

APPROVED

MINUTES OF A 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, DECEMBER 13, 2023

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

TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair

Joseph Kelly, Secretary

David Green

Jason Green (Teleconference Due to Just Cause under Section 54953 (f))
(Joined the meeting at 9:18 a.m.)

Onyx Jones

Patrick Jones

Keith Knox

David Ryu (Joined the meeting at 9:06 a.m.)

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

Jude Perez, Deputy Chief Investment Officer

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

James Rice, Principal Investment Officer

Scott Zdrazil, Principal Investment Officer

Esmeralda del Bosque, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Chaitanya Errande, Information Security Officer

Ted Granger, Interim Chief Financial Officer

Dale Johnson, Investment Officer

Christine Roseland, Senior Staff Counsel

Jessica Rivas, Staff Counsel

Carly Ntoya, Director, Human Resources

John Kim, Investment Officer

Kathryn Ton, Senior Investment Analyst

Cheryl Lu, Investment Officer

Quoc Nguyen, Investment Officer

Amit Aggarwal, Investment Officer

Ronald Senkandwa, Investment Officer

Calvin Chang, Senior Investment Analyst

STAFF, ADVISORS, PARTICIPANTS (Continued)

Meketa Investment Group (General Investment Consultants)
Timothy Filla, Managing Principal
Aysun Kilic, Managing Principal

Albourne (Illiquid Credit, Real Assets and Hedge Funds Consultants)
Mark White, Partner
Jennifer Yeung, Senior Portfolio Analyst

StepStone Group LP (Real Assets Consultants)
Tom Hester, Partner

Milliman (Consulting Actuaries)
Nick Collier, Principal
Craig Glyde, Principal

I. CALL TO ORDER

The meeting was called to order by Chair Sanchez at 9:01 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Knox led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. There was one request received from Trustee J. Green to attend by teleconference for Just Cause (A) contagious illness. Trustee Green confirmed that there were no individuals 18 years or older present at the teleconference location. No requests were received for Emergency Circumstances (B).

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 8, 2023

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve the minutes of the Board of Investments meetings of November 8, 2023. The motion passed by following roll call vote:

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

Absent: Ryu, J. Green

V. PUBLIC COMMENT (Mr. Ryu joined the meeting at 9:06 a.m.)

Messrs. Rodriguez, Marmol, Nichols and Fein, from Unite Here Local 11 addressed the Board regarding an investment in Areas by PAI Europe VII.

VI. EXECUTIVE UPDATE (Mr. J. Green joined the meeting at 9:18 a.m.)

A. Chief Investment Officer's Report

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

B. Member Spotlight

Mr. Popowich recognized LACERA member, Olga Fruge.

C. Chief Executive Officer's Report

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

VII. CONSENT ITEMS

A. **Revised Trustee Education and Travel Policies**

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board approve the revised Trustee Education and Travel Policies.

(Memo dated November 17, 2023)

VII. CONSENT ITEMS (Continued)

B. Document Processing Center Classification and Compensation Study

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board approve the proposed classification and compensation changes be approved for implementation, including prompt incorporation of the changes into the County Salary Ordinance: Title change, description revision and salary change for the Document Processing Coordinator, LACERA classification, and Title change, description revision and salary change for the Document Processing Assistant, LACERA classification. (Memo dated November 17, 2023)

D. 2024 Infrastructure Investor Global Summit in Berlin, Germany March 18 - 21, 2024

Recommendation that the Board approve attendance of Trustees at the 2024 Infrastructure Investor Global Summit in Berlin, Germany on March 18 - 21, 2024, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated December 1, 2023)

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve Consent Items A-B and D. The motion passed by the following roll call vote:

Yes: Knox, Santos, P. Jones, Sanchez, Ryu, J. Green, O. Jones, D. Green, Kelly

No: None

VIII. EXCLUDED FROM CONSENT ITEM

C. Chief Executive Officer Salary Designation Authority Upon Appointment of External Candidates

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board approve amendments to the LACERA portion of the Los Angeles County Salary Ordinance, Sections 6.127.040 M 1 for Tier I and 6.127.040 P 1 for Tier II, to permit LACERA's Chief Executive Officer (CEO) to designate a Salary upon appointment of persons not employed by the County or

VIII. EXCLUDED FROM CONSENT ITEM (Continued)

LACERA to positions at any rate or step within the applicable Salary range, provided that for Tier I, as is currently provided for Tier II, the CEO makes a written finding based on factors to justify hiring above the minimum Salary range and with periodic reporting to the Boards, and further recommend implementation of the amendments.
(Memo dated November 17, 2023)

