

APPROVED

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, MARCH 8, 2023

This meeting was conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (b), (f).

Teleconference Location for Trustees and the Public under California Government Code Section 54953(b)
Hilton Garden Inn Washington DC Downton Hotel: 815 14th Street N.W.
Washington DC 20005

TRUSTEES PRESENT

Gina Sanchez, Chair (Teleconference)

Herman Santos, Vice Chair (In-Person)

Keith Knox, Ex-Officio Trustee (In-Person)

David Green (In-Person) (Joined the meeting at 9:20 a.m.)

Jason Green (In-Person)

Onyx Jones (In-Person) (Left the meeting at 1:00 p.m.)

Patrick Jones (In-Person)

Joseph Kelly (In-Person) (Left the meeting at 1:00 p.m.)

David Ryu (In-Person)

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Interim Chief Financial Officer

Christine Roseland, Senior Staff Counsel

Vache Mahseredjian, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

Jude Pérez, Principal Investment Officer

James Rice, Principal Investment Officer

John Kim, Investment Officer

Derek Kong, Investment Officer

Terra Elijah, Senior Investment Analyst

Calvin Chang, Senior Investment Analyst

Carly Ntoya, Human Resources Director

Meketa Investment Group (General Investment Consultants)

Aysun Kilic, Managing Principal

Tim Filla, Managing Principal

StepStone Group LP (Private Equity Consultants)

Jose Fernandez, Partner

StepStone Group LP (Real Assets Consultants)

James Maina, Vice President

STAFF ADVISORS AND PARTICIPANTS (Continued)

Milliman (Consulting Actuary)
Nick Collier, Principal Actuary
Craig Glyde, Principal Actuary

Cavanaugh Macdonald Consulting, LLC (Reviewing Actuary)
Brent Banister, Chief Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Sanchez at 9:00 a.m.

II. PLEDGE OF ALLEGIANCE

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE
UNDER AB 2449, California Government Code Section 54953(f)
(Memo dated February 23, 2023)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

There was nothing to report. No trustees participated under Section 54953(f).

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 8, 2023

A motion was made by Trustee Santos, seconded by Trustee Kelly, to approve the Regular Meeting Minutes of February 8, 2023. The motion passed by the following roll call vote:

Yes: Knox, Santos, J. Green, Ryu, P. Jones, O. Jones, Kelly, Sanchez

No: None

Absent: D. Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Executive Officer's Report

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

B. Chief Investment Officer's Report
(Trustee D. Green joined the meeting at 9:20 a.m.)

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

VII. CONSENT ITEMS

- A. **2023 Annual AVCA Conference in Cairo, Egypt on May 1 – 5, 2023**
Recommendation that the Board approve attendance of Trustees at the Approve attendance of Trustees at the 2023 Annual AVCA Conference held in Egypt, Cairo on May 1 – 5, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated February 21, 2023) (Placed on the agenda by Trustee, David Green)

A motion was made by Trustee Kelly, seconded by Trustee D. Green, to approve Consent Item VII.A. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, O. Jones, Kelly, Sanchez

No: None

VIII. NON-CONSENT ITEMS

A. **2022 Actuarial Valuation of Retirement Benefits**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer and Ted Granger, Interim Chief Financial Officer: That the Board:

1. Accept the June 30, 2022 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 (all contributory plan tiers).
3. Delegate authority to the Chief Executive Officer to communicate the results of the 2022 Actuarial Valuation of Retirement Benefits to the Board of Supervisors on or before May 15, 2023, with a recommendation to implement the employer and employee rates no later than September 29, 2023. (Memo dated February 22, 2023)

Mr. Granger and Messrs. Collier and Glyde of Milliman provided a presentation and answered questions from the Board.

A motion was made by Trustee Kelly, seconded by Trustee P. Jones, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, O. Jones, Kelly, Sanchez

No: None

B. **UPDATE LACERA'S ORDINANCE OF POSITIONS – Retirement Benefits Specialist I, Retirement Benefits Specialist II, Senior Disability Retirement Specialist**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board 1) Approve an increase in the number of Retirement Benefit Specialist I (Item #1309) positions in the County of Los Angeles Salary Ordinance, Section 6.127.010 (Ordinance), by 17 positions, including submission to the Board of Supervisors (BOS) to provide operational flexibility to train staff; 2) Approve an increase in the number of Retirement Benefit Specialist II

VIII. NON-CONSENT ITEMS (Continued)

(Item #1310) positions in the County of Los Angeles Salary Ordinance, Section 6.127.010 (Ordinance), by 21 positions, including submission to the Board of Supervisors (BOS) to provide operational flexibility to train staff; 3) Approve an increase in the number of Senior Disability Retirement Specialist II (Item #1632) positions in the County of Los Angeles Salary Ordinance, Section 6.127.010 (Ordinance), by 3 positions, including submission to the Board of Supervisors (BOS) to provide operational flexibility to train staff. (Memo dated February 23, 2023) (Supplemental Memo dated March 2, 2023)

Mses. Guglielmo and Ntoya provided a presentation and answered questions from the Board.

