

APPROVED

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

MONDAY, JULY 1, 2019

9:00 A.M. – ARCADIA BALLROOM

PRESENT: Shawn Kehoe, Chair

Joseph Kelly, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

David Green

Keith Knox (Chief Deputy to Joseph Kelly)

David Muir

Ronald Okum

Herman B. Santos

ABSENT: Gina V. Sanchez

BOARD OF RETIREMENT MEMBERS

James P. Harris

Thomas Walsh

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS

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, Principal Investment Officer

Ted Granger, Assistant Chief Financial Officer

Cindy Rivera, Financial Analyst I

Meketa Investment Group

Leandro Festino, Managing Principal

StepStone Group LP

Jose Fernandez, Partner

Albourne Partners

James Walsh, Head of Portfolio Advisory

Invesco

Kristina Hooper, Chief Global Market Strategist

PIMCO

Joachim Fels, Managing Director and Global Economic Advisor

Milliman

Nick Collier, Consulting Actuary

J.P. Morgan

Benjamin R. Mandel, Global Strategist, Multi-Asset Solutions

Michael Buchenholz, Investment Management

STAFF ADVISORS AND PARTICIPANTS

Oregon State Treasury
Michael Viteri, Senior Investment Officer

Utah State Retirement Systems
Rich Eggett, Portfolio Manager

Goldman Sachs
Phil Venables, Board Director – Goldman Sachs Bank and Senior
Advisor (Risk and Cybersecurity)

I. WELCOME – BUILDING A MORE RESILIENT PORTFOLIO
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. GEOPOLITICAL RISKS
Jude Pérez; Kristina Hooper – Invesco; Joachim Fels – PIMCO

Economies and investment markets are connected and LACERA's portfolio is intentionally global. Two guest speakers will discuss the global economy, geopolitical risks, and potential implications for investment portfolios. This panel discussion will be moderated by investment staff and questions from the audience will be welcomed.

Mr. Perez and Ms. Hooper of Invesco and Joachim Fels of PIMCO provided a
presentation.

IV. ACTUARIAL DISCUSSION AND LONG-TERM ECONOMIC FORECASTS

Ted Granger; Vache Mahseredjian; Nick Collier – Milliman; Benjamin R. Mandel – JPMorgan; Michael Buchenholz – J.P. Morgan

LACERA's Board of Investments is responsible for setting the economic and demographic assumptions used in the Actuarial Valuation. LACERA's actuary, Milliman, will highlight key concepts—including investment return assumption and amortization policy—in preparation for the 2019 triennial Experience Study and annual Valuation. Next, JPMorgan will describe their approach to developing long-term capital market expectations. To conclude, all presenters will engage in a lively Q&A session.

Messrs. Granger, Mahseredjian, and Mr. Collier of Milliman and Messrs. Mandel

and Buchenholz of J.P. Morgan provided a presentation.

V. INTERNAL ASSET MANAGEMENT

Ted Wright; Michael Viteri – Oregon State Treasury; Rich Eggett – Utah State Retirement Systems

Implementing an internal asset management program, even one focused on passive index strategies, is an exercise that requires thorough analysis and thoughtful consideration. Guest speakers from two public pension plans with direct involvement in implementing internal strategies will discuss their experience and answer questions from the Board.

Mr. Wright and Mr. Viteri of Oregon State Treasury and Mr. Eggett of Utah State

Retirement Systems provided a presentation.

VI. STANDING COMMITTEE REVIEW

Cindy Rivera; Leandro Festino – Meketa

In presenting committee survey results, Meketa will facilitate a discussion on the effectiveness, structure, primary goal, and meeting times of the standing committees.

Ms. Rivera and Mr. Festino of Meketa Investment Group provided a presentation.

VII. CYBERSECURITY IN INVESTMENT MANAGEMENT

James Rice; Phil Venables – Goldman Sachs

Cybersecurity has emerged as a key business and national security risk. The investment industry, while benefiting from efficiencies gained in moving transactional and other data, faces its own unique cyber risks in its dependence on digital transactions. An experienced practitioner who led the cybersecurity and operational efforts of one of the world's largest investment organizations will lead an interactive discussion on this topic focusing on the risks faced by investors.

Mr. Jim Rice and Mr. Venables of Goldman Sachs provided a presentation.

VIII. CLOSING

Mr. Grabel provided an overview of the day's topics.

IX. GOOD OF THE ORDER

(For Information Purposes Only)

There were no comments during Good of the Order.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 4:00 p.m.

Signature On File

WAYNE MOORE, SECRETARY

Signature On File

SHAWN KEHOE, CHAIR

Board of Investments Offsite

July 1, 2019

Page 6