

LACERS' Best Employees

Retirement system selects Fall 2006 and Winter 2007 Employees of the Quarter.

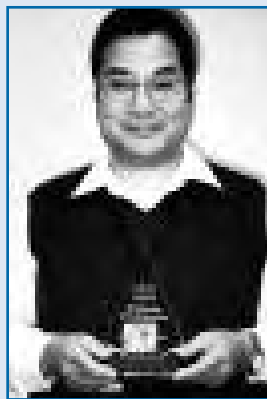


LACERS — The Los Angeles City Employees' Retirement System (LACERS) has named James Acon as its Employee of the Quarter for Fall 2006 and Vincent Tsui as its Employee of the Quarter for Winter 2007.

Acon, a Management Analyst II and Club Member, is a five-year LACERS veteran who works in the Investments Division. He was recognized for his hard work and dedication while in the Member Communications Section, serving as a presenter at many retirement seminars and working on the many publications the section produces. He also worked on

expanding the LACERS Intranet and Internet Websites.

Tsui, an Accounting Records Supervisor, has worked at LACERS for 10 years, currently in the Administrative Services Division, Fiscal Management Section. He was recognized for his willingness in accommodating various requests from other sections despite other workload issues on his desk. Because of his status as a notary public, Tsui has also been a tremendous asset to the Portfolio Management Division.



James Acon, LACERS Employee of the Quarter, Fall 2006.

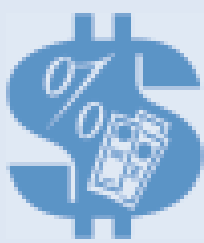


Vincent Tsui, LACERS Employee of the Quarter, Winter 2007.

Employees nominate their co-workers for Employee of the Quarter based on their notable contributions over and above the scope of normal duties. Senior staff members vote on the nominees and the winning Employee of the Quarter is announced and recognized at a staff luncheon. LACERS General Manager, Robert Aguallo Jr., presented both men a desk plaque commemorating as well as a \$200 savings bond.

LACERS is responsible for the administration of the City's retirement plan to more than 27,000 active employees and 14,000 retired employees. LACERS has \$11.2 billion in assets.

LACERS Portfolio Soars



Retirement system's assets sets record at end of year.

LACERS — The Los Angeles City Employees' Retirement System (LACERS) announced July 12 that its investment portfolio closed fiscal year 2006-07 at \$11.1 billion as of June 30. The preliminary, unaudited total portfolio return is 19.4 percent. The portfolio has grown dramatically during the past three years.

Fiscal Year Ending June 30	Annual Return	Market Value
2006-07	19.4 percent	\$11.1 billion
2005-06	12.4 percent	\$9.3 billion
2004-05	10 percent	\$8.3 billion

"This is wonderful news for the City of Los Angeles and our Retired and Active Members," said Robert Aguallo Jr., General Manager of LACERS.

"We consider an 8 percent assumed rate to be the benchmark for growing our portfolio. It is very impressive that we have surpassed this mark by more than 11 percentage points."

LACERS' portfolio performance is largely attributed to a diversified asset allocation strategy, which is approved by the Board of Administration, under the leadership of Eric L. Holoman, President.

"Diversification is the key to our success. This is the third year in a row that we have exceeded our policy benchmark of 8 percent," Holoman said.

"It is a tremendous accomplishment for our portfolio to have grown by \$1.8 billion in one year."

The portfolio is divided among U.S. and non-U.S. stocks and bonds, real estate and private equity. This asset mix serves to diversify the portfolio and minimizes portfolio volatility. The portfolio contributes to the overwhelming majority of the money that is used to fund retirement and post-employment health benefits.

LACERS is responsible for the administration of the City's pension plan to more than 28,000 active employees and 15,000 retirees and beneficiaries.

RLACEI MEMBER NEWS:

Wedding Anniversaries:

- 63 years: Patsy and Rose Matarrese, July 4.
- 50 years: Bob and Bette Packard, March.
- 50 years: Don and Sylvia Aldridge, June 15.
- 50 years: Rokuro Shimatsu and his wife on Hawaii, April.

Glenda Nuzzi's husband of 45 years, Lou, passed away suddenly on May 15. Glenda had retired in March 1998 as the Chief Clerk, Bureau of Engineering.

Ken Sobel's wife, Gloria, retired after teaching for 40 years at the Topeka Drive Elementary School in Northridge. One of her former pupils was my grandson, Jeffrey Skarin. She remembers him!

Larry Stonebreaker just returned from a 14-day cruise that included Venice, Italy, Spain, Portugal, etc. This was his 18th cruise.

Mary Moss writes, "We live in our 42-foot motor home, and since our retirement in 2002, we have put in 120,000 miles. We are Wagon Masters for Fantasy RV Tours and have led tours to Alaska, New England fall colors, and many trips to Mexico. One of the greatest tours in Mexico is where we put all of the RVs on railroad flat cars, and spend five days living in our rigs, while the train takes us from Chihuahua to Los Mochis. It's a great life!"

Steven D. Uranga was appointed by Mayor Antonio Villaraigosa to the Board of Administration of LACERS. A 31-year City employee, Uranga retired as a Senior Management Analyst with Rec and Parks. He holds a Bachelor of science degree in Business Administration from CSULA and has served in the U.S. Air Force.

Gil Alberio usually enters a large group of golfers in our annual Retirees Golf Classic. He writes, "Your hard work and leadership toward a very successful tournament paid off. Thank you for a job well done."

The City Engineer held his annual **Distinguished Alumni Luncheon** June 21 at the Monterey Hills Restaurant. More than 30 retired engineers attended, including RLACEI Directors Americo Garza and Phil Skarin.

Andrea Beasley volunteers at the Pasadena Humane Society.

Esco Hollins now lives at 4930 Waverly Ave., Kansas City, KS 66104. Phone (913) 287-5102. Give him a call.

The **LACERS Office** is at 360 E. Second, Los Angeles, CA 90012. Phone (213) 473-7200 or (800) 779-8328. Call them for questions about your health plans, retirement checks or tax withholding.

If you move, notify Membership Chair Helen Salgado at 8372 Arnett Dr., Huntington Beach, CA 92647. If you need a new green membership card, send her a self-addressed, stamped envelope.

If you have news about yourself or other retirees that you'd like to share send it to Phil Skarin at 5301 Norwich Ave., Van Nuys, CA 91411 or phone (818) 784-0130.

To find out the latest retirement news, visit www.rlacei.com



THOUGHT FOR THE DAY:

Crutches

We usually think of a crutch as a support to aid a person, with
Physical problem, in walking.
But there are other kinds of crutches that people need,
that aren't as visible.

What about
Crutches of friendship
Crutches of understanding
Crutches of encouragement
Crutches of love
Crutches of patience

So, when you see a friend or neighbor, who seems to need some
support, to help cope with life's problems, perhaps you could provide
one of the above crutches that they need to keep going.

— Phil Skarin

RLACEI's Toll-Free Number

RLACEI — The Retired Los Angeles City Employees Inc. group has established a new toll-free helpline number that can be accessed free of charge throughout the United States.

The number is: (800) 678-4145

Call the Helpline to reach the officers of RLACEI. For information on problems, activities, meetings or membership, call the helpline. Each officer's extension is listed.

Edward Harding x703	Jack Matthews x712	Americo Garza x710
Harold Danowitz x707	Robert Wilkinson x704	Neil Ricci x714
Phil Skarin x709	Jerry Bardwell x706	Helen Salgado x713