg	1.5%	1.4%	0.0%

Sector Contribution to Tracking Error by Bond Sector



Credit – Liquid Credit

Emerging Market Debt

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to approximate the total return of an index composed of local currency denominated, emerging market sovereign bonds.

Inception Date: July 2018

Manager Scorecard Profile

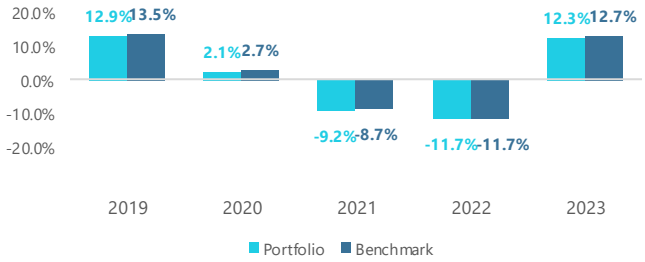
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1to 5 (with 5 the best)	S+, S, or S- (with S+the best)	1to 5 (with 5 the best)	A, B, or C (with A the best)	1to 5 (with 5 the best)
2	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK EM Debt CTF (Gross)	**103.5**	**-2.1%**	**93**	**4.7%**	**38**	**-1.8%**	**74**	**-0.1%**	**93**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
OPEB BLK EM Debt CTF (Net)		**-2.2%**		**4.6%**		**-1.9%**		**-0.3%**	
JPM GBI-EM Global Diversified Index		-2.1%		4.9%		-1.6%		0.1%	
OPEB Credit Policy Benchmark		2.5%		12.0%		3.2%		4.0%	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

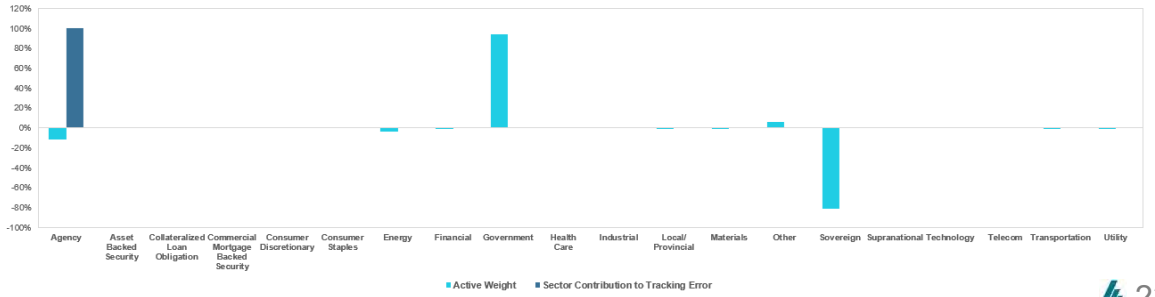


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	8.9%	8.6%
Forecast Tracking Error	6.2%	
Beta	0.77	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
South Africa	15.1%	2.7%	12.4%
Malaysia	13.7%	2.5%	11.2%
Indonesia	11.3%	4.6%	6.7%
Poland	11.0%	1.9%	9.2%
Thailand	10.1%	0.0%	10.1%

Sector Contribution to Tracking Error by Bond Sector



Real Assets & Inflation Hedges

REITs

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Invests primarily in a portfolio of US securities with the objective of approximating the total rate of return of the REIT benchmark. The index is designed to track the performance of REITs and other companies that invest directly or indirectly in real estate through development, management, or ownership, including property agencies.

Inception Date: July 2018

Manager Scorecard Profile

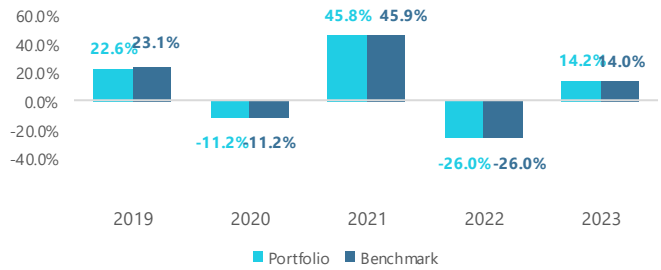
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
3	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK REITS (Gross)	**351.4**	**-0.4%**	**55**	**10.4%**	**18**	**3.8%**	**61**	**3.0%**	**59**
Peer Universe Median		0.0%		-1.6%		6.0%		4.4%	
OPEB BLK REITS (Net)		**-0.4%**		**10.4%**		**3.7%**		**2.9%**	
DJ US SELECT REAL ESTATE SECURITIES		-0.4%		10.6%		3.7%		3.0%	
OPEB RA & IH Policy Benchmark		-1.1%		-1.8%		2.3%		3.0%	

Wilshire TUCS Peer Universe — Real Estate Funds

Number of observations — 317

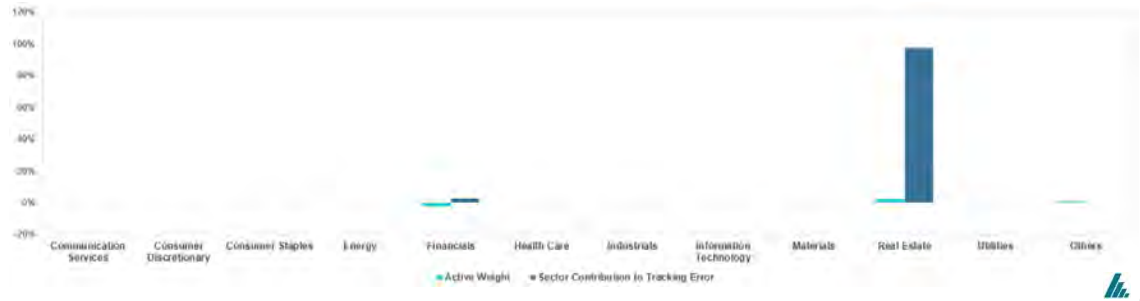


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	22.2%	21.9%
Forecast Tracking Error	2.4%	
Beta	1.01	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Sector Contribution to Tracking Error by GICS Sector



Real Assets & Inflation Hedges

Commodities

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Invests in two strategies, approximately equally. One strategy focuses on commodity-linked derivatives, while the other focuses on equity investments in commodity-related companies, including mining, energy, and agricultural companies.

Inception Date: July 2018

Manager Scorecard Profile

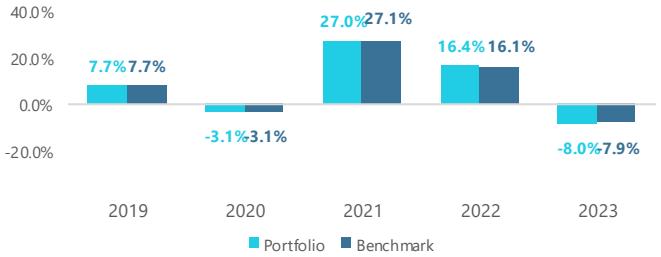
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1 to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1 to 5 (with 5 the best)	A, B, or C (with A the best)	1 to 5 (with 5 the best)
4	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK Commodities CTF (Gross)	**143.2**	**2.3%**	**36**	**-0.4%**	**67**	**9.3%**	**50**	**6.6%**	**72**
Peer Universe Median		0.2%		1.3%		9.0%		8.6%	
OPEB BLK Commodities CTF (Net)		**2.3%**		**-0.5%**		**9.2%**		**6.4%**	
Bloomberg Commodity Index Total Return		2.2%		-0.6%		9.1%		6.4%	
OPEB RA & IH Policy Benchmark		-1.1%		-1.8%		2.3%		3.0%	

Wilshire TUCS Peer Universe: Commodity Funds

Number of observations: 11



Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	0.0%	12.6%
Forecast Tracking Error	12.6%	
Beta	0.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
Commingled Fund[1]	100%	0%	100%

[1] Commingled fund account with no position-level transparency.

Sector Contribution to Tracking Error by GICS Sector

Real Assets & Inflation Hedges

TIPS

BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Invests in inflation-protected public obligations of the US Treasury that have a remaining maturity greater than or equal to 1 year and less than 10 years.

Inception Date: July 2018

Manager Scorecard Profile

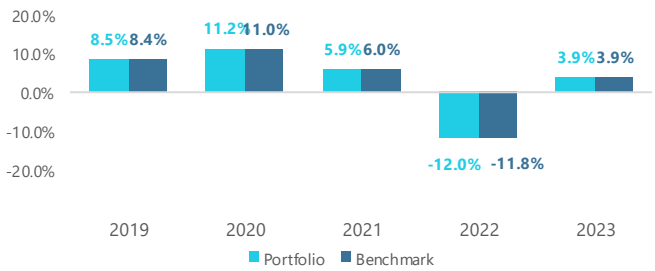
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1to 5 (with 5 the best)	A, B, or C (with A the best)	1to 5 (with 5 the best)
3	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK TIPS (Gross)	**252.4**	**0.0%**	**60**	**0.3%**	**81**	**-0.6%**	**57**	**2.5%**	**29**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
OPEB BLK TIPS (Net)		**0.0%**		**0.3%**		**-0.6%**		**2.5%**	
Bloomberg U.S. Treasury: U.S. TIPS		-0.1%		0.5%		-0.5%		2.5%	
OPEB RA & IH Policy Benchmark		-1.1%		-1.8%		2.3%		3.0%	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

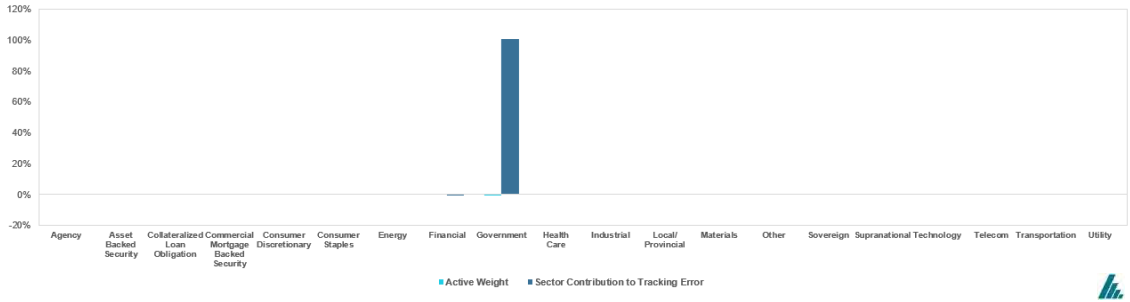


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	6.3%	6.3%
Forecast Tracking Error	0.1%	
Beta	0.99	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Sector Contribution to Tracking Error by Bond Sector



Risk Reduction & Mitigation

Investment Grade Bonds

BlackRock

for the quarter ended March 31, 2024

LACERA

Los Angeles County Employees Retirement Association

Strategy

Tracks the Bloomberg US Aggregate Bond index, a broad, market capitalization-weighted bond market index representing investment grade bonds traded in the US.

Inception Date: July 2018

Manager Scorecard Profile

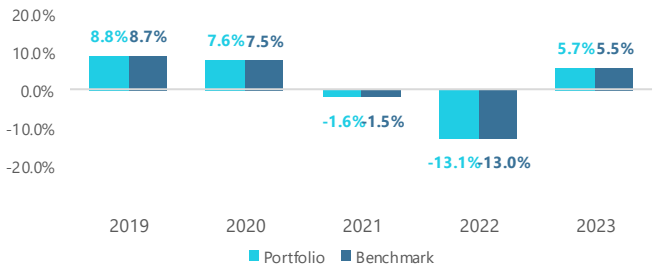
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1to 5 (with 5 the best)	S+, S, or S- (with S+the best)	1to 5 (with 5 the best)	A, B, or C (with A the best)	1to 5 (with 5 the best)
2	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK IG Bonds (Gross)	**388.7**	**-0.7%**	**81**	**1.7%**	**74**	**-2.4%**	**83**	**0.4%**	**85**
Peer Universe Median		0.0%		3.5%		0.0%		1.5%	
OPEB BLK IG Bonds (Net)		**-0.7%**		**1.7%**		**-2.4%**		**0.4%**	
BBG BARC Agg		-0.8%		1.7%		-2.5%		0.4%	
OPEB RR & M Policy Benchmark		-1.3%		0.1%		-2.5%		0.1%	

Wilshire TUCS Peer Universe: US Fixed Income Funds

Number of observations: 706

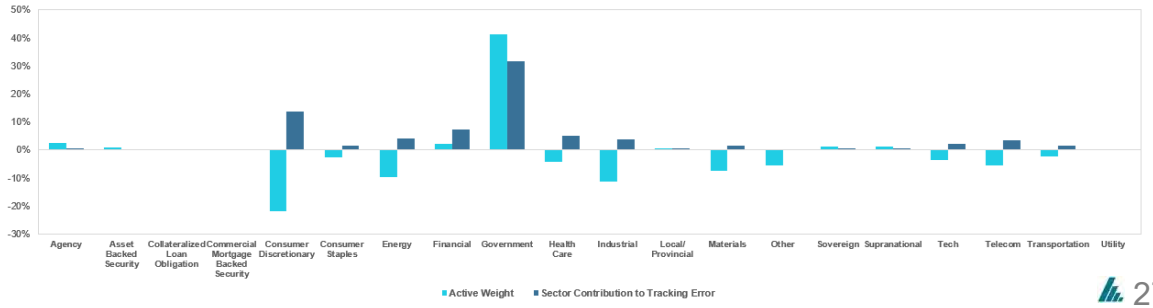


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	6.4%	5.4%
Forecast Tracking Error	5.5%	
Beta	0.69	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	92.8%	82.9%	9.9%
Canada	1.3%	4.6%	-3.4%
United Kingdom	1.2%	2.4%	-1.2%
Japan	0.6%	0.3%	0.4%
Germany	0.3%	0.4%	-0.1%

Sector Contribution to Tracking Error by Bond Sector



Risk Reduction & Mitigation

Long-Term Government Bonds
BlackRock

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

Strategy

Seeks to approximate the return of US dollar-denominated, fixed rate, nominal debt issued by the US Treasury with a maturity greater than 10 years.

Inception Date: December 2022

Manager Scorecard Profile

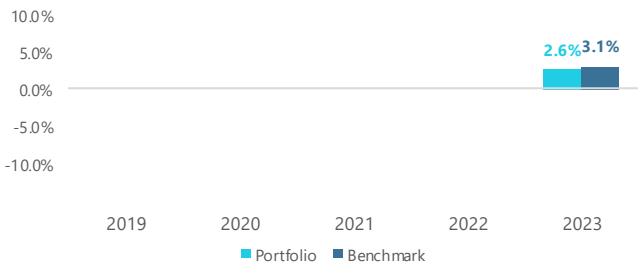
Performance	Organization & Operations	ESG	Partnership	Fees & Terms
1to 5 (with 5 the best)	S+, S, or S- (with S+ the best)	1to 5 (with 5 the best)	A, B, or C (with A the best)	1to 5 (with 5 the best)
3	S	—	A	5

Performance

	Market Value	QTD	Rank	1 Year	Rank	3 Year	Rank	5 Year	Rank
OPEB BLK LTG Bonds (Gross)	**177.2**	**-3.0%**	**95**	**-6.2%**	**94**	**--**	**-**	**--**	**-**
Peer Universe Median		0.0%		3.5%		--		--	
OPEB BLK LTG Bonds (Net)		**-3.0%**		**-6.2%**		**--**		**--**	
Bloomberg U.S. Treasury: Long		-3.3%		-6.1%		--		--	
OPEB RR & M Policy Benchmark		-1.3%		0.1%		--		--	

Wilshire TUCS Peer Universe — US Fixed Income Funds

Number of observations — 706

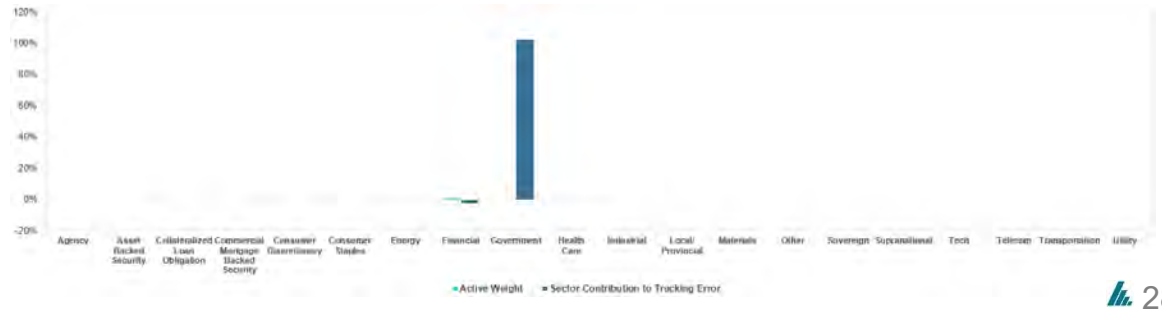


Risk

Risk Summary	Portfolio	Benchmark
Forecast Volatility	14.3%	14.3%
Forecast Tracking Error	0.0%	
Beta	1.00	

Top Countries by Weight	Portfolio Weight	Benchmark Weight	Active Weight
United States	100%	100%	0%

Sector Contribution to Tracking Error by Bond Sector



LACERA
Los Angeles County Employees Retirement Association

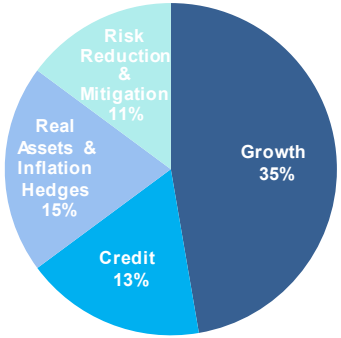
compliance monitor

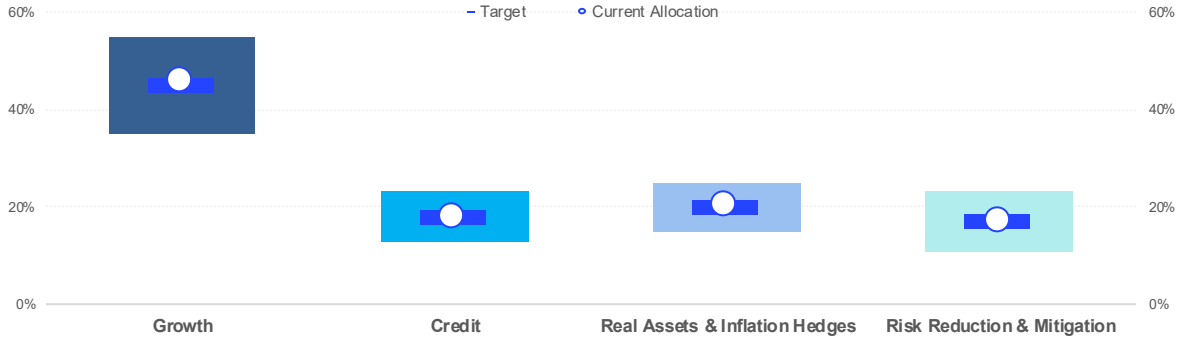
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

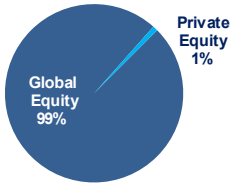
OPEB Master Trust Asset Allocation, Policy Ranges, and Targets

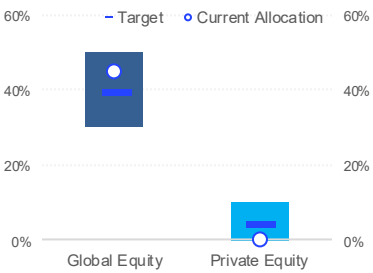




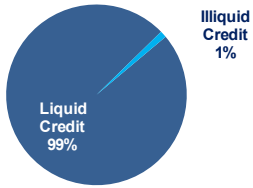
Q1 2024 Compliance Overview by Functional and Sub-asset Category

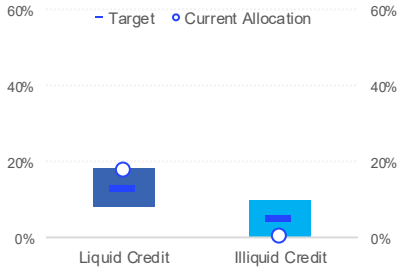
Growth
3 Advisories
0 Exceptions



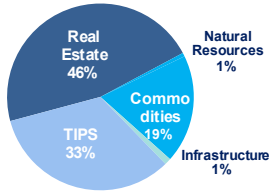


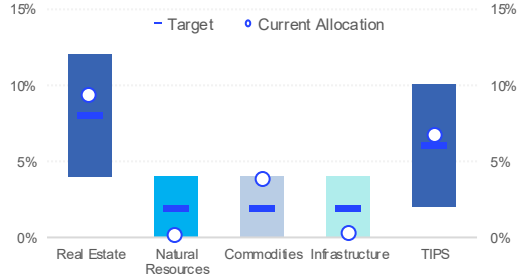
Credit
1 Advisory
0 Exceptions



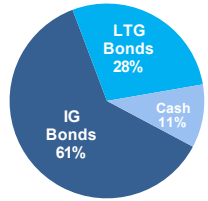


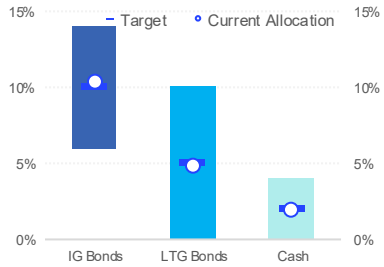
Real Assets & Inflation Hedges
0 Advisories
2 Exceptions





