



September 14, 2023

The Honorable Members of the
Budget, Finance and Innovation Committee
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, CA 90012

Attention: Holly L. Wolcott, City Clerk

**COUNCIL TRANSMITTAL: LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM RESPONSE TO C.F. 21-0600-S30 REGARDING
DIVERSITY AND EQUITY/EMERGING INVESTMENT MANAGEMENT
FIRMS**

Honorable Members:

On May 2, 2023, at the Budget, Finance and Innovation Committee Meeting, Councilmember Curren D. Price Jr. requested a report back from the Los Angeles City Employees' Retirement System (LACERS) on actions to increase diversity and equity in LACERS Investment Program and to consider greater utilization of emerging investment management firms. The attached report addresses LACERS diversity and equity efforts and LACERS utilization of emerging investment management firms.

Sincerely,

A handwritten signature in black ink that reads "Neil M. Guglielmo".

NEIL M. GUGLIELMO, General Manager
Los Angeles City Employees' Retirement System

NMG/RJ:ek

Attachment

c: Jeanne Holm, Deputy Mayor, Office of the Mayor
Matthew W. Szabo, City Administrative Officer
Janelle Irving, CAO
Sharon Tso, CLA

**LA CITY EMPLOYEES'
RETIREMENT SYSTEM**

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Los Angeles, CA
90051-0218

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lacers.services@lacers.org

KAREN BASS

Mayor of the City of Los Angeles

**LACERS BOARD OF
ADMINISTRATION**

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LACERS EXECUTIVE STAFF

Neil M. Guglielmo
General Manager
Todd Bouey
Executive Officer
Dale Wong-Nguyen
Assistant General Manager
Rodney June
Chief Investment Officer

ATTACHMENT



REPORT ON LACERS EMERGING MANAGER PROGRAM

AUGUST 2023

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Executive Summary

At the Budget, Finance and Innovation Committee Meeting of May 2, 2023, Councilmember Curren D. Price, Jr. requested a report from the Los Angeles City Employees' Retirement System (LACERS) on investment management firms under contract by LACERS that were initially hired as emerging managers and have subsequently outgrown LACERS' policy criteria to be considered an emerging manager (i.e., have "graduated" from the emerging manager category).

Since the adoption of the LACERS Emerging Investment Manager Policy (the Policy) in 2012, LACERS has retained 28 of the 29 emerging managers it has hired, and those 28 firms currently manage a total of approximately \$1.3 billion in assets for LACERS, or approximately 5.8% of LACERS' total portfolio market value as of August 31, 2023. Of these firms, five managers (three public markets managers and two private markets managers) have grown firm assets to a sufficient size to no longer be considered emerging managers as defined in the Policy. To date, these five firms collectively manage approximately \$715 million of LACERS' assets, or approximately 3.2% of LACERS' total portfolio.

This report also provides information on LACERS investment contracts with diverse-owned investment firms (firms with at least 50% ownership from an underrepresented group*). To date, diverse-owned firms under contract with LACERS collectively manage approximately \$4.6 billion of LACERS' assets, or approximately 20.6% of LACERS' total portfolio. Further, LACERS has undertaken several key outreach initiatives to ensure that all qualified investment management firms have a fair and equal opportunity to compete for LACERS' investment capital, as discussed in detail at the end this report, while simultaneously complying with the non-preferential contracting requirements imposed by Proposition 209.

*Including but not limited to individuals identifying as Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander; individuals identifying as LGBTQIA+; individuals with disabilities; and veterans.

LACERS Emerging Investment Manager Policy

In 2012, LACERS adopted the Emerging Investment Manager Policy with a goal to hire and retain emerging managers that would otherwise not be identified in the standard LACERS investment manager search process. While emerging manager firms are smaller investment management firms, industry research suggests that such firms are oftentimes also diverse-owned businesses. The Policy sets a goal of funding these smaller firms at no less than 10% of available capital and provides minimum criteria for a firm to qualify as an emerging manager. Subject to meeting the other criteria of the Policy, a public markets investment manager is categorized as emerging if total firm assets are below \$2 billion. A private equity firm is categorized as emerging if it is: 1) a first-time fund raising less than \$750 million in commitments; 2) a second-time fund raising less than \$1 billion in commitments; or 3) third-time fund raising less than \$1.25 billion in commitments. A private real estate firm is categorized as emerging if it is raising a first-,

second-, or third-time fund that targets less than \$2 billion in commitments. Refer to the attached Policy for more detail including further criteria specific to qualifying as an emerging manager.

