

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

WEDNESDAY, AUGUST 1, 2018 - 9:00 A.M.**

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

COMMITTEE MEMBERS:

Marvin Adams, Chair
Thomas Walsh, Vice Chair
Alan Bernstein
William Pryor
Vivian H. Gray, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of July 17, 2018

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by James Beasley, Administrative Services Analyst III: That the Committee recommend the Board of Retirement approve the purchase of Fiduciary Liability and Cyber Liability Insurance, effective October 6, 2018, with Hudson Insurance Company, Westchester Fire Insurance Company, and NAS Insurance Company. (Memorandum dated July 18, 2018)

IV. FOR INFORMATION

A. LACERA Operations Briefing
JJ Popowich/Bernie Buenaflor

August 1, 2018

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V. REPORT ON STAFF ACTION ITEMS

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee 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 Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

TUESDAY, JULY 17, 2018, 12:03 P.M. – 12:06 P.M.

COMMITTEE MEMBERS

PRESENT: Marvin Adams, Chair
Thomas Walsh, Vice Chair
Alan Bernstein

ABSENT: William Pryor
Vivian H. Gray, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

JP Harris
Shawn R. Kehoe
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

JJ Popowich
Bernie Buenaflor

The meeting was called to order by Chair Adams at 12:03 p.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of June 14, 2018

Mr. Walsh made a motion, Mr. Bernstein seconded, to approve the minutes of the special meeting of June 14, 2018. The motion passed with Mr. Bernstein abstaining.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. LACERA Operations Briefing
JJ Popowich/Bernie Buenaflor

Messrs. Popowich and Buenaflor presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed
- Current Retirement Benefits Specialists Training Class to Graduate in August

IV. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 12:06 p.m. in memory of Barbara Gordon, from LACERA's Benefits Division.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**



July 18, 2018

TO: Operations Oversight Committee
Marvin Adams, Chair
Thomas Walsh, Vice Chair
Alan Bernstein
William Pryor
Vivian H. Gray, Alternate

FROM: James Beasley
Administrative Services Analyst III

FOR: August 1, 2018 Operations Oversight Committee Meeting

SUBJECT: FIDUCIARY & CYBER LIABILITY INSURANCE RENEWAL

RECOMMENDATION

That your Committee recommends the Board of Retirement approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2018 with the following insurance carriers:

Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$205,590
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$61,649
Cyber	NAS Insurance Company	\$20 Million	\$113,701

EXECUTIVE SUMMARY

For nearly two decades, LACERA has been purchasing various types of insurance coverage to mitigate the risk of unforeseen damages. As part of this insurance, LACERA has been purchasing Fiduciary Liability Insurance and most recently, Cyber Liability Insurance for the organization to protect the Trust Funds against potential losses. The current policies are set to expire on October 6, 2018.

In order to market LACERA's search for Fiduciary and Cyber Liability coverage, LACERA's Broker – Kaercher Campbell & Associates Insurance Broker (KCAIB), submitted a request for bids to multiple insurance carriers and provided the insurance selection team with an analysis whereby all terms (including coverage limits and sub-

limits, deductibles, endorsements and exclusions) were compared side-by-side. The Fiduciary Selection Team (Team) consisted of representatives from the Administrative Services Division, Legal Office, and Executive Office.

Based on the Procurement Policy, the Fiduciary and Cyber Liability Insurance premium exceeds the CEO's signature authority of \$75,000 and requires Board approval prior to purchasing the Policy. Fiduciary Insurance coverage will be purchased for each OPEB Trust Funds during this renewal period; however, the cost of each coverage is below the threshold for the CEO's signature and the information about the Fiduciary Insurance selection for the OPEB Trust Funds is not included in this memorandum.

