

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, MARCH 10, 2021

This meeting was be 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 (Left the meeting at 1:00 p.m.)

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

Christine Roseland, Senior Staff Counsel

Vache Mahseredjian, Principal Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Jude Perez, Principal Investment Officer

Christopher Walker, Principal Investment Officer

James Rice, Principal Investment Officer

Chad Timko, Senior Investment Officer

Quoc Nguyen, Investment Officer

Daniel Joye, Investment Officer

John Kim, Senior Investment Analyst

Calvin Chang, Senior Investment Analyst

Michael Herrera, Senior Counsel

Jill Rawal, Staff Counsel

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

Albourne

Mark White, Head of Real Assets

James Walsh, Partner

Klausner, Kaufman, Jensen & Levinson

Robert Klausner, Partner

Olson Remcho LLP

Karen Getman, Partner

Kelly Liang, Associate Attorney

I. CALL TO ORDER

The meeting was called to order virtually by Chair Knox at 9:00 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 10, 2021

Mr. Kelly made a motion, Mr. Green seconded, to approve the revised minutes of the regular meeting of February 10, 2021. The motion passed unanimously (roll call) with Messrs. Green, Santos, Kehoe, Okum, Bernstein, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes.

III. REPORT ON CLOSED SESSION ITEMS

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

At the October 14, 2020 Board of Investments meeting, under Agenda Item XI.A.2, on a motion by Ms. Sanchez, seconded by Mr. Moore, the Board voted 8-0 to adjust the fund's Emerging Market Debt (EMD) investment vehicles such that (1) the Aberdeen Asset Management portfolio will be transitioned to a new Aberdeen fund managed to LACERA's EMD benchmark composition, and (2) the Ashmore Investment Management portfolio will be transitioned to three established Ashmore funds that represent LACERA's EMD benchmark composition in aggregate. Ms. Greenwood was absent for the vote. The Aberdeen transition was completed in December 2020; the Ashmore transition was completed in February 2021. The Board action followed from a unanimous 5-0 recommendation made under Agenda Item VII.A.1 of the Credit and Risk Mitigation Committee's September 9, 2020 agenda, on a motion by Ms. Greenwood, seconded by Mr. Muir.

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IV. PUBLIC COMMENT

Michael Guynn, Veronica Sance, Jan Williams, Damien Goodmon, Greg Akili, Jacqueline Taylor, Eleni Johnson, Harrold Huggins, Donald Byers, Jess Estes, Kim Yergan, Jackie Ryan, Alice Goff, Amber Height, Pastor William D. Smart Jr, Ernest Dillihay, Zerita Jones and Verneen Mincey addressed the Board regarding the Baldwin Hills Crenshaw Plaza. In addition, LACERA received 38 written comments regarding the Baldwin Hills Crenshaw Plaza. Diane Waldo, Kerry Cavasos and Michael Ring addressed the Board regarding HCA Healthcare.

V. CHIEF EXECUTIVE OFFICER'S REPORT (Memo dated February 17, 2021)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT (Presentation dated March 10, 2021)

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

VII. CONSENT

- A. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board approve a revised Corporate Governance and Stewardship Principles policy.
(Memo dated February 11, 2021)

Ms. Sanchez made a motion, Mr. Bernstein seconded, to approve the Corporate Governance Committees recommended revised Corporate Governance and Stewardship Principles policy, which was option (1) only on page 4 of the Board memo for this item.

VII. CONSENT (Continued)

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

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Jonathan Grabel, Chief Investment Officer and Jude Perez, Principal Investment Officer: That the Board 1) Approve Meketa Investment Group's proposed 10-year capital market expectations for use in determining LACERA's policy portfolio in upcoming Strategic Asset Allocation Studies for the Total Fund and the OPEB Master Trust; and 2) Approve Meketa's 20-year expectations for use in testing the reasonableness of LACERA's actuarial long-term return assumptions. (Memo dated February 25, 2021)

Messrs. Grabel, Perez and Messrs. McCourt, Festino and Filla of Meketa

Investment Group provided a presentation and answered questions from the Board.

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

- B. Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Jude Perez, Principal Investment Officer, and Scott Zdrzil, Senior Investment Officer:

That the Board ratify that:

- (1) LACERA label its collective efforts to advance inclusion, diversity, and equity throughout its investment program and the financial services industry under a program title, LACERA "Towards Inclusion, Diversity, and Equity," or the acronym "LACERA TIDE;"

VIII. NON-CONSENT ITEMS (Continued)

- (2) LACERA continue to pursue a comprehensive, multi-pronged approach organized under LACERA TIDE into five core pillars as discussed in September and December 2020 Board of Investments meetings: a. Internal Investments Division practices; b. Asset manager and investment partner due diligence, evaluation, and advocacy; c. Active ownership and corporate governance initiatives; d. Capital formation facilitation to firms with diverse ownership; e. Industry advocacy efforts; and
- (3) LACERA's TIDE activities, progress, and trend lines be presented to the Board of Investments for oversight, review, and input on an annual basis, starting in 2021.

(Memo dated February 22, 2021)

Messrs. Grabel, Perez and Zdrazil provided a presentation and answered questions from the Board.

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

- C. Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer and Chad Timko, Senior Investment Officer: That the Board authorize the Chief Investment Officer ("CIO") to rebalance among Board-approved Illiquid Credit mandates when the conditions identified on slide 5 of the attached presentation are met.
(Memo dated February 26, 2021)

Messrs. Mahseredjian and Timko were present.