LACERS Emerging Manager Program Statistics

As of August 31, 2023, LACERS has hired and retained a total of 28 emerging managers in public markets asset classes (U.S. Equities and Non-U.S. Equities) and private markets asset classes (Private Equity and Private Real Estate) and provided total funding of approximately \$1.3 billion, or 5.8% of total fund assets, to these firms as presented in Table 1 below.

Table 1. LACERS' Emerging Managers Under Contract

Asset Class	Number of Emerging Managers Hired	Assets Managed by or Committed to Emerging Managers	Asset Class Market Value ¹	% of Asset Class
U.S. Equities	2	\$ 208,765,127	\$ 4,351,755,558	4.80%
Non-U.S. Equities	1	316,004,153	5,445,946,634	5.80%
Core Fixed Income	-	-	3,176,558,185	-
Credit Opportunities	-	-	1,954,535,081	-
Public Real Assets	-	-	1,521,373,662	-
Private Equity	21	626,510,000	4,112,874,450	15.23%
Private Real Estate	4	135,000,000	1,303,539,318	10.36%
Cash	-	-	399,075,330	-
Total:	28	\$ 1,286,279,280	\$ 22,265,658,218	

¹ Data as of August 31, 2023

Table 1 includes five firms that were initially hired by LACERS as emerging managers, but have since outgrown the Policy definition, as discussed in further detail in the following sections of this report. Collectively, these firms who have “graduated” from the Emerging Manager Program continue to manage approximately \$715 million in assets for LACERS, or approximately 3.2% of LACERS' total portfolio.

Emerging Managers in LACERS' Public Markets Portfolio

Three of the five graduated firms manage LACERS funds in the public markets asset classes of U.S. Equities and Non-U.S. Equities, as presented in Table 2. Subsequent to their hire dates, all three firms successfully grew their total assets under management beyond the \$2 billion criteria limit defined by the Policy and are no longer considered emerging managers. These graduated firms continue to manage approximately \$525 million of LACERS' assets.

Table 2. Emerging Managers in LACERS' Public Markets Portfolio

No. of Firms	Firm/Strategy	Hire Date	Market Value as of August 31, 2023
1	EAM Investors U.S. Small Cap Growth Equities	2015	\$ 87,935,347
2	Granahan Investment Management U.S. Small Cap Growth Equities	2020	120,829,780
3	Oberweis Asset Management Non-U.S. Small Cap Equities	2014	316,004,153
		Total:	\$ 524,769,280

Tables 1 and 2 do not reflect the investment firm, Bernzott Capital Advisors, an emerging public markets small cap equity manager that was hired in August 2020, but subsequently terminated three months later due to organizational changes. At the time of termination, the firm managed approximately \$165 million of LACERS' assets.

Emerging Managers in LACERS' Private Equity Portfolio

Within the Private Equity Portfolio, LACERS contracts with 21 firms, across 35 commingled funds, that were initially hired as emerging managers. LACERS has funded these firms with a total of approximately \$627 million in commitments as presented in Table 3. One firm in the Private Equity Portfolio has graduated from emerging manager status.