BENCHMARK ANALYSIS

Having a sound insurance program requires having sufficient coverage for each Policy in place. Determining the appropriate limit for any retirement plan is rarely easy, given that there are numerous factors to consider in establishing the appropriate limits of liability, including peer benchmarking analysis, loss history, risk profile, risk philosophy, etc. For LACERA, determination of the Fiduciary Liability limits, retentions, and premiums are primarily based on the following factors:

- Amount of Net plan assets: The amount of net plan assets increased to \$52.7 billion an increase of \$4.9 billion, a 9.3 percent increase from 2016 (LACERA's CAFR report for fiscal year ending June 30, 2017).
- Number of participants: the number of participants increased by 3,282 from 165,575 to 168,857, a two percent increase.
- Funding status: The independent actuary, Milliman Inc., performed an actuarial valuation as of June 30, 2017 and it was determined that the funding ratio of the actuarial assets were up to 79.9 percent versus 79.4 percent as of June 30, 2016.
- The net investment gains for fiscal year 2017 were \$6.1 billion, an increase of \$6.0 billion from the 2016 fiscal year net investment gain of \$80 million. This fiscal years' time-weighted investment returns of 12.7 percent (net of fees) exceeded the actuarial assumed investment earnings rate of 7.25 percent.

In the last couple years, LACERA has seen a significant increase in the plan assets, number of plan participants, and the net investment gains. Given that these figures continue to increase; a benchmark analysis was conducted on LACERA's Fiduciary Liability Insurance Program to validate that the Policy limits are sufficient and adequate to cover the risks of a potential loss.

The Benchmarking analysis compared LACERA's business performance metrics to industry best practices from other plans similar in size. Essentially, the benchmarking analysis is comparing apples-to-apples to obtain accurate data for the Fiduciary Liability Insurance Program. The analysis was based on the following factors:

- Total assets,
- Number of participants
- Funding status

Based on the benchmark results, the average Policy limit amongst LACERA's peers is \$32 million. In the past, LACERA's Fiduciary Liability Insurance Program required \$25 million coverage to protect the organization in an event of a fiduciary breach. As a result of the analysis and since the increase in assets, it is recommended that the current Program's Policy limit is increased by \$10 million, expanding the Fiduciary Liability Insurance Program to \$35 million. See table below for the results from benchmarking analysis.



As an extra layer of review, the team also had the coverage profile reviewed by LACERA's Fiduciary Counsel, Reed Smith L.L.P., who confirmed and advised that fiduciary coverage of \$30-35 million would be appropriate for LACERA given his knowledge of the limits purchased by peer systems.

FIDUCIARY INSURANCE

In order to protect the Trust Fund from liability due to a claim of breach of fiduciary duty, it is recommended LACERA obtain coverage in the amount of \$35 million, which is in line with the benchmark analysis and fiduciary counsel's input. The highest limit that Fiduciary Insurance Carriers are willing to underwrite for the coverage is \$25 million; therefore, LACERA is required to obtain the coverage in multiple layers, \$25 million primary and \$10 million excess, to reach the desired coverage of \$35 million.

KCAIB's marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price. To meet LACERA's insurance needs, KCAIB obtained quotes utilizing LACERA's Board approved Purchasing Policy requirements and standard industry criteria which enabled them to successfully negotiate competitive options for renewal.

Based on coverage requirements for LACERA's Fiduciary Liability Insurance Program, the Team conducted a comparative analysis of each proposed carrier Policy against the expiring policies using the following criteria:

- Thorough review of each Policy (side-by-side comparison)
- Best protects the LACERA Trust Fund
- Cost (most comprehensive coverage for the most competitive price)

The Team compared the proposed coverage policies, and determined the Hudson Insurance Company and Westchester Fire Insurance Company Policy form was more comprehensive than the other qualifying competitors. The Team identified the following advantages offered:

- Choice of legal counsel versus being required to use carrier panel counsel
- Cancellation - Non rescindable nor cancellable by Insurer during the Policy year (except for nonpayment of premium)
- Coverage for Benefits Miscalculation (overpayment)

Hudson Insurance Company, LACERA's current Fiduciary Insurance Carrier, has agreed to underwrite the \$25 million Policy with a premium of \$205,590 and Westchester Fire Insurance Company will underwrite the \$10 million Policy with a premium of \$61,649. Hudson Insurance Company's proposed premiums are lower than other carriers under consideration due to a multiple Policy discount based on Hudson underwriting the OPEB Trust Fund Fiduciary policies as well.

