
AGENDA

BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

May 19, 2016
8:30 a.m.

NEW LOCATION

Los Angeles Fire and Police Pensions Building
701 East Third Street, Suite 401
Los Angeles, CA 90013

Commissioner Diannitto will participate telephonically from
4612 El Reposo Drive, Los Angeles, CA 90065

An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to complete a speaker card for each item they wish to address, and present the completed card(s) to the commission executive assistant. Speaker cards are available at the commission executive assistant's desk.

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed at the office of the Los Angeles Fire and Police Pension System (LAFPP), located at 701 East 3rd Street, 2nd Floor, Los Angeles, California 90013, or by clicking on LAFPP's website at www.lafpp.com, or at the scheduled meeting. Non-exempt writings that are distributed to the Board or Committee at a scheduled meeting may be viewed at that meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the commission executive assistant, at (213) 279-3038 or by e-mail at rhonda.ketay@lafpp.com.

Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 279-3000 voice or (213) 628-7713 TDD.

A. COMMITTEE REPORTS

1. [GENERAL MANAGER EVALUATION CRITERIA 2016-17 AND POSSIBLE BOARD ACTION](#)
2. [REVIEW OF BOARD GOVERNANCE POLICY, SECTION 17.0 – APPENDIX 1 AND 2, CITY ATTORNEY PERFORMANCE EVALUATION SURVEY INSTRUMENT AND POSSIBLE BOARD ACTION](#)
3. [RECOMMENDATION TO DISBAND BOARD STANDING COMMITTEES AND POSSIBLE BOARD ACTION](#)

B. ITEMS FOR BOARD ACTION

1. [RESPONSE TO PROPOSED LEGISLATION \(SB 1353 AND AB 2833\) FOR THE CITY'S BILLS TRACKING SYSTEM AND POSSIBLE BOARD ACTION](#)
 2. APPROVE A REDEMPTION IN FULL FROM PRISA III AND POSSIBLE BOARD ACTION
 3. ASSET ALLOCATION REVIEW BY RV KUHNS AND POSSIBLE BOARD ACTION
- C. REPORTS TO THE BOARD
1. [REAL ESTATE PERFORMANCE REVIEW BY THE TOWNSEND GROUP](#)
 2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
 3. General Manager's Report
 - a. [Monthly Report](#)
 - b. Marketing Cessation Information
 - c. Benefits Actions approved by General Manager on May 5, 2016
 - d. Other business relating to Department operations
- D. COMMITTEE CALENDAR
1. Audit Committee – Last met: 04/21/16; next meeting: 07/21/16
 2. Benefits Committee – Last met: 10/01/15; next meeting: 08/18/16
 3. Governance Committee – Last met: 05/05/16; next meeting: 06/16/16
- E. CONSENT ITEMS
1. Approval of Minutes
 - a. [Minutes of the Special Board Meeting of September 16, 2015](#)
 - b. [Minutes of the Special Board Meeting \(Benefits Committee\) of September 16, 2015](#)
- F. CONSIDERATION OF FUTURE AGENDA ITEMS
- G. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION
- H. DISABILITY CASES

Alternative 2

Israel Ramirez, surviving spouse of Detective II Miriam B. Ramirez. Mr. Ramirez will represent himself.

Police Officer III+1 Samuel A. Shepard. Officer Shepard will be represented by Corina Lee, Los Angeles Police Protective League.

I. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH LEGAL COUNSEL REGARDING PENDING LITIGATION, IN THE FOLLOWING CASE: The City of Los Angeles v. Bankrate, Inc, et al. (Case No. 9:14 –cv-81323-DMM (S.D. Fla.)



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: MAY 19, 2016

ITEM: A.1

**FROM: GOVERNANCE COMMITTEE
SAM DIANNITTO, CHAIR
BELINDA VEGA, VICE CHAIR
PEDRAM SALIMPOUR (ABSENT)
ROBERT VON VOIGT**

SUBJECT: GENERAL MANAGER PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Direct staff to survey Board members on the General Manager's performance for Fiscal Year (FY) 2015-16; and,
- 2) Use the current Criteria, Process, and Survey Instrument for the 2016-17 General Manager Evaluation.

DISCUSSION

The Los Angeles City Charter delegates the responsibility for the annual review of the LAFPP General Manager to the Board. The attached Section 12.0 of the Board Governance Policy sets forth the General Manager Performance Evaluation Policy (Policy). Per Policy, the Governance Committee is responsible for coordinating the General Manager's annual performance evaluation. This includes:

- Agreeing on any changes to the survey instrument criteria to evaluate the General Manager's performance for the following fiscal year;
- Directing a Board review of the General Manager's performance for the past year by surveying each Board member; and,
- Reviewing the surveys, meeting with the General Manager in closed session, and providing the Board a report on the survey results, including any recommendations for a General Manager merit pay increase up to 5 percent.

For the 2015-16 General Manager Evaluation (July 1, 2015 – June 30, 2016), staff recommends utilizing the same process as last year and use existing confidential LAFPP personnel to

coordinate the evaluation process. Staff will electronically distribute the survey to Board members by the second meeting in July (July 21, 2016), tabulate and summarize all survey responses, and develop a report by August 2016 for Governance Committee and Board consideration.

At its May 5, 2016 meeting, the Governance Committee recommended the Board approve staff's recommendation to conduct the 2015-16 General Manager Evaluation using in-house confidential staff and to use the current criteria as identified in the Policy for the 2016-17 General Manager Evaluation process.

BUDGET

As proposed, there is no impact to the Budget.

POLICY

As proposed, there is no impact to the Policy.

This report was prepared by:

Lindi Willhite, Senior Personnel Analyst I
Administrative Services Section

RPC:WSR:SHC:LLW

Attachment: Governance Policy Section 12.0 General Manager Performance Evaluation Policy

Los Angeles Fire & Police Pension System

12.0 - GENERAL MANAGER PERFORMANCE EVALUATION POLICY

INTRODUCTION

- 12.1 In accordance with the City Charter, the Board has the authority to hire the General Manager, subject to confirmation by the Mayor and City Council and may remove the General Manager, subject to confirmation by the Mayor. The General Manager, if so removed, may appeal the removal to the City Council as provided in Section 508(e) of the City Charter [Section 1108 (b)].
- 12.2 In accordance with the City Charter, the Board is responsible for annually evaluating the performance of the General Manager. [Section 1108 (c)]. Accordingly, the Board has established this General Manager Performance Evaluation Policy, the objectives of which are to:
- A. Assist the Board in establishing and communicating clear and meaningful goals and performance targets for the General Manager; and
 - B. Ensure the General Manager receives useful and objective performance feedback from the Board on a periodic basis.

ROLES AND RESPONSIBILITIES

- 12.3 Evaluating the performance of the General Manager is a primary responsibility of the Board and therefore should include the participation of all Board members.
- 12.4 The Governance Committee will be responsible for co-coordinating the implementation of this policy.

EVALUATION CRITERIA

- 12.5 The Board will ensure that any criteria used to evaluate the General Manager:
- A. Are defined in advance;
 - B. Are objective in nature and, to the extent possible, measurable;
 - C. Pertain only to outcomes over which the General Manager has a reasonable degree of control; and
 - D. Apply only to July 1 through June 30 of the respective year being evaluated.
- 12.6 At a minimum, evaluation criteria will include Board satisfaction with the general management and leadership abilities of the General Manager, as determined through the use of a General Manager Performance Evaluation Survey.
- 12.7 In addition to the above minimum criterion, the Board may over time establish other criteria as appropriate. These must meet the conditions set out in 12.5 above and may include, but are not limited to:

General Manager Performance Evaluation Policy

- A. Implementation of the triennial strategic plan and annual business plan; (Amended 04/16/15)
 - B. Implementation and management of Board policies and associated reporting to the Board;
 - C. Effective fiscal and operational controls, as evidenced by internal or external financial audits.
- 12.8 Performance evaluation criteria established pursuant to paragraph 12.7 above will be recommended by the Governance Committee to the Board for approval.

EVALUATION PROCESS

- 12.9 The General Manager will meet with the Governance Committee in the fourth quarter of each fiscal year (April – June) to discuss and establish:
- A. The proposed evaluation criteria for the General Manager for the next year and their relative weights; and
 - B. Any proposed evaluation forms or surveys, or other measurement tools to be used in evaluating the General Manager for the year in question.
- 12.10 The General Manager shall ensure that the Board is provided a final status report of the business plan projects for the evaluation period at the first Board meeting of July. (Amended 04/16/15)
- 12.11 Each year, the Governance Committee Chair or, if applicable, a designated third party, will distribute an Evaluation Package to each member of the Board by the second Board meeting of July. The Evaluation Package will include:
- A. A copy of this policy;
 - B. The performance criteria established by the Governance Committee for the year in question;
 - C. Any survey forms to be completed by members of the Board; and
 - D. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation.
- 12.12 The General Manager at his or her discretion may also provide the Board with a self-assessment of the extent to which the General Manager believes the performance criteria were met.
- 12.13 The Board shall treat the Evaluation Package as confidential. Completed survey forms will be returned to the Chair of the Governance Committee or, if applicable, directly to a designated third party, within a predetermined time period. The Committee Chair, or if applicable, third party, will in turn ensure that all completed surveys are tabulated and summarized. The product of this tabulation and summary will be known as the Survey Summary. The Survey Summary shall include all comments from every Commissioner.
- 12.14 The Governance Committee will meet as required in closed session to review the Survey Summary and any other information relevant to the General Manager's performance evaluation and develop a report and recommendations for the

General Manager Performance Evaluation Policy

Board's consideration. The General Manager will be present at the meeting(s) and may participate in the discussion of the results.

- 12.15 The Chair of the Governance Committee will report to the Board on the results of the Committee's review of the General Manager's performance. The discussion of the General Manager's performance will be held in closed session and the General Manager will be present.
- 12.16 Upon completion of the Board's discussion, the President and the General Manager will sign a Written Summary Evaluation indicating the results of the Survey Summary, whether the General Manager is in good standing or to be placed under review, the details of any merit pay increase and any other details as appropriate. The President shall cause the Written Summary Evaluation to be placed in the General Manager's personnel file and ensure that the Survey Summary and all completed survey forms are destroyed.
- 12.17 The Board may grant the General Manager a merit pay increase in accordance with City Council guidelines [Section 1108 (c)]. Further, the Board may grant the General Manager additional increases (i.e., Cost of Living Adjustments, Retirement Contribution Offsets, or similar increases) in accordance with City Council guidelines.
- 12.18 The Board will promptly notify the Office of the Mayor the results of the evaluation. Further, the Board will promptly notify the Offices of the Controller and City Administrative Officer of the amount of any merit pay increase granted by the Board to implement the Board's action.
- 12.19 If the Board places the General Manager under review, the General Manager will meet with the Board every quarter to discuss his or her performance until the under review status is removed by the Board.

HISTORY

- 12.20 The Board adopted this policy on June 8, 2006; Amended 03/06/08, 03/19/09, 03/01/12, 04/16/15.

REVIEW

- 12.21 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 12.22 The Board shall next review this policy by April 2018.

Los Angeles Fire & Police Pension System

APPENDIX 1 - GENERAL MANAGER EVALUATION SURVEY INSTRUMENT

GENERAL MANAGER LEADERSHIP SKILLS SUBJECTIVE EVALUATION FORM

In accordance with the System's *General Manager Performance Evaluation Policy*, the Board is required to evaluate the performance of the General Manager. This evaluation form is designed to facilitate the gathering of input from Board members concerning leadership, management and related qualities and skills.

The results of this evaluation will be tabulated and summarized by the Chair of the Governance Committee. A summary of the results will be presented to the Board, along with any other information and analysis necessary to complete the evaluation.

Board members are asked to complete this questionnaire and submit it to [party] by [MONTH, DAY, YEAR].

INSTRUCTIONS

The Board members will use a scale of 1- 5 to rate the General Manager on his or her success with regard to each of the following criteria, (please circle the appropriate number), where:

- 1. = **UNACCEPTABLE**
- 2. = **NEEDS IMPROVEMENT**
- 3. = **MEETS EXPECTATIONS**
- 4. = **EXCEEDS EXPECTATIONS**
- 5. = **OUTSTANDING**

In addition each of the raters should use the Specific Observations comment sections to elaborate and provide substantiation for the rating.

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5
<u>Strategic Planning and Implementation</u> (Planning, Vision)					
1. Sought input from the Board and the Board's consultants/advisors in the development of new strategic initiatives.	1	2	3	4	5
2. Assisted the Board in establishing a strategic direction for the System.	1	2	3	4	5
3. Identified issues of strategic importance and brought them to the Board's attention.	1	2	3	4	5
4. Contributed to the Board accomplishing its current year strategic objectives.	1	2	3	4	5
Specific Observations: _____ _____ _____ _____ _____					
<u>Operations</u> (Budgeting and Financial Management, Risk Management, Continuous Improvement, Board Support, Stakeholder Relations)					
5. Demonstrated leadership in setting organizational priorities.	1	2	3	4	5
6. Acted responsibly in preparing a financially sound operating Budget for Board adoption.	1	2	3	4	5
7. Ensured the Board received the budget and subsequent financial reports in a timely fashion.	1	2	3	4	5
8. Managed the budget in a fiscally responsible manner keeping revenue and costs in balance.	1	2	3	4	5
9. Demonstrated a commitment to continuous improvement in system services and operations; maintained good customer relations and responsive to stakeholder needs/issues.	1	2	3	4	5

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5
10. Evaluated and considered risk exposure in managing current programs and proposing new programs or services.	1	2	3	4	5
11. In a complete and timely fashion, provided the Board with the information it needed to carry out its responsibilities and assured that all meetings were well planned and organized.	1	2	3	4	5
<p>Specific Observations: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>					
<p><u>Leadership and Personal Development</u> (Ethics and Conduct, Stakeholder Relations, Professional/Technical Competence, Problem Solving and Decision-Making, Flexibility, Self-Development, Communication, Credibility)</p>					
12. Demonstrates a strong principled and ethical leadership style and promotes high standards of conduct and job performance to subordinates.	1	2	3	4	5
13. Approaches his duties and responsibilities in a professional manner and demonstrates up to date knowledge and competencies in the administration of a public pension system.	1	2	3	4	5
14. Prepares organized and informative reports and correspondence.	1	2	3	4	5
15. Communicates orally with the Board, as well as with stakeholders, in a clear and effective manner.	1	2	3	4	5
16. Is committed to identifying and addressing areas of performance or personal development that need attention.	1	2	3	4	5
17. Demonstrates the ability to provide leadership and appropriately handle stressful situations.	1	2	3	4	5

General Manager Performance Evaluation Policy

GENERAL MANAGER EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5
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Specific Observations: _____

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Staff Development and Supervision

18. Maintains effective control over operations and effectively hires, retains, assigns and leads and directs staff in the performance of their duties and assignments.	1	2	3	4	5
19. Demonstrates a commitment to improving the performance, technical and personal development of staff.	1	2	3	4	5
20. Is respected by staff and promoted a positive work culture.	1	2	3	4	5

Specific Observations: _____

Completed by: _____ **on (date)** _____



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: MAY 19, 2016

ITEM: A.2

**FROM: GOVERNANCE COMMITTEE
SAM DIANNITTO, CHAIR
BELINDA VEGA, VICE CHAIR
PEDRAM SALIMPOUR, (ABSENT)
ROBERT VON VOIGT**

SUBJECT: REVIEW OF BOARD GOVERNANCE POLICY, SECTION 17.0 – APPENDIX 1 AND 2, CITY ATTORNEY PERFORMANCE EVALUATION SURVEY INSTRUMENT AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Amend the current Board Governance Policy, Appendix 1 and 2, City Attorney Performance Evaluation survey instrument to adjust the rating scale and revise formatting; and,
- 2) Direct the General Manager to use the new survey instrument beginning with Fiscal Year (FY) 2015-16.

BACKGROUND

On May 21, 2015, the Board adopted the current City Attorney Performance Evaluation Policy and evaluation survey based on feedback and suggestions received from Board members and staff. At that time, the numbering of the rating scale for the evaluation survey was expanded from “1 – 4” to “1 – 5”. The additional rating of 5 for “Outstanding” conformed to the General Manager Survey instrument, the City’s employee evaluation guidelines, and would allow for recognition of exemplary work during the evaluation period.

DISCUSSION

The Board has determined that annually evaluating the performance of the City Attorney is of value, and Section 17.0 of the Board Governance Policy (attached) sets forth the City Attorney Performance Evaluation Policy. Per Policy, the Governance Committee is responsible for coordinating the implementation of the Policy. The evaluation process includes:

- The Board establishing the evaluation criteria in advance for the following fiscal year;
- The General Manager distributing Evaluation Packages to the Board and key LAFPP staff in July of each year;

- The Board and General Manager reviewing in closed session both the survey results and a draft letter to the City Attorney front office summarizing the evaluation results; and,
- The Board authorizing the President and General Manager to discuss the evaluation results with the City Attorney in a confidential manner, and signing the letter to the City Attorney front office.

Staff recommends no changes to the City Attorney Evaluation criteria and process as we believe it measures the most critical qualities and skills of the City Attorney. However, based on feedback from staff and some Board members, staff is recommending the addition of an “Unable to Assess” column in the event a particular evaluation criteria was not observed by Board or staff during the course of the year.

The Fiscal Year 2015-16 Evaluation Package including the survey instrument will be distributed electronically to Board members and staff by the first meeting in July (July 7, 2016), with a staff report expected by the first meeting in September (September 1, 2016). The Board and staff shall treat the evaluation package as confidential.

At its May 5, 2016 meeting, the Governance Committee approved staff’s request to recommend that the Board approve the changes to the City Attorney Performance Evaluation Policy and survey instrument.

BUDGET

There is no budgetary impact as recommended.

POLICY

As recommended, there would be an exception to the Policy since the evaluation criteria would be amended retroactively. However, this would not result in a significant change in the evaluation process or results.

This report was prepared by:

William S. Raggio, Executive Officer
Administrative Operation Division

Attachment: Proposed Amendment Governance Policy 17.0

Los Angeles Fire & Police Pension System

17.0 –CITY ATTORNEY PERFORMANCE EVALUATION POLICY

INTRODUCTION

- 17.1 As provided in the City Charter, the City Attorney shall be the legal advisor to the City, and to all City boards, departments, officers and entities. The City Attorney shall give advice or opinion in writing when requested to do so by any City officer or board. [Section 271 (b)]
- 17.2 The Retirement Benefits Division of the City Attorney's Office serves as the Board's legal advisor under Charter Section 271 (b). The Retirement Benefits Division is supervised by an Assistant City Attorney, who for the purpose of this policy, shall be referred to as "the City Attorney."
- 17.3 The Board has determined that annually evaluating the performance of the City Attorney is of value. Accordingly, the Board has established the City Attorney Performance Evaluation Policy, the objectives of which are to:
- A. Assist the Board in establishing and communicating clear and meaningful expectations to the City Attorney; and
 - B. Ensure the City Attorney receives clear and meaningful feedback to continuously improve client service.

ROLES AND RESPONSIBILITIES

- 17.4 Evaluating the performance of the City Attorney is a responsibility of the Board and therefore should include the participation of all Board members.
- 17.5 Key staff shall also evaluate the performance of the City Attorney and provide their feedback to the Board for consideration.
- 17.6 The Governance Committee will be responsible for coordinating the implementation of this policy.

EVALUATION CRITERIA

- 17.7 The Board will ensure that any criteria used to evaluate the City Attorney:
- A. Are defined in advance;
 - B. Are objective in nature, and to the extent possible, measurable; and
 - C. Pertain only to outcomes over which the City Attorney has a reasonable degree of control.
- 17.8 At a minimum, evaluation criteria will include Board satisfaction with the timeliness, clarity and soundness of legal advice, communication, the effective management of litigation, and the effective and appropriate use of resources, as determined through the use of a City Attorney Performance Evaluation Survey. (Amended 09/19/13)

City Attorney Performance Evaluation Policy

- 17.9 Using a separate evaluation survey, key staff will express their satisfaction with the City Attorney's performance and provide a summary of those findings to the Board to include in any feedback provided to the City Attorney. (Amended 09/19/13)

EVALUATION PROCESS

- 17.10 In July of each year, the General Manager will distribute an Evaluation Package to each member of the Board and to key staff. The Evaluation Package will include:
- A. A copy of this policy;
 - B. The performance evaluation survey forms to be completed by members of the Board and key staff;
 - C. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation. (Amended 09/19/13)
- 17.11 The Board and staff shall treat the Evaluation Package as confidential. Completed survey forms will be returned to the General Manager within a pre-determined time period. The General Manager will ensure that all completed surveys are tabulated and summarized, segregating the results of the Board from that of staff.
- 17.12 The evaluation results will be shared with the City Attorney to provide an opportunity to address any disputed responses. The City Attorney responses will be included in the final report to the Board.
- 17.13 The Board will meet as required in closed session to review a staff report on the survey results, a draft letter to the City Attorney front office to highlight strengths and any expectations for the future, and any other information relevant to the City Attorney's performance evaluation. The City Attorney will not be present at the meeting, unless the Board requests the City Attorney to attend to participate in the discussion of the results.
- 17.14 The Board will authorize the President and General Manager to present the Board evaluation to the City Attorney, in a confidential manner following the meeting.
- 17.15 Upon completion of the Board's discussion, the President will sign a written summary evaluation, indicating the Board's general level of satisfaction with the City Attorney and any expectations for the future, to be submitted to the Office of the City Attorney. Written survey forms will be destroyed.

HISTORY

- 17.16 This policy is adopted on 05/06/10; Amended 05/19/11 and 09/19/2013. The first evaluation period shall be from March 18, 2010 through March 17, 2011, with subsequent periods corresponding to the City's fiscal year (July 1st – June 30th).

City Attorney Performance Evaluation Policy

REVIEW

17.17 The Board shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

17.18 The Board shall next review this policy by September 2016.

Attachment:

- | APPENDIX 1 – CITY ATTORNEY PERFORMANCE EVALUATION – BOARD
- | APPENDIX 2 – CITY ATTORNEY PERFORMANCE EVALUATION – STAFF

City Attorney Performance Evaluation Policy

Los Angeles Fire & Police Pension System

Appendix 1 – City Attorney Performance Evaluation Survey Instrument

In accordance with the System's *City Attorney Performance Evaluation Policy*, the Board is required to evaluate the performance of the City Attorney. This evaluation form is designed to facilitate the gathering of input from Board members and key staff concerning advice, communication, management and related qualities and skills.

The results of this evaluation will be tabulated and summarized by a designee of the General Manager. A summary of the results will be presented to the Board, along with any other information and analysis necessary to complete the evaluation. Included with the summary will be the City Attorney response to the evaluation results.

Board members and key staff are asked to complete the respective questionnaire and submit it to [party] by [MONTH, DAY, YEAR].

INSTRUCTIONS

The Board members and key staff will use a scale of 1 - 5 to rate the City Attorney on his or her success with regard to each of the following criteria, (please circle the appropriate number), where:

1. = UNACCEPTABLE
2. = NEEDS IMPROVEMENT
3. = MEETS EXPECTATIONS
4. = EXCEEDS EXPECTATIONS
5. = OUTSTANDING

UA = Unable to Assess

City Attorney Performance Evaluation Policy

In addition each of the raters should use the Specific Observations comment sections to elaborate and provide substantiation for the rating, or indicate if they are Unable to Assess any rating.

APPENDIX 1 – CITY ATTORNEY PERFORMANCE EVALUATION – BOARD

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
CLARITY AND SOUNDNESS OF LEGAL ADVICE						
1. Approaches duties and responsibilities in a professional manner and demonstrates up to date knowledge and competencies in public pension law.	1	2	3	4	5	<u>UA</u>
2. Identifies legal and fiduciary concerns and brings them to the Board's attention.	1	2	3	4	5	<u>UA</u>
3. Provides clear legal advice to the Board to enable them to carry out their responsibilities and ensure it is in compliance with pertinent laws.	1	2	3	4	5	<u>UA</u>
4. Effectively reviews the Board's requests for legal advice and opinions and informs the Board of consequences that might occur as a result of any action it may take.	1	2	3	4	5	<u>UA</u>
5. Is well prepared for Board meetings.	1	2	3	4	5	<u>UA</u>
6. Keeps the Board informed about relevant new developments in public pension law.	1	2	3	4	5	<u>UA</u>
<p>Specific Observations:</p> <hr/> <hr/> <hr/> <hr/> <hr/>						

City Attorney Performance Evaluation Policy

CITY ATTORNEY EVALUATION	Unacceptable	Needs Improvement	Meets Expectations	Exceeds Expectations	Outstanding	Unable to Assess (UA)
	1	2	3	4	5	

EFFECTIVE MANAGEMENT OF LITIGATION

7. Manages litigation effectively by conducting a comprehensive review of lawsuits early on, providing the Board an effective analysis of the case strength, strategies, options, exposure and settlement options.	1	2	3	4	5	UA
8. Obtains good results in litigation.	1	2	3	4	5	UA
9. Where appropriate, during and after a lawsuit, provides the Board effective recommendations to avoid future litigation.	1	2	3	4	5	UA
10. Provides timely reports with sufficient detail about what is taking place in a lawsuit to enable the Board to make effective decisions.	1	2	3	4	5	UA

Specific Observations:

TIMELINESS OF LEGAL ADVICE

11. Provides timely legal advice and reports to the Board to enable them to carry out their responsibilities.	1	2	3	4	5	UA
12. Is responsive in addressing the Board's requests for legal advice and opinions.	1	2	3	4	5	UA

Specific Observations:

City Attorney Performance Evaluation Policy

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
COMMUNICATION						
13. Oral communication is organized, clear, concise, and articulate.	1	2	3	4	5	<u>UA</u>
14. Legal advice and other written documents are organized, clear, concise, understandable, and sufficiently address all of the Board's questions and concerns.	1	2	3	4	5	<u>UA</u>
15. Maintains open, responsive, and courteous communication with the Board and ensures confidentiality with all matters discussed.	1	2	3	4	5	<u>UA</u>
Specific Observations: <hr/> <hr/> <hr/> <hr/> <hr/>						
EFFECTIVE AND APPROPRATE USE OF RESOURCES						
16. Appropriately recognizes its limitations and seeks the legal expertise of outside counsel in a timely manner.	1	2	3	4	5	<u>UA</u>
17. When outside counsel are assigned to a case, fully involve the Board in their selection (per Board Governance Policy 16.0) with merit and cost as exclusive criteria.	1	2	3	4	5	<u>UA</u>
18. Ensure internal and outside legal resources are available to assist the Board to carry out their responsibilities.	1	2	3	4	5	<u>UA</u>
19. Manages risk effectively.	1	2	3	4	5	<u>UA</u>

Completed by: _____ Date: _____

APPENDIX 2 – CITY ATTORNEY PERFORMANCE EVALUATION – STAFF

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
CLARITY AND SOUNDNESS OF LEGAL ADVICE						
1. Approaches duties and responsibilities in a professional manner and demonstrates up to date knowledge and competencies in public pension law.	1	2	3	4	5	<u>UA</u>
2. Identifies legal and fiduciary concerns and brings them to staff's attention.	1	2	3	4	5	<u>UA</u>
3. Provides clear legal advice to staff to enable them to carry out their responsibilities and ensure it is in compliance with pertinent laws.	1	2	3	4	5	<u>UA</u>
4. Effectively identifies legal issues and performs research, providing staff with a thorough and comprehensive analysis of each case.	1	2	3	4	5	<u>UA</u>
5. Effectively reviews, analyzes, and interprets documents and reports that are prepared by staff (e.g. contracts) and the City (e.g. ordinances, resolutions) and provides meaningful feedback.	1	2	3	4	5	<u>UA</u>
6. Keeps the staff informed about relevant new developments in public pension law.	1	2	3	4	5	<u>UA</u>
<p>Specific Observations:</p> <hr/> <hr/> <hr/> <hr/> <hr/>						

City Attorney Performance Evaluation Policy

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
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EFFECTIVE MANAGEMENT OF LITIGATION

7. Manages litigation effectively by conducting a comprehensive review of lawsuits early on, providing the Board an effective analysis of the case strength, strategies, options, exposure and settlement options.	1	2	3	4	5	<u>UA</u>
8. Obtains good results in litigation.	1	2	3	4	5	<u>UA</u>
9. Where appropriate, during and after a law suit, provides LAFPP staff effective recommendations to avoid future litigation.	1	2	3	4	5	<u>UA</u>
10. Provides timely reports with sufficient detail about what is taking place in a lawsuit to enable staff to make effective recommendations to the Board.	1	2	3	4	5	<u>UA</u>

Specific Observations:

TIMELINESS OF LEGAL ADVICE

11. Provides timely legal advice to staff to enable them to carry out their responsibilities and meet established deadlines.	1	2	3	4	5	<u>UA</u>
12. Is responsive in addressing staff's requests for legal advice and opinions.	1	2	3	4	5	<u>UA</u>

Specific Observations:

City Attorney Performance Evaluation Policy

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
COMMUNICATION						
13. Oral communication is organized, clear, concise, and articulate.	1	2	3	4	5	<u>UA</u>
14. Legal advice and other written documents are organized, clear, concise, understandable, and sufficiently address all of staff's questions and concerns.	1	2	3	4	5	<u>UA</u>
15. Maintains open, responsive, and courteous communication with staff and ensures confidentiality with all matters discussed.	1	2	3	4	5	<u>UA</u>
Specific Observations: <hr/> <hr/> <hr/> <hr/> <hr/>						
EFFECTIVE AND APPROPRATE USE OF RESOURCES						
16. Assigns experienced and capable counsel with a proven track record of good results to handle each case.	1	2	3	4	5	<u>UA</u>
17. When outside counsel are assigned to a case, fully involve LAFPP staff, as designated by the Board (per Board Governance Policy 16.0) in their selection with merit and cost as exclusive criteria.	1	2	3	4	5	<u>UA</u>
18. When outside counsel are assigned to a case, effectively monitors the quality of work performed, legal fees incurred, and ensures prompt payment for the services rendered.	1	2	3	4	5	<u>UA</u>
19. Ensures internal and outside legal resources are available to assist staff to carry out their responsibilities.	1	2	3	4	5	<u>UA</u>

City Attorney Performance Evaluation Policy

CITY ATTORNEY EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	<u>Unable to Assess (UA)</u>
20. Manages the section's budget and expenditures effectively within budgetary goals and limits.	1	2	3	4	5	<u>UA</u>
21. Manages risk effectively.	1	2	3	4	5	<u>UA</u>

Specific Observations:

Completed by: _____ Date: _____



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: MAY 19, 2016

ITEM: A.3

**FROM: GOVERNANCE COMMITTEE
SAM DIANNITTO, CHAIR
BELINDA VEGA, VICE CHAIR
PEDRAM SALIMPOUR (ABSENT)
ROBERT VON VOIGT**

**SUBJECT: RECOMMENDATION TO DISBAND BOARD STANDING COMMITTEES AND
POSSIBLE BOARD ACTION**

RECOMMENDATION

That the Board:

1. Disband the three Board standing committees (Benefits, Governance and Audit) upon Board approval and instruct staff to report back with the necessary revisions to the Board Governance Policy to document this change;
2. Continue to utilize Board ad hoc committees on an infrequent basis to address a specific tasks or objectives;
3. Continue the practice of the General Manager designating a lead staff member who can provide support to the Board in the areas of Benefits, Governance and Audits; and,
4. Instruct Staff to report back to the Board in twenty-four months to discuss and assess the new governance structure.

BACKGROUND

As delineated in the Los Angeles Fire and Police Pensions (LAFPP) Governance Policy (Policy), the LAFPP Board of Commissioners (Board) currently utilizes standing and ad hoc committees to assist with its decision making process. There are currently three Board standing committees: Benefits, Governance, and Audit Committees, whose bylaws and operations are defined in Policy Sections 4.0, 5.0 and 6.0, respectively. Per Policy, Board committees are considered advisory only, with almost all committee recommendations requiring Board approval. Some limited exceptions include coordinating the annual General Manager performance evaluation (Governance Committee), and approving committee chairs determining committee calendars (All Committees).

Board committees meet at the regular Board meeting start time and date (8:30am – 1st and 3rd Thursdays), with the regular Board meeting normally commencing immediately after the committee meeting has concluded. To ensure prompt attendance at Board meetings, it is common

practice for non-committee Board members to be present at the committee meetings. In those instances, committee meetings turn into Special Board Meetings due to the presence of a quorum of the Board. All present members may hear and participate in the discussion, but only committee members may vote on the committee item (Policy Section 14.18). As a result, a quorum of the Board hears and discusses the matter twice. Also, for items requiring committee and Board approval, staff must prepare two reports and present the same information twice for a single item to be approved.

On January 7, 2016, while considering staff-recommended changes to Policy Section 14.0 – Board Operations Policy, the Board directed staff to research whether this Board should continue utilizing committees in light of the fact that there is a Board quorum at most committee meetings and similar discussions occur at both the committee and the regular Board meetings.

DISCUSSION

Utilizing standing and ad hoc committees is considered a governance best practice commonly used by most boards. Based on the attached survey of all CALAPRS (California Association of Public Retirement System) pension boards, all except three systems utilize standing committees. As illustrated on the attached, the number and type of committees pension boards utilize can vary from system to system.

