

APPROVED

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, OCTOBER 14, 2020

This meeting was conducted by teleconference under the Governor's Executive Order
No. N-29-20.

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

Elizabeth Greenwood

Shawn Kehoe

Keith Knox

David Muir

Gina V. Sanchez

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Ted Granger, Interim Chief Financial Officer

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

John McClelland, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Jude Perez, Principal Investment Officer

James Rice, Principal Investment Officer

Ted Wright, Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

Chad Timko, Senior Investment Officer

Didier Acevedo, Investment Officer

Dale Johnson, Investment Officer

Daniel Joye, Investment Officer

Quoc Nguyen, Investment Officer

Amit Aggarwal, Investment Officer

Mel Tsao, Senior Investment Analyst

Jeff Jia, Senior Investment Analyst

Adam Cheng, Senior Investment Analyst

Noah Damsky, Senior Investment Analyst

Michael Romero, Senior Investment Analyst

Cindy Rivera, Senior Investment Analyst

Kevin Bassi, Senior Investment Analyst

Barry W. Lew, Legislative Affairs Officer

STAFF ADVISORS AND PARTICIPANT (Continued)

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

Timothy Filla, Principal

Alina Yuan, Associate

Sarah Bernstein, Principal

Stephen MacLellan, Principal

StepStone Group LP

Jose Fernandez, Partner

Albourne

James Walsh, Head of Portfolio Advisory

Steven Kennedy, Partner

Mark White, Partner

Chris Slavin, Partner

Townsend Group

Rob Kochis, Partner

Felix Fels, Vice President

Milliman

Nick Collier, Actuary

Mark Olleman, Actuary

Craig Glyde, Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Green at 9:08 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of September 9, 2020

II. APPROVAL OF MINUTES (Continued)

Ms. Sanchez made a motion, Mr. Muir seconded, to approve the minutes of the regular meeting of September 9, 2020. The motion passed unanimously (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, and Ms. Sanchez voting yes. Ms. Greenwood was present but did not vote.

III. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

At the September 9, 2020 Board of Investments meeting, under Executive Session Agenda Item XII.B, the Board unanimously by a vote of 9-0, on a motion by Mr. Kehoe, seconded by Mr. Muir, approved that staff is given authority, under the criteria set forth in the Board's Securities Litigation Policy, to evaluate and, if warranted, select counsel and file a motion on LACERA's behalf to serve as lead plaintiff in the case Owens v. First Energy Corp. pending in United States District Court for the Southern District of Ohio. Subsequently, after completing its investigation and evaluation, Legal staff determined, in consultation with the Investment Division, that LACERA's participation in the case was in the fund's interest under the Securities Litigation Policy. Legal staff retained the law firm of Robbins Geller Rudman & Dowd LLP to represent LACERA, and on September 28, 2020, LACERA filed a motion to be appointed lead plaintiff. Staff will continue to keep the Board informed of developments in the case.

IV. PUBLIC COMMENT

Jordan Fein from UNITE HERE addressed the Board regarding PAI Europe VII investment in Areas.

Ken Calabrese addressed the Board and also provided a written comment regarding Gateway Terry, LLC managed by Pinnacle Campus Living LLC.

V. CHIEF EXECUTIVE OFFICER'S REPORT (Memo dated September 23, 2020)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VI. CHIEF INVESTMENT OFFICER'S REPORT (Presentation dated October 14, 2020)

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

VII. CONSENT ITEMS

Mr. Bernstein made a motion, Ms. Sanchez seconded, to approve the following consent items. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, and Ms. Sanchez voting yes. Ms. Greenwood was present but not did not vote.

- A. Recommendation as submitted by Wayne Moore, Chair, Credit and Risk Mitigation Committee: That the Board approve re-categorizing the investment in PIMCO Tactical Opportunities (Tac Opps) Onshore Fund L.P. to LACERA's Illiquid Credit portfolio as advanced by the Credit and Risk Mitigation Committee. (Memo dated September 30, 2020)
- B. Recommendation as submitted by Wayne Moore, Chair, Credit and Risk Mitigation Committee: That the Board reduce the Core Plus fixed income target allocation to zero, with a range of 0 to 20%, as advanced by the Credit and Risk Mitigation Committee. (Memo dated September 22, 2020)

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VII. CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Alan Bernstein, Chair, Corporate Governance Committee: That the Board approve a consolidated *Corporate Governance and Stewardship Principles* policy.
(Memo dated September 18, 2020)

VIII. REPORTS

- A. Evaluating a Climate-Aware Strategic Asset Allocation
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
Sarah Bernstein, Meketa Investment Group
Stephen MacLellan, Meketa Investment Group
(Memo dated September 30, 2020)

Messrs. Zdrazil and Johnson and Sarah Bernstein and Stephen MacLellan of Meketa Investment Group provided a presentation and answered questions from the Board.

