

APPROVED

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, JANUARY 11, 2023

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

TRUSTEES PRESENT

Gina Sanchez, Chair (In-Person)

Herman Santos, Vice Chair (By Teleconference)

Joseph Kelly, Secretary (In-Person)

David Green (Teleconference)

Jason Green (Teleconference)
(Joined the meeting at 9:12 a.m. and left the meeting at 11:30 p.m.)

Elizabeth Ginsberg, Alternate Ex-Officio Trustee (Teleconference)

Elizabeth Greenwood
(Teleconference) (Left the meeting at 11:50 a.m.)

Onyx Jones (In-Person) (Joined the meeting at 9:04 a.m.)

Patrick Jones (In-Person)

TRUSTEES ABSENT

Keith Knox, Ex-Officio Trustee

STAFF ADVISORS AND PARTICIPANTS

Jonathan Gabel, Chief Investment Officer

Santos H. Kreimann, Chief Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

Christine Roseland, Senior Staff Counsel

Ted Granger, Interim Chief Financial Officer

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Jude Pérez, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

Pushpam Jain, Investment Officer

Derek Kong, Investment Officer

Didier Acevedo, Investment Officer

Cheryl Lu, Investment Officer

Calvin Chang, 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)

Natalie Walker, Partner

StepStone Group LP (Real Assets Consultants)

Tom Hester, Partner

I. CALL TO ORDER

The meeting was called to order by Trustee David Green at 9:00 a.m.

II. RATIFICATION OF OFFICERS

A. **Board Officers: 2023 Calendar Year**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board ratify its slate of board officers who will serve their term in the 2023 calendar year: Gina Sanchez as Chair, Herman Santos as Vice Chair, and Joseph Kelly as Secretary.
(Memo dated December 29, 2022)

Trustee Kelly made a motion, Trustee P. Jones seconded, to ratify its slate of board officers. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, Greenwood, P. Jones, Kelly, Sanchez, Santos

No: None

Absent: J. Green, O. Jones

III. ELECTIONS OF COMMITTEE MEMBERS

Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit Committee (3 Trustees)

Trustee Kelly made a motion to nominate Trustee O. Jones to the position of Joint Organizational Governance Committee Member. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, Greenwood, P. Jones, Kelly, Sanchez, Santos

No: None

Absent: J. Green, O. Jones

III. ELECTIONS OF COMMITTEE MEMBERS (Continued)

Trustee D. Green announced that Trustee O. Jones was elected to the position of Joint Organizational Governance Committee Member for 2023.

Trustee Sanchez, Trustee O. Jones, and Trustee P. Jones were nominated to the position of Audit Committee Member by Trustee Santos, Trustee Sanchez, and Trustee Kelly, respectively. Hearing no other nominations, the nominations were closed. Trustee Sanchez announced that Trustee O. Jones, Trustee Sanchez, and Trustee P. Jones were elected to the position of Audit Committee Member for 2023.

IV. APPROVAL OF MINUTES (Trustee O. Jones joined the meeting at 9:04 a.m.)

A. Approval of the Minutes of the Regular Meeting of December 14, 2022

Trustee Kelly made a motion, Trustee D. Green seconded, to approve the Revised Minutes of the Regular Meeting of December 14, 2022. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, Greenwood O. Jones, P. Jones, Kelly, Santos, Sanchez

No: None

Absent: J. Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE (Trustee J. Green joined the meeting at 9:12 a.m.)

A. Chief Executive Officer's Report

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

VI. EXECUTIVE UPDATE (Continued)

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

VII. CONSENT ITEMS

A. **Approval of the Use of Teleconference Meeting**

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 December 21, 2022)

Trustee Kelly made a motion, Trustee O. Jones seconded, to approve consent items VII.B and VII.C. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, J. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

B. **Real Assets Emerging Manager Program Discretionary Separate Account Manager Request for Proposal – Minimum Qualifications**

Recommendation as submitted by Patrick Jones, Chair, Real Assets Committee: That the Board approve the proposed Real Assets emerging manager program discretionary separate account manager search Request for Proposal minimum qualifications advanced by the Real Assets Committee. (Memo dated December 29, 2022)

VII. CONSENT ITEMS (Continued)

C. **2023 SuperReturn International in Berlin, Germany on June 5 – 9, 2023**

Recommendation that the Board approve attendance of Trustees at the 2023 SuperReturn International to be held in Berlin, Germany on June 5 – 9, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Placed on the agenda at the request of Trustee D. Green) (Memo dated December 16, 2022)

VIII. EXCLUDED FROM CONSENT ITEMS

Item VII. A. was pulled from the Consent Items and further discussed.