Risk Reduction & Mitigation
1 Advisory
0 Exceptions



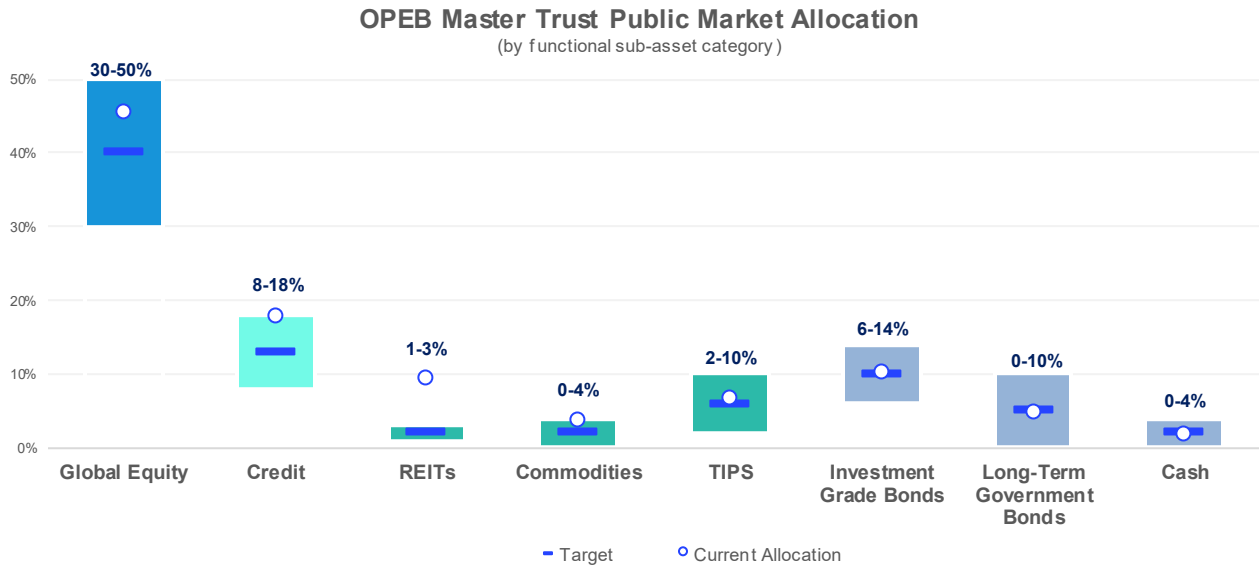


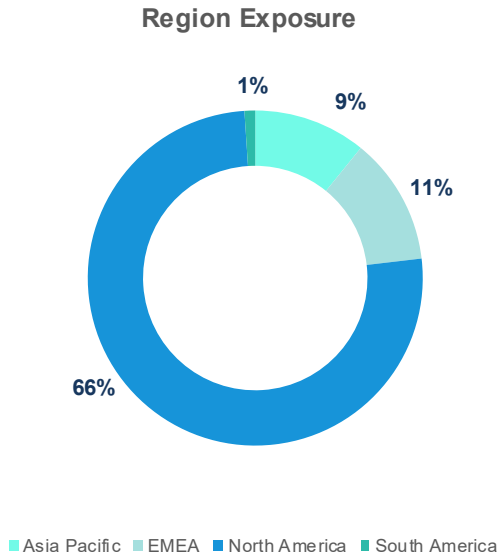
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

OPEB Master Trust – Public Markets





Q1 2024 Compliance Review Status

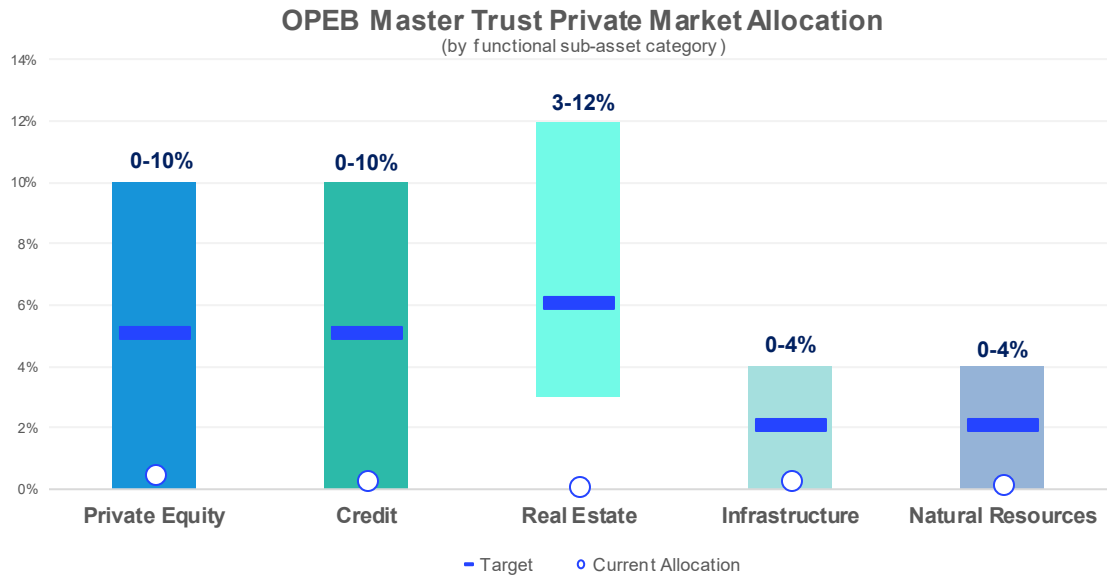
Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	Y	1	**Asset Allocation Compliance**	Exception 1: REITs were above the policy range by 6%. Allocations may fall outside of defined ranges as capital is deployed from public to private markets, reflecting the Board-approved strategic transition.
✓	—	N	—	**Investment Manager Compliance**	
✓	3	N	—	Economic Substitution (Iran, Sudan, Tobacco)	Advisory 1: 11 Iran issuers totaling 5.4 million in market value (8 issuers in Global Equity, 3 issuers in Investment-Grade Bonds).
					Advisory 2: 2 Sudan issuers totaling 233.5 thoudand in market value in Global Equity.
					Advisory 3: 16 Tobacco issuers totalling 8.6 million in market value (10 issuers in Global Equity, 3 issuers in High Yield Bonds, 3 in Investment Grade Bonds).
✓	—	N	—	Restricted Investments (Los Angeles County, District and Agency)	

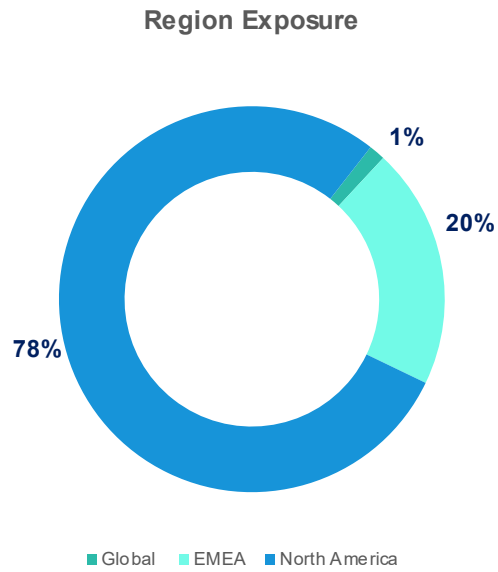
Compliance Monitor

for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

OPEB Master Trust – Private Markets





Q1 2024 Compliance Review Status

Advisories Reviewed?	Count	Exceptions Y/N?	Count		Notes
✓	—	Y	1	**Asset Allocation Compliance**	Exception 1: Private Real Estate was below the policy range by 3%. Allocations may fall outside of defined ranges as capital is deployed from public to private markets, reflecting the Board-approved strategic transition.
✓	—	N	—	**Investment Manager Compliance**	
✓	—	N	—	Manager Concentration	
✓	—	N	—	Restricted Investments (Privatization)	
✓	—	N	—	Strategy	

Compliance Monitor

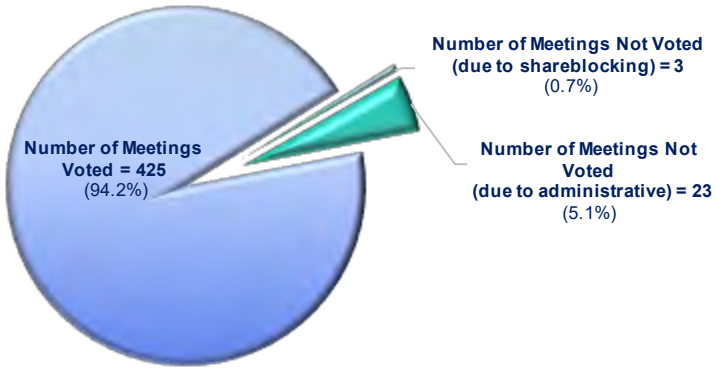
for the quarter ended March 31, 2024

LACERA
Los Angeles County Employees Retirement Association

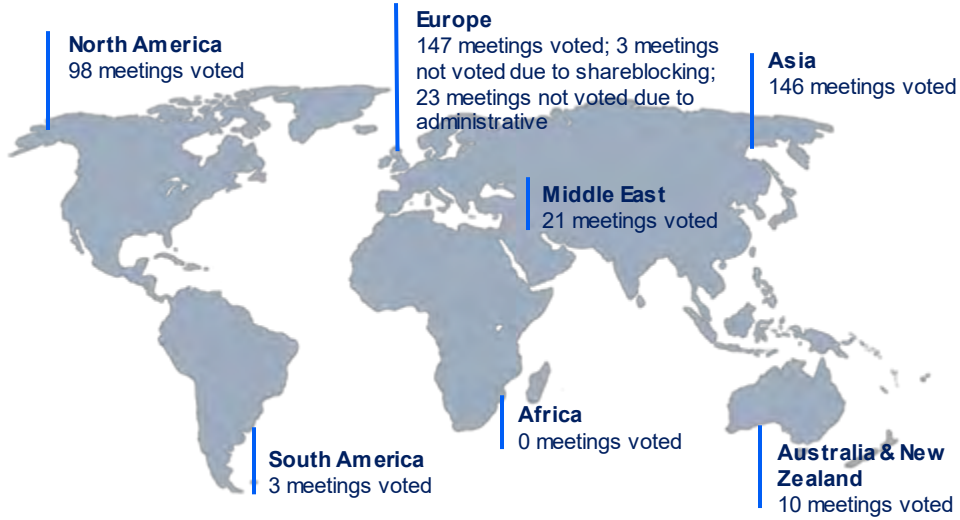
Special Programs and Investment Operations

Proxy Voting

Meetings Voted vs. Not-Voted



Meetings Voted vs. Not-Voted



OPEB Private Market Program

Calendar YTD Commitments by Asset Class
(as of March 31, 2024)

Paid Tax Reclaims

$0*
Calendar YTD Total

Pending Tax Reclaims

$177,595
Calendar YTD Total

Special Projects

Strategic Asset Allocation Implementation	In Progress
Fee Reconciliation Project	Q4 2024
Investment Manager Meeting Requests	No Advisory Noted
Annual Assessment of IC Meetings	Q1 2025

*No taxes reclaimed as of 3/31/2024 due to several commingled funds converting to separately-managed accounts at the end of 2023.

Reference Guide

General Information

Overview and Purpose: This report is delivered to the Board of Investments every quarter as a means of oversight; ensuring that asset category and investment manager activity align with established guidelines. It is a tool to monitor adherence, ensure transparency, and facilitate communication of investment and operational activities.

Methodology

- Data collected from multiple sources including: LACERA's custodian, MSCI BarraOne Risk platform, Investment Consultant and Manager reports.
- Analysis period for private market allocations may exhibit a lag and is reported based on best available data.
- Region Exposure graphs based on country of domicile.

Terms

- "Advisory" is a monitoring measure and does not equate to a compliance exception.
- "Exception" refers to instances where investment activity falls outside of predefined guidelines, prompting a need for further review.
- "Asset Allocation Compliance" measures actual asset allocation versus investment policy target weights and ranges.
- "Program Guideline Compliance" assesses asset category level guidelines.
- "Investment Guideline Compliance" measures investment manager guideline compliance as established in investment manager agreements.
- "Economic Substitution Policy" LACERA policy on Iran, Sudan, Tobacco: Manager should refrain from purchasing securities when the same investment goals concerning risk, return, and and diversification can be achieved through the purchase of another security.
- For Investment Manager Meeting Requests, an "Advisory" is noted if the CEO or a Board member recommends staff to meet with a specific manager three or more times in a year. The purpose of notifying the activity is to promote transparency and governance best practices designed to preserve the integrity of the decision-making process.

LACERA
Los Angeles County Employees Retirement Association

manager scorecard

LACERA

Los Angeles County Employees Retirement Association

OPEB TRUST MANAGER SCORECARD

1st Quarter 2024

	Manager	Market Value (in $ millions)	% of Trust	Performance (1 to 5 (with 5 the best))		Organization & Operations (S+, S, or S- (with S+ the best))	ESG (1 to 5 (with 5 the best))	Partnership (A, B, or C (with A the best))	Fees & Terms (1 to 5 (with 5 the best))
					SCORE	SCORE	SCORE	SCORE	SCORE
PUBLIC MARKETS	**BLACKROCK**								
	Bank Loans SMA	308.4	8.1%		4	S	—	A	3
	Commodities CTF	143.2	3.8%		4	S	—	A	5
	EM Debt CTF	103.5	2.7%		2	S	—	A	5
	Global Equities SMA	1,703.2	45.0%		3	S	—	A	5
	High Yield SMA	254.1	6.7%		3	S	—	A	5
	Investment Grade Bonds SMA	388.7	10.3%		2	S	—	A	5
	Long-Term Government Bonds SMA	177.2	4.7%	*	3	S	—	A	5
	REITs SMA	351.4	9.3%		3	S	—	A	5
	TIPS SMA	252.4	6.7%		3	S	—	A	5
	STATE STREET GLOBAL ADVISORS								
	Enhanced Cash SMA	103.6	2.7%		4	S	—	B	5
PRIVATE MARKETS	**HAMILTON LANE**								
	HL PM Program	39.7	1.0%	*	3	S+	+	B	3

- Exceeds 3-Year Net Excess Return
- Meets 3-Year Net Excess Return
- Below 3-Year Net Excess Return

For Organization, ESG, and Partnership

- Downgrade from the prior quarter
- Upgrade from the prior quarter

Footnotes

Pillar methodologies in refinement and may evolve over time

Category Descriptions

Performance

Quarterly score based on a manager's performance relative to its benchmark

'*' denotes a manager with an inception date of less than 3 years, resulting in a neutral score of 3

Circle icons reflect trailing 3-year net excess returns against the manager's benchmark above or below a specified range

Organization & Operations

Includes factors such as organization, professional staff, diversity & inclusion, investment philosophy & process, risk management, legal & compliance framework

'**S**' stands for Satisfactory

ESG

Evaluates the extent to which material ESG factors are identified, assessed, and incorporated into risk/return analysis and portfolio construction

'—' denotes passive index funds and cash where ESG scores are not relevant and/or reflect strategies that do not incorporate active decisions, including ESG considerations, in portfolio construction

'+' denotes mandates where ESG scores are currently under review

Partnership

Blended score based on:

- Value added services – e.g., providing education, distributing research, and performing analytics on portfolio
- Client service – e.g., responsiveness, timeliness, competency, and approach
- Size of LACERA's investment relative to the firm's assets under management

Fees & Terms

Compared to a benchmark of median fees by asset category and/or investment structure

appendix

Benchmark Definitions

LACERA
Los Angeles County Employees Retirement Association

Current Composition

	Weight	Component
Master Trust		
OPEB Master Trust Policy Benchmark		
	45%	OPEB Growth Policy Benchmark
	18%	OPEB Credit Policy Benchmark
	20%	OPEB RA & IH Policy Benchmark
	17%	OPEB RR & M Policy Benchmark
Growth		
OPEB Growth Policy Benchmark		
	89%	MSCI ACWI IMI Net
	11%	OPEB Private Equity Policy Benchmark
Credit		
OPEB Credit Policy Benchmark		
	72%	OPEB Liquid Credit Policy Benchmark
	28%	OPEB Illiquid Credit Policy Benchmark
OPEB Liquid Credit Policy Benchmark		
	38%	Bloomberg U.S. Corporate High Yield
	46%	CS Leveraged Loan Index
	8%	JPMorgan EMBI Global Diversified Index
	4%	JPM GBI-EM Global Diversified Index
	4%	JPM CEMBI Broad Diversified
Real Assets & Inflation Hedges		
OPEB RA & IH Policy Benchmark		
	40%	OPEB Real Estate Policy Benchmark
	10%	S&P Global Natural Resources Index
	10%	Bloomberg Commodity Index Total Return
	10%	DJ Brookfield Global Infra Comp
	30%	Bloomberg U.S. Treasury: U.S. TIPS
Risk Reduction & Mitigation		
OPEB RR & M Policy Benchmark		
	59%	Bloomberg U.S. Aggregate
	29%	Bloomberg U.S. Treasury: Long
	12%	OPEB Cash Policy Benchmark
OPEB Cash Policy Benchmark		
	100%	FTSE 3-Month US Treasury Bill

Glossary

A

Annual Return
The total return of a security over a specified period, expressed as an annual rate of interest.

Active Risk
The expected standard deviation of the differential return between the portfolio and the benchmark. Active total risk arises from active management, and it is the result of active weights (deviations from the benchmark at the asset level) and therefore active exposures; for passively managed portfolios, it is referred to as "total tracking error."

Active Risk Contribution
Percent contribution to active total risk (or tracking error). The percent of active total risk that an individual asset or risk source contributes. For example, a % CR to Active Total Risk of 10% indicates that 10% of the portfolio's active total risk is arising from the active position in that particular asset.

B

Basis Points (bps)
One one-hundredth of one percent. One hundred basis points equal one percent.

Beta
A measure of the volatility of a stock relative to the overall market. A beta of less than one indicates lower risk than the market; a beta of more than one indicates higher risk than the market.

D

Duration
A measure of the price sensitivity of a bond portfolio to changes in interest rates.

Glossary

F

Futures Contract
Agreement to buy or sell a specific amount of a commodity or financial instrument at a particular price and a stipulated future date.

H

High Yield Bond
A bond with a low investment quality and credit worthiness, usually with a rating of BB or less.

I

Information Ratio
The excess return (alpha) per unit of active risk (tracking error).

Internal Rate of Return (IRR)
A total rate of return that gives full weight to the size and timing of cash flows over the period measured and fully reflects unrealized gains and losses in addition to realized gains and losses, interest and dividend income.

Glossary

M

MC to Total Tracking Error

This value represents the change in the active risk of an asset's portfolio or group that would result from a one percent increase in the asset's effective position plus an equal short position in the benchmark.

S

Sharpe Ratio

Average return earned in excess of the risk-free rate per unit of total risk.

Standard Deviation

Statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

T

Time-Weighted Return (TWR)

A measure of the compound rate of growth in a portfolio. Often used to compare the returns of investment managers because it eliminates the distorting effects on growth rates created by inflows and outflows of money.

Total Risk

The total (gross) risk to an asset (or portfolio), which is the standard deviation of the asset's total return distribution, expressed in percent. Total risk is forecasted using MSCI Barra's multiple factor models. The total risk for an asset depends on the asset's exposures to the risk factors, the factor variance/covariance matrix, and the forecast selection risk of the asset.

Total Risk Contribution

The percent of total risk that an individual asset or risk source contributes. For example, a % CR to Total Risk of 10% indicates that 10% of the portfolio's total risk is arising from the portfolio's position in that particular asset.

Glossary

Y

Yield to Maturity

The return a bond earns on the price at which it was purchased if it were held to maturity. It assumes that coupon payments can be reinvested at the yield to maturity.

