

APPROVED

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, NOVEMBER 17, 2021*

This meeting was conducted by the Board of Investments by teleconference under California Government Code Section 54953(e).

PRESENT: Joseph Kelly, Vice Chair

Alan Bernstein, Secretary

Elizabeth B. Ginsberg (Chief Deputy to Keith Knox)

David Green

Patrick Jones (Joined meeting at 9:17 a.m.)

Gina V. Sanchez

Herman Santos

ABSENT: Elizabeth Greenwood

Keith Knox

Shawn Kehoe

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Santos Kreimann, Chief Executive Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Christine Roseland, Senior Staff Counsel

Christopher Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

James Rice, Principal Investment Officer

Esmeralda del Bosque, Interim Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

Dale Johnson, Investment Officer

Cheryl Lu, Investment Officer

Jeff Jia, Senior Investment Analyst

Magdalia Armstrong, Senior Investment Analyst

Carly Ntoya, Ph.D., Human Resources Director

Ted Granger, Interim Chief Financial Officer

Barry W. Lew, Legislative Affairs Officer

Meketa Investment Group (General Investment Consultants)

Stephen McCourt, Partner

Leandro Festino, Managing Principal

Timothy Filla, Managing Principal

Albourne (Real Assets ex-Real Estate, Illiquid Credit & Hedge Funds
Consultant)

Mark White, Head of Real Assets

James Walsh, Partner

Steven Kennedy, Partner

STAFF ADVISORS AND PARTICIPANTS (Continued)

StepStone Group LP (Private Equity Consultants)

Jose Fernandez, Partner

Natalie Walker, Partner

I. CALL TO ORDER

The meeting was called to order virtually by Vice Chair Kelly at 9:15 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of October 13, 2021

Mr. Bernstein made a motion, Mr. Green seconded, to approve the revised minutes of the regular meeting of October 13, 2021, with addition of trustee absences for all votes. The motion passed (roll call) with Messrs. Green, Santos, Bernstein, Kelly, and Meses. Sanchez and Ginsberg voting yes. Messrs. Jones and Kehoe and Ms. Greenwood were 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.

V. CHIEF EXECUTIVE OFFICER'S REPORT (Mr. Jones joined the meeting at 9:17 a.m.)
(Memo dated October 26, 2021)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT
(Presentation dated November 17, 2021)

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

VII. CONSENT ITEMS

Mr. Bernstein made a motion, Mr. Kelly seconded, to approve the following consent items. The motion passed (roll call) with Messrs. Green, Jones, Santos, Bernstein, Kelly, and Mses. Sanchez and Ginsberg voting yes. Mr. Kehoe and Ms. Greenwood were absent for the vote.

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Investments consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the Board and its Committees to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that the Board and its Committees shall hold teleconference meetings for the next 30 days, and if so, direct staff to comply with the agenda and public comment requirements of the statute. (Memo dated October 25, 2021)
- B. Recommendation as submitted by Scott Zdrzil, Senior Investment Officer and Dale Johnson, Investment Officer: That the Board approve LACERA's ballot for Principles for Responsible Investment (PRI) 2021 board elections. (Memo date November 1, 2021)
- C. Recommendation as submitted by Shawn Kehoe, Chair, Joint Organizational Governance Committee: That the Board approve the revised Code of Ethical Conduct. (Memo dated October 22, 2021)
- D. Recommendation as submitted by Shawn Kehoe, Chair, Joint Organizational Governance Committee: That the Board approve the revised Media Policy. (Memo dated October 22, 2021)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Richard P. Bendall, Chief Audit Executive and Ted Granger, Interim Chief Financial Officer: That the Board approve the contract extensions for Milliman Inc. to provide actuarial consulting services and Cavanaugh Macdonald Consulting for actuarial review services related to the two additional fiscal years ending, June 30, 2022 and June 30, 2023. (Memo dated October 29, 2021)

Messrs. Granger and Bendall were present and answered questions from the Board.

Ms. Sanchez made a motion, Mr. Kelly seconded, to approve staff's recommendation. The motion passed (roll call) with Messrs. Green, Jones, Santos, Bernstein, Kelly, and Mses. Sanchez and Ginsberg voting yes. Mr. Kehoe and Ms. Greenwood were absent for the vote.

- B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board approve the Board Officer Rotation Policy. (Memo dated November 5, 2021)

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

Mr. Kelly made a motion to approve staff recommendation, with the addition that the Board of Retirement Chair and Vice Chair may not serve as Chair and Vice Chair of this Board in the same year and that officers in the first year of the policy will be determined by random draw. The motion did not receive a second.

Mr. Bernstein made a motion, Mr. Santos seconded, to approve staff's recommendation with the seniority of the current officers going to 1 year at the end of their term.

