

AGENDA

MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

WEDNESDAY, APRIL 9, 2014, 9:00 A.M.

- I. PLEDGE OF ALLEGIANCE
- II. APPROVAL OF THE MINUTES
 - A. Approval of the Minutes of the March 12, 2014 meeting of the Board of Investments.
- III. PUBLIC COMMENT
- IV. REPORT ON CLOSED SESSION ITEMS
- V. ACTION ITEMS
 - A. Recommendation as submitted by Vache Mahseredjian, CFA, CAIA, FRM, ASA, Principal Investment Officer and Robert Z. Santos, Investment Officer, Fixed Income: That your Board authorize staff to terminate LACERA's investment management agreement with Post Advisory Group and transition the assets to one or more of LACERA's existing fixed income portfolio. (Memo dated March 27, 2014.)
 - B. Recommendation as submitted by the Board of Investments Equity Committee: That your Board (1) Approve the non-U.S. equity structure review; and (2) Approve a target allocation range for opportunistic strategies within the non-U.S. equity composite of 0% to 5%. (Memo dated March 28, 2014.)

V. ACTION ITEMS (Continued)

- C. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer, Private Equity and David E. Simpson, CFA, Investment Officer, Private Equity: That your Board approve a commitment of up to \$100 million to GGV Capital V, L.P. (Memo dated April 1, 2014.)
- D. Recommendation as submitted by the Corporate Governance Committee: That your Board endorse the nomination and support of David Kushner, Chief Investment Officer, for Public Fund Director at the Council of Institutional Investors. (Memo dated March 26, 2014.)
- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at IFEBP's Wharton Education Program on July 28-30, 2014, at the Wharton Campus in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated March 17, 2014.) (Placed on the Agenda at the request of Mr. Saladino.)
- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at the 2nd Annual Institutional Investor Private Equity in Africa Forum on May 6, 2014, in New York City and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated April 1, 2014.) (Placed on the Agenda at the request of Mr. Saladino.)
- G. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at the Pension Bridge Annual Conference on April 22 and 23, 2014, in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated April 1, 2014.) (Placed on the Agenda at the request of Chair Barger.)

V. ACTION ITEMS (Continued)

- H. Recommendation a submitted by Gregg Rademacher, Chief Executive Officer: That your Board ratify attendance of Chair Barger at Grant's 2014 Spring Conference and the aiCIO 2014 Summit in New York City on April 8, 2014 and April 10-11, 2014 respectively and approve reimbursement of all travel costs incurred in accordance with LACERA' Education and Travel Policy. (Memo dated April 2, 2014.) (Placed on the Agenda at the request of Chair Barger.)

VI. REPORTS

- A. Continuation of Board Offsite Discussion – Fees
David Kushner, CFA, Chief Investment Officer
(Memo dated March 18, 2014.)

VII. EXECUTIVE SESSION

- A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED
LITIGATION (Initiation of litigation pursuant to paragraph (4)
of subdivision (d) of Section 54956.9):

1. One case.

VIII. GOOD OF THE ORDER
(For discussion purposes only.)

IX. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

WEDNESDAY, APRIL 9, 2014, 9:00 A.M.

PRESENT: David Green, Vice Chair

Shawn Kehoe, Secretary

Mark J. Saladino

Diane Sandoval

Herman B. Santos

Michael Schneider (Mr. Schneider left at 9:45 a.m.)

Leonard Unger

Estevan Valenzuela

ABSENT: John M. Barger, Chair

STAFF, ADVISORS, PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

JJ Popovich, Assistant Executive Officer

David E. Kushner, Chief Investment Officer

John D. McClelland, Principal Investment Officer, Real Estate

Vache Mahseredjian, CFA, Principal Investment Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Christopher J. Wagner, Principal Investment Officer, Private Equity

June H. Kim, Principal Investment Officer, Equities

James Rice, CFA, Senior Investment Officer

Robert Z. Santos, Investment Officer, Fixed Income

Juan Almaguer, Senior Investment Analyst

Shelly P. Tilaye, CAIA, Senior Investment Analyst, Private Equity

Esmeralda Vita del Bosque, Senior Investment Analyst, Equities

Dale Johnson, Senior Investment Analyst, Equities

Robert S. Van Der Volgen, Chief Counsel

Michael Herrera, Senior Staff Counsel

Christine Roseland, Senior Staff Counsel

John Harrington, Staff Counsel

John Nogales, Director, Human Resources

Wilshire Associates

William (Bill G. Bensusan, Jr.), CFA, Managing Director

GCM Customized Fund Investment Group

Nina Pacheco, Partner

STAFF, ADVISORS, PARTICIPANTS (Continued)

I. PLEDGE OF ALLEGIANCE

Mr. Santos led the Board members and staff in reciting the Pledge of Allegiance.

II. APPROVAL OF THE MINUTES

- A. Approval of the Minutes of the March 12, 2014 meeting of the Board of Investments.

A motion to approve the Minutes of the March 12, 2014 meeting of the Board of Investments was made by Mr. Kehoe, seconded by Mr. Schneider. The motion carried by unanimous vote.

III. PUBLIC COMMENT

LACERA members Mary Singaus, Lawrence Reyes, Marva Burgess and Rosie Martinez, expressed their concerns relating to divestment.

