

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
July 7, 2017**

MEMBERS PRESENT: Dr. Sheryl Abshire, Dr. Jerry Baudin, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Kathy Manning, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Jim Napper (Treasurer's Designee), Neshelle Nogess, John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Holly Gildig, Senator Barrow Peacock, Representative J. Kevin Pearson, Carlos Sam, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Ed Branagan, Dana Brown, Gabrielle Brown-Morgan, Maurice Coleman, Ben Foster, Sandra Grisby, Lisa Honore`, Lynn Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; and Laura Gail Sullivan, Louisiana Senate

Each member of the Board received the following:

1. July 2017 Board Book
2. Investment Committee Meeting July 6, 2017, Performance Report – May 31, 2017
3. Investment Committee Presentations from Aon Hewitt Investment Consulting, Inc.; Hamilton Lane Advisors, LLC; Mesirow Financial Equity Management; and Mercer
4. *2017 Bills Affecting TRSL by Category – as of June 26, 2017*
5. *TRSL Equal Opportunity/Affirmative Action Plan July 7, 2017*
6. *TRSL Board of Trustees Portal Introduction*

Dr. Baudin called the meeting to order at 10:30 a.m. Mr. Parauka 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 June 1, 2017
(Including Minutes of Committee Meetings held June 1, 2017)**

ON MOTION OF DR. TAYLOR, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 1, 2017 (including Minutes of committee meetings held June 1, 2017).

Elections Committee Report

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, 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 DR. ABSHIRE, SECONDED BY MR. HENNIGAN, 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 MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

Executive Committee Report

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

Introduction of Newly Hired Staff

Ed Branagan, Maurice Coleman, and Charlene Wilson introduced the following employees who were hired by TRSL during the period 04/01/17 through 06/30/17: Employer Services Department– Sandra Grisby – Accountant 2; Investments Department - Adam Averite – Private Assets Manager; and Accounting Department - Ben Foster – Accountant Manager 4

Director's Update

Ms. Westgard updated the Board on the following items:

- Trustee Education
- LAPERS Annual Seminar – September 17-19, 2017, Sheraton Hotel (Canal), New Orleans
- Building Update – required and preventative maintenance projects
- Dr. Tia Mills – one of five finalists for NEA's Excellence in Teaching Award

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board adjourned at 10:55 a.m.

**Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Thursday
July 6, 2017**

MEMBERS PRESENT: Jim Napper (Treasurer's Designee), John Parauka, David Hennigan, Robert Lawyer, Dr. Sheryl Abshire, Dr. James Taylor, and Rick McGimsey (Commissioner's Designee)

MEMBERS ABSENT: Dr. Tia Mills and Holly Gildig

OTHER MEMBERS PRESENT: Dr. Jerry Baudin, Kathy Manning, and Neshelle Nogess

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Dionne Rabalais, Davorio Stevenson, Katherine Whitney, Charlene Wilson, Debbie Boudreaux, and Lisa Barousse

Roll Call

Mr. Napper called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Mr. Napper appointed Mr. McGimsey to serve on the Committee as an alternate for Dr. Mills.

Receive Primary Election Results for Retiree Representative

Mr. Napper read the primary election results as follows:

	Retiree Representative	Pct	No.
1	Jerry J. Baudin, Ph.D.	47.47	2838
2	David E. Gullatt, Ph.D.	16.83	1006
3	Eula M. Brown Beckwith	9.50	568
4	Walter C. Lee	6.56	392
5	W. Harry Ingalls	5.27	315
6	Sharon Guy Hornsby	4.77	285
7	Irvin R. West, Jr.	3.40	203
8	Frank Vine	3.21	192
9	Terrence "Terry" Young, Jr.	2.99	179

A run-off election will be held between Dr. Jerry Baudin and Dr. David Gullatt, who received 47.47% and 16.83% of the vote, respectively.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive and approve the primary election results for Retiree Representative for the term January 1, 2018 through December 31, 2021.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 8:36 a.m.

Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals for Core Plus Manager
Upon Adjournment of Elections Committee – Thursday
July 6, 2017

MEMBERS PRESENT: Dr. Sheryl Abshire, David Hennigan, Neshelle Nogess, and Jim Napper (Treasurer's Designee)

MEMBERS ABSENT: Holly Gildig

OTHER MEMBERS PRESENT: Dr. Jerry Baudin, Robert Lawyer, Kathy Manning, Rick McGimsey (Commissioner's Designee), John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Dana Brown, Maurice Coleman, Jeff LaCour, Davorio Stevenson, Katherine Whitney, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Scott Coopridier, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.

Roll Call

Dr. Abshire called the meeting to order at 8:38 a.m. The secretary called the roll and a quorum was established.

