

APPROVED

MINUTES OF THE 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, MARCH 13, 2019

PRESENT: Wayne Moore, Secretary

Alan Bernstein

David Green

David Muir (Left the Boardroom at 12:06 p.m.)

Ronald Okum

Gina V. Sanchez

Herman B. Santos

ABSENT: Shawn Kehoe, Chair

Joseph Kelly, Vice Chair

STAFF ADVISORS AND PARTICIPANTS

Lou Lazatin, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

John McClelland, Principal Investment Officer

James Rice, Principal Investment Officer

Quoc Nguyen, Senior Investment Analyst

STAFF ADVISORS AND PARTICIPANTS (Continued)

Shelly Tilaye, Senior Investment Analyst

Meketa Investment Group

Leandro A. Festino, Managing Principal

Timothy Filla, Managing Principal

StepStone Group LP

Jose Fernandez, Partner

Reed Smith LLP

Harvey L. Leiderman

Albourne

John Claisee, Chief Executive Officer

Kelly McKale, Client Relationship Manager/Business Development

James Walsh, Head of Portfolio Group

Steve Kennedy, Portfolio Analyst Coordinator

Tom Cawkwell, Head of Private Markets Research

Mark White, Hedge Fund IDD Analyst & Real Assets

Aksia

Matt Mullarkey, Partner and Head of Advisory, Americas

Jenifer Wildeman, Senior Portfolio Advisor

Patrick Adelsbach, Partner & Head of Credit Strategies

Sylvia Owens, Global Private Credit Strategist

Cambridge Associates

Craig Beach, Managing Director

Jennifer Urdan, Managing Director

Chris Shepler, Senior Director

I. CALL TO ORDER

The meeting was called to order by Mr. Moore at 9:02 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mrs. Sanchez led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of February 13, 2019

Mr. Green made a motion, Mrs. Sanchez seconded, to approve the revised minutes of the regular meeting of February 13, 2019. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

In connection with Item XII.A.5 of the September 12, 2018 Board agenda held in closed session under Government Code Section 54956.81, the Board voted 9-0 on a motion by Mr. Santos, seconded by Ms. Sanchez, to approve the transfer of assets managed by TA Associates Realty to DWS RREEF. This action was completed on February 28, 2019. A list of the fifteen properties transferred is available upon request. The transferred properties have a market value of approximately \$925,000,000.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. CHIEF EXECUTIVE OFFICER'S REPORT (Memo dated March 4, 2019)

Ms. Lazatin provided a brief discussion on the Chief Executive Officer's Report.

VII. CHIEF INVESTMENT OFFICER'S REPORT

(Memo dated March 4, 2019)

Mr. Grabel provided a brief discussion on the Chief Investment Officer's Report.

VIII. CONSENT ITEMS

Mr. Santos made a motion, Mr. Green seconded, to approve the following agenda items. The motion passed unanimously.

- A. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board approve revisions to the Corporate Governance Policy. (Memo dated February 14, 2019)
- B. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board approve revisions to the Corporate Governance Principles. (Memo dated February 14, 2019)
- C. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board endorse the International Corporate Governance Network Global Stewardship Principles. (Memo dated February 14, 2019)
- D. Recommendation that the Board approve attendance of Board members at the Pension Bridge Annual Conference on April 9–10, 2019 in San Francisco, 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 March 4, 2019)
- E. Recommendation that the Board approve attendance of Board members at the Global Investors Annual Meeting on June 24–25, 2019 in New York, New York 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 March 4, 2019)

VIII. CONSENT ITEMS (Continued)

- F. Recommendation that the Board approve attendance of Board members at the Meketa Investment Group Conference on April 9, 2019 in San Diego, 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 March 4, 2019)
- G. Recommendation that the Board approve attendance of Board members at the KKR's 2019 Americas Investors' Meeting on June 24–25, 2019 in Palos Verdes, 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 March 4, 2019)
- H. Recommendation that the Board approve attendance of Board members at the SuperReturn Emerging Managers Markets Conference on June 24–26, 2019 in Amsterdam, Netherlands 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 March 4, 2019)
- I. Recommendation that the Board approve attendance of Board members at the AVCJ Private Equity & Venture Forum on June 26–27, 2019 in Tokyo, Japan 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 March 4, 2019)

IX. NON-CONSENT

- A. Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer, James Rice, Principal Investment Officer, David Chu, Senior Investment Officer and Quoc Nguyen, Senior Investment Analyst: That the Board select a Hedge Funds, Illiquid Credit, and Real Assets Consultant(s), following finalist interviews by Albourne, Aksia, and Cambridge Associates. (Memo dated February 26, 2019)

Albourne, Aksia, and Cambridge Associates provided a brief presentation and answered questions from the Board.

IX. NON-CONSENT (Continued)

Mr. Santos made a motion, Mr. Bernstein seconded, to select Albourne as LACERA's Hedge Funds, Illiquid Credit, and Real Assets consultant. The motion passed unanimously (roll call) with Messrs. Bernstein, Green, Moore, Muir, Okum, Santos and Mrs. Sanchez voting yes.

