

APPROVED

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, SEPTEMBER 11, 2019

PRESENT: Ronald Okum, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

David Green

Keith Knox

Gina V. Sanchez

Herman B. Santos

ABSENT: Shawn Kehoe, Chair

David Muir

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

Jude Perez, Principal Investment Officer

Esmeralda V. del Bosque, Senior Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

David Chu, Senior Investment Officer

Chad Timko, Senior Investment Officer

Barry W. Lew, Legislative Affairs Officer

Didier Acevedo, Investment Officer

Cheryl Lu, Staff Counsel

Meketa Investment Group

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

Alina Yuan, Investment Analyst

Albourne

James Walsh, Partner and Head of Portfolio Advisory

Stephen Kennedy, Partner and Hedge Funds Portfolio Analyst

I. CALL TO ORDER

The meeting was called to order by Mr. Okum at 9:34 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 August 14, 2019

Mr. Green made a motion, Mr. Bernstein seconded, to approve the minutes of the regular meeting of August 14, 2019. The motion passed unanimously by all members present.

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IV. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

At its August 14, 2019 meeting, the Board met in closed session under Government Code Section 54956.81 to consider the purchase and sale of particular, specific pension fund investments. On a motion by Mr. Okum, seconded by Mr. Santos, all members were present and voted unanimously to approve State Street Global Advisors to manage a passive MSCI ACWI IMI Index mandate in a separate account structure and terminate the following passive index mandates:

- BTC Russell 3000 Index
- BTC Canada IMI Index
- BTC EAFE IMI Index
- BTC EAFE Small Cap Index
- BTC Europe Index
- BTC Emerging Markets Index
- BTC Emerging Markets Small Cap Index

V. PUBLIC COMMENT

Hamere Dinku, Wade Luneberg, Silvia Resendiz, Jordan Fein and Anthony Smith from UNITE HERE addressed the Board regarding PAI's Europe Fund's VII.

VI. CHIEF COUNSEL'S REPORT (Memo dated August 26, 2019)

Mr. Rice provided a brief overview of the Chief Counsel's Report and answered questions from the Board.

VII. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report.

VIII. CONSENT ITEMS

Mr. Green made a motion, Mrs. Sanchez, seconded, to approve the following agenda item. The motion passed unanimously by all members present.

- A. Recommendation as submitted by Wayne Moore, Chair, Credit and Risk Mitigation Committee: That the Board approve the Hedge Funds 2019 Structure Review and the 2019 Hedge Funds Objectives, Policies, and Procedures as advanced to the Board of Investments by the Credit and Risk Mitigation Committee. (Memo dated August 29, 2019)

IX. REPORTS

- A. Meketa Total Fund Performance Report as of June 30, 2019
Leandro Festino, Managing Principal
Timothy Filla, Managing Principal

LACERA Total Fund Performance Review as of June 30, 2019
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated September 4, 2019)

Mr. Perez and Messrs. Filla and Festino from Meketa Group provided a presentation and answered questions from the Board.

- B. Yield Curve Education
Esmeralda V. del Bosque
Timothy Filla, Managing Principal
(Memo dated August 27, 2019)

Ms. del Bosque, Mr. Filla and Ms. Yuan from Meketa Group provided a presentation and answered questions from the Board.

- C. Private Equity In-House Co-Investment Program Update
Christopher Wagner, Principal Investment Officer
David Chu, Senior Investment Officer
(Memo dated August 30, 2019)

IX. REPORTS (Continued)

Messrs. Wagner and Chu were present and answered questions from the Board.

The following reports were received and filed:

- D. LACERA OPEB Master Trust as of June 30, 2019
Meketa OPEB Master Trust as of June 30, 2019
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated September 4, 2019)
- E. Performance Review of Real Estate Consultant the Townsend Group
John McClelland, Principal Investment Officer
(For Information Only) (Memo dated August 20, 2019)
- F. 2019 Second Quarter Hedge Fund Performance Report
James Rice, Principal Investment Officer
Quoc Nguyen, Senior Investment Analyst
(For Information Only) (Memo dated August 26, 2019)
- G. The Toigo Foundation - 30th Anniversary Celebration
November 19, 2019 in Los Angeles, California
Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated August 30, 2019)
- H. Selection and Hiring of Real Estate Legal Counsel
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated August 28, 2019)
- I. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated August 26, 2019)
- J. Monthly Board and Staff Education and Travel Report – July 2019
Beulah S. Auten, Chief Financial Officer
(Public Memo dated August 28, 2019)
(Confidential Memo dated August 28, 2019 – Includes Anticipated Travel)
- K. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated September 3, 2019)

IX. REPORTS (Continued)

- L. August 2019 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(For Information Only) (Memo dated August 29, 2019)

X. ITEMS FOR STAFF REVIEW

The Board requested staff to continue pursuing systems staffing and salaries and systems assessment. In addition, the Board requested staff to Review Committee Frequency (CALPERS Study). Lastly, the Board requested modifications to the Quarterly Performance Report.

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

Mrs. Sanchez announced that there will be an Audit Committee meeting at the end of October 2019.

XII. EXECUTIVE SESSION

It was stated in open session before Executive Session began that Item XII.B.1 related to the dismissal of former Chief Executive Officer Lou Lazatin.

- 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. Hedge Funds 2019 Structure Review

The Board considered a recommendation on the hedge funds 2019 structure review approved at the August 14, 2019 Credit and Risk Mitigation Committee. On a

XII. EXECUTIVE SESSION (Continued)

motion by Mr. Bernstein, seconded by Mr. Knox, the Board voted to adopt the hedge funds 2019 structure review, including the initiatives as follows:

- Build the direct portfolio in line with strategic asset allocation targets
- Build an emerging manager program
- Identify a dedicated managed account provider.
- Approve the 2019 Objectives, Policies, and Procedures document.

The Board also took action with respect to certain purchase and sale transactions, which will be reported out at a later date in accordance with the Brown Act.

The motion passed unanimously (roll call) with Messrs. Bernstein, Green, Knox, Moore, Okum, Santos and Mrs. Sanchez voting yes.

2. Private Equity Co-Investment Update

The Board received a private equity co-investment update. There is nothing to report.

- 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. One Other Matter

The Board met in closed session with counsel under Government Code Section 54956.9 to discuss an item of anticipated litigation, the nature of which was disclosed before the closed session. There is nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned in honor of the victims and heroes of 9/11 at 12:22 p.m.

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Signature on File

WAYNE MOORE, SECRETARY

Signature on File

SHAWN KEHOE, CHAIR