

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

LOEWS SANTA MONICA BEACH HOTEL
1700 OCEAN AVENUE, SANTA MONICA, CA 90401

TUESDAY, JULY 10, 2018
9:00 A.M. – ARCADIA BALLROOM

PRESENT: David Green, Chair

Shawn Kehoe, Vice Chair

Wayne Moore, Secretary

Joseph Kelly

David Muir

Gina V. Sanchez (Arrived at 9:45 a.m.)

Herman B. Santos

Michael Schneider

ABSENT: Ronald Okum

BOARD OF RETIREMENT MEMBERS

Vivian Gray, BOR Chair

James P. Harris

Thomas Walsh

STAFF ADVISORS AND PARTICIPANTS

Robert Hill, Interim Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Christopher Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Ted Wright, Principal Investment Officer

John McClelland, Principal Investment Officer

Jude Perez, Principal Investment Officer

Jim Rice, Senior Investment Officer

Scott Zdrazil, Senior Investment Officer

Meketa Investment Group

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

StepStone Group LP

Jose Fernandez, Partner

Townsend Group

Micolyn Magee, Partner

I. WELCOME

Jonathan Grabel, Chief Investment Officer

The meeting was called to order by Mr. Grabel at 9:04 a.m. at the Loews Santa Monica Beach Hotel.

II. PUBLIC COMMENT

There were no requests from the public to speak.

III. STRATEGIC PLAN FRAMEWORK
Chief Investment Officer

Mr. Grabel provided a presentation and facilitated a Board discussion.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 13, 2018

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of June 13, 2018. The motion passed unanimously.

V. CONSENT ITEMS

Mr. Kehoe made a motion, Mrs. Sanchez seconded, to approve the following agenda items. The motion passed unanimously.

A. Recommendation as submitted by Michael Schneider, Chair, Real Estate Committee: That the Board adopt the revised Real Estate Objectives, Policies and Procedures. (Memo dated July 1, 2018)

B. Recommendation as submitted by Michael Schneider, Chair, Real Estate Committee: That the Board:

- 1.) Approve the proposed Real Estate Investment Plan for Fiscal Year 2018-2019; and
- 2.) Approve allocation of up to \$550 million for investment by the Fund's separate account equity managers.

(Memo dated July 1, 2018)

V. CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board Approve attendance of Board members at the National Association of Corporate Directors - Direct Professionalism on August 15-17, 2018 in Westlake Village, 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. Moore)
(Memo dated June 26, 2018)

VI. NON-CONSENT ITEM

- A. Recommendation as submitted by Ted Wright, Principal Investment Officer, Brenda Cullen, Investment Officer and Mel Tsao, Investment Analyst: That the Board invite the following emerging manager firms to interview with the Board for direct public equity active mandates: (1) CornerCap Investment Counsel, (2) Global Alpha Capital Management, and Matarin Capital Management. (Memo dated June 25, 2018)

Mr. Wright was present and answered question from the Board.

Mr. Kehoe made a motion, Mrs. Sanchez seconded, to approve the agenda item. The motion passed unanimously.

VII. REPORTS

The following reports were received and filed:

- A. Principles for Responsible Investment (PRI) Association Board Election Candidate Nominations
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated June 18, 2018)
- B. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated July 2, 2018)
- C. Monthly Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(Memo dated July 2, 2018) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)

VIII. REPORT ON STAFF ACTION ITEMS

There were no items to report out.

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

Mr. Green thanked the staff for their hard work.

X. CLOSING REMARKS

Mr. Grabel thanked the staff and Board members for their contributions and participation.

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:42 a.m.

WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR