

# APPROVED

## MINUTES OF A 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, JANUARY 13, 2021

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

PRESENT: Keith Knox, Chair

Joseph Kelly, Vice Chair

Alan Bernstein, Secretary

David Green

Elizabeth Greenwood

Shawn Kehoe

Ronal Okum

Gina V. Sanchez

Herman Santos

### 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

Carly Ntoya, Human Resources Division Manager

Christine Roseland, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Christopher Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Jude Perez, Principal Investment Officer

John McClelland, Principal Investment Officer

Jim Rice, Principal Investment Officer

David Chu, Senior Investment Officer

Scott Zdrazil, Senior Investment Officer

Derek Kong, Investment Officer

Amit Aggarwal, Investment Officer

Trina Sanders, Investment Officer

David Simpson, Investment Officer

Cheryl Lu, Investment Officer

Calvin Chang, Senior Investment Analyst

Michael Romero, Senior Investment Analyst

Terra Elijah, Investment Analyst

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

Timothy Filla, Principal

Alina Yuan, Associate

StepStone Group LP

Jose Fernandez, Partner

Natalie Walker, Partner

STAFF ADVISORS AND PARTICIPANTS (Continued)

The Townsend Group  
Rob Kochis, Partner  
Felix Fels, Vice President

Albourne  
Mark White, Head of Real Assets  
James Walsh, Partner

J.P. Morgan Private Equity Group  
Ashmi Mehrotra, Portfolio Manager  
Laureen Costa, Portfolio Manager

I. CALL TO ORDER

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

II. ELECTION OF OFFICERS

A. Chair of the Board

Mr. Knox was nominated to the position of Chair of the Board of Investments by Ms. Greenwood.

Hearing no other nominations, the nominations were closed. Mr. Green announced that Mr. Knox was elected to the position of Chair of the Board of Investments.

B. Vice Chair of the Board

Mr. Kelly was nominated to the position of Vice Chair of the Board of Investments by Mr. Bernstein. Ms. Greenwood was nominated to the position of Vice Chair of the

II. ELECTIONS (Continued)

Board of Investments by Mr. Santos. The Board voted to elect Mr. Kelly to the position of Vice Chair. The nomination passed (roll call) with Messrs. Knox, Kehoe, Bernstein, Kelly, and Okum voting yes and Messrs. Green, Santos, Ms. Greenwood and Ms. Sanchez voting no.

C. Secretary

Mr. Bernstein was nominated to the position of Secretary of the Board of Investments by Mr. Kelly.

Hearing no other nominations, the nominations were closed. Mr. Green announced that Mr. Bernstein was elected to the position of Secretary of the Board of Investments.

D. Joint Organizational Governance Committee Member

Mr. Kehoe was nominated to the position of Joint Organizational Governance Committee Member by Mr. Kelly. Mr. Green was nominated to the position of Joint Organizational Governance Committee Member by Mr. Santos.

The Board voted to elect Mr. Kehoe to the position of Joint Organizational Governance Committee member. The nomination passed (roll call) with Messrs. Knox, Kehoe, Bernstein, Kelly, and Okum voting yes and Messrs. Green, Santos, Ms. Greenwood, and Ms. Sanchez voting no.

E. Audit Committee Member

## II. ELECTIONS (Continued)

Ms. Sanchez was nominated to the position of Audit Committee Member by Mr. Santos. Mr. Kelly was nominated to the position of Audit Committee Member by Mr. Kehoe. Mr. Kehoe was nominated to the position of Audit Committee Member by Mr. Bernstein. Mr. Santos was nominated to the position of Audit Committee Member by Ms. Sanchez.

The Board voted to elected Ms. Sanchez to the position of Audit Committee Member. The nomination passed (roll call) with Messrs. Knox, Santos, Kehoe, Okum, Bernstein, Kelly, Green, Ms. Greenwood and Ms. Sanchez voting yes.

The Board voted to elected Mr. Kelly to the position of Audit Committee member. The nomination passed (roll call) with Messrs. Knox, Kehoe, Okum, Bernstein, Kelly, Ms. Greenwood and Ms. Sanchez voting yes and Messrs. Santos and Green voting no.

