

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, FEBRUARY 9, 2022

This meeting was conducted by the Board of Investments by teleconference under California Government Code Section 54953(e).

PRESENT: Herman Santos, Chair

David Green, Vice Chair

Shawn Kehoe, Secretary

Patrick Jones

Joseph Kelly

Keith Knox

Michael Miller

Gina V. Sanchez

ABSENT: Elizabeth Greenwood

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Christine Roseland, Senior Staff Counsel

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

Jude Perez, Principal Investment Officer

Esmeralda del Bosque, Interim Principal Investment Officer

Chad Timko, Senior Investment Office

Quoc Nguyen, Investment Officer

Didier Acevedo, Investment Officer

Calvin Chang, Senior Investment Analyst

Magdalia Armstrong, Senior Investment Analyst

Shelly Tilaye, Senior Investment Analyst

Krista Powell, Investment Officer

Carly Ntoya, Ph.D., Human Resources Director

Meketa Investment Group (General Investment Consultants)

Stephen McCourt, Managing Principal/Co-CEO

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal/ Portfolio Consultant

Aysun Kilic, Executive Vice President/Consultant and Portfolio Strategist

Albourne (Real Assets ex-Real Estate, Illiquid Credit & Hedge Funds Consultant)

Mark White, Head of Real Assets

James Walsh, Partner

Steven Kennedy, Partner

STAFF ADVISORS AND PARTICIPANTS (Continued)

StepStone Group LP (Real Estate Consultants)
Thomas Hester, Managing Director
Margaret McKnight, Partner

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of January 12, 2022

Mr. Green made a motion, Mr. Knox seconded, to approve the minutes of the regular meeting of January 12, 2022. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kehoe, Kelly, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. CHIEF EXECUTIVE OFFICER'S REPORT

(Memo dated January 24, 2022)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT

(Presentation dated February 9, 2022)

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

VII. CONSENT ITEMS

Ms. Sanchez made a motion, Mr. Green seconded, to approve the following consent items. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kelly, Kehoe, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approves that, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days, and if so, direct staff to comply with the agenda and public comment requirements of the statute. Action taken by each Board will only apply to that Board and its Committees. (Memo dated January 24, 2022)
- B. Recommendation as submitted by Chair, Patrick Jones, Real Assets Committee: That the Board approve the Real Assets Structure Review including initiatives, guidelines, and recommendations throughout the document as well as the summarized-on slides, 32, 33, 34 and 35. (Memo dated January 26, 2022)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Jude Perez, Principal Investment Officer, Quoc Nguyen, Investment Officer and Magdalia Armstrong, Senior Investment Analyst: That the Board select Meketa Investment Group to provide general investment consulting services for the Pension Plan and OPEB Master Trust. (Memo dates January 25, 2022)

Messrs. Perez, Nguyen and Ms. Magdalia provided a presentation to the

Board.

VIII. NON-CONSENT ITEMS (Continued)

Mr. Green made a motion, Mr. Kelly seconded to select Meketa Investment Group to provide general investment consulting services for the Pension Plan and OPEB Master Trust. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kelly, Kehoe, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the attached document entitled “Powers and Duties of Investments Board Trustees,” which will be included with the ballot materials for the 2022 election of the Fourth Member of the Board of Investments and posted on lacera.com. (Memo dated January 24, 2022)

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

Mr. Kelly made a motion, Mr. Green seconded, to approve the document entitled “Powers and Duties of Investments Board Trustees,” which will be included with the ballot materials for the 2022 election of the Fourth Member of the Board of Investments and posted on lacera.com. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kelly, Kehoe, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

- C. Recommendation as submitted that the Board approve attendance of Trustees at the Infrastructure Investor Global Summit on March 21 -24, 2022 in Berlin, Germany and approve reimbursement of all travel costs incurred in accordance with the Trustee Education and Travel Policies. (Memo dated January 22, 2022) (Placed on the agenda at the request of Trustee Santos)

VIII. NON-CONSENT ITEMS (Continued)

Ms. Sanchez made a motion, Mr. Kehoe seconded, to approve attendance of Trustees at the Infrastructure Investor Global Summit on March 21 -24, 2022 in Berlin, Germany and approve reimbursement of all travel costs incurred in accordance with the Trustee Education and Travel Policies. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kelly, Kehoe, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

- D. Recommendation as submitted by the Joint Organizational Governance Committee: That the Board 1) Approve for implementation the recommended proposed classification and compensation changes for the existing Executive Secretary, LACERA; Secretary, LACERA; Senior Secretary, LACERA; and Management Secretary, LACERA classifications; and 2) Approve for implementation the recommended proposed classification and compensation changes for the creation of a new Senior Legal Secretary, LACERA classification. (Memo dated January 19, 2022)

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

Mr. Kehoe made a motion, Mr. Santos seconded, to approve staff's recommendation with the exception of the Senior Management Secretary for the Investment Office. The motion passed (roll call) with Messrs. Green, Santos, Miller, Jones, Kelly, Kehoe, Knox, and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

IX. REPORTS

- A. Semi-Annual Interest Crediting for Reserves as of December 31, 2021 (UNAUDITED)
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memo dated January 20, 2022)

This item was received and filed.

IX. REPORTS (Continued)

- B. Legal Projects
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated January 31, 2022)

This item was received and filed.

- C. Monthly Travel & Education Report – December 2021
Ted Granger, Interim Chief Financial Officer

(Public Memo dated January 19, 2022)
(Confidential Memo dated January 19, 2022– Includes Anticipated Travel)

This item was received and filed.

- D. January 2022 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(For Information Only) (Memo dated January 24, 2022)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested for staff to move all travel related agenda items to the Consent item on the agenda.

