

AGENDA

A 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, MARCH 9, 2016

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of February 10, 2016
- IV. REPORT ON CLOSED SESSION ITEMS
- V. PUBLIC COMMENT
- VI. CHIEF INVESTMENT OFFICER'S REPORT
(Memo dated February 29, 2016)
- VII. NON – CONSENT ITEMS
 - A. Recommendation as submitted by Herman Santos, Chair, Equity Committee: That the Board approve the 2016 Private Equity Objectives, Policies, and Procedures.
(Memo dated February 29, 2016)
 - B. Recommendation as submitted by Herman Santos, Chair, Equity Committee: That the Board approve the 2016 Private Equity Annual Investment Plan. (Memo dated February 29, 2016)
 - C. Recommendation as submitted by Shawn Kehoe, Chair, Corporate Governance Committee: That the Board adopt LACERA's revised U.S. Proxy Voting Guidelines. (Memo dated February 22, 2016)

VII. NON – CONSENT ITEMS (Continued)

- D. Recommendation as submitted by Dale Johnson, Investment Officer – Equities: That the Board (1) Provide Staff with direction on voting the Council of Institutional Investors 2016 Board of Directors - Public Funds Ballot; and (2) Approve Staff's voting recommendation for the Council of Institutional Investors General Members' Business Meeting Ballot. (Memo dated March 2, 2016)
- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 2016 Institute Fund Summit on April 25 – 26, 2016 in Singapore and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy (Memo dated February 26, 2016)
(Placed on the agenda at the request of Mr. Santos)

VIII. REPORTS

- A. Investment Program Governance Project
Rick Funston – Funston Advisory Services LLC
Gina Eubanks – Funston Advisory Services LLC
(Materials dated March 9, 2016)
- B. Behavioral Finance in Money Management
Ted Wright – Principal Investment Officer, Equities
(Memo dated February 16, 2016)
- C. 2015 Fourth Quarter Hedge Fund Performance Report
James Rice – Senior Investment Officer, Hedge Funds
(Memo dated February 24, 2016) (For Information Only)
- D. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(Memo dated March 2, 2016) (For Information Only)
- E. Chief Executive Officer's Report
(Memo dated February 22, 2016) (For Information Only)

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IX. REPORT ON STAFF ACTION ITEMS

X. GOOD OF THE ORDER
(For information purposes only)

XI. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

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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, MARCH 9, 2016

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Herman B. Santos

Michael Schneider

Kenneth Simril

Estevan Valenzuela

Valerie Villarreal

ABSENT: Joseph Kelly, Secretary

Diane Sandoval

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Vache Mahseredjian, Interim Chief Investment Officer

Steven Rice, Chief Counsel

Christopher J. Wagner, Principal Investment Officer – Private Equity

David Simpson, Investment Officer – Private Equity

Ted Wright, Principal Investment Officer – Equities

Dale Johnson, Investment Officer – Equities

STAFF ADVISORS AND PARTICIPANTS (Continued)

Meketa Investment Group
Stephen McCourt, Managing Principal
Leandro Festino, Managing Principal
Laura Wirick, Principal

Grosvenor Capital Management
David Almodovar, Principal

Funston Advisory Services LLC
Rick Funston, Consultant
Gina Eubanks, Consultant

I. CALL TO ORDER

The meeting was called to order a 9:10 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Kehoe 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 February 10, 2016.

Mr. Kehoe made a motion, Mr. Valenzuela seconded, to approve the minutes of the regular meeting of February 10, 2016. 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 to speak.

VI. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Mahseredjian provided a brief discussion on the Chief Investment Officer's report.

VII. NON - CONSENT AGENDA

- A. Recommendation as submitted by Herman Santos, Chair, Equity Committee: That the Board approve the 2016 Private Equity Objectives, Policies, and Procedures. (Memo dated February 29, 2016)

Mr. Wagner, Mr. Simpson and Mr. Almadovar of Grosvenor Capital Management, LACERA's private equity consultant presented and answered questions from the Board.

Mr. Santos made a motion, Mr. Kehoe seconded, to approve staff's recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Herman Santos, Chair, Equity Committee: That the Board approve the 2016 Private Equity Annual Investment Plan. (Memo dated February 29, 2016)

Mr. Wagner, Mr. Simpson and Mr. Almadovar of Grosvenor Capital Management, LACERA's private equity consultant presented and answered questions from the Board

Mr. Santos made a motion, Mr. Valenzuela seconded, to approve staff's recommendation. The motion passed unanimously.

- C. Recommendation as submitted by Shawn Kehoe, Chair, Corporate Governance Committee: That the Board adopt LACERA's revised U.S. Proxy Voting Guidelines. (Memo dated February 22, 2016)

VII. NON - CONSENT AGENDA (Continued)

Mr. Kehoe made a motion, Mr. Valenzuela seconded, to approve staff's recommendation. The motion passed unanimously.

- D. Recommendation as submitted by Dale Johnson, Investment Officer – Equities: That the Board (1) Provide Staff with direction on voting the Council of Institutional Investors 2016 Board of Directors - Public Funds Ballot; and (2) Approve Staff's voting recommendation for the Council of Institutional Investors General Members' Business Meeting Ballot. (Memo dated March 2, 2016)

Mr. Johnson was present to answer questions from the Board.

Mr. Santos made a motion, Mr. Kehoe seconded, to vote for Dale Johnson for the Council of Institutional Investors 2016 Board of Directors; and to approve staff's recommendation for the Council of Institution Investors General Member's Business Meeting Ballot. The motion passed unanimously.

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 2016 Institute Fund Summit on April 25 – 26, 2016 in Singapore and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy (Memo dated February 26, 2016) (Placed on the agenda at the request of Mr. Santos)

Mr. Santos made a motion, Mr. Schneider seconded, to approve staff's recommendation. The motion passed unanimously.

VIII. REPORTS

- A. Investment Program Governance Project
Rick Funston – Funston Advisory Services LLC
Gina Eubanks – Funston Advisory Services LLC
(Materials dated March 9, 2016)

Mr. Funston of Funston Advisory Services provided a presentation and answered questions from the Board.

- B. Behavioral Finance in Money Management
Ted Wright – Principal Investment Officer, Equities
(Memo dated February 16, 2016)

Mr. Wright presented an educational session on Behavioral Finance and answered questions from the Board.

- C. 2015 Fourth Quarter Hedge Fund Performance Report
James Rice – Senior Investment Officer, Hedge Funds
(Memo dated February 24, 2016) (For Information Only)
- D. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(Memo dated March 2, 2016) (For Information Only)
- E. Chief Executive Officer's Report
(Memo dated February 22, 2016) (For Information Only)

IX. REPORT ON STAFF ACTION ITEMS

The Board requested that staff provide a copy of the 2014 Cambridge Associates Report. Lastly, the Board requested that the CEO provide highlighted items from the Powers Reserved from the Board of Investment survey.

- X. GOOD OF THE ORDER
(For information purposes only)

There was nothing to report during Good of the Order

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XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:16 a.m.

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

1. Performance Review Presentation as of December 31, 2015
2. The Energy & Minerals Group Update (For Information Only)
(Memo dated March 8, 2016)

JOSEPH KELLY, SECRETARY

DAVID GREEN, CHAIR