

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
AD HOC EMERGING INVESTMENT MANAGERS COMMITTEE
ON MEETING OF APRIL 4, 2013

The Ad Hoc Emerging Investment Managers Committee and members of the Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, April 4, 2013.

COMMITTEE

MEMBERS PRESENT: Wayne Moore, Chair
Ruben Navarro
Belinda Vega

COMMITTEE MEMBERS

ABSENT: Raúl Pérez

AD HOC COMMITTEE

SUPPORT STAFF: Tom Lopez, Chief Investment Officer

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

William Raggio, Interim General Manager
Joseph Salazar, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Executive Administrative Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Chair Moore called the meeting to order at 12:46 p.m. All of the Committee members in attendance were present at the start of the meeting.

**1. PROPOSED EMERGING MANAGER POLICIES CONSOLIDATION AND POSSIBLE
COMMITTEE ACTION**

Messrs. Paul Palmer, Investment Officer II and Rick Rogers, Investment Officer III, from the Investments Division were before the Committee. Mr. Palmer presented the report and discussed the items that the Committee directed staff to report back on.

MOTION

Commissioner Navarro moved that the Ad Hoc Emerging Investment Managers Committee recommend that the Board approve:

1. The proposed consolidation of the Investment Policy language addressing Emerging Managers; and,
 2. The proposed graduation guidelines for Emerging Managers, which was seconded by Commissioner Vega and approved by the following votes: ayes, Commissioners Navarro, Vega, and Chair Moore – 3; nays, none.
2. PROPOSED MANAGER SELECTION AND RETENTION POLICY LANGUAGE ADDITION AND POSSIBLE COMMITTEE ACTION

Messrs. Paul Palmer and Rick Rogers were before the Committee. Mr. Palmer presented the report indicating the primary change in the policy was made in Section 8.2. It directs the General Consultant to provide a list of all the investment firms meeting the minimum qualifications. Staff updated the benchmarks in Appendix 1.

The Committee members discussed the intent of the policy change. The Committee members stated their opinion on the matter of the Board reviewing the list of investment managers for specific searches.

Commissioner Moore suggested codifying the Board's process of reviewing the list of investment managers.

Commissioner Vega suggested revising the language to Section 8.2, to read: "The General Consultant shall provide to the **Staff** (*deleting Board*), a list of all Investment Managers who have met the minimum search qualifications established by the Board," with the understanding that the Board is able to review the list.

Commissioner Navarro moved the staff recommendation as amended, replacing "Board" with "Staff" in Section 8.2.

MOTION

Commissioner Navarro moved that the Ad Hoc Emerging Investment Managers Committee recommend that the Board approve as amended, the proposed language additions and corrections to Section 8 – "Manager Selection and Retention" of the Board Investment Policies, which was seconded by Commissioner Vega and approved by the following votes: ayes, Commissioners Navarro, Vega, and Chair Moore – 3; nays, none.

Chair Moore requested as a future item - the issue of collecting information and presenting it to the Ad Hoc Committee on the performance of the managers in our Fund of Funds manager products, FIS Group (FIS) and Attucks Asset Management, LLC (Attucks); review their performance as the

managers; how much we are paying to FIS and Attucks; what is the value in the fees that we are paying them and the people below them.

Commissioner Vega stated the concerns of measuring the performance, as suggested by Commissioner Navarro.

Mr. Palmer stated he would discuss the issue with RV Kuhns and inform Chair Moore at the next Board meeting when to expect the report and the date of the next meeting.

Interim General Manager Raggio targeted the next meeting on May 16, 2013. He indicated that the Request For Proposal (RFP) is out for the Specialized Manager. He asked Ms. Erika Tiedge, Investment Officer II to report on the status of the outreach.


Ms. Tiedge stated that the RFP was posted at the LAFPP Web site; Los Angeles Business Assistance Virtual Network; *Pensions & Investments* publication; *Emerging Manager Monthly* newsletter; New American Alliance (NAA); National Association of Investment Companies (NAIC); and the Association of Asian American Investment Managers (AAIM). The responses are due April 26, 2013. Staff expects to report back in May or early June 2013.


Interim General Manager Raggio said that the additional advertising was expanded beyond what was previously done due to the Committee's initiation.

3. PUBLIC COMMENTS

There were no public comments.

The meeting adjourned at 1:07 p.m.


Chair


Secretary