IV. REPORT ON CLOSED SESSION ITEMS

None.

V. ACTION ITEMS

- A. Recommendation as submitted by Vache Mahseredjian, CFA, CAIA, FRM, ASA, Principal Investment Officer and Robert Z. Santos, Investment Officer, Fixed Income: That your Board authorize staff to terminate LACERA's investment management agreement with Post Advisory Group and transition the assets to one or more of LACERA's existing fixed income portfolio. (Memo dated March 27, 2014.)

Mr. Mahseredjian provided an executive summary on the proposed termination of LACERA's investment management agreement with Post Advisory Group.

Mr. Benzur of Wilshire Associates, LACERA's investment consultant, conveyed that Wilshire concurs with staff's recommendation.

(Mr. Schneider left at 9:45 a.m.)

A motion to approve the recommendation was made By Mr. Santos, seconded by Ms. Sandoval. The motion carried by unanimous vote.

V. ACTION ITEMS (Continued)

- B. Recommendation as submitted by the Board of Investments Equity Committee: That your Board (1) Approve the non-U.S. equity structure review; and (2) Approve a target allocation range for opportunistic strategies within the non-U.S. equity composite of 0% to 5%. (Memo dated March 28, 2014.)

A motion to approve the recommendation was made by Mr. Saladino, seconded by Mr. Kehoe. The motion carried by unanimous vote.

- C. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer, Private Equity and David E. Simpson, CFA, Investment Officer, Private Equity: That your Board approve a commitment of up to \$100 million to GGV Capital V, L.P. (Memo dated April 1, 2014.)

Mr. Simpson presented a brief overview on GGV Capital V, L.P. (“GGV”) historical background and investment strategy relating to the proposed commitment of up to \$100 million. A brief discussion followed on investment and exit risk concerns.

A motion to approve the recommendation was made by Mr. Valenzuela, seconded by Mr. Santos. The motion carried by unanimous vote.

V. ACTION ITEMS (Continued)

- D. Recommendation as submitted by the Corporate Governance Committee: That your Board endorse the nomination and support of David Kushner, Chief Investment Officer, for Public Fund Director at the Council of Institutional Investors. (Memo dated March 26, 2014.)

A motion to endorse the nomination and support of David Kushner, Chief Investment Officer, for Public Fund Director at the Council of Institutional Investors was made by Mr. Santos, seconded by Ms. Sandoval. The motion carried by unanimous vote.

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at IFEBP's Wharton Education Program on July 28-30, 2014, at the Wharton Campus in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated March 17, 2014.) (Placed on the Agenda at the request of Mr. Saladino.)

A motion to approve the recommendation was made by Mr. Unger, seconded by Mr. Santos. The motion carried by unanimous vote.

V. ACTION ITEMS (Continued)

- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at the 2nd Annual Institutional Investor Private Equity in Africa Forum on May 6, 2014, in New York City and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated April 1, 2014.) (Placed on the Agenda at the request of Mr. Saladino.)

A motion to approve the recommendation was made by Mr. Saladino, seconded by Ms. Sandoval. The motion carried by unanimous vote.

- G. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That your Board approve attendance of Board members at the Pension Bridge Annual Conference on April 22 and 23, 2014, in San Francisco, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated April 1, 2014.) (Placed on the Agenda at the request of Chair Barger.)

A motion to approve the recommendation was made Mr. Valenzuela, seconded by Ms. Sandoval. The motion carried by unanimous vote.

V. ACTION ITEMS (Continued)

- H. Recommendation a submitted by Gregg Rademacher, Chief Executive Officer: That your Board ratify attendance of Chair Barger at Grant's 2014 Spring Conference and the aiCIO 2014 Summit in New York City on April 8, 2014 and April 10-11, 2014 respectively and approve reimbursement of all travel costs incurred in accordance with LACERA' Education and Travel Policy. (Memo dated April 2, 2014.) (Placed on the Agenda at the request of Chair Barger.)

A motion to approve the recommendation was made by Mr. Saladino, seconded by Mr. Kehoe. The motion carried by unanimous vote.

VI. REPORTS

- A. Continuation of Board Offsite Discussion – Fees
David Kushner, CFA, Chief Investment Officer
(Memo dated March 18, 2014.)

Mr. Kushner provided an executive summary on the continued Board Offsite discussion relating to Investment Management Fees. The Report was received and filed.

VII. EXECUTIVE SESSION

A. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION (Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9):

1. One case.

The Board met in executive session pursuant to Government Code Section 54956.9, paragraph (4) of subdivision (d) and there is nothing to report at this time.

VIII. GOOD OF THE ORDER (For discussion purposes only.)

Mr. Rademacher recognized LACERA staff for their charitable giving efforts and for being recognized by the Board of Supervisors as being a high participating agency. He also reminded the Board of the upcoming Budget hearings which will be held on May 1, 2014 at 9:00 a.m. and on May 21, 2014 immediately following the Board of Investments and Committee meeting.

Green Folder Items

1. Chief Executive Officer's Report dated April 7, 2014.

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IX. ADJOURNMENT

There being no further business, the meeting adjourned at 12:45 p.m.

Shawn Kehoe, Secretary

David Green, Vice Chair