

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, JULY 12, 2023

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

Teleconference Location for Trustees and the Public under California Government Code Section 54953(b)

New York Marriott Marquis: 1535 Broadway, New York, NY 10036

TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair

Joseph Kelly, Secretary

David Green

Jason Green

Onyx Jones

Patrick Jones

Keith Knox

David Ryu (Teleconference under California Government Code Section 54953(b))

STAFF ADVISORS AND PARTICIPANTS

Jonathan Gabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Interim Chief Financial Officer

Christopher Wagner, Principal Investment Officer

Scott Zdrazil, Principal Investment Officer

Esmeralda del Bosque, Acting Principal Investment Officer

James Rice, Principal Investment Officer

Dale Johnson, Investment Officer

Derek Kong, Investment Officer

Cheryl Lu, Investment Officer

Cindy Rivera, Investment Officer

Krista Powell, Investment Officer

Barry W. Lew, Legislative Affairs Officer

Calvin Chang, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

StepStone Group LP (Real Assets Consultants)

Tom Hester, 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 Knox 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

No requests were received for (A) Just Cause or (B) Emergency Circumstances.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 14, 2023

A motion was made by Trustee Knox, seconded by Trustee Green, to approve the Regular Meeting Minutes of June 14, 2023, with the addition of language reflecting Trustee Kelly's recusal from Executive Session Item XIII.A.2. The motion passed by the following roll call vote:

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

V. PUBLIC COMMENT

There were no requests from the public to speak.

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

VI. EXECUTIVE UPDATE (Continued)

Mr. Popowich recognized LACERA member, Andre Shelton.

C. Chief Executive Officer's Report

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

VII. CONSENT ITEMS

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

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

A. **Principles for Responsible Investment Board Nomination**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer and Scott Zdrazil, Principal Investment Officer: That the Board nominate Jonathan Grabel, Chief Investment Officer, for election to the United Nations-affiliated Principles for Responsible Investment 2023 Board of Directors elections. (Memo dated June 28, 2023)

B. **Approval of Revised AB 2449 Teleconference Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board adopt the proposed revised AB 2449 Teleconference Policy. (Memo dated June 27, 2023)

C. **2023 SuperReturn North America in New York City, New York on November 6 – 7, 2023**

Recommendation that the Board approve attendance of Trustees at the 2023 SuperReturn North America will be held in New York City, New York on November 6 – 7, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated June 28, 2023) (Placed on the agenda by Trustee Herman Santos)

VIII. REPORTS

A. **Strategic Asset Allocation Process Review**

Jonathan Grabel, Chief Investment Officer
Jude Pérez, Deputy Chief Investment Officer
(Presentation) (Memo dated June 29, 2023)

Messrs. Grabel and Pérez provided a presentation and answered questions from the Board.

This item was received and filed.

B. **BOI Offsite Governance Review Introduction**

Timothy Filla, Managing Principal
Aysun Kilic, Managing Principal
(Presentation) (Memo dated July 5, 2023)

Mr. Filla and Ms. Kilic of Meketa provided a presentation and answered questions from the Board.

This item was received and filed.

C. **Asian Corporate Governance Association (ACGA) Annual General Meeting Ballot**

Scott Zdrazil, Principal Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated June 28, 2023)

This item was received and filed.

D. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 26, 2023)

This item was received and filed.

E. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated July 3, 2023)

This item was received and filed.

VIII. REPORTS (Continued)

F. **Monthly Trustee Travel & Education Reports – May 2023**

Ted Granger, Interim Chief Financial Officer

(For Information Only) (Memos dated June 26, 2023)

Monthly Trustee Travel & Education Report

Comprehensive Monthly Trustee Travel & Education Report

(Confidential Memo – Includes Pending Travel)

This item was received and filed.

G. **June 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated June 26, 2023)

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

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

Trustee Kelly requested that information on pulling samples on the Audits of Retirement Elections, Payment Contracts and Data Entry be explained on the next Chief Executive Officer's (CEO) Report. In addition, Trustee Kelly requested that the status of acting/interim positions, broad overview and the priority be provided on the next CEO Report.

Trustees Sanchez and J. Green provided input that the upcoming strategic asset allocation study give consideration to the energy transition and geopolitical risks, respectively. Trustee Santos requested that trustee orientation for incoming trustees, once identified, include background on the strategic asset allocation process.

Trustee Kelly requested that we include the federal debt as a topic for discussion. In addition, Trustee Kelly requested that the Meketa group include discussion of relations with stakeholder groups in the Governance Review.

Trustee Jones requested that investment knowledge and related information be shared with the Board through a shared site.

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

Mr. Grabel introduced the newly hired Investments staff and congratulated Jude Perez on his promotion to Deputy Chief Investment Officer.

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. **One Item**

James Rice, Principal Investment Officer
Cindy Rivera, Investment Officer
Krista Powell, Investment Officer
(For Information Only) (Memo dated June 29, 2023)

The Board received an information only report that a refinance of LACERA's mezzanine debt position on The Rise Koreatown asset was successfully executed on June 20, 2023. The refinance was negotiated based on delegated authority to the Chief Investment Officer approved by the Board on an 8-0 vote at its April 12, 2023 meeting, under Agenda Item XII.A.3, on a motion by Mr. Santos, seconded by Mr. Knox. Messrs. D. Green, J. Green, P. Jones, Knox, Ryu, and Santos and Meses. O. Jones and Sanchez voted yes. Mr. Kelly was absent.

2. **Private Equity Investment Update**

Derek Kong, Investment Officer
Calvin Chang, Senior Investment Analyst
(For Information Only) (Memo dated June 21, 2023)

The Board received an information only report that, on February 21, 2023, LACERA approved a \$50 million co-investment commitment alongside Advent International Corporation ("Advent"), a Board of Investments consultant-approved fund. The Board has approved fund commitments to

XII. EXECUTIVE SESSION

Advent. The commitment is compliant with LACERA's 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. **One Case**

Christopher J. Wagner, Principal Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated June 23, 2023)

Before going into Executive Session, it was publicly stated that this item relates to the FDIC receivership of Silicon Valley Bank.

There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:10 a.m.

Signature on File

JOSEPH KELLY, SECRETARY

Signature on File

GINA SANCHEZ, CHAIR