Table 3. Emerging Managers in LACERS' Private Equity Portfolio

No. of Firms	Firm/Fund	Vintage Year	Commitment
1	1315 Capital		
	1315 Capital LP	2015	\$ 30,000,000
	1315 Capital II LP	2018	10,000,000
	1315 Capital III LP	2022	10,000,000
2	Angeles Equity Partners I LP	2015	10,000,000
3	Astra Partners I LP	2017	10,000,000
4	Auldbrass Partners Secondary Opportunity Fund III LP	2021	20,000,000
5	Avance Investment Partners LP	2021	20,000,000
6	Biospring Partners Fund LP	2020	20,000,000
7	Blue Sea Capital Fund I LP	2013	10,000,000
8	Builders VC Fund II LP	2021	10,000,000
9	CenterGate Capital Partners I	2015	10,000,000
10	Defy Partners		
	Defy Partners I LP	2017	10,000,000
	Defy Partners II LP	2019	18,010,000
	Defy Partners III LP	2021	20,000,000
11	High Road Capital Partners II	2013	25,000,000
12	L2 Point Opportunities I LP	2022	30,000,000
13	LightBay Investment Partners II LP	2022	25,000,000
14	Mill Point Capital Partners		
	Mill Point Capital Partners LP	2017	10,000,000
	Mill Point Capital Partners II LP	2021	11,000,000
15	New Water Capital I	2015	10,000,000
16	NMS Capital		
	NMS Fund III LP	2017	10,000,000
	NMS Fund IV LP	2020	40,000,000
17	Oak HC-FT Partners*		
	Oak HC-FT Partners LP	2014	10,000,000
	Oak HC-FT Partners II LP	2017	10,000,000
	Oak HC-FT Partners III LP	2019	25,000,000
	Oak HC-FT Partners IV LP	2021	40,000,000
	Oak HC-FT Partners V-A LP	2022	50,000,000
18	OceanSound Partners		
	OceanSound Partners Fund LP	2019	20,000,000
	OceanSound Partners Fund II LP	2023	25,000,000
19	P4G Capital Partners I LP	2018	10,000,000
20	Sunstone Partners		
	Sunstone Partners I LP	2015	7,500,000
	Sunstone Partners II LP	2020	10,000,000
	Sunstone Partners III LP	2022	20,000,000
21	Ulu Ventures		
	Ulu Ventures Fund III LP	2020	10,000,000
	Ulu Ventures Fund IV LP	2023	20,000,000
	Total:		626,510,000

*Oak HC-FT Partners qualified as an emerging manager pursuant to the Policy at the time commitments were made to the first and second funds in 2014 and 2017, respectively. The firm was no longer considered an emerging manager beginning with the third fund commitment made in 2019.

Emerging Managers in LACERS' Private Real Estate Portfolio

Within the Private Real Estate Portfolio, LACERS contracts with four firms, across five commingled funds, that were initially hired as emerging managers. LACERS has funded these firms with a total of approximately \$135 million in commitments as presented in Table 4. One firm in the Private Real Estate Portfolio has graduated from emerging manager status.

Table 4. Emerging Managers in LACERS Real Estate Portfolio

No. of Firms	Firm/Fund	Vintage Year	Commitment
1	Asana Partners**		
	Asana Partners Fund I	2017	\$ 20,000,000
	Asana Partners Fund II	2019	35,000,000
2	Broadview Real Estate Partners Fund, L.P.	2019	20,000,000
3	Gerrity Retail Fund 2	2015	20,000,000
4	NB Partners IV, L.P.	2022	40,000,000
	Total		\$ 135,000,000

**Asana Partners qualified as an emerging manager pursuant to the Policy at the time the commitment was made to the first fund in 2017. The firm was no longer considered emerging at the time the second fund commitment was made in 2019.

Diverse-Owned Firms Currently Managing Assets of the LACERS Portfolio

LACERS staff, with the assistance of LACERS' investment consultants, surveyed investment management firms under contract by LACERS to identify firms that are diverse-owned (at least 50% of firm ownership is from an underrepresented group). This data was voluntarily provided by firms. Of 220 total firms under contract by LACERS, data was received from 192 firms and is presented in Table 5. The information is aggregated by asset class to maintain confidentiality requests from individual firms. In total, LACERS contracts with 24 investment management firms that are diverse-owned and has funded these firms with approximately \$4.6 billion in assets, representing approximately 21% of the total LACERS portfolio.

Table 5. Diverse-Owned Managers in LACERS Portfolio

Asset Class	Number of Diverse Owned Managers Hired	Assets Managed by or Committed to Diverse Owned Managers	Asset Class Market Value ¹	% of Asset Class
U.S. Equities	1	\$ 3,452,187,045	\$ 4,351,755,558	79.33%
Non-U.S. Equities	-	-	5,445,946,634	-
Core Fixed Income	1	365,417,139	3,176,558,185	-
Credit Opportunities	-	-	1,954,535,081	-
Public Real Assets	-	-	1,521,373,662	-
Private Equity	22	766,510,000	4,112,874,450	18.64%
Private Real Estate	-	-	1,303,539,318	-
Cash	-	-	399,075,330	-
Total:	24	\$ 4,584,114,184	\$ 22,265,658,218	

¹ Data as of August 31, 2023

Diverse-Owned Firms Previously Managing Assets of the LACERS Portfolio

LACERS staff also compiled diversity information on firms that previously managed assets for LACERS between the years 2001 and 2021. The data was collected using available records and was limited to the public markets asset classes; data was not available for the private markets asset classes. In total, five firms that previously managed assets in the U.S. Equities asset class (four firms) and Core Fixed Income asset class (one firm) were diverse-owned; these firms collectively managed a total \$627 million of LACERS assets based on assets managed at the time of termination. The contracts with these firms were terminated due to underperformance of the investment strategies or portfolio restructurings resulting from asset allocation changes. The names of these firms are withheld for confidentiality reasons.

Key Outreach Initiatives to Emerging and Diverse Investment Firms

The goal of LACERS' investment policies, including the Emerging Investment Manager Policy, is to ensure that LACERS contracts with only the most qualified investment managers in order to generate appropriate risk-adjusted returns to meet LACERS' long-term financial objectives consistent with the fiduciary duties that it owes to its members and beneficiaries, and to help manage the City's pension costs.

To ensure a broad and deep reach into the emerging investment manager community, LACERS conducts extensive outreach efforts using multiple approaches to ensure that emerging managers are notified of manager hiring opportunities and educated on manager selection processes. These efforts include:

1. LACERS Emerging Manager Symposiums and Networking Forums
2. Staff "Open Door" scheduled meetings with emerging managers
3. Competitive manager searches advertised through diverse industry organizations including the New American Alliance, National Association of Securities Professionals, National Association of Investment Companies, and the Association of Asian American Investment Managers.
4. Attendance and speaking roles at investment conferences sponsored by notable diversity organizations such as SEO (Seizing Every Opportunity), Toigo Foundation, Women's Alliance, National Association of Securities Professionals (NASP), National Association of Investment Companies (NAIC), New America Alliance (NAA), and Association of Asian American Investment Managers (AAAIM).
5. Collection of organizational diversity data for hired and prospective investment managers through LACERS' Organizational Diversity Survey form (attached), which is used to improve LACERS' outreach to underrepresented populations
6. LACERS' Emerging Manager Resource Library, which provides information on how to do business with LACERS including an explanation of the manager selection process
7. Using social media platforms to extend LACERS' reach to emerging managers

Conclusion

This report summarizes and describes LACERS' Emerging Investment Manager Program and LACERS' efforts to develop a high-performing investment program that includes diverse-owned firms. The LACERS Board, executive team, and investment staff all take tremendous pride in what we have accomplished over the past decade. We hope that City leadership is equally proud and appreciates that this has been done while maintaining the highest ethical standards and fulfilling the Board's Charter-mandated fiduciary duties.

Exhibits:

- 1) LACERS Emerging Investment Manager Policy
- 2) LACERS Organization Diversity Survey

ARTICLE III. BOARD INVESTMENT POLICIES

Section 4 EMERGING INVESTMENT MANAGER POLICY

IX. EMERGING INVESTMENT MANAGER POLICY**A. Policy Objectives**

The objective of this Emerging Investment Manager Policy ("Policy") is to identify investment firms with the potential to add value to the LACERS investment portfolio ("Fund") that would otherwise not be identified by the standard LACERS institutional investment manager search process. The Board believes that smaller investment management organizations may generate superior performance returns because of the increased market flexibility associated with smaller asset bases. The Policy provides criteria for LACERS to identify appropriate investment management organizations in their early business stages.

Consistent with the Board's fiduciary responsibility, the goal of this Policy is to locate and fund emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk. LACERS may consider an emerging investment manager mandate as part of any investment manager search undertaken by the Board, after Staff and the appropriate fund consultant have determined that the emerging manager return and risk characteristics of the mandate under consideration are no less favorable than comparable, non-emerging investment manager opportunities available for that mandate.

The Board recognizes that emerging investment managers may not possess the organizational depth and resources of larger investment management firms, and may represent a greater business risk. The Board also recognizes that prudent management of the System requires that emerging investment managers, once retained, will manage significantly smaller amounts of LACERS' assets than larger investment management firms. Each of these issues will result in greater oversight and administrative responsibilities for LACERS' staff, and will consequently be part of the evaluation whenever emerging investment managers are being considered for inclusion in a manager search.

Managers hired pursuant to this Emerging Investment Manager Policy will be held accountable to the same performance, reporting, and retention standards as all other LACERS investment managers within the same asset class.

