

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, APRIL 12, 2017

*The Board may take action on any item on the agenda,
and agenda items may be taken out of order.*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Special Meeting of March 6, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. PUBLIC COMMENT
- VI. CHIEF INVESTMENT OFFICER'S REPORT
(Memo dated March 31, 2017)
- VII. CONSENT ITEMS
 - A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 2017 Irish Funds Annual Global Funds Conference on May 25, 2017 in Dublin, Ireland and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe)
(Memo dated March 28, 2017)

VII. CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the SuperReturn US East Conference and Summit on June 12 – 15, 2017 in Boston, Massachusetts and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe)
(Memo dated April 3, 2017)
- C. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 2017 Invesco Real Estate Asia Client Conference on June 13 – 14, 2017 in Seoul, South Korea and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe)
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- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the SuperReturn Emerging Markets Conference and Summit on June 26 –28, 2017 in Amsterdam, Netherlands and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.
(Placed on the agenda at the request of Mr. Kehoe)
(Memo dated April 4, 2017)
- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Fortune Brainstorm Tech on July 17 –19, 2017 in Aspen, Colorado and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.
(Placed on the agenda at the request of Mr. Green)
(Memo dated April 4, 2017)
- F. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board take action to provide direction to the Board Chair on retention of independent fiduciary Board counsel concerning the CIO search process. (Memo dated April 4, 2017)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Barry Lew, Legislative Affairs Officer: That the Board adopt a "Support" position on Senate Bill 671, which relates to advance payments of employer contributions.
(Memo dated March 31, 2017)
- B. Recommendation as submitted by Vache Mahseredjian, Interim Chief Investment Officer and Robert Hill, Assistant Executive Officer: That the Board invite LACERA's custodian, State Street, to provide a comprehensive report on the recovery of LACERA's foreign tax withholdings. (Memo dated March 31, 2017)

IX. REPORT

- A. Public Disclosure Obligations for Electronic Communications on Personal Accounts or Devices
James Pu, Chief Information Officer
Johanna M. Fontenot, Senior Staff Counsel
Michael Herrera, Senior Staff Counsel
(Memo dated April 3, 2017)
- B. Recent Vested Rights Case Law
Steven P. Rice, Chief Counsel
Chris Waddell, Attorney
(Memo dated March 27, 2017)
- C. Private Equity Co-Investment Program
Morgan Stanley Alternative Investment Partners
James Sperans, Managing Director
Neha Markle Champaneria, Managing Director
Mercedes Fernandez Elias, Executive Director
Jean Reynolds, Executive Director
(Memo dated March 30, 2017)
- D. Securities Litigation Report for Calendar Year 2016
Michael Herrera, Senior Staff Counsel
(For Information Only) (Memo dated March 23, 2017)

IX. REPORT (Continued)

- E. Council of Institutional Investors Business Meeting and Public Funds Director Ballots
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated March 30, 2017)
- F. Joint Investor Statement on Dodd-Frank Pay Ratio Disclosure
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated March 22, 2017)
- G. Securities Lending Program – 2016 Annual Review
Robert Z. Santos, Investment Officer
(For Information Only) (Memo dated March 29, 2017)
- H. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated April 3, 2017)
- I. Chief Executive Officer's Report
(For Information Only) (Memo dated April 4, 2017)

X. REPORT ON STAFF ACTION ITEMS

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

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. RREEF Core Plus Industrial Fund Investment
 - 2. CVC Capital Partners VII, L.P.
- B. Conference with Legal Counsel - Anticipated Litigation
(Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

- 1. Number of Potential Cases: 1

XIII. 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, APRIL 12, 2017

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Wayne Moore

Ronald Okum

Diane Sandoval

Herman B. Santos

Michael Schneider

Valerie Villarreal

ABSENT: Joseph Kelly, Secretary

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

Vache Mahseredjian, Interim Chief Investment Officer

Steven Rice, Chief Counsel

Christopher Wagner, Principal Investment Officer

John McClelland, Principal Investment Officer

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STAFF ADVISORS AND PARTICIPANTS (Continued)

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Johanna Fontenot, Senior Staff Counsel

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Stephen McCourt, Managing Principal

Timothy Filla, Assistant Vice President

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Jennifer Young, Principal

Morgan Stanley Alternative Investment Partners

James Sperans, Managing Director

Neha Markle Champaneria, Managing Director

Mercedes Fernandez Elias, Executive Director

Jean Reynolds, Executive Director

I. CALL TO ORDER

The meeting was called to order at 9:08 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Meeting of March 6, 2017.

Mr. Santos made a motion, Mr. Moore seconded, to approve the minutes of the special meeting of March 6, 2017. The motion passed with Mr. Kehoe abstaining.

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. CONSENT ITEMS

Mr. Santos made a motion, Mr. Schneider seconded, to approve the following agenda items. The motion passed unanimously.

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the 2017 Irish Funds Annual Global Funds Conference on May 25, 2017 in Dublin, Ireland and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe) (Memo dated March 28, 2017)

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VIII. NON - CONSENT AGENDA

- A. Recommendation as submitted by Barry Lew, Legislative Affairs Officer: That the Board adopt a "Support" position on Senate Bill 671, which relates to advance payments of employer contributions. (Memo dated March 31, 2017)

Mr. Steven Rice and Mr. Lew were present and answered questions from the Board.

