

Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Executive Committee – Tuesday  
July 10, 2012

**MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, David A. Hennigan, Robert Lawyer, Jim Napper (Treasurer's Designee), John G. Parauka, Joe A. Potts, Jr., and Dr. Steven Procopio (Commissioner's Designee)

**MEMBERS ABSENT:** Senator Elbert Guillory, Kathy Hattaway, Joyce P. Haynes, Representative J. Kevin Pearson, Carlos J. Sam, and State Superintendent John White

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Roth Aymond, Trudy Berthelot, Jim Buras, Randall Harrison, Lisa Honore, Jeff LaCour, Steve Marangos, Charlene Wilson, Philip Landry, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Monique Appeaning and Andrea Hubbard, Louisiana Division of Administration; and Press Robinson, Treasurer's Office

Each member of the Board received the following:

1. *July 2012 Board Book*
2. *Investment Committee Meeting July 9, 2012, Performance Report–May 31, 2012*
3. Investment Committee Presentation Booklets from Hamilton Lane; Hewitt EnnisKnupp, Inc.; Dodge & Cox; Prudential Fixed Income; Mondrian Investment Partners; and Dimensional Fund Advisors
4. *TRSL's Boardroom Beacon – TRSL Responds to Pew Report, July 2012*
5. *TRSL Statistics FY 2011 – FY 2012*
6. Article titled "U.S. public pension investment earnings at record high" that appeared June 28, 2012 on the Reuters website ([www.reuters.com](http://www.reuters.com))
7. Article titled "Pension rules positive for US states, locals: Fitch" that appeared June 28, 2012 on the Reuters website ([www.reuters.com](http://www.reuters.com))
8. Article titled "Jindal's plan was no fix" that appeared June 30, 2012 in Houma Today, Houma, LA

Mrs. Baker called the meeting to order at 10:00 a.m. Mr. Hennigan 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 8, 2012 (including Minutes of Committee Meetings held June 7 & 8, 2012)**

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 8, 2012 (including minutes of committee meetings held June 7 & 8, 2012).

### **Investment Committee Report**

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

*Dr. Abshire in the Chair.*

### **Executive Committee Report**

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

*Mrs. Baker in the Chair.*

### **Introduction of Newly Hired Staff**

Mrs. Vicknair introduced Philip Landry, Retirement Benefits Analyst 1.

### **Director's Update**

Ms. Westgard updated the Board on the following:

- *TRSL Statistics FY 2011-2012*
- Employer Support Services – On-line filing of Questionable Years completed by Lafourche Parish School Board (566), Richland Parish School Board (130), University of Louisiana @ Lafayette (362), Ben Franklin Charter School (29), and Virgil Browne Glencoe Charter School (28)
- Recognition of Louisiana Federation of Teachers for 100% reporting of outstanding sick leave records
- Return to Work Webinars
  - 2 Employee Webinars(33 attending)
  - 4 Employer Webinars (136 attending)

- *July Boardroom Beacon – TRSL Responds to Pew Report*

Mrs. Baker read a note from Superintendent Kilbert expressing his appreciation to Trustees and staff upon his retirement.

### **Adjournment**

ON MOTION OF MR. PARAUKA, SECONDED BY MR. NAPPER, AND CARRIED, the Board voted to adjourn at 10:25 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
8:30 a.m. – Monday  
July 9, 2012**

**MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Robert Lawyer, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Anne H. Baker, Holly B. Gildig, and John G. Parauka

**MEMBERS ABSENT:** Senator Elbert Guillory, Kathy Hattaway, and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Joyce P. Haynes, David A. Hennigan, and Dr. Steven Procopio (Commissioner's Designee)

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

**OTHERS PRESENT:** Paul Yett and Andrew Schardt, Hamilton Lane; Scott Coopriider and Russ Ivinjack, Hewitt EnnisKnupp; Thomas Dugan and Deirdre Curry, Dodge & Cox; James Herbst, Stewart Wong and Jeffrey Alt, Prudential Fixed Income; Ormala Krishnan and Todd Rittenhouse, Mondrian Investment Partners; Allen Pu, Dimensional Fund Advisors; Suzette Meiske and Monique Appeaning, Louisiana Division of Administration

Dr. Abshire called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mrs. Gildig (as first alternate) to fill the Investment Committee seat vacated by Superintendent Kilbert. Mr. Parauka was appointed to serve on the Committee as an alternate for Ms. Hattaway.