Trustee Greenwood made a motion, Trustee Green seconded, to approve consent item, VII.A. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, J. Green, Greenwood, O. Jones, P. Jones, Sanchez, Santos

No: Kelly

IX. NON-CONSENT ITEMS

A. **Towards Best-In-Class Investor 2023 Work Plan and Strategic Initiatives**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the 2023 Work Plan and Strategic Initiatives. (Memo dated December 30, 2022)

Mr. Grabel provided a presentation and answered questions from the Board.

Trustee Santos made a motion, Trustee Kelly seconded, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, J. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

IX. NON-CONSENT ITEMS (Continued)

B. **OPEB Master Trust – Investments Beliefs Recommendation**

Recommendation as submitted by Jude Pérez, Principal Investment Officer and Esmeralda del Bosque, Acting Principal Investment Officer: That the Board adopt the LACERA Pension Investment Beliefs approved at the December 14, 2022, Board Meeting and incorporate them into the OPEB Master Trust (“OPEB Trust”) Investment Policy Statement (“IPS”). (Memo dated December 29, 2022)

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

Trustee Kelly made a motion, Trustee Santos seconded, to adopt the LACERA Pension Investment Beliefs and incorporate them into the OPEB Trust IPS. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, J. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

C. **AB 2449 Teleconference Meeting Procedures**

Recommendation as submitted by Steven P. Rice: That the Board discuss and provide input on the implementation process for the AB 2449 teleconference meeting procedures that may be used by staff in preparing a policy for consideration by the Board at a future meeting. (Memo dated January 3, 2023)

Mr. Steven Rice provided a presentation and answered questions from the Board.

Trustee Kelly made a motion, Trustee O. Jones seconded, to recommend option 2 (first come, first served), with oversight by the Chair to address ADA issues and resolve other concerns and conflicts that may arise. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, J. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

IX. NON-CONSENT ITEMS (Continued)

D. **Reimbursement of Trustee Accommodation Expenses**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board consider whether to allow reimbursement of hotel accommodation expenses for travel to scheduled Board or Committee meeting to Trustees who reside more than two to three hours, or other time and distance, from the regular place of the meetings in Pasadena, California.

(Memo dated December 20, 2022)

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

Trustee Santos made a motion, Trustee P. Jones seconded, to include Board/Committee meetings as Administrative Meetings under the Trustee Travel Policy. The motion passed by the following roll call vote:

Yes: D. Green, J. Green, Greenwood, O. Jones, P. Jones, Sanchez, Santos

No: Kelly, Ginsberg

E. **Information Systems Acceptable Use and Mobile Device Policies for Trustees**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board refer to the Joint Organizational Governance Committee (JOGC) the development of an Information Systems Acceptable Use Policy and a Mobile Device Policy that is uniform for all LACERA Trustees and that requires the use of a LACERA email address and eliminates the use of private email and data storage as well as unmanaged, personal devices to conduct LACERA business. (Memo dated January 3, 2023)

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

Trustee Greenwood made a motion, Trustee Kelly seconded, to refer this item to the Joint Organizational Governance Committee (JOGC) for further development. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

IX. NON-CONSENT ITEMS (Continued)

No: None

Absent: J. Green

X. REPORTS

A. **FPPC Form 700 e-Filing Solution**

Jessica Rivas, Staff Counsel

(Presentation) (Memo dated January 11, 2023)

Ms. Rivas provided a presentation and answered questions from the Board. This item was received and filed.

B. **Trustee Travel & Education Reports – November 2022**

Ted Granger, Interim Chief Financial Officer

(For Information Only) Monthly Trustee Travel & Education Report – November 2022 (Memo dated December 21, 2022)

This item was received and filed.

C. **BOR Board Officers: 2023 Calendar Year**

Santos H. Kreimann, Chief Executive Officer

(For Information Only) (Memo dated December 29, 2022)

This item was received and filed.

