

APPROVED

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, SEPTEMBER 9, 2020

This meeting was conducted by teleconference under the Governor's Executive Order
No. N-29-20.

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein (Joined the meeting at 9:04 a.m.)

Elizabeth Greenwood (Joined the meeting at 9:50 a.m.)

Shawn Kehoe

Keith Knox

David Muir

Gina V. Sanchez

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Ted Granger, Interim Chief Financial Officer

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

John McClelland, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Jude Perez, Principal Investment Officer

James Rice, Principal Investment Officer

Esmeralda del Bosque, Senior Investment Officer

Scott Zdrazil, Senior Investment Officer

Chad Timko, Senior Investment Officer

Derek Kong, Senior Investment Officer

Dale Johnson, Investment Officer

Robert Santos, Investment Officer

David Simpson, Investment Officer

Daniel Joye, Investment Officer

Quoc Nguyen, Investment Officer

Trina Sanders, Investment Officer

Michael Romero, Investment Officer

John Kim, Senior Investment Analyst

Mel Tsao, Senior Investment Analyst

Jeff Jia, Senior Investment Analyst

Adam Cheng, Senior Investment Analyst

Barry W. Lew, Legislative Affairs Officer

STAFF ADVISORS AND PARTICIPANT (Continued)

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

Jonathan Camp, Vice President

StepStone Group LP

Jose Fernandez, Partner

Albourne

James Walsh, Head of Portfolio Advisory

Steven Kennedy, Partner

Mark White, Partner

Chris Slavin, Partner

Townsend Group

Rob Kochis, Partner

Felix Fels, Vice President

I. CALL TO ORDER

The meeting was called to order by Chair Green at 9:00 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 12, 2020

Mr. Santos made a motion, Mr. Knox seconded, to approve the minutes of the regular meeting of August 12, 2020. The motion passed unanimously (roll call) with Messrs. Green, Kehoe, Knox, Moore, Muir, Santos, and Ms. Sanchez voting yes.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

Daniel Goodmon, Robert Farrell, Michael Guynn and Jan Williams addressed the Board regarding LACERA's exposure to Baldwin Hills Crenshaw Plaza.

Ramsey Jay Jr., Pauline Oghenekohwo, Tina Robinson and Armetha Bravo addressed the Board regarding agenda item VIII. C. James Breedlove, Pauline and Lawrence Oghenekohwo, Mary Calhoun, Barbara Watts, Ametha Bravo and Ramsey Jay, Jr. provided written comments regarding this item as well.

V. CHIEF EXECUTIVE OFFICER'S REPORT (Memo dated August 19, 2020)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VI. CHIEF INVESTMENT OFFICER'S REPORT (Presentation dated September 9, 2020)

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

VII. CONSENT ITEM

- A. Recommendation as submitted by Scott Zdrazil, Senior Investment Officer: That the Board approve LACERA's member ballot for the annual meeting of the International Corporate Governance Network.
(Memo dated August 31, 2020)

Mr. Bernstein made a motion, Mr. Kehoe seconded, accepting the amendment of Mr. Santos and Ms. Sanchez, that LACERA will vote against all ICGN board nominees, and approve the member ballot on other items. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, and Ms. Sanchez voting yes.

VIII. NON CONSENT ITEMS

- A. Recommendation as submitted by Esmeralda del Bosque, Senior Investment Officer, Trina Sanders, Investment Officer, Quoc Nguyen, Investment Officer, John Kim, Senior Investment Analyst and Calvin Chang, Senior Investment Analyst: That the Board approve appointing State Street Bank and Trust Company to provide Real Estate Administration Services. (Memo dated August 31, 2020)

Messrs. Kim, Nguyen, Chang, Ms. Del Bosque and Ms. Sanders provided a presentation and answered questions from the Board.

Mr. Muir made a motion, Mr. Knox seconded, to approve appointing State Street Bank and Trust Company to provide Real Estate Administration Services. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

- B. Recommendation as submitted by Esmeralda del Bosque, Senior Investment Officer, John Kim, Senior Investment Analyst, Adam Cheng, Senior Investment Analyst and Mel Tsao, Senior Investment Analyst: That the Board approve appointing State Street Bank & Trust Company/Solovis to provide Total Fund Performance Measurement Services. (Memo dated August 28, 2020)

Messrs. Kim, Cheng, Tsao and Ms. Del Bosque provided a presentation and answered questions from the Board.

Mr. Santos made a motion, Mr. Muir seconded, to approve appointing State Street Bank & Trust Company/Solovis to provide Total Fund Performance Measurement Services. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

The following agenda item VIII.C was discussed after agenda item IX.B

VIII. NON CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Trustee, Wayne Moore: That the Board adopt the Investment Equity Initiative consistent with BOI's Investment Policy and Principles. (Memo dated August 30, 2020)

Mr. Moore made a motion, Ms. Sanchez, seconded, to adopt the Investment Equity Initiative consistent with BOI's Investment Policy and Principles and provide an implementation road map in 90-days.

Mr. Muir called the question. Mr. Green asked if anyone had an objection with moving forward with Mr. Moore's motion. There were no objections. The Board moved forward with the motion.

The motion passed (roll call) with Messrs. Green, Knox, Moore, Muir, Santos and Ms. Greenwood and Ms. Sanchez voting yes and Messrs. Bernstein and Kehoe abstaining.

IX. REPORTS

- A. Strategic Asset Allocation
Stephen McCourt, Meketa Investment Group
Leandro Festino, Meketa Investment Group
Jonathan Camp, Meketa Investment Group
(Presentation dated September 9, 2020)

Mr. Perez and Messrs. McCourt, Festino and Camp of Meketa Investment Group provided a presentation and answered questions from the Board.

