

LACERA

Board of Investment Meeting

HYATT REGENCY LONG BEACH HOTEL
200 South Pine Avenue, Long Beach, California 90802
MONDAY, JULY 10, 2017

Monday

- 8:00 to 9:00 **Breakfast**
- 9:00 to 9:05 **Welcome**
Chief Executive Officer
A brief overview of the agenda and objectives.
- 9:05 to 9:30 **The Future LACERA**
Funston Advisory Services
Overview of the strategic investment challenges facing LACERA and an approach to challenge our current investment assumptions.
- 9:30 to 10:45 **Asset Allocation**
Funston Advisory Services
Meketa Investment Group
Investment Staff
Will our current asset allocation method successfully and safely carry us into the future by providing sufficient returns to guarantee we can deliver the promised benefits? What can we or should we do differently?
- 10:45 to 11:00 **Break**
- 11:00 to 12:15 **Investment Business Model Dimensions**
Funston Advisory Services
Meketa Investment Group
Investment Staff
Having selected a course of action on how to build the portfolio through asset allocation, then how should we implement the portfolio? Should we continue with our current outsource model, adopt a direct investment approach, or something in between?
- 12:15 to 1:00 **Lunch**

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Monday (continued)

- 1:00 to 1:05 **The Current LACERA**
Chief Investment Officer
A brief overview of the afternoon agenda and objectives.
- 1:05 to 1:45 **Asset Category Analysis**
Investment Staff
The scope of each asset category and breadth of asset categories will be discussed. The scope of asset categories relates to implementation overlaps between categories. The breadth of asset classes relates to categories that are included and excluded from LACERA's strategic asset allocation. The discussion will help shape LACERA's pending asset allocation study with the general consultant.
- 1:45 to 2:30 **Operations Study**
Investment Staff
Investment operations are an often overlooked area, but are critical to proper portfolio management. This session will include the pros and cons of commingled versus separate accounts, rebalancing policies and procedures, performance reporting, and risk management. A review may yield better information about the Total Fund and facilitate Board initiatives.
- 2:30 to 2:45 **Break**
- 2:45 to 3:30 **Fee Study**
Investment Staff
LACERA is in the process of gathering a significant amount of data about asset management fees. An internally prepared fee study could be the basis for defining LACERA's "fee investment" and determine if LACERA is getting an appropriate return for these fee dollars. A fee study may lead to manager consolidation and contract renegotiation with current managers as well as negotiating fees with prospective ones.
- 3:30 **Recapping the Day's Key Points**
Board Members, Staff, and Consultants.