Mr. Santos made a motion, Mr. Okum seconded, to approve the agenda item. The motion passed unanimously.

- B. Recommendation as submitted by Vache Mahseredjian, Interim Chief Investment Officer and Robert Hill, Assistant Executive Officer: That the Board invite LACERA's custodian, State Street, to provide a comprehensive report on the recovery of LACERA's foreign tax withholdings. (Memo dated March 31, 2017)

Mr. Hill and Mr. Mahseredjian were present and answered questions from the Board.

Mr. Santos made a motion, Mr. Kehoe seconded, to approve an RFP for a firm to audit LACERA's foreign tax withholdings, to proceed simultaneously with additional education to the Board. The motion passed unanimously.

IX. REPORTS

- A. Public Disclosure Obligations for Electronic Communications on Personal Accounts or Devices
James Pu, Chief Information Officer
Johanna M. Fontenot, Senior Staff Counsel
Michael Herrera, Senior Staff Counsel
(Memo dated April 3, 2017)

IX. REPORTS (Continued)

Mrs. Fontenot, Mr. Herrera and Mr. Pu provided a presentation and answered questions from the Board.

- B. Recent Vested Rights Case Law
Steven P. Rice, Chief Counsel
Chris Waddell, Attorney
(Memo dated March 27, 2017)

Mr. Waddell of Law Offices of Olson Hagel & Fishburn LLP provided a presentation and answered questions from the Board.

- C. Private Equity Co-Investment Program
Morgan Stanley Alternative Investment Partners
James Sperans, Managing Director
Neha Markle Champaneria, Managing Director
Mercedes Fernandez Elias, Executive Director
Jean Reynolds, Executive Director
(Memo dated March 30, 2017)

James Sperans, Neha Markle Champaneria, Mercedes Fernandez Elias and Jean Reynolds provided a presentation and answered questions from the Board.

The following items were received and filed:

- D. Securities Litigation Report for Calendar Year 2016
Michael Herrera, Senior Staff Counsel
(For Information Only) (Memo dated March 23, 2017)
- E. Council of Institutional Investors Business Meeting and Public Funds
Director Ballots
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated March 30, 2017)

IX. REPORTS (Continued)

- F. Joint Investor Statement on Dodd-Frank Pay Ratio Disclosure
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated March 22, 2017)
- G. Securities Lending Program – 2016 Annual Review
Robert Z. Santos, Investment Officer
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X. REPORT ON STAFF ACTION ITEMS

In regards to Item IX.C., the Board requested for staff to provide a comparison of GTB's performance relative to other investments of similar vintage.

In regards to Item IX.C., the Board requested for staff to agendize for Board approval an additional allocation of \$100 million to Morgan Stanley so that co-investments can continue until an RFP search is completed.

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

The Board and Mr. Rademacher welcomed LACERA's new CIO, Jonathan Grabel, to the Board of Investments.

Mr. Rademacher thanked acting interim CIO, Mr. Mahseredjian, for his leadership and services to the Board for the past 22 months.

Mr. Rademacher informed the Board that on April 11, 2017, the Board of

XI. GOOD OF THE ORDER (Continued)

Supervisors implemented the Boards direction and approved the salary ordinance changes.

Mr. Rademacher shared his experience in attending the NASP Private Equity Forum conference on March 30, 2017 in Los Angeles, and recognized Mr. Green, Mr. Kelly and Ms. Szymanowski in representing LACERA and participating in the Conference. Also, Mr. Rademacher highlighted the upcoming NASP's 28th Annual Pension Financial Services conference on June 26-28, 2017 in Los Angeles, CA.

Mr. Mahseredjian thanked Mr. Rademacher for the opportunity to serve as interim CIO and to lead the Investment team.

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. RREEF Core Plus Industrial Fund Investment

The Board met in Executive Session pursuant to California Government Code Section 54956.81 to consider the purchase or sale of particular specific pension fund investments regarding the RREEF Core Plus Industrial Fund. There is nothing to report at this time.

2. CVC Capital Partners VII, L.P.

Mr. Wagner, Ms. Szymanowski, and Jose Fernandez of StepStone Group LP,

XII. EXECUTIVE SESSION (Continued)

provided a brief presentation and answered questions from the Board.

Mr. Santos made a motion, Ms. Sandoval seconded, to approve staff's recommendation. The motion passed unanimously (roll call) with Messrs. Green, Kehoe, Moore, Okum, Santos, Schneider, Ms. Sandoval and Ms. Villarreal voting yes. The Board's decision and vote to approve a commitment of up to €200 million to CVC Capital Partners VII, L.P., which is a private equity investment with a strategy of investing in control oriented buyouts in upper and middle markets primarily in Europe with the balance in North America and the rest of the world, were reported out in open session.

B. Conference with Legal Counsel - Anticipated Litigation (Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

1. Number of Potential Cases: 1

The Board met in Executive Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There is nothing to report at this time.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:46 p.m.

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

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(For Information Only) (Memo dated April 10, 2017)
2. Aberdeen Asset Management – Organizational Update
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