

MINUTES OF THE REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., WEDNESDAY, JUNE 10, 2015

PRESENT: John M. Barger, Chair

David Green, Vice Chair

Joseph Kelly, Secretary

Shawn Kehoe

Diane Sandoval

Herman B. Santos (Left at 11:12 a.m.)

Kenneth Simril

Estevan Valenzuela

Valerie Villarreal

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

Steven Rice, Chief Counsel

Vache Mahseredjian, Interim Chief Investment Officer

John McClelland, Principal Investment Officer, Real Estate

STAFF ADVISORS AND PARTICIPANTS (Continued)

Ingrid Tang, Senior Investment Analyst, Hedge Funds

Michael Herrera, Senior Staff Counsel

Micolyn M. Magee, Consultant, The Townsend Group

Chris Cunningham, Consultant, The Townsend Group

I. CALL TO ORDER

The meeting was called to order by Chair Barger at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Kelly led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of
May 20, 2015

Mr. Green made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of May 20, 2015. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

There was nothing to report.

V. PUBLIC COMMENT

There were no requests from the public.

VI. ACTION ITEMS

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve the general investment consultant semi-finalist candidate list based on the RFP response evaluation. (Memo dated June 2, 2015)

Gregg Rademacher was present to answer questions from the Board.

Mr. Santos made a motion, Mr. Kehoe seconded to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2015-2016 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated June 1, 2015)

Gregg Rademacher was present to answer questions from the Board.

Ms. Sandoval made a motion, Mr. Green seconded to approve the recommendation. The motion passed unanimously.

- C. Recommendation as submitted by the Real Estate Committee: That the Board adopt the Real Estate Investment Plan for Fiscal Year 2015-2016. (Memo dated May 26, 2015)

John McClelland and Townsend Consultant, Micolyn M. Magee, presented the proposed Real Estate Investment Plan for FY 2015-2016 and answered questions from the Board.

Mr. Valenzuela made a motion, Ms. Sandoval seconded to approve the recommendation to include a limit of \$100 million in co-investment authority.

VI. ACTION ITEMS (Continued)

The makers of the motion amended their motion to adopt the Real Estate Investment Plan for FY 2015-2016. The motion passed with Mr. Santos voting no.

- D. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the proposed RFP for fiduciary counsel legal services. (Memo dated May 29, 2015)

Steve Rice was present to answer questions from the Board.

Mr. Valenzuela made a motion, Mr. Barger seconded to approve the recommendation. The motion passed unanimously.

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the proposed revised Education and Travel Policy. (Memo dated May 29, 2015)

Steve Rice was present to answer questions from the Board.

Mr. Green made a motion, Mr. Barger seconded to approve the recommendation. The motion passed unanimously.

VII. REPORTS

- A. Real Estate Performance Measurement Report - 4th Quarter 2014
John McClelland, Principal Investment Officer – Real Estate
(Memo dated May 22, 2015)

The Townsend Group
Micolyn M. Magee, Principal
Chris Cunningham, Consultant

(Mr. Santos left the Board Meeting at 11:12 a.m.)

VII. REPORTS (Continued)

The Townsend Group consultants presented an educational session on the Real Estate Performance Measurement and answered questions from the Board. This Item was held out of order, after Item VII.B.

B. Real Estate Program History and Presentation

The Townsend Group
Micolyn M. Magee, Principal

John McClelland and Townsend Consultant, Micolyn M. Magee, presented an educational session on Real Estate Program and answered questions from the Board. This Item was held out of order, before Item VII.A.

C. Hedge Fund Performance Report - 1st Quarter 2015
Ingrid Tang, Senior Investment Analyst – Hedge Funds
(Memo dated May 27, 2015)

Ingrid Tang presented on the first quarter 2015 the Hedge Fund performance report and answered questions from the Board. This Item was held out of order, after Item VII.D.

D. Real Estate Debt Program
John McClelland, Principal Investment Officer – Real Estate
(Memo dated June 1, 2015)

John McClelland and Townsend Consultant, Micolyn M. Magee, presented an educational session on the Real Estate Debt Program and

VII. REPORTS (Continued)

answered questions from the Board. The Board referred this report to the Real Estate Committee for policy development. This Item was held out of order, after Item VII.A.

VIII. EXECUTIVE SESSION

A. Conference with Legal Counsel – Pending Litigation (Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. In re Royal Imtech N.V. Securities Litigation (Court of Rotterdam, the Netherlands)

The Board met with counsel in Executive Session pursuant to Paragraph 1 of Subdivision (d) of Government Code Section 54956.9 and there is nothing to report at this time.

2. In re Credit Default Swaps Antitrust Litigation U.S.D.C. S.D.N.Y. Case No. 13 MD 2476 (DLC)

The Board met with counsel in Executive Session pursuant to Paragraph 1 of Subdivision (d) of Government Code Section 54956.9 and there is nothing to report at this time.

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

The Board welcomed Vache Mahseredjian as the Interim Chief Investments Officer and Mr. Rademacher announced John McClelland will be sitting in for Mr. Mahseredjian at the next Board of Investments meeting.

June 10, 2015

Page 7

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting)

1. Chief Executive Officer's Report (Memo dated June 2, 2015)
2. Update Regarding Securities Litigation Recoveries (Memo dated June 5, 2015)
3. Update in Bank of New York Mellon Foreign Exchange Litigation – Privileged and Confidential Attorney – Client Communication (Memo dated June 8, 2015)
4. Oak Investments Partners Update (Memo dated June 9, 2015)
5. Proposed Ballot Initiatives 15-0033 – “Voter Empowerment Act of 2016” (Memo dated June 9, 2015)
6. Partial Settlement in In re Credit Default Swaps Antitrust Litigation Privileged and Confidential Attorney – Client Communication/Attorney work Product (Memo dated June 9, 2015)

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:46 p.m.

JOSEPH KELLY, SECRETARY

JOHN M. BARGER, CHAIR