

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**Upon Adjournment of Executive Committee – Tuesday**  
**April 3, 2012**

**MEMBERS PRESENT:** Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Darryl C. Kilbert, Robert Lawyer, Jim Napper (Treasurer's Designee), John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Representative J. Kevin Pearson, and State Superintendent John White

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Roth Aymond, Trudy Berthelot, Dana Brown, Maurice Coleman, Jeff LaCour, Melinda Parker, Matt Tessier, Katherine Whitney, Laurie Wright, Charlene Wilson, Melanie Soileau, Rebecca Chapman, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates and Anna Dearmon, Louisiana Division of Administration

Each member of the Board received the following:

1. *April 2012 Board Book*
2. *Investment Committee Meeting April 2, 2012, Performance Report–February 29, 2012*
3. Investment Committee Presentation Booklets from Hewitt EnnisKnupp; LSV Asset Management; Brown Investment Advisory Incorporated; and The Boston Company Asset Management.
4. Memorandum of March 26, 2012 from Strasburger Attorneys at Law to the Office of the Legislative Auditor, regarding the Likelihood of Litigation Resulting from Proposed Legislation Affecting Public Pension Benefits
5. April 3, 2012 Legislative Committee handout - *2012 Regular Legislative Session "New" Legislation Affecting TRSL as of April 2, 2012*
6. April 3, 2012 Legislative Committee handout - *2012 Regular Legislative Session Legislation Affecting TRSL as of April 2, 2012*
7. Letter of March 23, 2012 from Susan S. Bohall to Maureen H. Westgard, and March 28, 2012 response to Ms. Bohall from Ms. Westgard regarding a refund on service credit purchase

8. Article titled "Simple solution to retirement dilemma" that appeared March 21, 2012 in the Daily Comet ([www.dailycomet.com](http://www.dailycomet.com), Houma, LA)
9. Article titled "Column Based on Flawed Logic" that appeared March 28, 2012 in Houma Today ([www.houmatoday.com](http://www.houmatoday.com), Houma, LA)
10. Article titled "Redefining State Retirement" that appeared March 12, 2012 on the Louisiana Public Broadcasting website ([www.lpb.org](http://www.lpb.org))
11. Article titled "By the Numbers" that appeared March 12, 2012 in the Business Report ([www.businessreport.com](http://www.businessreport.com), Baton Rouge, LA)
12. Article titled "State employee retirement age proposal could see some changes" that appeared March 24, 2012 in The Advocate ([www.theadvocate.com](http://www.theadvocate.com), Baton Rouge, LA)
13. Article titled "What guaranteed benefits mean" that appeared on the C. B. Forgoston website ([www.forgotston.com](http://www.forgotston.com))
14. Article titled "Is anything guaranteed" that appeared March 19, 2012 in the Business Report ([www.businessreport.com](http://www.businessreport.com), Baton Rouge, LA)
15. Article titled "Inside Report" that appeared March 22, 2012 in The Advocate ([www.theadvocate.com](http://www.theadvocate.com), Baton Rouge, LA)
16. Article titled "PREDICTIONS FOR MONDAY" that appeared March 23, 2012 on The Political Desk website ([www.thepoliticaldesk.com](http://www.thepoliticaldesk.com))
17. Article titled "Legislature in brief March 25, 2012" that appeared March 24, 2012 in the Daily Comet ([www.dailycomet.com](http://www.dailycomet.com), Houma, LA)
18. Article titled "District 24 residents want action on health care, schools" that appeared March 25, 2012 in the Daily World ([www.dailyworld.com](http://www.dailyworld.com), Opelousas, LA)
19. Article titled "Here's a warm fuzzy for every state civil service worker: Jindal buying back time to enhance his own retirement" that appeared March 26, 2012 on the Louisiana Voice website ([www.louisianavoice.com](http://www.louisianavoice.com))
20. Article titled "DuBos: A solution to state's growing debt of retirement systems" that appeared March 27, 2012 on the WWL TV website ([www.wwltv.com](http://www.wwltv.com))
21. Article titled "Private equity buoys pension fund returns" that appeared March 21, 2012 on the Pensions & Investments website ([www.pionline.com](http://www.pionline.com))
22. Article titled "Public Pension Fixes Can Fill Gaps and Avoid a Big Ruckus" that appeared March 25, 2012 on the Bloomberg website ([www.bloomberg.com](http://www.bloomberg.com))
23. Article titled "GAO Report Documents Viability of Public Pension" that appeared March 26, 2012 on the National League of Cities website ([www.nlc.org](http://www.nlc.org))
24. Article titled "COMMENTARY: Actuaries ponder 'pension funding to avoid run'" that appeared March 26, 2012 on the Watchdog website ([www.watchdog.org](http://www.watchdog.org))
25. Article titled "The Pension Wars" that appeared March 27, 2012 on the Huffington Post website ([www.huffingtonpost.com](http://www.huffingtonpost.com))
26. Article titled "Pfizer, Execs Can't Duck Securities Class Action" that appeared March 27, 2012 on the Courthouse News Service website ([www.courthousenews.com](http://www.courthousenews.com))

Mrs. Baker called the meeting to order at 10:30 a.m. Mr. Lawyer led the Pledge of Allegiance. The secretary called the roll and a quorum was established.

**Approval of the Minutes of the Meeting of the TRSL Board of Trustees Held March 6, 2012 (Including Minutes of Committee Meetings Held March 5 & 6, 2012)**

ON MOTION OF MRS. GILDIG, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held March 6, 2012 (including minutes of committee meetings held March 5 & 6, 2012).

**Investment Committee Report**

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

**Legislative Committee Report**

ON MOTION OF DR. BAKER, SECONDED BY MRS. HAYNES, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

*Mr. Lawyer in the Chair.*

**Executive Committee Report**

ON MOTION OF MRS. BAKER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

*Mrs. Baker in the Chair.*

**Introduction of Newly Hired TRSL Staff**

Mrs. Vicknair introduced Melanie Soileau and Rebecca Chapman, Retirement Benefit Analysts, who were hired during the first quarter of 2012.

### **Director's Update**

Ms. Westgard updated the Board on the following items.

- ESS Project – Louisiana Tech, Office of Juvenile Justice, and Board of Regents cleared 100% of their Questionable Years of Service Credit
- Certificate of recognition from Tara High School for TRSL's high school internship program
- Letter received and TRSL's response regarding transfer of service credit

### **Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Board voted to adjourn at 10:45 a.m.

**Teachers' Retirement System of Louisiana**  
**Subcommittee to Review Responses to SFP for Emerging Market Debt Managers**  
**9:00 a.m. – Monday**  
**April 2, 2012**

**MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Dr. Sheryl R. Abshire, Robert Lawyer, and Superintendent Darryl C. Kilbert

**MEMBERS ABSENT:** Jim Napper (Treasurer's Designee)

**OTHER MEMBERS PRESENT:** Anne H. Baker, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopridger, Hewitt EnnisKnupp

**1. Roll Call**

Dr. Baker called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established.

**2. Review Proposals and Recommend Finalists to be Interviewed**

Phil Griffith, TRSL, and Scott Coopridger, Hewitt EnnisKnupp presented an overview of the responses to the Emerging Market Debt Manager SFP for the following firms:

Pacific Investment Management Company (PIMCO)  
Pictet Asset Management, Ltd.  
Western Asset Management Company  
Standish Mellon Asset Management Company  
Investec Asset Management U.S. Ltd.  
Franklin Templeton Investment Management

ON MOTION OF DR. ABSHIRE, SECONDED BY SUPERINTENDENT KILBERT AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Emerging Market Debt Managers: Franklin Templeton Investment Management, Pacific Investment Management Company (PIMCO) and Western Asset Management Company.