The Board voted to elected Mr. Kehoe to the position of Audit Committee member. The nomination passed (roll call) with Messrs. Knox, Kehoe, Okum, Bernstein, Kelly, and Santos voting yes and Mr. Green, Ms. Sanchez, and Ms. Greenwood voting no.

At the conclusion of the elections, Mr. Knox announced his appointment of Ms. Greenwood to the Joint Organizational Governance Committee.

## III. APPROVAL OF MINUTES

### A. Approval of the Minutes of the Regular Meeting of December 9, 2020

Mr. Okum made a motion, Ms. Sanchez seconded, to approve the minutes of the regular meeting of December 9, 2020. The

### III. APPROVAL OF MINUTES (Continued)

motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox, and Ms. Greenwood and Ms. Sanchez voting yes.

### IV. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported, by posting on lacera.com after the meeting, that:

A. Under Agenda Item XII.A.3 of the December 9, 2020 meeting, on a motion by Mr. Santos, seconded by Mr. Knox, the Board voted 9-0 to terminate Matarin Capital Management. The termination was effective December 16, 2020.

B. Under Agenda Item XII.A.1 of the September 9, 2020 meeting, on a motion by Mr. Santos, seconded by Mr. Bernstein, the Board voted 8-0 to terminate Invesco Advisers, Inc. and transfer Invesco-managed real estate assets to one or more of LACERA's existing separate account managers. Mr. Muir did not participate in the vote. The termination was completed as of December 31, 2020. The assets managed by Invesco have been transferred to Clarion Partners.

C. Under Agenda Item XII.A.5 of the September 12, 2018 meeting, the Board took action to direct LACERA's separate account real estate managers to sell select real estate assets. The vote has previously been reported, and individual transactions have been reported out at various times as appropriate under the Brown Act.

LACERA now reports out that the Board at that time directed the sale of Instrada Nomad, a 50-story, 392-unit apartment property located in New York City, NY.

#### IV. REPORT ON CLOSED SESSION ITEMS (Continued)

The sale was completed on February 19, 2020. The asset sold for a gross sales price of approximately \$381 million.

D. Under Agenda Item XII.A.5 of the September 12, 2018 meeting, the Board took action to terminate certain separate account real estate managers. The vote has previously been reported, and individual actions have been reported out at various times as appropriate under the Brown Act. LACERA now reports out that the Board at that time directed the termination of Barings LLC for its separate equity account mandate. The termination was completed as of February 28, 2020.

#### V. PUBLIC COMMENT

Damien Goodmon addressed the Board regarding Baldwin Hills Crenshaw Plaza.

Wayne Moore addressed the Board regarding agenda item X.C and X.D.

#### VI. CHIEF EXECUTIVE OFFICER'S REPORT (Memo dated December 28, 2020)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report.

#### VII. CHIEF INVESTMENT OFFICER'S REPORT (Presentation dated January 13, 2021)

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

## VIII. CONSENT ITEMS

- A. Recommendation as submitted by Herman Santos, Chair, Equity: Public/Private Committee: That the Board approve the following proposed changes to the investment guidelines: 1) clarify tracking error, 2) affirm currency hedge, and 3) establish parameters for Cash Overlay.  
(Memo dated December 18, 2020)

Ms. Sanchez made a motion, seconded by Mr. Okum, to approve staff recommendation. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Greenwood and Ms. Sanchez voting yes.

## IX. NON-CONSENT ITEMS

- A. Recommendation as submitted by John McClelland, Principal Investment Officer; James Rice, Principal Investment Officer, Amit Aggarwal, Investment Officer, Trina Sanders, Investment Officer and Terra Elijah, Investment Analyst: That the Board select Stepstone to provide real estate consulting services. (Memo dated December 21, 2020)

Messrs. McClelland, Rice, Aggarwal and Ms. Sanders and Ms. Elijah provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, Mr. Okum seconded, to select Stepstone to provide real estate consulting services. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Greenwood and Ms. Sanchez voting yes.

## X. REPORTS

- A. Envision 2021: Investments Division Work Plan and Strategic Initiatives  
Jonathan Grabel, Chief Investment Officer  
(Memo dated December 30, 2020)



X. REPORTS (Continued)

Mr. Grabel provided a presentation and answered questions from the Board.