MEKETA

LACERA: OPEB Master Trust

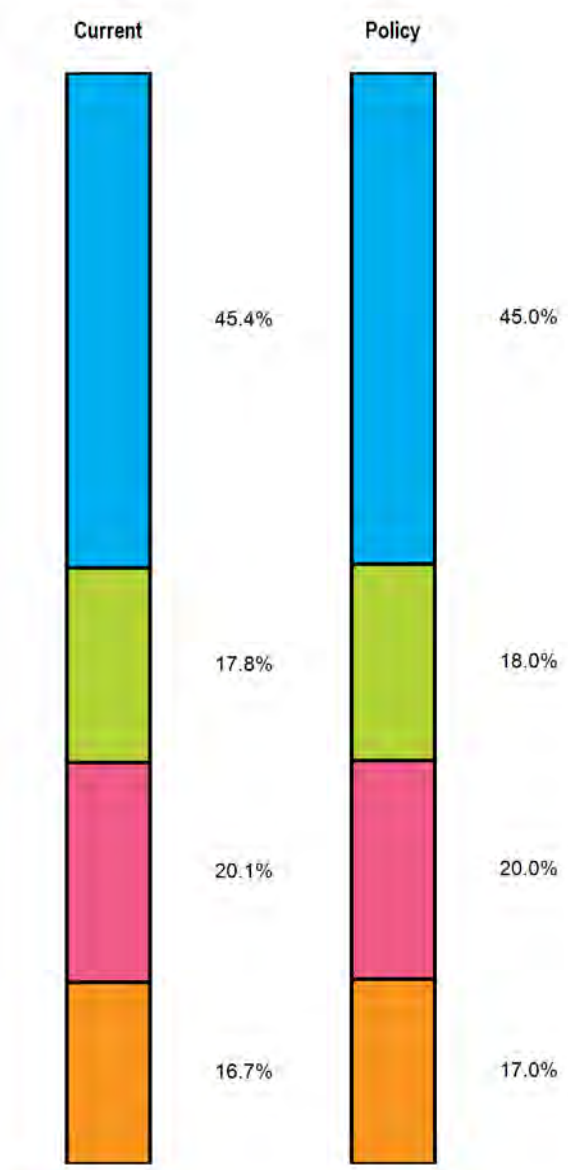
March 31, 2024

Fund Evaluation Report

MEKETA

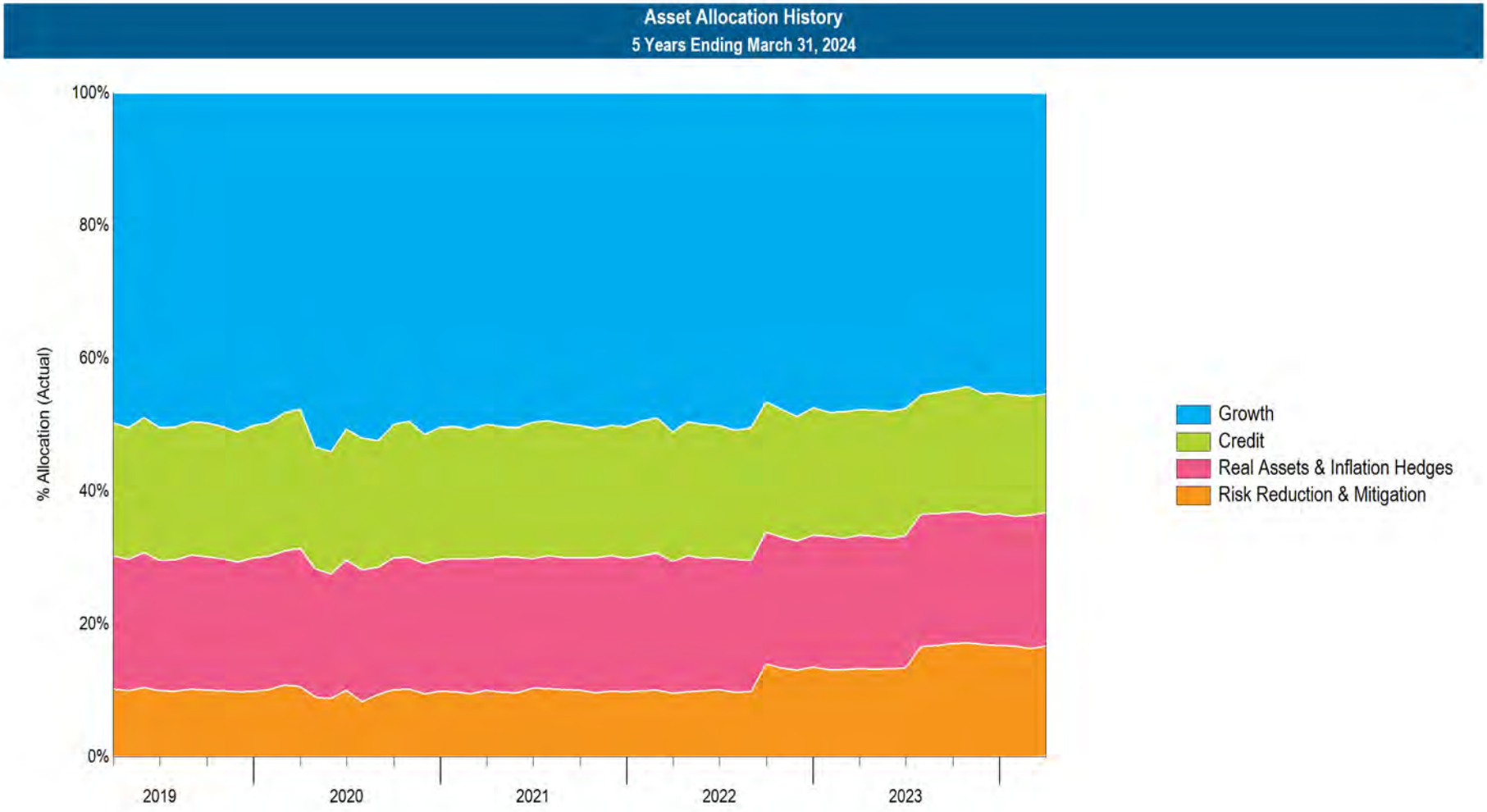
Los Angeles County OPEB Master Trust

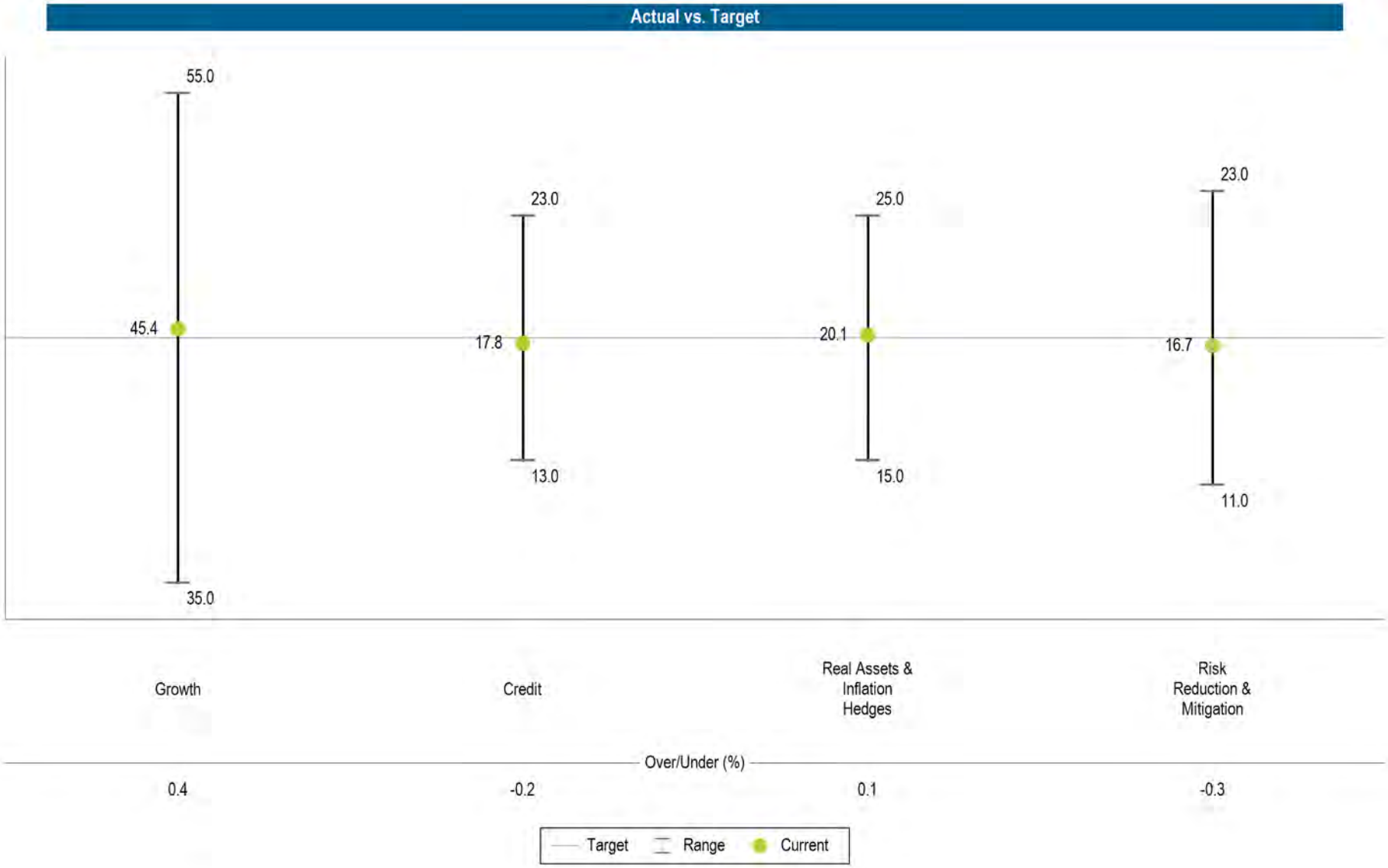
LACERA Master OPEB Trust Fund | As of March 31, 2024



Allocation vs. Target	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Growth	**$1,719,062,515**	**45.4%**	**45.0%**	**35.0% - 55.0%**	**Yes**
Global Equity	$1,703,233,428	45.0%	40.0%	30.0% - 50.0%	Yes
Private Equity	$15,829,087	0.4%	5.0%	0.0% - 10.0%	Yes
Credit	**$674,086,633**	**17.8%**	**18.0%**	**13.0% - 23.0%**	**Yes**
Liquid Credit	$666,011,153	17.6%	13.0%	8.0% - 18.0%	Yes
Illiquid Credit	$8,075,480	0.2%	5.0%	0.0% - 10.0%	Yes
Real Assets & Inflation Hedges	**$762,783,895**	**20.1%**	**20.0%**	**15.0% - 25.0%**	**Yes**
Real Estate	$353,727,328	9.3%	8.0%	4.0% - 12.0%	Yes
Natural Resources	$4,827,444	0.1%	2.0%	0.0% - 4.0%	Yes
Commodities	$143,157,543	3.8%	2.0%	0.0% - 4.0%	Yes
Infrastructure	$8,653,186	0.2%	2.0%	0.0% - 4.0%	Yes
TIPS	$252,418,393	6.7%	6.0%	2.0% - 10.0%	Yes
Risk Reduction & Mitigation	**$632,322,899**	**16.7%**	**17.0%**	**11.0% - 23.0%**	**Yes**
Investment Grade Bonds	$388,745,895	10.3%	10.0%	6.0% - 14.0%	Yes
Long-Term Government Bonds	$177,174,319	4.7%	5.0%	0.0% - 10.0%	Yes
Cash	$66,402,686	1.8%	2.0%	0.0% - 4.0%	Yes
Total[1]	**$3,788,255,942**	**100.0%**	**100.0%**		

[1] Includes unsettled trade activity.


Asset Allocation History
5 Years Ending March 31, 2024
100%
80%
60%
40%
20%
0%
% Allocation (Actual)
2019
2020
2021
2022
2023
Growth
Credit
Real Assets & Inflation Hedges
Risk Reduction & Mitigation


Actual vs. Target
55.0
45.4
35.0
23.0
17.8
13.0
25.0
20.1
15.0
23.0
16.7
11.0
Growth
Credit
Real Assets & Inflation Hedges
Risk Reduction & Mitigation
Over/Under (%)
0.4
-0.2
0.1
-0.3
Target
Range
Current

Trailing Net Performance

	Market Value ($)	% of Portfolio	QTD (%)	Fiscal YTD[1] (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
LACERA Master OPEB Trust Fund (Net)	**3,788,255,942**	**100.0**	**3.5**	**9.4**	**13.0**	**4.1**	**7.0**
LACERA Master OPEB Trust Fund (Gross)			**3.5**	**9.4**	**13.1**	**4.1**	**7.0**
Custom OPEB Master Trust BM			*3.7*	*8.9*	*12.0*	*3.6*	*6.5*
Excess Return (vs. Net)			-0.2	0.5	1.0	0.5	0.5
Growth (Net)	**1,719,062,515**	**45.4**	**7.7**	**15.7**	**22.6**	**6.5**	**10.8**
Growth (Gross)			**7.7**	**15.8**	**22.7**	**6.5**	**10.9**
OPEB Growth Policy Benchmark			*8.2*	*15.9*	*22.8*	*6.0*	*10.4*
Excess Return (vs. Net)			-0.5	-0.2	-0.2	0.5	0.4
OPEB BLK Global Equities (Net)	1,703,233,428	45.0	7.7	15.6	22.5	6.5	10.8
OPEB BLK Global Equities (Gross)			7.7	15.7	22.5	6.5	10.8
MSCI ACWI IMI Net (DAILY)			*7.7*	*15.6*	*22.5*	*6.3*	*10.6*
Excess Return (vs. Net)			0.0	0.0	0.0	0.2	0.2
OPEB HL Private Equity (Net)	15,829,087	0.4	-0.3	--	--	--	--
OPEB HL Private Equity (Gross)			-0.3	--	--	--	--
OPEB Private Equity Custom Benchmark			*11.7*	--	--	--	--
Excess Return (vs. Net)			-12.0				

[1] Fiscal Year begins July 1.

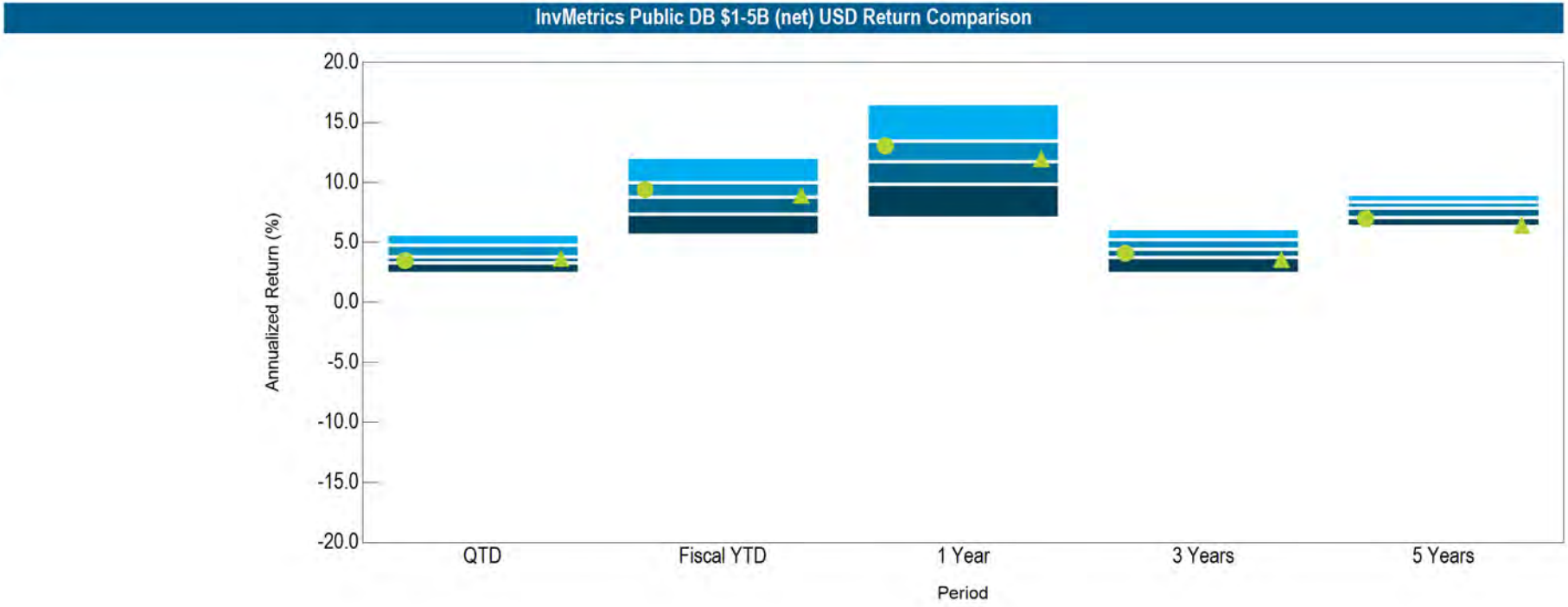
The OPEB Master Trust started in February 2013

	Market Value ($)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Credit (Net)	**674,086,633**	**17.8**	**1.1**	**7.3**	**9.9**	**3.1**	**3.7**
Credit (Gross)			**1.2**	**7.4**	**10.0**	**3.1**	**3.7**
OPEB Credit Policy Benchmark			*2.5*	*9.5*	*12.0*	*3.2*	*4.0*
Excess Return (vs. Net)			-1.4	-2.2	-2.1	-0.1	-0.3
Liquid Credit (Net)	**666,011,153**	**17.6**	**1.2**	**7.3**	**9.9**	--	--
Liquid Credit (Gross)			**1.2**	**7.4**	**10.0**	--	--
OPEB Liquid Credit BM			*1.9*	*8.8*	*11.4*	--	--
Excess Return (vs. Net)			-0.7	-1.5	-1.5		
OPEB BLK Bank Loans (Net)	308,423,641	8.1	2.3	8.4	11.6	5.8	5.2
OPEB BLK Bank Loans (Gross)			2.4	8.4	11.7	5.7	5.2
OPEB Bank Loans Custom Benchmark			*2.5*	*9.0*	*12.4*	*5.8*	*5.4*
Excess Return (vs. Net)			-0.2	-0.6	-0.8	0.0	-0.2
OPEB BTC EM Debt CTF (Net)	103,510,901	2.7	-2.2	2.2	4.6	-1.9	-0.3
OPEB BTC EM Debt CTF (Gross)			-2.1	2.3	4.7	-1.8	-0.1
JPM GBI-EM Global Diversified Index			*-2.1*	*2.3*	*4.9*	*-1.6*	*0.1*
Excess Return (vs. Net)			-0.1	-0.1	-0.3	-0.3	-0.4
OPEB BLK High Yield Bonds (Net)	254,076,611	6.7	1.3	8.8	10.6	1.9	3.7
OPEB BLK High Yield Bonds (Gross)			1.3	8.9	10.7	2.0	3.8
BBgBarc US High Yield TR			*1.5*	*9.2*	*11.2*	*2.2*	*4.2*
Excess Return (vs. Net)			-0.2	-0.4	-0.6	-0.3	-0.5

	Market Value ($)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Illiquid Credit (Net)	**8,075,480**	**0.2**	**0.6**	--	--	--	--
Illiquid Credit (Gross)			**0.6**	--	--	--	--
OPEB HL Illiquid Credit (Net)	8,075,480	0.2	0.6	--	--	--	--
OPEB HL Illiquid Credit (Gross)			0.6	--	--	--	--
OPEB Illiquid Credit Policy Benchmark			*4.0*	--	--	--	--
Excess Return (vs. Net)			-3.4				
Real Assets & Inflation Hedges (Net)	**762,783,895**	**20.1**	**0.1**	**4.2**	**4.8**	**3.8**	**4.0**
Real Assets & Inflation Hedges (Gross)			**0.1**	**4.3**	**4.9**	**3.8**	**4.1**
OPEB RA & IH Policy Benchmark			*-1.1*	*0.0*	*-1.8*	*2.3*	*3.1*
Excess Return (vs. Net)			1.2	4.2	6.6	1.5	0.9
OPEB BTC Commodities CTF (Net)	143,157,543	3.8	2.3	2.1	-0.5	9.2	6.4
OPEB BTC Commodities CTF (Gross)			2.3	2.3	-0.4	9.1	6.4
Bloomberg Commodity Index TR USD			*2.2*	*2.1*	*-0.6*	*9.1*	*6.4*
Excess Return (vs. Net)			0.1	0.0	0.1	0.1	0.0
OPEB BLK REITS (Net)	351,410,101	9.3	-0.4	7.2	10.4	3.7	2.9
OPEB BLK REITS (Gross)			-0.4	7.2	10.4	3.8	3.0
DJ US Select REIT TR USD			*-0.4*	*7.4*	*10.6*	*3.7*	*3.0*
Excess Return (vs. Net)			0.0	-0.2	-0.2	0.0	-0.1
OPEB HL Private Real Estate (Net)	2,317,227	0.1	--	--	--	--	--
OPEB HL Private Real Estate (Gross)			--	--	--	--	--
NCREIF-ODCE			--	--	--	--	--
Excess Return (vs. Net)							

