

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, DECEMBER 13, 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 November 2, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. PUBLIC COMMENT
- VI. INTERIM CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated December 4, 2017)
- VII. CHIEF INVESTMENT OFFICER'S REPORT
(Memo dated December 4, 2017)
- VIII. CONSENT ITEMS
 - A. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the 2018 Milken Institute MENA Summit on February 7–8, 2018 in Abu Dhabi 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 November 26, 2017)

VIII. CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board Approve attendance of Board members at the InfoSecWorld Conference & Expo 2018 on March 19 – 21, 2018 in Lake Buena Vista, Florida 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 November 16, 2017)

- C. Recommendation as submitted by Diane Sandoval, Chair, Fixed Income/Hedge Funds/Commodities Committee: That the Board adopt the 2018 Hedge Funds Annual Investment Plan and the Objectives, Policies, and Procedures. (Memo dated November 30, 2017)

IX. NON-CONSENT ITEMS

- A. Recommendation as submitted by Christopher Wagner, Principal Investment Officer: That the Board select a discretionary separate account private equity manager to invest \$300 million over three years in private equity emerging managers.
(Memo dated November 27, 2017)

- B. Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve Allocation Option "C" for the OPEB Master Trust Asset Allocation for the following reasons:
 - 1) Allocation "C" is a diversified portfolio with 50% allocation to global equity, 20% allocation to credit, 10% to risk reduction and mitigation assets, and 20% to inflation hedges;
 - 2) Delivers the highest risk-adjusted expected return among the allocation options, given model constraints; and
 - 3) Provides comparatively greater expected downside risk protection for the OPEB Trust.

(Memo dated November 15, 2017)

IX. NON-CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Trina Sanders, Investment Officer and Amit Aggarwal, Investment Officer: That the Board approve a commitment of up to \$50 million to AEW Value Investors III.
(Memo dated December 4, 2017)
- D. Recommendation as submitted by Quoc Nguyen, Principal Internal Auditor: That the Board select a firm to identify the extent, if any, of LACERA's exposure to unclaimed foreign withholding taxes.
(Memo dated December 4, 2017)
- E. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board oppose the provision in H.R. 1 that makes state and local public-sector retirement plans subject to the payment of unrelated business income tax on certain investments.
(Memo dated December 4, 2017)

X. REPORT

- A. Hedge Fund Performance Report – 2017 Third Quarter
James Rice, Senior Investment Officer
(Memo dated November 28, 2017)
- B. Assembly Bill 2833 Report – Fiscal Year 2017
Jonathan Grabel, Chief Investment Officer
(Memo dated December 5, 2017)
- C. Educational Presentation on Petrobras Litigation in Brazil
Michael D. Herrera, Senior Staff Counsel
(Memo dated December 1, 2017)
- D. San Gabriel 2 L.P Trailing Distribution in 2018
James Rice, Senior Investment Officer
(For Information Only) (Memo dated November 28, 2017)

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X. REPORT (Continued)

- E. Council of Institutional Investors Joint Investor Statement on the Corporate Governance Reform and Transparency Act of 2017
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated November 15, 2017)
- F. Private Equity Performance Report
Christopher J. Wagner, Principal Investment Report
(For Information Only) (Memo dated November 22, 2017)
- G. Investment Fee Validation Procedure
Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated December 5, 2017)
- H. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated December 1, 2017)

XI. REPORT ON STAFF ACTION ITEMS

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

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. SINOVAION FUND IV, L.P.
 - 2. AQR LIQUID ENHANCED ALTERNATIVE PREMIA FUND INVESTMENT

XIII. EXECUTIVE SESSION (Continued)

- B. Conference with Legal Counsel - Anticipated Litigation
(Initiation of Litigation Pursuant to Paragraph (4) of
Subdivision (d) of California Government Code Section 54956.9)

Number of Potential Cases: 1

- C. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of Government Code
Section 54956.9)

1. LACERA v. Justin Caldbeck
JAMS, Case No. 1110021489
Santa Clara County Superior Court, Case No.
17CV316347
Counsel: Glaser Weil
2. Iowa Public Employees' Retirement System, et al. v. Bank
of America
USDC, Southern District of New York
Case No. 17 CV 6221
Counsel: Cohen Milstein

XIV. 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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