

**BOARD OF INVESTMENTS POLICY GOVERNING THE USE OF OPEN AND
CLOSED SESSIONS TO CONSIDER THE PURCHASE OR SALE OF PARTICULAR,
SPECIFIC INVESTMENTS**

I. INTRODUCTION

This policy sets forth the Board of Investments' policies and procedures with respect to the use of open and closed session Board meetings to consider the purchase or sale of particular, specific investments. This policy only applies to the Board's consideration of the "purchase or sale of particular, specific pension fund investments" within the meaning of Government Code Section 54956.81 in the Brown Act. The Board interprets "purchase or sale" as including the potential acquisition, disposition, or placement of pension fund assets with a third-party or on a public exchange. The Board interprets "particular, specific pension fund investments" as including, among other things, investment of pension fund assets with or allocation of such assets to a third-party for management or custody; the term does not include general matters of portfolio asset allocation or portfolio investment strategy. Matters relating to covered investments are referred to in this policy as "Investment Decisions."

The purpose of this policy is to facilitate the Board's decision-making with respect to the purchase or sale of particular, specific investments by providing LACERA's investment staff with authority to agendaize such decisions for the type of Board session, open or closed, that staff deems appropriate for each investment, subject to the requirements of the Brown Act and the California Public Records Act (CPRA).

II. USE OF OPEN SESSION

A. Discretion of Investment Staff. Investment staff may agendaize Investment Decisions for open session consideration by the Board when they deem it appropriate in their discretion.

B. Written Information. Staff shall provide the Board with supporting written information for open session consideration of Investment Decisions. Written information provided to the Board for open session Investment Decisions shall be prepared and made available to the public in accordance with the requirements of the Brown Act and the CPRA.

III. USE OF CLOSED SESSION

A. Discretion of Investment Staff. Investment staff may agendaize Investment Decisions for closed session consideration by the Board when, in the reasonable judgment of staff, any one or more of the following circumstances exist:

1. Public consideration may have a material impact on the terms of a proposed Investment Decision;

2. Public consideration may have a material adverse impact on or signal in a material way LACERA's negotiating position or have a material adverse impact on LACERA's ability to obtain favorable business and legal terms;
3. Public consideration may cover information exempt from public disclosure under the CPRA;
4. Public consideration may involve information subject to Non-Disclosure Agreements, confidentiality agreements, or other contractual limitations; or
5. Other material good cause exists.

"Material" shall mean an impact that can be reasonably expected to bear on an Investment Decision.

B. Written Information. Staff shall provide the Board with supporting written information for closed session Investment Decisions. The information shall include a discussion of staff's reasons for using closed session under Section III(A). Requests from the public for written information provided to the Board in closed session shall be addressed in accordance with the Brown Act and the CPRA.

C. Minutes. The Board appoints its Board Secretary to keep minutes of the consideration of Investment Decisions in closed session, and the minutes shall record, by rollcall vote, every Investment Decision considered or made in closed session. This policy does not require, and does not constitute an election by the Board under the Brown Act, that minutes shall be kept for the portion, if any, of a closed session unrelated to Investment Decisions.

D. Reporting Out. An Investment Decision made in closed session shall be immediately reported out at the same meeting at which the Investment Decision is made unless the Board determines otherwise, provided that the Investment Decision shall be reported out no later than at the first open meeting of the Board held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

History: Originally approved December 9, 2015
Revised February 10, 2016