

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, JULY 14, 2021

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

PRESENT: Keith Knox, Chair

David Green

Elizabeth Greenwood

Shawn Kehoe (Joined the meeting at 9:04 a.m.)

Joseph Kelly

Patrick Jones

Gina V. Sanchez (Attended meeting in-person)

Herman Santos

ABSENT: Alan Bernstein, Secretary

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Christine Roseland, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael Herrera, Senior Staff Counsel

Jude Perez, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

James Rice, Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

Esmeralda del Bosque, Senior Investment Officer

Chad Timko, Senior Investment Officer

Quoc Nguyen, Investment Officer

Daniel Joye, Investment Officer

Amit Aggarwal, Investment Officer

Derek Kong, Investment Officer

Noah Damsky, Investment Officer

Kevin Bassi, Investment Officer

Barry W. Lew, Legislative Affairs Officer

Ervin Wu, Interim Accounting Officer II

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

Albourne

Mark White, Head of Real Assets

James Walsh, Partner

Steven Kennedy, Partner

STAFF ADVISORS AND PARTICIPANTS (Continued)

StepStone Group LP (Real Estate Consultants)

Thomas Hester, Managing Director

Margaret McKnight, Partner

StepStone Group LP (Private Equity Consultants)

Natalie Walker, Partner

Milliman

Nick Collier, Actuary

Mark Olleman, Actuary

Craig Glyde, Actuary

I. CALL TO ORDER

The meeting was called to order virtually by Chair Knox at 9:00 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 9, 2021

Mr. Green made a motion, Ms. Sanchez seconded, to approve the minutes of the regular meeting of June 9, 2021. The motion passed (roll call) with Messrs. Green, Santos, Jones, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes. Mr. Kehoe was absent for the vote.

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

July 14, 2021

Page 4

V. CHIEF EXECUTIVE OFFICER'S REPORT
(Memo dated June 28, 2021) (Mr. Kehoe joined the meeting at 9:04 a.m.)

Mr. Kreimann provided a brief presentation on the Chief Executive Officer's Report.

VI. CHIEF INVESTMENT OFFICER'S REPORT
(Presentation dated July 14, 2021)

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

VII. CONSENT ITEMS

Mr. Kelly made a motion, Ms. Sanchez seconded, to approve the following consent item. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Kelly, Knox, Ms. Sanchez and Ms. Greenwood voting yes.

- A. Recommendation as submitted by Patrick Jones, Chair, Real Assets Committee: That the Board approve the establishment of Co-Investment and Secondaries delegation of authority to the CIO for Real Assets following the parameters on slide 18 of the attached presentation.
(Memo dated June 24, 2021)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Scott Zdrazil, Senior Investment Officer: That the Board deliberate whether to nominate a candidate to the board of the United Nations-affiliated Principles for Responsible Investment.
(Memo dated June 25, 2021)

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

The Board did not take action on this item.

- B. Recommendation as submitted by Joseph Kelly, Chair, Audit Committee: That the Board approve and adopt the revised Audit Committee Charter.
(Memo dated June 30, 2021)

VIII. NON-CONSENT ITEMS (Continued)

Messrs. Kreimann and Bendall were present to answer questions from the Board.

Mr. Kehoe made a motion, Ms. Greenwood seconded, to approve and adopt the revised Audit Committee Charter. The motion passed (roll call) with Messrs. Green, Santos, Kehoe, Jones, Kelly, Knox, Ms. Ms. Greenwood voting yes and Ms. Sanchez abstaining.

IX. REPORTS

- A. Board of Investments Offsite Planning Update
Jonathan Grabel, Chief Investment Officer
(Memo dated June 28, 2021)

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

- B. 2021 Actuarial Risk Assessment Report
Santos H. Kreimann, Chief Executive Officer
Ted Granger, Interim Chief Financial Officer
Mark Olleman, Consulting Actuary
Nick Collier, Consulting Actuary
Craig Glyde, Consulting Actuary
(Memo Dated June 24, 2021)

Messrs. Olleman, Collier and Glyde provided a presentation and answered questions from the Board.

- C. Real Estate Process Workflow Findings – Update III
Esmeralda del Bosque, Senior Investment Officer
Cindy Rivera, Senior Investment Analyst
(For Information Only) (Memo dated June 25, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- D. OPEB Master Trust – Strategic Asset Allocation Update
Jonathan Grabel, Chief Investment Officer
Jude Pérez, Principal Investment Officer
Esmeralda del Bosque, Senior Investment Officer
(For Information Only) (Memo dated June 23, 2021)

This item was received and filed.

- E. Global Investor Statement on Climate Change
Scott Zdrazil, Senior Investment Officer
Dale Johnson, Investment Officer
Crystal Milo, Senior Investment Analyst
(For Information Only) (Memo dated June 10, 2021)

This item was received and filed.

- F. Principles for Responsible Investment Voting Ballot
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated June 25, 2021)

This item was received and filed.

- G. U.S. Securities and Exchange Commission Comment Letter Regarding
Climate Change and ESG Disclosures
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated June 25, 2021)

This item was received and filed.

