

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, JULY 8, 2015

PRESENT: John M. Barger, Chair

David Green, Vice Chair

Joseph Kelly, Secretary

Shawn Kehoe

Diane Sandoval

Herman B. Santos

Kenneth Simril

Estevan Valenzuela

Valerie Villarreal

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Steven Rice, Chief Counsel

John McClelland, Principal Investment Officer, Real Estate

Christopher J. Wagner, Principal Investment Officer, Private Equity

Ted Wright, Principal Investment Officer, Equities

Elin Szymanowski, Senior Investment Analyst, Private Equity

STAFF ADVISORS AND PARTICIPANTS (Continued)

Anil Rao, Vice President, MSCI

Ryan Jennings, Vice President, MSCI

David Almodovar, Vice President, GCM Grosvenor

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mr. Santos led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of  
June 10, 2015

Mr. Green made a motion, Ms. Sandoval seconded, to approve the minutes of the regular meeting of June 10, 2015. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

V. PUBLIC COMMENT

There were no requests from the public.

## VI. ACTION ITEMS

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve the following:
1. Approve reassigning employees participating in the LACERA Management Appraisal and Performance Plan Program Tier I to Tier II, with the exception of the Chief Executive Officer.
  2. Approve reassigning Legal and Disability Litigation Division counsel positions participating in the LACERA Standardized Salary Schedule to the LACERA Management Appraisal and Performance Plan Program Tier II.
  3. Direct staff to prepare LACERA salary structure tables for Tier II positions.
  4. Direct staff to prepare and submit to the Board of Supervisors necessary code/ordinance language to implement these changes. (Memo dated June 30, 2015)

Gregg Rademacher was present to answer questions from the Board.

Ms. Sandoval made a motion, Mr. Green seconded, to approve the recommendation.

Mr. Kelly made a substitute motion, Mr. Valenzuela seconded, to return to staff to reevaluate removing the Investment Office staff from MAPP Tier I, review the legal authority for the recommended actions, provide specific changes to the ordinance, and request the Los Angeles County Director of Personnel review staff's analysis and recommendations. The motion was passed with Ms. Sandoval voting no.

VI. ACTION ITEMS (Continued)

- B. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer – Private Equity, and Elin Szymanowski, Senior Investment Analyst – Private Equity: That the Board approve a commitment of up to \$100 million to Excellere Capital Fund III, L.P. (Memo dated June 30, 2015)

Christopher J. Wagner, Elin Szymanowski and GCM Grosvenor

Consultant, David Almodovar, provided an overview and answered questions from the Board.

Mr. Kelly made a motion, Ms. Villarreal seconded, to approve the recommendation. The motion passed with Messrs. Barger, Valenzuela, Kehoe, and Ms. Sandoval voting no.

- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Pacific Pension Institute (PPI) Executive Seminar and Asia Roundtable on October 25– 30, 2015 in Tokyo, Japan and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated June 25, 2015)

Mr. Valenzuela made a motion, Mr. Kelly seconded, to approve the recommendation. The motion passed unanimously.

## VII. REPORT

- A. Global Equity Education  
Ted Wright, Principal Investment Officer – Equities  
(Memo dated June 26, 2015)

### MSCI

Anil Rao, Vice President – Equity Applied Research Group  
Ryan Jennings, Vice President – Client Coverage Group

Ted Wright and MSCI consultants presented an educational session  
on Global Equity and answered questions from the Board.

(Mr. Simril left the room at 10:43 a.m. and returned at 11:46 a.m.)

- B. Private Equity Performance Review  
Christopher J. Wagner, Principal Investment Officer – Private Equity  
(Memo dated June 30, 2015)

Christopher J. Wagner gave a review of the performance of the private  
equity program and answered questions from the Board.

- C. Private Equity Performance Report – 2014 Year-End Report  
Christopher J. Wagner, Principal Investment Officer – Private Equity  
(Memo dated June 30, 2015) (For Information Only)

## VIII. EXECUTIVE SESSION

This Item was inadvertently placed on the agenda. There was no Executive  
Session.

## IX. GOOD OF THE ORDER (For information purposes only)

Mr. Rice congratulated Mike Herrera on his three year term appointment to  
the National Association of Public Pension Attorney's Executive Board.

IX. GOOD OF THE ORDER (Continued)

Mr. Rademacher informed the Board that the Board of Supervisors approved funding for the OPEB Trust through regular general fund allocations to begin in Fiscal Year 2015-2016.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:30 p.m.

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting)

1. Update Regarding in re Credit Default Swaps antitrust Litigation – Privileged and Confidential Attorney – Client Communication (Memo dated July 2, 2015)
2. Two Legal Issues Relating to State Street – (For Information Only) (Memo dated July 6, 2015)
3. Total Fund Exposure to Greece – (For Information Only) (Memo dated July 7, 2015)

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JOSEPH KELLY, SECRETARY

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JOHN M. BARGER, CHAIR