

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer



ANTONIO R. VILLARAIGOSA
MAYOR

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When making inquiries relative to
this matter, please refer to the
Council File No.

February 7, 2013

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 13-0056,
at its meeting held February 6, 2013.

City Clerk

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TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **BUDGET AND FINANCE** Committee

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to the feasibility of divesting City funds which may be currently invested in certain gun and ammunition manufacturers.

Recommendation for Council action, pursuant to Motion (Perry – Parks):

DIRECT the Office of Finance, the City's three pension fund systems and any other City investment entity, and in coordination with the City Administrative Officer (CAO), to report on the feasibility of and with recommendations to begin divestment of any of the City's funds which may be currently invested in companies/corporations that produce, manufacture, sell, or market assault weapons, high volume ammunition magazines, high caliber ammunition and related equipment of a type used to perpetrate the tragic loss of life that occurred in Connecticut last month as well in similar other incidents involving assault weapons and mass casualties.

Fiscal Impact Statement: Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

At its meeting of January 28, 2013, the Budget and Finance Committee considered a Motion (Perry – Parks) relative to requesting a report from all City investment entities on the feasibility of divesting City funds which may be currently invested in certain gun and ammunition manufacturers; specifically those that produce, manufacture, sell, or market assault weapons, high volume ammunition magazines, high caliber ammunition and related equipment. The Motion, attached to the Council file, provides additional background information.

After consideration and having provided an opportunity for public comment, the Committee recommended approval of the recommendation contained in the Motion. This matter is now submitted to Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
ROSENDAHL:	YES
KORETZ:	YES

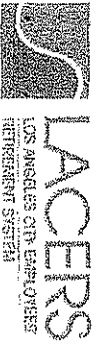
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- Not Official Until Council Acts -

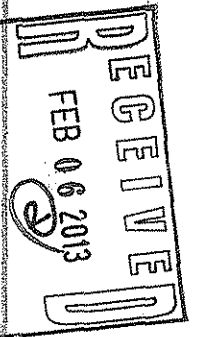
ADOPTED

FEB 06 2013

LOS ANGELES CITY COUNCIL



13-0556



#7

LACERS Public Markets Exposure to Gun, Magazine, & Ammunition Companies & Retailers
As of January 15, 2013

Gun & Magazine Companies	Domicile	Local Ticker	Market Value
Cie Financiere Richemont Br.A	Switzerland	CFR.VX	\$ -
Foijas Taurus SA	Brazil	FJTA3, FJTA4	-
Howa Machinery, Ltd	Japan	6203	-
Izhevskiy Mashzavod OAO	Russia	IGMA	-
Miroku Corporation	Japan	7983	-
S&T Motiv	Korea	064960	-
Smith & Wesson Holding Corp	United States	SWHC	96,945
Paradigm Asset Management (Attucks)			
Sturm Ruger & Co, Inc	United States	RGR	96,945
Paradigm Asset Management (Attucks)			
Tul'Skiy Oruzheynyi Zavod OAO	Russia	TOZZ	143,970
Verney Carron SA	France	MLVER	-
Subtotal:			\$ 240,915
Ammunition Companies			
Alliant Techsystems Inc	United States	ATK	\$ 136,807
BlackRock Russell 1000 Value			
American Ammunition	United States	AAMUQ	136,807
Dalcel Corp	Japan	4202	-
EADS NV	Netherlands	EAD	-
IMI PLC	England	IMI	-
Kirovskiy Zavod Mayak	Russia	KZMIK	-
Metaloo Inc	United States	MEA	-
Metal Storm Limited	Australia	MST	-
NOF Corp	Japan	4403	-



Ammunition Companies (Continued)	Domestic	Local Ticker	Market Value
Olin Corp	United States	OLN	6,619,078
Opus Investment Management (Attucks)			276,972
Sit Investments			6,342,106
Poongsan Corporation	Korea	103140	-
		Subtotal:	\$ 6,755,885
Retailers			
Big 5 Sporting Goods	United States	BGFV	1,141,602
Paragora Asset Management			1,141,602
Cabela's	United States	CAB	-
Dick's Sporting Goods	United States	DKS	18,577,757
BlackRock S&P 500 ¹			283,332
Geneva Capital (Capital Prospects)			620,285
Sit Investments			17,674,140
Kroger	United States	KR	61,914,178
Aronson Johnson Ortiz			26,788,860
BlackRock Enhanced S&P 500 ¹			1,523,449
Denali Advisors (Capital Prospects)			744,135
Rhumbline Advisors ²			3,822,243
Loomis Sayles ³			29,035,491
Wal-Mart	United States	WMT	69,447,120
BlackRock Russell 1000 Value ¹			1,620,041
BlackRock S&P 500 ¹			12,897,692
Denali Advisors (Capital Prospects)			1,000,210
Rhumbline Advisors ²			33,049,008
Securities Lending Cash Collateral Account ³			20,649,085
Twinn Capital (Capital Prospects)			231,084
		Subtotal:	\$ 151,080,657

¹ Commingled index account. Valued as of December 31, 2012.

² Passive index strategy managed in separate account.

³ Fixed income exposure.

Grand Total: \$ 158,077,457