B. Emerging Investment Manager Goals

Public Markets: The Emerging Investment Manager policy goal for public market asset classes is no less than 10%, provided that Staff and the appropriate fund consultant have determined that the emerging manager return and risk characteristics of the mandate under consideration are no less favorable than comparable, non-emerging investment manager opportunities available for that mandate. During the presentation of the Annual Emerging Manager Report, Staff will report and explain any differences between the policy goal and actual reported exposures; and further explain any Staff and Consultant initiatives planned for the next year in order to achieve the policy goal. Two metrics will be calculated at least annually to compare actual results versus the goal: 1) Asset Class Metric: total market value of all emerging investment managers accounts within a respective public market asset class

Section 4 EMERGING INVESTMENT MANAGER POLICY

divided by total market value of the respective public market asset class; and 2) Manager Search Metric: total dollars approved for contract with an Emerging Manager(s) divided by the total dollars approved for funding the respective investment manager search.

Private Markets: The Emerging Investment Manager policy goal for private market asset classes is no less than 10%, provided that Staff and the appropriate fund consultant have determined that the emerging manager return and risk characteristics of the mandate under consideration are no less favorable than comparable, non-emerging investment manager opportunities available for that mandate. During the presentation of the Annual Emerging Manager Report, Staff will report and explain any differences between the policy goal and actual reported exposures; and further explain any Staff and Consultant initiatives planned for the next year in order to achieve the policy goal. Two metrics will be calculated at least annually to compare actual results versus the goal: 1) Asset Class Metric: total dollar commitments of all emerging investment manager partnerships within a respective asset class divided by the total dollar market value of the respective asset class; and 2) Manager Search Metric: total dollar commitments provided to Emerging Managers within a specific private market asset class divided by the total dollar value of all investment commitments in the same private market asset class over rolling 36-month periods.

C. Emerging Investment Manager Criteria

The following are criteria for firms to gain status at LACERS as an Emerging Investment Manager:

1. Public Market Asset Classes – U.S. Equities, Non-US Equities, Core Fixed Income, Credit Opportunities, and Real Assets
 - a) Firm Assets Under Management: The firm will have no more than \$2 billion in total firm assets under management at the time of hire.
 - b) Strategy Assets Under Management: The firm must have a minimum of \$50 million assets under management in the strategy being considered.
 - c) Formation Date: The firm, if formed as a result of an organizational spin-out of at least a majority of the key investment team senior-level professionals, must have been in existence for a minimum of six months based on the entity's legal formation documents; otherwise the firm must have been in existence for a minimum of one year based on the entity's legal formation documents.
 - d) Track Record: The portfolio manager must have a minimum of five years of verifiable experience managing the strategy being considered. The experience must include a GIPS-compliant performance track history attributable to the portfolio manager for the most recent 36-month period of the five-year verifiable experience requirement.
 - e) Firm Ownership: No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm.

Section 4 EMERGING INVESTMENT MANAGER POLICY

- f) Maximum LACERS' Allocation: At the time of hire, funding in the investment strategy shall not exceed 20% of the total strategy AUM at the time of actual funding.
2. Private Market Asset Classes – Private Equity, Real Assets (not including Real Estate), Credit Opportunities
- a) Institutional Fund: First-, second-, or third-time institutional fund for a General Partner.
 - b) Maximum Fund Size: A first-time institutional fund may have investor commitments of no more than \$750 million, \$1 billion for a second-time institutional fund, and \$1.25 billion for a third-time institutional fund.
 - c) Formation Date: The firm, if formed as a result of an organizational spin-out of at least a majority of the key investment team senior-level professionals, must have been in existence for a minimum of six months based on the entity's legal formation documents; otherwise the firm must have been in existence for a minimum of one year based on the entity's legal formation documents.
 - d) Track Record: The firm must have a minimum track record of five years. Any firm with a track record of less than five years may utilize track records established at prior firms when performance can be clearly attributed to the emerging firm's key individuals and/or the specific team associated with the strategy being considered.
 - e) Firm Ownership: No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm.
 - f) LP Concentration: No Limited Partner can represent more than 30% of the total Fund's committed capital.*
 - g) Minimum Fund Size: The Fund shall have a minimum fund size of \$100 million in committed capital inclusive of LACERS' pending commitment.* For a venture capital fund strategy, the Fund shall have a minimum fund size of \$75 million in committed capital inclusive of LACERS' pending commitment.*
 - h) Maximum LACERS' Commitment: LACERS' commitment in the strategy being considered shall not exceed 10% of the projected final closing fund size or \$30 million, whichever is lower.
- *Excludes co-investments or sidecar investment vehicles.*
3. Private Market Asset Class – Private Real Estate
- a) Institutional Fund: First-, second-, or third-time institutional fund for a given General Partner.
 - b) Maximum Fund Size: The institutional fund may have investor commitments of no more than \$2 billion.
 - c) Formation Date: The firm, if formed as a result of an organizational spin-out of at least a majority of the key investment team senior-level professionals, must have been in existence for a minimum of six months based on the entity's legal formation

