

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, OCTOBER 11, 2017

*The Board may take action on any item on the agenda,
and agenda items may be taken out of order.*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Special Meeting of September 11, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. PUBLIC COMMENT
- VI. INTERIM CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated October 3, 2017)
- VII. CHIEF INVESTMENT OFFICER'S REPORT
(Memo dated September 29, 2017)
- VIII. CONSENT ITEMS
 - A. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the 2018 Commonfund Forum on March 11 - 13, 2018 in Orlando, Florida and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Green)
(Memo dated September 24, 2017)

VIII. CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the UCLA Anderson Executive Education – Corporate Governance Program on April 24 – 26, 2018 in Los Angeles, California and approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy.
(Placed on the agenda at the request of Mr. Kehoe)
(Memo dated September 20, 2017)

- C. Recommendation as submitted Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the 9th Annual Private Equity Brazil & Latin America Forum on December 4 – 5, 2017 in São Paulo, Brazil and approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy.
(Placed on the agenda at the request of Mr. Santos)
(Memo dated September 26, 2017)

- D. Recommendation as submitted Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the USC Marshall Corporate Directors Symposium on November 8, 2017 in Los Angeles, California and approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy.
(Placed on the agenda at the request of Mr. Green)
(Memo dated October 4, 2017)

- E. Recommendation as submitted by Christopher Wagner, Principal Investment Officer and David Simpson, Investment Officer: That the Board adopt the following revision to Appendix A of the 2017 Private Equity Objectives, Policies, and Procedures, which address LACERA’s Private Equity Secondary Policy to grant the Chief Investment Officer authority to purchase secondary limited partnership interests in funds, including those not currently in the LACERA portfolio, up to \$100 million/year in calendar years 2018 and 2019.
(Memo dated October 2, 2017)

IX. NON-CONSENT ITEMS

A. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board 1) Approve compensation for Interim Chief Executive Officer, Robert Hill, including monthly salary of \$21,521 and “L” Item Benefits, excluding the automobile allowance, Mr. Hill will retain his existing LACERA vehicle; 2) Ratify the Employment Agreement with Mr. Hill as Interim Chief Executive Officer.
(Memo dated October 2, 2017)

B. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board:

1. Approve the following new LACERA classification and salary recommendation:

| <u>Classification</u> | <u>Salary Schedule</u> |
|-----------------------------------|------------------------|
| Executive Board Assistant, LACERA | 100F |

(Memo dated October 4, 2017)

X. REPORT

A. Recovery of Foreign Withholding Tax – State Street Presentation and RFP Update
Richard Bendall, Chief Audit Executive
Quoc Nguyen, Principal Internal Auditor
Ryan Russell, Vice President, State Street
Ken Murphy, Assistant Vice President, State Street
(Memo dated September 27, 2017)

B. Introduction to Real Assets
Leandro Festino, Managing Partner, Meketa Investment Group
Jennifer Stevens, Principal, The Townsend Group
Prashant Tewari, Principal, The Townsend Group
Todd Lapenna, Partner, StepStone
(Memo dated September 29, 2017)

X. REPORT (Continued)

- C. OPEB Asset Allocation
Jonathan Grabel, Chief Investment Officer
Stephen McCourt, Managing Partner, Meketa Investment Group
Leandro Festino, Managing Partner, Meketa Investment Group
Timothy Filla, Managing Partner, Meketa Investment Group
(Memo dated October 2, 2017)
- D. Report on Board of Investments Offsite Planning and Schedule
Jonathan Grabel, Chief Investment Officer
(Memo dated October 3, 2017)
- E. Report on Work Plan for Proposal that Chief Counsel Report Jointly to
Board of Retirement and Board of Investments
Steven P. Rice, Chief Counsel
(Memo dated October 2, 2017)
- F. Report on Work Plan for Proposal that Chief Investment Officer Report
to the Board of Investments
Steven P. Rice, Chief Counsel
(Memo dated October 2, 2017)
- G. Performance Review of Private Equity Consultant StepStone Group
Christopher Wagner, Principal Investment Officer
(For Information Only) (Memo dated September 19, 2017)
- H. Real Estate – Natural Disaster Update
John McClelland, Principal Investment Officer
(For Information Only) (Memo dated September 29, 2017)
- I. 2017 Year-End Legislative Report
Barry Lew, Legislative Affairs Officer
(For Information Only) (Memo dated October 2, 2017)
- J. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated October 2, 2017)

XI. REPORT ON STAFF ACTION ITEMS

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

XIII. 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. CLARION INVESTORS III, L.P.

- B. Conference with Legal Counsel - Anticipated Litigation
(Initiation of Litigation Pursuant to Paragraph (4) of
Subdivision (d) of California Government Code Section 54956.9)

Number of Potential Cases: 1

- C. Conference with Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of Government Code
Section 54956.9)

1. Cyan v. Beaver County Employees Retirement Fund
United States Supreme Court, Case No. 15-1439
Counsel: Greines Martin Stein & Richland
2. LACERA v. Justin Caldbeck
JAMS, Case No. 1110021489
Santa Clara County Superior Court, Case No.
17CV316347
Counsel: Glaser Weil

XIV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.