Governance best practice principles point to the following advantages of having committees:

- Committees can be a valuable tool to allow board members the necessary time and attention required to delve into issues in accordance with fiduciary duty requirements.
- Committees allow board members, who may have an interest and/or expertise in specific issues, to take a lead role in providing that subject matter expertise and steering policy.
- Committee members have the opportunity to offer input and suggestions prior to full Board consideration.
- For some boards, committees have final authority over issues, so it affords larger more complex boards, the opportunity to delegate certain decision making authority.
- Boards may rely more on committees to perform the bulk of their work that meet less frequently (i.e. quarterly).

However, best practice principles also indicate that there is no magical one size fits all board governance structure for effective and efficient decision making. Boards should organize themselves in a way that best fits the distinct needs of their organization. Based on this guidance and an assessment of how the LAFPP Board currently operates and utilizes its committees, staff support disbanding the three Board standing committees for the following reasons:

- Due to how meetings are currently scheduled, most committee meetings turn into Board Special Meetings by having a Board quorum at a majority of the committee meetings. This results in Board members hearing and discussing the same matter twice.
- LAFPP committee meetings tend to be brief, with only one to three committee agenda items per meeting. Over the last three years, LAFPP standing committee meetings have lasted on average less than 15 minutes each.
- In many instances, the Board discussion lasts as long as the committee discussion, with a virtual replay of committee discussion at the Board level.

- The Board meets frequently and there are no Board meeting time constraints. Therefore, ample time is provided to the full Board to thoroughly discuss and vet all agenda items in accordance with its fiduciary duties.
- Over the last several years, the full Board has been very active and engaged during Board meetings with all Board members having the opportunity to communicate their positions at the Board level.
- While some committees in other public retirement systems have certain decision making authority delegated by their boards, LAFPP Board standing committees do not have substantive decision making authority. Therefore, disbanding standing committees will not significantly alter current Board decision making processes.
- As an efficiency improvement, staff workload would decrease significantly. Staff would have to prepare and process fewer Board reports, and time spent developing and planning for presentations would be reduced.
- The Board would still be able to form ad hoc committees at any time to complete a particular task or meet a specific objective as they arise. These committees would be temporary and would disband once its objective was met.
- The General Manager would continue to designate a lead Benefits, Governance and Audit staff person, who can provide any Board member with direct subject matter expertise and support.

If the LAFPP Board decides to discontinue utilizing standing committees, the Board will have to provide an opportunity for public comment on all Board agenda items during Board meetings. Currently, per the Ralph M. Brown Act (California Government Code Section 54954.3), the Board does not need to provide an opportunity for members of the public to address the Board for any agenda item that has already been considered by a committee and public comment has been provided. However, the Board currently provides an opportunity for public comment whether or not an item has gone to Committee, so this would not change Board practice significantly.

Also, if the Board approves the elimination of standing committees, staff will revise the Board Governance Policy to document these changes and will report back with the necessary revisions to the Board Governance Policy to document this change. Finally, if the Board elects to disband standing committees, staff will return to the Board in twenty-four months to discuss and assess the efficacy of the revised governance structure.

At its May 5, 2016 meeting, the Governance Committee discussed staff's recommendations and the merits of standing committees. The Committee also considered the engagement of Board members concerning the various issues that have been discussed and acted upon by the Board over the past several years. At the conclusion of the discussion, the Governance Committee approved all four of staff's recommendations relating to disband standing committees.

BUDGET

There is no impact on the Budget.

POLICY

Policy change has been discussed with City Attorney staff and they have no objections.

This report was prepared by:

Stephanie Clements, Chief Management Analyst
Administrative Operations Division

RPC: WSR:SHC

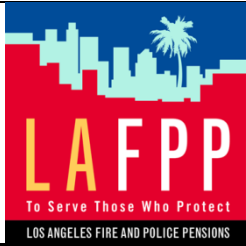
Attachment: Survey of California Association of Pension Systems & Standing Committee
Structure

SURVEY OF CALIFORNIA ASSOCIATION OF PENSION SYSTEMS & STANDING COMMITTEE STRUCTURE

	<u>Name of System</u>	<u># of Standing Committees</u>	<u>If Yes, Which Standing Committees?</u>
1	Alameda-Contra Costa Transit District Retirement Plan	4	External Affairs, Finance & Audit, Operations, and Planning Committees
2	Alameda County Employees' Retirement Association	9	Actuarial, Audit, Budget, By-Laws, CEO Succession, Evaluation, Investment, Operations, and Retirees Committees
3	Contra Costa Employees' Retirement Association	1	Audit Committee
4	East Bay Municipal Utility District Retirement System	4	Finance & Administration, Legislative & Human Resources, Sustainability and Energy, and Planning Committees
5	Fresno City Employees' Retirement System/ Fresno City Fire & Police Retirement System	2	Administrative and Investments Committees
6	Fresno County Employees' Retirement Association	4	Audit, Budget, Consultants Evaluation and Disability Committees
7	Imperial County Employees' Retirement System	0	
8	Kern County Employees' Retirement Association	3	Administrative, Finance, and Investments Committee
9	Los Angeles City Employees' Retirement System (LACERS)	3	Audit, Benefits Administration, and Governance Committees
10	Los Angeles Water and Power Employees' Retirement Plan (DWP)	4	Audit, Benefits, Governance and Legislative Committees
11	Marin County Employees' Retirement Association	3	Finance & Risk Management, Governance and Investment Committees
12	Mendocino County Employees' Retirement Association	1	Audit and Budget Committee
13	Merced County Employees' Retirement Association	3	Audit, Budget and Recruitment Committees
14	Oakland Police & Fire Retirement System	2	Audit & Budget Matters, and Investment & Financial Matters Committee
15	Orange County Employees' Retirement Association	2	Governance and Investment Committee (comprised of the Full Board)
16	Pasadena Fire & Police Retirement System	0	
17	Public Employees' Retirements System (CALPERS)	6	Governance, Finance & Administration, Investment, Pension & Health Benefits, Performance, Compensation & Talent Management, and Risk & Audit
18	Sacramento County Employees' Retirement Association	0	
19	San Bernadino Employees' Retirement Association	4	Administrative, Audit, Benefits & Compensation, and Investment Committees

	<u>Name of System</u>	<u># of Standing Committees</u>	<u>If Yes, Which Standing Committees?</u>
20	San Diego City Employees' Retirement Association	4	Audit, Business & Governance, Disability, and Investment Committee
21	San Diego County Employees' Retirement Association	3	Audit, Finance & Budget, Executive, and Benefits Committees
22	San Francisco City & County Employees' Retirement Association	7	Deferred Compensation Plan, Environmental, Social & Governance, Finance, Governance, Investment, Personnel, and Retreat Committees
23	San Joaquin County Employees' Retirement Association	3	Administrative, Benefits, and Real Estate Committees
24	San Jose Federated City Employees' Retirement Association/ San Jose Police & Fire Department Retirement Plan	3	Audit, Disability, and Investment Committees
25	San Luis Obispo County Pension Trust	2	Audit and Personnel Committees
26	San Mateo County Employees' Retirement Association	2	Audit and Investments Committees
27	Santa Barbara County Employees' Retirement Association	1	Operations Committee
28	Santa Clara Valley Transportation Authority	5	Administration & Finance, Congestion Management Program and Planning Committee, Governance & Audit, SVRT Program Working, and Transit Planning & Operations Committees
29	Sonoma County Employees' Retirement Association	4	Administration-Benefits, Audit, Disability, and Investment (Full Board) Committees
30	Stanislaus County Employees' Retirement Association	4	Due Diligence, Internal Governance, Performance Review & Compensation, and Strategic Planning Objectives Committees
31	Teachers Association of California (CALSTRS)	6	Appeals, Audits & Risk Management, Benefits & Services, Board Governance, Compensation, and Investment Committees
32	Tulare County Employees' Retirement Association	2	Administrative and Investment Committees
33	Ventura County Employees' Retirement Association	1	Personnel Review Committee

Average Number of Standing Committees 3.1 Standing Committees



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: MAY 19, 2016 **ITEM:** B.1

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: RESPONSE TO PROPOSED LEGISLATION (SB 1353 AND AB 2833) FOR THE CITY'S BILLS TRACKING SYSTEM AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Take no position regarding SB 1353, Public Employee Retirement Systems: Prohibited Investments; and
- 2) Oppose AB 2833, Public Retirement Systems: Funds: Disclosures; and
- 3) Direct the General Manager to communicate the Board's position to the Office of the Chief Legislative Analyst.

DISCUSSION

In April 2016, staff received an electronic request from the City's Bills Tracking System to provide a review, analysis and response to the Office of the Chief Legislative Analyst (CLA) regarding SB 1353 – Public Employee Retirement Systems: Prohibited Investments, and AB 2833 – Public Retirement Systems: Funds: Disclosures.

SB 1353, Public Employee Retirement Systems: Prohibited Investments

Existing law prohibits the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) Boards (Boards) from investing in Sudan and thermal coal companies, subject to the Boards' plenary authority and fiduciary responsibility for investment of moneys and administration of the systems. SB 1353 would provide, in connection with these prohibitions, that actions failing to satisfy fiduciary responsibilities will require a recorded rollcall vote of the full Boards, following a presentation and discussion of findings in a properly noticed public hearing. The bill also requires that the proposed findings are made public 72 hours before the Boards' consideration and that the findings and any public comments regarding adopted findings and determinations are included in the required reports to the Legislature.

According to the author of this bill, the intent is to ensure that state public retirement systems hold public board meetings and take a public vote prior to reinvesting in companies in which they are

otherwise statutorily prohibited from investing. SB 1353 would provide the public transparency concerning prohibited investments, specially related to Sudan and thermal coal companies.

Due to the fact that SB 1353 applies specifically to the Boards of CalPERS and CalSTRS only, staff recommends that the Board take no action regarding this bill.

AB 2833, Public Retirement Systems: Funds: Disclosures

Currently, LAFPP adheres to existing laws that apply to disclosing payments to placement agents and through its own Contractor Disclosure Policy, which predates state law. AB 2833, as amended, would require alternative investment vehicles within LAFPP's portfolio to make specific disclosures regarding fees, expenses, the gross and net rate of return associated with these vehicles and the underlying investments, as well as other specified information on a form prescribed by the system (for contracts entered on or after January 1, 2017). Public pension or retirement systems must disclose the following information received related to alternative investment vehicles at least annually at a public meeting.

1. The fees and expenses that the retirement system pays directly to the alternative investment vehicle, fund manager or related parties.
2. The fees and expenses that are paid from the alternative investment vehicle, including carried interest to the fund manager or related parties.
3. The fees and expenses paid by the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
4. The gross and net rate of return of each alternative investment vehicle since inception.
5. Other information described in Government Code Section 6254.26 (b).

This bill would impose a state-mandated local program in which any fees incurred would not be reimbursed by the State.

Arguments in favor of AB 2833 are that it will increase the transparency of fees paid to alternative investment vehicles, including carried interest fees within a portfolio. Additionally, the bill would provide transparency concerning compensation paid to private equity managers with the ability to assess whether the amount of compensation is appropriate.

The argument against AB 2833 is that it would require disclosure of sensitive information regarding the underlying position(s) of private equity funds. These positions are considered proprietary information. Under existing State law, there are several private equity funds that have made the decision to exclude public pension plan investors within the State of California from investing in their respective funds due to disclosure requirements. Passage of this law will most likely increase the number of private equity funds with such restrictions. Additionally, the bill as currently drafted will require disclosure for all existing funds if there are any amendments to the limited partnership agreements.

Currently, our Fund has over three hundred private equity funds. Presently, we do not have the staff resources to prepare an annual report of this magnitude that includes all of the information as required in this bill.

Staff therefore recommends that the Board oppose AB 2833 as currently drafted since it has the potential to limit future private equity investment opportunities and would require additional staffing and/or contractor resources.

The CLA is responsible for monitoring pending Federal and State legislation through the Bills Tracking System, and oversees City sponsorship or opposition to such legislation. Staff will submit a Bill Response Report to the CLA for each bill indicating the Board's position and will continue to monitor AB 2833.

BUDGET

No impact at this time.

POLICY

No policy changes recommended at this time.

This report was prepared by:

Barbara Nobregas, Management Analyst II
Communications & Education Section

RPC:JS:GM:CT:BHN

Attachment: Assembly Bill No. 2833 – As Amended in Assembly April 12, 2016

AMENDED IN ASSEMBLY APRIL 12, 2016

AMENDED IN ASSEMBLY MARCH 28, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2833

Introduced by Assembly Member Cooley

February 19, 2016

An act to add Section 7514.7 to the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2833, as amended, Cooley. Public retirement systems: funds: disclosures.

The California Constitution commits to the retirement board of a public pension or retirement system plenary authority and fiduciary responsibility for investment of moneys and administration of the system. Existing law requires a retirement board to develop and implement a policy requiring disclosure of payments to placement agents, as defined, in connection with system investments in or through external managers that includes prescribed elements. Existing law requires disclosure of campaign contributions or gifts made by a placement agent to any member of a public pension retirement board, as specified. Existing law requires a public retirement system to obtain an actuarial valuation of the system not less than triennially and submit audited financial statements to the State Controller who then publishes a report on the financial condition of public retirement systems.

This bill, for contracts entered into on and after January 1, 2017, would require a public pension or retirement system, including that of

the University of California, to require alternative investment vehicles, as defined, to make specified disclosures regarding fees, expenses, and *the gross and net* rate of return in connection with these vehicles and the underlying ~~investments~~ *investments, as well as other specified information*, on a form prescribed by the system. Consistent with requirements relating to public records, the bill would require a public pension or retirement system, including that of the University of California, to disclose the information received in connection with alternative investment vehicles, ~~with other specified information~~, at least once annually at a meeting open to the public. The bill would make a statement of legislative intent. Because this bill would impose new requirements on local entities relating to the collection of information and its presentation at an open meeting, it would impose a state-mandated local program.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. It is the intent of the Legislature in enacting this
- 2 section to increase the transparency of fees paid by public pension
- 3 funds to alternative investment vehicles. Pension funds pay
- 4 significant fees to alternative investment vehicles and do not have
- 5 sufficient information regarding the character and amount of those
- 6 fees. As fiduciaries, public fund trustees have a duty to maximize
- 7 investment returns in order to ensure promised benefits are
- 8 adequately funded and to minimize taxpayer costs. Because fees
- 9 paid to alternative investment vehicles reduce returns, public fund

1 trustees need to be able to see and understand all of the fees they
2 are charged.

3 SEC. 2. Section 7514.7 is added to the Government Code, to
4 read:

5 7514.7. (a) Every public pension or retirement system,
6 including that of the University of California, shall require each
7 alternative investment vehicle in which it invests to make the
8 following disclosures, *at least annually, and* on a form prescribed
9 by the system:

10 (1) ~~The annual~~ fees and expenses that the retirement system
11 pays directly to the alternative investment ~~vehicle~~: *vehicle, the*
12 *fund manager, or related parties.*

13 (2) ~~The annual~~ fees and expenses not included in paragraph (1)
14 that are paid from the alternative ~~investment~~: *investment vehicle,*
15 including carried interest, to the ~~alternative investment vehicle~~:
16 *fund manager or related parties.*

17 (3) ~~The annual~~ fees and expenses paid by the portfolio
18 ~~companies~~ *positions* held within the alternative investment *vehicle*
19 to the ~~alternative investment vehicle~~: *fund manager or related*
20 *parties.*

21 (4) The gross *and net* rate of return of each alternative
22 investment vehicle since inception.

23 (5) *Any additional information described in subdivision (b) of*
24 *Section 6254.26.*

25 (b) Every public pension or retirement system, including that
26 of the University of California, shall disclose the ~~following~~
27 *information provided pursuant to subdivision (a)* at least once
28 annually *in a report presented* at a meeting open to the ~~public~~:
29 *public.*

30 ~~(1) The information received pursuant to subdivision (a). The~~
31 ~~disclosure of this information shall be consistent with the~~
32 ~~restrictions described in subdivision (a) of Section 6254.26.~~

33 ~~(2) The information described in subdivision (b) of Section~~
34 ~~6254.26.~~

35 (c) For purposes of this section:

36 (1) “Alternative investment” means an investment in a private
37 equity fund, venture fund, hedge fund, or absolute return fund.

38 (2) “Alternative investment vehicle” means the limited
39 partnership, limited liability company, or similar legal structure
40 through which ~~the state or local~~ a public pension or retirement

1 ~~system~~ system, including the University of California, invests in
2 an alternative investment.

3 (3) “Fund manager” means the general partner, managing
4 manager, adviser, or other person or entity with primary
5 investment decisionmaking authority over an alternative investment
6 vehicle and related parties of the fund manager.

7 ~~(3)~~

8 (4) “Carried interest” means ~~a any share of the profits of from~~
9 an alternative investment vehicle that is ~~due~~ allocated to a fund
10 manager or general ~~partner~~. partner, including allocations of
11 alternative investment vehicle profits received by a fund manager
12 in consideration of having waived fees that the fund manager might
13 otherwise have been entitled to receive.

14 (5) “Portfolio positions” means individual portfolio investments
15 made by the alternative investment vehicle.

16 (d) This section shall apply to contracts the system entered into,
17 extended, renewed, or amended on or after January 1, 2017.

18 SEC. 3. The Legislature finds and declares that Section 2 of
19 this act, which adds Section 7514.7 to the Government Code,
20 furthers, within the meaning of paragraph (7) of subdivision (b)
21 of Section 3 of Article I of the California Constitution, the purposes
22 of that constitutional section as it relates to the right of public
23 access to the meetings of local public bodies or the writings of
24 local public officials and local agencies. Pursuant to paragraph (7)
25 of subdivision (b) of Section 3 of Article I of the California
26 Constitution, the Legislature makes the following findings:

27 The information in the disclosures required under subdivisions
28 (a) and (b) of Section 7514.7 of the Government Code is necessary
29 to ensure public confidence in the integrity of investments made
30 by retirement boards pursuant to alternative investment vehicles.

31 SEC. 4. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school
34 district under this act would result from a legislative mandate that
35 is within the scope of paragraph (7) of subdivision (b) of Section
36 3 of Article I of the California Constitution.

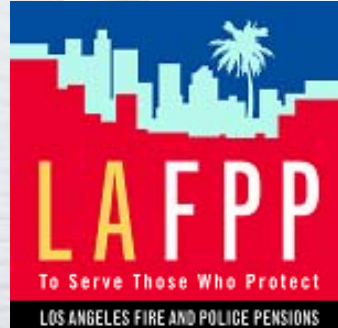
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Real Estate Portfolio

Performance Measurement Report

FOURTH QUARTER 2015



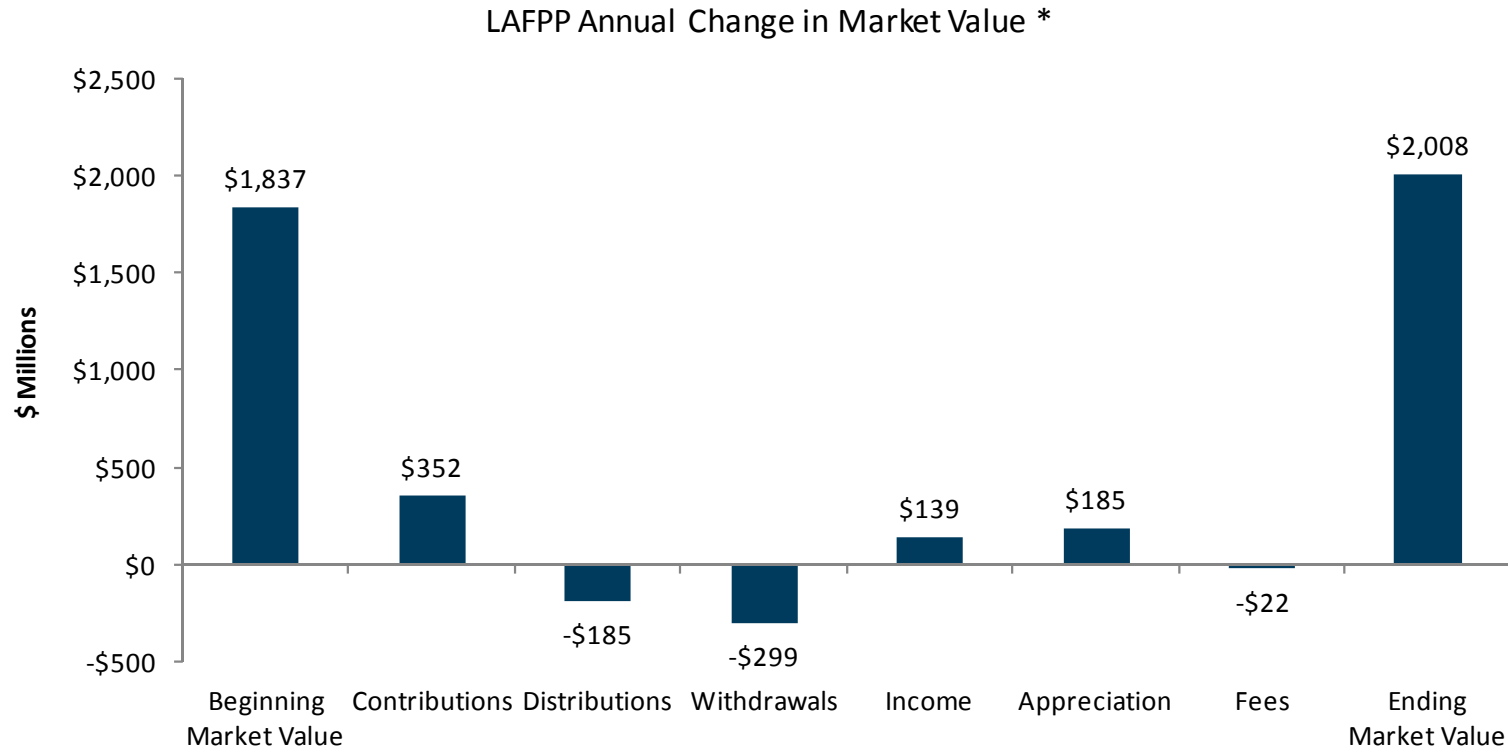
Portfolio Funding Status

- The following slides provide a review of key information for the Los Angeles Fire & Police Pension System (“LAFPP”) Real Estate Portfolio (the “Portfolio”) through December 31, 2015. A detailed performance report is also provided as **Exhibit A**.
- LAFPP has a 10.0% target allocation to Real Estate and allows for additional flexibility of $\pm 1.48\%$ of the Total Plan. On a funded basis, LAFPP is slightly overweight to the established target but well within the permissible range.
- Though unfunded commitments includes all approved investments, the funded and committed figures below do not take in to account liquidating positions or planned redemptions.

	Market Value (\$ millions)*	% LAFPP Plan
LAFPP Total Plan Assets	18,364	
Real Estate Target	1,836	10.0%
RE Market Value:		
Public	602	
Private	1,406	
Core	1,045	
Non-Core	360	
LAFPP Real Estate Market Value	2,008	10.9%
Unfunded Commitments	230	1.3%
RE Market Value & Unfunded Commitments	2,238	12.2%
Remaining Allocation	(402)	(2.2%)



Change in Real Estate Market Value



Cash Flows (4Q14 - 4Q15)

- The Portfolio market value increased \$170.8 million during the year. As displayed above, the increase is attributable to contributions, income and appreciation during the most recent twelve month period. This was offset by distributions / withdrawals and manager fees.

*Figures may not add due to rounding.

Real Estate Portfolio Composition *

	<i>Strategic Targets</i>		<i>Portfolio Composition (12/31/2015)</i>	
	Target Allocation	Tactical Range	Funded	Funded & Committed **
Public Real Estate	30%	25% - 35%	30.0%	26.9%
Private Real Estate	70%	65% - 100%	70.0%	73.1%
<u>Private Portfolio</u>				
Core Portfolio	60%	50% - 70%	74.4%	64.1%
Non-Core Portfolio	40%	30% - 50%	25.6%	35.9%
<i>Value Add Portfolio</i>	<i>20%</i>	<i>0% - 50%</i>	<i>11.7%</i>	<i>20.1%</i>
<i>Opportunistic Portfolio</i>	<i>20%</i>	<i>0% - 50%</i>	<i>14.0%</i>	<i>15.8%</i>

- On both a funded and committed basis, LAFPP is in-line with strategic targets for the Public and Private Real Estate Portfolio's, but nearing the lower end of the Public range including unfunded commitments.
- Private Real Estate is slightly overweight to Core strategies on a funded basis, but in-line with strategic targets including unfunded commitments.
- In the third quarter of 2015, LAFPP approved a \$30 million commitment to Berkshire Multifamily Income Realty Fund ("Berkshire"). Berkshire called capital from LAFPP in October 2015. During the same quarter, the Board also approved a redemption in full from the AEW Core Property Trust, which had a market value of approximately \$71.9 million as of 12/31/15. This redemption is expected to be paid out in the second quarter of 2016.
- More recently, LAFPP approved a \$40 million commitment to Standard Life Investments European Real Estate Club II, which has yet to call capital.
- As of Quarter-end, the Core Private Portfolio had a loan-to-value ("LTV") ratio of 28.9%, below the 40.0% constraint outlined in the Strategic Plan. The Total Portfolio LTV ratio of 27.2% is also well below the 60.0% LTV governor.

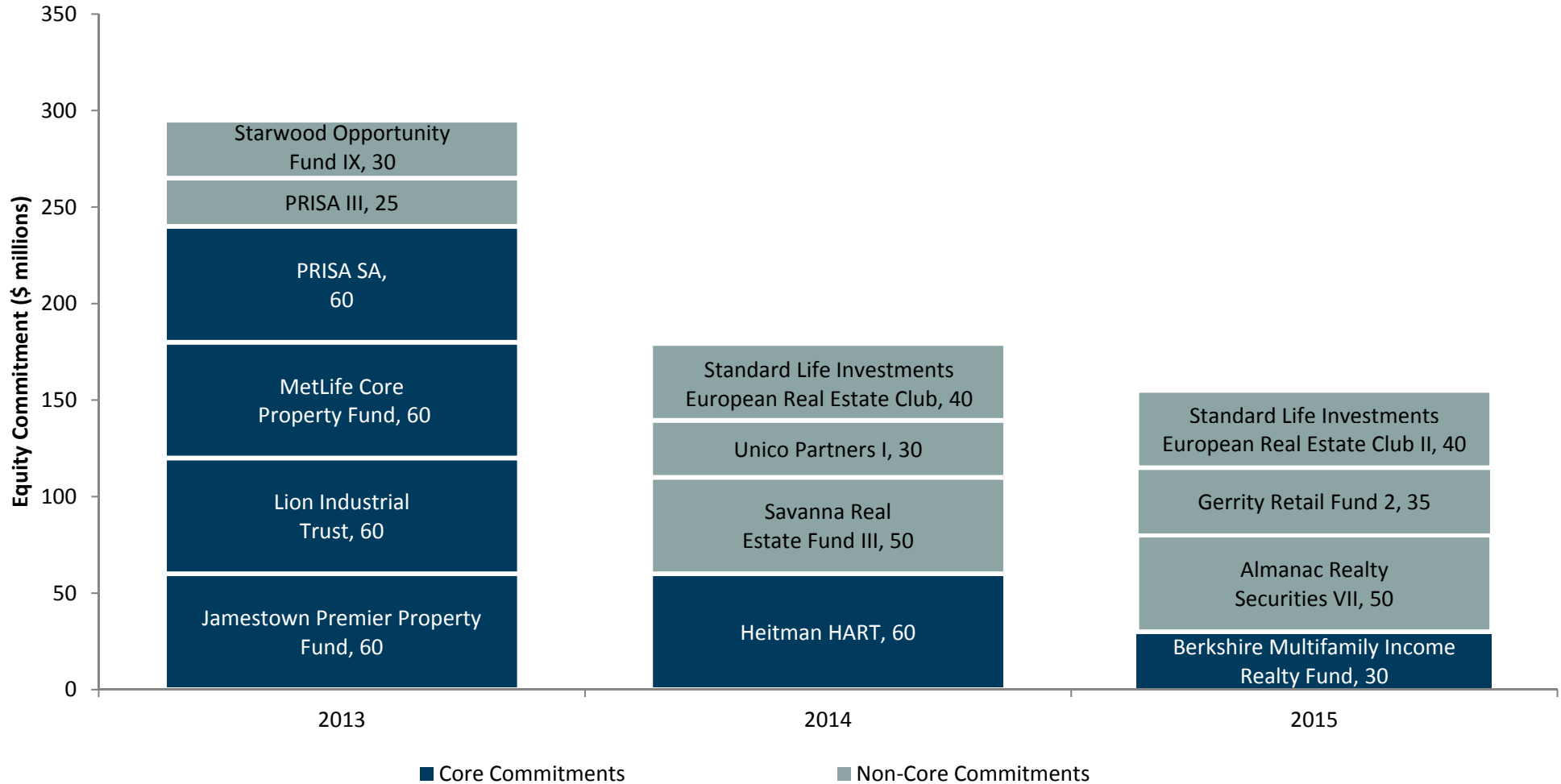
*Figures may not add due to rounding

** Includes a \$40 million Non-Core commitment approved subsequent to Quarter-end (Standard Life European Real Estate Club II). Does not include the redemption from the AEW Property Trust or property sales from Heitman (Woodland Plaza and Palm Valley Pavilions).



Real Estate Commitment Activity by Year

Recent LAFPP Commitment Activity (\$ Millions)*

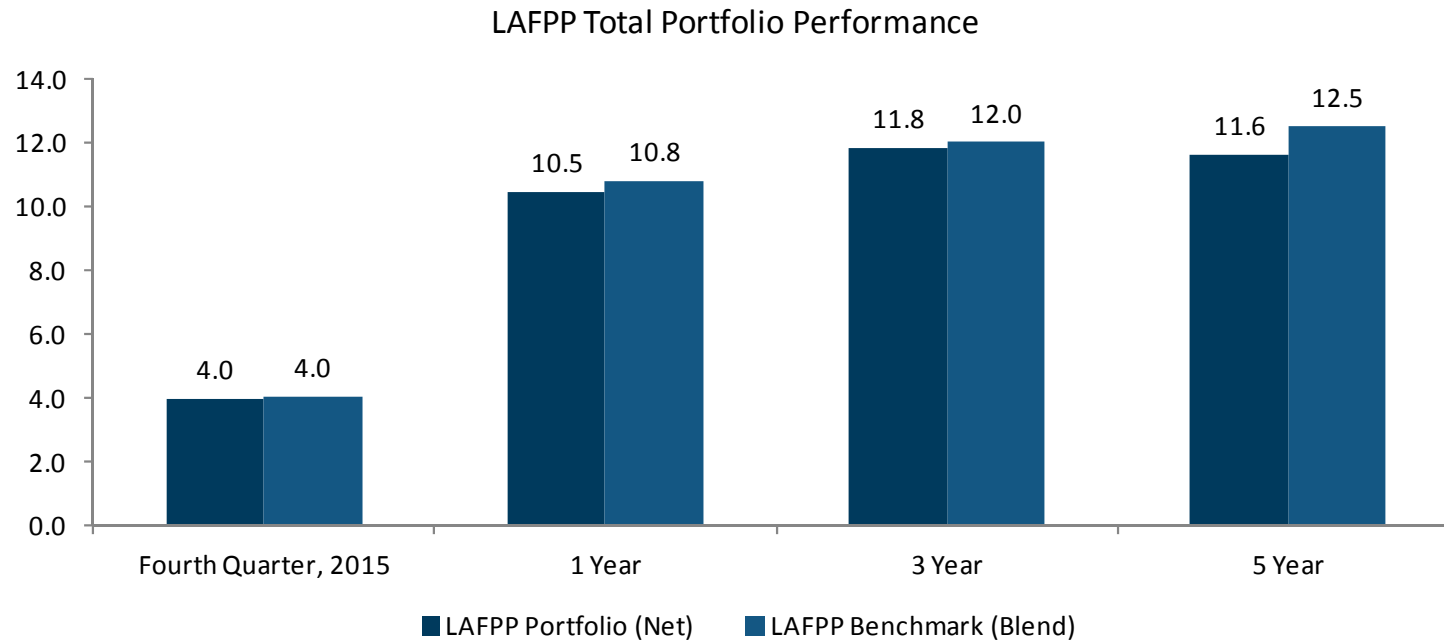


- LAFPP has committed roughly \$630 million to Private Real Estate since 2013. No new commitments were made from 2010 to 2012.
- Vintage year classifications are based on LAFPP’s first capital call (or expected capital call), though commitments may have been approved in prior years.
- Most recent commitments approved by LAFPP were a \$30 million commitment to Berkshire Multifamily Income Realty Fund (“Berkshire”) in the third quarter of 2015 and a \$40 million commitment to Standard Life Investments European Real Estate Club II in the fourth quarter of 2015.

* To date, no new commitments have been made in 2016.