**3. Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 10:15 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
Upon Adjournment of the Subcommittee to Review Responses to Solicitation for  
Proposal for Emerging Market Debt Managers – Monday  
April 2, 2012**

**MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Robert Lawyer, Kathy Hattaway, Superintendent Darryl C. Kilbert, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., and Anne H. Baker,

**MEMBERS ABSENT:** Senator Elbert Guillory, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, John G. Parauka, and Carlos J. Sam

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy A. Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopriider and Russ Ivinjack, Hewitt EnnisKnupp; James Owens, LSV Asset Management; Eric Gordon and Mary Gregory, Brown Investment Advisory Incorporated; Elizabeth Slover, Ryan Fitzpatrick, and George C. Saffaye, The Boston Company Asset Management

**Roll Call**

Dr. Abshire called the meeting to order at 10:25 a.m. The secretary called the roll and a quorum was established.

**Report of the Subcommittee to Review Responses to Solicitation for Proposal for Emerging Market Debt Managers**

Dr. Baker presented the report of the Subcommittee to Review Responses to the Emerging Market Debt Manager Solicitation for Proposal.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Emerging Market Debt Manager SFP:

“ON MOTION OF DR. ABSHIRE, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Emerging Market Debt Managers: Franklin Templeton Investment Management, Pacific Investment Management Company (PIMCO) and Western Asset Management Company:”

**Quarterly Transaction Summary of Alternative Assets & Real Estate Investments (for period ended December 31, 2011)**

Maurice Coleman presented the Quarterly Transaction Summary of Private Market Investments (for the period ended December 31, 2011).

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Private Market Investments (for the period ended December 31, 2011).

**Appointment of Subcommittee to Review Responses to Solicitation for Proposal (SFP) for Hedge Fund Investment Consultant**

Dr. Abshire appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Hedge Fund Investment Consultant: Mr. Lawyer as Chair, Ms. Hattaway, Dr. Baker, Mr. Napper, and Dr. Abshire.

**Presentation and Approval of Solicitation for Proposal (SFP) for Core Fixed Income Managers**

Mr. Griffith presented the SFP for Core Fixed Income Managers.

ON MOTION OF MRS. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the SFP for Core Fixed Income Managers.

## **Investment Policy Statement**

### a. Approval of Investment Objectives Section

Ms. Whitney presented the Investment Policy Statement Investment Objectives Section that was received at the March 2012 Investment Committee meeting.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the Investment Policy Statement Investment Objectives Section.

### b. Presentation and Review of Asset Allocation Guidelines Section (for subsequent approval at May 2012 Investment Committee meeting).

Ms. Whitney presented the Investment Policy Statement Investment Asset Allocation Guidelines Section.

ON MOTION OF MR. POTTS, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to receive the Investment Policy Statement Asset Allocation Guidelines Section (for subsequent approval at May 2012 Investment Committee meeting).

## **Public Market Update and Review of TRSL Investments**

Mr. Griffith presented an overview of TRSL's total plan and public market investments. Mr. Coopriider and Mr. Ivinjack presented Hewitt EnnisKnupp's April 2, 2012 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through February 29, 2012.

### **Portfolio Reviews: Domestic Equity**

Mr. Coopriider and Mr. Ivinjack, Hewitt EnnisKnupp; and Dana Brown reviewed Domestic Equity Portfolio Managers: Large Cap Value - LSV Asset Management; and Large Cap Growth - Brown Investment Advisory Incorporated and The Boston Company Asset Management, LLC.

The following representatives presented their respective firm's portfolio review: James Owens, LSV Asset Management; Eric Gordon and Mary Gregory, Brown Investment Advisory Incorporated; and Elizabeth Slover, Ryan Fitzpatrick, and George C. Saffaye, The Boston Company Asset Management.

**Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 2:00 p.m.

**Teachers' Retirement System of Louisiana**  
**Legislative Committee**  
**8:30 a.m. – Tuesday**  
**April 3, 2012**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Anne H. Baker, Joyce P. Haynes, and John G. Parauka
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Holly B. Gildig, Kathy Hattaway, David A. Hennigan, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Roth Aymond, Trudy Berthelot, Jim Buras, Jeff LaCour, Melinda Parker, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; Anna Dearmon, Louisiana Division of Administration; and Graig Luscombe, Louisiana Retired Teachers' Association

**Roll Call**

Dr. Baker called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mrs. Haynes and Mr. Parauka to serve on the Committee as alternates for Dr. Abshire and Mr. Sam.

