

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's November 22, 2022 meeting will be conducted via telephone and/or videoconferencing.

November 22, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

The Items in the Minutes are numbered to correspond with the Agenda.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Serrano asked if any persons wanted to make a general public comment to which there were two responses. The first caller was Bianca Tylek, Director of Worth Rises, a non-profit. Bianca Tylek discussed LACERS investment in Platinum Equity Partners VI. The second caller was Valentina Dabos, with Private Equity Stakeholder Project. Valentina Dabos discussed LACERS investment in Platinum Equity Partners VI.

II

BOARD PRESIDENT VERBAL REPORT – President Serrano thanked staff and consultants that organized the Emerging Manager Symposium held on November 16, 2022.

III

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Staff promotion of Edwin Avanesian as new Chief Management Analyst
 - Covid cases rising, LACERS encouraging to be safe in social settings
 - Transition of Elected Officials
 - LACERS HQ status updates
 - Retirement Services Division update
 - Health Benefits Administration updates
 - Member Services updates
 - Upcoming events
- B. UPCOMING AGENDA ITEMS – No items were discussed.

Item IX-A taken out of order.

President Serrano recessed the Regular Meeting at 10:20 a.m. to convene in Closed Session discussion.

IX

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF SHELLIE COOKE AND POSSIBLE BOARD ACTION

President Serrano reconvened the Regular Meeting at 10:26 a.m., and announced that the Board unanimously approved the Disability Retirement Application of Shellie Cooke.

IV

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2022 – This report was received by the Board and filed.

V

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 8, 2022 – Vice President Lee stated the Committee approved the Private Equity Program 2023 Strategic Plan and the Investment Manager Contract with Axiom Investors, LLC. She stated that the Committee was provided with a presentation from Polen Capital Credit, LLC on the management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio.

VI

CONSENT ITEM(S)

Vice President Lee moved approval of Consent Agenda Items VI-A and VI-B, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING ON OCTOBER 25, 2022 AND POSSIBLE BOARD ACTION
- B. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON AND POSSIBLE BOARD ACTION

**CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS
VIA TELECONFERENCE AND/OR VIDEOCONFERENCE**

RESOLUTION 221122-A

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with substantial community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2022 AND POSSIBLE BOARD ACTION – Horacio Arroyo, Senior Management Analyst, presented and discussed this item with the Board for 15 minutes. No action was taken on this item.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$20.91 billion as of November 21, 2022. Mr. June discussed the following items:

- LACERS has no exposure to Twitter
- Disney exposure: \$15.3 million in public equities, \$1.5 million in fixed income, and \$96 million in a bond index
- FTX exposure is approximately \$150,000 in a venture capital fund; staff is monitoring this exposure closely
- Future Agenda Items: Performance presentations from NEPC, LLC, Aksia CA LLC, and The Townsend Group, CEM Benchmarking Report for the period ending December 31, 2021, and a fee disclosure report on alternative investment vehicles for the period ending June 30, 2022

Mr. June shared that as of November 22, 2022, Russian exposure for LACERS is 1.4 basis points and DFA still holds equity positions due to the Russian stock market being closed to foreign investors.

- B. TRANSITION MANAGER FINALIST INTERVIEWS WITH ABEL NOSER, LLC; BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.; CITIGROUP GLOBAL MARKETS INC.; THE NORTHERN TRUST COMPANY; AND RUSSELL INVESTMENTS IMPLEMENTATION SERVICES, LLC AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and James Wang, Investment Officer I, presented and discussed this item with the Board for 23 minutes. In addition, representatives from all the finalist firms introduced themselves to the Board. Vice President Lee moved approval of the following Resolution:

**CONTRACT FOR
ABEL NOSER, LLC
INVESTMENT TRANSITION MANAGEMENT SERVICES**

RESOLUTION 221122-B

WHEREAS, on January 25, 2022, the Board authorized an Investment Transition Management Services Request for Proposal (RFP) to refresh LACERS' bench of transition managers; and,

WHEREAS, on July 12, 2022, the Investment Committee considered staff's evaluation report of the RFP respondents, including the five proposed semi-finalist candidates: Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC; and,

WHEREAS, staff subsequently conducted further due diligence on the semi-finalist candidates and deemed all five firms capable of providing investment transition management services to LACERS; and,

WHEREAS, on November 3, 2022, the Investment Committee interviewed the five semi-finalist candidates and advanced all five firms as finalist candidates for consideration by the Board for five-year contract awards; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to hire Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC to comprise LACERS' bench of transition managers.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Abel Noser, LLC
<u>Service Provided:</u>	Investment Transition Management
<u>Approximate Effective Dates:</u>	February 1, 2023 through January 31, 2028
<u>Duration:</u>	Five years

**CONTRACT FOR
BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A.
INVESTMENT TRANSITION MANAGEMENT SERVICES**

RESOLUTION 221122-B

WHEREAS, on January 25, 2022, the Board authorized an Investment Transition Management Services Request for Proposal (RFP) to refresh LACERS' bench of transition managers; and,

WHEREAS, on July 12, 2022, the Investment Committee considered staff's evaluation report of the RFP respondents, including the five proposed semi-finalist candidates: Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC; and,

WHEREAS, staff subsequently conducted further due diligence on the semi-finalist candidates and deemed all five firms capable of providing investment transition management services to LACERS; and,

WHEREAS, on November 3, 2022, the Investment Committee interviewed the five semi-finalist candidates and advanced all five firms as finalist candidates for consideration by the Board for five-year contract awards; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to hire Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC to comprise LACERS' bench of transition managers.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	BlackRock Institutional Trust Company, N.A.
<u>Service Provided:</u>	Investment Transition Management
<u>Approximate Effective Dates:</u>	February 1, 2023 through January 31, 2028
<u>Duration:</u>	Five years