Section 4 EMERGING INVESTMENT MANAGER POLICY

documents; otherwise the firm must have been in existence for a minimum of one year based on the entity's legal formation documents.

- d) Track Record: The firm must have a minimum track record of five years. Any firm with a track record of less than five years may utilize track records established at prior firms when performance can be clearly attributed to the emerging firm's key individuals and/or the specific team associated with the strategy being considered.
- e) Firm Ownership: No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm.
- f) LP Concentration: No Limited Partner can represent more than 30% of the total Fund's capital.*
- g) Minimum Fund Size: The Fund shall have a minimum fund size of \$150 million in committed capital inclusive of LACERS pending commitment.*
- h) Maximum LACERS' Commitment: LACERS' commitment in the strategy being considered shall not exceed 10% of the projected final closing fund size or \$30 million, whichever is lower. LACERS' commitment in the strategy for second- and third-time institutional funds shall not exceed 20% of the projected final fund closing size or \$40 million, whichever is lower.

**Excludes co-investments or sidecar investments.*

D. Provisions for Post-Emerging Firms

1. Public Markets

LACERS expects that successful emerging investment management firms will grow beyond the maximum \$2 billion in assets under management. An emerging investment manager firm under contract to LACERS that successfully grows its assets under management and meets the minimum investment manager search criteria may be considered for a larger-sized mandate subject to (at minimum) meeting the Manager Search and Selection Criteria provided in the LACERS Manager Search and Selection Policy (Section VII of this document).

2. Private Markets

LACERS expects that successful emerging investment management firms will grow beyond raising first-, second-, and third-time partnership funds. Opportunities for participating in subsequent funds may be considered provided that the strategy meets the criteria of LACERS' Private Equity Investment Policy, Private Real Estate Investment Policy, Credit Opportunities Strategy Statement, or another asset class policy unique to a respective private markets mandate.

E. Research, Education and Outreach

The Board believes that research and education are essential components of formulating approaches and developing outreach programs to reach the broadest number of qualified investment managers to participate in LACERS investment manager searches.

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To achieve this end, the Board may direct Staff to conduct research to include (but not limited to) the issuance of surveys and questionnaires, attendance at educational conferences and academically-sponsored events, and participation in discussions with industry experts and peer organizations.

The Board has identified the use of LACERS' Organization Diversity Survey (ODS) as one particular tool that can be useful in the gathering information to further LACERS' research objectives. The ODS is attached to this policy as Exhibit 1. In conducting research using the ODS, LACERS Board and Staff will adhere to the ODS Guidelines set forth below:

1. Request in an investment procurement solicitation that each participating firm complete and submit an ODS prior to the RFP submission deadline; and for private market investments, request on a best efforts basis that each general partner complete and submit an ODS prior to, or within a reasonable period following, LACERS' participation in its fund closing;
2. Direct each firm to return the completed ODS to an email address under the Administrative Services Division (ASD) of LACERS (or other designated division or unit outside the Investment Division);
3. Ensure that each ODS remains in a secured and password-protected folder known only to designated ASD staff and that an appropriate firewall be maintained to control access;
4. Examine collected ODS's once all contracts within a specific mandate have been executed;
5. Authorize the General Manager or designee to assign particular LACERS staff to review ODS's and conduct analyses of collected data once all contracts within a specific mandate have been executed;
6. Limit access to the ODS to particular individuals (Board members, General Manager, Chief Investment Officer, and other such staff as determined by the General Manager) who are part of a mandate's procurement selection process so as to avoid real or perceived conflicts of interest;
7. Protect the identity of each firm's ODS to those individuals named in ODS Guideline #6 and from public disclosure;
8. Report statistical findings of ODS's collected data within the last calendar year as part of the Annual Report of the Emerging Investment Managers reporting requirement under Section F.7 of this Policy or more frequently as directed by the Board or General Manager.

