

APPROVED

REVISED as of April 13, 2022

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 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

Elizabeth Greenwood

Shawn Kehoe, Secretary (Left the meeting at 11:00 a.m)

Patrick Jones

Joseph Kelly

Keith Knox

Gina V. Sanchez (Left the meeting at 10:45 a.m.)

The seventh seat on the Board of Investments is currently vacant.

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

Steven P. Rice, Chief Counsel

Laura Guglielmo, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Vache Mahseredjian, Principal Investment Officer

Jude Pérez, Principal Investment Officer

Dale Johnson, Investment Officer

John Kim, Senior Investment Analyst

Terra Elijah, Investment Analyst

Christopher Wagner, Principal Investment Officer

Calvin Chang, Senior Investment Analyst

Shelly Tilaye, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal/ Portfolio Consultant

Aysun Kilic, Executive Vice President/Consultant and Portfolio Strategist

StepStone Group LP (Equity Consultants)

Jose Fernandez, Principal

Natalie Walker, Partner

I. CALL TO ORDER

The meeting was called to order virtually by Chair Santos at 9:04 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 9, 2022

Ms. Sanchez made a motion, Mr. Green seconded, to approve the minutes of the regular meeting of February 9, 2022. The motion passed (roll call) with Messrs. Green, Santos, Jones, Kehoe, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

Keenan Sheedy, Joaquin Miramontes and Deborah Thomas addressed the Board regarding general investment risk.

V. CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated February 21, 2022)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT
(Presentation dated March 9, 2022)

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

VII. CONSENT ITEM

- A. Recommendation that the Board approve attendance of Trustees at the Congress of Private Capital and Entrepreneurial Capital of the Pacific Alliance Conference on April 26 – 27, 2022 in Bogota, Colombia and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies, with exception for educational content requirement on Day 2. (Memo dated February 27, 2022) (Placed on the agenda at the request of Trustee Santos)

Mr. Green made a motion, Mr. Santos seconded, to approve consent item VII.A. The motion passed (roll call) with Messrs. Green, Santos, Jones, Kehoe, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes.

VII. CONSENT ITEM (Continued)

- B. Recommendation that the Board approve attendance of Trustees at the PPI Study Mission in Bogota, Colombia on April 24 – 25, 2022 and approve reimbursement of all travel costs incurred in accordance with LACERA’s Trustee Education and Trustee Travel Policies, with any necessary exceptions, including number of permitted international conferences and educational content. (Memo will be provided prior to the meeting)
(Placed on the agenda at the request of Trustee Santos)

Item VII.B was pulled from the agenda.

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: 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, the City of Pasadena, and other agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days, subject to continuation of the State of Emergency, 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. and Report on COVID State of Emergency and Measures to Promote Social Distancing. (Memo dated February 22, 2022)

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

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

- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board of Investments review and provide input on the Policy Governing the Use of Open and Closed Sessions to Consider the Purchase or Sale of Particular, Specific Investments. (Memo dated February 28, 2022)

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

This item was received and filed.

VIII. NON-CONSENT ITEMS (Continued)

- C. Recommendation that the Board approve per Trustee Travel Policy Section III. A. Trustee Herman Santos's attendance at the 2021 Milken Conference based on total cost of attendance exceeding the \$2,000 pre-approved limit by \$12.82. (Placed on the agenda at the request of Trustee Herman Santos) (Memo dated February 17, 2022)

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

IX. REPORTS

- A. LACERA Quarterly Performance Book
Jude Pérez, Principal Investment Officer
Dale Johnson, Investment Officer
John Kim, Senior Investment Analyst
Terra Elijah, Investment Analyst
(Memo dated February 28, 2022)

Messrs. Perez, Johnson, Kim, and Ms. Elijah provided a presentation and answered questions from the Board. The item was received and filed.

- B. OPEB Quarterly Performance Book
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated February 28, 2022)

This item was received and filed.