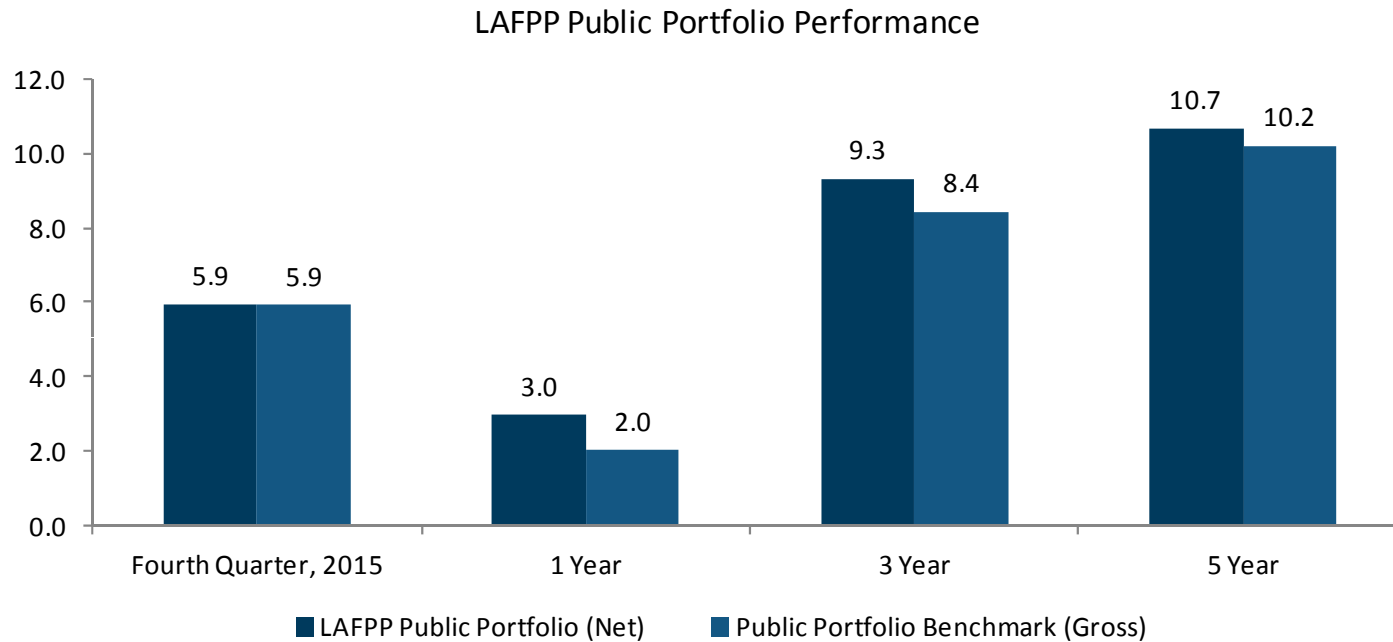


Total Portfolio Performance



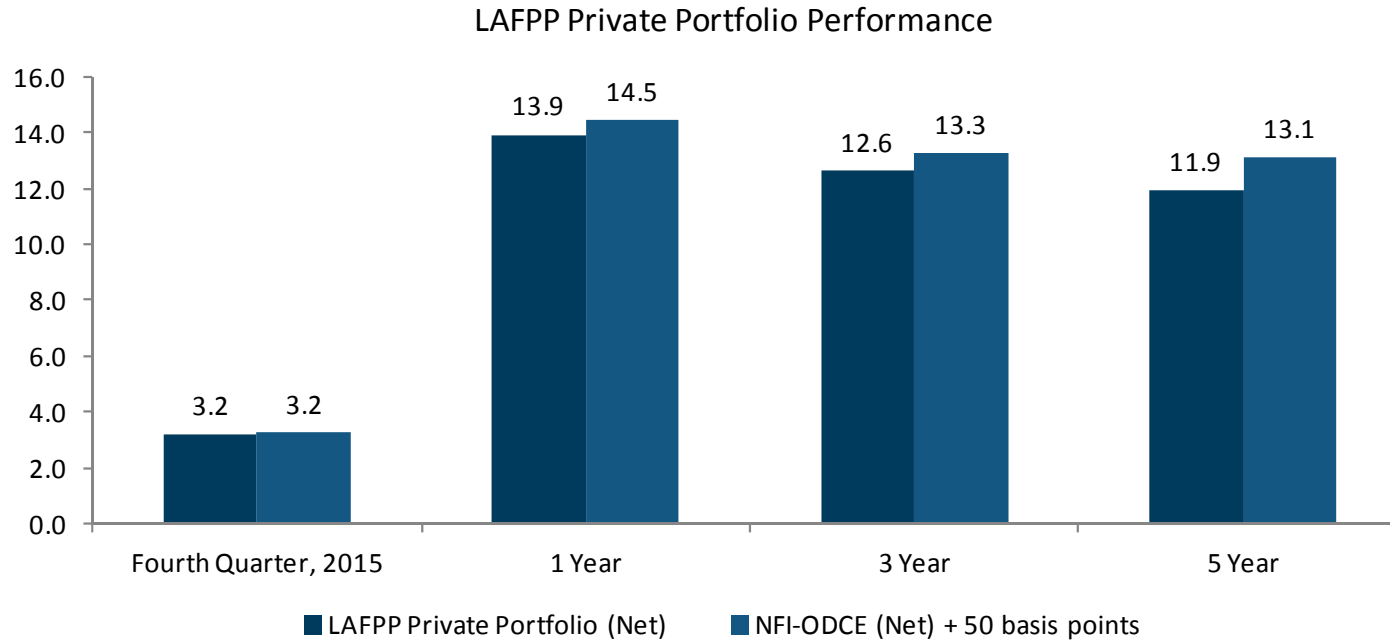
- The LAFPP Total Portfolio performance is measured on a net of fee basis and compared to the LAFPP Benchmark over five year time periods. The LAFPP Benchmark is weighted as follows:
 - 70% Private: NCREIF Open-End Domestic Core Equity Index + 50 bps net of fees (“NFI-ODCE + 50 bps”)
 - 30% Public: 50% Dow Jones US Select Real Estate Securities Index gross of fees (“DJ US Select RE Index”) and 50% FTSE EPRA / NAREIT Developed Index gross of fees, to reflect domestic and global strategies, respectively.
- The LAFPP Benchmark includes the Public Benchmark from second quarter 2006 going forward. Additionally, the Public Benchmark includes a Global Benchmark component from fourth quarter 2013 going forward.
- The LAFPP Total Real Estate Portfolio slightly underperformed over all time periods with the exception of the most recent Quarter. Underperformance is mostly attributable to Private Non-Core legacy investments, detailed later in this report.

Public Real Estate Performance



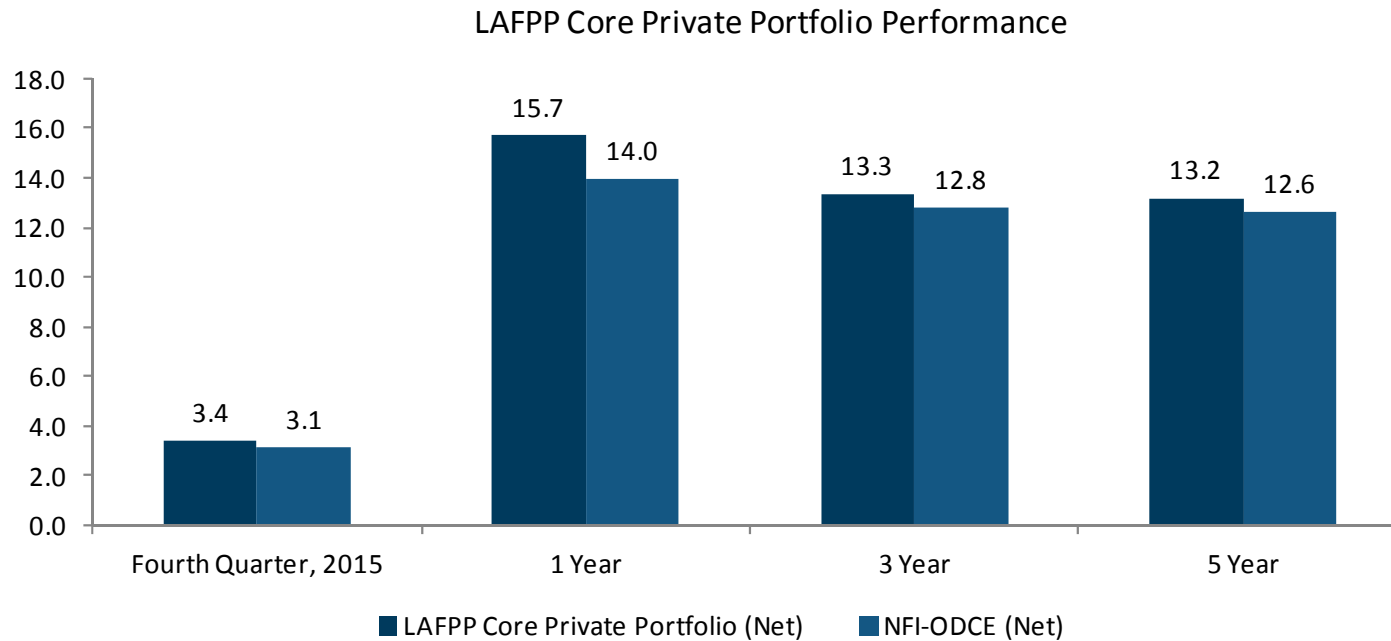
- LAFPP targets a 50% domestic and 50% global REIT program, which was introduced during the fourth quarter of 2013. The benchmark for the domestic REIT portfolio is the Dow Jones US Select Real Estate Securities Index (“DJ US Select RE Index”), measured gross of fees over the five year time period. The benchmark for the global REIT portfolio is the FTSE EPRA / NAREIT Developed Index, measured gross of fees over the five year time period.
- LAFPP’s Public Portfolio contains three investments: Principal Global REIT (Global), Principal REIT (Domestic) and Alliance REIT (Global).
- The Public Portfolio performed in line with its benchmark over the most recent Quarter and outperformed its benchmark over all other time periods. However, returns from the Public Portfolio have lagged the Private Portfolio over all time periods with exception of the most recent Quarter.

Private Real Estate Portfolio Performance



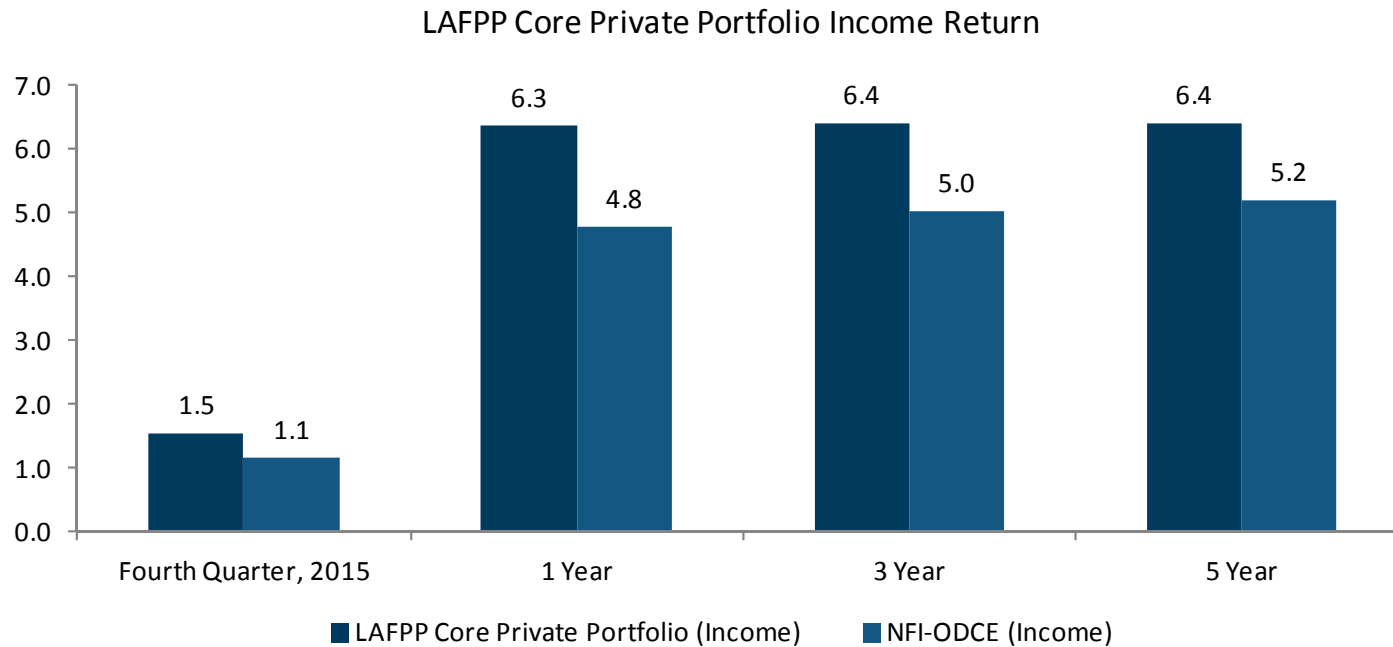
- The benchmark for the LAFPP Private Portfolio is the NFI-ODCE plus 50 basis points (“NFI-ODCE + 50 bps”). The 50 basis point premium is a reflection of the incremental return expected from Non-Core exposure in the Portfolio, which is not included in the NFI-ODCE. Performance is measured net of fees over the five year time period.
- The Private Portfolio includes Core and Non-Core (including Value Add and Opportunistic) strategies which are defined within the glossary of terms. Performance by strategy is addressed on the following slides.
- The Private Portfolio underperformed the benchmark over all time periods with exception of the most recent Quarter. Performance of the Private Non-Core Portfolio is detailed on slide 11, while Private Core performance is detailed on the next two slides.

Private Real Estate Performance – Core



- Core investments represent 74% of the funded and 64% of the funded and committed Private Portfolio and have the highest collective value in the Portfolio. This weighting reflects LAFPP's increased activity in the Core space following the great recession.
- The Core Private Portfolio outperformed the benchmark over all periods.
- Outperformance is the result of strong performance by the separate accounts over the one, three and five year time periods and new open-end Core fund commitments over the one year time period and the most recent Quarter, detailed on the next pages.

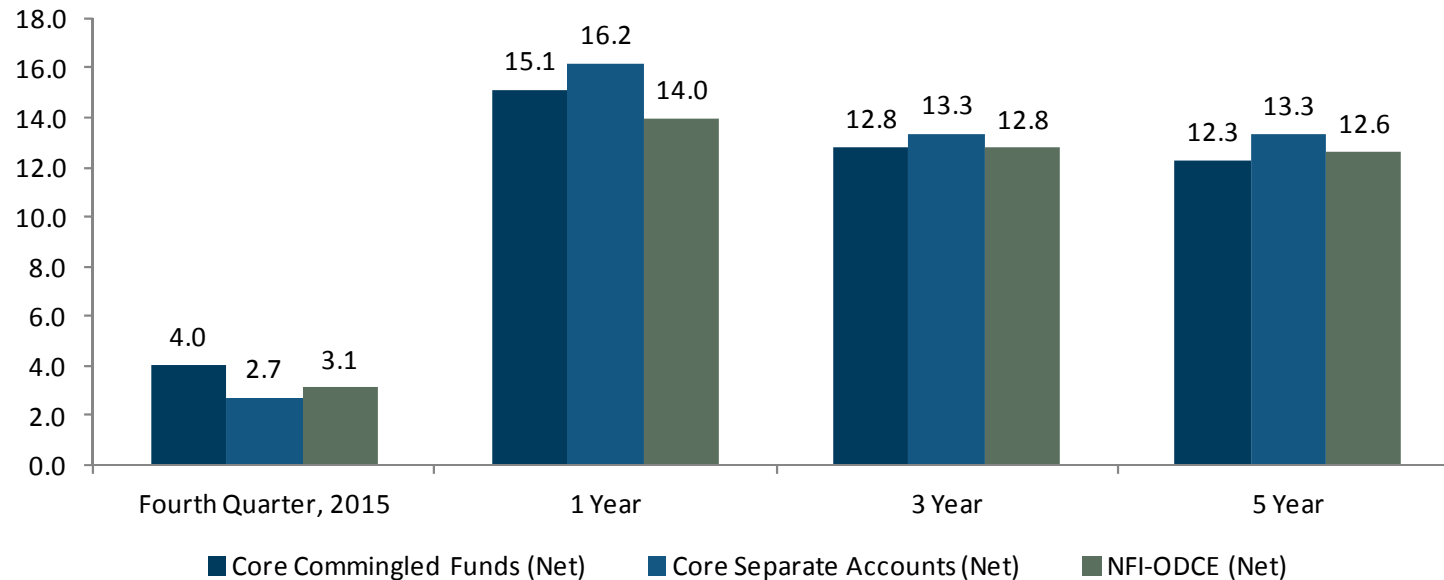
Private Real Estate Performance – Core Portfolio Income Return



- Core investments typically derive a large portion of the total return from income, serving as an anchor in the Portfolio. Across all time periods, the LAFPP Core income return exceeds that of the Core benchmark.
- As appreciation slows and total returns moderate to historical levels, Townsend remains focused on maximizing the income return of the LAFPP Portfolio.

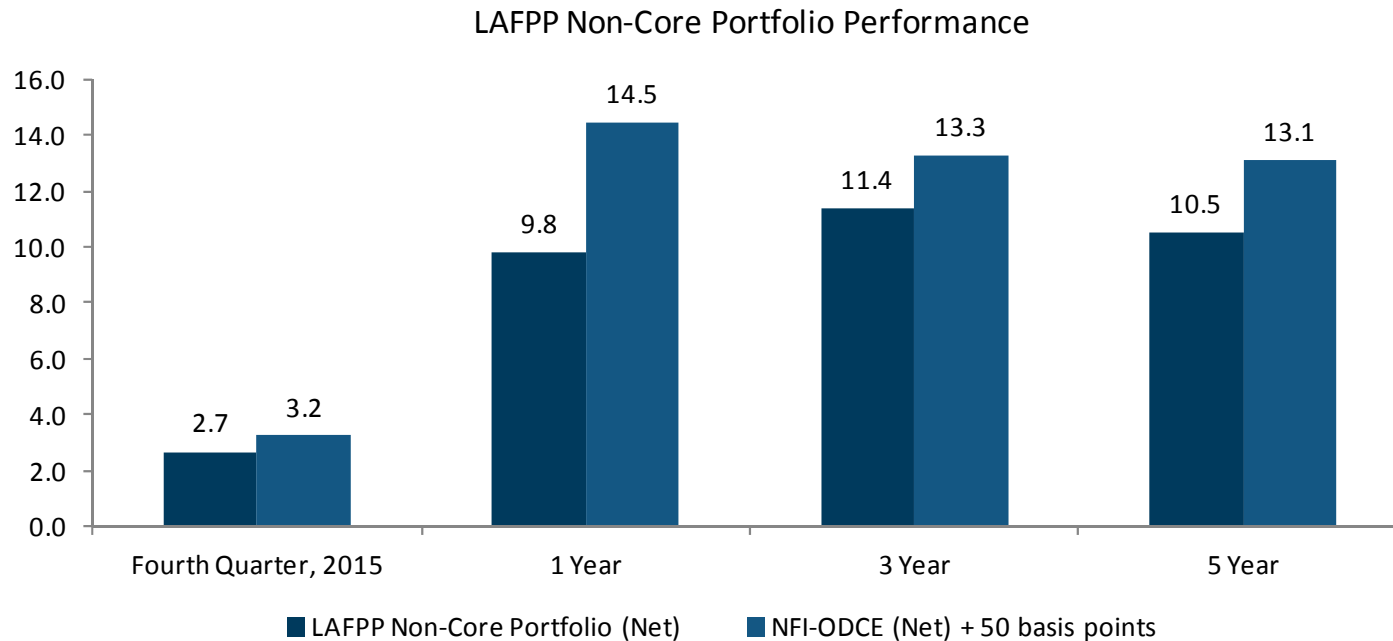
Private Real Estate Performance – Core Portfolio by Vehicle

LAFPP Core Private Portfolio Performance - By Vehicle



- The Core Separate Account Portfolio includes two accounts managed by Heitman and Sentinel. The Separate Account Portfolio represents approximately 51% of the Total Core Private Portfolio as of December 31, 2015.
- The Core Commingled Fund Portfolio includes eight funds managed by AEW, Berkshire, CIM, Clarion, Heitman, Jamestown, MetLife and Prudential. The Core Commingled Fund Portfolio represents approximately 49% of the Total Core Portfolio as of December 31, 2015.
 - In the third quarter, the LAFPP Board approved a redemption in full from the AEW Core Property Trust (“AEW”) due to underperformance relative to established targets. This redemption will be paid in full in 2016.
 - As part of its plan to sell non-strategic assets from the Portfolio, the LAFPP Board approved the sale of Woodland Plaza and Palm Valley Pavilions from the Heitman Core Separate Account Portfolio in the third quarter of 2016. However, Woodland Plaza was not sold due to limited interest at the approved pricing level. The sale of Palm Valley Pavilions closed on February 9, 2016 above the year-end carrying value, resulting in net proceeds of approximately \$60 million. This will be reflected in the first quarter report.
 - During the fourth quarter, the Board also approved the acquisition of a Class A office building in Charlotte, North Carolina. Total equity required for the acquisition is approximately \$18.1 million.

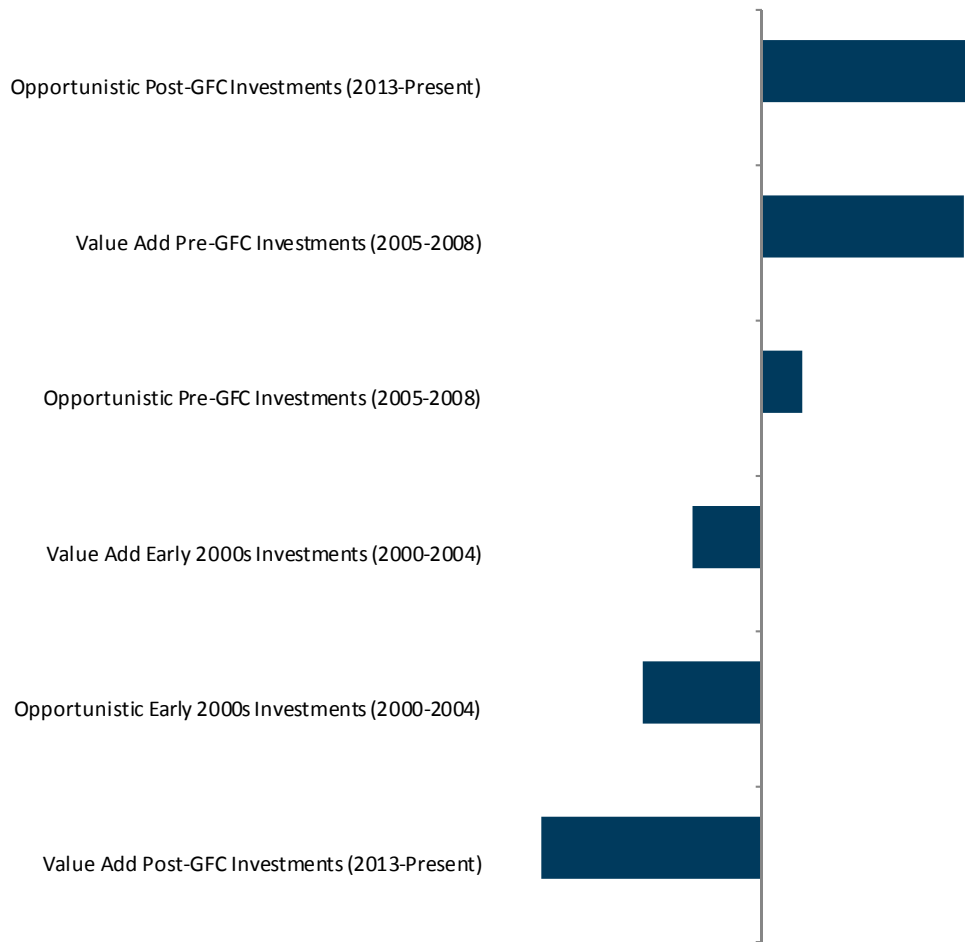
Private Real Estate Performance – Non-Core



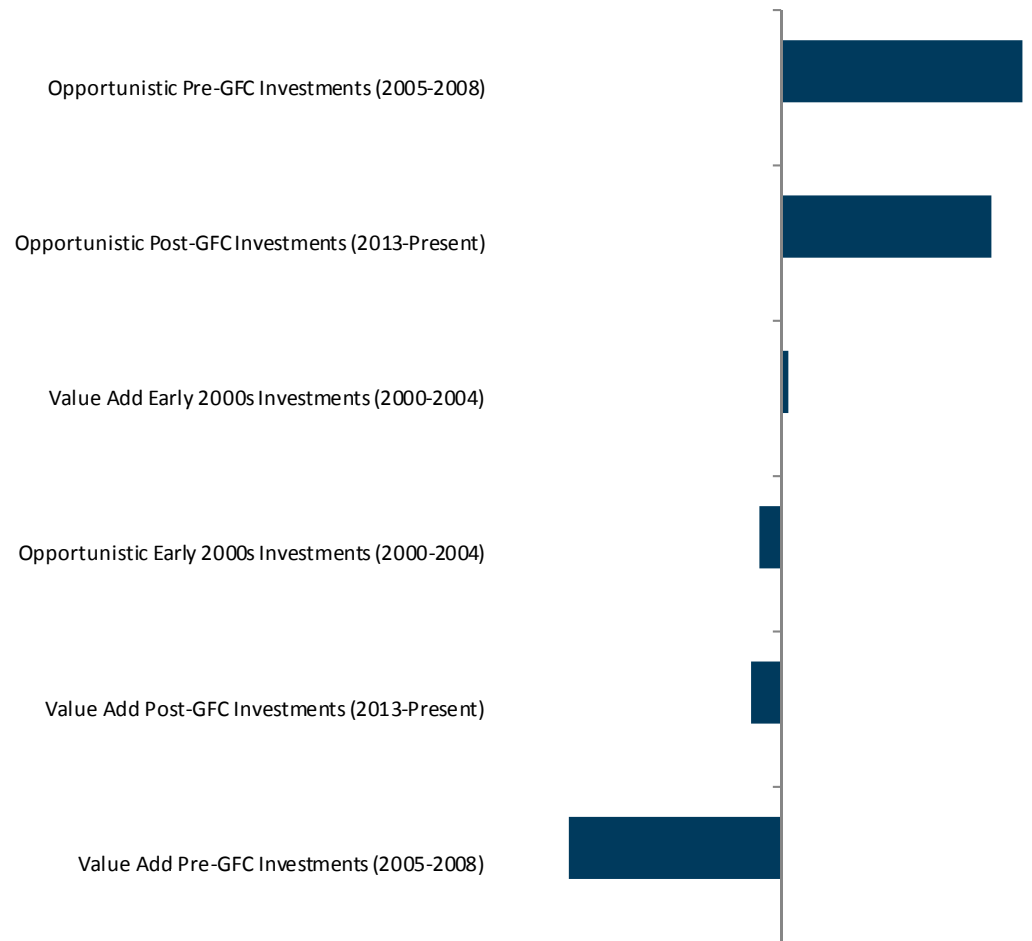
- The Private Non-Core Portfolio underperformed the benchmark over all time periods.
- Over the 5 year time period, legacy Value Add investments made between 2005 and 2008 were the largest detractors of performance, with Opportunistic investments made in the early 2000s also detracting from performance.
- Though providing strong relative since inception performance for LAFPP, post-crisis Value Add investments negatively impacted near-term performance.
- Following the market downturn, LAFPP re-focused its Non-Core investment activity on income generation in order to mitigate the volatility and j-curve risk associated with Value Add and Opportunistic investments. Since that time, LAFPP has committed \$300 million to Non-Core strategies which largely remain in the initial stages of value creation. As such, performance is projected to improve as these investments mature.

Non-Core Portfolio Attribution

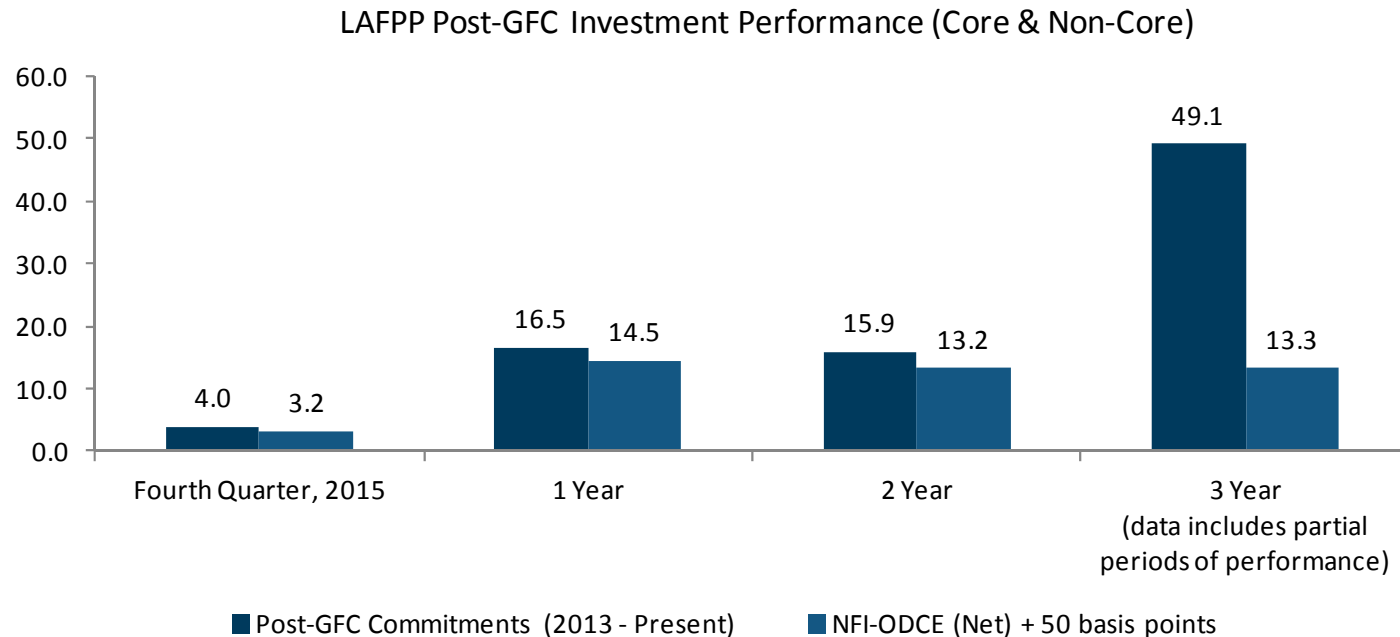
Fund Contribution to Quarter Return



Fund Contribution to 5 Year Return

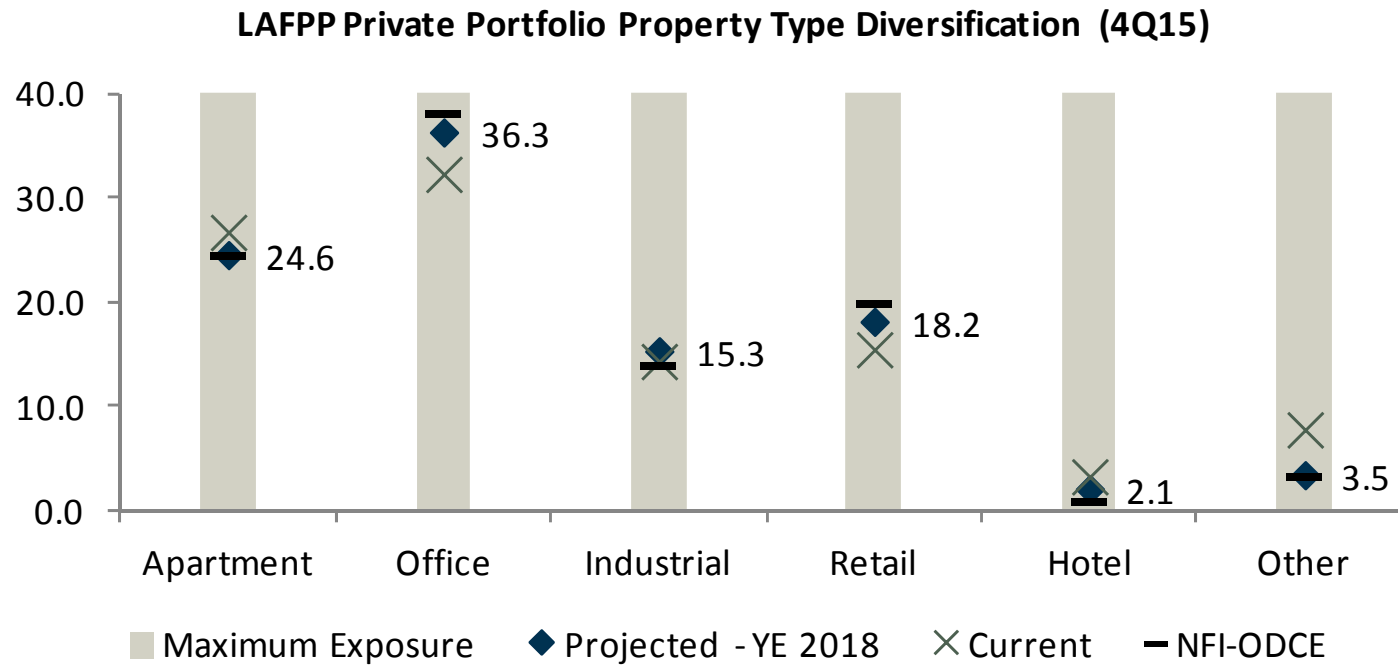


Private Real Estate Performance – Recent Commitments



- Post-GFC investments outperformed the LAFPP Private Portfolio benchmark over all measurable periods.
- Investment selection drove outperformance over the past three year period.
- Activity initially focused on capturing strong risk-adjusted returns in the Core space, which freed capital for Non-Core investment activity later in the cycle.
- Post-GFC investments include the following:
 - Core: Heitman HART, Jamestown Premier Property Fund, Lion Industrial Trust, MetLife Core Property Fund, PRISA and Berkshire.
 - Non-Core: Almanac Realty Securities VII, PRISA III, Savanna Real Estate Fund III, Standard Life Investments European Real Estate Club I & II, Starwood Opportunity Fund IX, Unico Partners I and Gerrity Retail Fund 2.