	Market Value ($)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
OPEB HL Natural Resources (Net)	4,827,444	0.1	-2.2	--	--	--	--
OPEB HL Natural Resources (Gross)			-2.2	--	--	--	--
OPEB Natural Resources Policy Benchmark			*3.4*	--	--	--	--
Excess Return (vs. Net)			-5.6				
OPEB HL Infrastructure (Net)	8,653,186	0.2	0.7	--	--	--	--
OPEB HL Infrastructure (Gross)			0.1	--	--	--	--
OPEB Infrastructure Policy Benchmark			*11.2*	--	--	--	--
Excess Return (vs. Net)			-10.5				
OPEB BLK TIPS (Net)	252,418,393	6.7	0.0	1.7	0.3	-0.6	2.5
OPEB BLK TIPS (Gross)			0.0	1.7	0.3	-0.6	2.5
BBgBarc US TIPS TR			*-0.1*	*1.9*	*0.5*	*-0.5*	*2.5*
Excess Return (vs. Net)			0.1	-0.2	-0.2	-0.1	0.0
Risk Reduction & Mitigation (Net)	**632,322,899**	**16.7**	**-1.2**	**1.1**	**0.3**	**-1.8**	**0.5**
Risk Reduction & Mitigation (Gross)			**-1.2**	**1.1**	**0.3**	**-1.8**	**0.5**
OPEB RR & M Policy Benchmark			*-1.3*	*1.0*	*0.1*	*-2.5*	*0.1*
Excess Return (vs. Net)			0.1	0.1	0.2	0.7	0.4
OPEB BLK IG Bonds (Net)	388,745,895	10.3	-0.7	2.5	1.7	-2.4	0.4
OPEB BLK IG Bonds (Gross)			-0.7	2.6	1.7	-2.4	0.4
BBgBarc US Aggregate TR			*-0.8*	*2.6*	*1.7*	*-2.5*	*0.3*
Excess Return (vs. Net)			0.1	-0.1	0.0	0.1	0.1
OPEB LTG Bonds (Net)	177,174,319	4.7	-3.0	-3.9	-6.2	--	--
OPEB LTG Bonds (Gross)			-3.0	-3.9	-6.2	--	--
Bloomberg US Treasury Long TR			*-3.3*	*-3.9*	*-6.1*	--	--
Excess Return (vs. Net)			0.3	0.0	-0.1		

	Market Value ($)	% of Portfolio	QTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
OPEB Cash (Net)	66,402,686	1.8	2.0	5.1	6.5	3.2	2.6
OPEB Cash (Gross)			2.0	5.1	6.5	3.2	2.6
Custom Cash BM			*1.4*	*4.2*	*5.5*	*2.7*	*2.1*
Excess Return (vs. Net)			0.6	0.9	1.0	0.5	0.5
OPEB HL PM Cash (Net)	**0**	**0.0**					
OPEB HL PM Cash (Gross)							



	Return (Rank)									
5th Percentile	5.7		12.1		16.6		6.1		9.0	
25th Percentile	4.8		10.0		13.5		5.2		8.4	
Median	3.8		8.8		11.8		4.4		7.9	
75th Percentile	3.3		7.4		9.8		3.8		7.1	
95th Percentile	2.4		5.6		7.0		2.4		6.4	
# of Portfolios	50		50		50		48		47	
● LACERA Master OPEB Trust Fund	3.5	(69)	9.4	(31)	13.0	(33)	4.1	(67)	7.0	(80)
▲ Custom OPEB Master Trust BM	3.7	(55)	8.9	(42)	12.0	(40)	3.6	(80)	6.5	(94)

Benchmark History

As of March 31, 2024

LACERA Master OPEB Trust Fund		
2/1/2013	Present	Custom OPEB Master Trust BM

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE"RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD–LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

LACERA

FOR INFORMATION ONLY

June 4, 2024

TO: Trustees,
Board of Investments

FROM: Christine Roseland CR
Senior Staff Counsel

FOR: June 12, 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 June 4, 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 June 4, 2024*

	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
AUDIT	Cavanaugh Macdonald Consulting	Consulting Agreement for Actuarial Audting Services	$506,000	May 8, 2024	In Progress	50%	Legal negotiations in process.
AUDIT	Milliman Inc.	Consulting Agreement for Actuarial Consluting Services	$3,558,500	May 8, 2024	In Progress	50%	Legal negotiations in process.
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	$72,000,000,000	August 10, 2022	In Progress	90%	Legal negotiations in process.
PRIVATE EQUITY	PE Secondary Sale (17 Funds)	Secondary Sale	$1,360,000,000	May 8, 2024	Completed	100%	Completed.
REAL ASSETS	Partners Group Direct Infrastructure Fund IV, L.P.	Subscription	$200,000,000	May 8, 2024	Completed	100%	Completed.
REAL ASSETS	Partners Group Rose (Co-Invest), L.P.	Co-Investment	$125,000,000	May 8, 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.

LACERA

FOR INFORMATION ONLY

June 4, 2024

TO: Trustees,
Board of Investments

FROM: Christine Roseland CR
Senior Staff Counsel

FOR: June 12, 2024 Board of Investments Meeting

SUBJECT: **Legal Transactions Year End Report**

Please find attached a report summarizing the legal work that the Transactions Section of the Legal Division accomplished in calendar year 2023. It includes a breakdown of work done by asset class and LACERA divisions both in terms of number of assignments or transactions and the dollar amount that those assignments or transactions represent. It also provides some insight into LACERA operations, workflow trends and staff productivity.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Laura Guglielmo
Jonathan Grabel
JJ Popowich
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Jim Rice
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Mike Brogan
Avi Herescu
Lisa Garcia
Board of Retirement

LACERA

Los Angeles County Employees Retirement Association

Legal Transactions Year End Report

2023

YEAR END REPORT FOR THE LEGAL DIVISION'S TRANSACTIONS SECTION

This report provides a summary of the legal work that the Transactions group within the Legal Division accomplished in calendar year 2023 in terms of number of tasks and the dollar amount that those tasks represent (such as the value of an investment commitment or commercial contracts). The report also includes charts that provide a visual representation of this work as well as a comparison to prior years. As a quick overview, the group handled 517 projects during 2023, representing $7,828,796,636 in contract value.

By way of background, the Transactions group has historically consisted of three attorneys, two paralegals, and two management secretaries.[1] This group is responsible for handling all investment-related and commercial transactional matters, including drafting, negotiating, and reviewing investment management agreements, limited partnership agreements and side letters, managing title holding companies, acquisitions, dispositions, and financings as well as drafting and reviewing commercial contracts, confidentiality agreements and responding to Public Records Act requests. In performing their work, the team collaborates closely with their client colleagues in the Investments Division and other LACERA divisions to provide legal support with accomplishing their business objectives and to manage organizational risk. The team's mandate is not merely to consummate deals and transactions but to protect the pension assets from liability and excessive risk, mitigate losses, minimize fees, assist stakeholders in making informed decisions, provide advice, present alternatives and solutions and collaborate on organizational initiatives such as T.I.D.E., business continuity and disaster recovery planning. In addition, outside counsel may be engaged to assist with certain matters with in-house counsel oversight and those matters are included in the figures presented in this report.

CALENDAR YEAR END LEGAL TRANSACTIONS AS OF 12-31-23

INVESTMENT PROJECT	TRANSACTION TOTAL	TRANSACTION AMOUNT
Private Equity	132	$1,565,035,000
Public Markets (Equity/Fixed Income)	15	$1,100,000,000
Hedge Funds & Credit	20	$500,000,000
Real Assets	54	$1,210,000,000
Portfolio Analytics	56	$370,756,645
Real Estate	121	$2,463,586,098
Investment Prospects[2]	15	$615,000,000
TOTAL INVESTMENTS	**413**	**$7,824,377,743**
Non-Investment Vendor Agreements	104	$4,418,893
TOTAL (Investments and Vendor Transactions)	**517**	**$7,828,796,636**

[1]In 2023, the Transactions Group was reduced to 2 attorneys, one paralegal, one management secretary and one administrative temp. Of those, one attorney handled Investment related matters and the other handled non-investment vendor related matters. Despite this reduction in staffing levels and a workload that remained steady, the group was able to complete all assignments submitted for review. Furthermore, staffing numbers have increased in 2024 through the retention of two new attorneys.

[2]This category represents matters and transactions that are submitted for legal review and at some point during that review, the owner of the project abandons or terminates it for various reasons. For example, staff may be considering a co-investment that they submit for legal review given the tight closing deadlines but then decide not to proceed with it either for business or legal reasons or a buyer of a LACERA owned property backs out of the deal during negotiations. If the Legal team started working on such a matter, it is reflected in this chart as work or a prospect not having been completed.

CALENDAR YEAR END PUBLIC RECORDS ACT RESPONSES AS OF 12-31-23

TYPE OF ACTIVITY	TRANSACTION TOTAL	TRANSACTION AMOUNT
Public Records Act Responses	67	$0.00

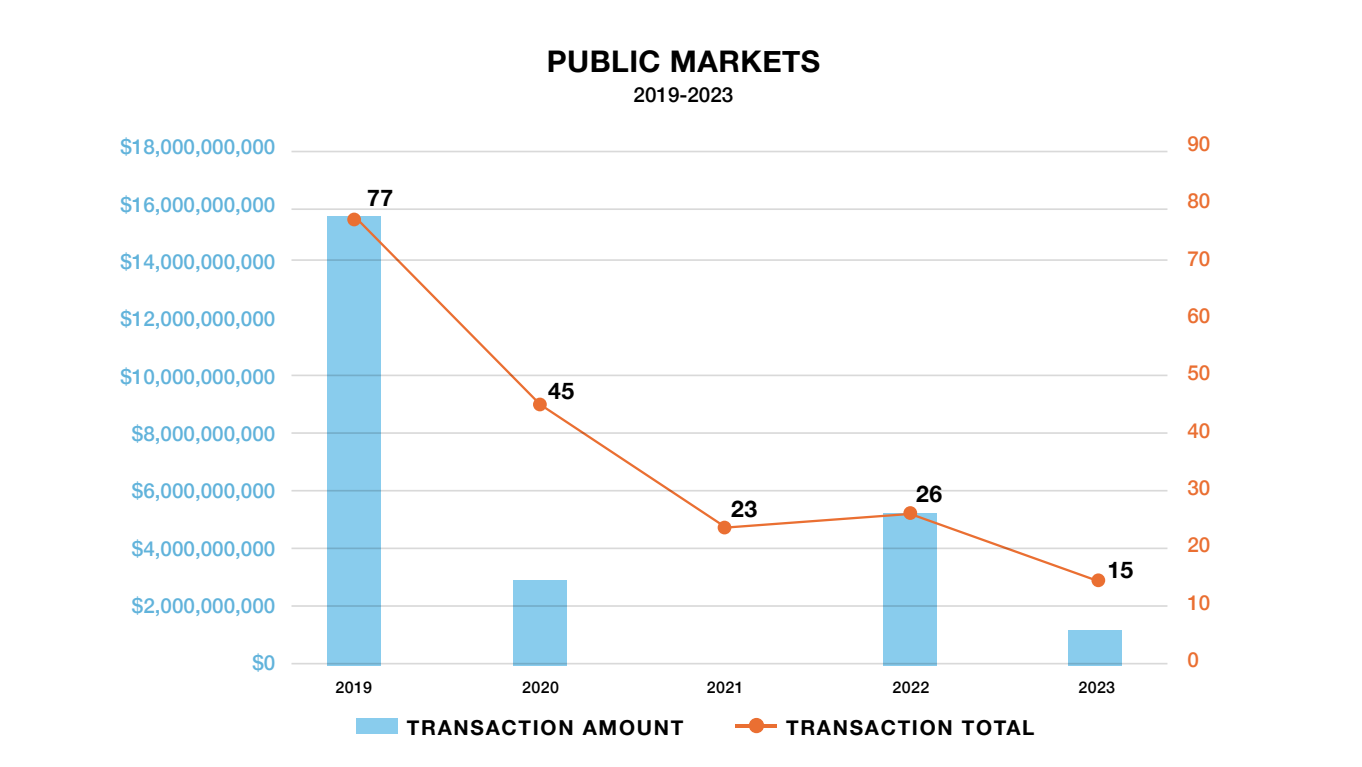
CONTRACT VALUE

The following graphs represent the legal work performed as a function of the aggregate amount of the contract, commitment or value associated with the underlying documents as well as a function of the number of transactions completed or projects performed during the year broken out by asset classes and LACERA divisions. As an example of contract value, if LACERA is investing $300 million in a hedge fund, it is recorded as a project valued at $300 million for purposes of this report. As an example of the number of projects, if LACERA commits $300 million to a particular private equity fund, it is counted as one project. Similarly, if staff works on a consent or amendment that a manager provides for review and approval, it is counted as one project. As such, some projects or transactions may take several weeks or months, while others may take an hour or less.

PUBLIC MARKETS (EQUITY/FIXED INCOME) TRANSACTIONS
YEARLY COMPARISON 2019-2023

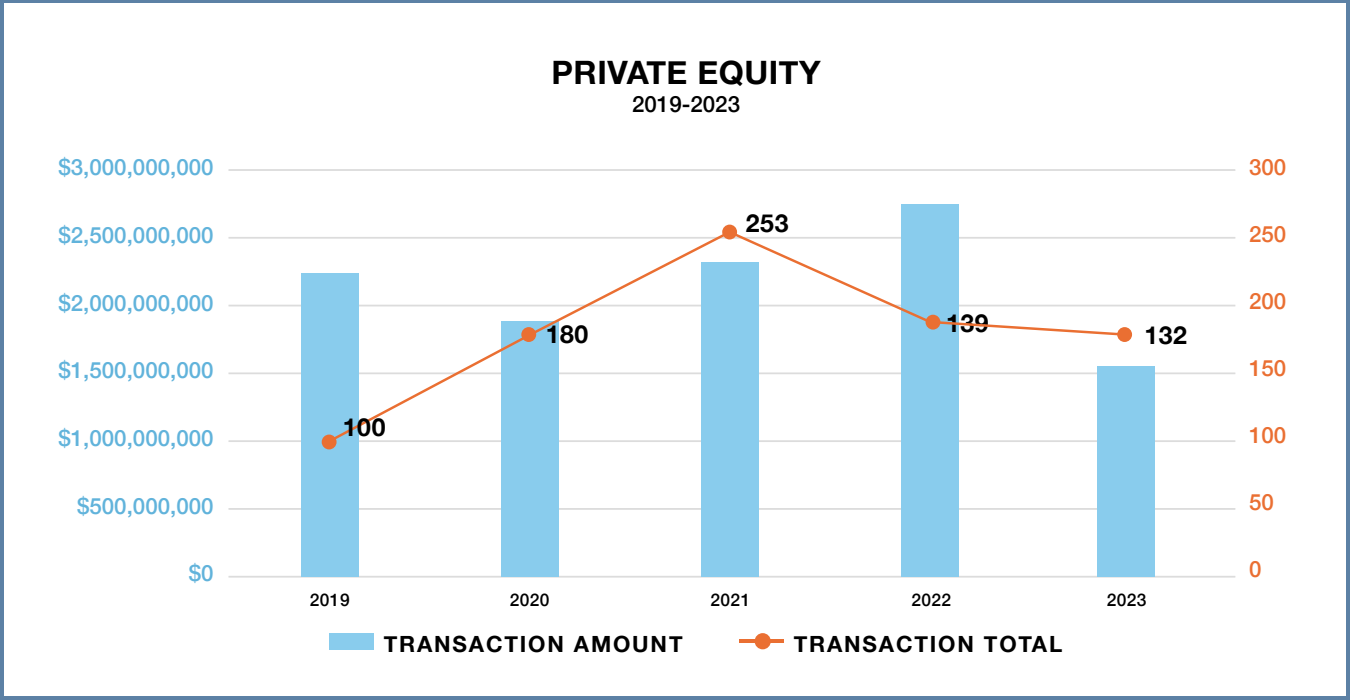
PUBLIC MARKETS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	77	$15,700,000,000
2020	45	$2,901,447,000
2021	23	$0[3]
2022	26	$5,250,000,000
2023	15	$1,100,000,000

[3]Methodology on transaction amount: Some matters have no value (for example, terminations, consents, fee amendments etc.) so they are given a value of 0. If an agreement has a five-year term, then the entire five-year value of that contract is recorded in the initial year when the contract is entered into. Some contracts are too difficult to value (for example, a Human Resources agreement for temporary staff when the hours and duration of employment for the temp staff is unknown) and in such cases, the contract is given a value of 0 for purposes of this report.



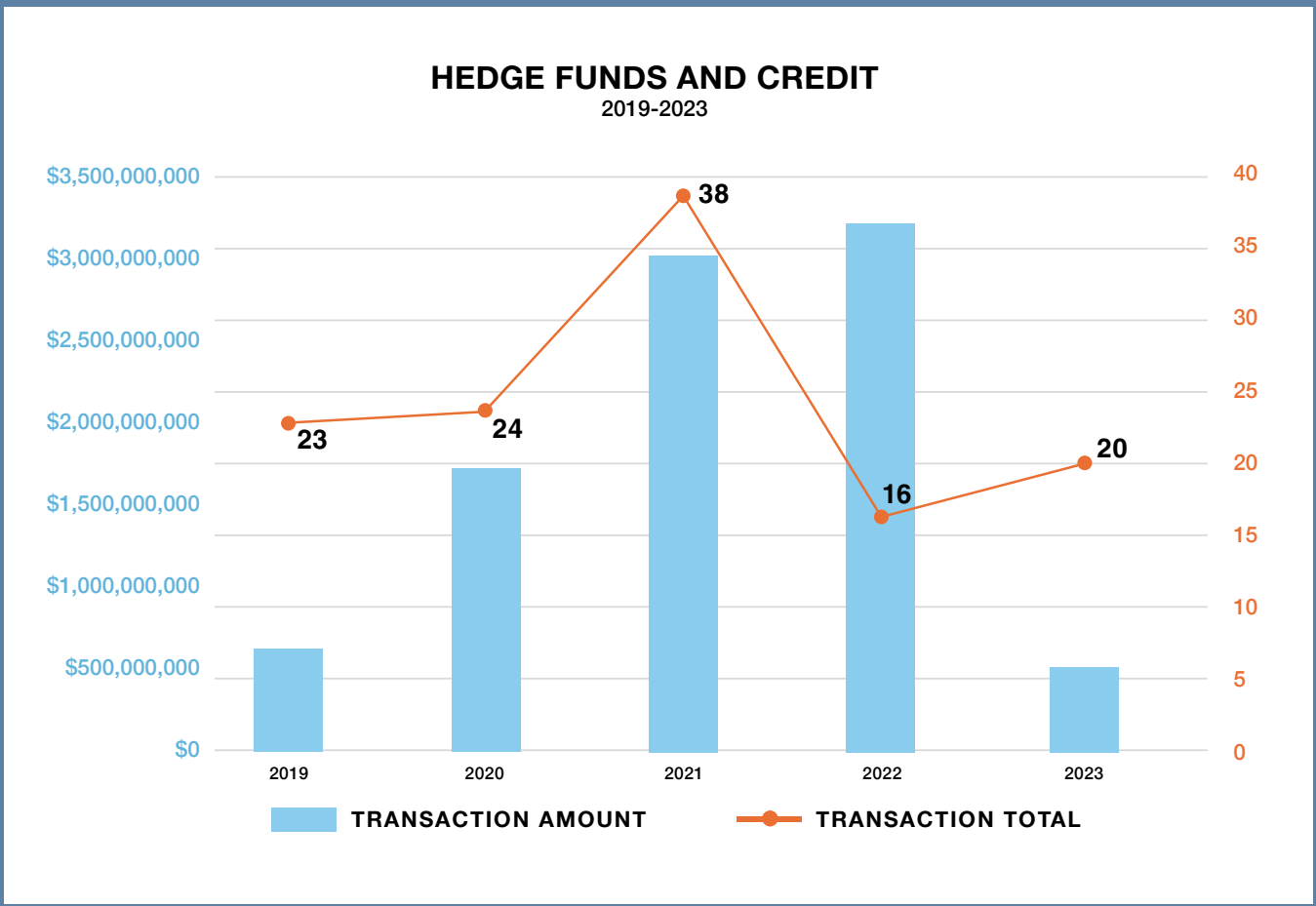
PRIVATE EQUITY TRANSACTIONS
YEARLY COMPARISON 2019-2023

PRIVATE EQUITY 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	100	$2,243,415,762
2020	180	$1,885,986,886
2021	253	$2,324,785,121
2022	139	$2,749,050,364
2023	132	$1,565,035,000



