

# 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, DECEMBER 8, 2021

This meeting was conducted by the Board of Investments by teleconference under California Government Code Section 54953(e).

PRESENT: Keith Knox, Chair

Joseph Kelly, Vice Chair

Alan Bernstein, Secretary

David Green

Elizabeth Greenwood

Patrick Jones

Gina V. Sanchez

Herman Santos

ABSENT: Shawn Kehoe

### STAFF ADVISORS AND PARTICIPANTS

Jonathan Gabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Christine Roseland, Senior Staff Counsel

Michael Herrera, Senior Staff Counsel

Ted Granger, Interim Chief Financial Officer

Barry W. Lew, Legislative Affairs Officer

Christopher Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Jude Perez, Principal Investment Officer

Esmeralda del Bosque, Interim Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

Chad Timko, Senior Investment Officer

David Chu, Senior Investment Officer

Quoc Nguyen, Investment Officer

Calvin Chang, Senior Investment Analyst

Noah Damsky, Investment Analyst

Terra Elijah, Investment Analyst

Daniel Joye, Investment Officer

Cheryl Lu, Investment Officer

Carly Ntoya, Ph.D., Human Resources Director

STAFF ADVISORS AND PARTICIPANTS (Continued)

Meketa Investment Group (General Investment Consultants)  
Stephen McCourt, Managing Principal/Co-CEO  
Timothy Filla, Managing Principal/ Portfolio Consultant  
Aysun Kilic, Executive Vice President/Consultant and Portfolio Strategist

Albourne (Real Assets ex-Real Estate, Illiquid Credit & Hedge Funds Consultant)

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

Milliman (Consulting Actuary)

Nick Collier, Principal  
Craig Glyde, Pricipal

I. CALL TO ORDER

The meeting was called to order virtually by Chair Knox at 9:10 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Meeting of November 17, 2021

Mr. Green made a motion, Mr. Kelly seconded, to approve the minutes of the special meeting of November 17, 2021. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Jones, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes. Mr. Kehoe was absent for the vote.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

Jordan Ash and Allen Pineda addressed the Board regarding a PAI portfolio company.

V. CHIEF EXECUTIVE OFFICER'S REPORT  
(Memo dated November 22, 2021)

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

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

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

VII. CONSENT ITEMS

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

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Investments consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the Board and its Committees to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such

VII. CONSENT ITEMS (Continued)

that the Board and its Committees shall hold teleconference meetings for the next 30 days, and if so, direct staff to comply with the agenda and public comment requirements of the statute. (Memo dated November 23, 2021)

- B. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board approve LACERA's nomination of Scott Zdrazil for re-election to the Council of Institutional Investors Board in the 2022 annual Board elections. (Memo dated November 22, 2021)
- C. Recommendation as submitted by Shawn Kehoe, Chair, Joint Organizational Governance Committee: That the Board adopt the FY 2021-2022 Mid-Year Budget Amendments for the LACERA Administrative Budget. (Memo dated November 24, 2021)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Jude Perez, Principal Investment Officer: That the Board approve the Proposed Custody Bank Search Minimum Qualifications, Evaluation Criteria, and Scope of Work. (Memo dated November 22, 2021)

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

Mr. Santos made a motion, Mr. Kelly seconded, to approve the Proposed Custody Bank Search Minimum Qualifications, Evaluation Criteria, and Scope of Work. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Jones, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Kehoe was absent for the vote.

- B. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board review the 2022 meeting calendar and consider rescheduling meeting dates that conflict with a holiday and/or the potential of a lack of quorum. (Memo dated November 16, 2021)

Mr. Kreimann was present and answered questions from the Board. The

Board did not take action on this item, which was received and filed.

VIII. NON-CONSENT ITEMS (Continued)

- C. Recommendation as submitted that the Board approve attendance of Trustees at the Institutional ESG Investing Conference North America on April 20, 2022 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated November 14, 2021) (Placed on the agenda at the request of Trustee Sanchez)

Mr. Bernstein made a motion, Mr. Kelly seconded, to approve attendance of Trustees at the Institutional ESG Investing Conference North America on April 20, 2022 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Jones, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Kehoe was absent for the vote.

- D. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer and Ted Granger, Interim Chief Financial Officer:

It is recommended that the Board of Investments:

1. Accept the June 30, 2021 Actuarial Valuation of Retirement Benefits as submitted by the plan actuary, Milliman.
2. Adopt recommended employer contribution rates (all plan tiers) and employee contribution rates (plan tiers General Plan G and Safety Plan C).
3. Delegate authority to the Chief Executive Officer to communicate the results of the 2021 Actuarial Valuation of Retirement Benefits to the Board of Supervisors by May 15, 2022, with a recommendation to implement the employer and employee rates no later than September 29, 2022. (Memo dated November 22, 2021)

## VIII. NON-CONSENT ITEMS (Continued)

Mr. Santos made a motion, Ms. Greenwood seconded, to 1) Accept the June 30, 2021 Actuarial Valuation of Retirement Benefits as submitted by the plan actuary, Milliman, 2) Adopt recommended employer contribution rates (all plan tiers) and employee contribution rates (plan tiers General Plan G and Safety Plan C), and 3) Delegate authority to the Chief Executive Officer to communicate the results of the 2021 Actuarial Valuation of Retirement Benefits to the Board of Supervisors by May 15, 2022, with a recommendation to implement the employer and employee rates no later than September 29, 2022.

The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Jones, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Kehoe was absent for the vote.

## IX. REPORTS

- A. Annual Update and Review of LACERA Towards Inclusion, Diversity, and Equity (LACERA TIDE)  
Jonathan Grabel, Chief Investment Officer  
(Memo dated November 29, 2021)

Messrs. Grabel, Zdrzil, Johnson, Nguyen, Senkandwa, Acevedo, Jia and

Mses. Rivera and Lu provided a presentation and answered questions from the

Board. The item was received and filed.