- B. Strategic Asset Allocation Discussion
Jonathan Gabel, Chief Investment Officer
Jude Perez, Principal Investment Officer
Timothy Filla, Meketa Investment Group
Leandro Festino, Meketa Investment Group
Alina Yuan, Meketa Investment Group
(Memo dated October 5, 2020)

Mr. Perez and Leandro Festino, Timothy Filla and Alina Yuan of Meketa Investment Group provided a presentation and answered questions from the Board.

- C. 2020 Actuarial Risk Assessment Report
Santos Kreimann, Chief Executive Officer
Ted Granger, Interim Chief Financial Officer
Mark Olleman, Milliman
Nick Collier, Milliman
Craig Glyde, Milliman
(Memo Dated September 10, 2020)

VIII. REPORTS (Continued)

Mr. Granger and Mark Olleman, Nick Collier and Craig Glyde of Milliman provided a presentation and answered questions from the Board.

- D. Net Alpha Advisors: Report on LACERA Internalization of Investment Management
Ted Wright, Principal Investment Officer
Jude Perez, Principal Investment Officer
Mel Tsao, Senior Investment Analyst
(For Information Only) (Memo dated October 5, 2020)

This item was received and filed.

- E. Yankee Bonds and Emerging Market Debt
Vache Mahseredjian, Principal Investment Officer
(For Information Only) (Memo dated September 29, 2020)

This item was received and filed.

- F. Council of Institutional Investors Member Ballot
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated September 25, 2020)

This item was received and filed.

- G. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated September 28, 2020)

This item was received and filed.

- H. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated October 1, 2020)

This item was received and filed.

VIII. REPORTS (Continued)

- I. Monthly Education and Travel Reports for August 2020
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Public Memo dated September 23, 2020)
(Confidential Memo dated September 23, 2020 – Includes Anticipated Travel)

This item was received and filed.

- J. September 2020 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(Memo dated September 29, 2020)

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

There were no items for review.

- X. GOOD OF THE ORDER
(For information purposes only)

Mr. Green recognized Mel Tsao for volunteering to assist with the presentation at the Board of Investment meetings.

XI. 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. Centerbridge Capital Partners Fund IV, L.P.
Christopher Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
Jose Fernandez, StepStone Group
(Memo dated October 2, 2020)

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XI. EXECUTIVE SESSION (Continued)

Messrs. Wagner, Acevedo and Jose Fernandez of StepStone Group provided a presentation and answered questions from the Board.

The Board took action. It will be reported out at a future date in accordance with the Brown Act.

2. Recommendation to Adjust Emerging Market Debt Investment Vehicles
Vache Mahseredjian, Principal Investment Officer
Jeff Jia, Senior Investment Analyst
(Memo dated September 29, 2020)

The Board took action. It will be reported out at a future date in accordance with the Brown Act.

3. Hedge Funds Portfolio Discussion
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
(Memo dated September 30, 2020)

The Board took action. It will be reported out at a future date in accordance with the Brown Act.

4. DIF Infrastructure VI, L.P.
James Rice, Principal Investment Officer
Daniel Joye, Investment Officer
Christopher Slavin, Albourne Partners
(Memo dated October 1, 2020)

Messrs. Rice, Joye and Christopher Slavin of Albourne Partners provided a presentation and answered questions from the Board.

XI. EXECUTIVE SESSION (Continued)

Mr. Santos made a motion, seconded by Ms. Sanchez, to approve a commitment of up to €150 million (approximately \$180 million) in DIF Infrastructure VI, L.P., which is a real assets fund with a core global infrastructure strategy focusing primarily on developed markets, such as the U.S., Europe, Canada, Australia, and New Zealand, and Latin America, including assets in transportation, utilities, and renewables. The motion passed (roll call) with Messrs. Knox, Santos, Kehoe, Moore, Bernstein, Muir, Green and Ms. Sanchez voting yes. Ms. Greenwood was absent.

5. Real Estate Manager Selection
Amit Aggarwal, Investment Officer
Mike Romero, Senior Investment Analyst
Kevin Bassi, Senior Investment Analyst
Rob Kochis, The Townsend Group
Felix Fels, The Townsend Group
(Memo dated September 28, 2020)

This item was for information only. No action was taken.

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:42 p.m.

Signature on File

WAYNE MOORE, SECRETARY

Signature on File

DAVID GREEN, CHAIR