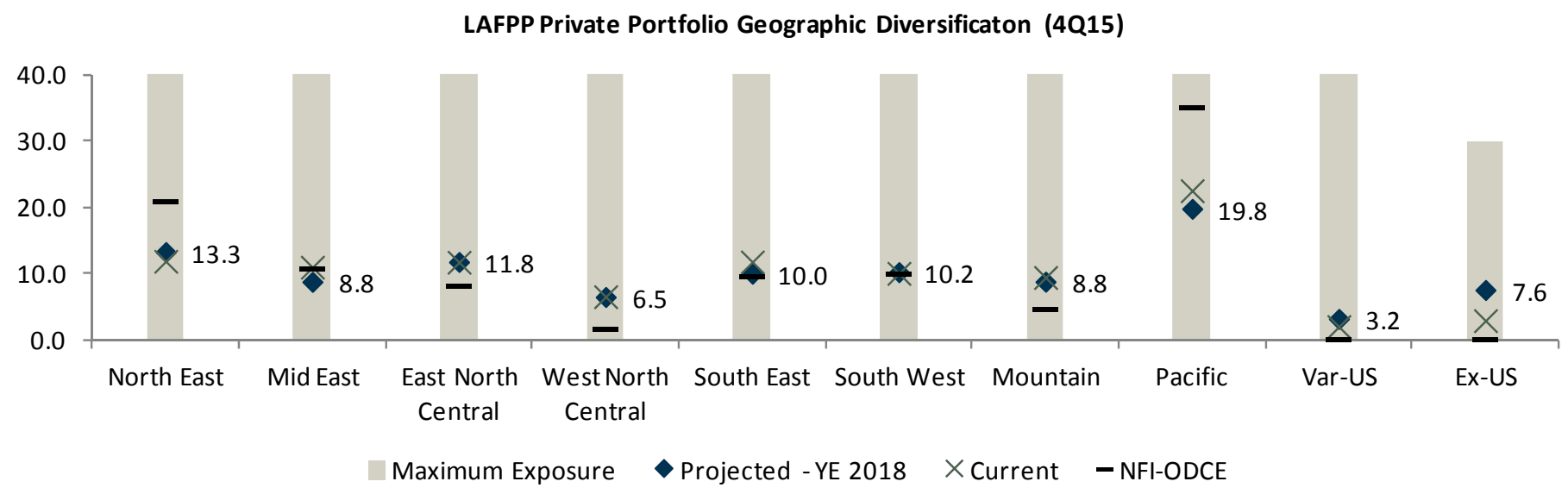
Real Estate Portfolio Diversification



- LAFPP is well diversified by property type.
- Other exposure includes student housing, senior living, data centers, self storage, entertainment, and for sale residential.



Real Estate Portfolio Diversification



- LAFPP is underweight to the North East and Pacific regions but well diversified across the other geographic regions.



Exhibit A: Performance Flash Report





Portfolio Composition (\$)								
Total Plan Assets	Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
18,364,468,466	1,836,446,847	10.0%	2,007,613,482	10.9%	230,403,372	1.3%	-401,570,007	-2.2%

Performance Summary		Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
Category		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
Public Portfolio		6.0	5.9	3.4	3.0	9.8	9.3	11.1	10.7
Private Portfolio		3.4	3.2	15.2	13.9	13.8	12.6	13.0	11.9
	Core Portfolio ¹	3.6	3.4	16.7	15.7	14.2	13.3	13.9	13.2
	Value Add Portfolio	3.0	2.5	14.3	11.8	10.8	9.1	9.8	8.4
	Opportunistic Portfolio	3.1	2.8	10.3	8.8	13.9	12.2	13.2	11.5
LAFPP		4.2	4.0	11.5	10.5	12.8	11.8	12.6	11.6
Indices & Targeted Returns		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
LAFPP Benchmark ²		4.0		10.8		12.0		12.5	
	NFI-ODCE	3.3	3.1	15.0	14.0	13.8	12.8	13.7	12.6
	NFI-ODCE + 50 bps (Private Portfolio Benchmark) ²	3.5	3.2	15.5	14.5	14.3	13.3	14.2	13.1
	Public Benchmark ²	5.9		2.0		8.4		10.2	
	FTSE EPRA / NAREIT Develop Index (Global Public Benchmark) ²	4.2		-0.8		N/A		N/A	
	Dow Jones US Select Real Estate Index (Domestic Public Benchmark) ²	7.6		4.8		11.8		12.2	

Funding Status (\$) ³	Investment Vintage Year	Commitment Amount ³	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)	
Public Portfolio	2006	282,137,320	462,437,076	0	46,499,244	602,011,720	30.0	26.9	
Private Portfolio	1988	1,984,347,680	1,816,099,368	230,403,372	996,076,164	1,405,601,762	70.0	73.1	
	Core Portfolio	2006	974,890,515	948,005,687	3,856,781	324,476,731	1,045,465,499	52.1	46.9
	Value Add Portfolio	1989	477,694,400	301,201,632	164,380,831	193,789,734	163,913,142	8.2	14.7
	Opportunistic Portfolio	1990	531,762,765	566,892,049	62,165,760	477,809,699	196,223,121	9.8	11.5
Total Portfolio									
LAFPP	1989	2,266,485,000	2,278,536,444	230,403,372	1,042,575,408	2,007,613,482	100.0	100.0	



Los Angeles Fire and Police Pension System

Fourth Quarter 2015

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core Public Portfolio								
Alliance REIT	2015	112,137,320	114,580,055	0	2,556,778	106,783,279	5.3	4.8
Principal Global REIT	2014	100,000,000	159,282,752	0	7,159,466	169,117,342	8.4	7.6
Principal REIT	2006	70,000,000	188,574,269	0	36,783,000	326,111,099	16.2	14.6
Core Public Portfolio	2006	282,137,320	462,437,076	0	46,499,244	602,011,720	30.0	26.9
Core Private Portfolio								
AEW Core Property Trust	2009	50,000,000	50,000,000	0	17,641,791	71,937,925	3.6	3.2
Berkshire Multifamily Income Realty Fund	2015	30,000,000	26,143,219	3,856,781	0	29,359,069	1.5	1.5
CIM Commercial Trust Corporation ("CMCT")	2014	30,000,000	34,813,467	0	2,825,928	37,145,640	1.9	1.7
Heitman Core I.M.A.	2006	204,319,448	204,319,448	0	109,621,477	253,345,772	12.6	11.3
Heitman HART	2014	60,000,000	60,000,000	0	2,057,998	67,100,563	3.3	3.0
Jamestown Premier Property Fund	2013	60,000,000	64,927,736	0	10,204,022	76,338,412	3.8	3.4
Lion Industrial Trust - 2007	2013	60,000,000	59,868,750	0	5,605,987	78,203,245	3.9	3.5
MetLife Core Property Fund	2013	60,000,000	65,180,161	0	6,048,394	80,538,440	4.0	3.6
PRISA SA	2013	60,000,000	60,000,000	0	4,680,690	72,688,541	3.6	3.2
Sentinel I.M.A. (Urdang Takeover)	2013	109,097,935	74,855,490	0	30,394,647	70,790,127	3.5	3.2
Sentinel Core I.M.A.	2006	251,473,132	247,897,416	0	135,395,797	208,017,765	10.4	9.3
Core Private Portfolio	2006	974,890,515	948,005,687	3,856,781	324,476,731	1,045,465,499	52.1	46.9
Total Current Portfolio								
LAFPP	1989	2,266,485,000	2,278,536,444	230,403,372	1,042,575,408	2,007,613,482	100.0	100.0



Los Angeles Fire and Police Pension System

Fourth Quarter 2015

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Value Added Portfolio								
AEW Value Investors Fund II	2007	25,000,000	21,857,584	0	25,355,441	2,876,355	0.1	0.1
Almanac Realty Securities VII	2015	50,000,000	11,009,512	38,990,488	0	11,587,855	0.6	2.3
Gerrity Retail Fund 2	2015	35,000,000	10,633,499	24,230,257	300,590	9,266,665	0.5	1.5
Heitman Value Partners II	2007	30,000,000	28,941,700	1,058,300	27,396,251	13,927,918	0.7	0.7
Kennedy Wilson Property Fund II	2007	30,000,000	26,932,918	5,443,815	6,726,525	3,006,360	0.1	0.4
Latitude Management Real Estate Capital II (formerly Legg Mason)	2005	25,000,000	25,000,000	0	25,442,456	9,190,899	0.5	0.4
PRISA II	2007	18,400,000	18,400,075	0	20,767,969	2,482,491	0.1	0.1
PRISA III	2013	25,000,000	19,295,435	0	2,125,925	20,412,323	1.0	0.9
Savanna Real Estate Fund III	2014	50,000,000	23,000,000	27,000,000	0	24,960,379	1.2	2.3
Standard Life Investments European Real Estate Club	2014	39,794,400	22,126,061	11,617,630	7,657	22,731,307	1.1	1.5
Standard Life Investments European Real Estate Club II	2015	40,000,000	0	40,000,000	0	0	0.0	1.8
Unico Partners I	2014	29,500,000	23,054,898	6,990,291	955,132	28,939,866	1.4	1.6
Urdang Value Added Fund II	2008	50,000,000	40,949,950	9,050,050	48,944,534	6,373,648	0.3	0.7
Value Enhancement Fund V, LP	2001	30,000,000	30,000,000	0	35,767,254	8,157,076	0.4	0.4
Value Added Portfolio	1989	477,694,400	301,201,632	164,380,831	193,789,734	163,913,142	8.2	14.7
Opportunistic Portfolio								
AEW Partners V	2005	25,000,000	24,056,629	2,572,509	25,306,333	727,136	0.0	0.1
Alex Brown Realty Chesapeake Fund III (2005)	2006	25,000,000	25,000,000	0	19,909,573	12,745,220	0.6	0.6
Almanac Realty Securities V, LP	2008	30,000,000	35,250,734	0	33,696,332	15,956,019	0.8	0.7
Apollo CPI Europe I	2006	29,740,038	25,436,432	1,881,700	9,530,436	4,131,113	0.2	0.3
California Smart Growth Fund IV	2006	30,000,000	31,381,198	33,153	21,726,390	12,704,302	0.6	0.6
Capri Urban Investors	2008	30,000,000	29,990,353	0	7,895,700	19,184,167	1.0	0.9
CIM Real Estate Fund III	2007	30,000,000	32,270,860	0	18,285,125	34,513,852	1.7	1.5
CityView LA Urban Land Fund I ⁴	2007	25,000,000	61,301,464	25,000,000	67,020,692	4,633,857	0.2	1.3
Colony Investors VIII	2007	27,272,727	28,976,788	1,023,170	7,572,821	6,136,863	0.3	0.3
Forum Asia Realty Income II	2007	30,000,000	28,169,018	0	29,516,264	3,694,690	0.2	0.2
Genesis Workforce Housing Fund II	2007	15,000,000	14,999,487	0	20,737,483	1,088,610	0.1	0.0
Hampshire Partners Fund VI	2004	6,000,000	5,999,999	0	4,752,306	689,357	0.0	0.0
LaSalle Asia Fund II	2005	15,000,000	14,409,933	0	15,451,686	132,987	0.0	0.0
Noble Hospitality Fund	2007	25,000,000	25,000,218	0	12,183,624	23,494,119	1.2	1.0
OCM Real Estate Opportunities Fund III	2002	40,000,000	46,000,000	0	72,583,308	2,404,989	0.1	0.1
Praedium Fund VII	2007	30,000,000	29,350,000	650,000	40,682,580	1,093,535	0.1	0.1
PRECO II	2004	20,000,000	17,479,848	17,390,359	18,581,027	716,910	0.0	0.8
Principal Green Fund I	2008	20,000,000	21,619,088	526,298	29,944,551	2,062,341	0.1	0.1
Starwood Opportunity Fund IX	2013	30,000,000	25,200,000	13,088,571	16,046,580	22,919,412	1.1	1.6
Stockbridge Real Estate Fund II	2006	33,750,000	30,000,000	0	0	13,545,820	0.7	0.6
The Buchanan Fund IV	2005	15,000,000	15,000,000	0	6,386,888	13,647,822	0.7	0.6
Opportunistic Portfolio	1990	531,762,765	566,892,049	62,165,760	477,809,699	196,223,121	9.8	11.5
Private Portfolio	1988	1,984,347,680	1,816,099,368	230,403,372	996,076,164	1,405,601,762	70.0	73.1
Total Current Portfolio								
LAFPP	1989	2,266,485,000	2,278,536,444	230,403,372	1,042,575,408	2,007,613,482	100.0	100.0

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception				TWR Calculation Inception	Net IRR ⁵	Equity Multiple ⁵					
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET								
Core Public Portfolio																													
Alliance REIT	106,783,279	0.8	3.5	4.3	4.3																	2.5	-6.4	-4.0	-4.1	2Q15	-5.5	1.0	
Principal Global REIT	169,117,342	0.9	3.9	4.8	4.7	3.1	-1.0	2.1	1.7													3.3	4.9	8.3	7.8	2Q14	6.9	1.1	
Principal REIT ⁶	326,111,099	1.1	6.2	7.3	7.2	3.5	1.8	5.3	4.8	3.7	9.3	13.3	12.8	3.5	9.8	13.5	13.0					7.1	-0.4	6.8	6.4	3Q06	11.3	1.9	
Core Public Portfolio	602,011,720	1.0	5.0	6.0	5.9	4.3	-0.8	3.4	3.0	3.9	5.7	9.8	9.3	3.6	7.3	11.1	10.7					6.1	-0.2	5.8	5.3	3Q06			
Core Private Portfolio																													
AEW Core Property Trust	71,937,925	1.4	2.2	3.5	3.4	5.4	8.0	13.7	13.2	5.7	6.5	12.4	11.9	6.0	6.4	12.7	12.1					6.3	7.8	14.5	13.9	1Q10	12.9	1.8	
Berkshire Multifamily Income Realty Fund	29,359,069																												
CIM Commercial Trust Corporation ("CMCT")	36,664,993	1.0	0.0	1.0	1.0	3.9	-0.2	3.7	3.7													4.0	2.6	6.7	6.7	1Q14	6.7	1.1	
Heitman Core I.M.A.	253,345,772	1.6	2.1	3.6	3.5	6.0	14.3	20.9	20.4	5.9	10.2	16.5	16.0	6.0	9.6	16.0	15.5					6.4	3.8	10.4	9.9	1Q06	9.7	1.8	
Heitman HART	67,100,563	1.2	2.7	3.8	3.6	5.0	10.7	16.0	14.9													5.0	10.7	16.0	14.9	1Q15	14.7	1.2	
Jamestown Premier Property Fund	76,338,412	1.1	3.9	5.0	4.1	4.7	17.1	22.4	17.4													4.7	12.0	17.1	13.6	3Q13	13.6	1.3	
Lion Industrial Trust - 2007	78,203,245	1.4	2.1	3.5	3.2	5.7	11.4	17.6	16.2													5.9	10.9	17.3	15.9	3Q13	15.7	1.4	
MetLife Core Property Fund	80,538,440	1.2	3.4	4.6	4.5	5.1	11.3	16.9	16.3													5.2	11.5	17.1	16.6	1Q14	16.6	1.3	
PRISA SA	72,688,541	1.2	2.0	3.2	3.0	5.0	10.0	15.4	14.5													5.0	9.1	14.4	13.5	4Q13	13.7	1.3	
Sentinel I.M.A. (Urdang Takeover)	70,790,127	2.4	0.0	2.4	2.3	10.6	12.2	23.8	22.0													10.7	6.2	17.4	15.8	3Q13	16.3	1.4	
Sentinel Core I.M.A.	208,017,765	2.0	0.0	2.0	1.9	8.3	1.5	10.0	9.7	7.5	6.4	14.3	13.6	7.2	6.6	14.1	13.5					7.2	0.0	7.2	6.6	1Q06	6.6	1.4	
Core Private Portfolio	1,044,984,852	1.5	2.0	3.6	3.4	6.3	9.9	16.7	15.7	6.4	7.5	14.2	13.3	6.4	7.2	13.9	13.2					6.7	2.4	9.2	8.6	1Q06			
<i>Total Core Commingled Funds</i>	<i>512,831,188</i>	<i>1.2</i>	<i>3.2</i>	<i>4.3</i>	<i>4.0</i>	<i>5.0</i>	<i>11.1</i>	<i>16.6</i>	<i>15.1</i>	<i>5.2</i>	<i>8.4</i>	<i>14.0</i>	<i>12.8</i>	<i>5.5</i>	<i>7.5</i>	<i>13.3</i>	<i>12.3</i>					<i>7.0</i>	<i>3.5</i>	<i>10.7</i>	<i>9.5</i>	<i>1Q88</i>			
<i>Total Core Separate Accounts</i>	<i>532,153,664</i>	<i>1.9</i>	<i>1.0</i>	<i>2.8</i>	<i>2.7</i>	<i>7.6</i>	<i>8.7</i>	<i>16.8</i>	<i>16.2</i>	<i>7.2</i>	<i>6.5</i>	<i>14.0</i>	<i>13.3</i>	<i>6.9</i>	<i>6.6</i>	<i>13.9</i>	<i>13.3</i>					<i>7.0</i>	<i>1.9</i>	<i>9.0</i>	<i>8.5</i>	<i>1Q06</i>			
Total Portfolio																													
LAFPP	2,007,132,835	1.4	2.8	4.2	4.0	6.1	5.1	11.5	10.5	5.5	7.0	12.8	11.8	5.5	6.8	12.6	11.6					6.3	1.1	7.4	6.5	1Q88			
Indices																													
LAFPP Benchmark ²			4.0				10.8				12.0				12.5							6.9				1Q88			
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6					7.0	0.2	7.3	6.3	1Q88			
NFI-ODCE + 50 basis points (Private Portfolio Benchmark)				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1						7.8	6.8		1Q88			
Public Benchmark				5.9				2.0			8.4				10.2								5.0			3Q06			
FTSE EPRA/NAREIT Developed Index (Global Public Benchmark)				4.2				-0.8															5.7			4Q13			
Dow Jones US Select Real Estate Index (Domestic Public Benchmark)				7.6				4.8			11.8					12.2							6.0			3Q06			

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception				TWR Calculation Inception	Net IRR ⁵	Equity Multiple ⁵
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
Value Added Portfolio																								
AEW Value Investors Fund II ⁸	2,876,355	2.0	0.5	2.5	2.3	8.8	11.3	20.8	19.7	8.2	12.2	21.1	19.9	7.7	13.4	21.9	20.5	6.8	-2.6	4.0	2.2	3Q07	6.1	1.3
Almanac Realty Securities VII	11,587,855	2.2	4.7	6.9	5.6													5.3	4.7	10.1	5.8	3Q15	12.9	1.1
Gerrity Retail Fund 2	9,266,665	-5.9	0.2	-5.7	-6.9													-5.9	0.2	-5.7	-6.9	4Q15	-26.1	0.9
Heitman Value Partners II ⁸	13,927,918	1.1	4.8	5.9	5.8	5.6	13.2	19.4	18.8	4.2	18.8	23.6	23.0	5.0	16.6	22.2	21.5	4.3	-1.3	2.8	2.1	1Q08	8.4	1.4
Kennedy Wilson Property Fund II ⁸	3,006,360	0.3	0.0	0.3	0.3	-25.8	0.0	-25.8	-25.8	-28.0	0.0	-28.0	-28.0	-14.1	-3.2	-16.6	-16.7	-9.1	-5.2	-13.6	-14.2	4Q07	-12.1	0.4
Latitude Management Real Estate Capital II (formerly Legg Mason) ⁸	9,190,899	-0.2	3.6	3.4	2.9	4.0	8.5	12.8	10.9	7.0	4.6	11.8	9.4	7.7	-0.7	7.1	5.0	15.8	-2.7	13.0	8.3	4Q05	5.9	1.4
PRISA II	2,482,491	1.3	3.2	4.4	4.2	4.9	12.2	17.5	16.4	4.7	10.5	15.6	14.5	4.9	11.1	16.4	15.1	5.4	-2.3	3.1	1.9	3Q07	3.7	1.3
PRISA III	20,412,323	0.8	3.9	4.8	4.4	4.6	19.6	24.9	22.6									4.9	14.6	20.1	18.0	2Q13	20.8	1.2
Savanna Real Estate Fund III	24,960,379	0.0	-0.3	-0.3	-0.6	-1.0	28.8	27.7	23.0									-0.7	26.5	25.7	18.0	4Q14	8.7	1.1
Standard Life Investments European Real Estate Club	22,731,307	-0.1	3.9	3.9	3.8	-0.5	-0.9	-1.3	-1.8									4.7	-2.2	2.5	1.8	4Q14	3.5	1.0
Unico Partners I	28,939,866	0.8	5.2	6.0	5.0	4.1	24.1	28.9	24.7									3.3	18.8	22.5	18.3	4Q14	29.2	1.3
Urdang Value Added Fund II	6,373,648	0.6	-0.5	0.2	0.2	2.4	-0.8	1.6	1.4	3.8	2.9	6.8	6.4	5.4	7.1	12.8	12.3	4.5	-0.3	4.3	3.0	2Q08	6.9	1.4
Value Enhancement Fund V, LP ⁸	8,157,076	0.7	-1.1	-0.4	-0.5	0.1	0.6	0.7	0.2	1.2	-2.7	-1.5	-2.1	1.0	-1.3	-0.2	-0.9	4.0	-3.0	1.0	0.2	3Q01	8.3	1.5
Value Added Portfolio	163,913,142	0.3	2.8	3.0	2.5	1.5	12.6	14.3	11.8	1.6	9.1	10.8	9.1	3.8	5.9	9.8	8.4	6.0	0.8	6.8	6.0	4Q89		
Total Portfolio																								
LAFPP	2,007,132,835	1.4	2.8	4.2	4.0	6.1	5.1	11.5	10.5	5.5	7.0	12.8	11.8	5.5	6.8	12.6	11.6	6.3	1.1	7.4	6.5	1Q88		
Indices																								
LAFPP Benchmark ²				4.0				10.8				12.0				12.5				6.9		1Q88		
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	7.0	0.2	7.3	6.3	1Q88		
NFI-ODCE + 50 basis points (Private Portfolio Benchmark)				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1			7.8	6.8	1Q88		
Public Benchmark				5.9				2.0				8.4				10.2				5.0		3Q06		
FTSE EPRA/NAREIT Developed Index (Global Public Benchmark)				4.2				-0.8												5.7		4Q13		
Dow Jones US Select Real Estate Index (Domestic Public Benchmark)				7.6				4.8				11.8				12.2				6.0		3Q06		



Los Angeles Fire and Police Pension System

Fourth Quarter 2015

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	LTV	
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Heitman Core I.M.A.																						
121 W. Chestnut	69,107,737	0.9	1.2	2.1	2.0	4.1	19.0	23.6	23.1	4.5	13.2	18.1	17.6	5.2	18.3	24.2	23.7	14.2	13.7	1Q06	23.7	
Fund Level Expenses *	-2,428,037																				3Q07	0.0
Galleria Palms	32,113,158	2.1	5.6	7.7	7.5	7.4	4.2	11.8	11.2	5.7	2.0	7.8	7.3	4.7	6.3	11.1	10.6	12.5	11.9	1Q06	43.5	
Palm Valley Pavilions West	61,161,239	1.6	5.6	7.1	7.1	6.3	9.5	16.3	16.0	6.6	9.7	16.8	16.5	6.8	6.8	13.9	13.6	7.1	6.7	1Q06	0.0	
Sea Isle	38,808,352	1.6	5.9	7.4	7.3	5.7	23.8	30.5	29.9									26.6	26.0	4Q14	43.7	
Twin Creeks Village	32,872,859	2.2	4.8	7.0	6.8	8.1	25.0	34.7	34.0	8.4	11.6	20.8	20.1	8.5	5.6	14.5	13.8	10.5	9.9	4Q06	42.6	
Woodland Plaza	21,710,464	1.7	-16.1	-14.4	-14.5	5.9	3.9	10.2	9.7	5.7	17.7	24.2	23.6	5.7	10.2	16.4	15.9	7.2	6.6	1Q06	30.7	
Total Heitman Core I.M.A.	253,345,772	1.6	2.1	3.6	3.5	6.0	14.3	20.9	20.4	5.9	10.2	16.5	16.0	6.0	9.6	16.0	15.5	10.4	9.9	1Q06	30.8	
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	6.5	5.6	1Q06		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	7.0	6.1	1Q06		
Total Heitman I.M.A. **	253,345,772	1.6	2.1	3.6	3.5	6.0	14.3	20.9	20.4	5.9	10.2	16.5	16.0	6.0	9.6	16.0	15.5	8.4	8.1	4Q89		
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	7.3	6.3	4Q89		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	7.8	6.8	4Q89		
Sentinel I.M.A. (Urdang Takeover)																						
Exelon Energy Campus	25,467,340	3.6	0.0	3.6	3.5	14.9	-2.4	12.3	11.7									7.1	6.6	3Q13	44.6	
Shadeland Station and Keystone Crossing	45,322,787	1.8	0.0	1.8	1.7	8.2	21.9	31.3	28.8									18.3	16.2	3Q13	0.0	
Total Sentinel I.M.A. (Urdang Takeover)	70,790,127	2.4	0.0	2.4	2.3	10.6	12.2	23.8	22.0									17.4	15.8	3Q13	22.5	
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	13.8	12.8	3Q13		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	14.3	13.3	3Q13		
Sentinel Core I.M.A.																						
Aerial Center Executive Park	29,811,165	4.9	0.0	4.9	4.8	10.0	3.8	14.1	13.8	9.4	1.9	11.4	10.8					11.4	10.7	3Q12	27.2	
Aerial Center Executive Park II	2,367,296	3.1	0.0	3.1	2.9	12.2	3.3	15.8	15.2									58.1	55.9	1Q14	46.9	
Corridor Park Pointe	6,672,492	1.8	0.0	1.8	1.8	7.1	16.8	24.8	24.5	8.4	9.8	18.8	18.3	6.3	12.4	19.3	18.8	7.2	6.9	3Q08	0.0	
Northpointe Executive Park	20,109,619	2.6	0.0	2.6	2.5	11.4	-19.0	-9.2	-10.0	11.6	7.8	20.0	19.0	13.4	1.7	15.3	14.5	4.5	3.8	3Q08	37.9	
Riverplace Core	33,256,970	1.9	0.0	1.9	1.8	7.0	0.2	7.2	7.0	7.1	1.7	8.9	8.5					11.7	11.3	3Q11	0.0	
St. Louis Industrial Port	44,929,581	0.6	0.0	0.6	0.6	9.5	-9.0	-0.3	-0.4	6.2	2.7	9.1	8.6	3.8	-3.9	-0.3	-0.8	-0.8	-1.5	1Q06	0.0	
The Shoppes at Broad Street ¹	122,472																			3Q08	0.0	
Town Center	42,665,963	1.5	0.0	1.5	1.4	6.3	21.2	28.4	27.9	5.6	13.0	19.1	18.3	5.7	16.0	22.4	21.7	11.5	10.7	1Q06	44.5	
Windward Place	28,082,207	1.8	0.0	1.8	1.6	7.3	11.3	19.1	18.8	7.5	13.8	22.0	21.2	7.0	15.2	22.9	22.3	14.0	13.2	1Q06	33.0	
Total Sentinel Core I.M.A.	208,017,765	2.0	0.0	2.0	1.9	8.3	1.5	10.0	9.7	7.5	6.4	14.3	13.6	7.2	6.6	14.1	13.5	7.2	6.6	1Q06	26.1	
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	6.5	5.6	1Q06		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	7.0	6.1	1Q06		
Total Sentinel I.M.A. (Including Takeover) ***	276,858,166	2.1	0.0	2.1	2.0	8.9	4.1	13.3	12.7	8.2	7.0	15.6	14.8	7.6	7.0	14.9	14.2	12.7	12.1	1Q99	25.8	
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	8.6	7.6	1Q99		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	9.1	8.1	1Q99		
Total Separate Account Portfolio																						
Total Separate Account Portfolio ****	532,153,664	1.9	1.0	2.8	2.7	7.6	8.7	16.8	16.2	7.2	6.3	13.9	13.2	6.6	5.7	12.6	12.0	8.3	7.8	4Q89	28.0	
Benchmark																						
NFI-ODCE		1.1	2.2	3.3	3.1	4.8	9.9	15.0	14.0	5.0	8.5	13.8	12.8	5.2	8.1	13.7	12.6	7.3	6.3	4Q89		
NFI-ODCE + 50 bps				3.5	3.2			15.5	14.5			14.3	13.3			14.2	13.1	7.8	6.8	4Q89		

* Heitman's Fund Level Expenses consist exclusively of the portfolio's unrealized gain / loss associated with the performance fee payable to Heitman every three years.

** Includes previous Value IMA with Heitman.

¹ Sold.

