

APPROVED

Revised as of January 11, 2023

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, DECEMBER 14, 2022

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

PRESENT: Herman Santos, Chair (By Teleconference)

David Green, Vice Chair (By Teleconference) (Left the meeting at 1:15 p.m.)

Elizabeth Greenwood (By Teleconference)

Shawn Kehoe, Secretary (By Teleconference) (Left the meeting at 10:45 a.m.)

Joseph Kelly (In-Person)

Keith Knox (In-Person)

Onyx Jones (By Teleconference) (Joined the meeting at 9:01 a.m.)

Patrick Jones (By Teleconference)

Gina Sanchez (In-Person)

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

Laura Guglielmo, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Roberta Van Nortrick, Acting Division Manager, Administrative Services

Ted Granger, Interim Chief Financial Officer

Carly Ntoya, Human Resources Director

Barry W. Lew, Legislative Affairs Officer

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Jude Pérez, Principal Investment Officer

Scott Zdrzil, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

Esmeralda del Bosque, Acting Principal Investment Officer

Chad Timko, Senior Investment Officer

Magdalia Armstrong, Senior Investment Analyst

Dale Johnson, Investment Officer

Calvin Chang, Senior Investment Analyst

Noah Damsky, Senior Investment Analyst

Terra Elijah, Senior Investment Analyst

Ron Senkandwa, Investment Officer

Pushpam Jain, Investment Officer

Cheryl Lu, Investment Officer

Quoc Nguyen, Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Krista Powell, Investment Officer

Cindy Rivera, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Aysun Kilic, Managing Principal

Tim Filla, Managing Principal

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

James Walsh, Partner

Mark White, Partner

StepStone Group LP (Private Equity Consultants)

Jose Fernandez, Partner

Milliman (Consulting Actuary)

Nick Collier, Principal Actuary

Craig Glyde, Principal Actuary

Cavanaugh Macdonald Consulting, LLC (Reviewing Actuary)

Brent Banister, Chief Actuary

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES (Ms. Jones joined the meeting at 9:01 a.m.)

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

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

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. EXECUTIVE UPDATE

A. CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated November 29, 2022)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

B. CHIEF INVESTMENT OFFICER'S REPORT
(Presentation dated December 14, 2022)

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

V. 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 other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days as part of hybrid meetings also in person, so long as the State of Emergency remains in effect, and direct staff to comply with the agenda and public comment requirements of Section 54953(e)(3). Action taken by each Board will only apply to that Board and its Committees. (Memo dated November 28, 2022)

Ms. Sanchez made a motion, Ms. Greenwood seconded, to approve consent item, V.A. The motion passed (roll call) with Messrs. Green, Kehoe, P. Jones, Knox, Santos, Mses. Sanchez, Greenwood and O. Jones voting yes and Mr. Kelly voting no.

V. CONSENT ITEMS (Continued)

Mr. Kelly made a motion, Mr. Knox seconded, to approve consent item, V.B and V.C. The motion passed (roll call) with Messrs. Green, Kehoe, P. Jones, Kelly, Knox, Santos, Mses. Sanchez, Greenwood and O. Jones voting yes.

- B. Recommendation as submitted by Herman Santos, Chair, Public/Private Committee: That the Board approve the Growth Functional Category Biennial Structure Review. (Memo dated November 23, 2022)
- C. Recommendation that the Board approve attendance of Trustees at RFK Compass Investors Program in Miami, Florida on February 26-28, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated November 28, 2022) (Placed on the agenda at the request of Trustee Santos)
- D. Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer and Roberta Van Nortrick, Acting Division Manager, Administrative Services: That the Board of Retirement review and approve the FY 2022-2023 Mid-Year Budget Amendments for the LACERA Administrative Budget. (Memo dated November 18, 2022)

Ms. Greenwood made a motion, Mr. Green seconded, to approve consent item, V.D. The motion passed (roll call) with Messrs. Green, Kehoe, P. Jones, Knox, Santos, Mses. Sanchez, Greenwood and O. Jones voting yes and Mr. Kelly voting no.

VI. NON-CONSENT ITEMS

- A. Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Scott Zdrazil, Principal Investment Officer, Jude Pérez, Principal Investment Officer, Esmeralda del Bosque, Acting Principal Investment Officer, Krista Powell, Investment Officer, Cindy Rivera, Senior Investment Analyst and Magdalia Armstrong, Senior Investment Analyst: That the Board approve revised Investment Beliefs and insert the revised Investment Beliefs into LACERA's Investment Policy Statement. (Memo dated November 29, 2022)

Messrs. Grabel, Zdrazil, Perez and Mses. del Bosque, Powell, Armstrong and Rivera provided a presentation and answered questions from the Board.

