

Teachers' Retirement System of Louisiana
Board of Trustees
8401 United Plaza Blvd., 4th Floor, Baton Rouge, LA 70809
Upon Adjournment of Budget & Finance Committee – Thursday
November 7, 2019

MEMBERS PRESENT: Dr. Jerry Baudin, Holly Gildig, David Hennigan, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. Paul Nelson, Neshelle Nogess, John Parauka, Suzette Riddle, Dr. Tom Stafford, and Kelly Thompson

MEMBERS ABSENT: Ricky Julien, Sr., Dr. Tia Mills, Senator Barrow Peacock, Representative J. Kevin Pearson, Dr. James Taylor, and State Superintendent John White

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Jeff LaCour, Philip Griffith, Douglas Swenson, Lisa Honore, Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Ben Foster, Andrea Guntz, Kyle Haase, Randall Harrison, Linnie Johnson, Steve Marangos, Dionne Rabalais, Matt Tessier, Luis Welchez, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants

Each member of the Board received the following:

1. November 2019 Board Book
2. Investment Committee Meeting November 7, 2019, Performance Report – September 30, 2019
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; J. F. Lehman & Company; and Aon Hewitt Investment Consulting, Inc.
4. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Years Ended June 30, 2019 and 18 (Draft)*
5. *Presentation of the Results of the June 30, 2019 Financial Statement and Compliance Audit – Duplantier, Hrapmann, Hogan, and Maher, LLP*
6. *Retirement System's Building Management Partnership Independent Auditor's Report - Steven M. Derouen & Associates*
7. *Discount Rate for FYE 2021 Projected Employer Contribution Rate – Shelley Johnson, Foster & Foster Actuaries and Consultants*
8. *Discussion of the Incorporation of the City of St. George*
9. *Comparison of 2019, 2020 and Proposed 2021 Administrative Expense Budgets*

Dr. Baudin called the meeting to order at 2:40 p.m. Dr. Stafford 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 October 3, 2019
(Including Minutes of Committee Meetings held October 3, 2019)**

ON MOTION OF MS. NOGESS, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held October 3, 2019 (including Minutes of committee meetings held October 3, 2019).

Executive Committee Report

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

Investment Committee Report

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

Budget & Finance Committee Report

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. STAFFORD, AND CARRIED, the Board voted to accept the report of the Budget & Finance Committee and to approve the recommendations contained therein.

Director's Update

Mrs. Vicknair updated the Board on the following:

- Pledge of Allegiance and Committee Assignment Sheets for 2020 – complete and return to the Chairman prior to the December Board meeting
- Board of Trustees Self Evaluation Survey complete and return to the Board Chair by November 20th
- Trustees must complete Preventing Sexual Harassment Training by December 31, 2019
- December dinner - Stab's Prime Steak and Seafood at 6:00 p.m., Thursday, December 5th

Adjournment

Mr. Parauka noted that Veteran's Day is Monday, November 11th and thanked all those who are serving and have served in the military.

ON MOTION OF MR. HENNIGAN, SECONDED BY MCGIMSEY, AND CARRIED, the Board voted to adjourn at 2:45 p.m.

Teachers' Retirement System of Louisiana
Executive Committee
8401 United Plaza Blvd., 4th Floor, Baton Rouge, LA 70809
9:00 a.m. – Thursday
November 7, 2019

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

MEMBERS ABSENT: Dr. James Taylor

OTHER MEMBERS PRESENT: Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. Paul Nelson, Suzette Riddle, Dr. Tom Stafford, and Kelly Thompson

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Jeff LaCour, Philip Griffith, Douglas Swenson, Lisa Honore, Adam Averite; Ed Branagan, Dana Brown, Maurice Coleman, Ben Foster, Andrea Guntz, Kyle Haase, Robyn Jenkins-King, Steve Marangos, Dionne Rabalais, Matt Tessier, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Michelle Cunningham and Jason Montegut of Duplantier, Hrapmann, Hogan & Maher, L.L.P.; Renee Siccone, Louisiana Retired Teachers' Association; and Laura Gail Sullivan, Louisiana Senate

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 Proposed Drafts of the Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR) for Fiscal Years Ended June 30, 2019 and 2018

Mr. LaCour presented proposed drafts of the CAFR and the PAFR for Fiscal Years Ended June 30, 2019 and 2018.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the proposed drafts of the CAFR and the PAFR for Fiscal Years Ended June 30, 2019 and 2018.

