

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, MAY 10, 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)
Paradise Point Resort & Spa - 1404 Vacation Rd., San Diego, CA 92109*

TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair (Teleconference under 54953(b))

Keith Knox, Ex-Officio Trustee

David Green

Jason Green (Joined the meeting at 9:30 a.m.)

Patrick Jones (Teleconference under 54953(b))

Joseph Kelly

David Ryu

TRUSTEES ABSENT

Onyx Jones

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Interim Chief Financial Officer

Michael Herrera, Senior Staff Counsel

Christine Roseland, Senior Staff Counsel

Scott Zdrazil, Principal Investment Officer

James Rice, Principal Investment Officer

Didier Acevedo, Investment Officer

Cindy Rivera, Investment Officer

Amit Aggarwal, Investment Officer

Mike Romero, Senior Investment Analyst

Pushpam Jain, Investment Officer

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

StepStone Group LP (Real Assets Consultants)

Margaret McKnight, Partner

James Maina, Vice President

Albourne

James Walsh, Partner

Kristen Jones, Senior Credit Analyst

Steven Kennedy, Partner

Mark White, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Sanchez at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Green led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

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 April 12, 2023

A motion was made by Trustee Green, seconded by Trustee Knox, to approve the Regular Meeting Minutes of April 12, 2023. The motion passed by the following roll call vote:

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

No: None

Absent: J. Green, O. Jones

V. PUBLIC COMMENT

The Board received a written comment from John Ocampo, a union organizer with the United Electrical, Radio, and Machine Workers of America, regarding the Refresco bottling factory in Wharton, NJ which is owned by private equity firm, KKR.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

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

B. Member Spotlight

Ms. Guglielmo recognized LACERA member, Margarita Lien.

C. Chief Executive Officer's Report (Mr. J. Green joined the meeting at 9:30 a.m.)

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

VII. CONSENT ITEMS

A. **Corporate Governance and Stewardship Principles Review**

Recommendation as submitted by Keith Knox, Chair, Corporate Governance Committee: That the Board approve the revised Corporate Governance and Stewardship Principles.
(Memo dated April 24, 2023)

Having been pulled from Consent by Trustee Kelly, a motion was made by Trustee D. Green, seconded by Trustee Knox, to approve staff's recommendation. The motion passed by the following roll call vote:

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

Absent: O. Jones

B. **Montreal Alternative Investment Forum (AIMA) in Montreal, Canada on June 21, 2023**

Recommendation that the Board approve attendance of Trustees at the Montreal Alternative Investment Forum in Montreal, Canada on June 21, 2023, approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies and 2) and approve an exception to the Trustee Education Policy's minimum educational requirement. (Memo dated April 26, 2023) (Placed on the agenda by Trustee Gina Sanchez)

VII. CONSENT ITEMS (Continued)

A motion was made on Consent by Trustee Kelly, seconded by Trustee Knox, to approve staff's recommendation. The motion passed by the following roll call vote:

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

Absent: O. Jones

VIII. NON-CONSENT ITEMS

A. **Commercial Real Estate Brokerage Services Request for Proposal – Minimum Qualifications**

Recommendation as submitted by James Rice, Principal Investment Officer, Amit Aggarwal, Investment Officer and Mike Romero, Senior Investment Analyst: That the Board approve the Request for Proposal for Commercial Real Estate Brokerage Services - Minimum Qualifications. (Memo dated April 26, 2023)

A motion was made by Trustee Santos seconded by Trustee Kelly, to approve staff's recommendation with the following revisions: (1) The final scores, evaluation review, and recommendation will be reported to the Board, (2) The Board delegates selection authority for this RFP to the CIO. The motion passed by the following roll call vote:

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

Absent: O. Jones

IX. REPORTS

A. **Board of Investments 2023 Offsite Tentative Agenda** Jonathan Grabel, Chief Investment Officer (Memo dated April 18, 2023)

Mr. Grabel provided a presentation and answered questions from the Board. This item was received and filed.

B. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated April 21, 2023)

IX. REPORTS (Continued)

This item was pulled for questions and discussion, and then received and filed.

C. **Real Estate Recoveries Report**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated April 28, 2023)

This item was received and filed.

D. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated May 2, 2023)

This item was received and filed.

E. **Monthly Trustee Travel & Education Reports – March 2023**

Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memos dated April 19, 2023)
Monthly Trustee Travel & Education Report
Comprehensive Monthly Trustee Travel & Education Report
(Confidential Memo – Includes Pending Travel)

This item was received and filed.

F. **Selection of Securities Litigation Monitoring and Approved Counsel**

Michael D. Herrera, Senior Staff Counsel
(For Information Only) (Memo dated May 3, 2023)

This was pulled for questions and discussion, and then received and filed.

G. **April 2023 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated April 24, 2023)
(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

Trustee Santos requested that staff include a reference in the Chief Executive Officer's Report Dashboard regarding the investment rate of return showing a graph comparing active members to retired members and the actuarial impact that the delay in baby boomers retiring will have on the pension plan's unfunded liability.

Trustee Kelly requested that staff monitor section 3.2 of the Corporate Governance and Stewardship Principles review in terms of investment annual meetings (virtual vs. in-person).

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

There was nothing to report.

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. **Ara Fund III, L.P.**

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

(Memo dated April 26, 2023)

Messrs. J. Rice and Jain and Messrs. White and Kennedy of Albourne provided a presentation and answered questions from the Board.

Trustee Kelly made a motion, seconded by Trustee D. Green, to approve a commitment of up to \$125 million in Ara Fund III, L.P., which is a real assets fund focused on lower to mid-market growth equity and buyout investments in the U.S. and Europe relating to decarbonization of industrial processes. The motion passed by the following roll call vote:

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

XIII. EXECUTIVE SESSION (Continued)

Absent: O. Jones

2. Appian Natural Resources Fund III LP

James Rice, Principal Investment Office

Pushpam Jain, Investment Officer

(Memo dated April 26, 2023)

Messrs. J. Rice and Jain and Messrs. White and Kennedy of Albourne provided a presentation and answered questions from the Board.

Trustee Santos made a motion, seconded by Trustee Ryu, to approve a commitment of up to \$150 million, structured as a \$75 million investment in Appian Natural Resources Fund III LP and \$75 million in Appian LACERA Co-Invest Fund III LP. These real assets investments focus on energy transition metals and precious metals located primarily in the Americas and Australia. The motion passed by the following roll call vote:

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

Absent: O. Jones

3. TIAA-CREF Global Agriculture II LLC

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

(Memo dated April 26, 2023)

Messrs. J. Rice and Jain and Messrs. White and Kennedy of Albourne provided a presentation and answered questions from the Board.

Trustee Santos made a motion, seconded by Trustee J. Green, to approve a secondary purchase with a NAV amount of \$46.4 million in TIAA-CREF Global Agriculture II LLC, which is a real assets fund focusing on row crop and permanent crop properties in the U.S., Australia, Brazil, Chile, and New Zealand. The motion passed by the following roll call vote:

XIII. EXECUTIVE SESSION (Continued)

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

Absent: O. Jones

4. One Item

James Rice, Principal Investment Officer
Cindy Rivera, Investment Officer
(Memo dated May 2, 2023)

Mr. J. Rice and Ms. Rivera provided a presentation and answered questions from the Board.

There is nothing to report at this time. The Board took action, which will be reported out a future date in accordance with the Brown Act.

5. Private Equity Investment Update

Didier Acevedo, Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated April 21, 2023)

The Board received an information only report that, on August 9, 2022, LACERA approved a \$75 million co-investment commitment alongside RedBird Capital Partners, a Board of Investments-approved manager. The commitment is compliant with LACERA's private equity co-investment program parameters.

B. Potential Threats to Public Services or Facilities
(Pursuant to Subdivision (a) of California Government Code Section 54957 (a))

1. LACERA Trustee: Information Security Services

Carmelo Marquez, Interim Chief Information Security Officer
(For Information Only) (Memo dated April 25, 2023)

The Board received an information only report on the subject stated. There is nothing further to report.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:20 p.m.

Signature on File

JOSEPH KELLY, SECRETARY

Signature on File

GINA SANCHEZ, CHAIR