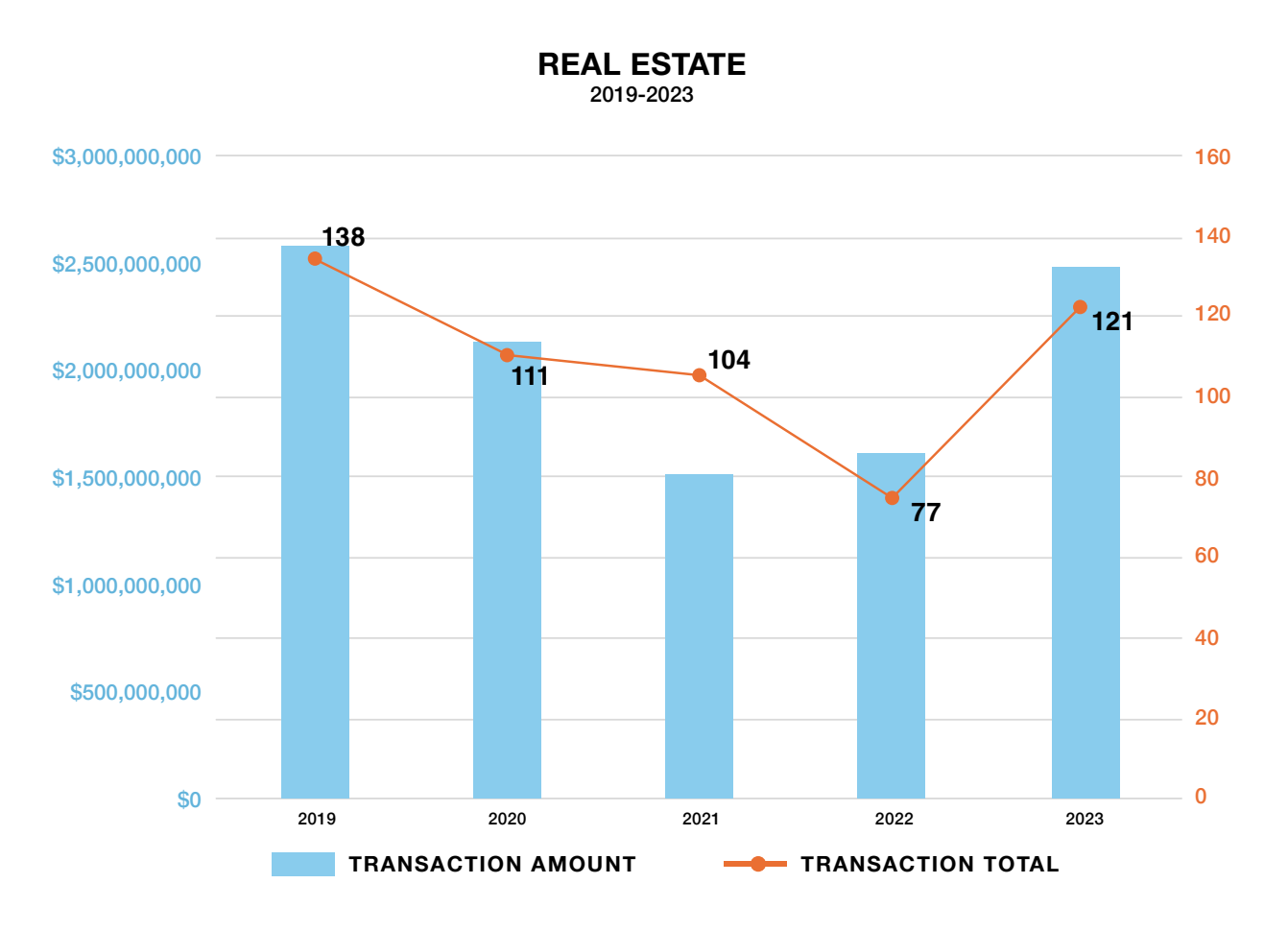
HEDGE FUNDS AND CREDIT TRANSACTIONS
YEARLY COMPARISON 2019-2023

HEDGE FUNDS AND CREDIT 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	23	$625,000,000
2020	24	$1,717,000,000
2021	38	$3,020,000,000
2022	16	$3,225,000,000
2023	20	$500,000,000



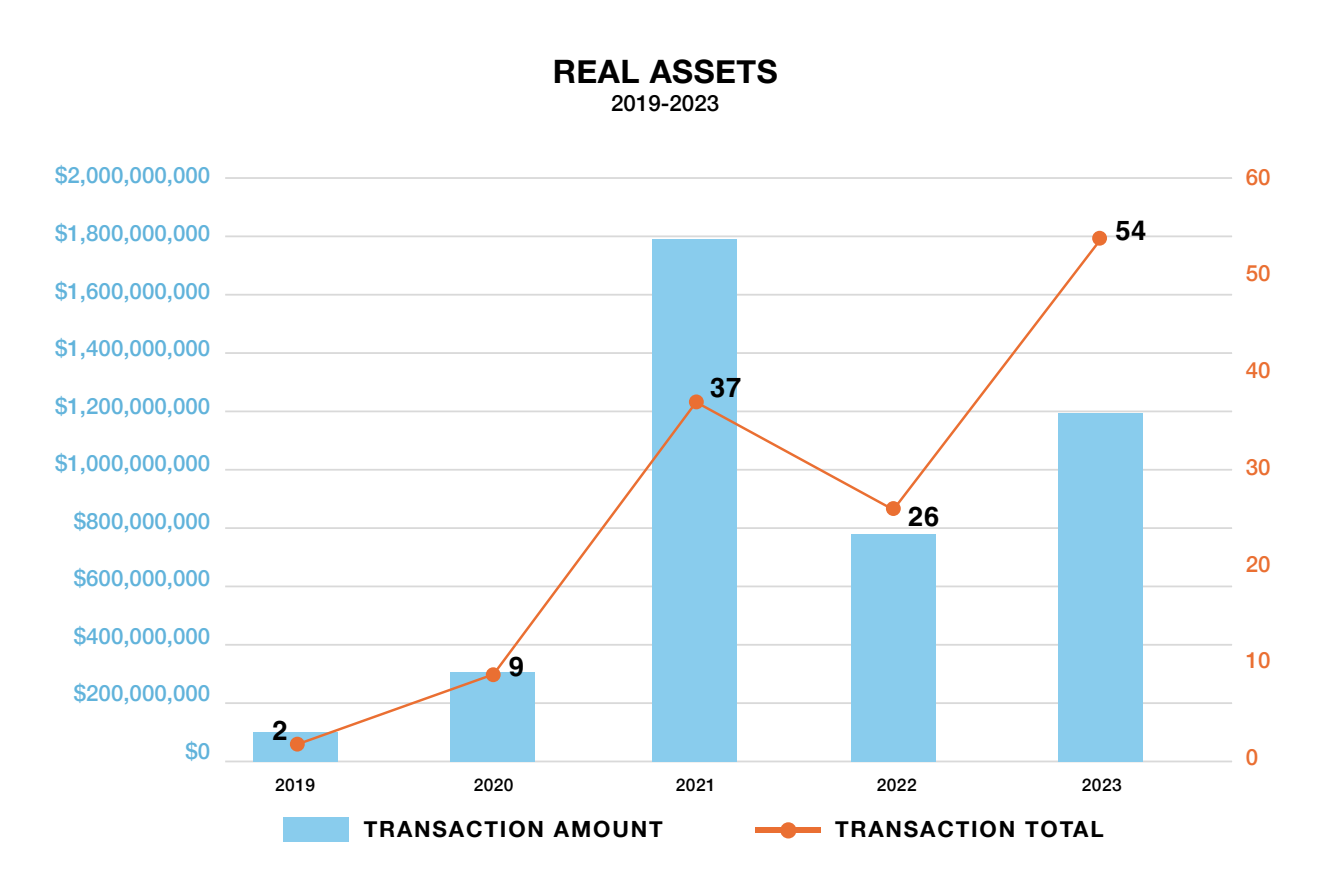
REAL ESTATE TRANSACTIONS
YEARLY COMPARISON 2019-2023

REAL ESTATE 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	138	$2,578,464,619
2020	111	$2,113,222,250
2021	104	$1,500,040,796
2022	77	$1,599,925,372
2023	121	$2,463,586,098



REAL ASSETS TRANSACTIONS
YEARLY COMPARISON 2019-2023

REAL ASSETS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	2	$747,200
2020	9	$320,000,000
2021	37	$1,785,279,852
2022	26	$775,034,375
2023	54	$1,210,000,000

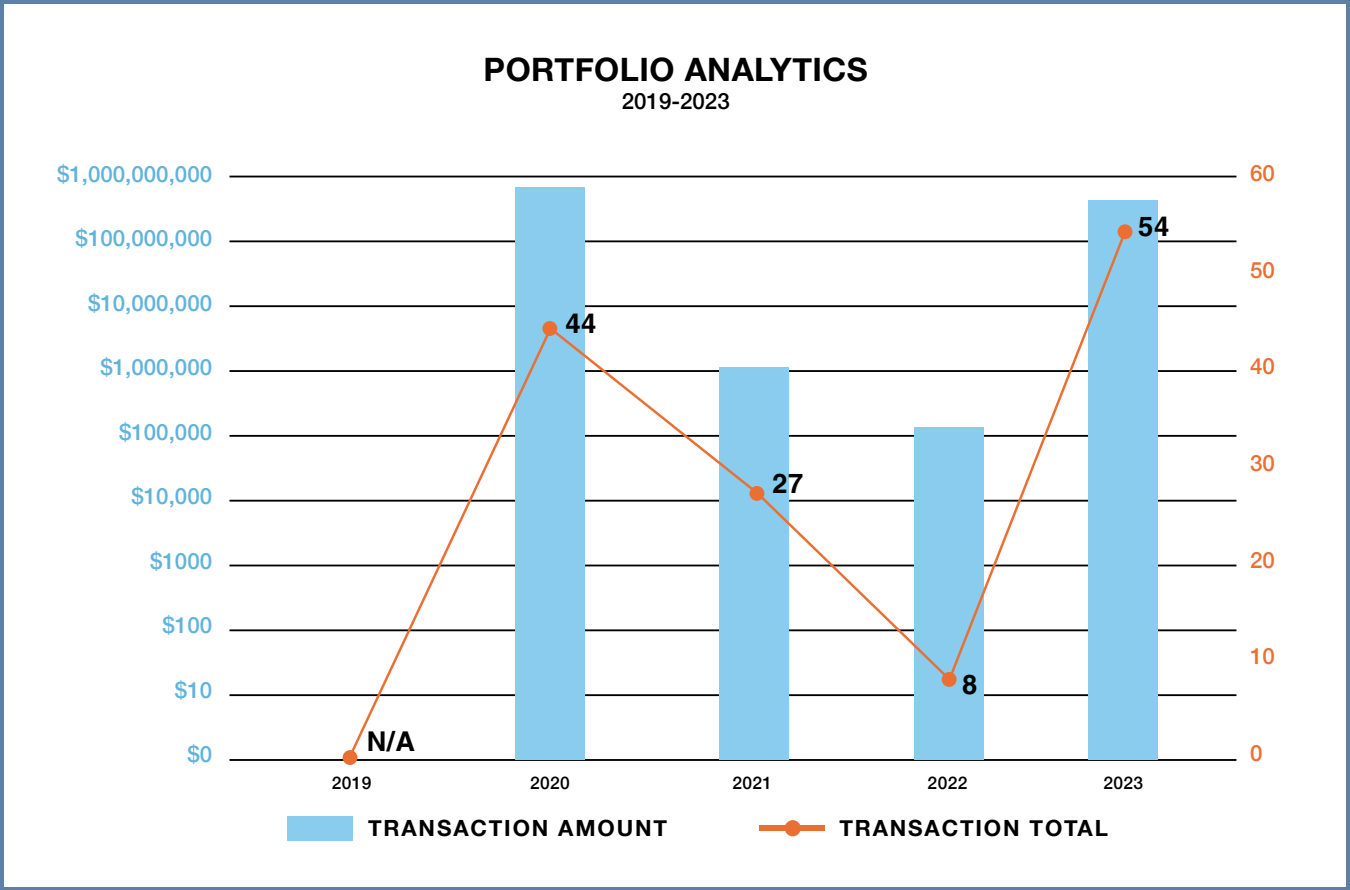


PORTFOLIO ANALYTICS TRANSACTIONS[4]

YEARLY COMPARISON 2019-2023

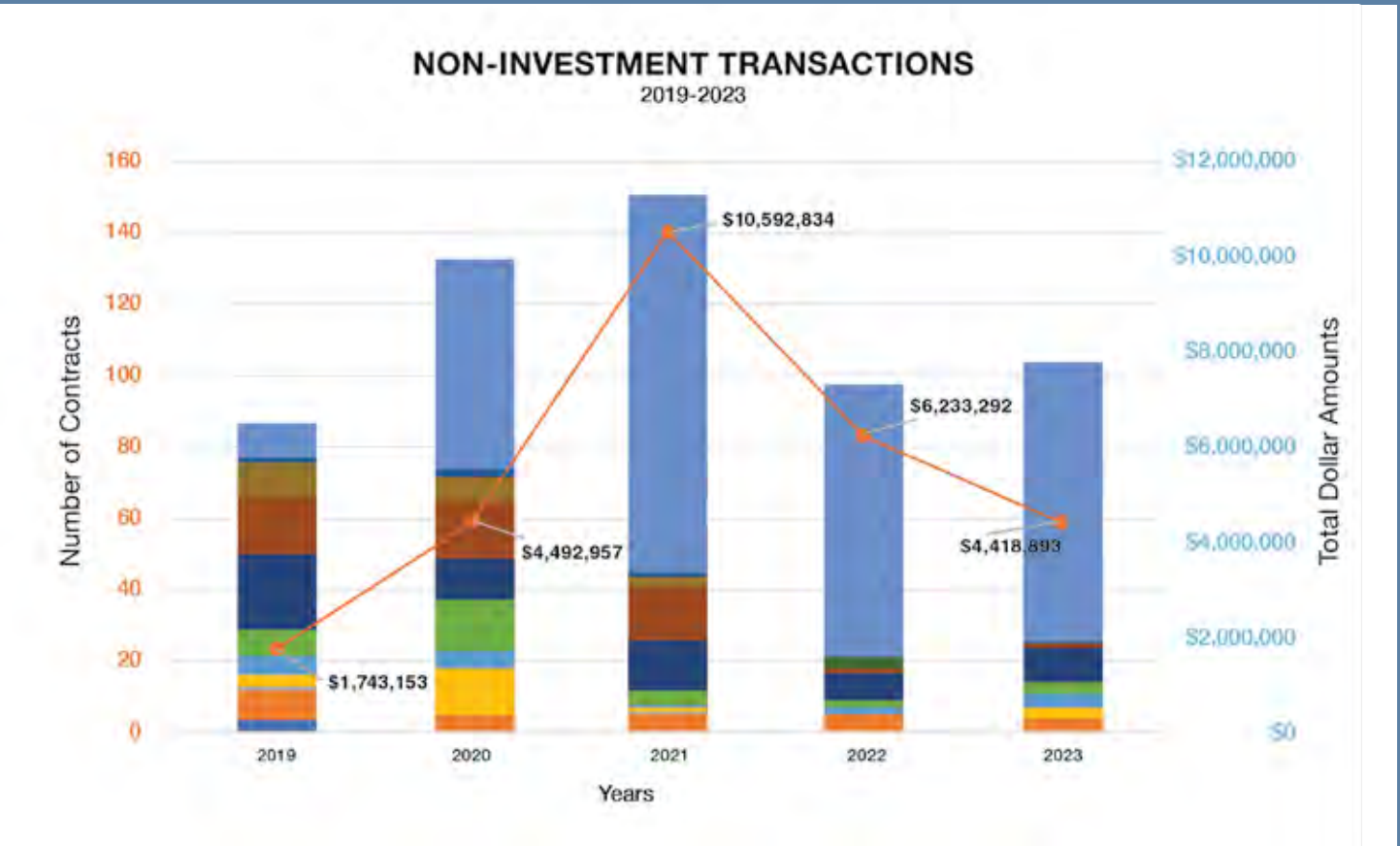
PORTFOLIO ANALYTICS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	N/A	N/A
2020	44	$603,810,698
2021	27	$1,785,279,852
2022	28	$147,026
2023	56	$370,756,645

[4]This category has only been tracked since 2020 and therefore, prior years do not exist for comparison. LACERA Master OPEB Trust ("OPEB Trust") related projects were added to this category beginning in 2023. There were 45 OPEB Trust related projects in 2023.



NON-INVESTMENT TRANSACTIONS
YEARLY COMPARISON 2019-2023

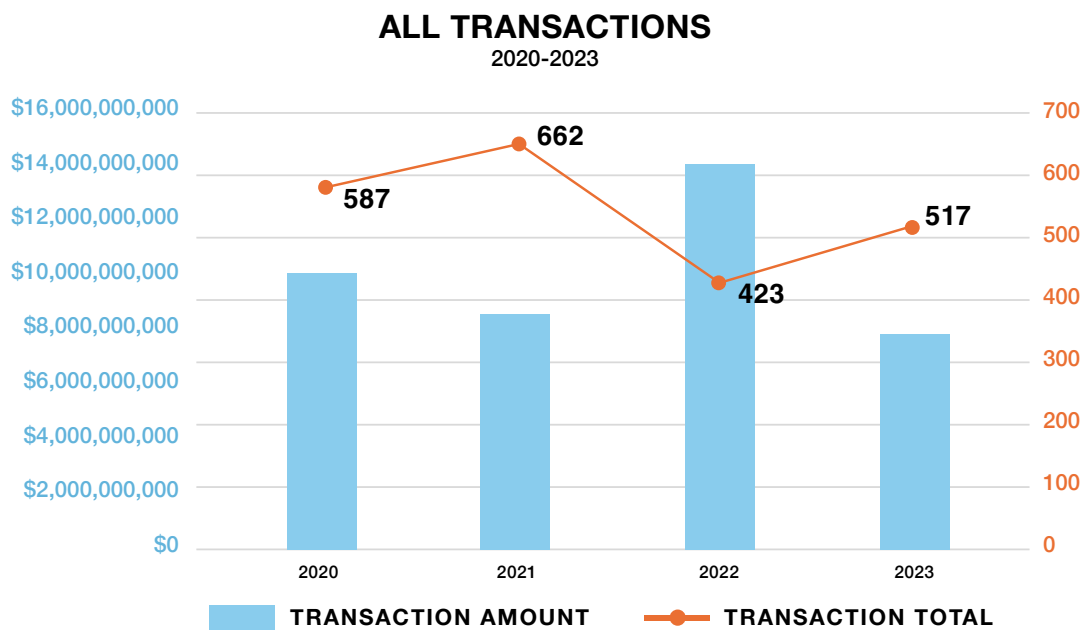
NON-INVESTMENT TRANSACTIONS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019	121	$1,743,153
2020	162	$4,492,957
2021	151	$10,592,834
2022	98	$6,233,292
2023	104	$4,418,893

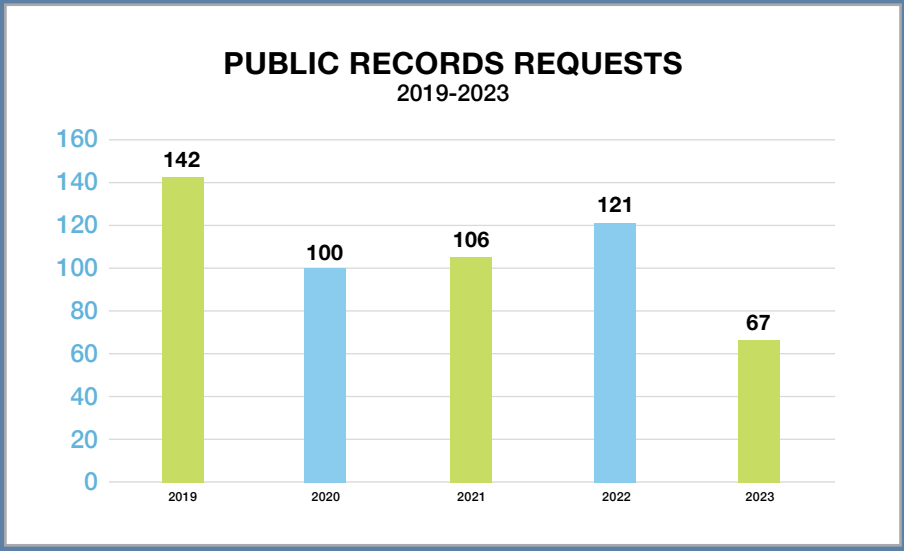


ALL TRANSACTIONS
YEARLY COMPARISON 2019-2023

ALL TRANSACTIONS 2019-2023		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2019[5]	N/A	N/A
2020	587	$10,030,959,791
2021	662	$8,756,982,907
2022	423	$14,100,390,428
2023	517	$7,828,796,636

[5]This data has only been tracked since 2020 and therefore, prior years do not exist for comparison.





TRENDS & OBSERVATIONS

Legal support for investment activity fluctuates from year to year within a band. In 2023, while the volume of work was up, the value of transactions saw a decrease. The higher volume is attributable mostly to increased activity in the Real Assets, Real Estate and Portfolio Analytics space. In line with the Investment work plan and strategic initiatives for 2023, a focus on operational effectiveness and cost effectiveness resulted in increased co-investment activity in private equity and an expansion of that activity to other asset classes such as Real Assets. That focus was also evident in the continued buildout of a dedicated managed account ("DMA") program in the Credit space with the aim of obtaining better terms and reduced fees. These initiatives, in turn, resulted in the need for increased legal support to negotiate favorable terms for a growing number of co-investments and assist the buildout of the DMA structure, which involved the onboarding of several new managers. Legal has also supported LACERA's T.I.D.E. initiative and strategic goal of maximizing stewardship and ownership rights through the negotiation of contractual obligations that provide access to data necessary for investment staff to monitor and report on T.I.D.E related activities, which now includes an expansion into climate risk analysis in the private markets. In addition, as part of the same initiative, legal support included the onboarding of managers in the emerging manager program for Equities and Private Equity. Furthermore, following the Board of Investment's decision to expand OPEB Trust investments into the private markets, there was an elevated need for legal assistance in onboarding new managers focused on those markets for the OPEB Trust. In accordance with another strategic initiative to reduce or avoid uncompensated complexity and investment risk, legal support was also required for the sale and refinancing of an increasing number of assets from LACERA's separate account real estate portfolio which is being phased out. This period also saw an uptick in real assets that are in distress and as such required additional legal resources to address such issues. Finally, the Real Assets team continued to build out its

platform by onboarding new managers, necessitating additional legal assistance.

In 2024, we anticipate the need for the same or an increased level of legal support as the new target asset allocation approved by the Board of Investments this year will lead to some portfolio rebalancing, with the Hedge Fund and Credit teams likely bringing on new managers to meet their increased allocations. Staff anticipates that future legal needs and support will likely stay at this elevated level given that activity in the Investment space is projected to be strong as the fund has grown in the last few years from $70 billion to almost $80 billion, investment structures are becoming more complex and sophisticated and compliance requirements are more stringent. Fortunately, with the addition of new investment attorneys to the Transactions team, staff believes they will be able to meet this increased demand.

For commercial transactions, the volume of work was slightly below average during this period. Most of the activity centered around the acquisition of or maintenance of technology that supports operations. This is a product of LACERA's strategic plan to modernize its technology, improve its operations and continue providing tools necessary for a hybrid workspace. This plan includes a digital strategy to provide a superior member experience and innovation through technology focusing on enterprise knowledge management and a business intelligence platform, which includes the addition of new budget, accounting and contract management software. Furthermore, there has been a focus on the creation of an enterprise training program for employee development as well as bolstering information security as part of risk management. These activities require legal support in terms of negotiating vendor agreements, providing advice on compliance and risk related issues as well as participation on committees that focus on strategic plan implementation and conduct the vendor searches. Staff expects the transaction volume to remain at these levels given that the Systems Division continues to work towards implementing LACERA's strategic initiatives and expand the network of specialty vendors to support an organization having constituents with varying needs and going through a period of rapid change.

Finally, Public Records requests have trended down since LACERA began posting more information on its website. Most requests are from investment related data aggregators and reporters. Since staff has moved to publish a lot of frequently requested materials on LACERA's website, there has been less activity in this space. However, while the number of responses has decreased, the requests that do come in tend to be more complex and labor intensive as they involve information gathering for data that is not yet compiled and requires additional legal attention to ensure compliance with confidentiality obligations and the Public Records Act to produce responsive, non-exempt records. Staff expects Public Records requests to maintain this level of activity for the foreseeable future and will continue posting readily available reports on the LACERA website to ensure full transparency and create operational efficiencies. Staff's continued goal is to provide the highest level of service to the public and LACERA members.

Legal Transactions Year End Report

LACERA

Los Angeles County Employees Retirement Association

LACERA

FOR INFORMATION ONLY

May 21, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

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

Reviewed and Approved:

Luis Lugo, Deputy Chief Executive Officer

Attachments
LACERA Legislative Report Index
LACERA Legislative Report

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

CATEGORY	BILL	AUTHOR	TITLE	PAGE
BALLOT_INITIATIVES			Taxpayer Protection and Government Accountability Act	33
BROWN_ACT	AB 817	Pacheco (D)	Open Meetings: Teleconferencing: Subsidiary Body	2
BROWN_ACT	AB 2302	Addis (D)	Open Meetings: Local Agencies: Teleconferences	10
BROWN_ACT	AB 2350	Hoover (R)	Open Meetings: School Boards: Emergencies: Notification	12
BROWN_ACT	AB 2715	Boerner (D)	Ralph M. Brown Act: Closed Sessions	21
BROWN_ACT	SB 537	Becker (D)	Open Meetings: Multijurisdictional	25
HEALTHCARE	HR 957	Spanberger (D)	Internal Revenue Code Retirement Plan Exclusion	35
PUBLIC_EMPLOYMENT	AB 2283	Pacheco (D)	Civil Actions: Electronic Service	7
PUBLIC_EMPLOYMENT	AB 2335	McKinnor (D)	Public Employment: Compensation and Classification	11
PUBLIC_EMPLOYMENT	AB 2421	Low (D)	Employer-Employee Relations: Confidential Communication	14
PUBLIC_EMPLOYMENT	AB 2455	Gabriel (D)	Whistleblower Protection: State and Local Government	15
PUBLIC_EMPLOYMENT	AB 2489	Ward (D)	Local Agencies: Contracts for Special Services	17
PUBLIC_EMPLOYMENT	AB 2557	Ortega (D)	Local Agencies: Contracts for Special Services	18
PUBLIC_EMPLOYMENT	AB 2561	McKinnor (D)	Local Public Employees: Vacant Positions	19
PUBLIC_EMPLOYMENT	SB 1379	Dodd (D)	Public Employees' Retirement Law: Reinstatement	31
PUBLIC_INVESTMENT	SB 252	Gonzalez (D)	Public Retirement Systems: Fossil Fuels: Divestment	24
PUBLIC_RECORDS_ACT	AB 2153	Lowenthal (D)	California Public Records Act: Public Agency Employees	5
PUBLIC_RECORDS_ACT	SB 1034	Seyarto (R)	California Public Records Act: State of Emergency	27
PUBLIC_RECORDS_ACT	SB 1441	Allen (D)	Examination of Petitions: Time Limitations	32
PUBLIC_RETIREMENT	AB 148	Budget	State Employment: State Bargaining Units: Agreements	1
PUBLIC_RETIREMENT	AB 1246	Nguyen (D)	Public Employees' Retirement System Optional Settlement	3
PUBLIC_RETIREMENT	AB 1997	McKinnor (D)	Teachers' Retirement Law	4
PUBLIC_RETIREMENT	AB 2183	Jones-Sawyer (D)	Public Employees' Retirement Benefits: Compensation	6
PUBLIC_RETIREMENT	AB 2284	Grayson (D)	County Employees' Retirement: Compensation	8
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1.

California Assembly Bill 148 (2023-2024)

CA A 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 PEPRA section 7522.34 as it relates to state employees.

2.

California Assembly Bill 817 (2023-2024)

CA A 817 | Blanca Pacheco (D-064) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

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:

May 1, 2024: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.

+ Show full status history

Hearing Dates:

05/29/2024 Local Government

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 Third Reading 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:

May 20, 2024: In SENATE. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Senate Third Reading File

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

4.

California Assembly Bill 1997 (2023-2024)

CA A 1997 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Third Reading File

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:

May 20, 2024: In ASSEMBLY. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Third Reading File

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

5.

California Assembly Bill 2153 (2023-2024)

CA A 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 (No) | Urgency Clause (Yes) | SENATE

Civil Actions: Electronic Service

Provides that existing law authorizes the service of documents in a civil action by electronic means pursuant to rules adopted by the Judicial Council. Provides that existing law requires a court to electronically transmit documents to a party who is subject to mandatory electronic service, or who has consented to accept electronic service. Extends the deadline for courts to comply with the requirement. Clarifies that court electronic transmittal of documents constitutes service. Declares urgency of bill.

Code:

An act to amend Section 1010.6 of the Code of Civil Procedure, relating to civil ~~actions.~~ actions, and declaring the urgency thereof, to take effect immediately.

Status:

May 20, 2024: In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE.

+ 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:

May 20, 2024: In ASSEMBLY. Read third time and amended. To third reading.

May 20, 2024: In ASSEMBLY. ASSEMBLY Rule 69(b) suspended.

+ Show full status history

Hearing Dates:

05/21/2024 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 Labor, Public Employment and Retirement...

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:

May 1, 2024: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ 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

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:

May 9, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

BROWN_ACT

No tags, commentary, or attachment applied

11.

California Assembly Bill 2335 (2023-2024)

CA A 2335 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | SENATE

Public Employment: Compensation and Classification

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

Code:

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

Status:

May 21, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Third Reading File

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) | SENATE

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:

May 16, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

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 Third Reading File

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:

May 20, 2024: In ASSEMBLY. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Third Reading File

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) | SENATE

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:

May 9, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

PUBLIC_EMPLOYMENT

No tags, commentary, or attachment applied

16.

California Assembly Bill 2474 (2023-2024)

CA A 2474 | Tom Lackey (R-034) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

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:

May 8, 2024: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

Sponsor

17.

California Assembly Bill 2489 (2023-2024)

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

Local Agencies: Contracts for Special Services

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

Code:

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

Status:

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

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

+ Show full status history

PUBLIC_EMPLOYMENT

No tags, commentary, or attachment applied

18.

California Assembly Bill 2557 (2023-2024)

CA A 2557 | Liz Ortega (D-020) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Third Reading File

Local Agencies: Contracts for Special Services

Requires each person who enters into a specified contract for special services with the board of supervisors to submit semiannual performance reports every specified number of days, to the board of supervisors and the exclusive representative of the employee organization.

Code:

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

Status:

May 20, 2024: In ASSEMBLY. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Third Reading File

PUBLIC_EMPLOYMENT

No tags, commentary, or attachment applied

19.

California Assembly Bill 2561 (2023-2024)

CA A 2561 | Tina McKinnor (D-061) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Third Reading File

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:

May 20, 2024: In ASSEMBLY. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Third Reading File

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 Third Reading File

Local Agencies: Ethics Training

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

Code:

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

Status:

May 21, 2024: In ASSEMBLY. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Assembly Second Reading File

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

21.

California Assembly Bill 2715 (2023-2024)

CA A 2715 | Tasha Boerner (D-077) | Pending | Fiscal Committee (No) | Urgency Clause (No) | SENATE

Ralph M. Brown Act: Closed Sessions

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

Code:

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

Status:

May 16, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

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) | Senate Labor, Public Employment and Retirement...

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:

May 8, 2024: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

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) and 2 Co-sponsors | Pending | Fiscal Committee (No) | Urgency Clause (No) | SENATE

County Employees' Retirement: Disallowed Compensation

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

Code:

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

Status:

May 20, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

+ Show full status history

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

24.

California Senate Bill 252 (2023-2024)

CA S 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)

CA S 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:

05/21/2024 Assembly Inactive File

BROWN_ACT

No tags, commentary, or attachment applied

26.

California Senate Bill 962 (2023-2024)

CA S 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:

May 21, 2024: In SENATE. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Senate Second Reading File

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

27.

California Senate Bill 1034 (2023-2024)

CA S 1034 | Kelly Seyarto (R-032) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Judiciary Committee

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:

May 6, 2024: To ASSEMBLY Committee on JUDICIARY.

+ Show full status history

PUBLIC_RECORDS_ACT

No tags, commentary, or attachment applied

28.

California Senate Bill 1189 (2023-2024)

CA S 1189 | Monique Limon (D-019) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

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:

May 6, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

+ Show full status history

RETIREMENT_PERSONNEL

No tags, commentary, or attachment applied

29.

California Senate Bill 1240 (2023-2024)

CA S 1240 | Marie Alvarado-Gil (D-004) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) | Assembly Public Employment and Retirement...

Public Employees Retirement System: Contracting

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

Code:

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

Status:

May 8, 2024: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

May 8, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

+ Show full status history

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

30.

California Senate Bill 1260 (2023-2024)

CA S 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 23, 2024: In SENATE Committee on TRANSPORTATION: Failed passage.

+ Show full status history

RETIREMENT_PERSONNEL

No tags, commentary, or attachment applied

31.

California Senate Bill 1379 (2023-2024)

CA S 1379 | Bill Dodd (D-003) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) | Senate Third Reading File

Public Employees' Retirement Law: Reinstatement

Provides that under the Public Employees' Retirement System and the California Public Employees' Pension Reform Act, a retired member is generally subject to a specified hour limit of employment within a year for specified employers without reinstating in the system. Creates an exception from the limit by a retired person for the Solano County Sheriff's Department to perform functions regularly performed by a deputy sheriff, evidence technician, or communications operator, subject to certain requirements.

Code:

An act to amend, repeal, and add Sections ~~7522.56, 21221,~~ 7522.56 and 21224 of the Government Code, relating to public retirement, and declaring the urgency thereof, to take effect immediately.

Status:

May 14, 2024: In SENATE. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Senate Third Reading File

PUBLIC_EMPLOYMENT

No tags, commentary, or attachment applied

32.

California Senate Bill 1441 (2023-2024)

CA S 1441 | Ben Allen (D-024) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Third Reading File

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:

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

May 14, 2024: In SENATE. Read second time. To third reading.

+ Show full status history

Hearing Dates:

05/21/2024 Senate Third Reading File

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 319 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 16 Co-sponsors | Pending | House Ways and Means Committee

Internal Revenue Code Retirement Plan Exclusion

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

Status:

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

Feb 9, 2023: INTRODUCED.

+ Show full status history

HEALTHCARE

Tags:

Staff_Recommendation: Watch

IBLC_Recommendation: Watch

BOR_Position: Watch

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: Support

IBLC_Recommendation: Support

BOR_Position: Support

37.

United States House Bill 5241 (2023-2024)

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

Governmental Pension Plans

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

Status:

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

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

Aug 18, 2023: INTRODUCED.

+ Show full status history

PUBLIC_RETIREMENT

No tags, commentary, or attachment applied

38.

United States House Bill 5342 (2023-2024)

US H 5342 | Jodey Cook Arrington (R-TX 19) and 34 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

39.

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: Support

IBLC_Recommendation: Support

BOR_Position: Support

LACERA

FOR INFORMATION ONLY

May 24, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger
Chief Financial Officer

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: **MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – APRIL 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 April 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

LACERA

TRUSTEE TRAVEL AND EDUCATION REPORT

FOR FISCAL YEAR 2023 - 2024

APRIL 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				
A	1	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
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

LACERA

TRUSTEE TRAVEL AND EDUCATION REPORT

FOR FISCAL YEAR 2023 - 2024

APRIL 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Onyx Jones				
X	-	Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Canceled
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
	4	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	-	Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	-	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	-	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	-	Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
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
Debbie Martin				
X	-	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Canceled
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
	4	Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	-	Edu - UCLA Anderson Business School - The Global Economy Monthly Courses - Los Angeles CA	01/07/2024 - 03/03/2024	Attended
	-	Edu - UCLA Anderson Business School - Decoding Today's Financial Markets Weekly Courses - Los Angeles CA	01/09/2024 - 03/12/2024	Attended
	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
C	-	Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT

FOR FISCAL YEAR 2023 - 2024

APRIL 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
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
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.

LACERA

FOR INFORMATION ONLY

May 24, 2024

TO: Trustees
Board of Retirement
Board of Investments

FROM: Ted Granger
Chief Financial Officer

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: **FY 2023-2024 3RD QUARTER STAFF TRAVEL REPORT**

Attached for your information for trips between July 1, 2023 and March 31, 2024 (1) Staff Travel Report and (2) Q1 (Calendar Year) FPPC Form 801 Travel and Other Payments Paid by Third Parties.