Presentation and Approval of the Annual Audit by Duplantier, Hrapmann, Hogan & Maher, L.L.P. for Fiscal Year Ended June 30, 2019

Ms. Cunningham and Mr. Montegut of Duplantier, Hrapmann, Hogan & Maher, L.L.P., presented the Annual Audit for Fiscal Year Ended June 30, 2019.

ON MOTION OF MS. NOGESS, SECONDED MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Annual Audit for Fiscal Year ended June 30, 2019, as presented.

Presentation and Approval of the Audit of the Louisiana Retirement Systems Building Fund for Fiscal Year Ended June 30, 2019

Mr. LaCour presented the Annual Audit of the Louisiana Retirement Systems Building Fund.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the Audit of the Louisiana Retirement Systems Building Fund for Fiscal Year ended June 30, 2019, as presented.

Discussion of Discount Rate Reduction Request

Mrs. Vicknair and Mrs. Johnson presented information regarding the Discount Rate Reduction Request. The presentation qualified for 1.5 hours of Actuarial Education for Trustees.

MRS. GILDIG MOVED to reduce the discount rate for FY 20/21 to 7.45%; there was no SECOND, AND THE MOTION FAILED.

Discussion of Incorporation of the City of St. George

Mr. Swenson presented information regarding incorporation of the City of St. George as related to the Retirement Systems Building.

ON MOTION OF MS. NOGESS, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to authorize the Director and Executive Counsel to take appropriate actions on behalf of TRSL regarding the incorporation of the City of St. George, including execution of any petition for annexation or other documents on behalf of the Teachers' Retirement System of Louisiana and brief the Board on such actions.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 10:58 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8401 United Plaza Blvd., 4th Floor, Baton Rouge, LA 70809
Upon Adjournment of Executive Committee – Thursday
November 7, 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), Dr. Jerry Baudin, and Ricky Julien, Sr.

MEMBERS ABSENT: Senator Barrow Peacock, Representative J. Kevin Pearson, and Dr. James Taylor

OTHER MEMBERS PRESENT: Suzette Riddle, Dr. Tom Stafford, and Kelly Thompson

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Philip Griffith, Douglas Swenson, Jeff LaCour, Dr. Lisa Honore`, Adam Averite, Dana Brown, Maurice Coleman, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Matt Silverio and Ben Eckroth, Hamilton Lane Advisors, LLC; Louis N. Mintz, C. Alexander Harman, and Karina Perelmuter, J. F. Lehman & Company; and Scott Coopriider and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.

Roll Call

Mrs. Gildig called the meeting to order at 11:10 a.m. The secretary called the roll and a quorum was established. Mrs. Gildig appointed Mr. Julien to serve on the Committee as an alternate for Dr. Taylor.

Private Market Update and Review of Potential Private Market Investments

Mr. Silverio and Mr. Eckroth of Hamilton Lane Advisors, LLC appeared before the Committee to present private market items.

Mr. Silverio presented the private market update.

Mr. Silverio reviewed a potential alternative investment in JFL Equity Investors V, L.P.

Mr. Mintz and Mr. Harman of J. F. Lehman & Company appeared before the Committee to present information on the fund.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. JULIEN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated November 7, 2019, pertaining to investments in JFL Equity Investors V, L.P. (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Silverio reviewed a potential alternative investment in Insight Partners XI, 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 November 7, 2019, pertaining to investments in Insight Partners XI, L.P. (up to \$75 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Committee Reports

Mr. Eckroth presented Annual Meeting Reports on the following funds: Colony Distressed Credit and Special Situations Funds III and IV, L.P.; Gilde Buyout Fund IV, L.P.; Thoma Bravo Fund XIII, L.P.; and Trident VI and VII, L.P.

