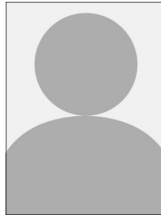


DWP BOARD OF ADMINISTRATION
Retirement Board

Ex-Officio/Appointed Members



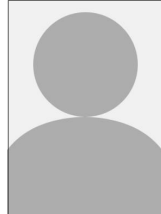
David H. Wright
General Manager



Vacant
Commissioner



Mario C. Ignacio
Chief Accounting
Employee



Vacant
Appointed
Retired Member

Elected Members



LaTanya Bogin
President

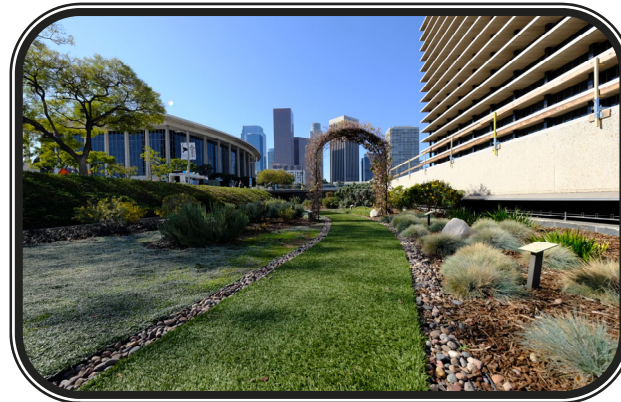


Barry Poole
Vice-President



Adolfo Felix
Member

WATER and POWER EMPLOYEES' RETIREMENT, DISABILITY and DEATH BENEFIT INSURANCE PLAN



SUMMARY ANNUAL REPORT
JUNE 30, 2019

Retirement Plan Office
111 N Hope St.—Room 357
Los Angeles, CA 90012

Phone: (213) 367-1712
(800) 367-7164

E-Mail: RETIRE@LADWP.COM
Website: RETIREMENT.LADWP.COM

To All DWP Retirement Plan Members:

The Summary Annual Report as of June 30, 2019 is submitted in conformity with Section III C (4) of the Retirement Plan provisions. A complete financial report, audited by Simpson & Simpson, CPAs, is posted on the Retirement Plan Office website at retirement.ladwp.com.

The total fiduciary net position for the Retirement Fund increased to \$13 billion from \$12.3 billion. The addition of \$710 million to the Retirement Fund's fiduciary net position is due mainly to solid market performance. The funded ratio of the Retirement Fund (fiduciary net position as a percentage of total pension liability) increased to 94.03% from 93.10%.

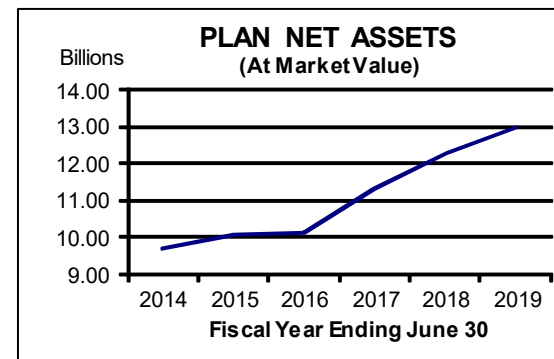
The Department's net pension liability under the Retirement Fund decreased to \$824.9 million from \$910.5 million. The Department's contribution to the Retirement Plan for Fiscal Year 2019-2020 will decrease to 37.97% of payroll from the previous rate of 40.15% in accordance with the annual Actuarial Valuation as of July 1, 2019 prepared by Segal Consulting, also posted on the Retirement Plan Office website at retirement.ladwp.com.

Pension plan assets are professionally managed and invested in well-diversified asset classes to manage risk while seeking to achieve long-term investment goals.

The Retirement Board and Staff remain committed to their mission of providing responsive and efficient service through responsible administration of the Plan and prudent management of its assets.

LaTanya Bogin
President
Retirement Board

Linda P. Le
Retirement Plan Manager



RETIREMENT PLAN OFFICE STAFF

Linda P. Le
Retirement Plan Manager

Monette Carranceja
Assistant Retirement Plan Manager

Vacant
Assistant Retirement Plan Manager

Jeremy Wolfson
Chief Investment Officer

William Feng
Chief Accountant

LEGAL COUNSEL
City Attorney's Office

Joshua M. Geller

SERVICE PROVIDERS
As of June 30, 2019

- | | |
|--|--|
| ACTUARY
The Segal Company | COUNSEL
Ice Miller, LLP
Nossaman, LLP
Reed Smith, LLP |
| AUDITOR
Simpson & Simpson, CPAs | PROXY SERVICE PROVIDER
Glass, Lewis & Co., LLC |
| CUSTODIAN BANK
Northern Trust | TRANSACTION COST ANALYSIS PROVIDER
Zeno AN Solutions |
| INVESTMENT CONSULTANTS
StepStone Group Real Estate, L.P.
StepStone Group, L.P.
RVK, Inc. | COMMISSION RECAPTURE
Russell Investments Implementations Services, LLC |

