

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809**  
**Upon Adjournment of Executive Committee - Friday**  
**December 6, 2019**

**MEMBERS PRESENT:** Dr. Jerry Baudin, David Hennigan, Ricky Julien, Sr., Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Jim Napper (Treasurer's Designee), Dr. Paul Nelson, Neshelle Nogess, John Parauka, Suzette Riddle, Dr. Tom Stafford, and Dr. James Taylor

**MEMBERS ABSENT:** Holly Gildig, Senator Barrow Peacock, Representative J. Kevin Pearson, Kelly Thompson, and State Superintendent John White

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Douglas Swenson, Lisa Honore, Ed Branagan, Dana Brown, Maurice Coleman, Andrea Guntz, Kyle Haas, Lynnne Johnson, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Luis Welchez, Charlene Wilson, Laurie Wright, and Lisa Barousse

**OTHERS PRESENT:** Lotte Delaney, TRSL District 2 Trustee-elect; Vanessa Hennigan; and Nancy Parauka

Each member of the Board received the following:

1. December 2019 Board Book
2. Investment Committee Meeting December 5, 2019, Performance Report – October 31, 2019
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; Aon Hewitt Investment Consulting, Inc.; Castllake; Mercer; and BNY Mellon
4. *Teachers' Retirement System of Louisiana 2019 Asset Liability Projection Baseline Scenario, December 6, 2019 and Overview of the Teachers' Retirement System of Louisiana Asset Liability Study – Baseline Scenario, December 6, 2019 – Shelley Johnson, Foster & Foster Actuaries and Consultants*
5. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Years Ended June 30, 2019 and 18*

Dr. Baudin called the meeting to order at 10:45 a.m. Ms. Nogess 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 November 7, 2019 (Including Minutes of Committee Meetings held November 7, 2019)**

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held November 7, 2019 (including Minutes of Committee Meetings held November 7, 2019).

**Elections Committee Report**

ON MOTION OF DR. TAYLOR, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to accept the report of the Elections Committee and to approve the recommendations contained therein.

**Investment Committee Report**

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

**Executive Committee Report**

ON MOTION OF DR BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

**Presentation and Approval of the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Years Ended June 30, 2019 & 2018**

Charlene Wilson presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Years Ended June 30, 2019 & 2018.

ON MOTION OF DR. MILLS, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to approve the Comprehensive and Popular Annual Financial Reports as presented.

**Director's Update**

Mrs. Vicknair updated the Board on the following items:

- PRSAC Meeting, December 18, 2019 – review of TRSL valuation

### **Presentation of Resolution Honoring John Parauka**

Dr. Baudin presented a Resolution honoring John Parauka for his years of service on the TRSL Board of Trustees. Mr. Parauka thanked staff and Board members for their time and service while he has served on the Board.

ON UNANIMOUS MOTION AND SECOND, the Resolution will be duly recorded in the Minutes of this meeting.

### **Board Chair Comments**

Dr. Baudin presented comments on TRSL's accomplishments and challenges of 2019.

### **Adjournment**

ON MOTION OF MR. PARAUKA, SECONDED BY MS. NOGESS, AND CARRIED, the Board voted to adjourn at 11:25 a.m.

# Resolution

**WHEREAS**, John G. Parauka has served as a member of the Board of Trustees of the Teachers' Retirement System of Louisiana for eight years, from January 5, 2012, through December 31, 2019, representing active members employed in Orleans, St. Tammany, and Washington parishes; and

**WHEREAS**, during his time on the board, Mr. Parauka served with distinction on the Budget & Finance, Elections, Executive, Investment, Legislative, Membership & Entitlements, and Personnel committees, and held the positions of vice chair of the Elections committee and chair of the Membership & Entitlements committee; and

**WHEREAS**, Mr. Parauka has been a commendable trustee, providing strong leadership that has enabled the System to continue to be recognized for excellence in the areas of pension administration and investment performance; and