VIII. NON-CONSENT ITEMS (Continued)

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

IX. REPORTS

- A. Strategic Asset Allocation Asset Liability Overview
Jude Perez, Principal Investment Officer
Stephen McCourt, Meketa Investment Group
Alina Yuan, Meketa Investment Group
(Memo dated February 25, 2021)

Mr. Perez and Mr. McCourt and Ms. Yuan of Meketa Investment Group

provided a presentation and answered questions from the Board.

- B. Form 700 Training
Karen Getman, Olson Remcho, LLP
Kelly Liang, Olson Remcho, LLP
(Memo dated February 23, 2021)
(Supplemental Memo dated February 26, 2021)

Ms. Getman and Mr. Liang of Olson Remcho LLP provided a presentation

and answered questions from the Board.

- C. Executive Order 13959 Related to Investments that Finance Chinese Military Companies
Ted Wright, Principal Investment Officer
Esmeralda Del Bosque, Senior Investment Officer
Jeff Jia Senior, Investment Analyst
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated February 24, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- D. Los Angeles County Other Post-Employment Benefits Program Funding Overview
Jude Perez, Principal Investment Officer
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memo dated February 23, 2021)

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 March 1, 2021)

This item was received and filed.

- F. OPEB Quarterly Performance Book
Meketa OPEB Fund Evaluation Report
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated February 26, 2021)

This item was received and filed.

- G. External Quality Assessment (EQA) of Internal Audit's Recommendation Follow-Up Process performed by KPMG dated December 31, 2020
Audit Committee Members
(For Information Only) (Memo dated February 23, 2021)

This item was received and filed.

- H. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated March 1, 2021)

This item was received and filed.

- I. Monthly Education and Travel Reports for January 2021
Ted Granger, Interim Chief Financial Officer
(For Information Only)

IX. REPORTS (Continued)

Monthly Education and Travel Reports for January 2021

(Public Memo dated February 19, 2021)

(Confidential Memo dated February 19, 2021 – Includes Anticipated Travel)

2nd Quarter Education and Travel Expenditure Reports

(Memo dated February 19, 2021)

This item was received and filed.

J. February 2021 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 February 22, 2021)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested for staff to bring back the CEO's compensation at a future Joint Meeting.

The Board requested for staff to address member communication on how to encourage members to add an email address on their LACERA profile, as well as providing information when one is not available.

The Board requested for staff to address questions pertaining to Form 700.

XI. GOOD OF THE ORDER

(For information purposes only)

Mr. Okum announced that he will be retiring from the Board of Investments.

The Board and staff thanked Mr. Okum for his service on the Board of Investments.

XII. EXECUTIVE SESSION (Mr. Green left the meeting at 1:00 p.m.)

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. Dedicated Managed Account Services Search Recommendation
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
John Kim, Senior Investment Analyst
(Memo dated February 23, 2021)

Messrs. Timko, Nguyen, Kim and Messrs. Walsh and White of

Albourne America LLC provided a presentation and answered questions from the Board.

Mr. Santos made a motion, seconded by Ms. Sanchez, to select Innocap to provide dedicated managed account (DMA) platform services for alternative investments. The motion passed unanimously (roll call) with Messrs. Santos, Kehoe, Okum, Bernstein, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Green was absent for the vote.

2. Antin Mid Cap Fund I, L.P.
James Rice, Principal Investment Officer
Daniel Joye, Investment Officer
Mark White, Albourne America LLC
James Walsh, Albourne America LLC
(Memo dated February 26, 2021)

Messrs. Rice and Joye and Messrs. Walsh and White of Albourne America

LLC were present and answered questions from the Board.

Mr. Bernstein made a motion, seconded by Mr. Kelly, to approve a commitment of up to €100 million (approximately \$120 million) to Antin Mid Cap Fund I, L.P., which is a private real assets fund, focusing

XII. EXECUTIVE SESSION (Continued)

on mid-market opportunistic infrastructure investments mainly in Western Europe, with some exposure in the United States and Canada. The fund will have a focus in telecom, energy, transport, and social infrastructure sectors. The motion passed unanimously (roll call) with Messrs. Santos, Kehoe, Okum, Bernstein, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Green was absent for the vote.

3. Excellere Capital Fund IV, L.P.
Christopher Wagner, Principal Investment Officer
Calvin Chang, Senior Investment Officer
Jose Fernandez, StepStone Group
(Memo dated February 26, 2021)

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

Mr. Santos made a motion, seconded by Mr. Kehoe, to approve a commitment of up to \$100 million to Excellere Capital Fund IV, L.P., which is a private equity buyout investment focused on lower middle-market companies within the healthcare sector in the United States. The motion passed unanimously (roll call) with Messrs. Santos, Kehoe, Okum, Bernstein, Kelly, Knox, Ms. Greenwood and Ms. Sanchez voting yes. Mr. Green was absent for the vote.

- B. Conference with Legal Counsel – Initiation of Litigation
(Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9).

Number of cases: 1 (Pending Under Seal)
(For Information Only)

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XII. EXECUTIVE SESSION (Continued)

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 Executive Officer

There is nothing to report.

Green Folder Information (Information provided to the Trustees prior to the meeting)

Item IX. A –Strategic Asset Allocation Asset Liability Overview presentation which was inadvertently left out of the agenda packet. (The presentation included in the agenda packet is a duplicate of the presentation for Agenda Item VIII. A.)

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:52 p.m.

Signature on File

ALAN BERNSTEIN, SECRETARY

Signature on File

KEITH KNOX, CHAIR