



Report Out
Board of Investments
Executive Session, January 13, 2021 Meeting

Agenda Item IV. REPORT ON CLOSED SESSION ITEMS

The following prior Board actions, taken in Executive Session pursuant to Government Code Section 54956.81, are reported:

- A. Under Agenda Item XII.A.3 of the December 9, 2020 agenda, 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 agenda, 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 agenda, the Board took action to direct LACERA's separate account 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. 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 agenda, the Board took action to terminate certain separate account 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.

Agenda Item 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. LAV Fund VI, L.P. and LAV Fund VI Opportunities, L.P.

On a motion by Mr. Kehoe, seconded by Mr. Okum, the Board voted 9-0 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.

2. Novacap TMT VI, L.P.

On a motion by Mr. Bernstein, seconded by Ms. Sanchez, the Board voted 8-0 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. Ms. Greenwood did not participate in the vote.

3. Secondary Sale Recommendation

The Board discussed a secondary sale recommendation. There is nothing to report.

4. Grain Communications Opportunity Fund III, L.P.

On a motion by Ms. Sanchez, seconded by Mr. Okum, the Board voted 9-0 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.

5. Real Estate Manager Asset Transfer

The Board took action. It will be reported out at a future date in accordance with the Brown Act.

6. Capman Nordic Fund III

On a motion by Mr. Kelly, seconded by Ms. Greenwood, the Board voted 9-0 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.

7. Hedge Funds Emerging Manager Program Separate Account Manager Search – Supplemental Information

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. There is nothing to report.

8. Private Equity Co-Investment Update

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

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)

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.