- B. Diversity, Equity, And Inclusion in LACERA's Investment Program
Jon Grabel, Chief Investment Officer
Steven P. Rice, Chief Counsel
Scott Zdrazil, Senior Investment Officer
Esmeralda Del Bosque, Senior Investment Officer
John Kim, Senior Investment Analyst
(Memo dated August 31, 2020)

IX. REPORTS (Continued)

(Confidential Memo dated August 31, 2020 - Supplemental Summary Report)

Messrs. Grabel, Rice, Zdrazil, Kim and Ms. Del Bosque provided a presentation and answered questions from the Board.

Agenda items IX.A and B will be discussed before agenda item VIII.C

Mr. Santos made a motion, Mr. Bernstein seconded to direct staff to provide a report, including a presentation by JP Morgan, regarding LACERA's Emerging Manager programs in the next 120-days.

The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

- C. Performance Review of Real Estate Consultant the Townsend Group
John McClelland, Principal Investment Officer
(For Information Only) (Memo dated August 24, 2020)

This item was received and filed.

- D. Consultant Self-Evaluation – Albourne America LLC
Vache Mahseredjian, Principal Investment Officer
James Rice, Principal Investment Officer
Chad Timko, Senior Investment Officer
(For Information Only) (Memo dated August 27, 2020)

This item was received and filed.

- E. LACERA Quarterly Performance Book
Meketa Fund Evaluation Report
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated August 31, 2020)

This item was received and filed.

IX. REPORTS (Continued)

- F. OPEB Quarterly Performance Book
Meketa OPEB Fund Evaluation Report
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated August 31, 2020)

This item was received and filed.

- G. Investment Procedures Manual Update – Real Estate and Real Assets
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated August 26, 2020)

This item was received and filed.

- H. Summary of *Alameda* California Supreme Court Decision
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated August 26, 2020)

This item was received and filed.

- I. LACERA Conflict of Interest Code Biennial Update
Jill R. Rawal, Staff Counsel
(For Information Only) (Memo dated August 21, 2020)

This item was received and filed.

- J. Form 700 Statement of Economic Interests Training
Jill R. Rawal, Staff Counsel
(For Information Only) (Memo dated August 21, 2020)

This item was received and filed.

- K. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated August 24, 2020)

This item was received and filed.

IX. REPORTS (Continued)

- L. Legal Projects Reports
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated September 1, 2020)

This item was received and filed.

- M. Monthly Education and Travel Reports for July 2020
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Public Memo dated August 20, 2020)
(Confidential Memo dated August 20, 2020 – Includes Anticipated Travel)

4th Quarter Education and Travel Expenditure Reports
(Memo dated August 24, 2020)

This item was received and filed.

- N. August 2020 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(Memo dated August 25, 2020)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

There were no items for review.

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

Mr. Grabel welcomed Investment Analyst, Noah Damsky, to the Real Assets 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. Manager Termination Recommendation
John McClelland, Principal Investment Officer
(Memo dated August 20, 2020)

Mr. Kochis of the Townsend Group and Mr. McClelland were present and answered questions from the Board. The Board took action. It will be reported out at a future date in accordance with the Brown Act.

2. STG VI, L.P.
Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(Memo dated August 17, 2020)

Messrs. Wagner, Kong and Mr. Fernandez of StepStone Group LP provided a presentation and answered questions from the Board.

Mr. Santos made a motion, seconded by Ms. Greenwood, to approve a commitment of up to \$100 million in STG VI, L.P., which is a private equity buyout fund with a value-oriented control strategy focused on middle market investments in enterprise software and software-enabled technology service companies, primarily based in North America and Europe. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Santos and Ms. Greenwood and Ms. Sanchez voting yes. Mr. Muir was absent.

3. DWS Pan-European Infrastructure Fund III, L.P.
James Rice, Principal Investment Officer
Daniel Joye, Investment Officer
(Memo dated August 31, 2020)

XII. EXECUTIVE SESSION (Continued)

Messrs. Rice, Mr. Joye and Mr. Walsh of Albourne provided a presentation and answered questions from the Board.

Mr. Santos made a motion, seconded by Ms. Greenwood, to approve a commitment of up to €100 million (approximately \$120 million) in DWS Pan-European Infrastructure Fund III, L.P., which is a real assets fund targeting infrastructure, with a specific focus on utilities, renewables, transportation, waste, and energy in Western Europe. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

4. Grain Spectrum Holdings III, L.P.
James Rice, Principal Investment Officer
David Simpson, Investment Officer
(Memo dated August 31, 2020)

Messrs. Rice, Simpson and Mr. Walsh of Albourne provided a presentation and answered questions from the Board.

Mr. Moore made a motion, seconded by Mr. Knox, to approve a commitment of up to \$60 million in Grain Spectrum Holdings III, L.P., which is a real assets fund in the telecommunications sector, focusing on spectrum in the United States. The motion passed (roll call) with Messrs. Bernstein, Green, Knox, Moore, Muir, Ms. Greenwood and Ms. Sanchez voting yes; and Mr. Kehoe and Mr. Santos voting no.

- 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)

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XII. EXECUTIVE SESSION (Continued)

1. Number of Potential Cases: 1

In open session, Chief Counsel corrected that this matter concerns Initiation of Litigation under Government Code Section 54956.9(d)(4).

The Board met with legal counsel to discuss initiation of one piece of potential litigation. Board took action. It will be reported out at a future date, if needed, in accordance with the Brown Act.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.

Signature on File

WAYNE MOORE, SECRETARY

Signature on File

DAVID GREEN, CHAIR