- B. Assembly Bill 2833 Report – Fiscal Year 2021  
Calvin Chang, Senior Investment Analyst  
Noah Damsky, Senior Investment Analyst  
Terra Elijah, Investment Analyst  
(Memo date November 23, 2021)

IX. REPORTS (Continued)

Mr. Chang and Ms. Elijah provided a presentation and answered questions from the Board. The item was received and filed.

- C. LACERA Quarterly Performance Book  
Meketa Fund Evaluation Report  
Jude Perez, Principal Investment Officer  
(For Information Only) (Memo dated November 22, 2021)

This item was received and filed.

- D. OPEB Quarterly Performance Book  
Meketa OPEB Fund Evaluation Report  
Jude Perez, Principal Investment Officer  
(For Information Only) (Memo dated November 23, 2021)

This item was received and filed.

- E. Fiduciary Counsel Annual Self-Assessments  
Steven P. Rice, Chief Counsel  
(For Information Only) (Memo dated November 22, 2021/Attachments are Privileged and Confidential Attorney-Client Communications/Attorney Work Product)

This item was received and filed.

- F. 2021 Year-End Legislative Report  
Barry W. Lew, Legislative Affairs Officer  
(For Information Only) (Memo dated November 18, 2021)

This item was received and filed.

- G. Legal Projects  
Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated November 19, 2021)

This item was received and filed.



IX. REPORTS (Continued)

- H. Monthly Travel & Education Report – October 2021  
Ted Granger, Interim Chief Financial Officer  
Comprehensive Monthly Travel & Education Report – October 2021  
(Public Memo dated November 17, 2021)  
(Confidential Memo dated November 17, 2021– Includes Anticipated Travel)

1st Quarter Trustee Travel & Education Reports  
(Memo dated November 17, 2021)

This item was received and filed.

- I. November 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 November 22, 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 thanked Mr. Bernstein for his service on the Board.

Mr. Grabel welcomed Krista Powell to the Investment Office and Mr. McCourt of Meketa introduced Aysun Kilic to the Board.

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. Silver Rock Tactical Allocation Strategy Dedicated Managed Account  
Vache Mahseredjian, Principal Investment Officer  
Chad Timko, Senior Investment Officer  
Quoc Nguyen, Investment Officer  
(Memo dated November 24, 2021)

Messrs. Mahseredjian, Timko and Nguyen and Messrs. Walsh, White and Kennedy of Alboure provided a presentation and answered questions from the Board.

Mr. Jones made a motion, Mr. Santos seconded, to approve an illiquid credit investment of \$775 million to the Silver Rock Tactical Allocation Strategy to be managed by Silver Rock Financial L.P. in a dedicated managed account that includes a \$600 million primary portfolio and a \$175 million co-investment portfolio. The motion (roll call), with Messrs. Bernstein, Green, Jones, Knox, and Santos and Mses. Greenwood and Sanchez voting yes. Messrs. Kehoe and Kelly were absent from the vote.

2. Partners Group Direct Infrastructure 2020, L.P.  
Jim Rice, Principal Investment Officer  
Daniel Joye, Investment Officer  
(Memo dated November 23, 2021)

Messrs. Rice and Joye and Messrs. Walsh, White and Kennedy of Alboure provided a presentation and answered questions from the Board.

Mr. Bernstein made a motion, Mr. Knox seconded, to approve a commitment of up to \$200 million to Partners Group Direct Infrastructure 2020, L.P., which is a real

XII. EXECUTIVE SESSION (Continued)

assets fund with a focus in renewable power, energy infrastructure, communication, transportation, social infrastructure, and water management primarily in North America and Europe. The motion passed (roll call), with Messrs. Bernstein, Green, Jones, Knox, and Santos and Meses. Greenwood and Sanchez voting yes. Messrs. Kehoe and Kelly were absent from the vote.

3. Private Equity Investment Update  
David Chu, Senior Investment Officer  
Cheryl Lu, Investment Officer  
(For Information Only) (Memo dated November 15, 2021)

The Board received an information only report providing notice that LACERA completed a co-investment commitment of \$7 million alongside approved manager GGV 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. *Iowa Public Employees' Retirement System, et al. v. Bank of America Corporation, et al., etc.*  
U.S.D.C., Southern District of New York, Case No. 17 CV 6221

Mr. Herrera was present and answered questions from the Board. The Board took action, which will be reported out at a future date in accordance with the Brown Act.

December 8, 2021

Page 12

XII. EXECUTIVE SESSION (Continued)

2. *In re Interest Rate Swaps Antitrust Litigation*,  
U.S.D.C., Southern District of New York, Case No. 16 MD  
02704

Mr. Herrera was present and answered questions from the Board. The Board took action, which will be reported out at a future date in accordance with the Brown Act.

- C. Public Employee Performance Evaluation  
(Pursuant to Paragraph (1) of Subdivision (b) of California Government  
Code Section 54957)

Title: Chief Investment Officer

There is nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:00 p.m.

Supplemental Information (Information provided to the Trustees prior to the meeting)

1. IPERS, et al. v. Bank of America Corporation, et al., etc. (S.D.N.Y)  
Case No. 17-cv-6221(Memo dated December 3, 2021)
2. *In re Interest Rate Swaps Antitrust Litigation* (S.D.N.Y)  
Case No. 16-md-02704 (Memo dated December 6, 2021)

Signature on File

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ALAN BERNSTEIN, SECRETARY

Signature on File

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KEITH KNOX, CHAIR