ADDITIONAL PROTECTION

Waiver of Recourse

A waiver of recourse is an endorsement to a Fiduciary Liability Insurance Policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (Board Member/Employee). Unlike most other forms of insurance, under fiduciary liability policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Members of both Boards and specific staff may have some potential individual exposure to Fiduciary Liability since they make decisions that could affect all of the Trust Funds. Per Government Code Section 7511, Trust Fund assets cannot be used to purchase a Waiver of Recourse endorsement. The cost of this coverage for this renewal period is a flat fee of \$100.00 for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Members and Staff at a later date.

CYBER LIABILITY

The costs and expenses of a data breach can be wide-ranging. According to the *Cyber Claims Study* conducted by NetDiligence (industry experts who provide cyber risk assessments), the average claim from a data breach for a large company in 2017 was \$3.2 million. Although, each breach has its own set of unique factors, the financial impact is fairly consistent across the board. Depending on the severity of the breach, the breach can be a financial burden to the organization. The impact to the organization can consist of the following:

- Information Loss
- Business Disruption
- Financial Loss

- Equipment Damages
- Defense Cost
- Good Will to Members

Potential costs associated with a data breach can add up rapidly and can be a financial burden to the organization. The Team conducted an analysis to determine the appropriate amount of coverage required to ensure the organization is upholding its fiduciary responsibility in protecting the Trust Fund. The analysis included evaluating the size of the Trust Fund, number of members (direct and indirect), number of records (electronic and paper), and loss history of known breaches outside of the organization. As the result of the analysis conducted by the team, the recommendation is to continue purchasing \$20 million in coverage to mitigate the severity of potential financial losses.

KCAIB is familiar and aware of the organization's process for selecting vendors; therefore, their marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price for LACERA. To achieve the desired results, KCAIB sought quotes from various insurance carriers for consideration.

The Team reviewed the Cyber Liability Insurance quotes to determine which Policy best protects the Trust Fund while still opting for the most competitive price. The Team determined that the NAS Insurance Company's Policy form is more comprehensive than what the other carriers offered. NAS was the only carrier to offer the full \$20 million Policy limit. The other carriers offered \$5 million in coverage which requires multiple layers to reach the required \$20 million limit leading to 25% increase in cost over the NAS proposal. The following are additional advantages offered by NAS:

- Access to Expert Cyber Risk Advisors
- 24/7 Online Training Courses
- Sample Policies and Vendor Agreement Templates
- Cyber Security Training Courses
- Compliance Materials
- Risk Management Tools and Guidelines
- Anti-Phishing / Social Engineering courses
- Incident Response Plans

In summary, after an extensive procurement process for Fiduciary and Cyber Liability Insurance, it is recommended to bind a one-year Fiduciary Insurance Policy with Hudson Insurance Company with \$25 million Policy limits and excess coverage limits of \$10

million with Westchester Fire Insurance Company and bind a one-year Cyber Insurance Policy with NAS with \$20 million Policy limits.

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE recommends the Board of Retirement approve the purchase of Fiduciary and Cyber Liability Insurance effective October 6, 2018 with the following insurance carriers:

Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$205,590
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$61,649
Cyber	NAS Insurance Company	\$20 Million	\$113,701

/jb

Noted and Approved



JJ Popowich

Assistant Executive Officer

FOR INFORMATION ONLY

July 23, 2018

TO: Operations Oversight Committee
Marvin Adams, Chair
Thomas Walsh, Vice Chair
Alan Bernstein
William Pryor
Vivian H. Gray, Alternate

FROM: JJ Popowich, Assistant Executive Officer 
Bernie Buenaflor, Interim Assistant Executive Officer 