**WHEREAS**, Mr. Parauka has been a constant and credible advocate for retirement benefits that meet the needs of the educational community, including supporting legislation that ensures the continued fiscal soundness of the System, while opposing efforts that sought to negatively affect the efficacy of the plan or its operational and investment functions; and

**WHEREAS**, Mr. Parauka has worked diligently to strengthen the System's investment position, which has enabled the program to achieve remarkable returns and record assets, most notably during FY 2018 when the System's 11.56% market return made TRSL the highest performing pension fund among public plans with assets greater than \$1 billion, and whose staunch support of sound investment principles resulted in a growth of System assets from \$14.2 billion in FY 2012 to an all-time high of \$21.2 billion in FY 2019; and

**WHEREAS**, during Mr. Parauka's tenure on the Board, he has steadfastly exhibited a commitment to preserving the defined benefit as the appropriate retirement plan structure for career educators and their beneficiaries; and

**WHEREAS**, Mr. Parauka has dedicated 45 years of service to the educational community, making a meaningful impact in the public schools of Orleans Parish, where he is a teacher, and coordinator for both student activities and alumni at Benjamin Franklin High School; and

**WHEREAS**, Mr. Parauka's service to the Teachers' Retirement System of Louisiana has been characterized by his dedicated and uncompromising commitment to honor, duty, and excellence; now, therefore, be it

**Resolved**, That the Board of Trustees of the Teachers' Retirement System of Louisiana, on this sixth day of December 2019, hereby expresses its appreciation to Mr. Parauka for eight years of dedicated service to the System as a trustee and fiduciary; and be it further

**Resolved**, That this Resolution be presented to Mr. Parauka, and that it be duly recorded in the minutes of the Board.

*Jerry J. Baudin, Ph.D., TRSL Board Chair*

**Teachers' Retirement System of Louisiana  
Elections Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809  
10:00 a.m. – Thursday  
December 5, 2019**

**MEMBERS PRESENT:** Dr. James Taylor, Neshelle Nogess, Holly Gildig, Ricky Julien, Sr., Suzette Riddle, Dr. Tom Stafford, Dr. Jerry Baudin, and Rick McGimsey (Commissioner's Designee)

**MEMBERS ABSENT:** Kelly Thompson

**OTHER MEMBERS PRESENT:** David Hennigan, Jim Napper (Treasurer's Designee), Dr. Paul Nelson, and John Parauka

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Douglas Swenson, Lisa Honore, Ed Branagan, Dana Brown, Maurice Coleman, Andrea Guntz, Kyle Haas, Steve Marangos, Davorio Stevenson, Matt Tessier, Charlene Wilson, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Lotte Delaney, TRSL District 2 Trustee-elect

**Roll Call**

Dr. Taylor called the meeting to order at 10:00 a.m. The secretary called the roll and a quorum was established. Dr. Taylor appointed Mr. McGimsey to serve on the Committee as an alternate for Mrs. Thompson.

Mrs. Vicknair introduced Lotte Delaney, Trustee-Elect for District 2.

**Receive Run-off Election Results for District 4**

Dr. Taylor read the election results for District 4 as follows:

	<b>District 4</b>	<b>Number</b>	<b>Percentage</b>
1.	Cynthia Henderson	117	45%
2.	David Hennigan	143	55%

Mr. Hennigan was elected with 55% of the votes.

ON MOTION OF MS. NOGESS, SECONDED BY MR. JULIEN, AND CARRIED, the Committee voted to receive and approve the runoff election results for District 4 for the term January 1, 2020 through December 31, 2023.

