

DWP BOARD OF ADMINISTRATION Retirement Board

Ex-Officio/Appointed Members



Martin L. Adams
General Manager &
Chief Engineer



Cynthia McClain-Hill
Commissioner



Linda T. Ikegami
Chief Accounting
Employee



Elizabeth Johnson
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, 2021

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, 2021 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 \$16.7 billion from \$13.4 billion. The addition of \$3.3 billion to the Retirement Fund’s fiduciary net position is due mainly to significantly higher investment returns. The funded ratio of the Retirement Fund (fiduciary net position as a percentage of total pension liability) increased to 111.05% from 92.32%.

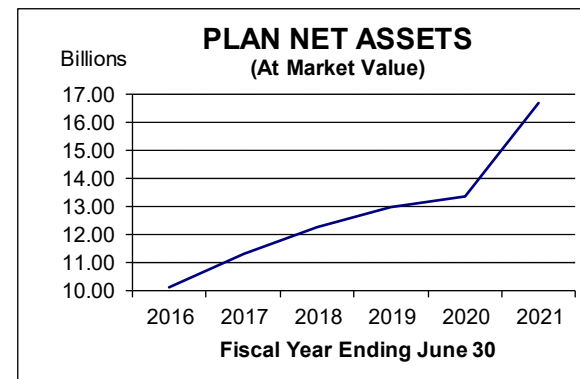
Correspondingly, the Retirement Fund has a net pension surplus of \$1.7 billion at fiscal year end versus a net pension liability of \$1.1 billion in the prior year. The Department’s contribution to the Retirement Fund for Fiscal Year 2021-2022 will decrease to 26.04% of payroll from the previous rate of 33.55% in accordance with the annual Actuarial Valuation as of July 1, 2021 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

William Feng
Interim 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, 2021

ACTUARY The Segal Company	PROXY SERVICE PROVIDER Glass, Lewis & Co., LLC
AUDITOR Simpson & Simpson, CPAs	TRANSACTION COST ANALYSIS PROVIDER Zeno AN Solutions
CUSTODIAN BANK Northern Trust	COMMISSION RECAPTURE Russell Investments Implementations Services, LLC
INVESTMENT CONSULTANTS StepStone Group Real Estate, L.P. StepStone Group, L.P. RVK, Inc.	IN-KIND DISTRIBUTION ADVISOR Hamilton Lane Advisors, LLC
COUNSEL Ice Miller, LLP Nossaman, LLP Kutak Rock, LLP	PORTFOLIO TRANSITION PROVIDERS Blackrock Institutional Trust Co., N.A. Northern Trust Investments, Inc. Russell Implementation Services, Inc.

INVESTMENT MANAGERS	
Adams Street Partners Alliance Bernstein Almanac Realty Investors, LLC Angelo Gordon & Co. Apollo Global Management, LLC Ares Management, LLC Audax Group BlackRock The Blackstone Group Boston Partners Bristol Group, Inc. Brookfield Asset Management Inc. Capital Dynamics Cerberus 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 Green Equity Investors 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 Neuberger Berman Oaktree Capital Management, LLC Pacific Asset Management PGIM Real Estate Platinum Equity Advisors, LLC Prologis, Inc. Providence Strategic Growth Capital Partners, LLC Searchlight Capital Partners, LLC Silver Lake Partners Stelco Torchlight Investors, LLC T. Rowe Price Associates USAA Real Estate Company Vista Equity Partners Wellington Management Wells Capital Management Westbrook Partners

STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION

Retirement Fund	2021	2020
Net Position– Beginning of Year	\$13,353,708,096	12,987,087,001
Members’ Contribution	122,316,256	120,299,327
Department Contribution Towards		
Benefits (Net of Reversions)	378,990,511	422,017,394
Administration Expenses	6,080,956	5,637,874
Total Contributions	\$507,387,723	547,954,595
Total Investment Income ¹	3,554,452,073	519,656,002
(Less Securities Lending Expenses)	(548,383)	(6,277,219)
(Less Investment Expenses)	(64,819,787)	(55,280,179)
Net Investment Income	\$3,489,083,903	458,098,604
Other Income	116,430	925,495
Total Additions	\$3,996,588,056	1,006,978,694
Retirement Benefits Paid	671,277,654	628,852,137
Refund of Members’ Contribution	6,439,360	6,800,458
Administrative Expenses	5,115,182	4,705,004
Total Deductions	\$682,832,196	640,357,599
Net Increase in Plan Net Position	3,313,755,860	366,621,095
Net Position - End of Year	\$16,667,463,956	13,353,708,096

Disability Fund

Members’ Contribution	\$528,815	540,574
Department Contribution	16,794,349	17,451,555
Total Contributions	\$17,323,164	17,992,129

Benefits Provided

Temporary Disability	11,442,586	14,631,271
Extended Temporary Disability	544,294	356,057
Permanent Total Disability	1,963,922	1,990,431
Supplemental Disability	1,215,960	1,510,621
Total Benefits Paid	\$15,166,762	18,488,380

Death Benefit Fund

Members’ Contribution	\$373,989	384,893
Department Contribution	14,522,798	14,908,884
Total Contributions	\$14,896,787	15,293,777

Benefits Paid

Death Benefit	\$9,679,179	7,368,268
Family Allowances	566,072	554,424
Total Benefits Paid	\$10,245,251	7,922,692

Retiree Health Benefits Fund

Department Contributions	\$110,261,019	110,444,724
Net Investment/Other Income ²	614,234,046	83,021,344
Total Additions	\$724,495,065	193,466,068

Retiree Health Benefits Paid (Insurance Premiums)	\$109,282,435	109,401,181
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¹ Includes Fair Market Value Net Appreciation of \$3,309,171,398 for 2021 and \$270,192,182 for 2020.