**Private Market Update and Potential Private Market Investments**

- a. Blackstone Co-Investment
- b. Crow Holdings Realty Partners VI, L.P.

Paul Yett and Andrew Schardt of Hamilton Lane Advisors, L.L.C., appeared before the Committee. Mr. Yett presented a private market update.

Mr. Yett and Mr. Schardt reviewed a potential alternative investment in Blackstone Co-Investment.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 9, 2012, pertaining to investments in Blackstone Co-Investment (up to \$10 million).

Mr. Yett reviewed a potential alternative investment in Crow Holding Realty Partners VI, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 9, 2012, pertaining to investments in Crow Holdings Realty Partners VI, L.P (up to \$50 million).

### **Private Market Annual Committee Reports**

Mr. Yett presented Private Market Annual Committee Reports on TPG Growth, American Securities, Lindsay Goldberg, and Oak Hill Advisors.

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the private market annual reports on TPG Growth, American Securities, Lindsay Goldberg, and Oak Hill Advisors.

### **Quarterly Transaction Summary of Alternative Assets & Real Estate Investments (for period ended March 31, 2012)**

Maurice Coleman presented the Quarterly Transaction Summary of Private Market Investments (for the period ended March 31, 2012).

ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Private Market Investments (for the period ended March 31, 2012).

### **Interview Finalists and Recommend Successful Candidate Firm for Core Fixed Income Manager**

Phil Griffith (TRSL), Scott Coopriider and Russ Ivinjack (Hewitt EnnisKnupp) gave an overview of the finalists: Dodge & Cox and Prudential Fixed Income.

Thomas Dugan and Deirdre Curry of Dodge & Cox; and James Herbst, Stewart Wong and Jeffrey Alt of Prudential Fixed Income appeared before the Committee to be interviewed for Core Fixed Income Manager.

The Committee rated the firms as follows:

	Dodge & Cox	Prudential
Dr. Bill Baker	2	1
Mrs. Gildig	2	1
Robert Lawyer	2	1
Jim Napper	1	2
Mr. Parauka	1	2
Joe Potts	2	1
Anne Baker	2	1
Dr. Sheryl Abshire	1	2
	13	11
1 = Best    2 = Worst		

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to hire Prudential Fixed Income with an asset allocation up to \$400 million, based on fee negotiation.

#### **Appointment of Subcommittee to Review Responses to the SFP for Core Plus Fixed Income Manager**

Dr. Abshire appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Core Plus Fixed Income Manager: Mr. Lawyer as Chair, Dr. Baker, Mr. Potts, Mr. Napper and Dr. Abshire.

#### **Investment Policy Statement, Domestic Fixed Income Section**

Mr. Griffith and Katherine Whitney presented the Investment Policy Statement, Investment Guidelines - Domestic Fixed Income Section, which was received at the June 2012 Investment Committee meeting.

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Investment Policy Statement, Investment Guidelines - Domestic Fixed Income Section.

#### **Report on Annual Evaluation of Investment Custodian Bank**

Dana Brown presented a report on the annual evaluation of the investment custodian bank.

ON MOTION OF MR. POTTS, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

### **Review and Approval of Modified Asset Allocation**

Mr. Griffith gave an overview of the chronology of the asset allocation process to date.

Mr. Coopriider and Mr. Ivinjack gave a presentation on TRSL's Asset Allocation Process and options for a modified allocation based on the Board's request in June 2012. The presentation qualified for one hour of Investment Education.

ON MOTION OF MR. POTTS, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the modified asset allocation (Portfolio 3A) and related investment ranges.

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve an update to the Investment Policy Statement to reflect the modified asset allocation and investment ranges.

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

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider and Mr. Ivinjack presented Hewitt EnnisKnupp's July 9, 2012 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2012.