INVESTMENT MANAGERS

- | | |
|--|--|
| Adams Street Partners
Almanac Realty Investors, LLC
Angelo Gordon & Co.
Apollo Global Management, LLC
Ares Management, LLC
Audax Group
BlackRock
The Blackstone Group
Bristol Group, Inc.
Brookfield Asset Management Inc.
Capital Dynamics
Clayton, Dubilier & Rice, Inc.
Crestview Partners
Dimensional Fund Advisors
DRA Advisors, LLC
Earnest Partners, LLC
Emerald Advisors, Inc.
EnCap Investments
FIAM, LLC
Fisher Lynch Capital
FPA Multifamily, LLC
Genstar Capital Partners
Hancock Timber Resource Group
Harrison Street
Harvest Partners
Heitman
Industry Ventures, LLC
Invesco Real Estate
Invesco National Trust Company | J.P. Morgan
Jamestown
Jennison Associates, LLC
Landmark Partners, Inc.
LaSalle Investment Management
Lexington Partners, Inc.
Lone Star Funds
Los Angeles Capital Management & Equity Research, Inc.
Macquarie Investment Management
Mesa West Capital
MFS Institutional Advisors, Inc.
Molpus Woodlands Group
Morgan Stanley AIP
Neuberger Berman
Oaktree Capital Management, LLC
Pacific Asset Management
PCCP, LLC
PGIM Real Estate
Prologis, Inc.
Silver Lake Partners
Torchlight Investors, LLC
T. Rowe Price Associates
USAA Real Estate Company
Vista Equity Partners
Wellington Management Company
Wells Capital Management
Westbrook Partners
Western Asset Management Company |
|--|--|

**STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION**

Retirement Fund	2019	2018
Net Position- Beginning of Year	\$12,277,085,263	11,313,899,335
Members' Contribution	104,741,925	93,659,240
Department Contribution Towards Benefits (Net of Reversions)	410,165,124	433,412,569
Administration Expenses	6,015,073	5,885,875
Total Contributions	\$520,922,122	532,957,684
Total Investment Income ¹	855,087,318	1,051,816,324
(Less Securities Lending Expenses)	(14,610,056)	(10,902,675)
(Less Investment Expenses)	(49,249,999)	(42,957,057)
Net Investment Income	\$791,227,263	997,956,592
Other Income	604,850	820,635
Total Additions	\$1,312,754,235	1,531,734,911
Retirement Benefits Paid	591,461,776	558,900,946
Refund of Members' Contribution	6,101,790	4,311,579
Administrative Expenses	5,188,931	5,336,458
Total Deductions	\$602,752,497	568,548,983
Net Increase in Plan Net Position	710,001,738	963,185,928
Net Position - End of Year	\$12,987,087,001	12,277,085,263

<u>Disability Fund</u>		
Members' Contribution	\$504,399	493,217
Department Contribution	16,503,635	16,499,178
Total Contributions	\$17,008,034	16,992,395

<u>Benefits Provided</u>		
Temporary Disability	13,353,351	12,989,490
Extended Temporary Disability	320,631	379,185
Permanent Total Disability	1,901,678	1,853,258
Supplemental Disability	1,304,880	1,497,638
Total Benefits Paid	\$16,880,540	16,719,571

<u>Death Benefit Fund</u>		
Members' Contribution	\$358,073	346,931
Department Contribution	8,777,581	8,101,199
Total Contributions	\$9,135,654	8,448,130

<u>Benefits Paid</u>		
Death Benefit	\$7,685,403	7,059,333
Family Allowances	546,650	543,244
Total Benefits Paid	\$8,232,053	7,602,577

<u>Retiree Health Benefits Fund</u>		
Department Contributions	\$102,631,460	95,918,712
Net Investment/Other Income ²	134,706,591	173,674,359
Total Additions	\$237,338,051	269,593,071
Retiree Health Benefits Paid (Insurance Premiums)	\$101,594,970	95,233,622

¹ Includes Fair Market Value Net Appreciation of \$583,142,901 for 2019 and \$817,302,623 for 2018.
² Includes Fair Market Value Net Appreciation of \$100,632,276 for 2019 and \$144,145,469 for 2018.