**CONTRACT FOR
CITIGROUP GLOBAL MARKETS INC.
INVESTMENT TRANSITION MANAGEMENT SERVICES**

RESOLUTION 221122-B

WHEREAS, on January 25, 2022, the Board authorized an Investment Transition Management Services Request for Proposal (RFP) to refresh LACERS' bench of transition managers; and,

WHEREAS, on July 12, 2022, the Investment Committee considered staff's evaluation report of the RFP respondents, including the five proposed semi-finalist candidates: Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC; and,

WHEREAS, staff subsequently conducted further due diligence on the semi-finalist candidates and deemed all five firms capable of providing investment transition management services to LACERS; and,

WHEREAS, on November 3, 2022, the Investment Committee interviewed the five semi-finalist candidates and advanced all five firms as finalist candidates for consideration by the Board for five-year contract awards; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to hire Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC to comprise LACERS' bench of transition managers.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Citigroup Global Markets Inc.
<u>Service Provided:</u>	Investment Transition Management
<u>Approximate Effective Dates:</u>	February 1, 2023 through January 31, 2028
<u>Duration:</u>	Five years

**CONTRACT FOR
THE NORTHERN TRUST COMPANY
INVESTMENT TRANSITION MANAGEMENT SERVICES**

RESOLUTION 221122-B

WHEREAS, on January 25, 2022, the Board authorized an Investment Transition Management Services Request for Proposal (RFP) to refresh LACERS' bench of transition managers; and,

WHEREAS, on July 12, 2022, the Investment Committee considered staff's evaluation report of the RFP respondents, including the five proposed semi-finalist candidates: Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC; and,

WHEREAS, staff subsequently conducted further due diligence on the semi-finalist candidates and deemed all five firms capable of providing investment transition management services to LACERS; and,

WHEREAS, on November 3, 2022, the Investment Committee interviewed the five semi-finalist candidates and advanced all five firms as finalist candidates for consideration by the Board for five-year contract awards; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to hire Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.;

The Northern Trust Company; and Russell Investments Implementation Services, LLC to comprise LACERS' bench of transition managers.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	The Northern Trust Company
<u>Service Provided:</u>	Investment Transition Management
<u>Approximate Effective Dates:</u>	February 1, 2023 through January 31, 2028
<u>Duration:</u>	Five years

**CONTRACT FOR
RUSSELL INVESTMENTS IMPLEMENTATION SERVICES, LLC
INVESTMENT TRANSITION MANAGEMENT SERVICES**

RESOLUTION 221122-B

WHEREAS, on January 25, 2022, the Board authorized an Investment Transition Management Services Request for Proposal (RFP) to refresh LACERS' bench of transition managers; and,

WHEREAS, on July 12, 2022, the Investment Committee considered staff's evaluation report of the RFP respondents, including the five proposed semi-finalist candidates: Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC; and,

WHEREAS, staff subsequently conducted further due diligence on the semi-finalist candidates and deemed all five firms capable of providing investment transition management services to LACERS; and,

WHEREAS, on November 3, 2022, the Investment Committee interviewed the five semi-finalist candidates and advanced all five firms as finalist candidates for consideration by the Board for five-year contract awards; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to hire Abel Noser, LLC; BlackRock Institutional Trust Company, N.A.; Citigroup Global Markets Inc.; The Northern Trust Company; and Russell Investments Implementation Services, LLC to comprise LACERS' bench of transition managers.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name: Russell Investments Implementation Services, LLC
Service Provided: Investment Transition Management
Approximate Effective Dates: February 1, 2023 through January 31, 2028
Duration: Five years

Which motion was seconded by Commissioner Sidley, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

C. INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Bryan Fujita, Investment Officer III, presented and discussed this item with the Board for 10 minutes. Commissioner Chao moved approval of the following Resolution:

**CONTRACT EXTENSION
AXIOM INVESTORS, LLC
ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 221122-C

WHEREAS, LACERS' current one-year contract extension with Axiom Investors, LLC (Axiom) for active non-U.S. emerging markets growth equities portfolio management expires on December 31, 2022; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom's performance with its stated growth strategy relative to its benchmark; and,

WHEREAS, on November 22, 2022, the Board approved the Investment Committee's recommendation to approve a one-year contract extension.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name: Axiom Investors, LLC
Service Provided: Active Non-U.S. Emerging Markets Growth Equities Portfolio Management
Effective Dates: January 1, 2023 through December 31, 2023
Duration: One year

Benchmark: MSCI Emerging Markets Index

Allocation as of
September 30, 2022: \$256 million

Which motion was seconded by Vice President Lee, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

- D. PRESENTATION BY AKSIA CA LLC OF THE PRIVATE EQUITY PROGRAM 2023 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Wilkin Ly, Investment Officer III, Trevor Jackson, Managing Director, and Jeff Goldberger, Managing Director, with Aksia CA LLC, presented and discussed this item with the Board for 30 minutes. Vice President Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$75 MILLION IN PLATINUM EQUITY CAPITAL PARTNERS VI, L.P. – Staff and the Board discussed this item with Aksia representatives. This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN AULDBRASS PARTNERS SECONDARY OPPORTUNITY FUND III, L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO €71.0 MILLION (APPROXIMATELY \$75.0 MILLION) IN EIGHTH CINVEN FUND (NO. 1) LIMITED PARTNERSHIP – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN SUNSTONE PARTNERS III-MAIN, LP – This report was received by the Board and filed.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 13, 2022, at 10:00 a.m. at LACERS, 202 W. 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XII

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 12:16 p.m.



Neil M. Guglielmo
Manager-Secretary



Nilza R. Serrano
President