

**REGULAR MEETING OF THE BOARD OF ADMINISTRATION OF THE  
WATER AND POWER EMPLOYEES' RETIREMENT PLAN**

**MINUTES**

**May 23, 2018**

**Board Members Present:**

Barry Poole, Vice President/Chair  
Adolfo Felix, Regular Member  
Timothy Hemming, Retiree Member  
Mario Ignacio, Chief Accounting Employee

**Board Members Absent:**

LaTanya Bogin, Member  
Aura Vasquez, LADWP Commissioner  
David H. Wright, General Manager

**Staff Present:**

Monette Carranceja, Asst. Retirement Plan Manager  
Jeremy Wolfson, Chief Investment Officer  
Mary E. Alvarez, Utility Executive Secretary

**Others Present:**

Joshua Geller, Deputy City Attorney

Vice President Poole called the meeting to order at 9:01 a.m.

Ms. Carranceja stated a quorum of the Board of Administration (Retirement Board) of the Water and Power Employees' Retirement Plan (Plan) was present.

**Public Comments**

Ms. Alvarez stated no requests for public comments were received.

**1. Approval of Minutes**

- a) April 11, 2008 Regular Meeting
- b) April 11, 2018 Special Meeting

**2. Termination from Rolls**

- a) Termination of Monthly Allowance from the April 2018 Retirement Roll
- b) Termination of Monthly Allowance from the May 2018 Retirement Roll

*Mr. Hemming moved that the Board approve Items 1 and 2; seconded by Mr. Ignacio.*

*Ayes: Felix, Hemming, Ignacio, Poole*

*Nays: None*

*Absent: Bogin, Vasquez, Wright*

*THE MOTION CARRIED.*

**3. Report of Payment Authorizations**

- a) February 2018
- b) March 2018
- c) April 2018

**4. Notice of Deaths**

- a) March 2018
- b) April 2018

**5. Investment Reports for March 2018**

- a) Summary of Investment Returns as of March 31, 2018
- b) Market Value of Investments by Fund and Month as of March 31, 2018

**c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of March 31, 2018**

- 6. Summary of Contract Expirations for May 2018**
- 7. Report on Status of Insurance for May 2018**
- 8. Articles of Interest**
- 9. Report on Real Estate Investment in Almanac Realty Securities VIII, L.P.**
- 10. Evaluation of City Attorney Services for the Period of January 1, 2018 through March 31, 2018**
- 11. Annual Presentation by Fred Alger & Company, Inc. – Large Cap Growth Manager**
- 12. Annual Presentation by T. Rowe Price Associates, Inc. – Large Cap Growth Manager**

*There being no discussion, Mr. Poole directed that Items 3 through 12 be filed.*

**13. Discussion of Consent to Assignment of Contract for Outside Tax Counsel Services**

Ms. Carranceja introduced Mr. Geller who presented the item to execute on behalf of Plan, an assignment of the current contract for legal services in specialized area of tax law, from Steptoe & Johnson LLP to Reed Smith LLP through the expiration of the current contract term. Mr. Geller further recommended that in the coming months, the Plan participate in a joint Request for Proposal (RFP) process with the other two City of Los Angeles retirement plans to refresh its bench of qualified law firms available to assist the City Attorney to provide expert, specialized tax law advice to the Plan, with the goal being to enter into new three-year contracts with multiple outside tax counsel firms in September of 2018.

Mr. Poole stated that he would like the Retirement Board to be more involved in the RFP process. Mr. Geller stated that the same RFP process for legal services would be followed and recommended discussion off-line to accommodate additional inquiries from the Retirement Board on the RFP process.

*Mr. Hemming moved that the Board approve Resolution No. 18-89; seconded by Mr. Ignacio.*

*Ayes: Felix, Hemming, Ignacio, Poole*

*Nays: None*

*Absent: Bogin, Vasquez, Wright*

*THE MOTION CARRIED.*

**14. Discussion of Contract Extension for Fred Alger Management, Inc. U.S. Large-Cap Growth Equity**

Mr. Wolfson briefly presented the request for contract extension with Fred Alger Management, Inc. (Alger), for an additional year beginning August 1, 2018 to July 31, 2019, during the RFP process for large-cap growth equity manager. Mr. Poole acknowledged Becky Gratsinger and Jeremy Miller of RVK, Inc. (RVK), the Plan's general consultant, who concurred with the contract extension.