Review Proposals and Recommend Finalists to be Interviewed

Mr. Griffith gave a brief overview of the Core Plus Manager SFP process. Scott Coopridier of Aon Hewitt presented an overview of the responses to the Core Plus Manager SFP: Loomis Sayles, PGIM Fixed Income, Reams Asset Management, and TCW. Aon Hewitt recommended, and TRSL staff concurred with the recommendation to retain incumbent Loomis Sayles.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent Loomis Sayles be retained without interview, subject to fee negotiations.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to adjourn at 9:00 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Subcommittee to Review Solicitations for Proposals
for Core Plus Manager – Thursday
July 6, 2017**

MEMBERS PRESENT: Dr. Sheryl Abshire, Kathy Manning, Robert Lawyer, David Hennigan, Jim Napper (Treasurer's Designee), Neshelle Nogess, Rick McGimsey (Commissioner's Designee), Dr. Jerry Baudin, and Dr. James Taylor

MEMBERS ABSENT: Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Ricky Julien, Sr., and John Parauka

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Jeff LaCour, Davorio Stevenson, Katherine Whitney, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Paul Yett and Matthew Silverio, Hamilton Lane Advisors, LLC; Scott Coopriider, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.; Kathryn Vorisek, Leo Harmon and Eric Welt, Mesirow Financial Equity Management; and Andrew Ness and Mike Paolucci, Mercer

Roll Call

Dr. Abshire called the meeting to order at 9:02 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Dr. Taylor to serve on the Committee as an alternate for Mrs. Gildig.

Report of Subcommittee to Review Responses to Solicitation for Proposals for Core Plus Manager

Dr. Abshire presented the report of the Subcommittee to Review Responses to the SFP for Core Plus Manager.

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to the SFP for Core Plus Manager:

"ON MOTION OF MR. HENNIGAN, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent Loomis Sayles be retained without interview, subject to fee negotiations."

Private Market Update and Review of Potential Private Market Investments

Paul Yett and Matthew 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. Silverio reviewed a potential alternative investment in Castllake V, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 6, 2017, pertaining to investments in Castllake V, 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 alternative investment in Insight Venture Partners X, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 6, 2017, pertaining to investments in Insight Venture Partners X, L.P. (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in Roark Capital Partners II Sidecar, L.P.

ON MOTION OF MR. LAWYER, 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 July 6, 2017, pertaining to investments in Roark Capital Partners II Sidecar, L.P. (up to \$12.5 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2017 Venture Capital Separate Account Update

TRSL 2017 Venture Capital Separate Account will be reviewed at the August Investment Committee meeting as part of the private market strategic plan.

Quarterly Summary of Alternative Assets and Real Estate

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for period ended March 31, 2017).

ON MOTION OF MS. NOGESS, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the report as presented.

Appointment of Subcommittee to Review Responses to the SFP for REIT Manager

Dr. Abshire appointed Mr. Lawyer as Chair, Ms. Manning, Mr. Hennigan, Mr. Napper, and herself to serve on the Subcommittee to Review Responses to the SFP for REIT Manager.

Presentation and Approval of 2016 IPS Asset Allocation Guideline Updates

Katherine Whitney presented the proposed Investment Policy updates:

- Section IV - Investment Objectives, to gradually reduce the discount rate to 7.50%, in 0.05% increments annually, beginning July 1, 2017;
- Section V – Asset Allocation Guidelines, to reflect the asset allocation approved by the Board on June 3, 2016; and
- Investment Policy Appendix, to update performance benchmarks for Alternative Asset classes.

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, AND CARRIED, the Committee voted to approve the updates to IPS Sections IV, V, and the Appendix, as presented.

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. Ivinjack presented Aon Hewitt's July 6, 2017 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2017.

Portfolio Review

Mr. Delvadia (Aon Hewitt) and Dana Brown (TRSL) reviewed Small Cap Managers: Alliance Bernstein (Growth) and Mesirow Financial Equity Management (Value); and Global High Yield Manager: Alliance Bernstein, L.P. Kathryn Vorisek, Leo Harmon and Eric Welt presented Mesirow's annual portfolio review.

Optional Retirement Plan (ORP) Quarterly Update (for period ended March 31, 2017)

Andrew Ness and Mike Paolucci of Mercer presented the Quarterly ORP update (for the period ended March 31, 2017).

ON MOTION OF MS. MANNING, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the report as presented.

Annual Review of Investment Custodian

Davorio Stevenson presented a report on the annual evaluation of the investment custodian bank BNY Mellon Asset Services.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

Annual Evaluation of Investment Consulting Firms

Dr. Abshire asked for a motion to convene into Executive Session.

DR. TAYLOR MOVED, AND MS. MANNING SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the investment consulting firms being evaluated, Mercer and Aon Hewitt Investment Consulting, with the Director and the Chief Investment Officer to remain in the room. A roll-call vote was taken. The vote was unanimous with Mr. Hennigan, Mr. Lawyer, Ms. Manning, Mr. Napper, Ms. Nogess, Dr. Taylor, Dr. Baudin, and Dr. Abshire voting yes, and the Committee convened into Executive Session.

MR. NAPPER MOVED, AND DR. TAYLOR SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken. The vote was unanimous with Mr. Hennigan, Mr. Lawyer, Ms. Manning, Mr. Napper, Dr. Taylor, Dr. Baudin, and Dr. Abshire voting yes, and the Committee reconvened into Regular Session.