FOR: August 1, 2018 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff activities, updates on goals, and discuss opportunities and/or concerns. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
Date Rec'd	Requester	Info/Docs Requested
06-13-18 (Legal received June 23, 2018)	D. Coit, Morgan Stanley	<p>From the Requester:</p> <p>Similar to prior years, can you please provide me a copy of the 2017 audited financial statements for the following funds:</p> <p>Insignia Capital Partners LP, and M/C Partners VII Limited Partnership.</p> <p>In addition to the audited financial statements noted above, can you please provide me the audited financial statement for Madison Dearborn Capital Partners V LP (sponsor for MDCP US Co-Investors (Umbrella), LP)?</p> <p><i>Transmitted responsive comment:</i></p> <p><i>Ms. Mooc requested me to respond to your California Public Record request below. I have attached two of the documents requested; however, LACERA is not an investor in M/C Partners VII.</i></p> <p><i>Transmitted 2 documents:</i></p> <p><i>Sent via email: Madison V 2017.12.31, and 2018 West renewal LA</i></p>
06-18-18	K. Doger, FundMap	<p>From the Requester with responsive comments in bold italics:</p> <p>This is with reference to your latest investment council and joint board meetings on June 13. I had the following queries I was hoping you could help me with:</p> <ul style="list-style-type: none"> • Agenda point 13: <i>Storm Ventured Fund VI</i> – Did the board make an investment in this? If so, would it be possible to share the amount allocated? <i>The Board of Investments approved a commitment of up to \$50 million dollars to the Storm Ventures Fund VI L.P.</i> • <i>Private equity advisory services</i> – Has the board approved the hiring of <i>Greenhill Capital Advisory</i> (or is it still pending a review)? <i>The Board of Investments approved the engagement May 9th, 2018, the contract negotiations are underway.</i> • <i>Emerging managers program</i> – Has the board shortlisted any firms for this? <i>No information has been reported.</i> • <i>Relative Value Hedge Funds shortlist</i> – Would you be able to share any details on this? <i>No information beyond the CIO report is available at this time.</i> • Did the board increase or decrease its exposure to any asset class at the June meeting? <i>The Board of Investments approved Meketa's proposed Asset Allocation Policy Ranges, but took no further action.</i> • If so, how much is the potential change in each asset class? Would this change lead to any new manager search activity? <i>No.</i>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<ul style="list-style-type: none"> • Did the board make any new investments during the meeting? Yes. If so, who are the hired managers and in which asset class? The Board of Investments approved a Private Equity allocation of up to \$50 million to Storm Ventures Fund VI L.P. • Did the board terminate any manager during the June meeting? No. If so, who are the terminated managers? • Did the board add or remove any managers to the watch list during the meeting? If so, who are the added/removed managers? • Is there any recordkeeper/ investment consultant search activity on the horizon? None have been announced. • Finally, is there any manager search activity on the horizon that is due to be discussed in the next meetings? All planned searched are included in the CIO Report. If so, in which asset class? what is the approximate value of the potential commitment? <p>Additional July 12, 2018, questions from the Requestor and responsive comments in bold italics shown below.</p> <p>This is in reference to your latest BOI meetings on July 9 and 10. I had the following queries I was hoping you could help me with:</p> <p>Were the following commitments approved?</p> <ul style="list-style-type: none"> ○ \$160 million to the Global Alpha International Small Cap Strategy - Yes. ○ \$60 million to CornerCap Fundametrics® Small Cap Equity - Yes. ○ \$125 million to Matarin North America Small CapEquity - Yes. <ul style="list-style-type: none"> • Investments in Europe and Asia Pacific regions – Did the board make any new investments as per the Real Estate Implementation Plan due to be approved at the meeting - No. • Allocation of \$100 million to the high-return opportunistic real estate portfolio and \$450 million to the core and value-added real estate portfolio – Did the board announce any new investments to be allocated amongst the preferred list of managers? No. • Upsize existing credit managers and search for new credit managers – did the board make any announcements on this, based on the credit structure review that was due to be discussed at the meeting? No. • Consultant searches for hedge funds, real assets, illiquid credit, TIPS – Did the board decide on a timeline for this RFP, or whether it will be through individual RFPs or a combined one? No. <p>Did the board make any more new investments during the meetings? If so, who are the hired managers and in which asset class? No.</p> <p>Did the board terminate any manager during the June meeting? No. If so, who are the terminated managers?</p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		Did the board add or remove any managers to the watch list during the meeting? No . If so, who are the added/removed managers?
06-18-18	G. Chung, FIN	<p>From the Requester:</p> <p>I am hoping to check in with you about the BOI meeting yesterday. Can you tell me if all consent and non-consent items were approved?</p> <p>Transmitted responsive comment:</p> <p>Yes, the Board of Investments approved all consent and non-consent Items.</p>
06-18-19	C. Devereaux, Bison	<p>Requested the private equity and real estate performance reports to see if they were prepared as of Q4 2017.</p> <p>Transmitted 2 documents.</p> <p>Sent via email: LACERA 2017.12.30 and LACERA 2017 – 4Q17 PMR.</p>
06-18-18	D. Gregory, Public Plan IQ	<p>Requested copy of July 9-10, 2018 DVD recordings for the open sessions of the Board of Investments and Offsite Meetings.</p> <p>Transmitted responsive comment:</p> <p>The offsite meetings are not recorded.</p>
06-19-18	A. Cami, Mandate, Wire	<p>From the Requester:</p> <p>Saw from a June 13 board agenda that decisions for the hires are scheduled for the upcoming quarter. However, was wondering what month exactly might be anticipated?</p> <p>Besides that, was wondering about the context of the impending hedge fund hire. When did this search launch? Was also wondering how many hedge fund managers LACERA is looking to make in the 2018 build out/ what percentage of assets the fund is looking to invest in hedge funds?</p> <p>Transmitted responsive comment:</p> <p>The LACERA staff have not announced when emerging managers will be hired. I have no information on this subject. The Hedge fund search is part of an ongoing transfer from a fund of fund structure to a direct investment strategy. The Board and Staff have not announced a specific number of managers. The hedge fund target is 0-5% of the entire fund.</p>
06-18-18	D. Gregory, Public	<p>Requested copy of DVD recordings for the open sessions of the Board of Investments and Committee Meetings.</p> <p>Sent 5 DVDs, listed below, via USPS First Class Mail DVDS for the open LACERA meetings.</p> <ol style="list-style-type: none"> 1. Board of Investments – June 13, 2018; 2. Board of Retirement Disability Meeting – June 14, 2018;

