

AGENDA

MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

WEDNESDAY, NOVEMBER 19, 2014, 9:00 A.M.

I. PLEDGE OF ALLEGIANCE

II. APPROVAL OF THE MINUTES

- A. Approval of the Minutes of the October 8, 2014 meeting of the Board of Investments.

III. PUBLIC COMMENT

IV. REPORT ON CLOSED SESSION ITEMS

V. CONSENT

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: Approve attendance of Board members at the Consortium West's 2nd Annual Forum on December 3 and 4, 2014, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated October 15, 2014.)

VI. ACTION ITEMS

- A. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer-Private Equity, and Shelly P. Tilaye, CAIA, Senior Investment Analyst, Private Equity: That your Board approve a commitment of up to \$100 million or 35% of total commitments, whichever is less, to Juggernaut Capital Partners III, L.P. (Memo dated November 10, 2014.)

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VI. ACTION ITEMS (Continued)

- B. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer-Private Equity, and David E. Simpson, CFA, Investment Officer, Private Equity: Approve a commitment of up to \$100 million to Siris Partners III, L.P. (Memo dated November 10, 2014.)
- C. Recommendation as submitted by David E. Kushner, CFA, Chief Investment Officer: Adopt the attached Investment Policy Statement with the proposed revisions. (Memo dated November 6, 2014.)

VII. REPORTS

- A. Fund Performance Review as of September 30, 2014
Wilshire Investment Performance Analysis as of September 30, 2014
David Kushner, Chief Investment Officer (For information only.)
- B. Sale of Majority Interest in TA Reality, LLC
Amit Aggarwal, Investment Officer, Real Estate
(Memo dated November 3, 2014.) (For information only.)
- C. Semi-Annual Interest Crediting for Reserves as of June 30,
2014 (Audited)
Beulah S. Auten, Chief Financial Officer
(Memo dated November 5, 2014.) (For information only.)

VIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Existing Litigation
(Paragraph (1) of Subdivision (d) of California Government Code
Section 54956.9)
 - 1. LACERA ex rel. FX Analytics v. The Bank of New York Mellon Corp., Case No. 12 CV 8990 (LAK)

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

X. 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.

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MINUTES MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

WEDNESDAY, NOVEMBER 19, 2014, 9:10 A.M.

PRESENT: John M. Barger, Chair

David Green, Vice Chair

Shawn Kehoe, Secretary

Diane Sandoval

Herman B. Santos

Michael Schneider

Estevan Valenzuela

ABSENT: Joseph Kelly

Leonard Unger

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

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STAFF, ADVISORS, PARTICIPANTS (Continued)

Vache Mahseredjian, CFA, Principal Investment Officer

Christopher J. Wagner, Principal Investment Officer, Private Equity

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

David Chu, Investment Officer, Private Equity

Esmeralda Vita del Bosque, Senior Investment Analyst, Equities

Dale Johnson, Investment Officer, Equities

Ron Senkandwa, Senior Investment Analyst, Equities

David Simpson, Investment Officer, Private Equity

Ingrid Tang, Senior Investment Analyst, Hedge Funds

Elin Szymanowski, Senior Investment Analyst, Private Equity

Michael Herrera, Senior Staff Counsel

Christine Roseland, Senior Staff Counsel

John Harrington, Staff Counsel

GCM Customized Fund Investment Group

David Almodovar, Vice President

I. PLEDGE OF ALLEGIANCE

Ms. Sandoval led Board members and staff in reciting the pledge of Allegiance.

II. APPROVAL OF THE MINUTES

- A. Approval of the Minutes of the October 8, 2014 meeting of the Board of Investments.

A motion to approve the Minutes of the October 8, 2014 meeting of the Board of Investments was made by Mr. Kehoe, seconded by Mr. Green. The motion carried, with Ms. Sandoval abstaining.

III. PUBLIC COMMENT

None.

IV. REPORT ON CLOSED SESSION ITEMS

None.

V. CONSENT

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: Approve attendance of Board members at the Consortium West's 2nd Annual Forum on December 3 and 4, 2014, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated October 15, 2014.)

