

District Attorneys' Retirement System
Board of Trustees Meeting
June 26, 2023

The meeting of the Board of Trustees of the Louisiana District Attorneys' Retirement System was held on Monday, June 26, 2023, at 1:00 p.m. in conjunction with the LDAA Annual Conference at the Sandestin Resort in Destin, FL.

Present: Brad Burget, Don Burkett, Houston Gascon III, Todd Nesom, Scott Perrilloux, Andy Shealy, and Reed Walters

Also Present: Philip Qualls, Sharon Hill, Gwen Hicks, Tony Falterman, Darrell Ourso, and Theo Sanders

Present Via Webex: Aaron Vann, Cyndi McKinney, Alan Maples, and Ryan McDonald

Absent: David Burton, Rep. John Illg, Jr., and Senator Kirk Talbot

Roll call was conducted and there was a quorum.

Andy Shealy asked the group to review the agenda regarding the following two statements concerning conflicts disclosure:

- I have reviewed the agenda, and I have no conflicts of interest to disclose.
- If a conflict arises during this meeting, I will disclose it and take appropriate action to resolve it.

Mr. Shealy asked the group if anyone had any public comments. There were none.

A motion was made and seconded to approve the April 20, 2023, minutes as presented. The motion carried.

A motion was made and seconded to approve the financial statement for April 2023 and May 2023. The motion carried.

A motion was made, seconded, and unanimously approved to accept the following retirements.

- Thomas J. Barbera, retired effective 3/6/23, Maximum, benefit amount \$1,725.99;
- Roxanne Juneau, retired effective 4/29/23, Option 4, benefit amount \$7,478.06;
- Lawrence Babineaux, retired effective 3/1/2023, Option 3, benefit amount \$4,872.27;
- O'Neil Parenton, retired effective 3/1/2023, Option 2, benefit amount \$5,664.28;
- F. Steve Landreneau, retired effective 6/1/2023, Option 2, benefit amount \$4,941.40;
- Barron Burmaster, retired effective 5/18/2023, Option 2, benefit amount \$6,197.91;
- Monique Metoyer, retired effective 7/1/2023, Maximum, benefit amount \$9,706.64

No retiree deaths were reported.

Aaron Vann reported that the total portfolio appreciated 8.11% for the fiscal year beginning July 1, 2022, while the blended index has appreciated 10.07%. The total portfolio appreciated 4.66% for the 1st quarter ending March 31, 2023, while the blended index appreciated 5.55%. Updated year-to-date through June 22, 2023, the portfolio appreciated 6.86% while the blended index appreciated 8.28%. As of June 22, 2023, all assets total \$504,568,589.

Mr. Vann stated that the S&P 500 index is at an inflection point. He reported on the S&P 500 valuation measures and the P/E ratios and equity returns. He reviewed value vs. growth, small cap vs. large cap, returns and valuations by style and by sector.

After the U.S. economy recovered rapidly in 2021 following the pandemic, growth moderated in 2022. Going forward, there is an increased chance of recession as higher rates continue to weigh on the economy. As the Federal Reserve aggressively hiked interest rates in 2022, the front-end of the yield curve rose significantly. The back end of the curve rose as well, but has flattened as growth concerns weigh on long rates. Current yields are at some of their highest levels in the U.S. in the past decade, illustrating that the fixed income market now offers meaningful income, yield protection, and relatively attractive valuations. International equities are trading at a significant discount right now and they offer about a 1% yield pickup relative to U.S. equities on average.

Aaron Vann reviewed the portfolio asset allocation and performance summary stating that year-to-date we are at 6.86% with a global balanced benchmark of 8.28%.

Tony Falterman asked Mr. Vann about our Dorsey investments and if we have a new contact person at Dorsey since Steve Rueb's death. Mr. Vann stated that he is working with Chris Bravender and they are taking a team approach. A motion was made and seconded to have representatives from Dorsey attend our next meeting. The motion carried.

Todd Nesom asked Aaron Vann for the status on receiving audits from Rastegar. Philip Qualls stated that he has not received any in the DARS office. Mr. Vann stated that he will follow up and let the Board know the current status. Mr. Qualls stated that he will ask Rastegar's auditors directly when the reports will be completed. A motion was made and seconded to ask Ari Rastegar to attend the next meeting to discuss their audits and catching us up to the 7%. The motion carried.

Aaron Vann asked the Board to allow him to participate in the discussion on the investment discussion on whether to put out an RFP, as his right per R.S. 42:17A(1). The Board agreed.

Philip Qualls led a discussion on hiring general legal counsel. Prospects include Laura Gail Sullivan and Sherry Morris. Discussion was had. A motion was made and seconded to hire Laura Gail Sullivan at a rate of \$250/hour. She has more retirement and legislative experience. The motion carried.

Mr. Qualls led a discussion on the Ellison Travis settlement issue stating that Mr. Travis has agreed to a settlement amount of \$14,318.31 which adjusts for taxes he has paid on the additional income due to the overpayment. A motion was made and seconded to accept the settlement agreement as presented. The motion carried.

Philip Qualls led a discussion on the confirmed benefit of deceased active member Brian Mosley. Mr. Mosley was an active member that passed away on 03/11/23. He was 55 years old and had 16.20 years of service. Our system statutes dictate that we treat a deceased member with surviving spouse as eligible to retire and have exercised option 2, and to pay such benefits as though the member had retired on the day following their death. The statute also dictates that the benefit payment should be calculated based on service through they would first become eligible to retire. In Mr. Mosley's case, he is first eligible to retire under the early retirement guidelines, not the normal retirement threshold. Both early retirement and normal retirement fall under the section, RS 1632(B), referenced in calculating the benefit to a surviving spouse. Under early retirement, the member takes a three percent reduction in benefit for each year retirement is taken before normal retirement. In Mr. Mosley's case, this is close to nine percent. Under the above interpretation, this would result in a benefit payment to Susan Mosley of \$4,086.31. Discussion was had. A motion was made and seconded to approve the actuarial calculation as presented. The motion carried.

June 26, 2023

DARS Board of Trustee Meeting

Page 3

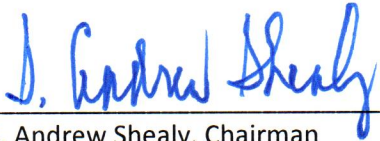
Discussion was had on whether we need to put the investment consultant out on RFP as a fiduciary duty to review major contracts. DARS has recently done this with the auditing contract and with the custodian bank. Aaron Vann stated that in 2021, DARS performed an in-depth study and renegotiated VEM's contract down \$100K annually. Discussion was had. A motion was made and seconded as part of the Board's due diligence to put out an RFP. The motion carried with Reed Walters and Houston Gascon opposing.

Mr. Reed Walters commented that we need to review our current Investment Policy Statement. Mr. Qualls agreed as there were some technical changes that could be made, such as GIPS being referred to as General Investment Performance Standards instead of Global Investment Performance Standards. Mr. Qualls also indicated that recommended changes to the IPS could be incorporated into the Investment Consultant search process.

Discussion on the DARS website was deferred until the next meeting.

Tony Falterman asked Philip Qualls if he plans to continue the DARS newsletter, The Prosecution Rests. Mr. Qualls stated that he plans to continue the newsletter.

Discussion was had on whether to hold the next meeting at the LAPERS Seminar in New Orleans, LA. A motion was made and seconded to hold the meeting on Sunday, September 10, 2023, prior to the beginning of the LAPERS Seminar at the Roosevelt Hotel in New Orleans, LA.



S. Andrew Shealy, Chairman



Philip Qualls, Director