- B. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That the Board of Investments consider rescheduling the Wednesday, October 9, 2019 Board of Investments meeting.
(Memo dated by March 4, 2019)

Mr. Santos made a motion, Mr. Bernstein seconded to reschedule the Wednesday, October 9, 2019 Board of Investments meeting to Tuesday, October 8, 2019. The motion passed unanimously.

X. REPORTS

- A. Investment-Related Services Procurement Process Survey of Industry Practices
John McClelland, Principal Investment Officer
Tim Filla, Meketa Investment Group
(Memo dated March 4, 2019)

Messrs. Grabel, McClelland and Mr. Filla of Meketa Investment Group

provided a brief presentation and answered questions from the Board.

Mr. Muir made a motion, Mr. Santos seconded, to instruct the Legal Office to develop an investment related services procurement policy in consultation with the Investment office, to include a delegation of authority up to a specified limit.

X. REPORTS (Continued)

After a brief discussion, Mr. Muir amended his motion to instruct the Investment office to develop an investment related services procurement policy in consultation with the Legal office, to include a delegation of authority up to a specified limit.

Mr. Santos and Mr. Muir withdrew their motion.

- B. Board of Investments 2019 Offsite Tentative Agenda
Jon Grabel, Chief Investment Officer
(Memo dated February 27, 2019)

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

Mr. Green suggested revisiting the Board's Investment Beliefs at the 2019 Offsite. Mrs. Sanchez suggested having a team building session there.

- C. Additional Information Regarding Potential Use of E-Voting Procedure for Board Elections
Lou Lazatin, Chief Executive Officer
Steven P. Rice, Chief Counsel
(Memo dated March 4, 2019)

Mr. Steven Rice and Mrs. Lazatin were present and answered questions from the Board.

- D. Implementation Update on LACERA Pension Trust Strategic Asset Allocation
Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated February 28, 2019)

This Item was received and filed.

X. REPORTS (Continued)

- E. Workplace Diversity and Inclusion – Searches
Jude Perez, Principal Investment Officer
(For Information Only) (Memo dated February 27, 2019)

This Item was received and filed.

- F. Institutional Limited Partners Association Joint Letter to the U.S.
Securities and Exchange Commission Regarding Fiduciary Protections
Scott Zdrazil, Senior Investment Officer
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated February 15, 2019)

This Item was received and filed.

- G. Council of Institutional Investors Voting Items
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated February 22, 2019)

This Item was received and filed.

- H. Nomination Information for PRI and ICGN Boards
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated March 1, 2019)

This Item was received and filed.

- I. LACERA's Iran and Sudan Policy
Dale Johnson, Investment Officer
(For Information Only) (Memo dated March 1, 2019)

This Item was received and filed.

- J. 2018 Fourth Quarter Hedge Fund Performance Report
James Rice, Principal Investment Officer
(For Information Only) (Memo dated February 27, 2019)

This Item was received and filed.

X. REPORTS (Continued)

- K. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated March 4, 2019)

This Item was received and filed.

- L. February 2019 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(Memo dated March 4, 2019) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(For Information Only)

This Item was received and filed.

XI. ITEMS FOR STAFF REVIEW

There was nothing to report.

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

Mrs. Sanchez shared her views and suggested looking into how to address long term environmental and social and governance issues.

Mr. Santos shared his experience in attending the PPI 2019 Winter Roundtable in Westlake Village and the PPI Study Mission in Mexico City. In addition, he announced that he has been appointed the PPI Latin America Task Force Group.

Mr. Bernstein reminded staff to please leave the Boardroom door open during the public session.

Messrs. Bernstein, Green and Moore shared their experience in attending the PPI Study Mission in Mexico City.

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. ADVENT INTERNATIONAL GPE IX, L.P.

The Board met in closed session under Government Code Section 54956.81 to consider the purchase or sale of a particular, specific public pension investment. On a motion by Mr. Okum, seconded by Mr. Green, the Board voted to approve commitment of up to \$150 million to Advent International GPE IX, L.P., which is a private equity buyout fund targeting control-oriented transactions mainly in North America and also in Europe and opportunistically in Asia and Latin America, primarily in the business and financial services, healthcare, industrial, retail, consumer and leisure, and technology, media, and telecom industry sectors. The motion passed (roll call) with Messrs. Bernstein, Green, Moore, Okum and Mrs. Sanchez voting yes and Mr. Santos voting no. Mr. Kelly and Mr. Kehoe and Mr. Muir were absent.

- 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: One

The Board met in closed session with counsel to consider one item of anticipated litigation – initiation of litigation under Government Code Section 54956.9(d)(4). There is nothing to report on that item.

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XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:20 p.m.

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting)

1. CIO Report Presentation
2. Attachment to the ILPA cover memo related to item X.F. was inadvertently not included: Institutional Investor Letter on Proposed Commission Interpretation Regarding Standard of Conduct for Investment Advisers; Request for Comment on Enhancing Investment Adviser Regulation – File No. S7-09-18

Signature on File

WAYNE MOORE, SECRETARY

Signature on File

SHAWN KEHOE, CHAIR