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p>3. Real Estate Committee – June 13, 2018;</p> <p>4. Joint Board Meeting – June 13, 2018, and</p> <p>5. Operations Oversight Committee Meeting – June 14, 2018.</p>
06-21-18	D. Kushner, Individual	<p>Requested copy of DVD recordings for the open sessions of the Board of Investments and Committee Meetings.</p> <p>Sent 5 DVDs, listed below, via USPS First Class Mail DVDS for the open LACERA meetings.</p> <p>1. Board of Investments, June 13, 2018;</p> <p>2. Board of Retirement Disability Meeting, June 14, 2018;</p> <p>3. Real Estate Committee, June 13, 2018;</p> <p>4. Joint Board Meeting, June 13, 2018, and</p> <p>5. Operations Oversight Committee Meeting, June 14, 2018.</p>
06-25-18	A. Chang, PitchBook Data, Inc.	<p>From the Requestor:</p> <p>I am currently seeking updated quarterly performance data from your plan's alternative asset holdings for the following date(s): 4Q 2017.</p> <p>As always, thank you in advance for the time you take in sending me the responsive documents. Below follows the formal request.</p> <p>On behalf of PitchBook Data, Inc., under California Public Records Act, I request a copy of the quarterly public records from 4Q 2017 for the following information, preferably in Excel or PDF format.</p> <ol style="list-style-type: none"> 1. Names and vintage years of all private equity, venture capital, mezzanine, distressed, real estate/REIT, debt and infrastructure partnerships in Los Angeles County Employees' Retirement Association's portfolio. 2. Commitments made to each partnership. 3. Contributions drawn down since inception. 4. Distributions made to Los Angeles County Employees' Retirement Association to date by each individual partnership. 5. Net Asset Value of each partnership. 6. Internal rates of return (IRRs) for each partnership. Please note if the IRRs are not net. 7. Investment multiple (TV/PI) for each individual partnership. 8. The dollar amount of "total management fees and costs paid" for each individual partnership.