F. Reporting

Staff will report to the Board on the status of Emerging Investment Managers hired and retained on an annual calendar year basis. The annual report will include:

1. Names of Emerging Investment Manager firms hired during the calendar year.
2. Dollar amounts awarded to Emerging Managers.

Section 4 EMERGING INVESTMENT MANAGER POLICY

3. Report of Emerging Investment Manager Goals Metrics pursuant to Section IX.B of this Policy.
4. List of all investment manager searches.
5. Staff and consultant efforts to increase the visibility of LACERS Emerging Investment Manager searches and Emerging Investment Manager representation within the total Fund portfolio.
6. Individual manager performance.
7. General trends and statistical findings of collected ODS's of the previous calendar year and other appropriate time periods.

Los Angeles City Employees' Retirement System Organization Diversity Survey (ODS)

The ODS is used for statistical purposes and is separate and apart from the RFP selection process. The surveys are opened and examined by LACERS staff only after the contract(s) is(are) awarded for the mandate. Please refer to the LACERS Emerging Investment Manager Policy, Section E, for more information on the use of the ODS.

Organization Information

Firm Name: _____

As of Date: _____

Address: _____

Base of Operations (City/State/Country): _____

This completed ODS is connected with the following RFP search (if applicable): _____

Firm AUM in \$000,000: _____

Organization Workforce Composition

Total Number of Firm Employees: _____

Number of U.S.-Based Employees: _____

Instructions: Provide employee count under the applicable Race/Ethnicity and Gender (columns) and under the applicable workforce category (rows). Grand total should equal total number of firm employees. For Veteran Status, Disability Status and LGBTQIA+ Status, provide employee count as classifiable under these statuses and under the applicable workforce category.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+
Exec / Sr Officials & Managers															0	0			
Investment Professionals															0	0			
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professionals - Operations, Compliance, etc.															0	0			
Professional - Sales / Marketing & Client Services															0	0			
Administrative Support, Office/Clerical															0	0			
Other Non-Professionals															0	0			
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0		0		0		0		0		0		0		0				
	0																		

Board of Directors Composition

Number of Directors on the Firm's Board of Directors: _____

Instructions: Provide Board Director count under the applicable Race/Ethnicity and Gender (columns). Grand total should equal total number of Directors on the Board of Directors. For Veteran Status, Disability Status and LGBTQIA+ Status, provide Director count as classifiable under these statuses.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+
Board Members															0	0			
TOTALS	0		0		0		0		0		0		0		0				

American Indian or Native Alaskan A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.

Asian A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent, including, but not limited to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.

Black or African American A person having origins in any of the black racial groups of Africa.

Hispanic or Latino A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.

Native Hawaiian or Other Pacific Islander A person having origins in any of the peoples of Hawaii, Guam, Samoa or other Pacific Islands.

White A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

Firm Ownership

Percentage of Firm Owned by Employees: _____

Instructions: Provide percentage of employee ownership under the applicable Race/Ethnicity and Gender. Grand total should equal percentage of firm owned by employees. For Veteran Status, Disability Status and LGBTQIA+ Status, provide percentage of ownership of employees as classifiable under these statuses.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+
Employee Ownership (Percentage)															0.00%	0.00%			
TOTALS	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%				

Questionnaire

Is the firm majority-owned by women, racial or ethnic minorities, or other underrepresented groups? Please identify ownership composition in the space below.

Response:

Does the firm focus recruitment of women, racial or ethnic minorities, or other underrepresented populations particularly for senior-level positions? Please discuss successes and/or challenges in the space below.

Response:

Does the firm have a written Diversity and Inclusion Recruiting Program/Strategy? (i.e. outreach, hiring, mentoring and/or scholarship programs designed to create a pipeline of minority and women professional talent to the firm or promotion of such groups to senior-level positions within the firm). If Yes, please list initiatives or actions carried out by the firm under this program/strategy in the space below.

Response:

Please provide any additional explanation to the completion of the ODS and/or the aforementioned questions in the space below.

Response:

Contact Information

Completed by:

Position/Title:

Phone Number:

E-mail Address:

Date Completed:
