

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, SEPTEMBER 8, 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

Elizabeth Greenwood

Shawn Kehoe

Patrick Jones

Gina V. Sanchez

Herman Santos

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Christine Roseland, Senior Staff Counsel

Ted Granger, Interim Chief Financial Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Jude Perez, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Esmeralda del Bosque, Interim Principal Investment Officer

Chad Timko, Senior Investment Officer

Quoc Nguyen, Investment Officer

Pushpam Jain, Investment Officer

Amit Aggarwal, Investment Officer

Derek Kong, Investment Officer

Calvin Chang, Senior Investment Analyst

Kevin Bassi, Senior Investment Analyst

Barry W. Lew, Legislative Affairs Officer

Meketa Investment Group

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

Albourne

Mark White, Head of Real Assets

James Walsh, Partner

Steven Kennedy, Partner

StepStone Group LP (Real Estate Consultants)

Thomas Hester, Managing Director

Margaret McKnight, Partner

StepStone Group LP (Private Equity Consultants)

Natalie Walker, Partner

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I. CALL TO ORDER

The meeting was called to order virtually by Chair Knox at 9:05 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 11, 2021

Mr. Green made a motion, Mr. Kelly seconded, to approve the minutes of the regular meeting of August 11, 2021. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Kehoe, Jones, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

Amber Height and Kim Yergan addressed the Board regarding the Baldwin Hills Crenshaw Plaza. In addition, Michael Guynn, provided a written comment.

V. CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated August 20, 2021)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT
(Presentation dated September 8, 2021)

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

VII. CONSENT ITEMS

Mr. Kelly made a motion, Mr. Bernstein seconded, to approve the following consent items. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Kehoe Jones, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes.

- A. Recommendation as submitted by Gina Sanchez, Chair, Credit and Risk Mitigation Committee: That the Board approve the initiatives and recommendations listed on page 37 of the Risk Reduction and Mitigation Structure Review advanced by the Credit and Risk Mitigation Committee. (Memo dated August 30, 2021)
- B. Recommendation as submitted by Gina Sanchez, Chair, Credit and Risk Mitigation Committee: That the Board approve the Minimum Qualifications advanced by the Credit and Risk Mitigation Committee and authorize a Request for Proposal for Long-Term U.S. Treasury Bond investment managers. (Memo dated August 30, 2021)

VIII. NON CONSENT ITEM

- A. Recommendation as submitted by Jude Pérez, Principal Investment Officer and Esmeralda del Bosque, Senior Investment Officer: That the Board approve the adoption of the revised Investment Policy Statement. (Memo dated August 30, 2021)

Mr. Perez and Ms. del Bosque was present and answered questions from the Board.

Mr. Kelly made a motion, Mr. Santos seconded, to approve the adoption of the revised Investment Policy Statement. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Bernstein, Jones, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes.

IX. REPORTS

- A. Options for Election of Board Officers
Keith Knox, Chair Board of Investments
Alan J. Bernstein, Chair Board of Retirement
(Memo dated August 19, 2021)

Messrs. Knox, Bernstein, Lugo and Rice were present to answer questions from the Board. The Board provided input and comments. This item will be agendaized for further review at a future meeting.

- B. LACERA Quarterly Performance Book
Meketa Quarterly Performance Book
Jude Pérez Principal Investment Officer
Esmeralda del Bosque Senior Investment Officer
(For Information Only) (Memo dated August 31, 2021)

This item was received and filed.

- C. LACERA Quarterly OPEB Master Trust as of June 30, 2021
Meketa Quarterly OPEB Master Trust as of June 30, 2021
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated August 30, 2021)

This item was received and filed.

- D. Albourne Consultant Self-Assessment
James Rice, Principal Investment Officer
Vache Mahseredjian, Principal Investment Officer
(For Information Only) (Memo dated August 30, 2021)

This item was received and filed.

- E. Private Equity Consultant Search Slide Correction
Christopher J. Wagner, Principal Investment Officer
(For Information Only) (Memo dated August 21, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- F. International Corporate Governance Network Annual General Meeting
Ballot
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated August 27, 2021)

This item was received and filed.

- G. Legal Projects
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated August 30, 2021)

This item was received and filed.

- H. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated August 22, 2021)

This item was received and filed.

- I. Monthly Education and Travel Reports for July 2021
Ted Granger, Interim Chief Financial Officer
Monthly Education and Travel Reports for July 2021
(Public Memo dated August 18, 2021)
(Confidential Memo dated August 18, 2021 – Includes Anticipated Travel)

4th Quarter Education & Travel Expenditure Reports
(Memo dated August 18, 2021)

This item was received and filed.

- J. August 2021 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(For Information Only) (Memo dated August 16, 2021)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

There was nothing to report.

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

The Board and staff congratulated Mr. Santos on his election to the Board of Investments. Senior Staff Counsel Johanna Fontenot was congratulated on her retirement after 30 years of LACERA and County service.

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)

1. STG Allegro, L.P.
Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(Memo dated August 16, 2021)

Messrs. Wagner, Kong and Ms. Walker of StepStone Group LP were present and answered questions from the Board.

Mr. Kelly made a motion, seconded by Mr. Green, to approve a commitment of up to \$100 million to STG Allegro, L.P. This investment is a private equity small market buyout fund focusing on the technology sector. The motion passed (roll call), with Messrs. Knox, Bernstein, Santos, Kehoe, Jones, Green, and Kelly and Mses. Sanchez and Greenwood voting yes.

2. Atlantic Street Capital V, L.P.
Christopher J. Wagner, Principal Investment Officer
Calvin Chang, Senior Investment Analyst
(Memo dated August 25, 2021)

XII. EXECUTIVE SESSION (Continued)

Messrs. Wagner, Chang and Ms. Walker of StepStone Group LP were present and answered questions from the Board.

Mr. Kelly made a motion, seconded by Mr. Santos, to approve a commitment of up to \$150 million to Atlantic Street Capital V, L.P. This investment is a private equity small market buyout fund focusing on the healthcare, consumer discretionary, information technology, and industrial sectors. The motion passed (roll call), with Messrs. Knox, Bernstein, Santos, Kehoe, Jones, Green, and Kelly and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

3. Orion Mine Finance Fund III, L.P. & Orion Mineral Royalty Fund I, L.P.
James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
(Memo dated August 18, 2021)

Messrs. Rice and Jain and Messrs. Kennedy, White and Walsh of Albourne were present and answered questions from the Board.

Mr. Santos made a motion, seconded by Mr. Kehoe, to approve a commitment of up to \$150 million to Orion Mine Finance Fund III, L.P. and a commitment of up to \$100 million to Orion Mineral Royalty Fund I, L.P. These investments are private equity real asset funds focusing on mining opportunities. The motion passed (roll call), with Messrs. Knox, Bernstein, Santos, Kehoe, Jones, Green, and Kelly and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

XII. EXECUTIVE SESSION (Continued)

4. Brevan Howard Master Fund
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Office
Quoc Nguyen, Investment Officer
(Memo dated August 30, 2021)

Messrs. Mahseredjian, Timko and Nguyen and Messrs. Kennedy, White and Walsh of Albourne were present and answered questions from the Board.

On a motion by Mr. Kelly, seconded by Mr. Bernstein, the Board approved a new share class in existing hedge fund investment Brevan Howard Master Fund. The motion passed (roll call) with Messrs. Knox, Bernstein, Santos, Kehoe, Jones, Green, Kelly and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

5. Private Equity Investment Update
David Chu, Senior Investment Officer
Derek Kong Investment Officer
(For Information Only) (Memo dated August 16, 2021)

The Board received an information only report providing notice that LACERA completed a co-investment commitment of \$40 million alongside approved manager STG Capital Partners. The commitment is compliant with the private equity co-investment guidelines.

B. Conference With Legal Counsel—Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. Wells Fargo Bank, National Association, as Trustee for Morgan Stanley Bank of America Merrill Lynch Trust 2013-C9, Commercial Mortgage Pass-Through Certificates, Series 2013-C9 v. 700 Milford Holdings LLC, et al., Case No. 1:21-cv-06059-JPC (S.D.N.Y.)

There was nothing to report.

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XII. EXECUTIVE SESSION (Continued)

- C. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

1. One Case

There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:36 a.m.

Signature on File

ALAN BERNSTEIN, SECRETARY

Signature on File

KEITH KNOX, CHAIR