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p>9. Date as of which all the above data was calculated.</p> <p>10. Names of all alternative asset partnerships partially and fully sold by Los Angeles County Employees' Retirement Association, including date of sale.</p> <p>Transmitted 2 documents:</p> <p>Sent via email: LACERA 2017.12.30 and LACERA 2017 – 4Q17 PMR.</p>
07-02-18	S. Miles, Proxy Insight	<p>From the Requester:</p> <p>Please may you provide me with the proxy voting records of the Los Angeles County Employees Retirement Association (LACERA) for the period of 31st December 2017 to 30th June 2018. For the avoidance of doubt, I am referring to the investments made by the Pension Fund rather than any electoral voting.</p> <p>Ideally, I would like to have the following information in electronic format:</p> <ul style="list-style-type: none"> • Name of Issuer • Issuer Identifier e.g. Ticker or CUSIP • Date of Shareholder Meeting • Type of Shareholder Meeting (Annual, Special etc.) • Proposal No. • Proposal • Proposer (Management / Shareholder) • Vote cast by Los Angeles County Employees Retirement Association (LACERA) • Entity responsible for vote decision (Internal/external asset manager (if external, please name) / proxy voting advisor (ISS, Glass Lewis, Segal Marco, etc.) <p>Transmitted responsive comment: I have attached LACERA's Corporate Governance Principles as well as our proxy voting records that you have requested. In response to your question below, LACERA votes its own proxies, it does not use the policy of an external provider.</p> <p>Transmitted 2 documents:</p> <p>Public Records Request 010118 to 063018, and LACERA Corporate Governance Principles_Feb 2018.</p>
07-03-18 (received from Mail Room on 07-05-18)	F. Akinnibi, FundFire	<p>From the Requester:</p> <p>In accordance with the California Public Records Act I am writing to request all available public records in relation to CIO Jon Grabel's employment contract with LACERA between the earliest available date that documents are retained and the date that this request is fulfilled.</p> <p>Transmitted 1 document.</p> <p>Sent via email: Grabel Signed Employment Offer Letter February 16, 2017.</p>
07-11-18	G. Chung, FIN	<p>From the Requester:</p> <p>I am inquiring with you about the BOI meetings on 7/9 and 7/10. Can you tell me if all items were approved as presented?</p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<i>Transmitted responsive comment: The Board of Investments did not vote on any items on 7/9/2018. All actions items were approved on 07/10/2018.</i>
07-12-18	M. Vinn, Pageant Media	<p>From the Requester, with responsive comments shown in bold italics:</p> <p>What is the pacing plan for real estate/international real estate? <i>Staff will determine pacing, it was not discussed at the meeting.</i> Are you currently launching new manager searches? <i>None were discussed.</i> Who will be managing \$550m allocation noted on the agenda? <i>The Board did not discuss any managers.</i></p> <p>Will you be looking for new credit managers after lifting an allocation target, and when? <i>Staff will present at a future meeting.</i></p> <p>Did you select emerging manager candidates for the direct public equity mandate? <i>The item was approved as presented.</i> What's the value of the mandate? <i>\$160 million to Global Alpha International Small Cap, \$125 million to Matarin North America Small Cap, and \$60 million to CornerCap Fundametrics® Small Cap Equity.</i></p> <p>Are you planning searches/allocation for hedge funds and real assets? <i>That was not discussed at the meeting.</i> Any consultant searches? <i>That was not discussed at the meeting.</i></p> <p><i>Transmitted on July 12, 2018, responsive comment: The Board of Investments approved all items on the July 10, 2018 Agenda.</i></p> <p>Additional July 13, 2018, comment from the Requester with July 17, 2018 responsive comment shown in bold italics:</p> <p>To be clear, the following item was not approved: Approve allocation of up to \$550 million (\$450 million in the Real Assets and Inflation Hedging and \$100 million in the Growth category) for investment by the Fund's separate account equity managers.</p> <p><i>The item was approved. However, in response to your question no manager has been selected.</i></p> <p>Further July 13, 2018 questions from the Requestor with transmitted responsive comments of July 17, 2018 shown in bold italics.</p> <p>Regarding credit managers – what kind of search are you planning to do, RFP? How much money are you planning to allocate to credit? What's the approximate timeline for it?</p> <p><i>Staff did not discuss what type of search will be done, but LACERA typically uses the RFP process. The Investment staff did not discuss the amount to be allocated to credit.</i></p> <p>Regarding consultant searches and hedge fund managers, you say it was not discussed, but these recommendations were noted on the agenda. You lifted allocation for hedge fund/real assets, is it right to assume you'll be committing to the asset class later this year?</p> <p><i>The items were approved as submitted; however, there was no discussion. My understanding is that the commitment will be made at a later date.</i></p>