Mr. Kelly made a motion, Mr. Knox seconded, to approve revised Investment Beliefs and insert the revised Investment Beliefs into LACERA's Investment Policy Statement. The motion passed (roll call) with Messrs. Green, Kehoe, P. Jones, Kelly, Knox, Santos, Mses. Sanchez, Greenwood and O. Jones voting yes.

- B. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer and Ted Granger, Interim Chief Financial Officer: 1. Adopt the economic assumptions identified in Appendix A on pages 61-82 of the draft 2022 Investigation of Experience for Retirement Benefit Assumption Report (2022 Experience Study), as submitted by the plan actuary (Milliman). 2. Adopt the economic actuarial methods and the demographic assumptions recommended by LACERA staff and Milliman. 3. Delegate authority to the Chief Executive Officer working in concert with LACERA's Interim Chief Financial Officer, Chief Investment Officer, and Chief Counsel to ensure the actuarial assumptions adopted by the Board of Investments, as more fully detailed in Appendix A of the 2022 Experience Study report, are incorporated in Milliman's calculation of plan liabilities presented in the upcoming 2022 Actuarial Valuation of Retirement Benefits report. (Memo dated December 5, 2022)

VI. NON-CONSENT ITEMS (Continued)

Messrs. Kreimann and Granger and Messrs. Collier and Glyde of Milliman, and Mr. Banister of Cavanaugh Macdonald Consulting provided a presentation and answered questions from the Board.

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

- C. Recommendation as submitted by Carly Ntoya, Ph.D., Human Resources Director: That the Board 1) Approve the proposed classification and compensation changes for implementation for the existing Accounting Officer II, LACERA; Accounting Officer I, LACERA; Senior Accountant, LACERA; Accountant, LACERA; and Accounting Technician I, LACERA, including submission to the Board of Supervisors (BOS); 2) Approve the proposed classification and compensation changes for implementation for the creation of new Senior Investment Accountant, LACERA; Investment Accountant, LACERA; and Accountant II, LACERA classifications, including submission to the Board of Supervisors; and 3) Approve that the Accounting Technician II, LACERA classification be deleted from the Ordinance, including submission to the Board of Supervisors.
(Memo dated November 28, 2022)

Ms. Ntoya and Mr. Granger were present and answered questions from the Board.

Mr. Santos made a motion, Mr. Green seconded, to approve staff's recommendation. The motion passed (roll call) with Messrs. Green, Kehoe, P. Jones, Knox, Santos, Mses. Sanchez, Greenwood and O. Jones voting yes and Mr. Kelly voting no.

VI. NON-CONSENT ITEMS (Continued)

- D. Recommendation as Santos H. Kreimann, Chief Executive Officer: That the Boards review and approve the 2023 meeting calendar and consider rescheduling meeting dates that conflict with a holiday and/or the potential of a lack of quorum. (Memo dated November 28, 2022)

This item was received and filed. Therefore, the 2023 meeting schedule will remain unchanged from the schedule as provided in the Board of Investments Bylaws.

VII. REPORTS

- A. Annual Update and Review of LACERA Towards Inclusion, Diversity, and Equity (LACERA T.I.D.E.)
Jonathan Grabel, Chief Investment Officer
Dale Johnson, Investment Officer
Cheryl Lu, Investment Officer
Ronald Senkandwa, Investment Officer
Cindy Rivera, Senior Investment Analyst
(Memo dated December 2, 2022)

Messrs. Grabel, Johnson, Senkandwa and Mses. Lu and Rivera provided a presentation and answered questions from the Board. This item was received and filed.

- B. LACERA Investment Cost Report – Fiscal Year 2022
Calvin Chang, Senior Investment Analyst
Noah Damsky, Senior Investment Analyst
Terra Elijah, Senior Investment Analyst
(Memo dated December 2, 2022)

Messrs. Chang and Damsky and Ms. Elijah provided a presentation and answered questions from the Board. This item was received and filed.

VII. REPORTS (Continued) Mr. Kehoe left the meeting at 10:45 a.m.)

- C. LACERA Quarterly Performance Book
Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated December 1, 2022)

This item was received and filed.

- D. OPEB Quarterly Performance Book
Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated December 1, 2022)

This item was received and filed.

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

This item was received and filed.

- F. 2022 Year-End Legislative Report
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated November 23, 2022)

This item was received and filed.

- G. FY 2021-2022 Final Budget Control Report
Laura Guglielmo, Assistant Executive Officer
(For Information Only) (Memo dated November 17, 2022)

This item was received and filed.

- H. Tier I Merit Salary Adjustment and Tier II Step Advancement
Santos H. Kreimann, Chief Executive Officer
(For Information Only) (Memo dated November 23, 2022)

This item was received and filed.

- I. Los Angeles County's Compliance with Requirements for Rehired Retirees – Fiscal Year Ended June 30, 2021
Richard P. Bendall, Chief Audit Executive and the Audit Committee
(For Information Only) (Memo dated November 30, 2022)

VII. REPORTS (Continued)

This item was received and filed.

- J. Principles For Responsible Investment Signatory Ballot
Scott Zdrzil, Principal Investment Officer
(For Information Only) (Memo dated November 9, 2022)

This item was received and filed.

- K. AB 2449 Teleconference Meeting Procedures
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated December 5, 2022)

This item was received and filed.

- L. Albourne Self-Assessment
James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
(For Information Only) (Memo dated December 2, 2022)

This item was received and filed.

- M. StepStone Group Private Equity Self-Evaluation
Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
(For Information Only) (Memo dated November 22, 2022)

This item was received and filed.

- N. StepStone Group Real Estate Self-Evaluation
Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
(For Information Only) (Memo dated November 29, 2022)

This item was received and filed.

- O. Meketa Investment Group Self-Evaluation
Tim Filla, Aysun Kilic, Leandro Festino, Imran Zahid, Meketa
Investment Group
(For Information Only) (Memo dated December 14, 2022)

This item was received and filed.

VII. REPORTS (Continued)

- P. Monthly Trustee Travel & Education Reports for October 2022
Ted Granger, Interim Chief Financial Officer
(Public memo dated November 21, 2022)
(Confidential memo dated November 21, 2022 – Includes Pending Travel)

This item was received and filed.

Quarterly Trustee Travel & Education Reports – 1st Quarter Fiscal Year 2023 (Public memo dated November 21, 2022)
Quarterly Staff Travel Report- 1st Quarter Fiscal Year 2023
(Public memo dated November 21, 2022)

This item was received and filed.

- Q. 2022 Fiduciary Counsel Annual Self-Assessments and DEI Report.
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated November 28, 2022) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

- R. November 2022 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 November 28, 2022)

This item was received and filed.

- S. Semi-Annual Report on Approved Engagements
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated November 25, 2022)

This item was received and filed.

VIII. ITEMS FOR STAFF REVIEW

[The Board requested for trustees to be able to provide input in the yearly](#)

[Consultant Evaluation.](#)

IX. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

There was nothing to report.

XI. 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. Waterfall Illiquid Credit Strategy Dedicated Managed Account
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Krista Powell, Investment Officer
Quoc Nguyen, Investment Officer
(Memo dated November 23, 2022)

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

Mr. Kelly made a motion, Mr. Santos seconded, to approve an investment of \$675 million to the Waterfall Illiquid Credit Strategy managed by Waterfall Asset Management, LLC to be invested in a dedicated managed account. The strategy invests across asset backed credit, loans, bonds, and specialty finance, primarily in opportunities in housing, commercial real estate, consumer, and small business. The motion passed (roll call), with Messrs. Green, P. Jones, Kelly, Knox, and Santos and Meses. Greenwood, O. Jones, and Sanchez voting yes. Mr. Kehoe was absent from the vote.

XI. EXECUTIVE SESSION (Continued)

2. ACCEL-KKR Capital Partners VII, L.P.

Christopher J. Wagner, Principal Investment Officer

Cheryl Lu, Investment Officer

(Memo dated November 22, 2022)

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

Mr. Kelly made a motion, Ms. Sanchez seconded, to approve a commitment of up to \$150 million to Accel-KKR Capital Partners VII, L.P., which is a private equity middle market buyout fund making investments in the information technology sector, with a geographic focus in the United States and Western Europe. The motion passed (roll call), with Messrs. P. Jones, Kelly, Knox, and Santos and Meses. O. Jones and Sanchez voting yes. Messrs. Green and Kehoe and Ms. Greenwood were absent from the vote.

(Mr. Green left the meeting at 1:15 a.m.)

3. TIAA-CREF Global Agriculture LLC

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

(Memo dated November 24, 2022)

Messrs. J. Rice and Jain provided a presentation and answered questions from the Board.

XI. EXECUTIVE SESSION (Continued)

Ms. Sanchez made a motion, Mr. Knox seconded, to approve an investment of up to \$85 million for a secondary purchase in TIAA-CREF Global Agriculture LLC, which is a private agriculture fund making investments in farmland properties in row crops and permanent crops in the United States, Australia, and Brazil. The motion passed (roll call), with Messrs. P. Jones, Kelly, Knox, and Santos and Meses. Greenwood, O. Jones, and Sanchez voting yes. Messrs. Green and Kehoe were absent from the vote.

4. Correction To Slide in November 9, 2022 Credit and Real Assets & Inflation Hedges Manager Recommendations Presentation (Agenda Item X.A.1)
Vache Mahseredjian, Principal Investment Officer
(For Information Only) (Memo dated November 30, 2022)

There is nothing to report.

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.

Signature on File

SHAWN KEHOE, SECRETARY

Signature on File

HERMAN SANTOS, CHAIR