- H. OPEB Master Trust - Investment Policy Statement Update
Jude Pérez, Principal Investment Officer
(For Information Only) (Memo dated June 17, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- I. Polar Asset Management Update Regarding Criminal and SEC Actions Against Trader
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
(For Information Only) (Memo dated July 6, 2021)

This item was received and filed.

- J. U.S. Supreme Court Decision in Goldman Sachs Group, Inc. v. Arkansas Teachers Retirement System
Michael D. Herrera, Senior Staff Counsel
(For Information Only) (Memo dated July 2, 2021)

This item was received and filed.

- K. Legal Projects
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated June 28, 2021)

This item was received and filed.

- L. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 25, 2021)

This item was received and filed.

- M. Monthly Education and Travel Reports for May 2021
Ted Granger, Interim Chief Financial Officer
(Public Memo dated June 24, 2021)
(Confidential Memo dated June 24, 2021 – Includes Anticipated Travel)
(For Information Only)

This item was received and filed.

- N. June 2021 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 June 25, 2021)

This item was received and filed.

July 14, 2021

Page 8

X. ITEMS FOR STAFF REVIEW

The Board requested an item be agendaized regarding information on addressing IT Standards for investments.

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

Mr. Knox shared that the CIO Magazine published an annual list of “rising stars” and LACERA’s Chad Timko was voted as one of 25 investors featured in this year’s NextGen list.

Mr. Grabel recognized Magdalia Armstrong for volunteering to assist with the presentations at the Board of Investment meeting.

XII. 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. Webster Capital V, L.P. Recommendation
Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(Memo dated June 21, 2021)

Messrs. Wagner, Kong and Ms. Walker of StepStone Group LP were present and answered questions from the Board.

Mr. Santos made a motion, seconded by Mr. Kehoe, to approve a commitment of up to \$125 million to Webster Capital V, L.P. This investment is a middle market buyout private equity fund focusing on investments in the healthcare services sector. The motion passed (roll call) with Messrs. Green, Santos, Jones, Knox, Kehoe, Kelly,

XII. EXECUTIVE SESSION (Continued)

Ms. Sanchez and Ms. Greenwood voting yes. Mr. Bernstein was absent.

2. Bain Capital Real Estate Fund II
Amit Aggarwal, Investment Officer
Kevin Bassi, Senior Investment Analyst
(Memo dated June 29, 2021)

Messrs. Aggarwal, Bassi and Rice and Mr. Hester and Ms. McKnight of StepStone Group LP were present and answered questions from the Board.

Mr. Santos made a motion, seconded by Ms. Sanchez, to approve a commitment of up to \$100 million to Bain Capital Real Estate Fund II. This investment is a closed end non-core real estate commingled fund seeking opportunities across sectors. The motion passed (roll call) with Messrs. Green, Santos, Jones, Knox, Kehoe. and Kelly and Ms. Sanchez and Ms. Greenwood voting yes. Mr. Bernstein was absent.

3. Smart Infrastructure Capital Partners Fund I, L.P.
James Rice, Principal Investment Officer
Daniel Joye, Investment Officer
(Memo dated June 25, 2021)

Messrs. Rice and Joye and Messrs. Kennedy, White and Walsh of Albourne were present and answered questions from the Board.

Mr. Kelly made a motion, seconded by Ms. Sanchez, to approve a commitment of up to \$100 million to Smart Infrastructure Capital Partners Fund I, L.P. This investment is an infrastructure fund focusing on smart technologies in the energy and transport sectors. The motion passed (roll call) with Messrs. Green, Santos, Jones, Knox,

XII. EXECUTIVE SESSION (Continued)

Kehoe, Kelly, Ms. Sanchez and Ms. Greenwood voting yes. Mr. Bernstein was absent.

4. KKR Diversified Core Infrastructure Fund, L.P.

James Rice, Principal Investment Officer

Daniel Joye, Investment Officer

Noah Damsky, Senior Investment Analyst

(Memo dated July 1, 2021)

Messrs. Rice, Joye and Damsky and Messrs. Kennedy, White and Walsh of Albourne were present and answered questions from the Board.

Mr. Kelly made a motion, seconded by Mr. Santos, to approve a commitment of up to \$500 million to KKR Diversified Core Infrastructure Fund, L.P. This investment is an infrastructure fund focusing on core infrastructure in utilities, renewables, telecom, transportation, energy transition, and other sectors. The motion passed (roll call) with Messrs. Green, Santos, Jones, Knox, Kehoe, Kelly, Ms. Sanchez and Ms. Greenwood voting yes. Mr. Bernstein was absent.

B. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

1. One Case

There was nothing to report.

C. Potential Threats to Public Services or Facilities (Pursuant to Subdivision (a) of California Government Code Section 54957) Consultation with: Chief Information Security Officer, Bob Schlotfelt, Principal Investment Officer, Jude Pérez, and Other LACERA Staff. (Presentation dated July 2021)

There was nothing to report.

July 14, 2021

Page 11

Supplemental Information (Information provided to the Trustees prior to the meeting)

1. Item XII. A. 4. - KKR Diversified Core Infrastructure Fund, L.P. (Memo dated July 1, 2021) (Confidential Information)

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:20 p.m.

Signature on File

ALAN BERNSTEIN, SECRETARY

Signature on File

KEITH KNOX, CHAIR