**Update on Legislative and Executive Committee Meetings**

Ms. Westgard updated the Committee on the following meetings:

- a. PRSAC – March 8, 2012
- b. House Retirement Committee Meetings, March 15 and 29, 2012
- c. Senate Retirement Meetings, March 19 and 26, and April 2, 2012

Ms. Westgard updated the Committee on a report that was requested by the Legislative Auditor regarding potential constitutional issues related to legislation.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. POTTS, and CARRIED, the Committee voted to request, jointly with LASERS, outside counsel Robert Klausner to provide a memorandum on the potential constitutional issues arising from the proposed retirement bills filed in the current legislative session.

### **Discussion and Review of Legislation for the 2012 Regular Legislative Session**

#### **a. Legislation Affecting TRSL**

Ms. Westgard updated the Committee on legislation affecting TRSL that has been filed since the March Legislative Committee meeting.

#### **Compliance with Applicable Tax Law**

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to **support** HB 1048 by Representative Pope.

#### **Benefit Structure Changes**

ON MOTION OF MR. POTTS, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **oppose** HB 985 by Representative Thompson.

#### **DROP**

ON MOTION OF MR. POTTS, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **oppose** HB 1004 by Representative Talbot.

#### **Permanent Benefit Increase**

ON MOTION OF MR. POTTS, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to **defer action** on HB 1018 by Representative Pearson.

#### **Charter School Employee Participation**

ON MOTION OF MR. PARAUKA, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to **support** HB 1062 by Representative Jones.

- b. Ms. Whitney reviewed legislation being monitored by TRSL.
- c. Ms. Westgard updated the Committee on legislation in which action was deferred.
- d. Ms. Westgard updated the Committee on the budget.

**Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 9:45 a.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Tuesday  
April 3, 2012**

**MEMBERS PRESENT:** Anne H. Baker, Dr. William C. "Bill" Baker, Robert Lawyer, Joyce P. Haynes, Kathy Hattaway, and Superintendent Darryl C. Kilbert

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire

**OTHER MEMBERS PRESENT:** Holly B. Gildig, David A. Hennigan, Jim Napper (Treasurer's Designee), John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Trudy Berthelot, Dana Brown, Jim Buras, Maurice Coleman, Jeff LaCour, Melinda Parker, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; and Anna Dearmon, Louisiana Division of Administration

**Roll Call**

Mrs. Baker called the meeting to order at 9:50 a.m. The secretary called the roll and a quorum was established.

**Presentation and Approval of Audit Reports by TRSL Audit Staff**

Mr. LaCour presented Compliance Audit Reports – Retirees Returning to Work and Limited Scope Reviews.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the committee voted to approve the Audit Reports as presented.

### **Presentation of Quarterly Litigation Reports**

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF SUPERINTENDENT KILBERT, SECONDED BY MR. LAWYER, AND CARRIED, the committee voted to receive the Quarterly Litigation Reports.

### **Update on Charter School Participation in TRSL**

Mr. Mongrue presented an update on charter school participation in TRSL.

### **Update on Potential Litigation Regarding:**

- a. Priestley School of Architecture and Construction, Inc.
- b. Firstline Schools, Inc. – John Dibert Community School
- c. Algiers Charter School Association

Mrs. Baker asked for a motion to convene into Executive Session.

DR. BAKER MOVED AND MRS. HAYNES SECONDED A MOTION to convene into Executive Session to discuss potential litigation regarding Firstline Schools, and Algiers Charter Association, and that Ms. Westgard, Mr. Cagle, Ms. Whitney, and Mr. Mongrue remain in the room.

A roll-call vote was taken. The vote was unanimous and the Committee convened into Executive Session.

DR. BAKER MOVED AND MRS. HAYNES SECONDED A MOTION to reconvene into Regular Session.

A roll-call vote was taken. The vote was unanimous. The committee reconvened into Regular Session.

### **Adjournment**

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 10:25 a.m.