

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
August 6, 2013**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, David A. Hennigan, Dr. Steven Procopio (Commissioner's Designee), and Carlos J. Sam

MEMBERS ABSENT: Senator Elbert Guillory, Kathy Hattaway, Joyce P. Haynes, Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), John G. Parauka, Representative J. Kevin Pearson, and Superintendent John White

STAFF PRESENT: Stuart Cagle, Roy Mongrue, Jr., Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Charlene Wilson, and Lisa Barousse

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

Each member of the Board received the following:

1. August 2013 Board Book
2. *Investment Committee Meeting August 5, 2013, Performance Report – June 30, 2013*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Hewitt EnnisKnupp; Oak Hill Advisors; MacKay Shields LLC; Western Asset Management Company; and Alliance Bernstein L.P.
4. *TRSL Balanced Scorecard for 2013-2014 and 2014 Fiscal Year Goals - Major Projects by Balanced Scorecard Area*
5. *August Boardroom Beacon - Sick and Annual Leave*

Mr. Lawyer called the meeting to order at 9:45 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 July 9, 2013
(Including Minutes of Committee Meetings held July 8 and 9, 2013)**

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. BAKER, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held July 9, 2013 (including Minutes of committee meetings held July 8 and 9, 2013).

Investment Committee Report

ON MOTION OF MR. POTTS, SECONDED BY MRS. GILDIG, 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 MR. LAWYER, SECONDED BY DR. BAKER, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

Deputy Director's Update

Mr. Cagle updated the Board on the following items:

- August Boardroom Beacon – Sick and Annual Leave
- LAPERS – September 15-16 at the Marriott Hotel, 555 Canal Street

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 10:00 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation Proposals for
Mid Cap Growth Manager
8:30 a.m. – Monday
August 5, 2013**

MEMBERS PRESENT: Holly B. Gildig, Dr. William C. "Bill" Baker, David A. Hennigan, and Joe A. Potts, Jr.

MEMBERS ABSENT: Dr. Sheryl R. Abshire

OTHER MEMBERS PRESENT: Anne H. Baker, Robert Lawyer, and Dr. Steven Procopio (Commissioner's Designee)

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

OTHERS PRESENT: Scott Coopriider and Rishi Delvadia, Hewitt EnnisKnupp

Roll Call

Mrs. Gildig called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established.

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith (TRSL) and Rishi Delvadia and Scott Coopriider, Hewitt EnnisKnupp, presented an overview of the following firms' responses to the SFP for Mid Cap Growth Manager: Disciplined Growth Investors, Inc. (DGI); ING U.S. Investment Management (ING); Janus Capital Management, LLC (JANUS); Westfield Capital Management Company, L.P. (Westfield); and William Blair & Company, L.L.C. (William Blair).

Mr. Potts moved and Mr. Hennigan seconded a motion to recommend to the Investment Committee that the following firms be interviewed for Mid Cap Growth Manager: DGI, ING, and Janus. Dr. Baker objected to the motion and the secretary called the roll. The motion carried by a vote of three yeas and one nay. Mrs. Gildig, Mr. Hennigan, and Mr. Potts voted yea. Dr. Baker voted nay.

Adjournment

ON MOTION OF MR. POTTS, SECONDED BY DR. BAKER, AND CARRIED, the Subcommittee voted to adjourn at 9:10 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of the Subcommittee to Review Responses to the Solicitation for
Proposals for
Mid Cap Growth Manager – Monday
August 5, 2013**

MEMBERS PRESENT: Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, David A. Hennigan, Dr. Steven Procopio (Commissioner's Designee), Robert Lawyer, and Carlos J. Sam

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

OTHER MEMBERS PRESENT: Anne H. Baker

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

OTHERS PRESENT: Scott Coopridner and Rishi Delvadia, Hewitt EnnisKnupp; Paul Yett, Jerry Gates, and Jonathan Floyd, Hamilton Lane; Jason T. Serrano and Eric Storch, Oak Hill Advisors; Michael Kimble, Dan Roberts, PhD, and Kirk Kashevaroff, MacKay Shields LLC; Michael C. Buchanan and Douglas A. Hulse, Western Asset Management Company; and Douglas J. Peebles and Joe Lawrence, Alliance Bernstein L.P.

Roll Call

Mr. Potts called the meeting to order at 9:12 a.m. The secretary called the roll and a quorum was established.