WATER AND POWER EMPLOYEES' RETIREMENT,
DISABILITY, AND DEATH BENEFIT INSURANCE PLAN

**SUMMARY ANNUAL REPORT
JUNE 30, 2019**

ANNUAL ACTIVITY

<u>Active Membership</u>			
	2019	2018	
Number of Contributing Members	10,362	10,114	
Tier 1	6,801	7,196	
Tier 2	3,561	2,918	
Number of New Members	776	778	
Average Age	47.2	47.5	
Average Years of Service	14.6	15.1	

<u>Disability Related</u>			
Number of Temporary Disability Claims	1,122	1,056	
Number Paid Worker's Compensation Supplement	227	224	
Number on PTD	55	54	

<u>Retirees</u>			
Number of Retirees	7,355	7,199	
Tier 1	7,352	7,198	
Tier 2	3	1	
Number of Beneficiaries	1,960	1,966	
Tier 1	1,960	1,966	
Tier 2	0	0	
Number Who Retired During the Fiscal Year	398	341	
Average Monthly Benefit	\$6,008	\$5,761	
Average Age	72.9	72.9	

<u>Death Benefit Related</u>			
Number of Deaths			
Active members	28	22	
Retirees	242	261	
Number Receiving Monthly Survivorship	276	281	
Number of Family Allowances	62	60	
Number of Children on Family Death Benefit Roll	78	74	

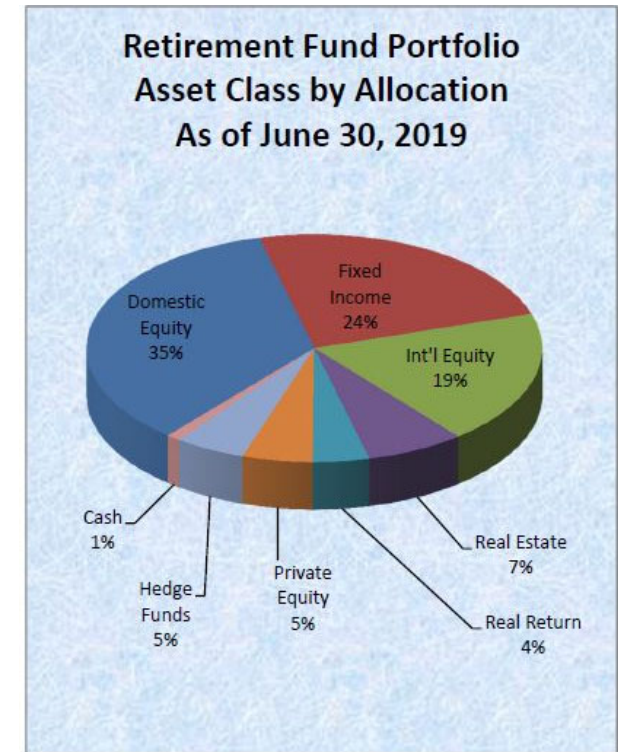
ACTUARIAL BALANCE SHEET

<u>Assets</u>	June 30, 2019	June 30, 2018
Total Actuarial Value of Assets	\$12,739,144,966	12,009,999,030
Present Value of Future Contributions by Members	996,034,620	863,003,392
Present Value of Future Department Contributions for a. Normal Cost	1,815,886,419	1,599,916,999
b. Unfunded Actuarial Accrued Liability	1,072,811,517	1,177,543,700
Total Current and Future Assets	\$16,623,877,522	15,650,463,121
<u>Liabilities</u>		
Present Value of Benefits Retirees & Beneficiaries	\$7,738,487,474	7,324,080,162
Present Value of Benefits Terminated Vested Members	224,906,012	220,277,427
Present Value of Benefits Active Members	8,660,484,036	8,106,105,532
Total Liabilities	\$16,623,877,522	15,650,463,121

**RETIREMENT FUND
PORTFOLIO PERFORMANCE**
(Fiscal Year Ended June 30, 2019)

Asset Class vs. Benchmarks	1YR (%)	3YR (%)	5YR (%)
<i>Total Retirement Fund</i>	6.59	9.54	6.81
Policy Benchmark	6.98	9.33	6.46
<i>Domestic Equity</i>	8.86	15.34	11.06
Russell 3000	8.98	14.02	10.19
<i>International Equity</i>	2.11	9.39	4.06
MSCI ACWI ex-US IMI ND Index	0.26	9.17	2.25
<i>Fixed Income</i>	7.41	3.91	3.75
Fixed Income Blend	7.43	3.58	3.47
<i>*Real Estate</i>	8.15	9.27	10.54
NCREIF + 50bps	7.24	7.74	9.86
<i>Real Return</i>	1.53	1.97	2.19
CPI + 3%	4.90	5.24	4.54
<i>*Private Equity</i>	12.95	11.99	10.80
Russell 3000 + 3%	(2.38)	12.22	11.03
<i>Hedge Funds (One Month Lag)</i>	1.56	2.32	1.75
T-Bills + 3%	5.32	4.36	3.85
<i>Cash</i>	2.70	2.00	1.57
ML 3 Month T-Bills	2.31	1.38	0.87

*Returns as of 12/31/2018



**RETIREMENT FUND PORTFOLIO
ASSET ALLOCATION¹**
(As of June 30, 2019)

Asset Class	Market Value (\$ Million)	Current Allocation (%)	Target Allocation (%)
Domestic Equity	4,505	35	33
Fixed Income	3,074	24	26
International Equity	2,472	19	19
Real Estate	897	7	6
Real Return	566	4	5
Private Equity	664	5	5
Hedge Funds	612	5	5
Cash	144	1	1
Total Retirement Fund	\$12,934	100	100

¹ Source: The Northern Trust Company