A motion was made by Trustee Santos, seconded by Trustee Kelly, to approve Consent Item C. The motion passed by the following roll call vote:

Yes: Knox, Santos, P. Jones, Sanchez, Ryu, J. Green, O. Jones, D. Green, Kelly

No: None

IX. NON-CONSENT ITEMS

A. **Revised Board of Investments Charter**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Steven P. Rice, Chief Counsel and Scott Zdrzil, Principal Investment Officer: That the Board approve a revised Board of Investments Charter. (Memo dated November 30, 2023)

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

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

B. **Hedge Funds, Credit, and Real Assets Consultant(s)– Request for Proposal, Minimum Qualifications, And Scope of Work**

Recommendation as submitted by the Hedge Funds, Credit, and Real Assets Consultant(s) Search Evaluation Team: That the Board approve the proposed hedge funds, credit, and real assets consultant(s) search Minimum Qualifications, Evaluation Criteria, and Scope of Work. (Memo dated November 16, 2023)

IX. NON-CONSENT ITEMS (Continued)

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

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

C. **OPEB Trust Investment Policy Statement: Delegated Authority Revisions**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Jude Pérez, Deputy Chief Investment Officer, Esmeralda del Bosque, Principal Investment Officer, Tim Filla, Managing Principal of Meketa Investment Group: That the Board approve the redlined OPEB Trust Investment Policy Statement. (Memo dated November 29, 2023)

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

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

D. **2023 Actuarial Valuation of Retirement Benefits**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer and Ted Granger, Interim Chief Financial Officer: That the Board 1) Accept the June 30, 2023 Actuarial Valuation of Retirement Benefits as submitted by the Plan's consulting actuary, Milliman, and 2) Adopt recommended employer contribution rates (all plan tiers) and employee contribution rates (PEPRA plans - General Plan G and Safety Plan C), and 3) Delegate authority to the Chief Executive Officer to communicate the results of the 2023 Actuarial Valuation of Retirement Benefits to the Board of Supervisors on or before May 15, 2024, with a recommendation to implement the

IX. NON-CONSENT ITEMS (Continued)

employer and employee rates no later than September 29, 2024.
(Memo dated November 30, 2023)

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

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

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

Recommendation as submitted by Herman B. Santos, Chair, Joint Organizational Governance Committee: That the Board the Acceptable Use Bring Your Own Device (BYOD) Policy.
(Memo dated November 17, 2023) (Supplemental Memo dated December 6, 2023) (Confidential Attachment - Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

A motion was made by Trustee J. Green, seconded by Trustee Knox, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Knox, Santos, D. Green, Ryu, Sanchez, J. Green

No: P. Jones, O. Jones, Kelly

F. **Chief Executive Officer Compensation**

Recommendation as submitted by Shawn Kehoe, Chair, Board of Retirement and Gina Sanchez, Chair, Board of Investments: That the Board discuss salary adjustments for the Chief Executive Officer, Santos H. Kreimann, effective October 1, 2023; and discuss a 3% cost of living adjustment (COLA) for the Chief Executive Officer, Santos H. Kreimann, effective January 1, 2024. (Memo dated December 1, 2023)

This item was tabled, without objection, to open session following Executive Session Agenda Item XIV.C. Before the vote on the item

IX. NON-CONSENT ITEMS (Continued)

was taken, the statement of the proposed salary adjustments for the Chief Executive Officer was read by Director, Human Resources Carly Ntoya, Ph.D. as required by California Government Code Section 54953(c)(3).

On a motion by Trustee Santos, seconded by Trustee J. Jones, to approve a merit adjustment of 5% or \$2,018 per month effective October 1, 2023 and a cost of living adjustment of 3% or \$1,271 per month effective January 1, 2024 for a total adjusted salary of \$43,664 per month. The motion passed by following roll call vote:

Yes: D. Green, Santos, Sanchez, P. Jones, Knox

Absent: Ryu, J. Green, O. Jones, Kelly

X. REPORTS

A. **Annual Update and Review of LACERA Towards Inclusion, Diversity, And Equity (LACERA T.I.D.E.)**

Jonathan Grabel, Chief Investment Officer
(Presentation) (Memo dated December 1, 2023)

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

B. **Strategic Asset Allocation Review**

Jonathan Grabel, Chief Investment Officer
Jude Pérez, Deputy Chief Investment Officer
Tim Filla, Managing Principal, Meketa
Aysun Kilic, Managing Principal, Meketa
Jonathan Camp, Managing Principal, Meketa
(Presentation) (Memo dated December 4, 2023)

Mr. Grabel, Perez and Mr. Filla and Ms. Kilic of Meketa provided a presentation and answered questions from the Board. This item was received and filed.