² Includes Fair Market Value Net Appreciation of \$585,247,030 for 2021 and \$51,494,194 for 2020.

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

SUMMARY ANNUAL REPORT
JUNE 30, 2021

ANNUAL ACTIVITY

Active Membership	2021	2020
Number of Contributing Members	10,605	10,778
Tier 1	5,926	6,394
Tier 2	4,679	4,384
Number of New Members	370	928
Average Age	46.7	46.7
Average Years of Service	13.8	13.9

Disability Related

Number of Temporary Disability Claims	941	1,040
Number Paid Worker’s Compensation Supplement	155	185
Number on PTD	55	54

Retirees

Number of Retirees	7,621	7,472
Tier 1	7,609	7,464
Tier 2	12	8
Number of Beneficiaries	1,943	1,971
Tier 1	1,942	1,970
Tier 2	1	1
Number Who Retired During the Fiscal Year	468	399
Average Monthly Benefit	\$6,603	\$6,303
Average Age	72.7	72.9

Death Benefit Related

Number of Deaths		
Active members	29	12
Retirees	315	309
Number Receiving Monthly Survivorship	262	271
Number of Family Allowances	62	57
Number of Children on Family Death Benefit Roll	81	73

ACTUARIAL BALANCE SHEET

Assets	June 30, 2021	June 30, 2020
Total Actuarial Value of Assets	\$14,889,255,775	13,586,120,581
Present Value of Future Contributions by Members	1,186,434,779	1,128,462,495
Present Value of Future Department Contributions for		
a. Normal Cost	1,882,426,985	1,882,580,284
b. Unfunded Actuarial Accrued Liability	119,561,791	879,228,957
Total Current and Future Assets	\$18,077,679,330	17,476,392,317
Liabilities		
Present Value of Benefits Retirees & Beneficiaries	\$8,889,505,418	8,288,817,569
Present Value of Benefits Terminated Vested Members	243,126,270	239,490,619
Present Value of Benefits Active Members	8,945,047,642	8,948,084,129
Total Liabilities	\$18,077,679,330	17,476,392,317

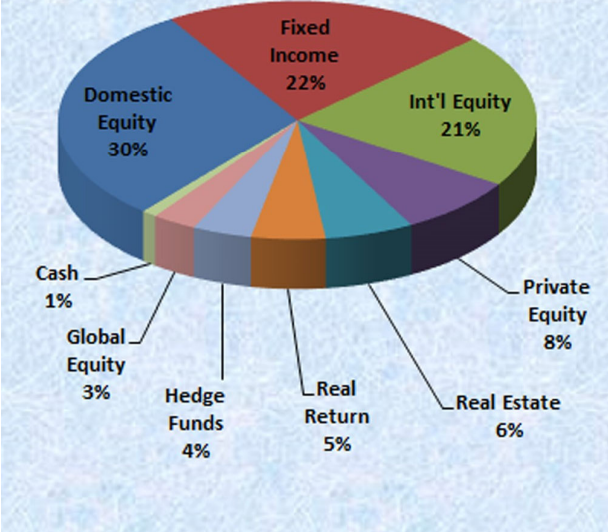
RETIREMENT FUND
PORTFOLIO PERFORMANCE
(Fiscal Year Ended June 30, 2021)

Asset Class vs. Benchmarks	1YR (%)	3YR (%)	5YR (%)
Total Retirement Fund	26.77	11.91	11.56
Policy Benchmark	25.17	11.54	11.13
Domestic Equity	43.99	19.01	18.89
Russell 3000	44.16	18.73	17.89
International Equity	36.68	11.58	12.24
MSCI ACWI ex-US IMI ND Index	37.18	9.42	11.20
**Global Equity	N/A	N/A	N/A
MS AC Wld Idx IMI Nt	N/A	N/A	N/A
Fixed Income	4.21	5.50	4.17
Fixed Income Blend	3.09	5.14	3.75
*Real Estate	4.33	5.49	7.05
NCREIF + 50bps	3.14	5.41	6.33
Real Return	17.10	7.19	5.17
CPI + 1%	6.52	4.89	5.10
*Private Equity	50.12	20.71	18.13
Russell 3000 + 3%	67.21	20.59	20.09
Hedge Funds (One Month Lag)	12.12	2.08	2.33
T-Bills + 3%	3.11	4.44	4.21
Cash	0.24	1.51	1.57
ML 3 Month T-Bills	0.09	1.34	1.17

*Returns as of 3/31/2021

**Added to portfolio in September 2020

Retirement Fund Portfolio
Asset Class by Allocation
As of June 30, 2021



RETIREMENT FUND PORTFOLIO
ASSET ALLOCATION¹
(As of June 30, 2021)

Asset Class	Market Value (\$ Million)	Current Allocation (%)	Target Allocation (%)
Domestic Equity	4,927	30	28
Fixed Income	3,595	22	25
International Equity	3,472	21	19
Private Equity	1,350	8	6
Real Estate	1,065	6	8
Real Return	780	5	5
Hedge Funds	668	4	5
Global Equity	560	3	3
Cash	183	1	1
Total Retirement Fund	\$16,600	100	100

¹ Source: The Northern Trust Company