**Adjournment**

ON MOTION OF DR. BAUDIN, SECONDED BY MR. MCGIMSEY, AND CARRIED, the Committee voted to adjourn at 10:06 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809  
Upon Adjournment of Elections Committee – Thursday  
December 5, 2019**

- MEMBERS PRESENT:** Holly Gildig, David Hennigan, Jim Napper (Treasurer's Designee), Dr. Paul Nelson, Dr. James Taylor, Neshelle Nogess, John Parauka, Rick McGimsey (Commissioner's Designee), and Dr. Jerry Baudin
- MEMBERS ABSENT:** Senator Barrow Peacock and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Ricky Julien, Sr., Suzette Riddle, and Dr. Tom Stafford
- STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Douglas Swenson, Lisa Honore, Ed Branagan, Dana Brown, Maurice Coleman, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Lotte Delaney, TRSL District 2 Trustee-elect; Paul Yett and Matt Silverio, Hamilton Lane Advisors, LLC; Rory O'Neill and Gina Lee Peyton, Castlelake; Scott Coopriider, Jaz Thandie, and Rishi Delvadia, Aon Hewitt Investment Consultants, Inc.; Andrew Ness and Will Dillard, Mercer; and Ray Kronz and Mike McDermott, BNY Mellon

**Roll Call**

Mrs. Gildig called the meeting to order at 10:08 a.m. The secretary called the roll and a quorum was established.

**Private Market Update and Review of Potential Private Market Investments**

Paul Yett and Matt Silverio of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items. Mr. Yett presented the private market update.

Mr. Yett reviewed a potential investment in Castlelake Aviation IV Stable Yield, L.P. Rory O'Neill and Gina Lee Peyton of Castlelake appeared before the Committee to give a presentation on the fund.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report including the due-diligence process dated December 5, 2019, pertaining to investments in Castlelake Aviation IV Stable Yield, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Silverio reviewed a potential investment in Kohlberg Investors IX, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report including the due-diligence process dated December 5, 2019, pertaining to investments in Kohlberg Investors IX, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Silverio reviewed TRSL 2020 Venture Capital Separate Account.

ON MOTION OF MS. NOGESS, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve Hamilton Lane's recommendation relative to establishing a 2020 calendar year Separate Account Structure to Venture Capital/Growth Equity (up to \$100 million) and releasing up to \$300 thousand unused 2019 Venture Capital Growth Equity Separate Account allocation, as outlined in their presentation.

### **Summary of Alternative Assets and Real Estate (for period ended 09/30/19)**

Mr. Coleman presented the Summary of Alternative Assets and Real Estate (for period ended September 30, 2019).

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to receive the report as presented.

### **Optional Retirement Plan - Mercer**

Mrs. Vicknair gave a brief overview of the process related to fund lineup changes in the Optional Retirement Plan (ORP). Andrew Ness and Will Dillard of Mercer presented ORP fund lineup changes and the Quarterly Review for period ended September 30, 2019.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. MCGIMSEY, AND CARRIED, the Committee voted to receive the fund lineup changes as presented.



ON MOTION OF MR. HENNIGAN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the Quarterly Review for period ended September 30, 2019, as presented.

**Capital Market Assumption Fundamentals - Aon Hewitt**

Jaz Thandie, Scott Coopriker, and Rishi Delvadia of Aon Hewitt presented *Capital Market Assumption Fundamentals*. The presentation qualified for three-quarters of an hour of Investment Education.

**Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2020**

Mr. Griffith presented the Schedule of Manager Portfolio Reviews for 2020.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2020.

**Presentation and Approval of the Schedule of Investment Searches for 2020**

Mr. Griffith presented the Schedule of Investment Searches for 2020.

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2020.

**Presentation of Annual Investment Manager Proxy Voting Report**

Davorio Stevenson presented the annual investment manager proxy voting report.

ON MOTION OF MS. NOGESS, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the annual investment manager proxy voting report.

**Annual Review and Update on Securities Lending**

Mike McDermott and Ray Kronz of BNY Mellon appeared before the Committee to give a review and update on securities lending. The presentation qualified for three-quarters of an hour of Investment Education.

ON MOTION OF DR. NELSON, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the annual review and update on securities lending.

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

Mr. Coopriider presented Aon Hewitt's Quarterly Investment review for period ended September 30, 2019. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider presented Aon Hewitt's December 5, 2019 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through October 31, 2019.