ON MOTION OF MS. NOGESS, SECONDED BY MR. JULIEN, AND CARRIED, the Committee voted to receive the reports as presented.

Presentation and Review of the Schedule of Manager Portfolio Reviews for 2020

Mr. Griffith presented the 2020 Schedule of Manager Portfolio Reviews (for approval in December).

ON MOTION OF DR. NELSON, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Schedule of Manager Portfolio Reviews for 2020.

Presentation and Review of the Schedule of Investment Searches for 2020

Mr. Griffith presented the 2020 Schedule of Investment Searches (for approval in December).

ON MOTION OF MS. NOGESS, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the Schedule of Investment Searches for 2020.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review - Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider presented Aon Hewitt's November 7, 2019 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through September 30, 2019.

Research Process Update – Mr. Coopriider and Mr. Delvadia presented *AHIC Manager Ratings Overview*. The presentation qualified for one hour of Investment Education.

Portfolio Review – Mr. Delvadia and Mr. Brown reviewed Small Cap Managers: Alliance Bernstein, L.P. (Growth); T. Rowe Price Associates, Inc. (Growth); and Mesirow Financial Equity Management (Value); and Global High Yield Manager Alliance Bernstein, L.P.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to adjourn at 2:29 p.m.

**Teachers' Retirement System of Louisiana
Budget & Finance Committee
Upon Adjournment of Investment Committee – Thursday
November 7, 2019**

MEMBERS PRESENT: David Hennigan, Jim Napper (Treasurer's Designee), John Parauka, Holly Gildig, Dr. Paul Nelson, Dr. Jerry Baudin, Rick McGimsey (Commissioner's Designee), and Dr. Tom Stafford

MEMBERS ABSENT: Ricky Julien, Sr. and Dr. James Taylor

OTHER MEMBERS PRESENT: Neshelle Nogess, Suzette Riddle, and Kelly Thompson

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Jeff LaCour, Philip Griffith, Douglas Swenson, Lisa Honore, Adam Averite; Dana Brown, Maurice Coleman, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Mr. Hennigan called the meeting to order at 2:30 p.m. The secretary called the roll and a quorum was established. Mr. Hennigan appointed Mr. McGimsey and Dr. Stafford to serve on the Committee as alternates for Dr. Taylor and Mr. Julien.

Review, Discuss and Approve the Proposed 2020-2021 Louisiana Retirement Systems Building Fund Budget

Mr. LaCour presented the proposed 2020-2021 Louisiana Retirement Systems Building Fund Budget.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. STAFFORD, AND CARRIED, the Committee voted to approve the 2020-2021 Louisiana Retirement Systems Building Fund Budget.

Review, Discuss and Approve the Proposed 2020-2021 Louisiana Teachers' Retirement Systems Administrative Operating Budget

Mr. LaCour presented the proposed 2020-2021 Louisiana Teachers' Retirement System Administrative Operating Budget.

ON MOTION OF MR. NAPPER, SECONDED BY DR. STAFFORD, AND CARRIED, the Committee voted to approve the 2020-2021 Louisiana Teachers' Retirement System Administrative Operating Budget and authorize the Director and Deputy Director to make adjustments as needed and brief the Board on such actions.

Review, Discuss, and Approve the 2020-2021 Department of Education Payment Amount and Notification of Payment Due for Act 228 of 1944; Act 568 of 1952; Act 27 of 1957; and Act 440 of 1960

Ms. Whitney reviewed the 2020-2021 Department of Education Payment Amount and Notification of Payment Due for Act 228 of 1944; Act 568 of 1952; Act 27 of 1957; and Act 440 of 1960.

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the notification of payment due for Fiscal Year 2020-2021.

Update on Notification to LSU AgCenter of Payment Due for Fiscal Year 2020-2021

Ms. Whitney updated the Committee on the notification of payment due for Fiscal Year 2020-2021 which was sent to the LSU AgCenter on October 17, 2019.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 2:37 p.m.