

CITY OF LOS ANGELES
DEPARTMENT OF WATER AND POWER
INTERDEPARTMENTAL CORRESPONDENCE

Date: May 19, 2011

To: Retirement Board Members

From: Sangeeta Bhatia, Retirement Plan Manager

Subject: Board Agenda Item No. 8: Report on Organizational Changes at Bank of New York Mellon Asset Servicing Unit (May 25, 2011, Regular Retirement Board Meeting)

The Retirement Board hired the Bank of New York Mellon (BNY Mellon) in 2005 to provide custodian services for the Plan's assets. BNY Mellon also provides other related financial services to the Plan including securities lending, managing the Employee Benefit Temporary Investment Fund (EBTIF), and providing portfolio performance analytics. In 2010, BNY Mellon's contract was renewed for a period of three years ending in December 2013.

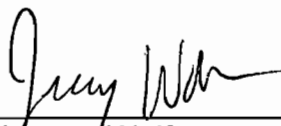
On May 6, 2011, BNY Mellon notified Staff of the retirement of Kathy Rulong, BNY Mellon's Global Head of Securities Lending, effective July 1, 2011. Ms. Rulong first joined BNY Mellon over 30 years ago, and in 1998 she joined the Securities Lending Division.

James Slater, currently the Chief Operating Officer for BNY Mellon's Securities Lending Division, will succeed Ms. Rulong. Mr. Slater joined BNY Mellon in 2009 from CIBC Mellon and has over 20 years of experience in the financial services industry. As a Senior Vice-President and Head of Capital Markets at CIBC Mellon, Mr. Slater's duties included global securities lending management. Bill Kelly, currently Head of New Business and Client Service, will assist Mr. Slater by assuming additional responsibilities as Deputy Head of Securities Lending.

Representatives from Pension Consulting Alliance, Inc. (PCA) believe these changes will have no material impact on the current services provided to the Plan. Staff and PCA will continue to monitor BNY Mellon closely to ensure the continuity of the services provided to the Plan.

The following documents are attached:

- BNY Mellon Official Press Release
- BNY Mellon notification to the Plan
- Email from PCA



Jeremy Wolfson
Chief Investment Officer

SB:JW:SV:AL

Press Release



BNY MELLON
ASSET SERVICING

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BNY Mellon Asset Servicing appoints James Slater as Global Head of Securities Lending

NEW YORK, May 9, 2011 – BNY Mellon Asset Servicing, the global leader in investment servicing, has announced that James Slater will become Global Head of Securities Lending following the retirement of Kathy Rulong on July 1, 2011.

Slater was formerly Chief Operating Officer for BNY Mellon's securities lending business with responsibility for providing strategic direction for core functions, including trading and product development within that business.

Bill Kelly is named as Deputy Head of Securities Lending in addition to his current responsibilities as head of new business and client service.

Tim Keaney, CEO of BNY Mellon Asset servicing, said: "James brings significant expertise to the business and under his leadership it will provide continuity of service to our clients as well as delivering cutting edge new products to service their needs. Kathy has been a tremendous leader for our securities lending business over the past four years and we wish her all the best for her retirement."

With over 20 years' experience in the financial services industry, Slater joined BNY Mellon in 2009 from CIBC Mellon, the Canadian joint venture between CIBC and BNY Mellon, where he was senior vice president and head of capital markets. He provided leadership for the JV's capital markets sector, which included global securities lending, treasury and cash management. He was also a member of the company's executive management committee and chaired the asset/liability committee.

During his career, Slater has had responsibility for coordinating securities lending operations, supporting risk identification and compliance initiatives, improving best practices, enhancing operating efficiency and leveraging the department's extensive global presence and product capabilities. Prior to his tenure with CIBC Mellon, he served with CIBC World Markets where he was a key contributor to the team that was responsible for the formation of CIBC Mellon.

Rulong joined BNY Mellon over 30 years ago, initially working in the capital markets and money managers sales groups before moving to the securities lending division in 1998.

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Notes to editors:

BNY Mellon Asset Servicing offers clients worldwide a broad spectrum of specialized asset servicing capabilities, including custody and fund services, securities lending, performance and analytics, and execution services.

BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, offering superior investment management and investment services through a worldwide client focused team. It has \$25.5 trillion in assets under custody and administration and \$1.2 trillion in assets under management, services \$11.9 trillion in outstanding debt and processes global payments averaging \$1.7 trillion per day. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available at www.bnymellon.com

This press release is issued by The Bank of New York Mellon to members of the financial press and media. All information and figures source The Bank of New York Mellon unless otherwise stated as at March 31, 2011. The Bank of New York Mellon, London Branch, registered in England and Wales with FCO05522 and BR000818. Branch office: One Canada Square, London E14 5AL. Authorised and regulated in the UK by the Financial Services Authority

From: Kevin.Chartier@bnymellon.com [mailto:Kevin.Chartier@bnymellon.com]
Sent: Friday, May 06, 2011 9:45 AM
Subject: On behalf of Kathy Rulong...

Valued Securities Lending Client,

Today I am writing to share some changes taking place within the BNY Mellon Securities Lending group. To begin, I would like to announce my retirement as BNY Mellon's Global Head of Securities Lending, effective July 1, 2011. I will be succeeded by James Slater, a very accomplished and experienced industry leader and current Chief Operating Officer for BNY Mellon's securities lending business. With over 20 years experience in the financial services industry, James joined BNY Mellon in 2010 from CIBC Mellon, where he was senior vice president and head of capital markets, providing overall leadership for the capital markets sector, which included global securities lending, treasury and cash management. James was chosen for his unique blend of business acumen, good judgment and exceptional interpersonal skills. Between now and July 1, James and I will work closely together to ensure a smooth and complete transition of my responsibilities.

Additionally, Bill Kelly, Global Head of New Business Development and Relationship Management for Securities Lending, will be named Deputy Head of Securities Lending. These appointments will allow us to continue to focus on partnering with our clients to offer dedicated client service and competitive returns in a prudently managed environment.

For more than 30 years I have enjoyed a challenging and rewarding career at BNY Mellon. I am grateful to my colleagues and our clients for affording me the opportunity to work with some of the brightest and most talented people in the industry. For this, I want to say "thank you."

Please see the attached advance copy of the press release announcing these changes. If you have questions, please contact me personally or your securities lending client service officer.

Kind regards,

Kathy Rulong

From: Neil Rue [mailto:neilrue@pensionconsulting.com]
Sent: Monday, May 09, 2011 5:34 PM
To: Vargas, Scott; Ashley Tamashiro
Subject: Re: On behalf of Kathy Rulong...

Scott,

PCA does not believe this senior management transition will have material impact upon WPERP's investment activities.

Best regards,

Neil