*** Includes previous Value IMA with Sentinel, Core IMA and Urdang Takeover.

**** Includes Coventry Mall.

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
Core Public Portfolio									
Alliance REIT	103,160,416	18,355	816,000	0	816,000	18,765	3,623,274	106,783,279	0.0
Principal Global REIT	162,397,750	190,024	1,026,000	0	1,417,730	190,024	6,327,863	169,117,342	0.0
Principal REIT	306,395,320	362,381	2,463,000	0	3,398,516	362,381	18,780,263	326,111,099	0.0
Core Public Portfolio	571,953,486	570,760	4,305,000	0	5,632,246	571,170	28,731,400	602,011,720	0.0
Core Private Portfolio									
AEW Core Property Trust	70,417,464	0	885,507	0	977,277	91,134	1,519,825	71,937,925	25.0
Berkshire Multifamily Income Realty Fund	0	26,143,219	0	0	182,470	108,086	3,141,466	29,359,069	38.0
CIM Commercial Trust Corporation ("CMCT")	36,654,735	0	353,241	0	292,912	0	551,234	37,145,640	24.0
Heitman Core I.M.A.	245,998,956	0	1,307,857	0	3,811,375	267,038	5,110,336	253,345,772	30.8
Heitman HART	65,420,369	0	660,157	0	759,610	155,497	1,736,238	67,100,563	22.1
Jamestown Premier Property Fund	73,816,947	110,706	617,258	0	787,272	674,628	2,915,373	76,338,412	40.0
Lion Industrial Trust - 2007	76,369,843	0	607,563	0	1,062,387	237,127	1,615,705	78,203,245	36.8
MetLife Core Property Fund	77,188,782	780,720	868,233	0	928,979	95,765	2,603,957	80,538,440	28.6
PRISA SA	71,294,316	0	0	733,398	857,300	138,132	1,408,455	72,688,541	19.5
Sentinel I.M.A. (Urdang Takeover)	70,804,042	0	1,640,000	0	1,694,643	68,558	0	70,790,127	22.5
Sentinel Core I.M.A.	206,054,124	0	1,978,000	0	4,148,657	207,016	0	208,017,765	26.1
Core Private Portfolio	994,019,578	27,034,645	8,917,816	733,398	15,502,882	2,042,981	20,602,589	1,045,465,499	28.9
Value Added Portfolio									
AEW Value Investors Fund II	4,696,512	0	410,487	1,509,636	87,095	8,093	20,964	2,876,355	59.0
Almanac Realty Securities VII	10,223,399	743,806	0	0	245,053	153,044	528,641	11,587,855	44.6
Gerrity Retail Fund 2	9,635,294	619,248	300,590	0	-590,830	120,313	23,856	9,266,665	63.5
Heitman Value Partners II	18,217,534	0	5,175,000	0	166,340	19,130	738,174	13,927,918	43.2
Kennedy Wilson Property Fund II	3,605,314	0	607,441	0	8,487	0	0	3,006,360	0.0
Latitude Management Real Estate Capital II (formerly Legg Mason)	12,466,203	0	3,582,500	0	-25,793	44,294	377,283	9,190,899	0.1
PRISA II	10,564,784	0	128,986	8,395,460	134,915	27,009	334,248	2,482,491	29.9
PRISA III	11,664,147	8,395,460	166,439	0	95,559	40,693	464,289	20,412,323	40.4
Savanna Real Estate Fund III	19,602,100	5,500,000	0	0	0	75,972	-65,749	24,960,379	56.9
Standard Life Investments European Real Estate Club	21,909,409	0	0	0	-12,331	28,945	863,173	22,731,307	49.2
Unico Partners I	27,047,107	667,925	122,453	0	211,917	277,860	1,413,231	28,939,866	50.3
Urdang Value Added Fund II	8,635,920	0	2,274,958	0	53,119	0	-40,432	6,373,648	62.0
Value Enhancement Fund V, LP	8,199,207	0	0	0	57,571	11,005	-88,697	8,157,076	26.5
Value Added Portfolio	166,466,930	15,926,439	12,768,854	9,905,096	431,102	806,358	4,568,981	163,913,142	48.2
Total Portfolio									
LAFPP	1,961,785,675	43,599,992	45,377,920	30,246,837	26,816,189	4,031,079	55,067,469	2,007,613,482	27.2



Los Angeles Fire and Police Pension System

Fourth Quarter 2015

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
Opportunistic Portfolio									
AEW Partners V	1,158,169	0	383,894	180,623	-13,913	4,494	151,891	727,136	0.0
Alex Brown Realty Chesapeake Fund III (2005)	16,126,260	0	3,322,902	1,271,801	0	54,425	1,268,088	12,745,220	57.1
Almanac Realty Securities V, LP	16,699,779	0	1,373,659	0	1,583,559	45,689	-907,971	15,956,019	56.2
Apollo CPI Europe I	4,370,445	0	2,043	0	-1,932	4,169	-231,187	4,131,113	45.7
California Smart Growth Fund IV	12,633,182	23,159	0	287,069	157,314	23,159	200,875	12,704,302	35.1
Capri Urban Investors	17,750,550	0	0	0	138,390	88,080	1,383,307	19,184,167	53.4
CIM Real Estate Fund III	34,212,893	0	0	0	-907,279	111,514	1,319,752	34,513,852	12.6
CityView LA Urban Land Fund I	12,929,863	36,878	8,330,000	0	2,801,688	36,878	-2,767,693	4,633,857	44.7
Colony Investors VIII	5,968,663	0	0	0	28,700	46,000	185,500	6,136,863	0.0
Forum Asia Realty Income II	3,736,328	0	0	0	-1,336	0	-40,302	3,694,690	0.0
Genesis Workforce Housing Fund II	19,283,158	0	0	17,567,174	-11,473	7,371	-608,530	1,088,610	0.0
Hampshire Partners Fund VI	1,132,468	0	102,128	0	18,010	0	-358,993	689,357	69.6
LaSalle Asia Fund II	136,044	0	0	0	-5,900	0	2,843	132,987	0.0
Noble Hospitality Fund	26,227,850	0	2,887,717	0	426,076	21,228	-250,862	23,494,119	49.3
OCM Real Estate Opportunities Fund III	2,458,924	0	0	0	-48,474	0	-5,461	2,404,989	19.0
Praedium Fund VII	1,150,036	0	0	301,676	129,638	2,864	118,401	1,093,535	42.0
PRECO II	481,351	0	0	0	-10,063	13,082	258,704	716,910	32.9
Principal Green Fund I	3,138,240	8,111	1,693,907	0	35,802	8,111	582,206	2,062,341	29.4
Starwood Opportunity Fund IX	23,068,001	0	1,290,000	0	889,617	74,099	325,893	22,919,412	61.9
Stockbridge Real Estate Fund II	13,474,487	0	0	0	-59,129	30,839	161,301	13,545,820	55.5
The Buchanan Fund IV	13,208,990	0	0	0	100,664	38,568	376,737	13,647,822	49.1
Opportunistic Portfolio	229,345,681	68,148	19,386,250	19,608,343	5,249,959	610,570	1,164,499	196,223,121	46.8
Private Portfolio	1,389,832,189	43,029,232	41,072,920	30,246,837	21,183,943	3,459,909	26,336,069	1,405,601,762	34.8
Total Portfolio									
LAFFP	1,961,785,675	43,599,992	45,377,920	30,246,837	26,816,189	4,031,079	55,067,469	2,007,613,482	27.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Core Public Portfolio						
Alliance REIT	-	-	-	-	-	100.0
Principal Global REIT	-	-	-	-	-	100.0
Principal REIT	-	-	-	-	-	100.0
Core Public Portfolio	-	-	-	-	-	100.0
Core Private Portfolio						
AEW Core Property Trust	28.6	32.9	16.0	19.2	-	3.3
Berkshire Multifamily Income Realty Fund	100.0	-	-	-	-	-
CIM Commercial Trust Corporation ("CMCT")	9.0	76.4	-	-	8.7	5.8
Heitman Core I.M.A.	54.8	-	-	45.2	-	-
Heitman HART	29.9	24.6	11.4	16.4	-	17.7
Jamestown Premier Property Fund	-	66.6	-	17.9	-	15.6
Lion Industrial Trust - 2007	-	-	100.0	-	-	-
MetLife Core Property Fund	25.0	48.4	14.7	11.9	-	-
PRISA SA	19.3	38.0	15.0	19.4	0.6	7.6
Sentinel I.M.A. (Urdang Takeover)	-	100.0	-	-	-	-
Sentinel Core I.M.A.	34.0	40.2	25.8	-	-	-
Core Private Portfolio	30.1	32.4	17.1	16.8	0.3	3.2
Value Added Portfolio						
AEW Value Investors Fund II	23.8	28.2	41.8	6.2	-	-
Almanac Realty Securities VII	51.6	12.9	-	-	7.1	28.3
Gerrity Retail Fund 2	-	-	-	100.0	-	-
Heitman Value Partners II	45.6	-	-	-	9.3	45.1
Kennedy Wilson Property Fund II	-	-	-	-	-	100.0
Latitude Management Real Estate Capital II (formerly Legg Mason)	58.0	16.9	1.0	1.0	23.1	-
PRISA II	21.0	42.5	1.8	14.3	3.5	17.0
PRISA III	51.2	33.7	2.7	10.1	-	2.3
Savanna Real Estate Fund III	-	86.1	-	13.9	-	-
Standard Life Investments European Real Estate Club	-	71.4	14.3	14.3	-	-
Unico Partners I	-	100.0	-	-	-	-
Urdang Value Added Fund II	59.7	36.8	0.1	0.8	-	2.6
Value Enhancement Fund V, LP	-	40.2	-	-	14.4	45.4
Value Added Portfolio	18.7	52.7	3.1	11.0	2.9	11.6
Indices						
NFI-ODCE	24.3	38.0	13.8	19.8	0.8	3.2

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
Opportunistic Portfolio						
AEW Partners V	100.0	-	-	-	-	-
Alex Brown Realty Chesapeake Fund III (2005)	14.0	9.8	39.5	5.1	18.3	13.2
Almanac Realty Securities V, LP	-	26.2	73.0	-	-	0.9
Apollo CPI Europe I	4.7	55.3	-	40.0	-	-
California Smart Growth Fund IV	32.7	-	9.9	0.3	36.5	20.6
Capri Urban Investors	47.5	-	-	41.3	-	11.2
CIM Real Estate Fund III	8.8	2.7	-	16.6	4.2	67.6
CityView LA Urban Land Fund I	100.0	-	-	-	-	-
Colony Investors VIII	-	-	-	-	-	100.0
Forum Asia Realty Income II	45.2	0.2	6.3	-	39.5	8.8
Genesis Workforce Housing Fund II	-	-	-	-	-	-
Hampshire Partners Fund VI	-	33.3	66.7	-	-	-
LaSalle Asia Fund II	-	-	-	-	-	-
Noble Hospitality Fund	-	-	-	-	100.0	-
OCM Real Estate Opportunities Fund III	27.8	-	-	-	48.3	23.9
Praedium Fund VII	68.9	1.7	-	-	-	29.4
PRECO II	-	-	100.0	-	-	-
Principal Green Fund I	-	100.0	-	-	-	-
Starwood Opportunity Fund IX	11.5	14.8	0.2	17.0	39.5	17.0
Stockbridge Real Estate Fund II	-	39.3	-	-	-	60.7
The Buchanan Fund IV	28.4	38.7	-	32.9	-	-
Opportunistic Portfolio	15.9	14.6	9.3	12.1	19.3	28.7
Private Portfolio	26.7	32.3	14.4	15.5	3.3	7.8
Total Portfolio						
LAFPP	19.0	22.9	10.2	11.0	2.4	34.5
Indices						
NFI-ODCE	24.3	38.0	13.8	19.8	0.8	3.2

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Core Public Portfolio										
Alliance REIT	-	-	-	-	-	-	-	-	-	100.0
Principal Global REIT	-	-	-	-	-	-	-	-	100.0	-
Principal REIT	-	-	-	-	-	-	-	-	100.0	-
Core Public Portfolio	-	-	-	-	-	-	-	-	82.0	18.0
Core Private Portfolio										
AEW Core Property Trust	19.5	10.5	2.1	1.8	18.6	10.0	5.5	32.0	-	-
Berkshire Multifamily Income Realty Fund	7.7	6.1	-	-	24.1	21.8	11.8	28.5	-	-
CIM Commercial Trust Corporation ("CMCT")	3.3	34.0	-	12.9	-	-	-	49.8	-	-
Heitman Core I.M.A.	-	-	27.6	-	14.6	22.1	35.8	-	-	-
Heitman HART	14.9	3.9	21.2	0.3	16.0	12.5	5.1	26.2	-	-
Jamestown Premier Property Fund	47.5	26.8	-	-	3.2	-	-	22.5	-	-
Lion Industrial Trust - 2007	19.3	3.8	6.0	3.7	15.2	15.4	3.7	32.9	-	-
MetLife Core Property Fund	-	8.8	14.7	-	14.0	24.5	6.5	31.4	-	-
PRISA SA	18.2	14.5	8.5	1.3	13.7	6.7	1.0	36.0	-	-
Sentinel I.M.A. (Urdang Takeover)	-	35.3	64.7	-	-	-	-	-	-	-
Sentinel Core I.M.A.	-	24.1	-	38.7	13.5	3.2	-	20.6	-	-
Core Private Portfolio	9.1	13.3	14.6	8.4	12.6	11.7	10.5	19.8	-	-
Value Added Portfolio										
AEW Value Investors Fund II	6.9	36.2	-	1.5	55.3	0.1	0.0	0.0	-	-
Almanac Realty Securities VII	-	-	-	-	-	-	-	-	100.0	-
Gerrity Retail Fund 2	-	-	-	-	-	-	-	100.0	-	-
Heitman Value Partners II	26.2	3.7	13.5	1.5	-	7.1	22.7	25.3	-	-
Kennedy Wilson Property Fund II	-	-	-	-	-	-	-	100.0	-	-
Latitude Management Real Estate Capital II (formerly Legg Mason)	-	15.1	-	9.3	31.3	-	5.5	9.8	29.0	-
PRISA II	30.4	9.1	4.6	-	12.6	3.4	2.4	37.6	-	-
PRISA III	11.6	9.9	5.8	-	17.9	4.7	5.2	44.8	-	-
Savanna Real Estate Fund III	100.0	-	-	-	-	-	-	-	-	-
Standard Life Investments European Real Estate Club	-	-	-	-	-	-	-	-	-	100.0
Unico Partners I	-	-	-	-	-	-	40.7	59.3	-	-
Urdang Value Added Fund II	0.1	22.4	-	-	-	36.8	0.6	40.1	-	-
Value Enhancement Fund V, LP	-	14.4	-	-	40.2	-	8.5	36.8	-	-
Value Added Portfolio	18.5	5.9	2.0	1.4	6.6	2.8	11.0	32.2	7.8	11.8
Total Portfolio										
LAFPP	8.4	7.8	8.3	4.7	8.4	7.2	6.7	16.0	25.2	7.3
Indices										
NFI-ODCE	20.8	10.5	8.1	1.5	9.3	9.9	4.6	35.3	-	-

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
Opportunistic Portfolio										
AEW Partners V	-	-	-	-	-	-	-	-	-	100.0
Alex Brown Realty Chesapeake Fund III (2005)	2.1	19.3	23.8	5.1	22.4	19.8	7.4	-	-	-
Almanac Realty Securities V, LP	-	-	-	-	-	-	-	-	100.0	-
Apollo CPI Europe I	-	-	-	-	-	-	-	-	-	100.0
California Smart Growth Fund IV	-	-	-	-	-	-	-	100.0	-	-
Capri Urban Investors	-	31.1	10.7	-	-	37.6	-	20.6	-	-
CIM Real Estate Fund III	71.2	-	5.7	-	6.6	2.2	4.1	10.0	-	0.3
CityView LA Urban Land Fund I	-	-	-	-	-	-	-	100.0	-	-
Colony Investors VIII	-	-	-	-	-	-	-	20.9	-	79.1
Forum Asia Realty Income II	-	-	-	-	-	-	-	-	-	100.0
Genesis Workforce Housing Fund II	-	-	-	-	-	-	-	100.0	-	-
Hampshire Partners Fund VI	100.0	-	-	-	-	-	-	-	-	-
LaSalle Asia Fund II	-	-	-	-	-	-	-	-	100.0	-
Noble Hospitality Fund	13.9	3.9	6.6	3.5	52.0	11.4	-	8.6	-	-
OCM Real Estate Opportunities Fund III	-	-	72.2	-	-	-	-	-	-	27.8
Praedium Fund VII	26.1	-	-	41.8	32.1	-	-	-	-	-
PRECO II	-	-	-	-	-	100.0	-	-	-	-
Principal Green Fund I	-	-	-	-	-	-	-	100.0	-	-
Starwood Opportunity Fund IX	13.2	2.3	0.7	4.9	33.4	-	4.8	10.3	-	30.4
Stockbridge Real Estate Fund II	-	-	-	-	-	-	-	100.0	-	-
The Buchanan Fund IV	-	-	-	6.8	-	28.4	8.0	56.8	-	-
Opportunistic Portfolio	21.1	4.5	5.1	2.0	12.0	8.0	2.5	28.7	7.8	8.3
Private Portfolio	11.9	11.0	11.7	6.5	11.8	10.1	9.4	22.5	2.0	2.9
Total Portfolio										
LAFPP	8.4	7.8	8.3	4.7	8.4	7.2	6.7	16.0	25.2	7.3
Indices										
NFI-ODCE	20.8	10.5	8.1	1.5	9.3	9.9	4.6	35.3	-	-

Notes

1 The performance displayed for the Core Private Portfolio represents performance from the first quarter of 2006 through the current Quarter. Performance for the Core Private Portfolio goes back to the first quarter of 1989 but due to one quarter of no performance (4Q 2005), as a result of separate account assets transferring between Core and Non-Core strategies, the time-weighted return stream was broken and thus cannot be calculated. As such, Total Separate Account performance, regardless of strategy, is displayed on the 'Returns by I.M.A.' page for reference. Also refer to the 'Returns by I.M.A.' page for separate account inception dates and loan-to-value ratios.

2 The LAFPP Benchmark is weighted 70% to the Private Benchmark (NFI-ODCE + 50 bps, net of fees) and 30% to the Public Benchmark (50% Dow Jones US Real Estate Securities Index, gross of fees and 50% FTSE EPRA / NAREIT Developed Index, gross of fees). In 4Q2013, with the approval of an expanded REIT mandate, a 50% Domestic REIT and 50% Global REIT target was adopted. The benchmark, however, will only include the Global REIT benchmark from 4Q 2013 going-forward.

3 Funded amount + unfunded commitment may not aggregate to commitment amount due to, but not limited to, one or more of the following reasons: (1) the reinvestment of distributions / withdrawals, (2) a redistribution of interest made between limited partners after the funds initial closing date.

4 CityView has the ability to call roughly \$22.4 million until 4Q15 for existing investments. The fund is in the later stages of its fund life and this capital is not expected to be called.

5 The Net IRR and Equity Multiple are omitted from composites and certain investments given the inclusion of investments with hardcoded data. Accurate IRRs and Multiples cannot be calculated given the lack of cash flows.

6 The Adelante REIT was liquidated on 5/20/2009 (consistent with termination notice) with the balance transferred to Principal. The Townsend Group's time-weighted returns will differ from Northern Trust, the liquidation manager, due to the timing of cash flows during liquidation.

7 In the fourth quarter of 2008, CIM Fund III took significant write downs resulting in a quarterly time-weighted return greater than -100%, ending the time-weighted series. As such, time-weighted performance displayed herein represents performance from the first quarter of 2009 through the current reporting Quarter. On an IRR basis, CIM Fund III has reported a 11.6% net return since inception (1Q 2008).

8 Liquidating.

9 Due to write downs and the fund's use of its subscription facility, Noble Hospitality Fund's market value went below \$0 during the fourth quarter of 2009 through the first quarter of 2010. As such, time-weighted performance had more than one quarter of $\pm 100\%$ time-weighted returns, ending the time-weighted series. During the second quarter of 2010, Noble called enough capital from LAFPP bringing the market value positive. Time-weighted returns displayed on the returns page reflects performance from the third quarter of 2010 through the current quarter. On an IRR basis, since inception (4Q 2007), Noble reported a 7.9% return, net of fees.

Advisory Disclosures and Definitions

Disclosure

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly¹ from the investment managers via a secure data collection site.

¹In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

Benchmarks

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

Real Estate Market Update: Fourth Quarter 2015



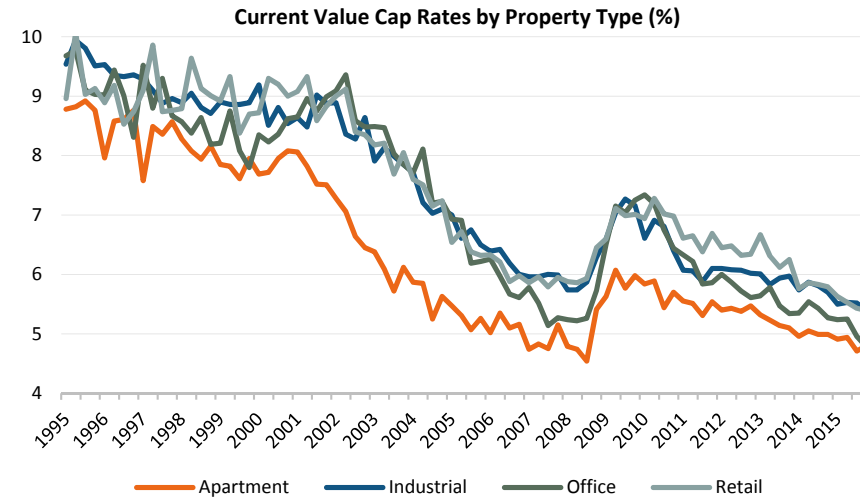
United States Real Estate Market Update (4Q15)

General

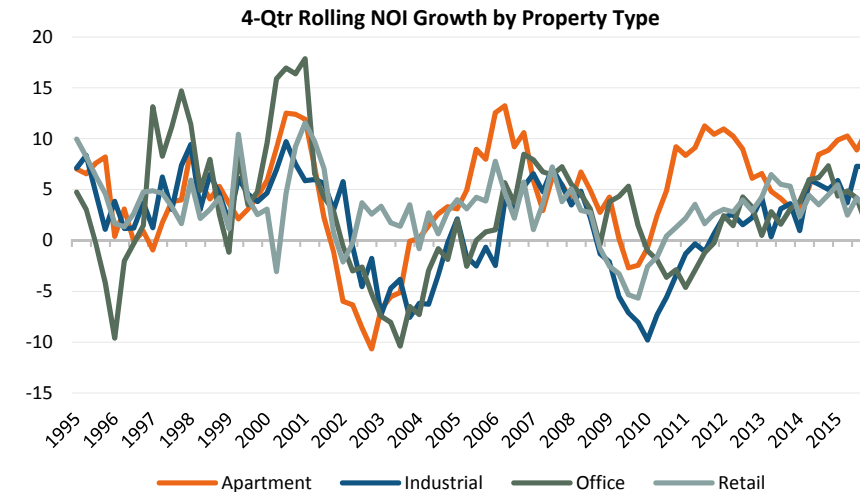
- 4Q15 real GDP decelerated to a 1.4% annual rate, 40 bps above initial expectations, however 110 bps below 3Q15. Growth was stimulated by positive contributions from decelerating household consumption coupled with strong residential fixed investments and federal government spending. Growth was partially offset by lower private inventory investment, non-residential fixed investment, state and local government spending, as well as lower net export volume due to weak global demand. Real GDP increased by 2.4% over the twelve month period ending December 31, 2015.
- In 4Q15, consumer spending, which represents two-thirds of the GDP, grew at a decelerating pace of 2.4%, 20 bps above predictions. Growth during the quarter was helped by a 3.8% rise in real durable goods consumption, as declining oil prices were a factor in the 0.8% rise in real disposable income. But high personal savings rates (5%+) in the quarter somewhat tempered this advance. As jobs grew by 2.7 million over the year, 2014-2015 represented the strongest two-year period of job growth since 1999.
- In 2015, a decline in energy prices contributed 0.2% to GDP, through a 0.5% contribution to household consumption and a 0.3% detractor from business investment due to a steep decrease in oil drilling and exploration investments.
- During the year, real exports decreased by 0.8% due to lower global growth and a stronger U.S. dollar. This resulted in a trade deficit of -0.5%, which partially offset the 4Q15 GDP growth by 30 bps.
- In 2015, CMBS issuance rose to \$172.1 billion, 5.6% above 2014; subsequent to quarter-end, new issue spreads on AAA- and BBB- widened by 30 bps and 240 bps, respectively. Given spreads and yields remain below prior corrections, investors expect spreads to continue to widen and financing requirements to tighten more.

Commercial Real Estate

- Activity in the U.S. commercial real estate sector remained strong in 2015, with major cities leading the way. Over \$463 billion of annual transaction volume, or 65.9% of global activity, took place in New York, Los Angeles, and Chicago. During the year, transactions grew by 25.1% and current economic indicators suggest slower annual sales growth of 10% in 2016.
- In 2015, foreign capital represented 15.4% of total transaction activity, exceeding 2007 peak levels by 9.0%. Industrial was the largest recipient of FDI, with foreign investors representing 40.5% of industrial buyers in 2015. In addition to industrial, foreign investors have shown growing interests in well-located office properties and iconic hotel assets.
- In 2015, the office and multifamily sectors recorded the highest transaction volumes across property types in the U.S., each representing approximately 30% of total transaction activities.
- In 2015, transaction cap rates from all traditional property sectors declined by more than 10 bps, with retail recording the largest cap rate compression (-50 bps), with an average cap rate of 4.8%. Multifamily recorded the lowest primary cap rate (4.3%), with apartments trading only 20 bps above 2007 peak levels.
- With core property pricing surpassing peak levels after 2015, concerns have shifted from a fed tightening to a tightening in financial conditions, implying a tightening in lending standards by loan suppliers. Consequently, some investors reduced their 2016 projected C.R.E. price appreciation to 0%.



Source: NCREIF



Source: NCREIF

United States Property Matrix (4Q15)

INDUSTRIAL

- 2015 investment activity increased 55.3% over 2014 to \$64.4 billion. Sales volume and price growth in primary markets were 51.6% and 19.3% year-over-year, respectively. Secondary market volumes performed well but disappointed with respect to price growth, only able to log a 1% year-over-year growth. Cap rates compressed 16 bps on average across markets. Primary markets ranged between 4-5% while secondary markets ranged between 5-6%.
- Strong leasing demand led average vacancy down to a 15 year low of 6.4% at year-end. Net absorption continued, with 23 straight positive quarters and 231 million square feet for 2015.
- Speculative construction starts totaled 115.1 million square feet in 2015, or 25.1% above 2014 levels. That said, demand currently outstrips supply of broken ground speculative construction by a ratio of 2 to 1, especially in the 500,000 square foot and over warehouse segment.
- As of 4Q15, industrial properties returned 3.2% (lagging retail as the strongest performing property sector) and outperformed the NPI by 30 bps.

MULTIFAMILY

- Investment for 2015 came in at \$138.7 billion, 31.3% above 2014 and a second straight record year. Cap rates compressed 10 bps during the year, driven primarily by secondary markets like Atlanta, Orlando, Raleigh-Durham, amongst others. Price growth per square foot was 9.4% for the year.
- Rent growth remained solid during the quarter at 4.3%. Over 63% of primary and 57% of secondary markets experienced above average rent growth. Fourth Quarter also reported a rise in U.S. vacancy rates of 10 bps to 4.4%, its first in 10 quarters. Rolling net absorption declined to 1.6% of inventory. Foreign capital made up 7.2% of 2015 investment sales while equity fund acquisitions increased to 17.1%.
- Multifamily construction growth slowed during the quarter, although new starts are 12.4% above 2014 levels. The Northeast region led gains with 42.6% annual growth, helped by a relatively mild winter. Together with inventory growth, concern exists about potential oversupply.
- The apartment sector delivered a 2.7% return during the quarter, underperforming the NPI by 20 bps.

OFFICE

- The office segment reported an annual increase in investment activity to \$140.9 billion, 16.5% above 2014 with a 16.6% rise in annual pricing. Cap rates compressed by 19 bps across markets, with primary and secondary markets ending the year at 4.4% and 5.2% respectively.
- Net absorption during Q4 was 21.3 million square feet. Vacancy rates in Central Business Districts declined 40 bps to 14.7%, with Class A assets seeing even lower levels of 12% as rents increased 2.2% to \$31.26 per square foot during the quarter.
- As a result of strong leasing fundamentals and the continued inflow of foreign capital, investment growth in primary market class B assets and select secondary markets such as Atlanta, Dallas, Philadelphia, and Denver remains healthy.
- The office sector returned 2.6% in 4Q15, 30 bps below the NPI.

RETAIL

- Investment in 2015 came in at \$76.6 billion, a 1% gain from 2014. Primary market growth (2.7%) lagged secondary market growth (3.9%), while cap rate compression was 35 bps for primary and 23 bps for secondary markets. Primary market pricing was at a premium over secondary markets of about 200 bps.
- 2015 saw high leasing demand, especially in gateway cities, which led to a rise in average price to \$548/square foot or 22.5% over 2014, as net absorption stabilized around 21 million square feet by the end of the year.
- During 2015, urban/storefront (22%), grocery centers (20%) and malls (17%) made up the majority of investment volume. Class A mall properties outperformed.
- As at 4Q15, the retail sector delivered a quarterly return of 3.5%, beating the NPI by 60 bps.



Global Real Estate Market Update (4Q15)

Global

- At year end 2015, real estate transaction activity declined -0.9% vs. 2014 at \$704 billion. Though little changed in year-over-year growth terms, this marks a 8% increase over the same period when adjusted for U.S. dollar strength over the year.
- In 2015, New York City, which saw a record \$53.0 billion in transaction volume – a 20% year-over-year growth rate – and replaced London as the top target market for global real estate investment. Secondary U.S. markets such as Seattle and Atlanta also benefited from increased investment interest with U.S. cities making up 10 out of the top 20 commercial real estate investment targets.

Europe

- Fourth Quarter commercial real estate transaction volume in Europe was €80.8 billion. While a 24% improvement from previous quarter, investment was essentially flat vs. 2014 levels. Q4 also saw a decline in foreign investment capital (-23% year-over-year), especially from the US (-41% year-over-year). The largest investment markets for the quarter were London (14%), Paris (11%) and Berlin (4%).
- Investment activity appeared mixed in Q4 compared to 2014 levels. Austria investment more than doubled. Germany, Italy, Norway and Netherlands all reported double digit growth rates, while the U.K., Sweden, and Spain experienced year-over-year contraction.
- Germany, the largest European economy, reported €16.1 billion in investment activity during the quarter, with noticeable investment from Asia (€1.8 billion).
- The investment outlook for growth is to slightly moderate in the UK while slowing noticeably in mainland Europe in line with diverging underlying economic conditions and monetary policies.

Asia

- Asia Pacific investment finished the year at \$124 billion (-6% compared to 2014). Despite concerns over slowing economies in the Asia Pacific region, real estate investment picked up 49% year-over-year in Q4, supported by both domestic corporate and institutional, as well as foreign capital.
- Investment in Australia and Japan ended the year in contraction (-22% and -61% year-over-year, respectively) while Hong Kong, and Singapore saw a strong increase (106% and 55% year-over-year, respectively)
- India reported a significant pullback in transaction activity primarily due to a lack of quality assets.

Direct Commercial Real Estate Investment - Regional Volumes, 2014-2015

\$ US Billions	Q2 15	Q3 15	Q4 15	% Change		YTD 2014	YTD 2015	YTD 2015	% Change YTD 2014 - 2015
				Q3 15 - Q4 15	Q4 14 - Q4 15				
Americas		76	85	12%	94	-10%	302	314	4%
EMEA		65	89	37%	91	-2%	278	267	-4%
Asia Pacific		32	36	13%	44	-18%	131	124	-5%
Total		173	210	2%	229	-8%	711	705	-1%

Source: Jones Lang LaSalle, February 2016

Global Outlook - GDP (Real) Growth % pa, 2014-2016

	2015	2016	2017
Global	3.1	3.4	3.5
Asia Pacific	5.1	4.9	4.8
Australia	2.3	2.6	2.9
China	6.9	6.5	6.2
India	7.3	7.4	7.7
Japan	0.5	1.0	0.6
North America	2.4	2.1	2.3
US	2.4	2.2	2.3
MENA	3.5	2.6	3.1
European Union	1.8	1.9	1.9
France	1.2	1.4	1.5
Germany	1.7	1.7	1.7
UK	2.2	2.1	2.2

Source: Bloomberg LP, Feb 2016

Glossary of Terms

Cash Flow Statement

Beginning Market Value:	Value of real estate, cash and other holdings from prior period end.
Contributions:	Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).
Distributions:	Actual cash returned from the investment, representing distributions of income from operations and gains from sales.
Withdrawals:	Cash returned from the investment, representing a return of capital.
Ending Market Value:	Sum of the beginning market value + contributions – distributions – withdrawals for the quarter.
Unfunded Commitments:	Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.
Remaining Allocation:	The difference between the ending market value + the unfunded commitments and the target allocation. Represents dollars available for allocation.

Glossary of Terms

Private Real Estate Style Groups

Core : Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).

Value-Add: Core return investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage.

A Value-Added fund is one that generally includes a mix of Core investments and other investments that will have less reliable income streams. The fund as a whole is likely to have moderate lease exposure and moderate leverage. As a result, such funds should achieve a significant portion of the return from appreciation and are expected to exhibit moderate volatility. Please refer to NCREIF's Portfolio Management Committee's whitepaper, "Real Estate Investment Styles: Trends from the Catwalk" at www.NCREIF.org for more details.

Opportunistic: Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage, distressed properties.

An Opportunistic fund is one that has preponderantly Non-Core investments. The fund as a whole is expected to derive most of its return from appreciation and/or which may exhibit significant volatility in returns. This may be due to a variety of characteristics such as exposure to development, significant leasing risk, high leverage, or a combination of moderate risk factors. Please refer to NCREIF's fund Management Committee's whitepaper, "Real Estate Investment Styles: Trends from the Catwalk" at www.NCREIF.org for more details.

Glossary of Terms

Indices

FTSE NAREIT Index:	This is an index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions in the United States.
EPRA/NAREIT Global ex-US Index :	The EPRA/NAREIT Global ex-US Index is a subset of the FTSE EPRA/NAREIT Developed Index and is designed to track the performance of listed real estate companies and REITs. The European Public Real Estate Association (EPRA) is a common interest group, which aims to promote, develop and represent the European public real estate sector. The National Association of Real Estate Investment Trusts (NAREIT) is the trade association of REITs and publicly traded real estate companies with an interest in the US property and investment markets.
NCREIF Open-End Diversified Core Equity Index (“NFI-ODCE”):	An index of open-end diversified Core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis. The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.
Townsend Non-Core Indices:	Townsend Fund Return Indices presents the performance information of private equity real estate funds pursuing value-added and opportunistic investment strategies using both open-ended and closed-ended structures. The performance data is comprised of both active investments, as well as funds that have completed their full lifecycle or discontinued operations and represents over \$300 billion and 260 funds. Return information is represented in a time-weighted format.

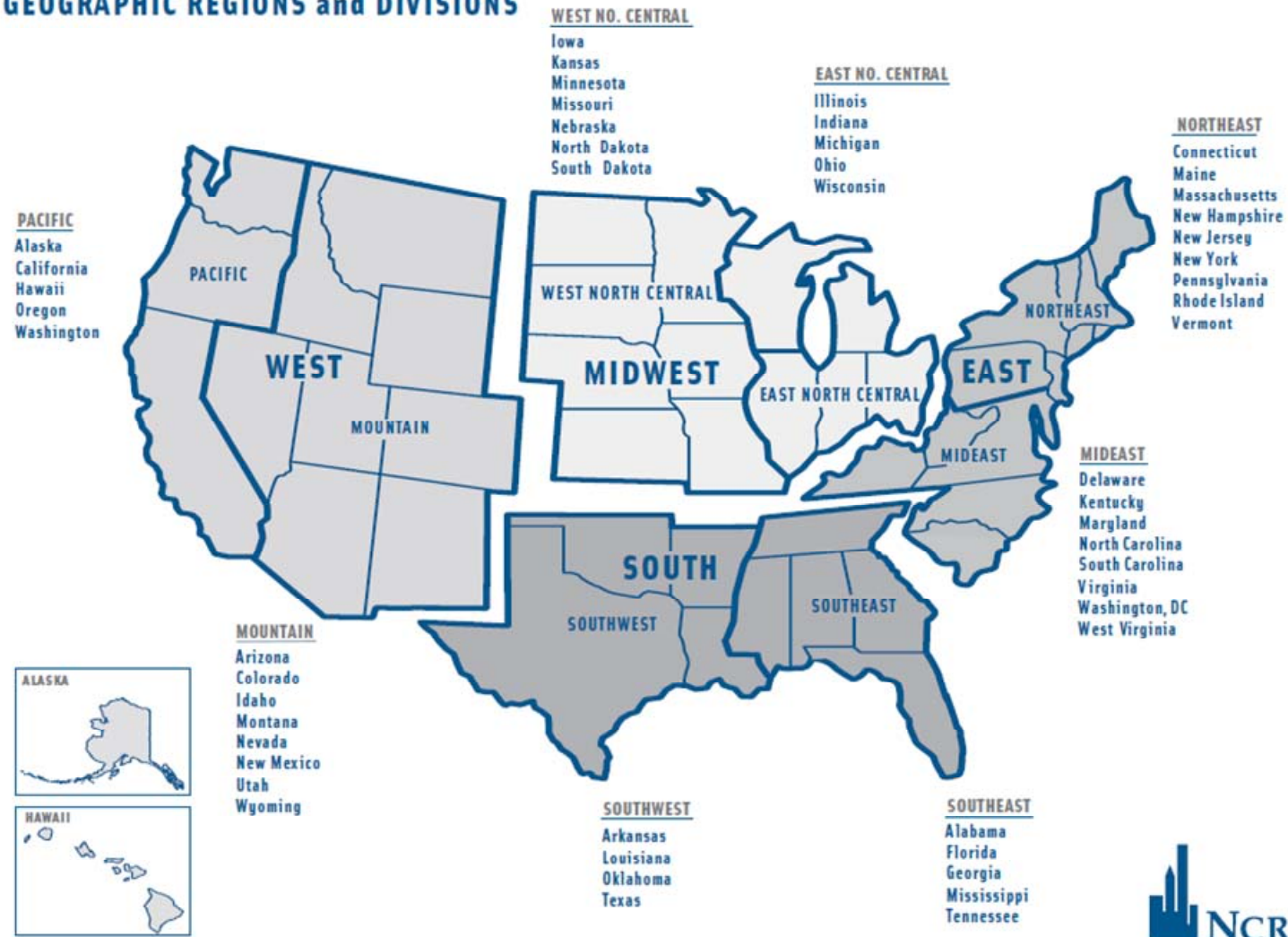
Glossary of Terms

Performance

Income (“INC”):	Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.).
Appreciation (“APP”):	Increase or decrease in investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value or uncollectible accrued income, or realized gain or loss from sales.
Total Gross (“TGRS”):	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net (“TNET”):	Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.
Inception Returns:	The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.

Glossary of Terms

GEOGRAPHIC REGIONS and DIVISIONS





DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: MAY 19, 2016

ITEM: C.3.a

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: APRIL 2016 MONTHLY REPORT AND UPDATE

THIS REPORT IS PROVIDED FOR INFORMATIONAL PURPOSES

DISCUSSION

The April 2016 Monthly Report includes the following notable items:

- 1) Informational Videos – Staff have started to develop a library of informational videos posted on the LAFPP website in support of the ‘Enhance Member and Stakeholder Educational Opportunities’ Business Plan Project. Staff have added the “Multimedia” page to the LAFPP website on April 18th that included two educational videos: “What is COLA?” and Dissolution of Marriage & Your Pension” for our members.
- 2) Graphics Design Services – In support of the Department’s communication and education efforts, the Board approved Staff’s recommendation to award a three-year term contract to Firedrill on April 7th.
- 3) Pension Administration System Replacement Project – Staff are utilizing a proprietary methodology called FAST (Fit Analysis Specification Template) to analyze the information that was collected from the requirements gathering sessions. Staff worked with CPAS and developed a staggered approach to submit the FAST documents due to the time consuming review process. Due to the adoption of the staggered approach, the “go live” date for the pension system has been pushed back two months from November 2017 to January 2018.
- 4) Electronic Documents Management System (DocuShare) – Staff are currently working on the conversion of Documentum files into DocuShare along with correcting the issues that were identified during implementation. The migration of the files into DocuShare is anticipated to be completed by June 2016.
- 5) Private Equity - The following private equity investments have closed since the last meeting announcement:

On February 18, 2016, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$15 million in the following alternative investment: Spark Capital Growth Fund II, L.P. and the investment closed on April 7, 2016.

On February 4, 2016, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$15 million in the following alternative investment: Longitude Venture Partners III, L.P. and the investment closed on May 11, 2016.

The following searches and firms are within the (new) Marketing Cessation Period Policy*:

Vendor / Contract	Contract Start Date	Contract Expiration Date	Market Cessation Start Date
Private Equity – Specialized Manger Search	TBD	02/04/16	02/04/16
Brandes Investment Partners, LP (International Equity)	08/01/13	07/31/16	05/01/16
Daruma Asset Management, Inc. (Domestic Equity)	08/01/13	07/31/16	05/01/16
Fisher Asset Management, LLC (International Equity)	08/01/13	07/31/16	05/01/16
Scout Investment, Inc. Reams Asset Management Division.(Fixed Income - TIPS)	09/01/13	08/31/16	06/01/16

*Marketing Cessation: In accordance with Section 9.0 of the Investment Policy, from the time the search begins with the Board's approval of the minimum criteria for the search until the search ends with the selection of the firm(s) to receive contract(s), all direct marketing contact with firms that meet the search criteria will be limited to meetings with the Consultant, information sent to the Consultant or Department, questions about the search directed to the Staff or Consultant, one meeting at the Department's office with Staff and any site visits. The Board members, Department Staff or Consultant will accept no entertainment or gifts of any kind from any firm qualifying for the search. This policy does not prohibit contact with potential interview candidates at group social events, educational seminars, conferences, or charitable events so long as there is no direct marketing.

During the three months prior to the renewal of a contract with a firm currently under contract, the Board Members, Department Staff and Consultant will accept no entertainment or gifts from that firm until the contract has been renewed or terminated by the Board. Firms who currently have contracts with LAFPP are allowed to continue contact related to the existing contract with Staff and the Consultant.

Attachment

Item: C.3.a



MONTHLY REPORT

APRIL 2016

MEETING DATE	ASSIGNMENT	STAFF PERSON	DATE DUE TO THE BOARD	STATUS
	Currently there are no assignments.			

DATE ASSIGNED	AUDIT COMMITTEE	STAFF PERSON	DUE DATE TO COMMITTEE	STATUS
04/03/14	HEK Audit recommendations: 4 recommendations assigned to the Audit Committee.	Erin Kenney (1)	July 2016	<p>The Board approved the status of the four recommendations on June 19, 2014 as follows: No Action – 1 Completed – 2 In Progress – 1</p> <p>The remaining active recommendation marked “In Progress” regarding a comprehensive security plan for the new building was considered in the 2016 risk assessment. A Special Project was included in the 2016 Annual Audit Plan and Forecast (AAPF) and will be presented to the Committee and/or the Board with a target date of July 2016 as noted on the AAPF.</p>
DATE ASSIGNED	BENEFITS COMMITTEE	STAFF PERSON	DUE DATE TO COMMITTEE	STATUS
	None.			
DATE ASSIGNED	GOVERNANCE COMMITTEE	STAFF PERSON	DUE DATE TO COMMITTEE	STATUS
04/03/14	HEK Audit recommendations: 2 recommendations assigned to the Governance Committee.	William Raggio (1)	January 7, 2016	<p>The Board approved the status of the two recommendations on October 2, 2014 as follows: Completed – 1 In Progress – 1</p> <p>The one remaining active recommendation marked “In Progress” will be presented to the Committee at the next Governance Committee.</p>



Los Angeles Fire and Police Pensions

Portfolio as of April 30, 2016

EQUITIES	STOCKS	BONDS	CASH	TOTAL	ALLOC.
Alliance Capital (S&P 500 Index)	1,972.8	-	3.6	1,976.4	
Alliance Capital (Russell 1000 Value Index)	126.4	-	0.8	127.2	
Alliance Capital (Russell 1000 Growth Index)	945.1	-	4.9	950.0	
Chicago Equity (Enh. Index-Core)	304.6	-	4.8	309.4	
LA Capital (Enh. Index-Growth)	245.8	-	0.7	246.5	
Research Affiliates (Enh. Index-Value)	493.8	-	2.2	495.9	
Robeco (Value)	526.2	-	14.0	540.2	
OakBrook Investments (Large Cap-Core)	27.5	-	0.2	27.7	
Redwood Investments (Large Cap-Core)	24.7	-	0.3	25.1	
Terminated Domestic Equity Managers	-	-	0.0	0.0	
Core Equity Managers (23%)	4,667.0	-	31.4	4,698.4	25.35%
Target Differential	2.35%				435.9
Frontier Capital Mgt (Growth)	518.6	-	18.6	537.2	
Daruma (Value)	475.8	-	34.8	510.6	
Channing Capital Mgt. (Small Cap.)	50.5	-	1.5	52.0	
Phocas Financial (Small Cap.)	50.1	-	1.4	51.5	
Granite Investment Partners (Micro Cap)	24.5	-	0.3	24.9	
Attucks (Mgr of Emerging Mgrs) / New Accts.	-	-	0.0	0.0	
Small Cap. Equity Mgrs (6%)	1,119.5	-	56.6	1,176.2	6.35%
Target Differential	0.35%				64.2
Brandes (Value)	849.2	-	69.0	918.1	
Fisher (Core)	408.0	-	7.1	415.2	
Blackrock (Core Passive)	665.1	-	2.1	667.3	
Baillie Gifford (Growth)	510.1	-	7.1	517.2	
Boston Common (ESG)	26.7	-	0.5	27.2	
Northern Trust (Int'l Small Cap Index)	334.2	-	5.1	339.3	
FIS (Mgr of Emerging Mgrs) International	89.8	-	2.2	92.0	
Terminated Int'l Equity Managers	0.0	-	0.0	0.0	
Int'l Equity Mgrs (16%)	2,883.2	-	93.0	2,976.2	16.06%
Target Differential	0.06%				11.1
Harding Loevner	317.2	-	6.3	323.5	
Dimensional Fund Advisors	402.7	0.0	4.4	407.1	
Terminated Int'l Emerg. Mkts. Mgrs.	0.0	-	0.0	0.0	
Int'l Emerg. Mkts Mgrs (5.0%)	719.9	0.0	10.8	730.6	3.94%
Target Differential	(1.06)%				(196.0)
TOTAL EQUITIES MGRS (50.0%)	9,389.6	0.0	191.8	9,581.4	51.70%
Int'l Tax Reclaims	-	-	0.3	0.3	
FIXED INCOME					
Northern Trust (Fixed Income Index)	-	684.0	-	684.0	
Reams Asset Mgmt. (Opportunistic)	-	531.0	165.0	696.0	
LM Capital (Opportunistic)	-	339.7	0.3	340.0	
GIA Partners (Opportunistic)	-	25.4	0.5	25.9	
SemperCapital Mgt.	-	25.1	0.9	26.0	
Loomis Sayles (Long Duration)	-	653.9	1.1	655.0	
CA Comm. Mort. Fund	-	1.6	-	1.6	
Bridgewater (TIPS)	-	345.6	-	345.6	
Reams Asset Mgmt. (Passive TIPS)	-	471.1	0.5	471.6	
Bridgewater Pure Alpha	-	63.2	-	63.2	
Core Bond Mgrs (19.0%)	-	3,140.7	168.3	3,309.0	17.86%
Target Differential	(1.14)%				(212.1)
MacKay Shields	1.0	483.3	13.3	497.6	
High Yield Bond Mgrs (3.0%)	1.0	483.3	13.3	497.6	
Target Differential	(0.32)%				(58.4)
Reams Asset Mgmt. (Unconstrained)	-	189.0	-	189.0	
Payden & Rygel (Unconstrained)	-	187.3	-	187.3	
Unconstrained Fixed Income (2.0%)	-	376.4	-	376.4	2.03%
Target Differential	0.03%				5.7
TOTAL FIXED INCOME MGRS (24.0%)	1.0	4,000.3	181.6	4,183.0	22.57%

PRIVATE EQUITY	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.		
Abbott Capital	57.4	-	-	57.4			
Hamilton Lane	18.0	-	-	18.0			
PCA	54.8	-	-	54.8			
Portfolio Advisors	1,115.0	-	-	1,115.0			
Aldus Equity	270.8	-	-	270.8			
Stepstone Group	152.4	-	-	152.4			
TOTAL PRIVATE EQUITY MGRS (10%)	1,668.4	-	-	1,668.4	9.00%		
Target Differential	(1.00)%				(184.8)		
REAL ESTATE							
Alliance Capital Global REIT	111.0	-	0.4	111.5			
Principal Global REIT	169.8	-	1.4	171.2			
Principal U.S. REIT	323.1	-	5.6	328.7			
Terminated REIT Managers	0.0	-	(0.0)	0.0			
REIT Managers (3.0%)	604.0	-	7.4	611.4	3.30%		
Target Differential	0.30%				55.4		
REAL ESTATE COMMINGLED FUNDS SUMMARY							
Total Pooled Funds	907.1	-	-	907.1	4.89%		
REAL ESTATE SEPARATE ACCT. SUMMARY BY MANAGER							
Heitman	208.4	-	-	208.4			
Sentinel	275.7	-	-	275.7			
Real Estate Equity Mgrs	484.1	-	-	484.1	2.61%		
TOTAL REAL ESTATE (10%)	1,995.2	-	7.4	2,002.6	10.81%		
Target Differential	0.81%				149.4		
COMMODITIES							
Alliance (Commodities, Public Equity)	290.3	-	0.9	291.3			
Gresham Invest. Mgmt. (Commodities, Active)	92.0	-	0.4	92.5			
Goldman Sachs (Commodities, Enhanced Index)	90.5	-	-	90.5			
Kleinwort Benson (Commodities, Public Equity)	88.5	-	1.4	89.9			
Mellon Capital (Commodities, Public Equity)	81.1	-	1.0	82.1			
PA (Commodities, Private Equity)	60.4	-	-	60.4			
TOTAL COMMODITIES (5.0%)	702.9	-	3.8	706.7	3.81%		
Target Differential	(1.19)%				(223.7)		
CASH							
HOUSE ACCOUNTS							
Tier 1 (Article 17)	-	-	3.5	3.5			
Tier 2 (Article 18)	-	-	295.8	295.8			
Tier 3 (Article 35)	-	-	7.6	7.6			
Tier 4 (New)	-	-	3.7	3.7			
Tier 5 (New)	-	-	72.5	72.5			
Tier 6 (New)	-	-	6.8	6.8			
CASH SUMMARY							
Unallocated Cash Reserve (1%)	-	-	389.9	389.9	2.10%		
Target Differential	1.10%				204.5		
Transition	-	-	-	-			
TOTAL FUND							
	COMMODITIES	PRIVATE EQUITY	STOCKS	BONDS	REAL ESTATE	CASH	TOTAL
ACTUAL ASSET MIX							
Current Month	702.9	1,668.4	9,390.6	4,000.3	1,995.2	774.8	18,532.3
	3.79%	9.00%	50.67%	21.59%	10.77%	4.18%	100.00%
Last Month	647.9	1,663.6	9,304.2	4,063.9	1,993.1	743.8	18,416.5
% Change	8.50%	0.29%	0.93%	-1.57%	0.11%	4.17%	0.63%

Subtotals & totals may not sum up exactly due to rounding.
Data is unaudited.
Note: Data is unaudited
Dollars expressed in Millions.

Note: City Pension Contribution received on 7/15/15



Los Angeles Fire and Police Pensions

Private Equity Commitment Summary

	Venture Capital		Buy-out		Special Situations		Percentage
Total	\$780,702,000	23%	\$1,622,352,000	48%	\$966,521,000	29%	100.00%
Commitment Total							\$3,369,575,000

Private Equity Funding Summary

	Total Commitment	Contributions	Remaining Commitment	Percent Funded
Abbott	\$303,112,000	\$291,261,000	\$13,420,000	96.09%
Hamilton Lane	\$172,925,000	\$167,407,000	\$10,288,000	96.81%
Portfolio Advisors Legacy	\$265,185,000	\$254,208,000	\$10,977,000	95.86%
Portfolio Advisors Current	\$1,725,614,000	\$886,165,000	\$839,450,000	51.35%
PCA	\$193,443,000	\$180,805,000	\$12,638,000	93.47%
Stepstone Group	\$197,451,000	\$172,660,000	\$24,791,000	87.44%
Aldus Equity	\$511,845,000	\$463,263,000	\$48,582,000	90.51%
Total	\$3,369,575,000	\$2,415,769,000	\$960,146,000	78.63%

Unfunded Commitment

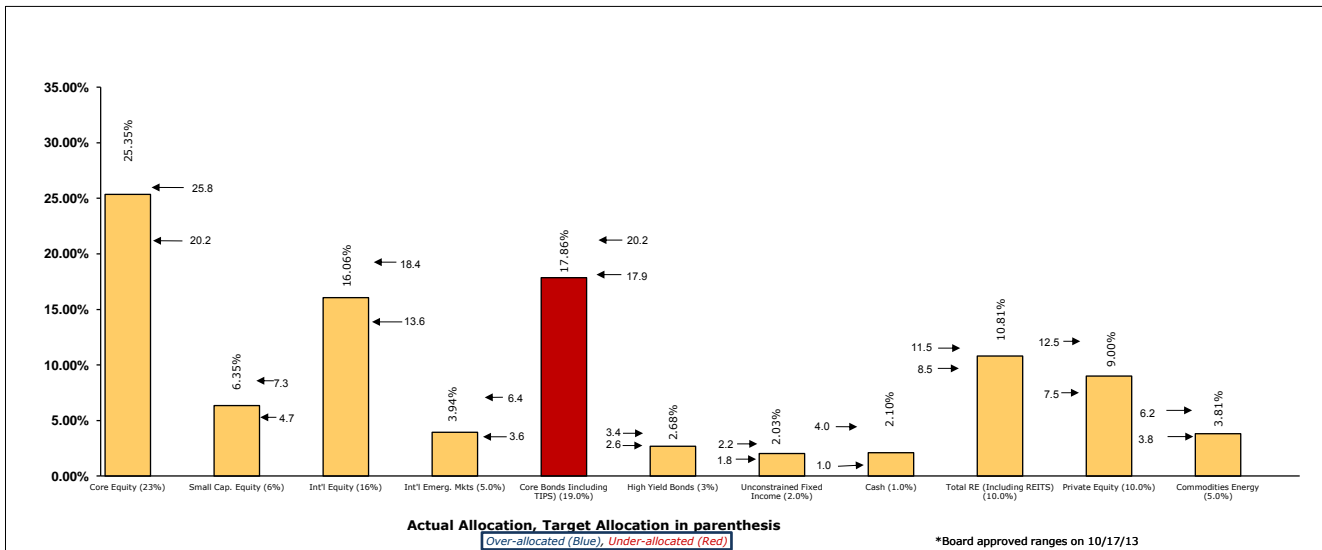
\$960,146,000

Source: BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

Data as of December 31, 2015

Data is based only on current/active funds which are funds that have remaining commitment or residual value.

Total Fund Portfolio Allocation





Real Estate Summary

COMMINGLED FUNDS	EQUITY	POOLED	CASH	TOTAL	ALLOC.
ABR Chesapeake Fund III	NA	12.7	-	12.7	
AEW Core	NA	72.5	-	72.5	
AEW Partners V	NA	0.6	-	0.6	
AEW Value Investors II	NA	2.9	-	2.9	
Almanac Securities Realty VII	NA	14.1	-	14.1	
Berkshire Multifamily Income Realty Fund	NA	33.2	-	33.2	
Buchanan Fund IV	NA	13.6	-	13.6	
Calif Smart Growth IV	NA	12.6	-	12.6	
Capri Urban Investors	NA	17.8	-	17.8	
CIM Real Estate Fund III	NA	33.2	-	33.2	
CIM Urban REIT, LLC	NA	36.7	-	36.7	
CityView LA Urban Land Fund	NA	4.6	-	4.6	
Clarion Lion	NA	83.0	-	83.0	
Colony VIII	NA	6.1	-	6.1	
CPI Capital Europe (A)	NA	4.5	-	4.5	
Forum Asian Realty II	NA	3.2	-	3.2	
Gerrity Retail Fund	NA	12.5	-	12.5	
Genesis Workforce Fund II	NA	1.1	-	1.1	
Guggenheim RE III	NA	0.0	-	0.0	
Hampshire Partners VI	NA	0.7	-	0.7	
Heitman Value Partners II	NA	9.8	-	9.8	
Heitman American Realty Trust (HART)	NA	70.6	-	70.6	
Jamestown Premier	NA	82.3	-	82.3	
Kennedy Wilson II	NA	0.0	-	0.0	
LaSalle Asia Opp. II	NA	0.1	-	0.1	
Legg Mason Chesapeake RE	NA	0.4	-	0.4	
Legg Mason II	NA	8.9	-	8.9	
Metlife Core Property	NA	82.0	-	82.0	
Noble Hospitality	NA	11.5	-	11.5	
Oaktree Capital RE Opp. III	NA	2.4	-	2.4	
Praedium Fund VII	NA	0.9	-	0.9	
Principal Green I	NA	1.8	-	1.8	
Prudential PRISA	NA	78.8	-	78.8	
Prudential PRISA III	NA	29.2	-	29.2	
Prudential RE Fund II	NA	0.7	-	0.7	
Rothschild Five Arrows Realty V (Almanac)	NA	13.5	-	13.5	
Savanna Real Estate Fund III	NA	31.4	-	31.4	
Starwood Distressed Opp IX	NA	24.8	-	24.8	
Standard Life Investments	NA	24.3	-	24.3	
Standard Life Investments Euro RE Club II	NA	21.2	-	21.2	
Unico Partners I	NA	34.3	-	34.3	
Urdang Value-Added Fund II (CenterSquare)	NA	4.7	-	4.7	
Value Enhancement IV (Ares)	NA	0.0	-	0.0	
Value Enhancement V (Ares)	NA	8.2	-	8.2	
Total		907.1	-	907.1	4.89%

SEPARATE ACCOUNT PROPERTIES	EQUITY	POOLED	CASH	TOTAL	ALLOC.
Heitman - Galleria Palms Apts.	31.2	NA	-	31.2	
Heitman - 121 W. Chestnut	69.0	NA	-	69.0	
Heitman - Palm Valley	1.2	NA	-	1.2	
Heitman - Woodland Plaza	35.4	NA	-	35.4	
Heitman - Twin Creeks Village	32.2	NA	-	32.2	
Heitman - Sea Isle, Inc.	39.4	NA	-	39.4	
Sentinel - Corridor Park Pointe	6.6	NA	-	6.6	
Sentinel - Riverplace	33.1	NA	-	33.1	
Sentinel - Windward Place Apts.	27.7	NA	-	27.7	
Sentinel - Jefferson Town Center Apts	42.2	NA	-	42.2	
Sentinel - Shoppes @ Broad Street	0.1	NA	-	0.1	
Sentinel - St. Louis Industrial	44.5	NA	-	44.5	
Sentinel - NorthPointe Exec. Park	19.7	NA	-	19.7	
Sentinel - Aerial Center Exec. Park	31.7	NA	-	31.7	
Sentinel (Urdang) - Shadeland Station	45.3	NA	-	45.3	
Sentinel (Urdang) - Exelon Building	24.8	NA	-	24.8	
Neptune Building	0.0	NA	-	0.0	
Real Estate Managers Total Committed					
Heitman				208.4	
Sentinel				205.6	
Sentinel (Urdang)				70.1	
Total				484.1	2.61%



Los Angeles Fire and Police Pensions

Preliminary Return Information as of April 30, 2016

Manager	1-month	3-month	1-year	3-years	5-years	FYTD
Total Fund	0.98 %	6.42 %	-0.23 %	6.75 %	6.90 %	0.07 %
S & P 500 Index	0.39 %	7.05 %	1.21 %	11.26 %	11.02 %	1.89 %
Total Equity	1.10 %	8.34 %	-4.10 %	7.30 %	6.80 %	-3.03 %
S & P 500 Index	0.39 %	7.05 %	1.21 %	11.26 %	11.02 %	1.89 %
Total Domestic Equity	0.52 %	7.29 %	-1.02 %	10.50 %	9.99 %	-1.32 %
Russell 3000 Index	0.62 %	7.67 %	-0.18 %	10.77 %	10.50 %	0.14 %
Total Large Cap Equity	0.28 %	7.02 %	0.75 %	11.29 %	11.04 %	1.21 %
S & P 500 Index	0.39 %	7.05 %	1.21 %	11.26 %	11.02 %	1.89 %
Total Small Cap	1.46 %	8.43 %	-7.42 %	7.64 %	5.57 %	-10.41 %
Russell 2000 Index	1.57 %	9.67 %	-5.94 %	7.53 %	6.98 %	-8.73 %
Total International Equity	2.04 %	10.04 %	-8.88 %	2.03 %	1.20 %	-5.79 %
MSCI ACWI ex-US	2.72 %	9.91 %	-10.87 %	0.42 %	0.33 %	-6.98 %
Total International Developed Markets	2.26 %	9.01 %	-7.95 %	3.35 %	2.35 %	-5.25 %
MSCI ACWI ex-US	2.72 %	9.91 %	-10.87 %	0.42 %	0.33 %	-6.98 %
Total International Emerging Markets	1.18 %	14.56 %	-12.96 %	-3.46 %	-3.83 %	-8.28 %
MSCI Emerging Markets Index	0.56 %	13.72 %	-17.56 %	-4.23 %	-4.28 %	-11.92 %
Total Fixed Income	1.17 %	4.34 %	2.59 %	2.21 %	5.02 %	4.21 %
Barclays Universal	0.68 %	2.64 %	2.57 %	2.37 %	3.82 %	3.91 %
Total Core Fixed Income	0.97 %	4.13 %	3.22 %	2.96 %	5.51 %	5.54 %
Barclays Aggregate	0.38 %	2.02 %	2.72 %	2.29 %	3.60 %	4.10 %
Total High Yield	3.60 %	8.19 %	2.38 %	3.73 %	6.35 %	1.32 %
LAFPP HY Benchmark ¹	4.00 %	9.10 %	-1.30 %	2.47 %	5.49 %	-0.07 %
Total REITs	-1.70 %	8.02 %	5.66 %	6.50 %	9.41 %	10.68 %
LAFPP REIT Benchmark ²	-1.48 %	8.17 %	5.37 %	5.13 %	8.43 %	10.74 %
Total Commodities	7.53 %	17.23 %	-12.48 %	N/A	N/A	-7.36 %
Bloomberg Commodities Index TR	8.51 %	10.83 %	-17.45 %	N/A	N/A	-16.60 %

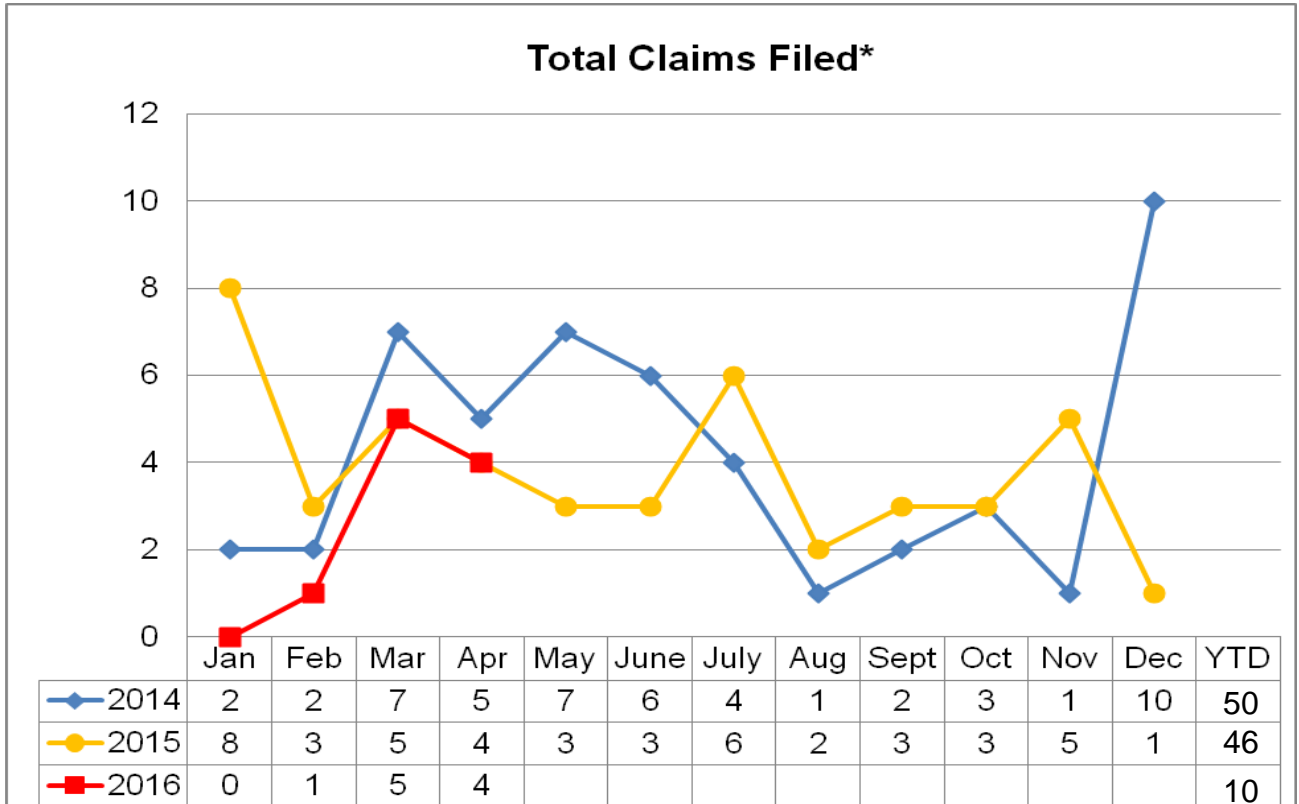
Footnote:

¹ LAFPP HY Benchmark: CS HY Index thru 12/31/11 & BofA ML US HY Master II Cnst Index thereafter.

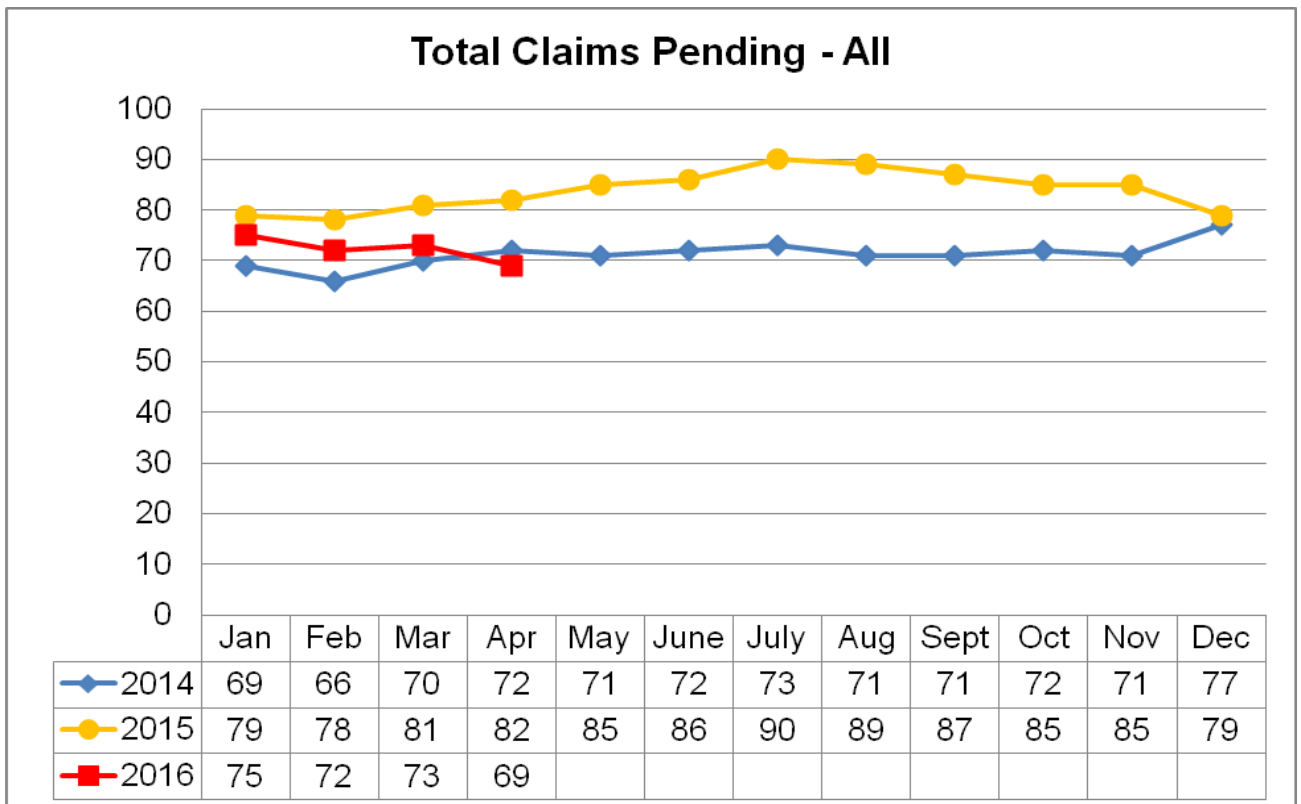
² LAFPP REIT Benchmark: Dow Jones US Select RE Securities Index thru 12/31/13, 50% FTSE EPRA/NAREIT Global RE Index & 50% Dow Jones US Select RE Securities Index thereafter.