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve staff recommendation. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, O. Jones, Kelly, Sanchez

No: None

**C. Chief Executive Officer Compensation and Benefits –
Transportation Allowance**

Recommendation as submitted by Carly Ntoya, Ph.D., Director, Human Resources: That the Board approve approves a \$600 per month Transportation Allowance for Chief Executive Officer, Santos H. Kreimann, effective July 1, 2021. (Memo dated February 15, 2023)

Mr. Lugo and Mses. Guglielmo and Ntoya provided a presentation and answered questions from the Board. Mr. Kreimann left the board room for the discussion, motion, and vote on this item. Before the vote was taken, Ms. Ntoya provided an oral summary of the proposed change in the Chief Executive Officer's benefits as required by Government Code Section 54953(c)(3).

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve staff recommendation. The motion passed by the following roll call vote:

VIII. NON-CONSENT ITEMS (Continued)

Yes: Knox, D. Green, H. Santos, J. Green, D. Ryu, P. Jones, O. Jones, G. Sanchez

No: Kelly

IX. REPORTS

A. **LACERA Quarterly Performance Book**

Jude Pérez, Principal Investment Officer
Dale Johnson, Investment Officer
John Kim, Investment Officer
Terra Elijah, Senior Investment Analyst
(Memo dated February 28, 2023)

Messrs. Perez, Johnson, Kim, and Ms. Elijah provided a presentation and answered questions from the Board. The item was received and filed.

B. **OPEB Quarterly Performance Book**

Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated March 1, 2023)

This item was received and filed.

C. **Securities Lending Program—2022 Annual Review**

Vache Mahseredjian, Principal Investment Officer
(For Information Only) (Memo dated February 28, 2023)

This item was received and filed.

D. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated February 27, 2023)

This item was received and filed.

E. **Monthly and Quarterly Trustee Travel & Education Reports**

Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memos dated February 21, 2023)
Monthly Trustee Travel & Education Report – January 2023

IX. REPORTS (Continued)

Comprehensive Monthly Trustee Travel & Education Report – January 2023 (Confidential memo dated February 21, 2023– Includes Pending Travel)

FY 2022-2023 2nd Quarter Staff Travel Report

FY 2022-2023 2nd Quarter Trustee Travel & Education Expenditure Reports

This item was received and filed.

F. **February 2023 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated February 21, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested that staff ensure adequate Legal Authority is provided in memos regarding personnel and salary items.

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XII. GOOD OF THE ORDER
(For Information Purposes Only)

The Board welcomed new appointed Trustee, David Ryu.

XIII. 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. **CBRE U.S. Core Partners Fund (Open-End)**

James Rice, Principal Investment Officer

Amit Aggarwal, Investment Officer

Mel Tsao, Senior Investment Analyst

(Memo dated February 22, 2023)

XIII. EXECUTIVE SESSION (Continued)

Messrs. Rice and Tsao and Mr. Maina of StepStone Group provided a presentation and answered questions from the Board.

Trustee Santos made a motion, Trustee D. Green seconded, to approve a commitment of up to \$600 million to the CBRE U.S. Core Partners Fund, an open-ended, core real estate fund focusing on logistics, residential, and growth sectors in the United States. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, O. Jones, Kelly, Sanchez

No: None

2. **Montefiore Investment VI S.L.P. AND Montefiore Investment Expansion S.L.P.**

Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(Memo dated February 13, 2023)

Mr. Wagner and Mr. Fernandez of StepStone Group provided a presentation and answered questions from the Board.

Trustee Santos made a motion, seconded by Trustee Knox, to approve a commitment of up to €100 million (approximately \$107 million) to Montefiore Investment VI S.L.P. ("MI VI") and up to €50 (approximately \$54 million) to Montefiore Investment Expansion S.L.P. ("MIE I"). MI VI is a private equity buyout fund targeting lower middle market companies, and MIE 1 will focus on small companies. Both funds will focus on consumer discretionary, consumer staples, healthcare services, information technology and digital services, business-to-consumer, and business-to-business sectors primarily in France, with some exposure to Northern Italy. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, O. Jones, Sanchez

No: None

Absent: Kelly

XIII. EXECUTIVE SESSION (Continued)

3. **Alpine Investors IX, L.P.**

Christopher J. Wagner, Principal Investment Officer

Calvin Chang, Senior Investment Analyst

(Memo dated February 23, 2023)

(Trustee O. Jones and Kelly left the meeting at 1:00 p.m.)

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

Trustee Santos made a motion, seconded by Trustee Knox, to approve a commitment of up to \$150 million to Alpine Investors IX, L.P., which is a private equity buyout fund focusing on middle market investments primarily in industrials, information technology, and consumer discretionary sectors in the United States. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, J. Green, Ryu, P. Jones, Sanchez

No: None

Absent: Kelly, O. Jones

XVI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:20 p.m.

Signature on File

JOSEPH KELLY, SECRETARY

Signature on File

GINA SANCHEZ, CHAIR