A motion to approve the Consent Agenda was made by Mr. Schneider, and seconded by Mr. Green

VI. ACTION ITEMS

- A. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer-Private Equity, and Shelly P. Tilaye, CAIA, Senior Investment Analyst, Private Equity: That your Board approve a commitment of up to \$100 million or 35% of total commitments, whichever is less, to Juggernaut Capital Partners III, L.P. (Memo dated November 10, 2014.)

Action Item A. was pulled at the request of David Kushner, Chief

Investment Officer.

- B. Recommendation as submitted by Christopher J. Wagner, Principal Investment Officer-Private Equity, and David E. Simpson, CFA, Investment Officer, Private Equity: Approve a commitment of up to \$100 million to Siris Partners III, L.P. (Memo dated November 10, 2014.)

VI. ACTION ITEMS (Continued)

Mr. Simpson reported on the proposed commitment to Siris Partners III, L.P. (“Siris”) and on Siris’ merits and why LACERA should make a commitment of \$100 million. A brief discussion followed on strategy concerns.

A motion to approve the recommendation was made by Mr. Barger, seconded by Mr. Kehoe. The motion carried with Mr. Valenzuela, Mr. Schneider and Ms. Sandoval voting no, and Messrs. Barger, Kehoe, Green and Santos voting yes.

- C. Recommendation as submitted by David E. Kushner, CFA, Chief Investment Officer: Adopt the attached Investment Policy Statement with the proposed revisions. (Memo dated November 6, 2014.)

Mr. Kushner provided a brief overview on the proposed revisions to the Investment Policy Statement (“IPS”). He pointed out that there were no significant changes recommended to the main body of the IPS; however, this IPS was last reviewed in January 2011, and with the introduction of the Hedge Fund Program and further movement into opportunistic investments in other parts of the portfolio, staff believes a comprehensive review of the IPS should be undertaken,

VI. ACTION ITEMS (Continued)

and will bring recommended changes to the Fixed Income/Hedge Fund/
Commodities Committee at a future date. A brief discussion followed.

A motion to adopt the
Investment Policy
Statement with the
proposed revisions was
made by Mr. Valenzuela
and seconded by Mr. Barger.
The motion carried by
unanimous vote.

VII. REPORTS

- A. Fund Performance Review as of September 30, 2014
Wilshire Investment Performance Analysis as of September 30, 2014
David Kushner, Chief Investment Officer (For information only.)

Mr. Kushner introduced LACERA's Portfolio consultant Mr. J.M. Rosetti
of Wilshire Associates. Both Mr. Kushner and Mr. Rosetti followed with a brief
overview on the fund's third quarter performance for 2014.

It was reported that the Total Fund declined 0.3% and exceeded its policy
benchmark return of -0.4% by 10 basis points (bps). Real Estate, Private Equity,
Commodities, and Hedge Funds outperformed their respective benchmarks. Non-
U.S. Equities and Cash matched their benchmark performance while U.S. Equities

VII. REPORTS (Continued)

and Fixed Income performed below their benchmarks. A brief discussion followed on future performance concerns and the Report was received and filed.

- B. Sale of Majority Interest in TA Realty, LLC
Amit Aggarwal, Investment Officer, Real Estate
(Memo dated November 3, 2014.) (For information only.)
- C. Semi-Annual Interest Crediting for Reserves as of June 30,
2014 (Audited)
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VIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Existing Litigation
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Section 54956.9)
 - 1. LACERA ex rel. FX Analytics v. The Bank of New York
Mellon Corp., Case No. 12 CV 8990 (LAK)

Executive Session Item A. was pulled at the request of Michael Herrera,

Senior Staff Counsel

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

Mr. Valenzuela asked that the sub-committee structure be revisited in December. The Board commended staff on their reports and presentations.

Green Folder Items

1. Chief Executive Officer's Report dated October 28, 2014.
2. Memo dated October 17, 2014, from Christine Roseland, Senior Staff Counsel regarding Selection and Hiring of Alternative Asset Legal Counsel.
3. Memo dated November 18, 2014, from John D. McClelland, Principal Investment Officer, Real Estate, Regarding Performance Attribution Analysis.

X. ADJOURNMENT

There being no further business the meeting adjourned at 11:00 a.m.

Shawn Kehoe, Secretary

John M. Barger, Chair