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

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Benefits				
Sylvia Botros	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Louis Gittens	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Dmitriy Khaytovich	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Disability Retirement Services				
Tamara Caldwell	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Danny Hang	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Executive Offices				
Laura Guglielmo	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Canceled
Santos Kreimann	1	Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	2	Admin/Edu - CALAPRS Administrators Institute 2023 - Carmel CA	09/27/2023 - 09/29/2023	Attended
	3	Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Attended
	4	Admin - Nossaman's 2023 Pensions, Benefits & Investments Fiduciaries' Forum - Los Angeles CA	10/30/2023 - 10/30/2023	Attended
	5	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	6	Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	7	Admin - CIGNA Health Care National Accounts Forum - Tucson AZ	02/12/2024 - 02/14/2024	Attended
	8	Admin - State Legislative Meetings - Sacramento CA	03/19/2024 - 03/20/2024	Attended
Luis Lugo	1	Admin - Anthem Blue Cross Due Diligence - Rancho Cardova CA	09/28/2023 - 09/28/2023	Attended
	2	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Canceled
	3	Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Canceled
	4	Admin - State Legislative Meetings - Sacramento CA	03/19/2024 - 03/20/2024	Attended
John Popowich	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Financial & Accounting Services				
Vickie Chew	1	Edu - 2023 P2F2 Conference - Denver CO	10/08/2023 - 10/11/2023	Attended
Ted Granger	1	Admin - LACERA Management Offsite Meeting - La Canada Flintridge CA	10/18/2023 - 10/18/2023	Attended
Diana Huang	1	Edu - 2023 P2F2 Conference - Denver CO	10/08/2023 - 10/11/2023	Attended
Ngoc Vu	1	Edu - 2023 P2F2 Conference - Denver CO	10/08/2023 - 10/11/2023	Attended
Edward Wong	1	Edu - 2023 P2F2 Conference - Denver CO	10/08/2023 - 10/11/2023	Attended
Ervin Wu	1	Admin - LACERA Management Offsite Meeting - La Canada Flintridge CA	10/18/2023 - 10/18/2023	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Human Resources				
Annette Cleary	1	Edu - Southern California Public Labor Relations Council (SCPLRC) Annual Conference - Lakewood CA	02/15/2024 - 02/15/2024	Attended
Carly Ntoya	1	Edu - Association for Talent Development OrgDev Conference - Las Vegas NV	10/11/2023 - 10/13/2023	Attended
Roberta Van Nortrick	1	Edu - SCCE Annual Conference - Chicago IL	10/03/2023 - 10/05/2023	Attended
Internal Audit				
Richard Bendall	1	Admin - 12th Annual ERM Pension Peer Group Hybrid Forum - Sacramento CA	10/09/2023 - 10/13/2023	Attended
Leisha Collins	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/16/2023 - 07/19/2023	Attended
	2	Edu - APPFA Professional Development Conference 2023 - Phoenix AZ	11/05/2023 - 11/08/2023	Attended
	3	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Christina Logan	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/16/2023 - 07/19/2023	Attended
	2	Admin - 12th Annual ERM Pension Peer Group Hybrid Forum - Sacramento CA	10/09/2023 - 10/13/2023	Attended
George Lunde	1	Edu - APPFA Professional Development Conference 2023 - Phoenix AZ	11/05/2023 - 11/08/2023	Attended
Investments				
Didier Acevedo	1	Admin - Conduct onsite with Innovation Endeavors - Palo Alto CA	07/26/2023 - 07/26/2023	Attended
	2	Admin - Great Hill Partners AGM - Boston MA	09/26/2023 - 09/27/2023	Attended
	3	Admin - Advisory Committee and guest speaker at Accelerate Investor's 2023 Midwest + West Coast Investor Insights Summit - Chicago IL	10/05/2023 - 10/06/2023	Attended
	4	Edu - CFA Society Los Angeles Portfolio Conference - Los Angeles CA	10/26/2023 - 10/26/2023	Canceled
	5	Edu - 4th Annual Private Markets Secondaries Meeting - Santa Monica CA	02/12/2024 - 02/13/2024	Attended
Amit Aggarwal	1	Admin - Due diligence meetings for Commercial Broker RFP's - Los Angeles CA	09/15/2023 - 09/19/2023	Attended
	2	Edu - PREA's 33rd Annual Institutional Investor Conference and meet with Bain Capital Real Estate Advisers - Boston MA	10/18/2023 - 10/20/2023	Attended
	3	Admin - AEW Value Investors Asia III, LP LPAC meetings and site tours of properties - Tokyo Japan and Osaka Japan	11/06/2023 - 11/10/2023	Attended
	4	Admin - CBRE US Core Partners meeting and 2023 Client Symposium - Washington DC	11/27/2023 - 11/29/2023	Attended
	5	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
Josiah Bezet	1	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Jason Choi	1	Admin/Edu - Visiting existing credit and hedge fund managers as ongoing diligence as well as prospective credit managers on Oct 24. Attend the Private Credit Forum for educational purposes on Oct 25 - New York City NY	10/23/2023 - 10/26/2023	Attended
	2	Admin - Visiting existing credit and hedge fund managers as well as a prospective credit manager - Chicago IL and Dallas TX	11/14/2023 - 11/15/2023	Attended
	3	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended
Noah Damsky	1	Admin - Conduct due diligence on Blackstone open ended fund - Long Beach CA	08/16/2023 - 08/16/2023	Attended
	2	Admin - Conduct due diligence on Copenhagen Infrastructure Partners - Los Angeles CA	08/17/2023 - 08/17/2023	Attended
Esmeralda Del Bosque	1	Admin - Advisory Committee and guest speaker at Accelerate Investor's 2023 Midwest + West Coast Investor Insights Summit - Chicago IL	10/05/2023 - 10/06/2023	Attended
Terra Elijah	1	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
Soniah Ginoyan	1	Edu - MSCI Institutional Investor Conference - Sacramento CA	10/24/2023 - 10/25/2023	Attended
Jon Grabel	1	Admin - National Institute of Public Finance 2023 - Los Angeles CA	07/18/2023 - 07/18/2023	Attended
	2	Admin - NASP CIO Roundtable - Philadelphia PA	07/25/2023 - 07/25/2023	Canceled
	3	Admin - 2nd Annual GWI Partners SoCal Regional Summer Social - Los Angeles CA	08/01/2023 - 08/01/2023	Attended
	4	Admin - CII 2023 Fall Conference | Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
	5	Admin - Fiduciary Investors Symposium - Stanford CA	09/19/2023 - 09/21/2023	Canceled
	6	Admin - Women in Institutional Investments Network Annual Luncheon - Investing in a Political World - Los Angeles CA	10/12/2023 - 10/12/2023	Attended
	7	Admin - AAAIM ELEVATE National Conference - New York City NY	10/16/2023 - 10/18/2023	Attended
	8	Edu - CFA Portfolio - Los Angeles CA	10/26/2023 - 10/26/2023	Attended
	9	Admin - Nossaman's 2023 Pensions, Benefits & Investments Fiduciaries' Forum - Los Angeles CA	10/30/2023 - 10/30/2023	Attended
	10	Admin - SuperReturn North America 2023 - New York City NY	11/06/2023 - 11/07/2023	Canceled
	11	Admin - CFALA Senior Investments Professionals Roundtable - Los Angeles CA	12/08/2023 - 12/08/2023	Attended
	12	Admin - CII 2024 Spring Conference - Washington, DC	03/04/2024 - 03/06/2024	Attended
	13	Admin - CFA Institute Thrive: Enhancing Outcomes through Collective Intelligence - Boston MA	03/05/2024 - 03/06/2024	Canceled
	14	Admin - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended
	15	Admin - CAIA Allocator Advisory Council - Los Angeles CA	03/18/2024 - 03/18/2024	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Jon Grabel	16	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Canceled
Pushpam Jain	1	Admin - Conduct due diligence on current (DWS, TIAA Nuveen) and potential (Campbell Lutyens Infra Team, UBS Emerging Markets Debt, CIBC Emerging Markets Debt) managers - Chicago Northbrook and Evanston IL	10/03/2023 - 10/04/2023	Attended
Dale Johnson	1	Edu - CII 2024 Spring Conference - Washington, DC	03/04/2024 - 03/06/2024	Attended
Daniel Joye	1	Admin - Institutional Investor Public Funds Roundtable - Newport RI	07/25/2023 - 07/27/2023	Attended
	2	Admin - Conduct due diligence on Blackstone open ended fund - Long Beach CA	08/16/2023 - 08/16/2023	Attended
	3	Admin - Conduct due diligence on Copenhagen Infrastructure Partners - Los Angeles CA	08/17/2023 - 08/17/2023	Attended
	4	Admin - Partners' Retreat for Allocator Leaders (The Peer-to-Peer Retreat) - Beverly Hills CA	11/15/2023 - 11/15/2023	Attended
	5	Admin - Partners Group Annual General Meetings and LPAC - Miami FL	03/12/2024 - 03/15/2024	Attended
	6	Admin - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended
	7	Admin - Axium Annual General Meeting and LPAC - Montreal, Canada	03/27/2024 - 03/28/2024	Attended
Derek Kong	1	Edu - TIDE Spark 2023 - Dana Point CA	07/13/2023 - 07/13/2023	Canceled
	2	Admin - Onsite diligence for existing managers (Triton and GHO) and potential manager (Pollen Street) - London UK	10/30/2023 - 11/03/2023	Attended
	3	Edu - 4th Annual Private Markets Secondaries Meeting - Santa Monica CA	02/12/2024 - 02/13/2024	Canceled
Cheryl Lu	1	Admin - China Consulate General to apply for Visa to conduct LACERA business in The Republic of China - Los Angeles CA	07/18/2023 - 07/18/2023	Attended
	2	Admin - Accel-KKR AGM and LPAC - Menlo Park CA	09/19/2023 - 09/20/2023	Attended
	3	Admin - Conduct due diligence meetings with potential Japan managers (Integral, Aspirant, Sunrise CLSA, J-Star, Advantage Partners, NSSK and Mercuria) and onsite diligence for MBK Fund VI (existing manager) - Tokyo Japan and Seoul South Korea	09/25/2023 - 10/03/2023	Attended
	4	Admin - AGM/LPAC for MBK and Lilly Asia Venture and meet with potential managers - Seoul South Korea and Shanghai China	11/11/2023 - 11/17/2023	Attended
	5	Admin - Lilly Asia Ventures' Due Diligence Day and meet with existing managers - Palo Alto CA	01/11/2024 - 01/12/2024	Attended
	6	Edu - 4th Annual Private Markets Secondaries Meeting - Santa Monica CA	02/12/2024 - 02/13/2024	Attended
	7	Edu - Women's Private Equity Summit - Phoenix AZ	03/03/2024 - 03/06/2024	Attended
Vache Mahseredjian	1	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Quoc Nguyen	1	Admin - Conduct due diligence for existing managers and DMA platform manager (Innocap) and prospective manager. Visiting Innocap's NY and Montreal locations, existing credit/hedge fund managers, and prospective credit/hedge fund managers. - New York City NY and Montreal Toronto Canada	11/27/2023 - 12/01/2023	Attended
	2	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended
Jude Perez	1	Edu - MSCI Institutional Investor Conference - Sacramento CA	10/24/2023 - 10/25/2023	Attended
	2	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	3	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
Krista Powell	1	Admin/Edu - Visiting existing credit and hedge fund managers as ongoing diligence as well as prospective credit managers on Oct 24. Attend the Private Credit Forum for educational purposes on Oct 25 - New York City NY	10/23/2023 - 10/26/2023	Attended
	2	Admin - Visiting existing credit and hedge fund managers as well as a prospective credit manager - Chicago IL and Dallas TX	11/14/2023 - 11/15/2023	Attended
	3	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Canceled
Jim Rice	1	Admin - Due diligence meetings for Commercial Broker RFP's - Los Angeles CA	09/15/2023 - 09/19/2023	Attended
	2	Admin - Meeting with Tony Avila to discuss Rise Koreatown - Los Angeles CA	10/30/2023 - 10/30/2023	Attended
	3	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	4	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
Cindy Rivera	1	Edu - StepStone 360 Conference - New York City NY	10/18/2023 - 10/19/2023	Attended
	2	Admin - Meeting with Tony Avila to discuss Rise Koreatown - Los Angeles CA	10/30/2023 - 10/30/2023	Attended
	3	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
Michael Romero	1	Admin - Due diligence meetings for Commercial Broker RFP's - Los Angeles CA	09/15/2023 - 09/19/2023	Attended
	2	Admin - Lion Properties Fund Advisory Council Meeting. Due diligence visits on existing LACERA to be conducted for the following: Platform at Union City ($137M) and Montebello Industrial ($92M) during this same travel - Denver CO	10/25/2023 - 10/27/2023	Attended
	3	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
David Simpson	1	Admin - Vinci Annual General Meeting (AGM) and Limited Partner Advisory Committee (LPAC) meeting. Due diligence meetings with existing manager (Australis Partner) and potential managers (Aqua Capital, IG4, Elevar Equity, Wayra Brazil) - New York City NY	10/10/2023 - 10/13/2023	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
David Simpson	2	Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	3	Admin - Annual General Meetings for One Rock, Riverside, and Siris and Limited Partner Advisory Committee for One Rock and Siris Conduct due diligence meetings with Vinci Partners and prospective manager, Mill Point. - New York City NY	11/13/2023 - 11/17/2023	Canceled
	4	Admin - Update meeting with a potential manager, Clayton, Dubilier & Rice - Santa Monica CA	03/14/2024 - 03/14/2024	Attended
Kathryn Ton	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/16/2023 - 07/19/2023	Canceled
Mel Tsao	1	Admin - ILPA Legal Document Course - Chicago IL	07/16/2023 - 07/19/2023	Attended
Scott Zdrazil	1	Edu - CII 2023 Fall Conference | Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
	2	Admin - Stanford Institutional Investor Forum - Palo Alto CA	11/01/2023 - 11/02/2023	Attended
	3	Admin - Participate in Corporate Directors Forum Board Diversity Dialogue - San Diego CA	02/15/2024 - 02/15/2024	Attended
	4	Admin - Speak at CFA Institute DEI Conference - Boston MA	03/04/2024 - 03/06/2024	Attended
	5	Admin - Speak at Broadridge Institutional Investor Corporate Governance Forum and Roundtable - Pasadena CA	03/14/2024 - 03/14/2024	Attended
Legal Services				
Jasmine Bath	1	Edu - CALAPRS Management Leadership Academy 2023 - Pasadena CA	07/17/2023 - 07/19/2023	Attended
Frank Boyd	1	Admin - Nossaman's 2023 Pensions, Benefits & Investments Fiduciaries' Forum - Los Angeles CA	10/30/2023 - 10/30/2023	Attended
	2	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Michael Herrera	1	Admin - Bernstein Litowitz Berger & Grossmann (BLB&G) Institutional Investor Forum - New York City NY	11/14/2023 - 11/18/2023	Attended
Jean Kim	1	Edu - NAPPA Winter Seminar - Washington, DC	02/21/2024 - 02/23/2024	Attended
Barry Lew	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Canceled
	2	Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	3	Admin - State Legislative Meetings - Sacramento CA	03/19/2024 - 03/20/2024	Attended
Steven Rice	1	Admin - Nossaman's 2023 Pensions, Benefits & Investments Fiduciaries' Forum - Los Angeles CA	10/30/2023 - 10/30/2023	Canceled
Christine Roseland	1	Edu - ALTSLA 2024 - Los Angeles CA	03/18/2024 - 03/20/2024	Attended
Elaine Salon	1	Edu - CALAPRS Management Leadership Academy 2023 Session #3 - Pasadena CA	07/17/2023 - 07/19/2023	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Member Services				
Gerald Bucacao	1	Edu - ICMI Contact Center Expo - Orlando FL	10/16/2023 - 10/19/2023	Attended
Renee Copeland	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Stephanie Kawai	1	Admin - CALAPRS Intermediate Course in Retirement Plan Administration - Burbank CA	11/01/2023 - 11/03/2023	Attended
	2	Edu - CALAPRS Advanced Course in Retirement Plan Administration - Burbank CA	12/06/2023 - 12/08/2023	Attended
Kelly Puga	1	Edu - ICMI Contact Center Expo - Orlando FL	10/16/2023 - 10/19/2023	Attended
Valerie Quiroz	1	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
Fabio Ramirez	1	Edu - CALAPRS Management Leadership Academy 2023 - Pasadena CA	07/17/2023 - 07/19/2023	Attended
Retiree Healthcare				
Janet Chan	1	Admin - Anthem Blue Cross Due Diligence - Rancho Cardova CA	09/28/2023 - 09/28/2023	Attended
Tionna Fredericks	1	Edu - IFEBP 69th Annual Employee Benefit Plans Conference - Boston MA	10/01/2023 - 10/04/2023	Attended
	2	Edu - IFEPB Collection Procedures Institute - Santa Monica CA	11/06/2023 - 11/07/2023	Attended
Leilani Ignacio	1	Admin - Anthem Blue Cross Due Diligence - Rancho Cardova CA	09/28/2023 - 09/28/2023	Attended
	2	Edu - IFEBP 69th Annual Employee Benefit Plans Conference - Boston MA	10/01/2023 - 10/04/2023	Canceled
	3	Admin - IFEBP Health Care Management Conference 2024 - Rancho Mirage CA	03/04/2024 - 03/05/2024	Attended
Kathy Migita	1	Edu - CVS Health 2023 Care Management Client Summit - Greensboro NC	09/19/2023 - 09/21/2023	Attended
	2	Admin - Anthem Blue Cross Due Diligence - Rancho Cardova CA	09/28/2023 - 09/28/2023	Attended
	3	Edu - IFEBP 69th Annual Employee Benefit Plans Conference - Boston MA	10/01/2023 - 10/04/2023	Canceled
	4	Admin - Kaiser Permanente - Diligence Meeting - Washington DC	11/06/2023 - 11/08/2023	Attended
	5	Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	6	Edu - CIGNA Health Care National Accounts Forum - Tucson AZ	02/12/2024 - 02/14/2024	Attended
	7	Edu - AHIP 2024 Medicare, Medicaid, Duals & Commercial Health Policy & Markets Forum - Baltimore MD	03/12/2024 - 03/14/2024	Attended
Cassandra Smith	1	Edu - CVS Health 2023 Care Management Client Summit - Greensboro NC	09/19/2023 - 09/21/2023	Attended
	2	Admin - Anthem Blue Cross Due Diligence - Rancho Cardova CA	09/28/2023 - 09/28/2023	Attended
	3	Edu - IFEBP 69th Annual Employee Benefit Plans Conference - Boston MA	10/01/2023 - 10/04/2023	Attended

STAFF TRAVEL REPORT
FOR FISCAL YEAR 2023 - 2024
MARCH 2024

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Retiree Healthcare				
Cassandra Smith	4	Admin - Kaiser Permanente - Diligence Meeting - Washington DC	11/06/2023 - 11/08/2023	Attended
	5	Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	6	Edu - CIGNA Health Care National Accounts Forum - Tucson AZ	02/12/2024 - 02/14/2024	Attended
	7	Edu - AHIP 2024 Medicare, Medicaid, Duals & Commercial Health Policy & Markets Forum - Baltimore MD	03/12/2024 - 03/14/2024	Attended
Letha Williams-Martin	1	Edu - IFEBP 69th Annual Employee Benefit Plans Conference - Boston MA	10/01/2023 - 10/04/2023	Attended
Systems				
Iveta Brecko	1	Edu - PMI Global Summit 2023 - Atlanta GA	10/25/2023 - 10/28/2023	Attended
Monica Bustamante	1	Edu - Adobe Summit 2024 - Las Vegas NV	03/25/2024 - 03/28/2024	Attended
Kathy Delino	1	Edu - Gartner Data & Analytics Summit 2024 - Orlando FL	03/11/2024 - 03/13/2024	Attended
Lynn Francisco	1	Edu - IBM TechXchange Conference 2023 - Las Vegas NV	09/12/2023 - 09/14/2023	Attended
Ganesh Gopanapalli	1	Edu - Gartner Data & Analytics Summit 2024 - Orlando FL	03/11/2024 - 03/13/2024	Attended
Sandy Pang	1	Edu - IBM TechXchange Conference 2023 - Las Vegas NV	09/12/2023 - 09/14/2023	Attended
Penelope Rodriguez	1	Edu - Adobe Summit 2024 - Las Vegas NV	03/25/2024 - 03/28/2024	Attended
Gina Shaferman	1	Edu - IBM TechXchange Conference 2023 - Las Vegas NV	09/12/2023 - 09/14/2023	Attended
Celso Templo	1	Edu - PMI Global Summit 2023 - Atlanta GA	10/25/2023 - 10/28/2023	Attended

CY 2024 Q1 FPPC FORM 801 STAFF TRAVEL EXPENSES

	2. Donor Name and Address				3. Payment Infomration														
	Name				3.1(a) Travel Payment										3.2 Payment Description	3.3 Officials who used payment in Section 3.1			
Item Number	Individual	Other	Entity's Business Activity	Address	Location	Dates	Transportation Provider	Type	Name of Lodging Facility	Lodging Expenses	Meal Expenses	Transportation Expenses	Other Expenses	Total Expenses		Last Name	First Name	Position/Title	Department/ Division
1	N/A	Partners Group Direct Infrastructure IV (USD) A, L.P.	Infrastructure Investment	1200 Entrepreneurial Drive, Broomfield, CO 80021	Miami, FL	March 12-15, 2024	American Airlines	Air	Coral Reef at Key Biscayne	$934.04	N/A	$565.64	$165.99	$1,665.67	Payment is for travel to attend Partnership's Advisory Board meeting. Per LACERA's contract with the Partnership, reasonable out-of-pocket travel expenses related to attending the meeting are covered by the fund.	Joye	Daniel	Finance Analyst III	Investments
2	N/A	Axium Infrastructure	Infrastructure Investment	2020, Robert-Bourassa Blvd., Suite 2500 Montréal Québec H3A 2A5 Canada	Montréal Québec, Canada	March 27-28, 2024	Uber	Ground (Car)	N/A	N/A	N/A	$45.17	N/A	$45.17	Payment is for travel to attend Partnership Advisory Committee Annual Meeting. Per LACERA's contracts with Axium Infrastructure funds, all reasonable out-of-pocket travel expenses related to attending the meeting are covered by the funds.	Joye	Daniel	Finance Analyst III	Investments

LACERA

FOR INFORMATION ONLY

May 24, 2024

TO: Trustees
Board of Retirement
Board of Investments

FROM: Ted Granger
Chief Financial Officer

FOR: June 5, 2024 Board of Retirement Meeting
June 12, 2024 Board of Investments Meeting

SUBJECT: **FY 2023-2024 3RD QUARTER TRUSTEE TRAVEL & EDUCATION EXPENDITURE REPORTS**

Attached for your review:

(1) Trustee Travel & Education Expenditure Report which includes reimbursement for events between July 1, 2023 and March 31, 2024 excluding Regular Board and Committee Meetings.

(2) Regular Board and Committee Meetings Expenditure Report for accumulated lodging and mileage reimbursed for events between July 1, 2023 and March 31, 2024.

(3) The Trustee Cancellation & Credit Expenditures Report which includes credits and expenses associated with trip cancellations for FY 2020-2021, 2021-2022 and through the 3rd Quarter of FY 2023-2024. No credits remain for FY 2022-2023.