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

Mr. Miller announced that he is resigning from the Board of Investment effective February 9, 2022.

Ms. Sanchez disclosed that her company, Chantico Global, has an existing contract with Pershing, which is BNY Mellon’s custodial and clearing arm for its wealth advisory. This relationship constitutes a remote interest under California Government Code Section

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

1091(b)(8) because the relationship has existed for more than five years prior to her Current appointment to the Board of Investments. Section 1091(b)(8) requires her to Disclose the relationship and recuse herself from any matters related to Pershing, which She understands is separate from the BNY Mellon entities with which LACERA Contracts. In addition, Ms. Sanchez is voluntarily providing disclosure and will recuse herself from potential LACERA contracts with any BNY Mellon entities. Moreover, Chantico Global has recently spun out a new entity, Chantico Technologies. Chantico May consider entering into new contracts with Pershing in the future. Ms. Sanchez will Discuss any future contracts with LACERA's Chief Counsel to ensure compliance with Section 1090 and address any other ethical issues.

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. Thoma Bravo Fund XV, L.P. and Thoma Bravo Discover Fund IV, L.P
Christopher J. Wagner, Principal Investment Officer
Shelly P. Tilaye, Senior Investment Analyst
(Memo dated January 21, 2022)

Mr. Wagner and Ms. Tilaye and Mr. Fernandez of StepStone Group were present and answered questions from the Board.

XII. EXECUTIVE SESSION (Continued)

Mr. Kelly made a motion, seconded by Mr. Knox, to approve a commitment of up to \$100 million to Thoma Bravo Fund XV, L.P. and up to \$50 million to Thoma Bravo Discover Fund IV, L.P. Thoma Bravo Fund XV, L.P. is a global buyout private equity fund focusing in the technology sector predominantly in North America and Europe. Thoma Bravo Discover Fund IV, L.P. is a middle market buyout private equity fund focusing in the technology sector predominantly in North America. The motion passed (roll call), with Messrs. Green, Jones, Kehoe, Kelly, Knox, Miller, Santos and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

2. Varde Global Illiquid Credit Strategy Dedicated Managed Account
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Krista Powell, Investment Officer
(Memo dated January 26, 2022)

Messrs. Mahseredjian, Timko and Ms. Powell provided a presentation and answered questions from the Board.

Mr. Green made a motion, seconded by Ms. Sanchez, to approve an investment of \$775 million to the Varde Global Illiquid Credit Strategy, in a dedicated managed account (DMA) overseen by LACERA's DMA platform manager, Innocap. The strategy will make private credit investments in real estate and real assets, corporate credit, and financial services. The motion passed (roll call), with Messrs. Green, Jones, Kehoe, Kelly, Knox, Miller, and Santos and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

XII. EXECUTIVE SESSION (Continued)

3. Private Equity Emerging Manager Program Separate Account Manager Search Recommendation
Christopher Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
Calvin Chang, Senior Investment Analyst
(Memo dated January 25, 2022)

Messrs. Wagner, Acevedo and Chang provided a presentation and answered questions from the Board.

Mr. Santos made a motion, seconded by Mr. Kelly, to select Hamilton Lane to manage the Private Equity Emerging Manager Program on a discretionary basis and invest \$400 million over four years. Under this mandate, the maximum size of target funds will be \$400 million for venture capital strategies and \$1 billion for buyout and growth equity strategies. The motion passed 8-0 (roll call), with Messrs. Green, Jones, Kehoe, Kelly, Knox, Miller, and Santos and Ms. Sanchez voting yes. Ms. Greenwood was absent from the vote.

4. Notice of Re-Up Commitment of up to \$50 Million to Storm Ventures Fund VII, L.P.
Christopher J. Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
(For Information Only) (Memo dated January 21, 2022)

The Board received an information only report providing notice that the Chief Investment Officer approved a commitment of up to \$50 million to Storm Ventures Fund VII, L.P., which is a venture capital/growth equity private equity fund with an enterprise technology focus, predominantly in North America, Europe, and South Korea. The commitment is compliant with LACERA's policy regarding re-ups.

XII. EXECUTIVE SESSION (Continued)

5. Notice Of Re-Up Commitment of up to \$110 Million to TPG Real Estate Partners IV, L.P.
James Rice, Principal Investment Officer
Amit Aggarwal, Investment Officer
Cindy Rivera, Senior Investment Analyst
(For Information Only) (Memo dated January 25, 2022)

The Board received an information only report providing notice that the Chief Investment Officer approved a commitment of up to \$110 million to TPG Real Estate Partners IV, L.P., which is a real estate fund, primarily focused on investments in North America and Europe. The commitment is compliant with LACERA's policy regarding re-ups.

6. Private Equity Investment Update
Christopher J. Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
(For Information Only) (Memo dated January 21, 2022)

The Board received an information only report providing notice that LACERA completed a secondary purchase commitment of up to \$70 million in a special purpose vehicle managed by Clearlake Capital Partners, an approved private equity manager. The commitment is compliant with the secondary investment guidelines.

7. Private Equity Investment Update
Christopher J. Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
(For Information Only) (Memo dated January 21, 2022)

The Board received an information only report providing notice that LACERA completed a co-investment commitment of \$40 million alongside approved manager Great Hill Partners. The commitment is compliant with the private equity co-investment guidelines.

February 9, 2022

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XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:46 a.m.

Supplemental Information (Information provided to the Trustees prior to the meeting)

1. Approval of Secretarial Classification/Compensation Changes (Supplemental Memo dated February 4, 2022)

Signature of File

SHAWN KEHOE, SECRETARY

Signature of File

HERMAN SANTOS, CHAIR