- B. Strategic Asset Allocation Capital Markets Expectations  
Jude Perez, Principal Investment Officer  
(Memo dated December 30, 2020)

Mr. Perez was present and answered questions from the Board.

- C. Emerging Manager Program Update  
Ted Wright, Principal Investment Officer  
Vache Mahseredjian, Principal Investment Officer  
Christopher Wagner, Principal Investment Officer  
(Memo dated December 30, 2020)

Messrs. Wright, Mahseredjian and Wagner provided a presentation and answered questions from the Board.

- D. Private Equity Emerging Manager Program  
Calvin Chang, Senior Investment Analyst  
Ashmi Mehrotra, J.P. Morgan Private Equity Group  
Laureen Costa, J.P. Morgan Private Equity Group  
(Memo dated December 24, 2020)

Mr. Chang and Ms. Mehrotra and Ms. Costa of J.P. Morgan Private Equity Group provided a presentation and answered questions from the Board.

- E. Meketa Investment Group Self-Evaluation  
Stephen McCourt, Meketa Investment Group  
Leandro Festino, Meketa Investment Group  
Timothy Filla, Meketa Investment Group  
Alina Yuan, Meketa Investment Group  
(For Information Only) (Memo dated January 4, 202)

This item was received and filed.

- F. Institutional Limited Partners Association Diversity in Action Initiative  
Endorsement  
David Simpson, Investment Officer  
(For Information Only) (Memo dated December 21, 2020)

X. REPORTS (Continued)

This item was received and filed.

- G. Sustainability Accounting Standards Board Investor Advisory Group Open Letter to Financial Infrastructure and Data Providers  
Scott Zdrazil, Senior Investment Officer  
(For Information Only) (Memo dated December 21, 2020)

This item was received and filed.

- H. Board of Investments March Meeting Scheduling and Council of Institutional Investors Conference Agenda  
Scott Zdrazil, Senior Investment Officer  
(For Information Only) (Memo dated December 21, 2020)

This item was received and filed.

- I. Amendment to Brown Act – Use of Social Media  
Steven P. Rice, Chief Counsel  
(For Information Only) (Memo dated December 28, 2020)

This item was received and filed.

- J. Monthly Status Report on Board of Investments Legal Projects  
Steven P. Rice, Chief Counsel  
(For Information Only) (Memo dated January 4, 2021)

This item was received and filed.

- K. Monthly Education and Travel Reports for November 2020  
Ted Granger, Interim Chief Financial Officer  
(For Information Only)

Monthly Education and Travel Reports for November 2020

(Public Memo dated December 24, 2020)

(Confidential Memo dated December 24, 2020 – Includes Anticipated Travel)

This item was received and filed.

X. REPORTS (Continued)

- L. December 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 December 28, 2020)

This item was received and filed.

XI. ITEMS FOR STAFF REVIEW

The Board requested for Staff to return the T.I.D.E initiative for Board approval.

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

Mr. Grabel recognized Michael Romero for volunteering to assist with the presentation at the Board of Investment meetings.

Mr. Knox recognized Calvin Chang as the unsung hero of the month.

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. LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P.  
Christopher J. Wagner, Principal Investment Officer  
David Chu, Senior Investment Officer  
Cheryl Lu, Investment Officer  
Jose Fernandez, StepStone Group  
(Memo dated December 18, 2020)

Messrs. Wagner, Chu and Ms. Lu and Mr. Fernandez of StepStone Group provided a presentation and answered questions from the Board.

XIII. EXECUTIVE SESSION (Continued)

Mr. Kehoe made a motion, seconded by Mr. Okum, to approve a commitment of up to \$100 million total to LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P., which are private equity investments focused on venture, growth, and public equity investments in the biomedical industry, primarily in China and the United States. LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P. will invest across different stages from early stage to public listed equities, but with a focus on early-stage investments. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Greenwood and Ms. Sanchez voting yes.