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

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3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Alan Bernstein														
A	1	Edu - PREA's 33rd Annual Institutional Investor Conference - Boston MA - 10/18/2023 - 10/20/2023	Attended	$5,405.56	$150.00	$1,399.75	$3,363.81	$0.00	$0.00	$0.00	$0.00	$0.00	$184.00	$49.00
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	$784.14	$0.00	$549.65	$0.00	$0.00	$112.49	$0.00	$25.00	$0.00	$87.00	$10.00
		Totals for Alan Bernstein:		$6,189.70	$150.00	$1,949.40	$3,363.81	$259.00	$112.49	$0.00	$25.00	$0.00	$271.00	$59.00
Mike Gatto														
A	1	Edu - PPI 2024 Winter Roundtable - Napa CA - 03/06/2024 - 03/07/2024	Attended	$3,421.49	$1,500.00	$830.09	$475.16	$0.00	$61.10	$0.00	$64.00	$0.00	$202.00	$20.00
		Totals for Mike Gatto:		$3,421.49	$1,500.00	$830.09	$475.16	$269.14	$61.10	$0.00	$64.00	$0.00	$202.00	$20.00
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	$11,770.72	$0.00	$1,121.07	$10,049.65	$0.00	$0.00	$0.00	$0.00	$0.00	$456.00	$144.00
	2	Edu - NCPERS 2024 Legislative Conference - Washington DC - 01/22/2024 - 01/24/2024	Attended	$4,869.40	$550.00	$1,386.76	$2,617.80	$0.00	$0.00	$0.00	$0.00	$0.00	$218.00	$25.00
	3	Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC - 02/26/2024 - 02/27/2024	Attended	$1,784.87	$750.00	$623.82	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$148.00	$15.00
B	-	Admin - SACRS Board of Directors and Committee Meeting - San Mateo CA - 08/07/2023 - 08/08/2023	Attended	$1,758.96	$0.00	$820.68	$547.96	$0.00	$0.00	$0.00	$45.00	$0.00	$126.00	$20.00
	-	Admin - RELAC Annual Luncheon - Alhambra CA - 08/10/2023 - 08/10/2023	Attended	$26.20	$0.00	$0.00	$0.00	$0.00	$26.20	$0.00	$0.00	$0.00	$0.00	$0.00

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3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Vivian Gray														
B	-	Admin - TLF Trustee Peer Coaching Program - Boston MA - 10/26/2023 - 10/27/2023	Attended	$3,712.48	$0.00	$732.48	$2,820.80	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	-	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA - 11/07/2023 - 11/10/2023	Attended	$1,641.29	$120.00	$1,014.24	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$97.00	$15.00
	-	Admin - NASP New York Symposium - New York City NY - 11/14/2023 - 11/15/2023	Attended	$3,210.45	$0.00	$719.64	$2,367.81	$0.00	$0.00	$0.00	$0.00	$0.00	$108.00	$15.00
	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA - 03/20/2024 - 03/21/2024	Attended	$1,379.22	$295.00	$966.22	$0.00	$0.00	$0.00	$0.00	$118.00	$0.00	$0.00	$0.00
	-	Admin - SACRS Board of Directors and Committee Meeting - Santa Barbara CA - 03/25/2024 - 03/26/2024	Attended	$1,130.73	$0.00	$794.30	$0.00	$0.00	$127.43	$0.00	$90.00	$0.00	$104.00	$15.00
		Totals for Vivian Gray:		$31,284.32	$1,715.00	$8,179.21	$18,404.02	$1,073.46	$153.63	$0.00	$253.00	$0.00	$1,257.00	$249.00
Jason Green														
A	1	Edu - 2023 SuperInvestor International - Zürich Switzerland - 11/14/2023 - 11/17/2023	Attended	$9,354.87	$204.79	$1,700.15	$5,964.71	$0.00	$0.00	$0.00	$245.00	$0.00	$672.00	$210.00
B	-	Edu - CII 2023 Fall Conference | Next Frontier in Governance - Long Beach CA - 09/11/2023 - 09/13/2023	Attended	$616.55	$0.00	$578.55	$0.00	$0.00	$0.00	$0.00	$38.00	$0.00	$0.00	$0.00
		Totals for Jason Green:		$9,971.42	$204.79	$2,278.70	$5,964.71	$358.22	$0.00	$0.00	$283.00	$0.00	$672.00	$210.00

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
David Green														
A	1	Edu - 2023 SuperInvestor International - Zürich Switzerland - 11/14/2023 - 11/17/2023	Attended	$9,672.54	$204.78	$1,702.97	$6,504.45	$0.00	$22.60	$0.00	$0.00	$0.00	$776.00	$210.00
		Totals for David Green:		$9,672.54	$204.78	$1,702.97	$6,504.45	$251.74	$22.60	$0.00	$0.00	$0.00	$776.00	$210.00
Patrick Jones														
A	1	Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL - 09/19/2023 - 09/20/2023	Attended	$4,396.95	$2,500.00	$982.56	$501.80	$0.00	$0.00	$0.00	$0.00	$0.00	$92.00	$15.00
	2	Edu - NCPERS 2023 Fall Conference - Las Vegas NV - 10/21/2023 - 10/25/2023	Attended	$4,148.34	$1,605.00	$1,326.54	$482.80	$196.21	$0.00	$0.00	$0.00	$196.21	$242.00	$30.00
	3	Edu - 2024 Infrastructure Investor Global Summit - Berlin, Germany - 03/18/2024 - 03/21/2024	Attended	$19,862.87	$7,071.17	$1,835.86	$10,044.70	$0.00	$0.00	$0.00	$0.00	$0.00	$484.00	$162.00
B	-	Edu - PPI 2023 Summer Roundtable - San Francisco CA - 07/19/2023 - 07/21/2023	Attended	$2,021.18	$1,200.00	$214.00	$322.80	$0.00	$0.00	$0.00	$0.00	$0.00	$18.00	$5.00
	-	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA - 11/07/2023 - 11/10/2023	Attended	$1,152.63	$120.00	$781.54	$0.00	$0.00	$182.09	$0.00	$0.00	$0.00	$64.00	$5.00
	-	Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA - 02/29/2024 - 02/29/2024	Attended	$86.43	$0.00	$0.00	$0.00	$86.43	$0.00	$0.00	$0.00	$86.43	$0.00	$0.00
	-	Edu - PPI 2024 Winter Roundtable - Napa CA - 03/06/2024 - 03/07/2024	Attended	$2,853.45	$1,500.00	$643.87	$335.20	$0.00	$0.00	$0.00	$0.00	$0.00	$36.00	$5.00
		Totals for Patrick Jones:		$34,521.85	$13,996.17	$5,784.37	$11,687.30	$1,431.28	$182.09	$0.00	$0.00	$282.64	$936.00	$222.00

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Onyx Jones														
X	-	Edu - NCPERS 2023 Fall Conference - Las Vegas NV - 10/21/2023 - 10/25/2023	Canceled	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
		Totals for Onyx Jones:		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Shawn Kehoe														
B	-	Admin - Professional Peace Officers Association (PPOA) Offsite - Carlsbad CA - 01/27/2024 - 01/27/2024	Attended	$109.88	$0.00	$0.00	$0.00	$0.00	$109.88	$0.00	$0.00	$0.00	$0.00	$0.00
		Totals for Shawn Kehoe:		$109.88	$0.00	$0.00	$0.00	$0.00	$109.88	$0.00	$0.00	$0.00	$0.00	$0.00
Keith Knox														
A	1	Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan - 10/22/2023 - 10/27/2023	Attended	$13,395.57	$5,308.00	$2,171.69	$4,920.95	$0.00	$0.00	$0.00	$0.00	$0.00	$293.00	$138.00
		Totals for Keith Knox:		$13,395.57	$5,308.00	$2,171.69	$4,920.95	$563.93	$0.00	$0.00	$0.00	$0.00	$293.00	$138.00
Nicole Mi														
A	1	Edu - NCPERS 2024 Legislative Conference - Washington DC - 01/22/2024 - 01/24/2024	Attended	$4,810.40	$950.00	$1,733.46	$1,671.33	$0.00	$73.30	$0.00	$0.00	$0.00	$294.00	$30.00
	2	Edu - PPI 2024 Leadership Lab - Napa CA - 03/05/2024 - 03/06/2024	Attended	$2,277.10	$1,725.00	$0.00	$197.00	$0.00	$0.00	$0.00	$0.00	$0.00	$65.00	$12.50
	3	Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Pasadena CA - 03/27/2024 - 03/29/2024	Attended	$3,346.30	$3,250.00	$0.00	$0.00	$0.00	$73.30	$0.00	$0.00	$0.00	$18.00	$5.00
B	-	Edu - UCLA Anderson Business School - The Global Economy Monthly Courses- Los Angeles CA - 01/07/2024 - 03/03/2024	Attended	$1,846.76	$0.00	$1,404.47	$0.00	$0.00	$220.29	$0.00	$105.00	$0.00	$102.00	$15.00

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Nicole Mi														
B	-	Edu - UCLA Anderson Business School - Decoding Today's Financial Markets Weekly Courses - Los Angeles CA - 01/09/2024 - 03/12/2024	Attended	$2,384.16	$0.00	$1,537.00	$0.00	$0.00	$367.16	$0.00	$175.00	$0.00	$255.00	$50.00
	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA - 03/20/2024 - 03/21/2024	Attended	$980.31	$295.00	$483.11	$0.00	$0.00	$81.20	$0.00	$59.00	$0.00	$52.00	$10.00
C	-	Edu - PPI 2024 Winter Roundtable - Napa CA - 03/06/2024 - 03/07/2024	Attended	$3,929.57	$1,725.00	$1,043.68	$446.20	$0.00	$0.00	$0.00	$0.00	$0.00	$65.00	$12.50
		Totals for Nicole Mi:		$19,574.60	$7,945.00	$6,201.72	$2,314.53	$973.10	$815.25	$0.00	$339.00	$0.00	$851.00	$135.00
Wayne Moore														
A	1	Edu - NCPERS 2024 Legislative Conference - Washington DC - 01/22/2024 - 01/24/2024	Attended	$4,088.23	$550.00	$1,408.76	$1,746.20	$0.00	$16.75	$0.00	$0.00	$0.00	$182.00	$78.00
B	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA - 03/20/2024 - 03/21/2024	Attended	$1,348.31	$295.00	$966.22	$0.00	$0.00	$31.09	$0.00	$46.00	$0.00	$0.00	$10.00
		Totals for Wayne Moore:		$5,436.54	$845.00	$2,374.98	$1,746.20	$106.52	$47.84	$0.00	$46.00	$0.00	$182.00	$88.00
Gina Sanchez														
A	1	Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL - 09/19/2023 - 09/20/2023	Attended	$4,136.04	$2,500.00	$725.92	$337.80	$0.00	$0.00	$0.00	$0.00	$0.00	$184.00	$15.00
	2	Edu - Midwest and West Coast Investor Insight Summit - Chicago IL - 10/05/2023 - 10/06/2023	Attended	$1,231.56	$125.00	$0.00	$797.80	$0.00	$0.00	$0.00	$0.00	$0.00	$54.00	$5.00

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Gina Sanchez														
A	3	Edu - 2023 LAVCA Week Conference - New York City NY - 10/10/2023 - 10/13/2023	Attended	$5,319.82	$500.00	$1,362.87	$2,896.80	$0.00	$0.00	$0.00	$0.00	$0.00	$148.00	$15.00
	4	Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan - 10/22/2023 - 10/27/2023	Attended	$14,601.09	$5,308.00	$2,368.64	$5,701.35	$0.00	$0.00	$0.00	$0.00	$0.00	$397.00	$138.00
B	-	Edu - PPI 2023 Summer Roundtable - San Francisco CA - 07/19/2023 - 07/21/2023	Attended	$2,474.47	$1,200.00	$806.30	$316.75	$0.00	$0.00	$0.00	$0.00	$0.00	$38.00	$5.00
	-	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA - 11/07/2023 - 11/10/2023	Attended	$970.89	$120.00	$507.12	$0.00	$0.00	$218.77	$0.00	$0.00	$0.00	$110.00	$15.00
			Totals for Gina Sanchez:	$28,733.87	$9,753.00	$5,770.85	$10,050.50	$1,816.75	$218.77	$0.00	$0.00	$0.00	$931.00	$193.00
Herman Santos														
A	1	Edu - 2023 LAVCA Week Conference - New York City NY - 10/10/2023 - 10/13/2023	Attended	$6,025.86	$500.00	$3,120.05	$1,410.91	$0.00	$125.89	$0.00	$140.76	$0.00	$404.00	$30.00
	2	Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan - 10/22/2023 - 10/27/2023	Attended	$18,180.05	$5,308.00	$2,368.64	$8,518.15	$0.00	$128.12	$0.00	$134.96	$0.00	$736.00	$321.53
	3	Edu - NCPERS 2024 Legislative Conference - Washington DC - 01/22/2024 - 01/24/2024	Attended	$4,639.73	$750.00	$1,698.67	$1,412.81	$0.00	$122.07	$0.00	$133.56	$0.00	$328.00	$30.00
	4	Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC - 02/26/2024 - 02/27/2024	Attended	$5,049.75	$750.00	$1,711.41	$2,062.80	$47.13	$121.94	$0.00	$80.47	$0.00	$256.00	$20.00

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat		Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Herman Santos														
B	-	Edu - SACRS 2023 Fall Conference - Rancho Mirage CA - 11/07/2023 - 11/10/2023	Attended	$627.12	$120.00	$507.12	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	-	Admin - LACERA vs Los Angeles County - Los Angeles CA - 12/06/2022 - 12/06/2022	Attended	$110.04	$0.00	$0.00	$0.00	$0.00	$110.04	$0.00	$0.00	$0.00	$0.00	$0.00
	-	Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA - 03/20/2024 - 03/21/2024	Attended	$1,092.04	$125.00	$609.94	$0.00	$170.00	$128.10	$0.00	$59.00	$170.00	$0.00	$0.00
			Totals for Herman Santos:	$35,724.59	$7,553.00	$10,015.83	$13,930.21	$1,123.52	$614.22	$0.00	$468.28	$170.00	$1,468.00	$381.53
Cnt: 23			**Grand Totals:**	$198,036.37	$49,174.74	$47,259.81	$79,361.84	$8,226.66	$2,337.87	$0.00	$1,478.28	$452.64	$7,839.00	$1,905.53

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.

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat	Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Alan Bernstein													
	FYTD Lodging/Mileage (M):				$0.00			$146.72					
Trevor Fay													
	FYTD Lodging/Mileage (M):				$0.00			$174.74					
Mike Gatto													
	FYTD Lodging/Mileage (M):				$647.35			$228.67					
Vivian Gray													
	FYTD Lodging/Mileage (M):				$0.00			$157.20					
Jason Green													
	FYTD Lodging/Mileage (M):				$0.00			$1,738.44					
David Green													
	FYTD Lodging/Mileage (M):				$0.00			$110.83					
Patrick Jones													
	FYTD Lodging/Mileage (M):				$0.00			$581.87					
Onyx Jones													
	FYTD Lodging/Mileage (M):				$0.00			$310.47					
Shawn Kehoe													
	FYTD Lodging/Mileage (M):				$2,129.34			$0.00					

LACERA

3RD QUARTER TRUSTEE
TRAVEL AND EDUCATION EXPENDITURE REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Cat	Purpose of Travel - Location - Travel Dates	Travel Status	Total Expense	Registration	Lodging	Airfare	Ground Transp.	Mileage	Porterage	Parking	Meals	Per Diem	Misc.
Joseph Kelly													
	FYTD Lodging/Mileage (M):				$0.00			$66.02					
Debbie Martin													
	FYTD Lodging/Mileage (M):				$0.00			$343.93					
Nicole Mi													
	FYTD Lodging/Mileage (M):				$1,551.21			$274.95					
Les Robbins													
	FYTD Lodging/Mileage (M):				$0.00			$237.44					
David Ryu													
	FYTD Lodging/Mileage (M):				$0.00			$252.49					
Gina Sanchez													
	FYTD Lodging/Mileage (M):				$0.00			$568.15					
Herman Santos													
	FYTD Lodging/Mileage (M):				$4,596.62			$2,958.36					
	Total of FYTD Lodging/Mileage (M):				$8,924.52			$8,150.28					

Category Legend:

M - Regular Board and Committee Meetings

LACERA

TRUSTEE CANCELLATION AND CREDIT EXPENDITURES
REPORT FOR FISCAL YEAR 2021
FOR TRAVEL DURING JULY 2020 - JUNE 2021

Purpose of Travel - Location - Date - Travel Status	Category	Total Expense	Registration (Reg.)	Lodging	Airfare	Other Misc. Travel Exp.	Chair Pardon	Reg. Credit	Reg. Credit Expiration Date	Airfare Credit	Airfare Credit Expiration Date	Refund Pending
Alan Bernstein												
Edu - IFEBP 66th Annual Employee Benefits Conference - Honolulu HI - 11/15/2020 - 11/18/2020 - Host Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Attendee Totals:		$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Vivian Gray												
Edu - CII & NYU Corporate Governance Bootcamp - VIRTUAL -9/23/2020 - 9/25/2020 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Attendee Totals:		$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Shawn Kehoe												
Edu - IFEBP 66th Annual Employee Benefits Conference - Honolulu HI - 11/15/2020 - 11/18/2020 - Host Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Attendee Totals:		$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Les Robbins												
Edu - IFEBP 66th Annual Employee Benefits Conference - Honolulu HI - 11/15/2020 - 11/18/2020 - Host Canceled	X	$0.00	$0.00	$0.00	$0.00	$0.00		$2,125.00	**12/31/2025**	$0.00		$0.00
Edu- 2020 SACRS Fall Virtual Conference -VIRTUAL - 11/10/2020 - 11/13/2020 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Attendee Totals:		$0.00	$0.00	$0.00	$0.00	$0.00		$2,125.00		$0.00		$0.00
Grand Totals:		$0.00	$0.00	$0.00	$0.00	$0.00		$2,125.00		$0.00		$0.00

Category Legend:

X - Canceled events for which expenses have been incurred.
Z - Trip was Canceled - Balance of $0.00

LACERA

TRUSTEE CANCELLATION AND CREDIT EXPENDITURES REPORT

FOR FISCAL YEAR 2022

FOR EVENTS DURING JULY 2021 - JUNE 2022

Purpose of Travel - Location - Date - Travel Status	Category	Total Expense	Registration (Reg.)	Lodging	Airfare	Other Misc. Travel Exp.	Chair Pardon	Reg. Credit	Reg. Credit Expiration Date	Airfare Credit	Airfare Credit Expiration Date	Refund Pending
Alan Bernstein												
Edu - SuperReturn International Berlin - Berlin, Germany - 11/09/2021 - 11/12/2021 - Canceled	X	$375.02	$375.02	$0.00	$0.00	$0.00	**Yes**	$0.00		$0.00		$0.00
	Attendee Totals:	$375.02	$375.02	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
David Green												
Edu - 2021 CII Fall Conference - Chicago IL - 09/22/2021 - 09/24/2021 - Host Canceled	X	$387.13	$0.00	$0.00	$387.13	$0.00	**Yes**	$0.00		$0.00		$0.00
	Attendee Totals:	$387.13	$0.00	$0.00	$387.13	$0.00		$0.00		$0.00		$0.00
Patrick Jones												
Edu - Duke University Executive Education Program - Corporate Social Responsibility - Durham NC - 09/23/2021 - 09/25/2021 - Host Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Shawn Kehoe												
Edu - 2021 Milken Institute Global Conference - Los Angeles CA - 10/17/2021 - 10/20/2021 - Canceled	X	$23.96	$0.00	$23.96	$0.00	$0.00	**Yes**	$0.00		$0.00		$0.00
Edu - SACRS Fall Conference - Los Angeles CA - 11/09/2021 - 11/12/2021 - Canceled	X	$120.00	$120.00	$0.00	$0.00	$0.00	**Yes**	$0.00		$0.00		$0.00
	Attendee Totals:	$143.96	$120.00	$23.96	$0.00	$0.00		$0.00		$0.00		$0.00
Joseph Kelly												
Edu - Global Investors Annual Meeting - New York NY - 12/13/2021 - 12/14/2021 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Keith Knox												
Edu - 2022 Milken Institute Global Conference - Los Angeles CA - 05/01/2022 - 05/04/2022 - Canceled	X	$1,646.94	$0.00	$1,646.94	$0.00	$0.00	**Yes**	$0.00		$0.00		$0.00
	Attendee Totals:	$1,646.94	$0.00	$1,646.94	$0.00	$0.00		$0.00		$0.00		$0.00
Les Robbins												
Edu - AHIP Health Conference - Las Vegas NV - 06/21/2022 - 06/23/2022 - Canceled	X	$919.28	$400.00	$519.28	$0.00	$0.00	**Yes**	$0.00		$97.96	**12/31/2040**	$0.00
	Attendee Totals:	$919.28	$400.00	$519.28	$0.00	$0.00		$0.00		$97.96		$0.00

Purpose of Travel - Location - Date - Travel Status	Category	Total Expense	Registration (Reg.)	Lodging	Airfare	Other Misc. Travel Exp.	Chair Pardon	Reg. Credit	Reg. Credit Expiration Date	Airfare Credit	Airfare Credit Expiration Date	Refund Pending
Gina Sanchez												
Edu - 2021 CII Fall Conference - Chicago IL - 09/22/2021 - 09/24/2021 - Host Canceled	X	$282.80	$0.00	$0.00	$282.80	$0.00		$0.00		$0.00		$0.00
	Attendee Totals:	$282.80	$0.00	$0.00	$282.80	$0.00		$0.00		$0.00		$0.00
Herman Santos												
Edu - Global Investors Annual Meeting - New York NY - 12/13/2021 - 12/14/2021 - Canceled	X	$4.99	$4.99	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
Edu - NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA - 03/23/2022 - 03/24/2022 - Cancelled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
	Attendee Totals:	$4.99	$4.99	$0.00	$0.00	$0.00		$0.00		$0.00		$0.00
	Grand Totals:	$3,760.12	$900.01	$2,190.18	$669.93	$0.00		$0.00		$97.96		$0.00

Category Legend:

X - Canceled events for which expenses have been incurred.
Z - Trip was Canceled - Balance of $0.00

LACERA

TRUSTEE CANCELLATION AND CREDIT EXPENDITURES REPORT
FOR FISCAL YEAR 2024
FOR EVENTS DURING JULY 2023 - MARCH 2024

Purpose of Travel - Location - Date - Travel Status	Category	Total Expense	Registration (Reg.)	Lodging	Airfare	Other Misc. Travel Exp.	Chair Pardon	Reg. Credit	Reg. Credit Expiration Date	Airfare Credit	Airfare Credit Expiration Date	Refund Pending
Vivian Gray												
Edu - NCPERS 2023 Fall Conference - Las Vegas NV - 10/21/2023 - 10/25/2023 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
Edu - Kayne Anderson 2023 Investor Conference - Beverly Hills CA - 10/25/2023 - 10/26/2023 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
Edu - Pension Bridge Private Credit Conference - San Diego CA - 02/26/2024 - 02/27/2024 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
James Harris												
Edu - SACRS 2023 Fall Conference - Rancho Mirage CA - 11/07/2023 - 11/10/2023 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
Onyx Jones												
Edu - NCPERS 2023 Fall Conference - Las Vegas NV - 10/21/2023 - 10/25/2023 - Canceled	X	$0.00	$0.00	$0.00	$0.00	$0.00		$1,605.00	**12/31/2024**	$0.00		
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$1,605.00		$0.00		
Herman Santos												
Edu - 2024 PREA's Spring Conference - Nashville TN - 03/21/2024 - 03/22/2024 - Canceled	Z	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
	Attendee Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$0.00		$0.00		
	Grand Totals:	$0.00	$0.00	$0.00	$0.00	$0.00		$1,605.00		$0.00		

Category Legend:

X - Canceled events for which expenses have been incurred.
Z - Trip was Canceled - Balance of $0.00

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

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

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