- C. Board & Committee Agenda Management, Recordings, Online Archives, And Public Interface
(For Information Only) (Memo dated February 2, 2022)

This item was received and filed.

IX. REPORTS (Continued)

- D. Legal Projects
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated February 28, 2022)

This item was received and filed.

- E. Monthly Travel & Education Report – January 2022
Ted Granger, Interim Chief Financial Officer
(Public Memo February 15, 2022)
(Confidential Memo dated February 15, 2022 – Includes Anticipated Travel)

Quarterly Trustee Travel and Education Reports - 2nd Quarter of FY 2022
(Memo dated February 15, 2022)

This item was received and filed.

- F. February 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 February 22, 2022)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested that the recruitment status of Investment staff vacant positions and hiring efforts be provided in the CEO Report.

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

There was nothing to report.

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. Risk Reduction and Mitigation Recommendation: Long-Term U.S. Treasury Bond Indexed Separate Account Manager Search
Jonathan Grabel, Chief Investment Officer
Vache Mahseredjian, Principal Investment Officer
(Memo dated February 25, 2022)

Messrs. Grabel and Mahseredjian provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, seconded by Mr. Knox, to approve the engagement of BlackRock to manage a Long-Term U.S. Treasury bond index portfolio in a separate account with an approximate value of \$3.7 billion within the Risk Reduction and Mitigation functional category of LACERA's portfolio. The motion passed (roll call), with Messrs. Green, Jones, Kehoe, Kelly, Knox, Santos and Ms. Greenwood voting yes. Ms. Sanchez was absent from the vote.

2. The Veritas Capital Fund VIII, L.P.
Christopher Wagner, Principal Investment Officer
Calvin Chang, Senior Investment Analyst
(Memo dated February 23, 2022)

Messes. Wagner and Chang provided a presentation and answered questions from the Board.

XII. EXECUTIVE SESSION (Continued)

Mr. Knox made a motion, seconded by Ms. Greenwood, to approve a commitment of up to \$100 million to The Veritas Capital Fund VIII, L.P. This investment is a private equity global buyout fund focusing on the technology and technology-related needs of government and commercial customers, primarily in the healthcare, industrials, and technology sectors, with a geographic focus primarily in the United States. The motion passed (roll call), with Messrs. Green, Jones, Kelly, Knox, Santos and Ms. Greenwood voting yes. Mr. Kehoe and Ms. Sanchez were absent from the vote.

3. Green Equity Investors IX, L.P. and Jade Equity Investors II, L.P. Christopher Wagner, Principal Investment Officer
Shelly P. Tilaye, Senior Investment Analyst
(Memo dated February 23, 2022)

Mr. Wagner and Ms. Tilaye provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, seconded by Mr. Knox, to approve commitments of up to \$150 million to Green Equity Investors IX, L.P. and up to \$50 million to Jade Equity Investors II, L.P. Green Equity IX is a private equity global buyout fund, and Jade Equity II is a middle market buyout fund. Both funds focus on the consumer services, healthcare, business services, industrials, and distribution sectors, with a geographic focus primarily in the United States. The motion passed (roll call), with Messrs. Green, Jones, Kelly, Knox, Santos and Ms. Greenwood voting yes. Mr. Kehoe and Ms. Sanchez were absent from the vote.

XII. EXECUTIVE SESSION (Continued)

4. Notice Of Re-Up Commitment of up to \$100 Million To AE Industrial Partners III, L.P.
Christopher Wagner, Principal Investment Officer
Calvin Chang, Senior Investment Analyst
(For Information Only) (Memo dated February 23, 2022)

The Board received an information only report providing notice that the Chief Investment Officer approved a re-up commitment of up to \$100 million to AE Industrial Partners III, L.P., which is a private equity middle market buyout fund with a sector focus in industrials, materials, and utility services and a geographic focus primarily in the United States. The commitment is compliant with LACERA's policy regarding re-ups

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:16 a.m.

Signature on File

SHAWN KEHOE, SECRETARY

Signature on File

HERMAN SANTOS, CHAIR