



Investment Committee Agenda

REGULAR MEETING

TUESDAY, SEPTEMBER 10, 2019

TIME: 10:30 A.M. OR IMMEDIATELY FOLLOWING THE REGULAR BOARD MEETING

MEETING LOCATION:

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, CA 90012-4401

Live Committee Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Chair: Sung Won Sohn
Committee Members: Elizabeth Lee
Nilza R. Serrano
Manager-Secretary: Neil M. Guglielmo
Executive Assistant: Ani Ghoukassian
Legal Counselor: City Attorney's Office
Public Pensions General
Counsel Division

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 473-7169.

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
- II. [APPROVAL OF MINUTES FOR THE INVESTMENT COMMITTEE MEETING OF AUGUST 13, 2019 AND POSSIBLE COMMITTEE ACTION](#)
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. [PROXY VOTING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2018 TO JUNE 30, 2019](#)
- V. OTHER BUSINESS
- VI. NEXT MEETING: The next Regular Meeting of the Investment Committee is scheduled for Tuesday, October 8, 2019, in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.
- VII. ADJOURNMENT

Board of Administration Agenda

SPECIAL MEETING

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President: Cynthia M. Ruiz
Vice President: Michael R. Wilkinson

Commissioners: Annie Chao
Elizabeth Lee
Sandra Lee
Nilza R. Serrano
Sung Won Sohn

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

Legal Counsel: City Attorney's Office
Public Pensions General
Counsel Division

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VII. ADJOURNMENT

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

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California

August 13, 2019

Agenda of: Sept. 10, 2019

Item No: II

11:20 a.m.

PRESENT:	Chair:	Sung Won Sohn
	Committee Members:	Elizabeth Lee Nilza R. Serrano
	Commissioner:	(left at 11:30 a.m.) Cynthia M. Ruiz
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counselor:	James Napier

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

Commissioner Ruiz was present, this is considered a Special Meeting of the Board of Administration. Any votes will be taken by Investment Committee members only.

I

PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION – Chair Sohn asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there was no response and no public comment cards received.

II

APPROVAL OF REVISED MINUTES FOR THE SPECIAL MEETING OF JUNE 11, 2019 AND APPROVAL OF MINUTES FOR THE INVESTMENT COMMITTEE MEETING OF JULY 9, 2019 AND POSSIBLE COMMITTEE ACTION – A Motion to approve the revised minutes of June 11, 2019 and minutes of July 9, 2019 were moved by Committee Member Elizabeth Lee, and adopted by the following vote: Ayes, Committee Members Elizabeth Lee, Serrano and Chair Sohn –3; Nays, None.

III

CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, presented the Committee with the 12-month forward calendar for Investment Committee Agenda items. Neil M. Guglielmo, General Manager, stated that an Investment staff compensation analysis RFP will be released by LACERS soon.

Commissioner Ruiz left the Special Meeting at 11:30 a.m.

IV

INVESTMENT MANAGER CONTRACT WITH AQR CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. SMALL CAP EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION – Rod June, Chief Investment Officer, Eduardo Park, Investment Officer and Carolyn Smith, Partner with NEPC presented this item to the Committee. After discussion, Committee Member Elizabeth Lee moved approval and adopted by the following vote: Ayes, Committee Members Elizabeth Lee, Serrano and Chair Sohn –3; Nays, None.

V

INVESTMENT MANAGER CONTRACT WITH QUANTITATIVE MANAGEMENT ASSOCIATES, LLC REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKETS CORE EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION – Rod June, Chief Investment Officer, Eduardo Park, Investment Officer and Carolyn Smith, Partner with NEPC presented this item to the Committee. After discussion, Committee Member Serrano moved approval and adopted by the following vote: Ayes, Committee Members Elizabeth Lee, Serrano and Chair Sohn –3; Nays, None.

VI

SEMI-FINALISTS OF THE HIGH YIELD/BANK LOAN CREDIT INVESTMENT MANAGER SEARCH AND POSSIBLE COMMITTEE ACTION – Carolyn Smith and Kevin Novak with NEPC presented this item to the Committee. After discussion, Committee Member Serrano moved approval and adopted by the following vote: Ayes, Committee Members Elizabeth Lee, Serrano and Chair Sohn –3; Nays, None.

VII

ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM – Rod June, Chief Investment Officer and Saira Ghandi, Management Analyst presented this item to the Committee. The report was received by the Committee and filed.

VIII

OTHER BUSINESS – There was no other business.

IX

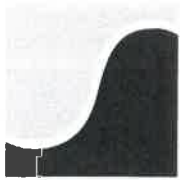
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VIII

ADJOURNMENT – There being no further business before the Committee, Chair Sohn adjourned the Meeting at 12:23 p.m.

Sung Won Sohn
Chair

Neil M. Guglielmo
Manager-Secretary



REPORT TO INVESTMENT COMMITTEE
From: Neil M. Guglielmo, General Manager

MEETING: SEPTEMBER 10, 2019
ITEM: IV

Neil M. Guglielmo

SUBJECT: PROXY VOTING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee receive and file this report.

Executive Summary

A summary of all votes cast for the period of July 1, 2018, through June 30, 2019.

Discussion

Institutional Shareholders Services, Inc. (ISS), LACERS' proxy voting agent, voted a total of 11,865 proxy ballots for 4,528 U.S. companies and 7,337 non-U.S. companies for the period of July 1, 2018, through June 30, 2019.

Staff has confirmed that all votes cast were in accordance with the LACERS Proxy Voting Policy. However, 64 votes (0.53%) were missed for reasons provided in the table below:

Number of Missed Votes	Explanation
32	No power of attorney on file at local sub-custodian
22	Ballots received after cutoff & meeting changes
4	Advance registration required
2	Do Not Vote instructions
2	Local sub-custodian service may not be covered by Sub as part of their standard offering
2	Voting requirement not met due to unclear instructions
64	Total missed votes

Strategic Plan Impact Statement:

Reviewing proxy voting information will assist LACERS with optimizing long-term risk adjusted investment returns (Goal IV) and upholding good governance practices which affirm transparency, accountability and fiduciary duty (Goal V).

Prepared by: Eduardo Park, Investment Officer I, Investment Division.

RJ/BF/EP:sg