VIII. NON-CONSENT ITEMS (Continued)

The motion passed (roll call) with Messrs. Green, Jones, Santos, Bernstein, Kelly, and Mses. Sanchez and Ginsberg voting yes. Mr. Kehoe and Ms. Greenwood were absent for the vote.

- C. Recommendation as submitted that the Board approve attendance of Trustees at the Yale School of Management - Women on Boards Program on June 13 – 17, 2022 in New Haven, Connecticut and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated October 24, 2021) (Placed on the agenda at the request of Trustee Greenwood)

Messrs. Kreimann and Rice were present and answered questions from the

Board.

Mr. Green made a motion, Ms. Sanchez seconded, to approve staff's recommendation. The motion passed (roll call) with Messrs. Green, Jones, Santos, Kelly, and Mses. Sanchez and Ginsberg voting yes and Mr. Bernstein voting no. Mr. Kehoe and Ms. Greenwood were absent for the vote.

IX. REPORTS

- A. LACERA Letter to U.S House of Representatives Financial Services Committee Leadership Regarding Draft Corporate Governance Legislation Scott Zdrazil, Senior Investment Officer (For Information Only) (Memo dated October 20, 2021)

This item was received and filed.

IX. REPORTS (Continued)

- B. Joint Investor Letter to The U.S. Securities and Exchange Commission Regarding Fee Transparency
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated October 27, 2021)

This item was received and filed.

- C. Blackrock Incident Report – July 2021
Esmeralda del Bosque, Acting Principal Investment Officer
Mel Tsao, Senior Investment Analyst
(For Information Only) (Memo dated November 9, 2021)

This item was received and filed.

- D. Semi-Annual Interest Crediting for Reserves as of June 30, 2021 (AUDITED)
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memo dated October 29, 2021)

This item was received and filed.

- E. Legal Projects
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated November 6, 2021)

Mr. Rice and Ms. Roseland were present and answered questions from the

Board. The item was received and filed.

- F. Monthly Travel & Education Report – September 2021
Ted Granger, Interim Chief Financial Officer
Comprehensive Monthly Travel & Education Report – September 2021
(Public Memo dated October 20, 2021)
(Confidential Memo dated October 20, 2021– Includes Anticipated Travel)

This item was received and filed.

IX. REPORTS (Continued)

- G. October 2021 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(For Information Only) (Memo dated October 22, 2021)

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested an update on the investment staff recruitment efforts.

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

There was nothing to report.

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. Secondary Purchase of 2 Funds
James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
(Memo dated October 28, 2021)

Messrs. James Rice and Jain and Messrs. Kennedy, Walsh and White of Albourne provided a presentation and answered questions from the Board.

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

XII. EXECUTIVE SESSION (Continued)

2. PGIM Quantitative Solutions
(Formerly Quantitative Management Association, LLC)
Esmeralda del Bosque, Acting Principal Investment Officer
Jeff Jia, Senior Investment Analyst
Magdalia Armstrong, Senior Investment Analyst
(Memo dated November 4, 2021)

Mses. del Bosque and Armstrong and Mr. Jia provided a presentation and answered questions from the Board.

Mr. Santos made a motion, seconded by Ms. Sanchez, that the Board terminate LACERA's Investment Management Agreement with PGIM Quantitative Solutions (formerly Quantitative Management Association, LLC). The motion passed (roll call), with Messrs. Bernstein, Green, Jones, Kelly, and Santos and Mses. Ginsberg and Sanchez voting yes. Mr. Kehoe and Ms. Greenwood were absent from the vote.

3. Revelstoke Capital Partners Fund III, L.P.
Christopher J. Wagner, Principal Investment Officer
Cheryl Lu, Investment Officer
(Memo dated October 25, 2021)

Mr. Wagner and Ms. Lu and Messrs. Fernandez and Krikorian provided a presentation and answered question from the Board.

Ms. Sanchez made a motion, seconded by Mr. Green, that the Board approve a commitment of up to \$100 million to Revelstoke Capital Partners Fund III, L.P.

XII. EXECUTIVE SESSION (Continued)

This investment is a middle market private equity fund with a focus in U.S. healthcare services and healthcare-related businesses. The motion passed 7-0 (roll call), with Messrs. Bernstein, Green, Jones, Kelly, and Santos and Meses. Ginsberg and Sanchez voting yes. Mr. Kehoe and Ms. Greenwood were absent from the vote.

B. Public Employee Performance Evaluation
(Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Investment Officer

There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:44 a.m.

Signature on File

ALAN BERNSTEIN, SECRETARY

Signature on File

KEITH KNOX, CHAIR