X. REPORTS (Continued)

C. **Total Fund Investment Cost Report – Fiscal Year 2023**

John Kim, Investment Officer

Kathryn Ton, Senior Investment Analyst

(Presentation) (Memo dated December 1, 2023)

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

D. **Presentation on FPPC Form 700 e-Filing for Trustees**

Jessica Rivas, Staff Counsel

(Presentation) (Memo dated November 28, 2023)

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

E. **Board of Retirement and Board of Investments 2024 Meeting Calendar**

Santos H. Kreimann, Chief Executive Officer

(Memo dated November 28, 2023)

The Board reviewed and discussed the meeting dates. This item was received and filed.

F. **Private Market Analytics Platform Search – Update**

Esmeralda del Bosque, Principal Investment Officer

John Kim, Investment Officer

Kathryn Ton, Sr. Investment Analyst

Soniah Ginoyan, Sr. Investment Analyst

(For Information Only) (Memo dated November 27, 2023)

This item was received and filed.

G. **LACERA Total Quarterly Performance Book**

Esmeralda del Bosque, Principal Investment Officer

(For Information Only) (Memo dated December 1, 2023)

This item was received and filed.

X. REPORTS (Continued)

- H. **OPEB Trust Quarterly Performance Book**
Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated December 1, 2023)

This item was received and filed.

- I. **Investment Policy Statement**
Jonathan Grabel, Chief Investment Officer
Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated December 1, 2023)

This item was received and filed.

- J. **Fiscal Year 2023-24 Mid-Year Budget Adjustments**
Laura Guglielmo, Assistant Executive Officer
(For Information Only) (Memo dated November 16, 2023)

This item was received and filed.

- K. **Fiscal Year 2022-23 Final Budget Control Report**
Laura Guglielmo, Assistant Executive Officer
(For Information Only) (Memo dated November 17, 2023)

This item was received and filed.

- L. **FPPC Formal Advice Letter**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated December 6, 2023)

This item was received and filed.

- M. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 5, 2023)

This item was received and filed.

X. REPORTS (Continued)

N. **Monthly Trustee Travel & Education Reports – October 2023
Fiscal Year 2023-24 1st Quarter Trustee Travel & Education
Expenditure Reports**

Ted Granger, Interim Chief Financial Officer

Fiscal Year 2023-24 1st Quarter Staff Travel Report

(Public memo dated November 21, 2023)

(Confidential memo dated November 21, 2023 - Includes Pending
Travel)

This item was received and filed.

O. **Fiduciary Counsel Self-Assessment**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 28, 2023) (Privileged
and Confidential Attorney-Client Communication/Attorney Work
Product)

This item was received and filed.

P. **November 2023 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 28, 2023) (Privileged
and Confidential/Attorney-Client Communication/Attorney Work
Product)

This item was received and filed.

XI. ITEMS FOR STAFF REVIEW

There were no items to report.

XII. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XIII. GOOD OF THE ORDER

(For Information Purposes Only)

Trustees and staff thanked Trustees David Green, Joseph Kelly, Gina Sanchez and Onyx Jones for their service on the Board of Investments.

XIV. 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. **One Item**

James Rice, Principal Investment Officer

Amit Aggarwal, Investment Officer

(For Information Only) (Memo dated November 20, 2023)

The Board received an information only memo that, in December 2023, under Board-approved criteria for the Chief Investment Officer's exercise of authority, the Chief Investment Officer approved a commitment of up to \$180 million to Angelo, Gordon Europe Realty Fund IV, LP. This investment is a non-core real estate commitment, with target markets of the United Kingdom, Western Europe, and the Nordics and target sectors including apartments, industrial, hotel, retail, and office.

2. **Securities Lending Update**

Vache Mahseredjian, Principal Investment Officer

(For Information Only) (Memo dated November 30, 2023)

There is nothing to report.

- B. Potential Threats to Public Services or Facilities (Pursuant to Subdivision (a) of California Government Code Section 54957)

1. Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Chief, Information Technology Kathy Delino, Information Security Officer Chaitanya Errande, and Other LACERA Staff.

There is nothing to report.

XIV. EXECUTIVE SESSION (Continued)

- 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.

XV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 2:54 p.m.

Signature on File

HERMAN SANTOS, SECRETARY

Signature on File

PATRICK JONES, CHAIR