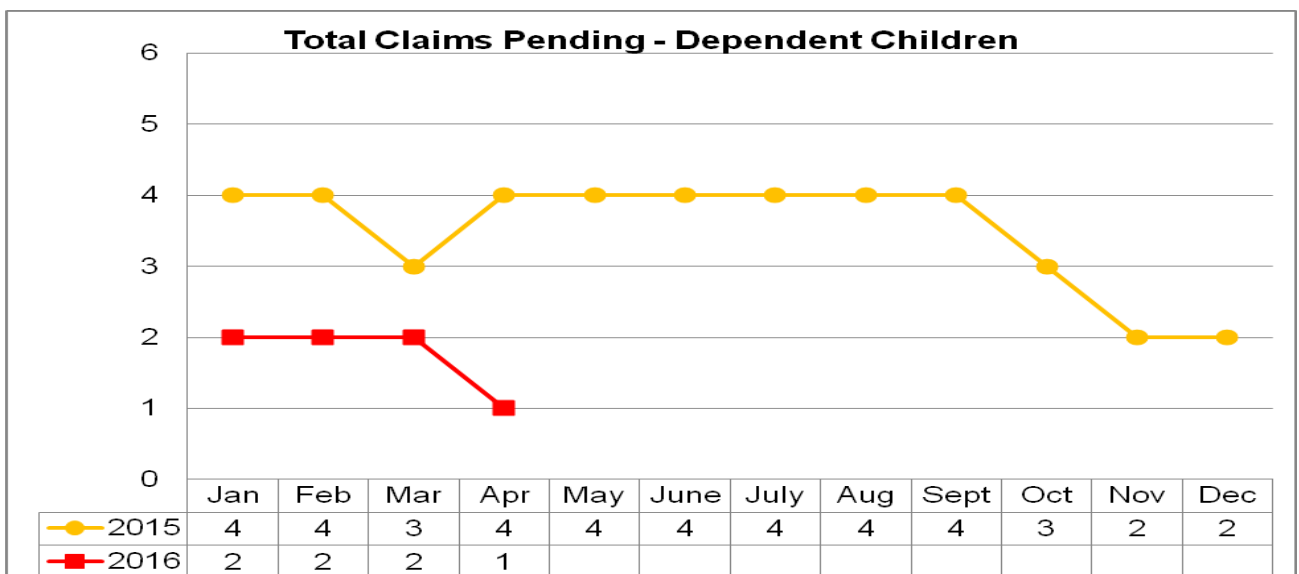
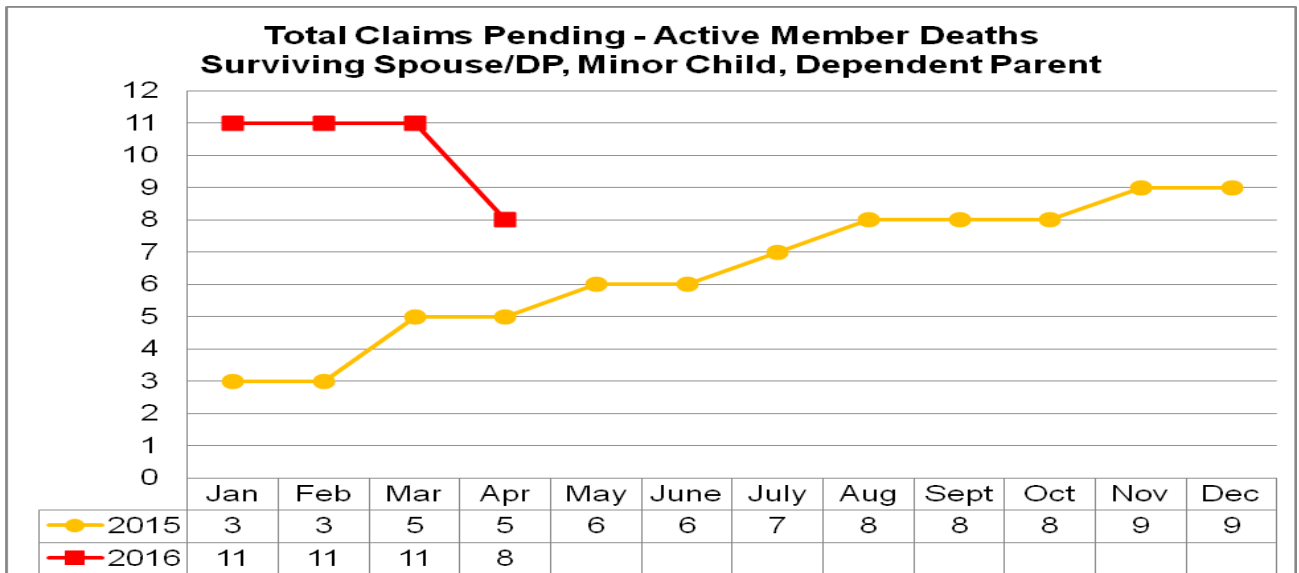
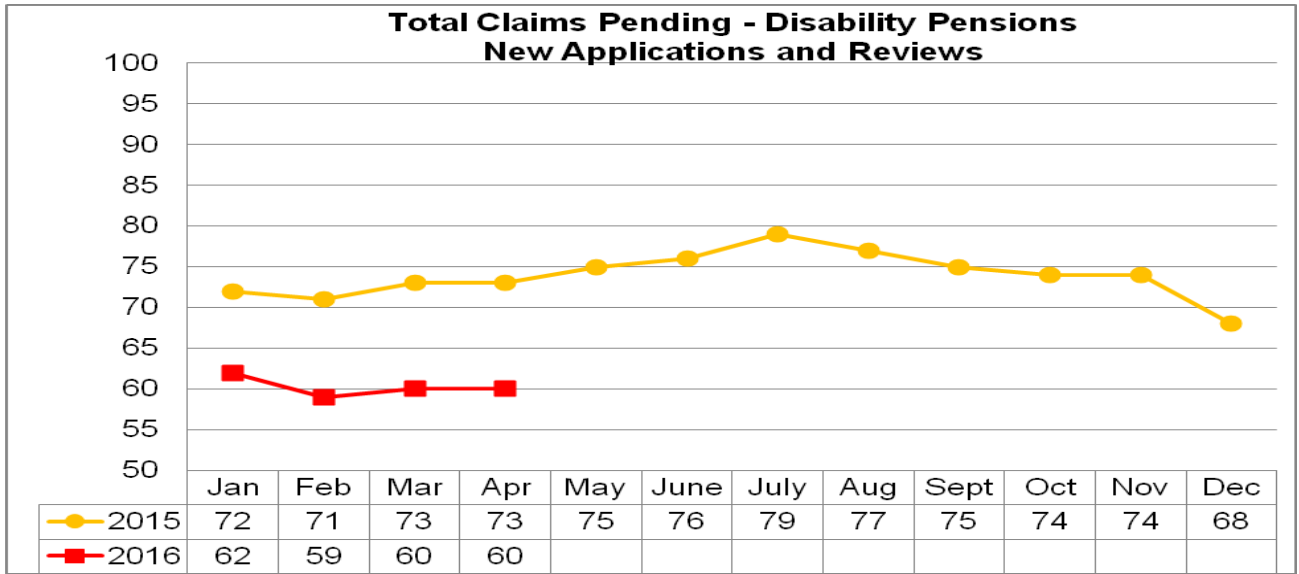
(Data through April 30, 2016)

DISABILITY PENSIONS

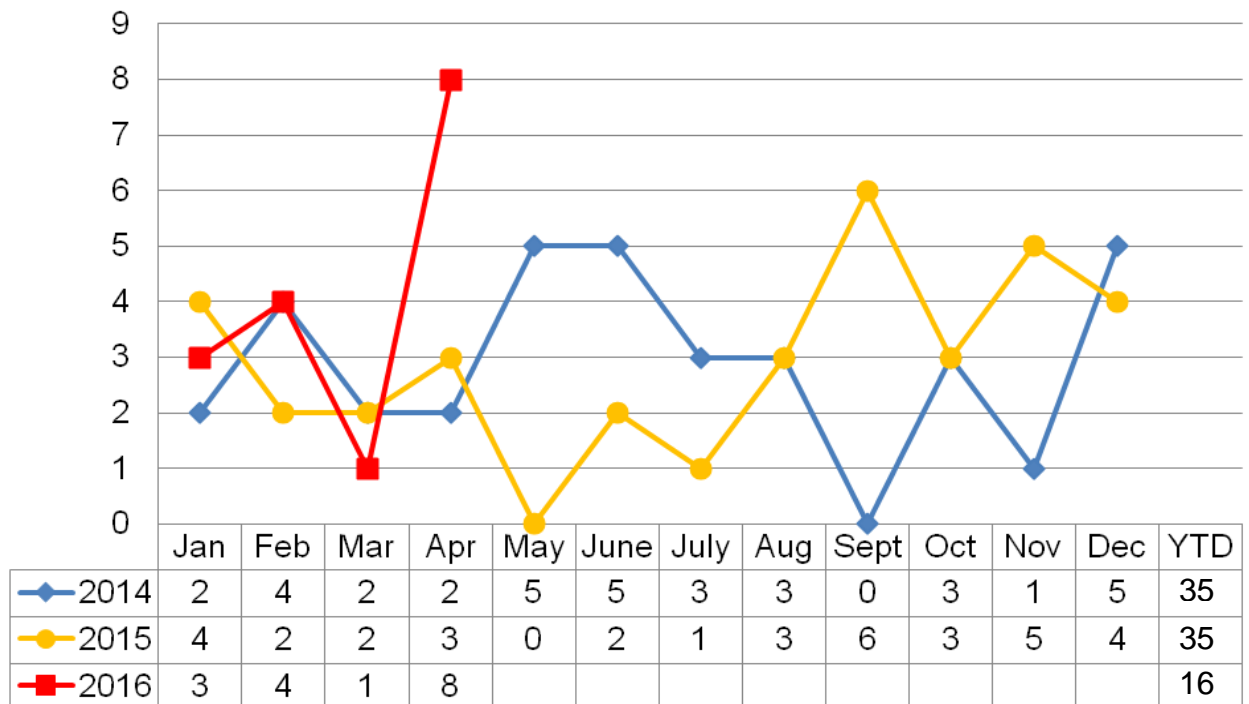


*Claims filed include the following: Disability, Active Member Death, Dependent Child.



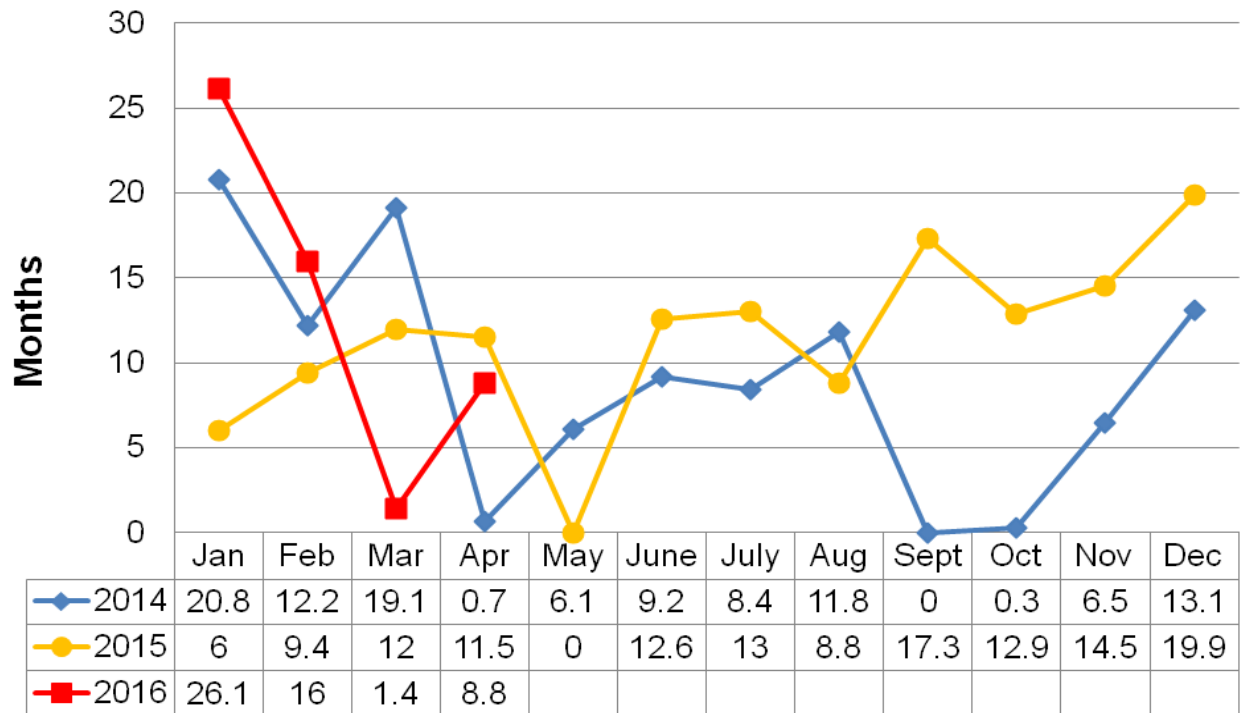


Total Claims to the Board*



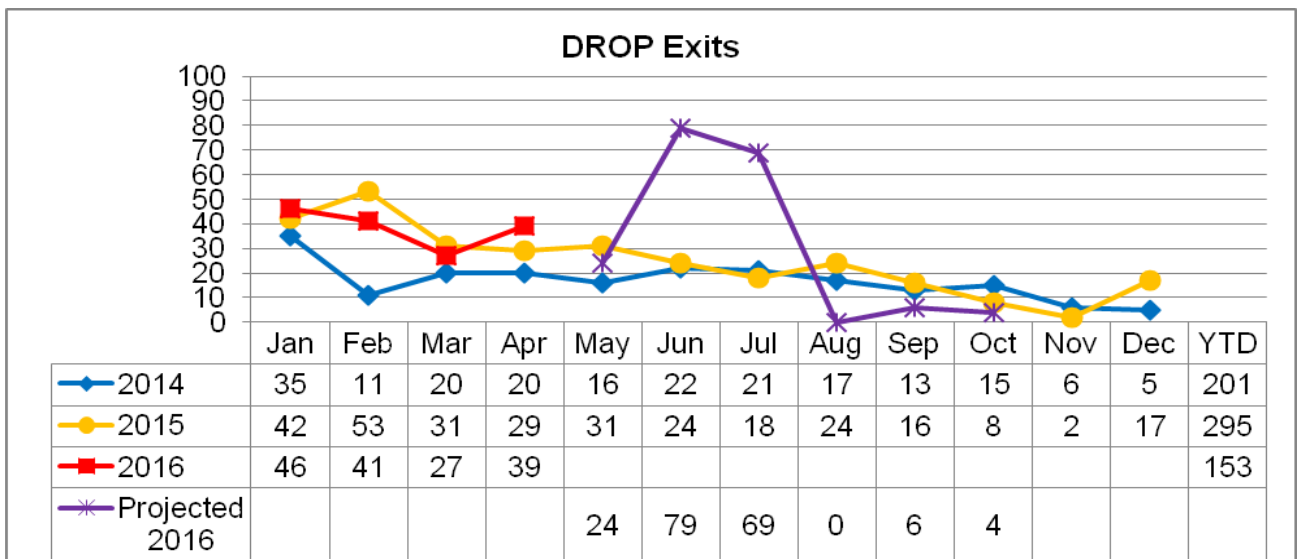
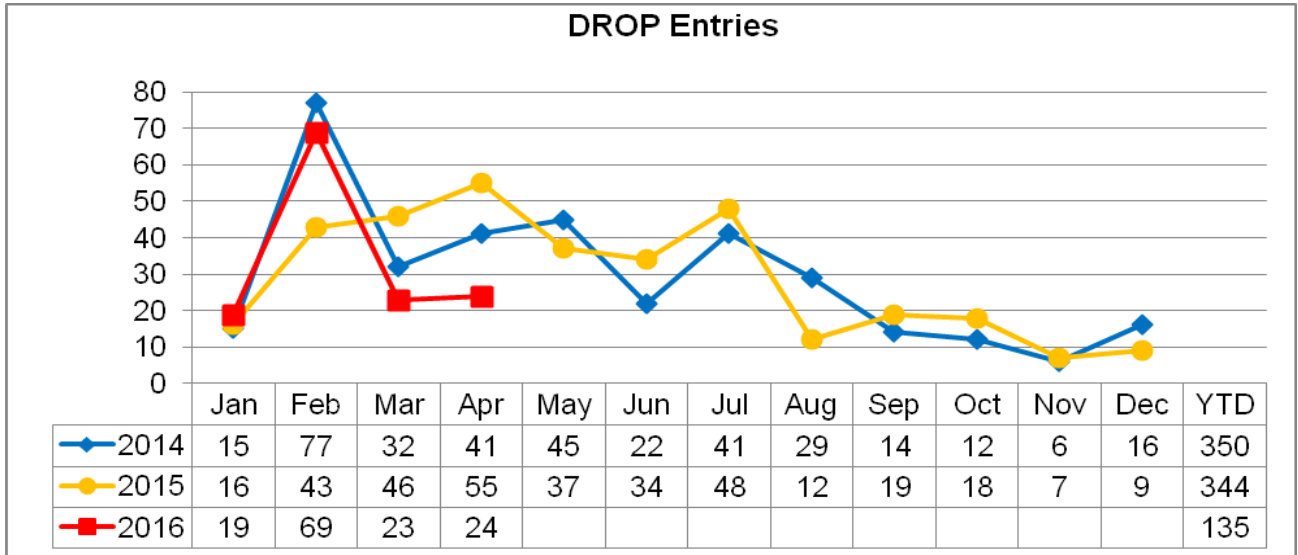
*Claims include the following: Disability, Active Member Death, Dependent Child.

Avg. Processing Time for Claims Presented to the Board*

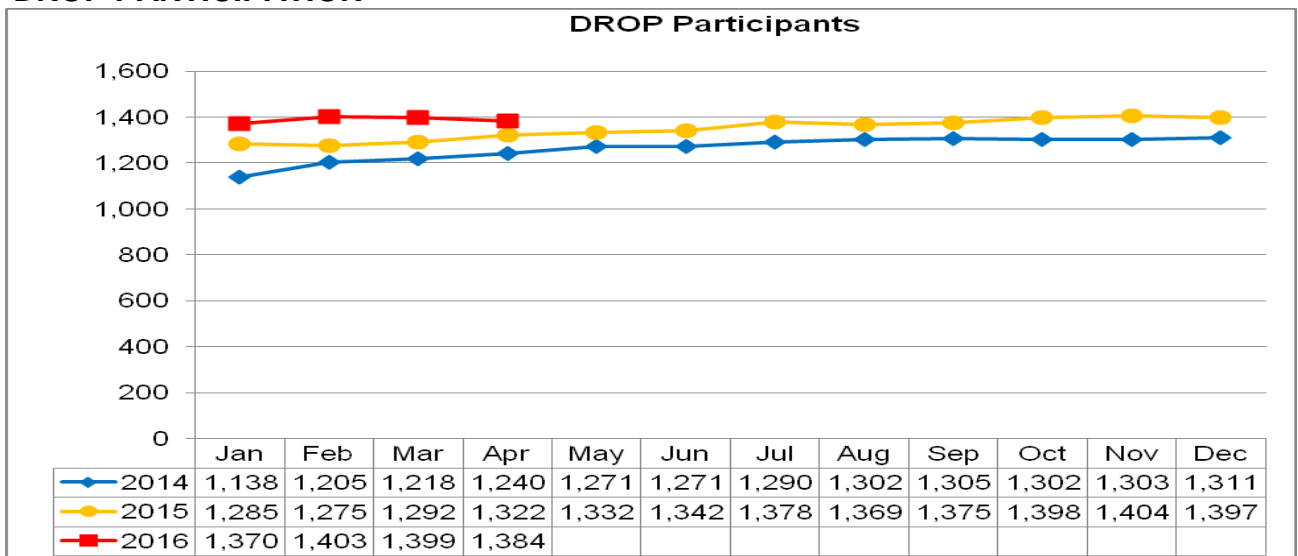


*Claims include the following: Disability, Active Member Death, Dependent Child. Months with zero (0) indicate no claims presented to the Board that month.

DROP ENTRIES/EXITS



DROP PARTICIPATION



SERVICE PENSIONS

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
Service Pensions by Effective Date	6	54*	6

* Total increased by 2 due to processing of retroactive service pensions.

SURVIVORSHIP PENSIONS

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
Surviving Spouse/Domestic Partner Pension Applications Processed	19	156*	16
Survivor Benefit Purchase Program	0	7	1
Total Surviving Spouse/DP Applications Processed and Survivor Benefit Purchase Program Granted	19	163	

* Four additional applications were processed in the prior month, increasing the YTD total.

ACTIVE MEMBER SERVICES

Refund of Contributions (Number Leaving Without Vesting)	Current Month	Fiscal Year To Date	12 Month Moving Avg.
Fire	1	4	0
Police	6	49	5
Harbor	0	0	0
Completed Basic Training Purchases			
Fire	8	91	10
Police	37	416	45
Harbor	0	0	0
Public Service Purchases (PSP)			
Completed Purchases	0	4	1
Avg. Years of Service (YOS) Purchased	N/A	2.3	2.3
Avg. Cost per YOS Purchased	N/A	\$51,267	\$53,589

MEDICAL & DENTAL TRANSACTIONS

April 2016 (PPE April 30, 2016)

	Current Month*	Fiscal YTD*	Last 12 Mos*
Total Subsidies Paid	\$8,779,828	\$88,781,244	\$106,728,559
Total Medicare Part B Reimbursements Paid	\$783,916	\$8,001,060	\$9,607,127

*Includes Quarterly HIPR Payment(s)

OUTREACH ACTIVITIES

Date	Type of Outreach	Number of Participants	Tier
April 11, 2016	New Recruit Talk: LAPD Graduates – Westchester ARTC	23	6
April 18, 2016	New Recruit Talk: LAFD Graduates – Fire Station 81	50	6
April 19, 2016	Financial Planning Education Seminar – Late Career – Grace Simons Lodge	52	3 & 4
April 22-23, 2016	Information Table: LAPPL Outreach – Delegates Conference – San Diego	55	multiple
Upcoming Events			
May 9, 2016	New Recruit Talk: LAPD Graduates – Westchester ARTC	TBD	6
May 11, 2016	Financial Planning Education Seminar – DROP Exit – Grace Simons Lodge	TBD	5
May 24, 2016	Financial Planning Education Seminar – Late Career – California Endowment	TBD	multiple
Outreach Activity Totals			
		Current Month	Fiscal Year to Date
Members Reached		180	1,721
-# of Recruit Talks		2	13
-# of Financial Planning Education Seminars		1	13
-# of Other Outreach Events		1	19

Note: The number of participants for "Information Table" events is an estimate. Staff is available to answer questions, check personal information and collect forms at these events.

NEW PROJECTS

PROPOSED FINANCIAL COUNSELING PROGRAM

Staff is conducting research to determine the scope and feasibility of offering individual financial counseling sessions to members. Members who attend one of the Financial Planning Education (FPE) seminars (for education only) would be given the opportunity to schedule a follow-up session with a financial planner for a personalized review of their financial situation. This would allow members to apply the education provided in the FPE seminar to take the next step and develop a comprehensive financial plan.

Staff previously met with representatives of United Firefighters of Los Angeles City, Los Angeles Police Protective League, Los Angeles Firemen's Relief Association, Los Angeles Police Relief Association, and Los Angeles Retired Fire and Police Association, to request their input on the individual financial counseling services. The representatives were supportive of the proposed services.

The individual counseling sessions would be conducted through our current financial education consultant. The FPE seminar contract was awarded as a result of an RFP released in July 2015. At that time, staff requested to make a recommendation to award a financial counseling contract at a later date. The financial education and planning consultants would not be allowed to provide, sell or derive any income from the sale of any

investment products to members. In addition, any advice to the member for certain investment choices should not affect or provide compensation to the advisor.

UPDATED PROJECTS

INFORMATIONAL VIDEOS

As part of the 2015-16 Business Plan project to enhance member and stakeholder education (Project #7), staff has begun developing a library of informational videos to be posted on the LAFPP website. These videos will cover topics regarding pension benefits and other plan information. A new "Multimedia" page is being developed to present these videos along with any future multimedia postings.

[UPDATE: On April 18, staff added the "Multimedia" page to the website with two informational videos: "What is COLA?" and "Dissolution of Marriage & Your Pension." Staff will periodically update the page with new videos as they are developed.]

GRAPHICS DESIGN SERVICES

The Board approved a Request for Proposals (RFP) for graphics design services on December 17, 2015. The contract with the current graphics designer expires in March 2016. An RFP was issued and final proposals were received on January 29, 2016. Staff is evaluating the 16 proposals received and will provide the Board with a contract award recommendation in April 2016.

[UPDATE: On April 7, the Board approved Staff's recommendation to award the contract to Firedrill for a three-year term.]

UNCHANGED PROJECTS

IRC OPERATIONAL COMPLIANCE AUDIT

Staff began working with The Segal Company, our IRC operational compliance auditor, in late January/early February 2015. Staff provided a large number of documents to Segal in early February 2015, including Summary Plan Descriptions for the various tiers, desk manuals, policies and procedures, and pertinent Charter/Administrative Code sections. Segal conducted onsite interviews with key staff members on March 23 and 24, 2015.

Segal presented the final audit report to the Board on October 1, 2015. The Board reviewed, received and filed the report and directed staff to analyze and/or implement the recommendations as noted in the IRC Operational Compliance Audit Recommendation Log.

Staff is continuing to review and analyze the various audit recommendations with the City Attorney's office, as well as outside tax counsel, implementing new internal policies and procedures as necessary. Staff plans to report back to the Board with the implementation status of Segal's recommendations at a future meeting.

PENSION PERSPECTIVES – RETIRED MEMBERS

Staff is in the initial phase of drafting the next newsletter for retired members. The issue will include articles on the 2016 COLA, plan funding status, new medical and dental subsidy maximums, and identify theft prevention.

The newsletter is expected to be mailed and emailed to retired members in early June 2016.

UPDATED PROJECTS

PENSION ADMINISTRATION SYSTEM REPLACEMENT

The monthly requirements gathering sessions with Xerox and staff Subject Matter Experts from impacted business units continue in order to develop the specifications for the configuration and customization of the CPAS system.

Weekly meetings with the project management team (LAFPP, Xerox, and LRWL consultant) are also being conducted to review and check on the progress of various deliverables, including planning documents, data mapping and conversion, hosting services, as well as the implementation of the new imaging solution to replace Documentum.

[UPDATE: All requirements gathering sessions have been completed and documented for staff review using a proprietary methodology called FAST (Fit Analysis Specification Template). The review process for each FAST document requires a significant amount of time to clarify business rules, gather calculation examples, develop workbooks with test scenarios and test results that will be used to validate the configured solution. Instead of submitting all the FAST documents and workbooks all at once, staff worked with CPAS and developed a staggered approach to submit the documents. This staggered approach resulted in a change request that will push the “go live” date for the pension system back two months to January 2018 instead of November 2017.]

ELECTRONIC DOCUMENTS MANAGEMENT (DOCUMENTUM & DOCUSHARE)

LAFPP still warehouses more than 2000 boxes of historical documents at off-site facilities. Many of these boxes require an assessment of whether or not they can be destroyed per the Department’s Record Retention Schedule or scanned into the Department’s repository system (DocuShare). Scanning of these historical documents at off-site facilities is not a priority for the Department at this time until other major projects are completed.

The LAFPP file repository conversion of Documentum to DocuShare is still underway. The complete migration of files is anticipated by June 2016.

Staff is currently focused on expediting the scanning of day-forward documents to minimize the amount of hardcopy files stored at the new Headquarters. After the hardcopy files are scanned, staff provides a Quality Assurance (QA) assessment to ensure that all documents are digitally captured and retained before destruction. The backfile repository conversion project and QA functionality has created a backlog of day-forward scanning. Concurrently, staff continues to refine policies and procedures associated with the implementation of DocuShare.

[UPDATE: Docushare went live on December 15th and staff are working together to address some issues identified during implementation. Staff continue to catch up on the backlog of day-forward documents. As a result implementation delays and resource requirements needed for the Pension Administration System (PAS) Project, the PAS

Project Steering Committee elected to postpone the migration of Documentum files to June 2016. In addition, a new project lead in the Administration Section was selected to focus on overall Docushare project including migration.]

UNCHANGED PROJECTS

PERFORMANCE METRICS

As part of the Mayor's "Back to Basics" philosophy, the Mayor has directed departments to submit performance metrics that will measure the effectiveness of the departments in key areas. Monthly, staff submits performance metrics and business plan project updates to Mayoral staff including data in following areas: payment of pension payments; disability applications; customer satisfaction; contractor disclosure; and investment benchmarks.

In addition, the General Manager has expanded the use of performance metrics to better measure and track performance and assist management decision making, taking into consideration resource requirements needed to compile and analyze the data.

**DEPARTMENT OF FIRE AND POLICE PENSIONS
BUDGET TO ACTUAL - RECEIPTS AND EXPENSES**

As of April 30, 2016 (83% of year)

	BUDGET	ACTUAL YEAR TO DATE	YEAR END PROJECTIONS	PROJECTED SURPLUS/ DEFICIT	VARIANCE % (UNDER)/OVER PROJECTED
	A	B	C	C-A	
RECEIPTS					
General Fund	\$ 622,851,100	\$ 622,851,100	\$ 622,851,100	\$ -	0%
Special Fund (Harbor)	4,237,083	4,237,083	4,237,083	-	0%
Excess Benefit Plan (1)	1,018,273	1,018,273	1,018,273	-	0%
Member Contributions (2)	136,835,823	107,954,796	131,841,410	(4,994,413)	-4%
Earnings on Investments	355,440,000	299,478,559	359,374,271	3,934,271	1%
Miscellaneous (3)	1,000,000	2,647,931	3,177,517	2,177,517	218%
Total Receipts	\$ 1,121,382,279	\$ 1,038,187,742	\$ 1,122,499,653	\$ 1,117,375	0%
EXPENSES					
Service Pensions	\$ 566,000,000	\$ 476,507,125	\$ 572,856,641	\$ 6,856,641	1%
Service Pensions - DROP payout	176,000,000	102,220,261	175,000,000	(1,000,000)	-1%
Disability Pensions	120,000,000	93,575,928	112,054,056	(7,945,944)	-7%
Surviving Spouse Pensions	122,000,000	97,932,593	117,649,245	(4,350,755)	-4%
Minor/Dependent Pensions	2,000,000	1,921,003	2,283,409	283,409	14%
Refund of Contributions	3,500,000	2,998,606	3,598,327	98,327	3%
Health Insurance Subsidy	108,000,000	85,084,285	101,991,393	(6,008,607)	-6%
Dental Insurance Subsidy	4,100,000	3,217,381	3,869,555	(230,445)	-6%
Medicare Reimbursement	11,750,000	7,990,710	9,559,498	(2,190,502)	-19%
Health Insurance Reimbursement	1,300,000	782,341	1,303,902	3,902	0%
Investment Management Expenses	88,221,204	18,259,050	78,788,522	(9,432,682)	-11%
Administrative Expenses (4)	25,195,535	20,738,969	24,338,000	(857,535)	-3%
Total Expenses	\$ 1,228,066,739	\$ 911,228,252	\$ 1,203,292,548	\$ (24,774,191)	-2%
RECEIPTS OVER EXPENSES	\$ (106,684,460)	\$ 126,959,490	\$ (80,792,895)		
	CURRENT MONTH	YTD MOVING AVERAGE			
PENSION PAYROLL	\$ 93,470,413	\$ 86,923,163			

(1) Represents the City of Los Angeles General Fund earmarked to pay excess benefits including associated administrative costs in compliance with IRC Section 415.

In FY 2015-16, funds totaling \$454,773 were re-appropriated from prior-years' available funds in addition to the original budget of \$563,500 for the Excess Benefit Plan. Any year-end surplus of funds (currently project at \$202,405) will be re-appropriated to the next fiscal year.

(2) Includes FY 2014-15 Pay Period 26 and up to FY 2015-16 Pay Period 21.

(3) Represents receipts from purchase of prior years' lost service time and recovery of prior years' pension overpayment.

(4) Actual Year-to-Date reflects Year-to-Date commitments (encumbrances) and expenditures.

**DEPARTMENT OF FIRE AND POLICE PENSIONS
BUDGET TO ACTUAL - ADMINISTRATIVE AND INVESTMENT MANAGEMENT EXPENSES**

As of April 30, 2016 (83% of year)

ADMINISTRATIVE EXPENSE	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
ACCOUNT TITLE	ADOPTED BUDGET	BUDGET CHANGES ²	ADJUSTED BUDGET (A + B = C)	YEAR TO DATE TOTAL COMMITTED	REMAINING BALANCE (C - D = E)	YR END PROJECTED EXPENSES	DIFFERENCE (UNDER)OVER PROJECTED (C - F = G)	VARIANCE % ¹ (G / C = H)
Salaries-General ³	10,952,000	(180,000)	10,772,000	8,253,724	2,518,276	10,520,000	(252,000)	-2%
Salaries-As-Needed ³	111,000	20,000	131,000	101,071	29,929	127,000	(4,000)	-3%
Overtime ³	89,515		89,515	69,812	19,703	88,000	(1,515)	-2%
Printing & Binding	36,154		36,154	36,154	-	36,000	(154)	0%
Travel	162,635	(10,000)	152,635	58,421	94,214	130,000	(22,635)	-15%
Transportation ³	6,000		6,000	4,750	1,250	6,000	-	0%
Contractual Services ³	6,581,312	(7,000)	6,574,312	6,262,274	312,038	6,427,000	(147,312)	-2%
Medical Services	200,000	150,000	350,000	350,000	-	350,000	-	0%
Health Insurance	1,360,000		1,360,000	651,097	708,903	1,221,000	(139,000)	-10%
Dental Insurance	55,000		55,000	28,317	26,683	53,000	(2,000)	-4%
Other Employee Benefits	40,000		40,000	24,829	15,171	39,000	(1,000)	-3%
Retirement Contribution	3,108,000		3,108,000	3,038,815	69,185	3,108,000	-	0%
Medicare Contribution	160,000		160,000	66,491	93,509	160,000	-	0%
Office & Administrative	771,919	16,000	787,919	499,975	287,944	600,000	(187,919)	-24%
Tuition Reimbursement	20,000		20,000	5,254	14,746	10,000	(10,000)	-50%
Election	-		-	-	-	-	-	0%
Furniture, Office & Tech	-	1,463,000	1,463,000	1,287,985	175,015	1,463,000	-	0%
Unappropriated Balance	270,000	(180,000)	90,000	-	90,000	-	(90,000)	-100%
TOTAL ADMINISTRATIVE EXPENSES	\$ 23,923,535	\$ 1,272,000	\$ 25,195,535	\$ 20,738,969	\$ 4,456,566	\$ 24,338,000	\$ (857,535)	-3%
TOTAL INVESTMENT MANAGEMENT EXPENSES	\$ 88,221,204	\$ -	\$ 88,221,204	\$ 18,259,050	\$ 69,962,154	\$ 78,788,522	\$ (9,432,682)	-11%

¹ Percentage difference between projected expenses and the adjusted budget.