D. **Legal Projects**

Christine Roseland, Senior Staff Counsel

(For Information Only) (Memo dated January 4, 2022)

This item was received and filed.

E. **December 2022 Fiduciary Counsel Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated December 20, 2022)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

XI. ITEMS FOR STAFF REVIEW

Trustee Santos requested staff to provide ongoing Trustee education, particularly for new trustees. Trustee Kelly requested for staff to agendaize the February Board of Retirement Offsite as a Joint Board of Retirement and Board of Investment Meeting. In addition, Trustee Kelly requested for staff to provide a presentation regarding climate for an offsite meeting. Lastly, Trustee Onyx requested for staff to conduct research regarding the IRS regulations to Trustee's reimbursement of hotel accommodation expenses for travel to scheduled Board or Committee meetings.

XII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XIII. GOOD OF THE ORDER (For Information Purposes Only)

Trustees and staff welcomed new Trustee, Mr. J. Green to the Board. In addition, Trustees thanked the 2022 officers and congratulated the 2023 officers.

XIV. EXECUTIVE SESSION (Mr. J. Green left the meeting at 11:30 a.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. **STG VII, LP**

Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(Memo dated December 22, 2022)

Messrs. Wagner and Kong and Ms. Walker of Stepstone Group provided a presentation and answered questions from the Board.

Trustee Santos made a motion, Trustee Kelly seconded, to approve a commitment of up to \$150 million to STG VII, L.P., which is a middle market private equity buyout fund focusing on enterprise software and software-enabled technology service companies primarily in North America and Europe. The motion passed by the following roll call vote:

XIV. EXECUTIVE SESSION (Continued)

Yes: Ginsberg, D. Green, Greenwood, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

Absent: J. Green

(Ms. Greenwood left the meeting at 11:50 a.m.)

2. Sprott Private Resource Streaming and Royalty Annex (US), LP

James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
(Memo dated December 28, 2022)

Messrs. J. Rice and Jain and Messrs. White and Walsh of Albourne provided a presentation and answered questions from the Board.

Trustee Santos made a motion, Trustee Kelly seconded, to approve an investment of up to \$150 million, structured as \$100 million in Sprott Private Resource Streaming and Royalty Annex (US), LP, which is a private fund for LACERA's Real Assets Portfolio (Natural Resources) focused on metals and mining projects, and \$50 million in Sprott Private Resource Streaming and Royalty (LACERA Co-Invest), LP, a dedicated co-investment vehicle in the same space. The motion passed by the following roll call vote:

Yes: Ginsberg, D. Green, O. Jones, P. Jones, Kelly, Sanchez, Santos

No: None

Absent: J. Green, Greenwood

3. Private Equity Investment Update – Item 1

Didier Acevedo, Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated December 20, 2022)

The Board received an information only report that, on November 9, 2022,

XIV. EXECUTIVE SESSION (Continued)

LACERA approved a \$75 million co-investment commitment alongside Clearlake Opportunity Partners III, L.P., a Board of Investments' consultant-approved fund. The commitment is compliant with LACERA's co-investment parameters.

4. Private Equity Investment Update – Item 2

Didier Acevedo, Investment Officer

Calvin Chang, Senior Investment Analyst

(For Information Only) (Memo dated December 22, 2022)

The Board received an information only report that, on November 9, 2022, LACERA approved a \$75 million co-investment commitment alongside AE Industrial Partners, a Board of Investments' consultant-approved manager. The commitment is compliant with LACERA's co-investment parameters.

B. Conference With Legal Counsel—Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California
Government Code Section 54956.9)

1. *Wells Fargo Bank, National Association, as Trustee for Morgan Stanley Bank of America Merrill Lynch Trust 2013-C9, Commercial Mortgage Pass-Through Certificates, Series 2013-C9 v. 700 Milford Holdings LLC, et al.*, Supreme Court of the State of New York, County of New York, Index No. 653442/2022 (Memo dated December 27, 2022)

There was nothing to report.

XV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:46 p.m. in memory of Trustee Keith Knox's sister, Kathleen Conrad.

Signature on File

JOSEPH KELLY, SECRETARY

Signature on File

GINA SANCHEZ, CHAIR