ON MOTION OF DR. TAYLOR, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the annual evaluations of Mercer and Aon Hewitt Investment Consulting, Inc.

Adjournment

ON MOTION OF MS. MANNING, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 1:35 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. - Friday
July 7, 2017**

- MEMBERS PRESENT:** Robert Lawyer, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. James Taylor, Dr. Sheryl Abshire, John Parauka, Dr. Jerry Baudin, and Kathy Manning
- MEMBERS ABSENT:** Senator Barrow Peacock, Representative J. Kevin Pearson, and Carlos Sam
- OTHER MEMBERS PRESENT:** Dr. Tia Mills and Neshelle Nogess
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Katherine Whitney, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Rodney Watson, LRTA; Shelley Johnson and Pat McDonald, Foster & Foster Actuaries and Consultants; Laura Gail Sullivan and Margaret Corley, Louisiana Senate; Shane Riddle, Louisiana Association of Educators; Annie Smith, Louisiana House Retirement Committee

Roll Call

Mr. Lawyer called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Mr. Lawyer appointed Ms. Manning to serve on the Committee as an alternate for Mr. Sam.

Update and Discussion of 2017 Regular Legislative Session (ended June 8, 2017) and 2017 2nd Extraordinary Session

Ms. Whitney updated the Committee on legislation affecting TRSL and being monitored by TRSL as of the end of the 2017 Regular Session. She noted that no retirement related issues were included in the call for the 2017 2nd Extraordinary Session which convened June 8 and ended June 16, 2017.

Ms. Westgard updated the Committee on the TRSL budget. Mr. Cagle attended the Joint Legislative Committee on the Budget meeting on June 16, 2017. TRSL's 2017-2018 budget was approved at the meeting.

Adjournment

ON MOTION OF MR. PARUAKA, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 8:40 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
July 7, 2017**

MEMBERS PRESENT: Dr. Jerry Baudin, Dr. Sheryl Abshire, Robert Lawyer, Jim Napper (Treasurer's Designee), and David Hennigan

MEMBERS ABSENT: Holly Gildig and Carlos Sam

OTHER MEMBERS PRESENT: Ricky Julien, Sr., Kathy Manning, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Neshelle Nogess, John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Katherine Whitney, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Rodney Watson, LRTA; Shelley Johnson and Pat McDonald, Foster & Foster Actuaries and Consultants; Laura Gail Sullivan and Margaret Corley, Louisiana Senate; Shane Riddle, Louisiana Association of Educators; Annie Smith, Louisiana House Retirement Committee; and Ryan Gremillion, Louisiana Department of Education

Roll Call

Dr. Baudin called the meeting to order at 8:41 a.m. The secretary called the roll and a quorum was established.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented Compliance Audit Reports on Retirees Returning to Work and Limited Scope Reviews.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2016-2017

Mr. LaCour presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2016-2017.

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2016-2017.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2017-2018

Mr. LaCour presented the TRSL Annual Audit Plan for Fiscal Year 2017-2018.

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Annual Audit Plan for Fiscal Year 2017-2018.

Update on 2017-18 Affirmative Action Plan

Ms. Rabalais presented an update on the 2017-2018 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 9, 2017 that the updated plan was approved.

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the report.

Approval of the Louisiana Compliance Questionnaire (for release to outside audit firm)

Mr. Cagle presented the Louisiana Compliance Questionnaire.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the Louisiana Compliance Questionnaire for release to outside audit firm.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Ms. Westgard introduced Pat McDonald with Foster & Foster, who will be working with TRSL's actuary, Shelley Johnson.

Update and Discussion of *Kevin Cope & Roger Laine v. Board of Supervisors of Louisiana State University and A & M College and Teacher Retirement System of Louisiana*, Number 633,758, Division D, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana

Dr. Baudin asked for a motion to convene into Executive Session.

MR. LAWYER MOVED AND DR. ABSHIRE SECONDED A MOTION to convene into Executive Session to review and discuss the above referenced litigation, with the Director and General Counsel to remain in the room. A roll-call vote was taken. The vote was unanimous, with Dr. Baudin, Dr. Abshire, Mr. Hennigan, Mr. Lawyer, and Mr. Napper voting yes. The Committee convened into Executive Session.

MR. LAWYER MOVED AND MR. NAPPER SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken. The vote was unanimous, with Dr. Baudin, Dr. Abshire, Mr. Hennigan, Mr. Lawyer, and Mr. Napper voting yes. The vote was unanimous and the Committee reconvened in Regular Session.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to authorize the hiring of Kean Miller to represent TRSL in the Cope litigation and in any and all related matters. And further, that the Administrative Funds of the Optional Retirement Plan be used to pay for the expenses of the litigation, including attorney's fees and all related costs.

Presentation of Trustee Portal Log-in System

Andre Anderson of Modiphy gave a presentation on the Trustee Portal System, which will provide trustees a secure log-in system to access monthly board materials as well as general reference materials and archive records from previous months.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee adjourned at 10:23 a.m.