² Budget changes reflect net amounts of the following transfers: Headquarters (HQ) amounts totaling \$1,272,000, approved on July 16, 2015: \$153,000 IT Cabling (Contractual Services); \$16,000 Voice Over Internet Protocol (Office & Administrative); and \$1,103,000 for New Furniture (\$767,000) New Upgrades (\$336,000) (Furniture, Office & Tech). On September 3, 2015, the Board approved a transfer of \$10,000 from Contractual Services to Furniture, Office & Tech accounts to fund new Microfiche Machine. On January 7, 2016 the Board approved a transfer of \$150,000 from Contractual Services to Medical Services to offset projected expenses. On February 18, 2016 the Board approved a transfer of \$20,000 from Salaries-General to Salaries-As-Needed to offset projected expenses. On March 31, 2016, funds totaling \$350,000 were transferred to Furniture, Office and Tech to offset HQ related costs. The transfers were processed based on July 16, 2015 Board authority to move funds between line items as needed for the HQ Project (\$160,000 Salaries-General; \$10,000 Travel; and \$180,000 from the Unappropriated Balance).

³ Year-to-Date Committed based on Pay Period 21 ending April 16, 2016.

Contract	Vendor / Services	Contract Term		Market Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
SEARCH	Private Equity - Specialized Manager	tbd	tbd	02/04/16	02/04/16			New Search approved by the Board. Firms involved in search: All Private Equity Managers. RFP responses due 05/06/16.
578PEN	Brandes Investment Partners, LP (International Equity)	08/01/13	07/31/16	05/01/16				Staff recommendations to Board scheduled for 06/02/16.
576PEN	Daruma Asset Management, Inc. (Domestic Equity)	08/01/13	07/31/16	05/01/16				Staff recommendations to Board scheduled for 06/16/16.
577PEN	Fisher Asset Management, LLC (International Equity)	08/01/13	07/31/16	05/01/16				Staff recommendations to Board scheduled for 06/02/16.
583PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income - TIPS)	09/01/13	08/31/16	06/01/16				Staff recommendations to Board scheduled for 06/02/16.
582PEN	AllianceBernstein, LP (Commodities)	10/01/13	09/30/16					Staff recommendations to Board scheduled for 06/02/16.
580PEN	Northern Trust Company (Custodian Bank)	10/01/13	09/30/16				02/04/16	New Contract No. 651PEN is effective 10/01/16 pending negotiation and execution. Board approved contract renewal on 02/04/16 and the Market Cessation period has ended.
586PEN	Robeco Investment Management, Inc. (Boston Partners) (Domestic Equity)	11/01/13	10/31/16					Staff recommendations to Board scheduled for 09/15/16.
589PEN	Principal Global Investors, LLC (Global REIT Manager)	12/01/13	11/30/16					
587PEN	Principal Global Investors, LLC (U.S. REIT Manager)	12/01/13	11/30/16					
590PEN	AllianceBernstein, LP (Domestic Equity)	01/01/14	12/31/16					
585PEN	Harding Loevner (International Emerging Markets)	02/01/14	01/31/17					
535PEN	The Townsend Group (Real Estate Consultant)	02/01/14	01/31/17					
595PEN	FIS Group, Inc. (International Manager of Emerging Managers)	07/01/14	06/30/17					
596PEN	MacKay Shields, LLC (Fixed Income - High Yield Bond)	07/01/14	06/30/17					
598PEN	Chicago Equity Partners LLC (Domestic Equity)	08/01/14	07/31/17					
599PEN	Los Angeles Capital Management and Equity Research, Inc. (Domestic Equity)	08/01/14	07/31/17					
602PEN	Payden & Rygel (Unconstrained Fixed Income Manager)	08/01/14	07/31/17					
600PEN	Research Affiliates LLC (Domestic Equity)	08/01/14	07/31/17					
601PEN	Scout Investments, Inc. - Reams Asset Management Division (Unconstrained Fixed Income Manager)	08/01/14	07/31/17					
604PEN	Kleinwort Benson Investors (Commodities Active Equity Manager)	10/01/14	09/30/17					
605PEN	Mellon Capital (Commodities Active Equity Manager)	10/01/14	09/30/17					
613PEN	Dimensional Fund Advisors LP (International Emerging Markets)	01/01/15	12/31/17					
615PEN	Baillie Gifford Overseas Limited (International Equity)	02/01/15	01/31/18					
546PEN	BlackRock Institutional Trust Company (International Equity)	02/01/15	01/31/18					
618PEN	AllianceBernstein, L.P. (Global REIT)	03/02/15	02/28/18					
624PEN	Frontier Capital Management Company, LLC (Domestic Equity)	07/01/15	06/30/18					
621PEN	Gresham Investment Management (Enhanced Index Commodity Manager)	07/28/15	06/30/18					
622PEN	Goldman Sachs Asset Management (Enhanced Index Commodity)	07/16/15	07/15/18					
629PEN	LM Capital Group, LLC (Fixed Income)	09/01/15	08/31/18					
638PEN	Boston Common Asset Management, LLC (International Equity Emerging Manager)	10/01/15	09/30/18					
639PEN	Loomis, Sayles & Co. LP (Fixed Income)	10/01/15	09/30/18					
633PEN	Channing Capital Management, LLC (Domestic Equity)	10/01/15	09/30/18					
636PEN	GIA Partners, LLC (Domestic Fixed Income)	10/01/15	09/30/18					

Contract	Vendor / Services	Contract Term		Market Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
635PEN	Granite Investment Partners (Domestic Equity)	10/01/15	09/30/18					
631PEN	OakBrook Investments, Inc. (Domestic Equity)	10/01/15	09/30/18					
634PEN	PHOCAS Financial Corporation (Domestic Equity)	10/01/15	09/30/18					
632PEN	Redwood Investments, LLC (Domestic Equity)	10/01/15	09/30/18					
637PEN	Semper Capital Management, L.P. (Fixed Income)	10/01/15	09/30/18					
643PEN	Northern Trust Investments, Inc. (Fixed Income)	12/01/15	11/30/18					
642PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income)	12/01/15	11/30/18					
647PEN	Glass, Lewis, & Co., LLC (Proxy Voting Services)	01/01/16	12/31/18					
646PEN	Northern Trust Investments, Inc. (International Equity)	01/01/16	12/31/18					
649PEN	R.V. Kuhns & Associates, Inc. (General Consultant)	03/01/16	02/28/19					
650PEN	Portfolio Advisors, LLC (Private Equity)	04/01/16	03/31/19					
644PEN	Heitman Capital Management, LLC (Real Estate Separate Account)	01/01/16	12/31/19					
645PEN	Sentinel Trust Company (Real Estate Separate Account)	01/01/16	12/31/19					
ADMINISTRATIVE OPERATIONS								
640PEN	Blackman & Holberton (HQ Move Consulting Services)	09/01/15	08/31/16					
641PEN	Haworth, Inc. (HQ Furniture)	08/01/15	12/31/16					
ADMINISTRATIVE SERVICES								
608PEN	Iron Mountain Secure Shredding, Inc. (Secure Document Shredding)	07/01/15	06/30/16					
65515	JPPF 360 E SECOND, L.P. (Brunswick Building Lease)	12/15/86	04/14/17					Final payment is being negotiated.
COMMUNICATIONS AND SPECIAL PROJECTS								
652PEN	Firedrill (Graphic Design Services)	05/05/16	05/04/19		12/17/15		04/07/16	Contract is being drafted.
630PEN	Something Special (Catering)	07/16/15	07/15/16					
607PEN	The Cherry Hill (Website Design and Support)	10/01/14	09/30/17					
648PEN	Four Square Financial Literacy Partners, Inc. (Financial Planning Education)	12/03/15	12/02/18					
DISABILITY PENSION								
623PEN	U.S. Legal Support (Court Reporting)	07/01/15	06/30/16					New Contract No. 654PEN is effective 07/01/16. GM approved contract renewal on 04/19/16.
627PEN	Alpha-One Investigations, Inc. (Investigative Services Contractor)	09/15/15	09/14/18					
628PEN	Examination Management Services, Inc. dba ICS Merrill (Investigative Services Contractor)	09/15/15	09/14/18					Contractor name to change to CoventBridge Group due to recent merger.
INTERNAL AUDIT								
RFP	Annual Financial Statements Audits	tbd	tbd		01/07/16	4/21/2016		Staff recommendations to Audit Committee scheduled for 05/05/16.
555PEN	Brown Armstrong Accountancy Corporation	07/19/12	07/18/16					
LEGAL SERVICES								
C-113244	Berstein Liebhard & Lefshitz (Securities Litigation/Monitoring Services)	03/15/08	03/14/11					
C-113252	Kaplan Fox & Kilsheimer, LLP (Securities Litigation/Monitoring Services)	03/15/08	03/14/11					
-	Kessler Topaz Meltzer & Check (Securities Litigation/Monitoring Services)	03/15/08	03/14/11					
-	Robbins Geller Rudman & Dowd (Securities Litigation/Monitoring Services)	03/15/08	03/14/11					
C-123047	Nossaman, LLP (Investment Services)	06/16/13	06/15/16					Currently evaluating proposals for Investments outside counsel contracts.
C-123109	Foster Pepper, PLLC (Investment Services)	08/01/13	07/31/16					Currently evaluating proposals for Investments outside counsel contracts.

Contract	Vendor / Services	Contract Term		Market Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
C-123757	Reed Smith, LLP (Fiduciary Services)	10/01/13	09/30/16					
C-125199	Nossaman, LLP (Fiduciary Services)	11/10/14	11/09/17					
C-126341	Ice Miller, LLP (Tax Services)	06/16/15	06/15/18					
C-126452	Step toe & Johnson LLP (Tax Services)	09/21/15	09/20/18					
C-123569	Nossaman, LLP (Legal Representation)	09/15/13	until completion					
C-121678	Reed Smith, LLP (Legal Representation)	08/02/12	until completion					
MEDICAL AND DENTAL BENEFITS								
N/A	Los Angeles City Employee Retirement System (Health and Dental Plan Subgroups)	08/22/11	07/31/14					Contract currently under negotiation.
	Los Angeles Firemen's Relief Association (Medical Insurance Administration)	07/01/14	06/30/17					
	Los Angeles Police Relief Association (Medical and Dental Insurance Administration)	07/01/14	06/30/17					
	Los Angeles Police Protective League (Dental Insurance Administration)	08/01/14	07/31/17					
	United Firefighters of Los Angeles City (Medical and Dental Insurance Administration)	09/01/14	08/31/17					
574PEN	Keenan & Associates, Inc. (Health Consulting Services)	03/01/13	02/28/17					
PENSIONS DIVISION (EXECUTIVE)								
625PEN	The Segal Company (Western States), Inc. (Actuarial Consulting Services)	07/01/15	06/30/18					
SYSTEMS								
603PEN	Center for Internet Security, Inc. (Network Security Monitoring)	03/01/14	02/28/17					
610PEN	EMC Corporation (Documentum)	10/01/14	09/30/17					
611PEN	Verizon Terremark (Disaster Recovery Services)	12/04/14	12/03/17					
552PEN	Buck Consultants, LLC (OnPoint Software)	05/01/12	04/30/18					
616PEN	AT&T (CALNET3 Phone)	11/15/13	06/30/18					
617PEN	AT&T (CALNET3 Data)	11/15/13	06/30/18					
619PEN	Verizon (CALNET3 Phone)	11/15/13	06/30/18					
620PEN	Verizon (CALNET3 Data)	03/26/14	06/30/18					
575PEN	LRWL, Inc. (Pension Administration System Consulting Services)	06/01/13	12/31/18					
521PEN	Northern Trust Company (Benefit Payment System)	05/20/13	05/19/19				04/21/16	Contract extended until 05/19/19.
626PEN	Xerox State and Local Solutions, Inc. (Pension Administration System Replacement Project)	07/02/15	07/01/23					
HEDGE FUND OF FUNDS PARTNERSHIP AGREEMENTS²								
Subscription Agreements	Bridgewater Associates, Inc. (TIPS and Pure Alpha)	07/31/08	n/a	on-going				

¹ Marketing Cessation: The purpose of this policy is to prevent, and avoid the appearance of, undue influence on the Board or any of its members in the award of all contracts. In accordance with Section 9.0 of the Investment Policy, from the time the search begins with the Board's approval of the minimum criteria for the search until the search ends with the selection of the firm(s) to receive the contract(s), all direct marketing contact with firms that meet the search criteria will be limited to meetings with the Consultant, information sent to the Consultant or Department, questions about the search directed to the Staff or Consultant, one meeting at the Department's office with Staff and any site visits. The Board members, Department Staff or Consultant will accept no entertainment or gifts of any kind from any firm qualifying for the search. This policy does not prohibit contact with potential interview candidates at group social events, educational seminars, conferences, or charitable events so long as there is no direct marketing.

During the three months prior to the renewal of a contract with a firm currently under contract, the Board Members, Department Staff and Consultant will accept no entertainment or gifts from that firm until the contract has been renewed or terminated by the Board. Firms who currently have contracts with the Los Angeles Fire and Police Pension System are allowed to continue contact related to the existing contract with Staff and Consultant.

² Hedge Fund of Funds do not have contracts like our other managers. They have limited partnership agreements that do not have a fixed expiration date. They are on this list to include them in our regular three-year manager review process.

*Expired contracts are listed in red. Expired investments contracts will remain on the list if the market cessation period is active and until a new contract is awarded.

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF SEPTEMBER 16, 2015

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Wednesday, September 16, 2015.

COMMISSIONERS PRESENT: Robert von Voigt, President
Pedram Salimpour, Vice President
George Aliano
Cielo Castro
Sam Diannitto (participated telephonically)
Ruben Navarro
Corinne Tapia

COMMISSIONER ABSENT: Adam Nathanson
Belinda Vega

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Tom Lopez, Chief Investment Officer
Joseph Salazar, Assistant General Manager
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant Deputy City Attorney

President von Voigt called the meeting to order at 8:43 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Tapia who arrived at 8:52 a.m.

A. ITEMS FOR BOARD ACTION

1. EVALUATION OF THE GENERAL INVESTMENT CONSULTANT RVK AND POSSIBLE BOARD ACTION

Mr. Tom Lopez, Chief Investment Officer, introduced Ms. Rebecca Gratsinger and Mr. Ryan Sullivan from RVK. Mr. Lopez stated that RVK received high marks in the survey results from the Board and staff and confirmed that when RVK was hired, either Ms. Gratsinger or

Mr. Voytko would attend the Board meetings. Commissioner Navarro complimented RVK's rating and inquired about the staff score for the section entitled, 'Consultant is providing value to the fund'. Mr. Lopez said that he thought that was the case. Commissioner Aliano stated that he is satisfied with the results.

RESOLUTION 16036

Commissioner Navarro moved that the Board review the results of the General Investment Consultant Survey and discuss the results with the Board's General Investment Consultant, RVK, Inc., which was seconded by Commissioner Castro and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, and President von Voigt – 6; nays, none.

2. ANNUAL INVESTMENT POLICY REVIEW AND POSSIBLE BOARD ACTION

Commissioner Tapia arrived at 8:52 a.m.

Messrs Tom Lopez, Chief Investment Officer, and Rick Rogers, Investment Officer III, were before the Board. Mr. Rogers presented the reports and overview of the attachments. He recognized Mr. Paul Palmer and Ms. Annie Chao for their efforts on the policy updates.

Commissioner Aliano requested details about the redlined first page of the attachment. Commissioner Castro discussed the proposed amendment to the Proxy Voting Policy.

RESOLUTION 16037

Commissioner Castro moved that the Board:

1. Approve the proposed amendments to the Policy Review Due Dates page;
2. Approve the proposed amendment to the Rebalancing Policy;
3. Affirm its previous approval of the amendment to the Real Estate Policy;
4. Approve the proposed amendment to the Proxy Voting Policy; and,
5. Discuss any other desired amendments to the Investment Policies, which seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and President von Voigt – 7; nays, none.

Items G1 and G2 were taken out of order.

G.1&2 - DISABILITY CASES

Deputy City Attorney Josh Geller took the city attorney chair.

DISABILITY CLAIM – NEW CLAIMS – TIER 5

Mark R. Zimmerman (P) Sergeant II

As recommended by Staff and concurred in by the applicant, service-connected disability pension is granted at 55% with no foreseeable purpose for review. Motion made by Commissioner Salimpour, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and President von Voigt – 7; nays, none. Officer Zimmerman was not present but was represented by Joon Y. Kim, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee.

Frank S. Omori (P) Detective I

As recommended by Staff and concurred in by the applicant, service-connected disability pension is granted at 90% with no foreseeable purpose for review. Motion made by Commissioner Castro, seconded by Commissioner Aliano and adopted by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and President von Voigt – 7; nays, none. Detective Omori was not present but was represented by Corina Lee, Los Angeles Police Protective League.

Assistant City Attorney Alan Manning took the city attorney chair.

B. REPORTS TO THE BOARD

1. MINORITY, WOMEN, AND DISABLED VETERAN OWNED BROKER USAGE REPORT

Ms. Miki Shaler, Management Analyst II, was available for questions. The board report was received and filed without discussion.

2. CYBER SECURITY POSTURE FOR LAFPP AND OUR BUSINESS PARTNERS

Messrs Bob Yan, Information Systems Analyst II, and Jimmy Lindsey, Systems Programmer III, presented a brief update. The board report was received and filed.

3. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

4. General Manager's Report

a. Monthly Report

General Manager Ciranna gave the following updates:

1. The IRC Audit report will be on the October 1st agenda,
2. Regarding the Commission request from 9/3/15 concerning closed session Disability hearings and who can be present in the room during the hearing, it is being researched and an update will be provided in the near future.
3. The move to the new LAFPP headquarters is going forward as scheduled.

Commissioner Castro requested details about the contract start dates on the emerging managers. General Manager Ciranna stated that five of the seven are in place and two are still being worked on.

Public comment was provided by Ms. Elsa Moy.

Commissioner Aliano commented on page 12 of the Monthly Report.

b. Marketing Cessation Information

c. Benefits Actions approved by General Manager on September 3, 2015

Pursuant to Resolution 04008, adopted by the Board of Fire & Police Pension Commissioners on August 7, 2003, the following benefit actions have been approved by the General Manager on September 3, 2015.

DISCONTINUED PENSIONS – TIER 1 – 1

A. L. Hartsfield, Jr.	Fire Service	Retired:	01-23-61	Died:	10-31-14
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DISCONTINUED PENSIONS – TIER 2 – 15

Francis A. Gritt	Fire Service	Retired:	06-29-80	Died:	06-25-15
Jack E. Chiquet	Police Service	Retired:	03-15-69	Died:	08-01-15
Carlos L. Lillywhite	Police Service	Retired:	06-30-78	Died:	07-30-15
Charles M. Loust	Police Service	Retired:	09-01-77	Died:	07-07-15
Oscar Marin	Police Service	Retired:	08-29-76	Died:	07-17-15
Alton D. Proudfoot	Police Service	Retired:	06-29-80	Died:	07-22-15
Jack Fitzgerald	Fire Disability	Retired:	08-31-95	Died:	06-11-15
Elsa D. Mc Gann	Police Disability	Retired:	04-21-83	Died:	07-29-15
Marie V. Brown	Fire Widow	Retired:	07-01-08	Died:	08-06-15
Carmen S. Coffman	Fire Widow	Retired:	12-18-08	Died:	05-16-15
Adeline H. Georgi	Fire Widow	Retired:	12-18-10	Died:	07-12-15
Elsa D. Mc Gann	Police Widow	Retired:	11-02-13	Died:	07-29-15
Gloria L. Rossetti	Police Widow	Retired:	07-20-88	Died:	07-15-15
Grace V. Steele	Police Widow	Retired:	05-24-01	Died:	07-22-15
Norma J. Wittmayer	Police Widow	Retired:	09-05-08	Died:	07-27-15

DISCONTINUED PENSIONS – TIER 5 – 1

John S. Holloway Fire Service Retired: 07-27-03 Died: 06-11-15

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Lettie E. Steele Police Widow Retired: 05-24-01 Spouse Died: 07-22-15

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 5

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Rhea I. Chiquet	Jack E. Chiquet	Police Service	08-02-15
Virginia L. Lillywhite	Carlos L. Lillywhite	Police Service	07-31-15
Julia A. Marin	Oscar Marin	Police Service	07-18-15
Vicky R. Proudfoot	Alton D. Proudfoot	Police Service	07-23-15
Darlene L. Fitzgerald	Jack Fitzgerald	Fire Disability	06-12-15

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 5 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Carol A. Holloway	John S. Holloway	Fire Service	06-12-15

SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 2 – 2

<u>Name</u>	<u>Member’s Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Frank W. Borden	Fire Service	09-01-15	30%
Barry M. Wade	Police Service	09-01-15	30%

SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 5 – 1

<u>Name</u>	<u>Member’s Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
John D. Nichols	Police Service	09-01-15	35%

SURVIVOR BENEFIT PURCHASE PROGRAM VESTED MEMBERS – TIER 2 – 2

<u>Name</u>	<u>Member’s Class</u>	<u>Effective Date</u>	<u>Vested Date</u>	<u>Survivor Benefit %</u>
Thomas A. Finn	Police Service	09-01-14	09-01-15	30%
William C. Harper	Police Disability	09-01-14	09-01-15	30%

SURVIVING CHILD’S PENSION – TIER 5 – 3

Surviving child benefits are now payable to Corben S. Harris, surviving child of deceased Apparatus Operator, Bret H. Harris, effective September 1, 2015 due to the attainment of age 18 and the continuation of full-time student status.

Surviving child benefits are now payable to Kaylen R. Kemper, surviving child of deceased Fire Captain II, Lane A. Kemper, effective September 13, 2015, due to the attainment of age 18 and the continuation of full-time student status.

Surviving child benefits are now payable to Kelsey L. Kemper, surviving child of deceased Fire Captain II, Lane A. Kemper, effective September 13, 2015, due to the attainment of age 18 and the continuation of full-time student status.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 5 – 2

Decrease the pension payable to Rose Kemper, surviving spouse of deceased Fire Captain II, Lane A. Kemper, due to the attainment of age 18 and the continuation of full-time student status by Kaylen R. Kemper and Kelsey L. Kemper, effective September 13, 2015.

Decrease the pension payable to Lori A. Kilker, surviving spouse of deceased Apparatus Operator, Bret H. Harris, due to the attainment of age 18 and the continuation of full-time student status by Corben S. Harris, effective September 1, 2015.

INCREASE MINOR CHILD'S PENSION – TIER 2 – 1

Increase the pension payable to Nidia I. Morales-Ryan as the Guardian of Arthur D. Ryan, minor child of deceased Sergeant, Edward W. Ryan, effective September 9, 2015, due to the attainment of age 18 by Edward W. Ryan, II.

DISCONTINUE GUARDIANSHIP – TIER 2 – 1

Discontinue the pension payable to Nidia I. Morales-Ryan as the Guardian of Edward W. Ryan, II, minor child of deceased Sergeant, Edward W. Ryan, effective September 8, 2015, due to the attainment of age 18 on September 9, 2015.

DISCONTINUE GUARDIANSHIP – TIER 5 – 1

Discontinue the pension payable to Robert M. Vandenberg as the Guardian of Christopher R. Vandenberg, minor child of deceased Sergeant I, Elizabeth A. Vandenberg, effective September 4, 2015, due to the attainment of age 18 on September 5, 2015.

Pension benefits will be paid to Christopher R. Vandenberg, as he remains a full-time student.

SERVICE PENSION – TIER 5 – 2

Police

Yin Y. Leung	Lieutenant I	Eff:	08-09-15	28	Years	255	Days
Michelle G. Rodriguez	Police Officer III	Eff:	07-26-15	21	Years	13	Days

SERVICE PENSION/DROP – TIER 3 – 5

Police

Ruben S. Carrillo	Police Officer III	Eff:	07-01-15	28	Years	0	Days
Alfonso Cisneros	Police Officer II	Eff:	07-01-15	25	Years	54	Days
Ronnie D. Daniels	Police Officer III	Eff:	06-01-15	26	Years	91	Days
Deborah A. Gourman	Sergeant I	Eff:	02-02-15	25	Years	23	Days
Derwin C. Henderson	Sergeant I	Eff:	03-02-15	26	Years	267	Days

SERVICE PENSION/DROP – TIER 4 – 3

Fire

William A. Sanchez	Captain II	Eff:	07-02-15	28	Years	111	Days
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Police

Arturo M. Covarrubias	Police Officer III	Eff:	07-01-15	25	Years	37	Days
James S. Goossen	Detective III	Eff:	03-02-15	26	Years	72	Days

SERVICE PENSION/DROP – TIER 5 – 25

Fire

Jerome A. Boyd	Battalion Chief	Eff:	05-02-15	28	Years	126	Days
Robert W. Conti	Firefighter III	Eff:	04-04-15	28	Years	340	Days
Ralph E. Davis	Engineer	Eff:	05-09-15	28	Years	238	Days
Edmundo Elguea	Captain I	Eff:	04-01-15	35	Years	58	Days
Jose M. Figueroa	Engineer	Eff:	06-03-15	33	Years	0	Days
Rick A. Godinez	Captain II	Eff:	04-08-15	30	Years	145	Days
Ricky M. Herrera	Firefighter III	Eff:	05-07-15	27	Years	283	Days
Paul R. Obregon	Apparatus Operator	Eff:	07-01-15	26	Years	3	Days
Matthew L. Ott	Captain I	Eff:	06-02-15	27	Years	239	Days

Police

David D. Bachman	Lieutenant II	Eff:	05-01-15	25	Years	48	Days
Hans P. Baemayr	Detective II	Eff:	06-01-15	26	Years	2	Days
Gerald L. Ballesteros	Police Officer III +1	Eff:	05-01-15	27	Years	72	Days
Dino D. Campodonico	Police Officer II	Eff:	06-01-15	26	Years	87	Days
Susan L. Carnahan	Police Officer III	Eff:	06-01-15	25	Years	5	Days
Michael A. Castaneda	Sergeant I	Eff:	07-01-15	26	Years	19	Days
Jeffrey B. Childs	Detective II	Eff:	07-01-15	27	Years	280	Days
Vincent J. Correa	Police Officer II	Eff:	06-01-15	25	Years	15	Days
Neil M. Coward	Police Officer III	Eff:	07-01-15	27	Years	356	Days
David J. Cueto	Sergeant I	Eff:	04-01-15	26	Years	327	Days
Cheryl K. Gonzalez	Detective II	Eff:	02-02-15	26	Years	99	Days
Robert F. Green	Deputy Chief I	Eff:	03-02-15	34	Years	354	Days
Robert W. Harrell	Police Officer II	Eff:	03-04-15	25	Years	5	Days
Theodore Jara	Police Officer II	Eff:	02-01-15	25	Years	78	Days
Steve J. Razo	Detective II	Eff:	07-01-15	26	Years	33	Days

William A. Segee, Jr. Detective III Eff: 07-13-15 25 Years 173 Days

DISCONTINUE DROP – TIER 5 – 1

Police

Beverly Y. Beasley Retired: 02-19-14 Exit Close of: 08-31-15

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 3 - 1 CORRECTION

<u>Name</u>	<u>Member's Rank</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Israel Ramirez (Miriam B. Ramirez)	Detective II	NSC w/o prejudice: 80% of pension benefit + 2 minor children	07-10-15

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Marissa A. Guiral (Claude A. Guiral)	Police Officer III	NSC w/o prejudice 40%	06-27-15

d. Other business relating to Department operations

C. COMMITTEE CALENDAR

1. Audit Committee – Last met: 07/16/15; next meeting: 10/01/15
3. Benefits Committee – Last met: 04/02/15; next meeting: 10/01/15
4. Governance Committee – Last met: 08/06/15; next meeting: 11/05/15

D. CONSENT ITEMS

Approval of Minutes of the Governance Committee of May 21, 2015

MOTION

Commissioner Navarro moved that the Board approve the consent items, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia and President von Voigt – 7; nays, none.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Aliano commented that once a motion is made it belongs to the Board, there is no turning back by the maker of the motion, and you do not need a unanimous vote to accept an amendment to a motion. He stated it was an observation only and not to be considered as a

future agenda item by the Board.

F. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION

There was no public comment.

G.3 DISABILITY CASE

Deputy City Attorney Josh Geller took the city attorney chair.

DISABILITY CLAIM – NEW CLAIM – TIER 3

Damon Wing

(F)

Apparatus Operator

Service-connected disability pension is granted at 65% with no foreseeable purpose for review. Motion made by Commissioner Tapia, seconded by Commissioner Salimpour and adopted by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and President von Voigt – 7; nays, none. Apparatus Operator Wing was present and represented himself.

Assistant City Attorney Alan Manning took the city attorney chair.

The Board recessed at 9:34 a.m.

President von Voigt left the meeting at 9:39 a.m. Vice President Salimpour chaired the remainder of the meeting.

The Board reconvened for closed session at 9:58 a.m.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, OR RECEIVE ADVICE FROM, LEGAL COUNSEL WITH REGARD TO PENDING LITIGATION, IN TWO (2) CASES:
 - (a) *OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF MOTORS LIQUIDATION COMPANY fka GENERAL MOTORS CORPORATION vs. JPMORGAN CHASE NA, INDIVIDUALLY AND AS ADMINISTRATIVE AGENT, et al.* (UNITED STATES BANKRUPTCY COURT, SOUTHERN DISTRICT OF NEW YORK, CHAPTER 11 CASE NO. 09-50025 (REG), ADVERSARY CASE NO. 09-00504 (REG))

The Board met in closed session.

(b) THE CITY OF LOS ANGELES, LOS ANGELES FIRE & POLICE PENSION ex rel MARCELLUS TAYLOR, vs. DEUTSCHE BANK, AG, et al, (UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA CASE NO. 2:15-cv-05343-RGK-RAOx)

The Board met in closed session.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): BOARD REVIEW OF THE CITY ATTORNEY ANNUAL PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

The Board met in closed session.

Upon reconvening in open session at 10:27 a.m., Vice President Salimpour stated there was no report.

The meeting adjourned at 10:29 a.m.

President

Secretary

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF SEPTEMBER 16, 2015

The Benefits Committee and members of the Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Wednesday, September 16, 2015.

COMMITTEE

MEMBERS PRESENT: George Aliano, Chair
Pedram Salimpour, Vice Chair
Ruben Navarro
Robert von Voigt (pro tempore)

COMMITTEE

MEMBER ABSENT: Adam Nathanson

OTHER MEMBERS PRESENT: Cielo Castro
Sam Diannitto

BENEFITS COMMITTEE

SUPPORT STAFF: Joseph Salazar, Assistant General Manager

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Raymond Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Chair George Aliano called the meeting to order at 8:35 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Salimpour who arrived at 8:38 a.m. President von Voigt temporarily removed Commissioner Nathanson from the Benefits Committee, and appointed himself to establish a quorum of three members. The Benefits Committee meeting will be noted as a Special Board meeting since a quorum of the Board was present.

Item 2 was taken out of order.

2. CITY MANAGEMENT AUDIT RECOMMENDATION ASSIGNED TO THE MEDICAL AND DENTAL BENEFITS SECTION AND POSSIBLE COMMITTEE ACTION

Commissioner Salimpour arrived to the meeting at 8:38 a.m.

Chair Aliano introduced the topic. Messrs Anthony Torres, Senior Management Analyst II, and Joseph McGlinchey, Management Analyst II, from the Medical & Dental Benefits Section, Pensions Division were before the Committee. Mr. Torres presented an overview of the verification process of the health subsidy transactions in comparison to the pension roll. He believed it was a misunderstanding of HEK that they did not understand the process and that the HEK recommendation was not clear. The recommendation before the Committee was to retain the current controls in place.

MOTION

Commissioner Navarro moved that the Benefits Committee:

1. Review the analysis from the Medical and Dental Benefits Section regarding Hewitt EnnisKnupp Audit Recommendation #32; and,
2. Recommend that the full Board review and determine that the existing controls are adequate and acceptable, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Navarro, Salimpour, von Voigt, and Chair Aliano - 4; nays, none.

1. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

There were no public comments.

The meeting was adjourned at 8:43 a.m.

Chair

Secretary