Mr. Ignacio inquired about the length of a normal RFP process, and expressed concern about the duration of the current process. Mr. Wolfson responded on a typical RFP process which could take three to six months, and clarified that the specific case was considered a large mandate and received numerous responses which needed to be reviewed. In addition to performing due diligence there were quorum issues relating to scheduling.

*Mr. Hemming moved that the Board approve Resolution No. 18-90; seconded by Mr. Ignacio.*

*Ayes: Felix, Hemming, Ignacio, Poole*

*Nays: None*

*Absent: Bogin, Vasquez, Wright*

*THE MOTION CARRIED.*

Mr. Poole introduced and welcomed new board member, Adolfo Felix.

**15. Annual Presentation by Los Angeles Capital Management – Emerging Markets Equity Manager**

Hal Reynolds, Chief Investment Officer, and Matthew Stevens, Portfolio Management Associate, Los Angeles Capital Management, presented their firm's annual report on Emerging Markets Equity Manager.

**16. Annual Presentation by Wellington Management – Emerging Markets Equity Manager**

Charles Ruch, Managing Director, and Michael McElroy, Managing Director, Wellington Management, presented their firm's annual report on Emerging Markets Equity Manager.

**17. Presentation by Courtland Partners – 2017 Fourth Quarter Real Estate Portfolio Performance Report**

Mr. Wolfson briefed on the performance of the portfolio and introduced Mr. Tom Hester, Managing Director of StepStone Real Estate, formally known as Courtland Partners, who presented the 2017 Fourth Quarter Real Estate Portfolio Performance Report.

**18. Presentation by RVK, Inc. – 2018 First Quarter Real Return Portfolio Performance Report**

Mr. Wolfson briefly updated the status of the separation of the Plan's Hedge Funds from Real Returns, approved by the Retirement Board, and in relation to the current performance. Mr. Wolfson introduced Becky Gratsinger and Jeremy Miller of RVK, Inc. (RVK), who presented the 2018 First Quarter Real Return Portfolio Performance Report.

**19. Presentation by RVK, Inc. – 2018 First Quarter Portfolio Performance Report**

Mr. Wolfson briefed on the performance of the portfolio and introduced Ms. Gratsinger and Mr. Miller of RVK who presented the 2018 First Quarter Portfolio Performance Report.

The Board entered Closed Session at 10:16 a.m. to discuss the following:

**20. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.81 to Consider the Purchase of One Particular, Specific Pension Fund Investment**

Discussion held – action taken but not reportable.

**21. CLOSED SESSION – PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 to Confer with, or Receive Advice from, Legal Counsel Regarding the consolidated Class Action Against LendingClub Corporation Pending in the United States District Court, Northern District of California**

No discussion held.

The Retirement Board reconvened in Open Session at 10:42 a.m.

**22. Investment Reports for February 2018**

**a) Summary of Investment Returns as of February 28, 2018**

**b) Market Value of Investments by Fund and Month as of February 28, 2018**

**c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of February 28, 2018**

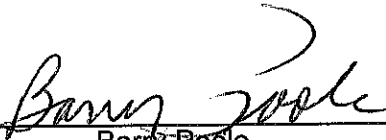

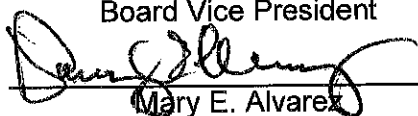
**23. Retirement Plan Manager's Comments**

There were no comments.

**24. Future Agenda Items**

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 10:44 a.m.

 _____ Barry Poole Board Vice President	<u>6/13/18</u> Date	 _____ Linda P. Le Retirement Plan Manager	<u>6/13/18</u> Date
 _____ Mary E. Alvarez Utility Executive Secretary	<u>6/13/18</u> Date		