Mr. Delvadia presented a review of Alliance Bernstein's U.S. SMID Cap Growth Strategy as currently utilized by TRSL, and recommended moving from U.S. SMID Cap Growth Strategy to the U.S. Small Cap Growth Strategy to more closely align the mandate to the preferred benchmark (Russell 2000 Growth Index).

ON MOTION OF DR. BAUDIN, SECONDED DR. NELSON, AND CARRIED, the Committee voted to approve the recommendation as presented.

### **Adjournment**

ON MOTION OF MS. NOGESS SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 3:30 p.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809  
9:00 a.m. – Friday  
December 6, 2019**

**MEMBERS PRESENT:** Dr. Jerry Baudin, David Hennigan, Neshelle Nogess, John Parauka, and Ricky Julien, Sr.

**MEMBERS ABSENT:** Holly Gildig,

**OTHER MEMBERS PRESENT:** Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Jim Napper (Treasurer's Designee), Dr. Paul Nelson, Suzette Riddle, Dr. Tom Stafford, and Dr. James Taylor

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Douglas Swenson, Lisa Honore, Ed Branagan, Dana Brown, Maurice Coleman, Andrea Guntz, Kyle Haas, Robyn Jenkins-King, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Lotte Delaney, TRSL District 2 Trustee-elect; Shelley Johnson, Foster & Foster, Actuaries and Consultants; and Renee Siccone, Louisiana Retired Teachers' Association

**Roll Call**

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

**Presentation of Asset Liability Study – Shelley Johnson, Foster & Foster Actuaries and Consultants**

Shelley Johnson, Foster & Foster Actuaries and Consultants, presented *TRSL Asset Liability Projection Baseline Scenario*. The presentation qualified as one hour of actuarial education for Trustees.

**Presentation and Review of Board Governance Policies 100.1 (Board Creation, Introduction, Purpose, and Definitions), 100.2 (Board Membership, Term, Duration, and Vacancy), 100.3 (Election of Trustees), and 100.4 (Election of Officers, Duties, and Vacancies)**

Ms. Whitney explained the process by which the Committee will review Board Governance Policies to ensure the policies accurately reflect statutory requirements and board practice.

Dr. Honore' reviewed Policies 100.1, 100.2, 100.3, and 100.4; and proposed revisions to Policies 100.2 and 100.3.

ON MOTION OF MS. NOGESS, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the proposed revisions to Board Governance Policies 100.2 and 100.3 for approval in January.

**Presentation and Review of Administrative Rules: Chapter 9 (Computation of Final Average Compensation) and Chapter 5 (Deferred Retirement Option Plan (DROP))**

Mr. Swenson informed the Committee that as part of the balanced scorecard project, the Legal Department has been tasked with conducting a comprehensive review of TRSL's administrative rules to update, add, or repeal rules as necessary.

Mr. Swenson reviewed Administrative Rules: Chapter 9 (Computation of Final Average Compensation) and Chapter 5 (Deferred Retirement Option Plan (DROP)). Staff recommended repealing Chapter 9 and amending Chapter 5.

ON MOTION OF MS. NOGESS, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the proposed rules as presented for approval in January.

**Discussion of Incorporation of the City of St. George**

Mr. Swenson updated the Committee on the incorporation of the City of St. George as it affects TRSL.

ON MOTION OF MS. NOGESS, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to authorize the Director and Executive Counsel to represent TRSL in the filing of a petition for annexation into the City of Baton Rouge and to keep the Board apprised of any action related to this matter.

**Presentation of TRSL Board of Trustees Self-Evaluation**

Dr. Baudin presented the 2019 TRSL Board of Trustees Self-Evaluation.

ON MOTION OF MR. PARAUKA, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to receive the report on the 2019 TRSL Board of Trustees Self-Evaluation.

**Adjournment**

ON MOTION OF MR. PARAUKA SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to adjourn at 10:41 a.m.