### **Portfolio Review – International Small Cap**

Mr. Coopriider, Mr. Ivinjack, and Mr. Brown reviewed International Small Cap Manager firms, Mondrian Investment Partners and Dimensional Fund Advisors

Ormala Krishnan and Todd Rittenhouse presented Mondrian Investment Partners' annual portfolio review. Jeff LaCour presented information regarding the contract compliance audit of Mondrian Investment Partners.

Allen Pu presented Dimensional Fund Advisors' annual portfolio review.

### **Annual Evaluation of Investment Consulting Firm Hewitt EnnisKnupp**

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

MRS. GILDIG MOVED AND MR. PARAUKA SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the general consultant firm being evaluated, with the Director and the Chief Investment Officer to remain in the room.

A roll-call vote was taken.

Dr. Bill Baker	y
Mrs. Gildig	y
Robert Lawyer	y
Mr. Parauka	y
Joe Potts	y
Mrs. Baker	y
Dr. Sheryl Abshire	y

THE VOTE WAS UNANIMOUS and the Committee convened into Executive Session.

MR. PARAUKA MOVED AND DR. BAKER SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken.

Dr. Bill Baker	y
Mrs. Gildig	y
Robert Lawyer	y
Mr. Parauka	y
Joe Potts	y
Mrs. Baker	y
Dr. Sheryl Abshire	y

THE VOTE WAS UNANIMOUS and the Committee reconvened into Regular Session.

**Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 3:00 p.m.



Teachers' Retirement System of Louisiana  
Executive Committee  
8:30 a.m. – Tuesday  
July 10, 2012

**MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, and Robert Lawyer

**MEMBERS ABSENT:** Kathy Hattaway and Joyce P. Haynes

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

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

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Monique Appeaning and Andrea Hubbard, Louisiana Division of Administration; Stephanie Little, Louisiana House Retirement Committee; Laura Gail Sullivan and Margaret Corley, Louisiana Senate Retirement Committee; and Press Robinson, Treasurer's Office

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

**Update on June 20, 2012 PRSAC Meeting**

a. Approval of June 15, 2012 Addendum to the 2011 TRSL Valuation

Ms. Westgard and Mr. Cagle presented an update on the June 20, 2012 PRSAC meeting.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, and CARRIED, the Committee voted to approve the June 15, 2012 addendum to the June 30, 2011 actuarial valuation and the individualized plan rates contained therein.

**Discussion of Executive Order BJ 12-05 Coordinated Retirement Plan Sponsor—IRS Submission**

Ms. Westgard and Mr. Mongrue presented an update on Executive Order BJ 12-05.

Dr. Procopio commented on the Division of Administration's role as directed by the Executive Order. He noted that there are two separate issues, tax-qualified plan status and Social Security equivalency, to be submitted to the IRS as directed by the Executive Order.

There was discussion of the Board's fiduciary duties and TRSL's tax attorney's role as related to the Executive Order.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, and CARRIED, the Committee voted to authorize the Director and General Counsel to seek legal advice from fiduciary counsel, regarding the Board's fiduciary role related to Executive Order BJ 12-05.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, and CARRIED, the Committee voted to authorize the Director to request Terry Mumford of Ice Miller to participate in the initial meeting relative to Executive Order BJ 12-05 to discuss the filing process.

**Update and Approval of Audit Reports & Plan**

Jeff LaCour presented reports on Compliance and Retiree Return to Work Audits; the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2011-2012; and the TRSL Annual Audit Plan for Fiscal Year 2012-2013.

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

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

Mr. Cagle presented the Louisiana Compliance Questionnaire.

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

**Update of 2012-2013 Affirmative Action Plan**

Ms. Berthelot presented an update on the 2012-2013 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 21, 2012, that the updated plan was approved.

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

### **Quarterly Litigation Report**

Mr. Mongrue presented the Quarterly Litigation Report.

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

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

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

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

- a. Algiers Charter School Association
- b. Crestworth Learning Academy
- c. Kenilworth Science and Technology Charter School
- d. ReNEW – SciTech Academy at Laurel Elementary

Mr. Mongrue presented an update on potential litigation regarding the above-referenced charter schools.

### **Adjournment**

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