

**APPROVED**

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, APRIL 14, 2021

This meeting was conducted by teleconference under the Governor's Executive Order  
No. N-29-20.

PRESENT: Keith Knox, Chair

Joseph Kelly, Vice Chair

Alan Bernstein, Secretary

David Green

Shawn Kehoe

Patrick Jones

Gina V. Sanchez

Herman Santos

ABSENT: Elizabeth Greenwood

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Johanna Fontenot, Interim Chief Counsel

JJ Popowich, Assistant Executive Officer

Christine Roseland, Senior Staff Counsel

Vache Mahseredjian, Principal Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Jude Perez, Principal Investment Officer

Christopher Walker, Principal Investment Officer

James Rice, Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

Robert Santos, Investment Officer

Dale Johnson, Investment Officer

Didier Acevedo, Investment Officer

Mel Tsao, Senior Investment Analyst

Jeff Jia, Senior Investment Analyst

Calvin Chang, Senior Investment Analyst

Adam Cheng, Senior Investment Analyst

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

Jonathan Camp, Vice President

Alina Yuan, Associate

StepStone Group LP

Natalie Walker, Partner

Albourne

Mark White, Head of Real Assets

James Walsh, Partner

Steven Kennedy, Partner

Nossaman LLP

Ashley Dunning, Partner

Peter Mixon, Partner

I. CALL TO ORDER

The meeting was called to order virtually by Chair Knox at 9:04 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of March 10, 2021

Mr. Santos made a motion, Mr. Green seconded, to approve the revised minutes of the regular meeting of March 10, 2021. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Bernstein, Kelly, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

Damien Goodmon addressed the Board regarding the Baldwin Hills Crenshaw Plaza. In addition, Michael Guynn and Phillip Jonas provided a written comment.

V. CHIEF EXECUTIVE OFFICER'S REPORT  
(Memo dated March 25, 2021)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report.

VI. CHIEF INVESTMENT OFFICER'S REPORT  
(Presentation dated April 14, 2021)

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report.

## VII. CONSENT

- A. Recommendation as submitted that the Board approve attendance of Board members at the 2021 SuperReturn Berlin Conference on November 9 - 12, 2021 in Berlin, Germany and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.  
(Placed on the agenda at the request of Mr. Bernstein)  
(Memo dated March 15, 2021)

Mr. Kelly made a motion, Ms. Sanchez seconded, to approve attendance of Trustees at the 2021 SuperReturn Berlin Conference on November 9 - 12, 2021 in Berlin, Germany and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policies. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Bernstein, Kelly, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent.

## VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Scott Zdrazil, Senior Investment Officer: That the Board deliberate whether to nominate a candidate to the International Corporate Governance Network's Board of Governors.  
(Memo dated March 25, 2021)

Mr. Zdrazil provided a presentation and answered questions from the Board.

Mr. Santos made a motion, Mr. Bernstein seconded, to nominate Ms. Sanchez as a candidate to the International Corporate Governance Network's Board of Governors. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Bernstein, Kelly, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent.

## VIII. NON-CONSENT ITEMS

- B. Recommendation as submitted by Scott Zdrazil, Senior Investment Officer, Dale Johnson, Investment Officer, Mel Tsao, Senior Investment Analyst: That the Board select ISS to provide full coverage proxy research and voting platform services and Glass Lewis to provide additional limited coverage proxy research services. (Memo dated March 19, 2021)

Messrs. Zdrazil, Johnson and Tsao provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, Mr. Santos seconded, to select ISS to provide full coverage proxy research and voting platform services and Glass Lewis to provide additional limited coverage proxy research services. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Bernstein, Kelly, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent.

## IX. REPORTS

- A. Strategic Asset Allocation and Asset Liability Study Review  
Jude Perez, Principal Investment Officer  
Leandro Festino, Meketa Investment Group  
Jonathan Camp, Meketa Investment Group  
Stephen McCourt, Meketa Investment Group  
(Memo dated April 1, 2021)

Mr. Perez and Messrs. Festino, McCourt and Camp of Meketa Investment Group provided a presentation and answered questions from the Board.

- B. Strategic Asset Allocation – OPEB Master Trust  
Jude Perez, Principal Investment Officer  
Leandro Festino, Meketa Investment Group  
Tim Filla, Meketa Investment Group  
Alina Yuan, Meketa Investment Group  
(Memo dated April 1, 2021)

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IX. REPORTS (Continued)

Mr. Perez and Messrs. Festino and Filla and Ms. Yuan of Meketa

Investment Group provided a presentation and answered questions from the Board.

- C. Strategic Asset Allocation: Potential Structure Changes  
Jude Perez, Principal Investment Officer  
Leandro Festino, Meketa Investment Group  
Tim Filla, Meketa Investment Group  
Alina Yuan, Meketa Investment Group  
(Memo dated April 1, 2021)

Mr. Perez and Messrs. Festino and Filla and Ms. Yuan of Meketa

Investment Group provided a presentation and answered questions from the Board.

- D. First Amendment Training  
Free Speech Rights and Fiduciary Duties: A Governance Challenge for  
Retirement System Trustees  
California Continuing Legal Education (CLE) Credit Available  
Ashley Dunning, Partner – Nossaman LLP  
Peter Mixon, Partner – Nossaman LLP  
(Memo dated April 6, 2021)

Ms. Dunning and Mr. Mixon of Nossaman LLP provided a presentation and answered questions from the Board.

- E. 2021 Board of Retirement and Board of Investments Election Planning  
Update  
JJ Popowich, Assistant Executive Officer  
(For Information Only) (Memo dated March 31, 2021)

This item was received and filed.

- F. State Street Incident Report – Data Disclosure  
Jude Pérez, Principal Investment Officer  
(For Information Only) (Memo dated March 30, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- G. Council of Institutional Investors Voting Items  
Scott Zdrazil, Senior Investment Officer  
(For Information Only) (Memo dated March 25, 2021)

This item was received and filed.

- H. Monthly Status Report on Legislation  
Barry W. Lew, Legislative Affairs Officer  
(For Information Only) (Memo dated March 25, 2021)

This item was received and filed.

- I. Cost of Living Adjustment – Accumulation Accounts  
JJ Popowich, Assistant Executive Officer  
Ted Granger, Interim Chief Financial Officer  
Kathy Delino, Interim Systems Division Manager  
(For Information Only) (Memo dated March 30, 2021)

This item was received and filed.

- J. Monthly Status Report on Board of Investments Legal Projects  
Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated April 1, 2021)

This item was received and filed.

- K. Monthly Education and Travel Reports for February 2021  
Ted Granger, Interim Chief Financial Officer  
(Public Memo dated March 25, 2021)  
(Confidential Memo dated March 30, 2021 – Includes Anticipated Travel)  
(For Information Only)

This item was received and filed.

- L. March 2021 Fiduciary Counsel Contact and Billing Report  
Steven P. Rice, Chief Counsel  
(For Information Only) (Privileged and Confidential)  
(Attorney-Client Communication/Attorney Work Product)  
(Memo dated March 30, 2021)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested that the CISO presentation presented on April 7<sup>th</sup>, 2021 at the Board of Retirement's Operations Oversight Committee be provided as well to the Board of Investments.

In addition, the Board requested information regarding member communication for LACERA for those who do not have an email address on file.

Furthermore, the Board requested for staff to bring back a report regarding the OPEB Master Trust account as to the County's ability to withdraw funds from the Trust and its ability to provide input as to the types of investments.

Lastly, the Board requested that the issues raised during the First Amendment presentation by Nossaman LLP be brought to an upcoming Joint Organizational Governance Committee meeting.

XI. GOOD OF THE ORDER  
(For information purposes only)

The Board and staff welcomed Mr. Jones to the Board of Investments.

Mr. Grabel welcomed Magdalia Serna Armstrong, Crystal Milo and Pushpam Jain to the Investment Office.

XII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments  
(Pursuant to California Government Code Section 54956.81)



XII. EXECUTIVE SESSION (Continued)

1. Credit Recommendation: High Yield Fixed Income Separate Account Manager Search  
Vache Mahseredjian, Senior Investment Officer  
Robert Santos, Investment Officer  
Adam Cheng, Senior Investment Analyst  
Jeff Jia, Senior Investment Analyst  
Leandro Festino, Meketa Investment Group  
Tim Filla, Meketa Investment Group  
Alina Yuan, Meketa Investment Group  
(Memo dated April 1, 2021)

Messrs. Mahseredjian, Santos, Cheng and Jia provided a presentation and answered questions from the Board.

On a motion by Mr. Kehoe, seconded by Mr. Kelly, the Board voted to retain PineBridge Investments to manage a high yield fixed income mandate for LACERA in a separate account. The motion passed (roll call) with Messrs. Santos, Kehoe, Jones, Bernstein, Kelly, Knox and Ms. Sanchez voting yes. Mr. Green and Ms. Greenwood were absent from the vote.

2. The Veritas Middle Market Fund, L.P.  
Christopher J. Wagner, Principal Investment Officer  
Calvin Chang, Senior Investment Analyst  
Natalie Walker, StepStone Group  
(Memo dated March 31, 2021)

(Mr. Jones left the meeting at 1:30 p.m. and returned at 1:50 p.m.)

Messrs. Wagner and Chang and Ms. Walker of StepStone Group provided a presentation and answered questions from the Board.

XII. EXECUTIVE SESSION (Continued)

On a motion by Mr. Santos, seconded by Mr. Green, the Board approved a commitment of up to \$100 million to The Veritas Middle Market Fund, L.P., investing in companies operating at the intersection of technology and government. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Bernstein, Knox and Ms. Sanchez voting yes and Mr. Kelly voting no. Mr. Jones and Ms. Greenwood were absent from the vote.

3. TA XIV, L.P. and TA Select Opportunities Fund II, L.P.  
Christopher J. Wagner, Principal Investment Officer  
Didier Acevedo, Investment Officer  
Natalie Walker, StepStone Group  
(Memo dated March 22, 2021)

Messrs. Wagner, Acevedo and Ms. Walker of StepStone Group provided a presentation and answered questions from the Board.

On a motion by Mr. Santos, seconded by Mr. Kelly, the Board approved a commitment of up to \$110 million to TA XIV, L.P. and up to \$40 million to TA Select Opportunities Fund II, L.P. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Bernstein, Kelly, Knox and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

4. Private Equity Co-Investment Update  
David Chu, Senior Investment Officer  
Didier Acevedo, Investment Officer  
(For Information Only) (Memo dated March 22, 2021)

The Board received an information only report providing notice that LACERA completed a co-investment commitment of up to \$20 million alongside Lightyear Capital,

## XII. EXECUTIVE SESSION (Continued)

one of LACERA's Board of Investments approved managers. The commitment is compliant with the private equity co-investment guidelines.

5. Private Equity Investment Update  
David Chu, Senior Investment Officer  
Cheryl Lu, Investment Officer  
(For Information Only) (Memo dated March 26, 2021)

The Board received an information only report providing notice that LACERA completed a \$15 million private equity co-investment alongside Storm Venture Partners, one of LACERA's Board of Investments approved managers. The commitment is compliant with the private equity co-investment guidelines.

6. Private Equity Co-Investment Update  
David Chu, Senior Investment Officer  
Derek Kong, Investment Officer  
(For Information Only) (Memo dated March 22, 2021)

The Board received an information only report providing notice that LACERA completed a co-investment commitment of up to \$20 million alongside Onex Partners, one of LACERA's Board of Investments approved managers. The commitment is compliant with the private equity co-investment guidelines.

7. Notice of Re-Up Commitment of up to \$150 Million to Hellman & Friedman X, L.P.  
Christopher J. Wagner, Principal Investment Officer  
Shelly P. Tilaye, Senior Investment Analyst  
(For Information Only) (Memo dated March 26, 2021)

Staff provided an information only report on a re-up commitment of up to \$150 million to Hellman & Friedman X, L.P., approved by the Chief Investment Officer in accordance with LACERA's investment policies and procedures.

XII. EXECUTIVE SESSION (Continued)

8. Notice of Re-Up Commitment of up to \$100 Million to Lightyear Fund V, L.P.  
Christopher J. Wagner, Principal Investment Officer  
David E. Simpson, Investment Officer  
(For Information Only) (Memo dated April 2, 2021)

Staff provided an information only report on a re-up commitment of up to \$100 million to Lightyear Fund V, L.P., approved by the Chief Investment Officer in accordance with LACERA's investment policies and procedures.

Green Folder Information (Information provided to the Trustees prior to the meeting)

Item: XII. A.2 - The Veritas Middle Market Fund, L.P. - (The presentation included in the agenda packet was missing information on page 5)

Item XII.A.3 - TA XIV, L.P. and TA Select Opportunities Fund II, L.P. - (The presentation included in the agenda packet was missing information on page 5)

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:08 p.m. in memory of Remigio "Remi" Feliciano.

*Signature on File*

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ALAN BERNSTEIN, SECRETARY

*Signature on File*

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KEITH KNOX, CHAIR