2. Novacap TMT VI, L.P.  
Christopher J. Wagner, Principal Investment Officer  
David E. Simpson, Investment Officer  
Jose Fernandez, StepStone Group  
(Memo dated December 21, 2020)

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

Mr. Bernstein made a motion, seconded by Ms. Sanchez, to approve a commitment of up to \$100 million to Novacap TMT VI, L.P., which is a private equity buyout investment focused on the technology, media, and telecommunications sectors, primarily in Canada. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Sanchez voting yes. Ms. Greenwood did not participate in the vote.

XIII. EXECUTIVE SESSION (Continued)

3. Secondary Sale Recommendation  
Christopher J. Wagner, Principal Investment Officer  
Scott Zdrazil, Senior Investment Officer  
Derek Kong, Investment Officer  
(Memo dated December 29, 2020)

Messrs. Wagner, Zdrazil and Kong provided a presentation and answered questions from the Board. The Board discussed a secondary sale recommendation. There is nothing to report.

4. Grain Communications Opportunity Fund III, L.P.  
James Rice, Principal Investment Officer  
David E. Simpson, Investment Officer  
Mark White, Albourne  
James Walsh, Albourne  
(Memo dated December 21, 2020)

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

Ms. Sanchez made a motion, seconded by Mr. Okum, to approve a commitment of up to \$100 million to Grain Communications Opportunity Fund III, L.P., which is a real assets fund investment focused on telecommunications infrastructure, primarily in the United States. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Greenwood and Ms. Sanchez voting yes.

5. Real Estate Manager Asset Transfer  
Mike Romero, Senior Investment Analyst  
Rob Kochis, The Townsend Group  
Felix Fels, The Townsend Group  
(Memo dated December 17, 2020)

XIII. EXECUTIVE SESSION (Continued)

Mr. Romero was 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.

6. Capman Nordic Fund III  
Amit Aggarwal, Investment Officer  
Rob Kochis, The Townsend Group  
Felix Fels, The Townsend Group  
(Memo dated December 21, 2020)

Mr. Aggarwal and Messrs. Kochis and Fels of the Townsend Group provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, seconded by Ms. Greenwood, to approve a commitment of up to €75 million (approximately \$91.2 million) in Capman Nordic Fund III, which is a closed end real estate fund investing in a diversified portfolio, primarily in Sweden, Denmark, and Finland and secondarily in Norway. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox and Ms. Sanchez and Ms. Greenwood voting yes.

7. Hedge Funds Emerging Manager Program Separate Account  
Manager Search – Supplemental Information  
James Rice, Principal Investment Officer  
Chad Timko, Senior Investment Officer  
Quoc Nguyen, Investment Officer  
(For Information Only) (Memo dated December 22, 2020)

The Board received supplemental information in connection with the approval given at the December 9, 2020 Board meeting for an emerging manager hedge fund portfolio to be managed by Stable Asset Management. The Board took no action.

XIII. EXECUTIVE SESSION (Continued)

There is nothing to report.

8. Private Equity Co-Investment Update  
David Chu, Senior Investment Officer  
Didier Acevedo, Investment Officer  
(For Information Only) (Memo dated December 23, 2020)

The Board received an information only report providing notice that LACERA completed a \$30 million co-investment in a registered investment advisory firm alongside Lightyear Capital, one of the Board's approved managers. The co-investment was made in compliance with LACERA's private equity in-house investment guidelines.

9. Private Equity Co-Investment Update  
David Chu, Senior Investment Officer  
Cheryl Lu, Investment Officer  
(For Information Only) (Memo dated December 18, 2020)

The Board received an information only report providing notice that LACERA completed a \$20 million co-investment in a healthcare software and service company alongside Leonard Green & Partners, L.P., one of the Board's approved managers. The co-investment was made in compliance with LACERA's private equity in-house investment guidelines.

- 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) And Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9)

Number of Cases: 1

XIII. EXECUTIVE SESSION (Continued)

The Board met with legal counsel to discuss one case of anticipated investment related litigation. The Board did not take action. There is nothing to report.

- C. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Counsel

There is nothing to report.

- D. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Investment Officer

There is nothing to report.

- E. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Executive Officer

There is nothing to report.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:34 p.m.

*Signature on File*

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ALAN BERNSTEIN, SECRETARY

*Signature on File*

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KEITH KNOX, CHAIR