Report of the Subcommittee to Review Responses to Solicitation for Proposals for Mid Cap Growth Manager

Mrs. Gildig presented the following report of the Subcommittee to Review Responses to the Mid Cap Growth Manager SFP:

"Mr. Potts moved and Mr. Hennigan seconded a motion to recommend to the Investment Committee that the following firms be interviewed for Mid Cap Growth Manager: DGI, ING, and Janus. Dr. Baker objected to the motion and the secretary called the roll. The motion carried by a vote of three yeas and one nay. Mrs. Gildig, Mr. Hennigan, and Mr. Potts voted yea. Dr. Baker voted nay."

ON MOTION OF MRS. GILDIG, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the recommendation of the Subcommittee to Review Responses to Mid Cap Growth Manager SFP.

Portfolio Review – Private Market and Real Estate

Philip Griffith and Maurice Coleman (TRSL); and Scott Coopriider and Rishi Delvadia, Hewitt EnnisKnupp, presented an overview of Hamilton Lane Advisors' background, commitments, and performance as manager for private market investments for TRSL.

Review of 2014 Fiscal Year Private Market Investments Strategic Plan

Paul Yett, Jerry Gates, and Jonathan Floyd of Hamilton Lane presented an overview of alternative assets and the 2014 Fiscal Year Private Market Investments Strategic Plan. The presentation qualified for one hour of Investment Education.

ON MOTION Of DR. BAKER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adopt the report on the 2014 Fiscal Year Private Market Investments Strategic Plan.

Private Market Update and Review of Potential Private Market Investment

Mr. Yett and Mr. Gates presented the private market update and reviewed a potential alternative investment in OHA Newbury Partners, L.P.

Jason T. Serrano and Eric Storch of Oak Hill Advisors, appeared before the Committee to make a presentation on OHA Newbury Partners, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated August 5, 2013, pertaining to investments in OHA Newbury Partners, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Potts appointed Mr. Sam to serve as an alternate for Ms. Hattaway.

Review and Approval of Solicitation for Proposals (SFP) for Private Market Manager

Mr. Griffith reviewed the SFP for Private Market Manager.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to authorize the Chief Investment Officer to negotiate a new contract with Hamilton Lane.

Appointment of Subcommittee to Review Responses to Solicitation for Proposals (SFP) for U.S. Large Cap Value Manager

Mr. Potts appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Large Cap Value Manager: Dr. Baker as Chair, Mr. Hennigan, Mrs. Gildig, Mr. Napper, and Mr. Potts.

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 presented Hewitt EnnisKnupp's August 5, 2013 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through June 30, 2013.

Mr. Griffith and Mr. Coopriider presented a review of Guidelines for Global High Yield Fixed Income Investment Manager(s) for approval at the September Investment Committee meeting.

Interview Finalists and Recommend Successful Candidate Firms for Global High Yield Manager

Mr. Griffith, Mr. Coopriider, and Mr. Delvadia presented an overview of the potential candidates: MacKay Shields LLC; Western Asset Management Company; and Alliance Bernstein L.P.

The following representatives from each firm appeared before the Committee to be interviewed for Global High Yield Manager: Michael Kimble, Dan Roberts, PhD, and Kirk Kashevaroff of MacKay Shields LLC; Michael C. Buchanan and Douglas A. Hulsey of Western Asset Management Company; and Douglas J. Peebles and Joe Lawrence of Alliance Bernstein L.P.

The Committee ranked each firm from 1 to 3, with 1 ranking the highest.

	MacKay Shields	Western Asset	Alliance Bernstein
Dr. Abshire	2	3	1
Mrs. Gildig	2	3	1
Mr. Hennigan	2	3	1
Mr. Sam	2	3	1
Mr. Lawyer	3	2	1
Mr. Potts	3	2	1
<i>Total</i>	14	16	6

Alliance Bernstein ranked the highest, followed by MacKay Shields and Western Asset Management, respectively.

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to hire Alliance Bernstein LP as Global High Yield Manager, subject to fee negotiation.

Adjournment

ON MOTION OF MR. SAM, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 3:56 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. – Tuesday
August 6, 2013**

- MEMBERS PRESENT:** Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Anne H. Baker, Dr. William C. "Bill" Baker, and Holly B. Gildig
- MEMBERS ABSENT:** Kathy Hattaway
- OTHER MEMBERS PRESENT:** David A. Hennigan, Dr. Steven Procopio (Commissioner's Designee), and Carlos J. Sam
- STAFF PRESENT:** Stuart Cagle, Roy Mongrue, Jr., Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore`, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Laura Gail Sullivan and Margaret Corley, Louisiana Senate; and Shelley Johnson, Foster & Foster Actuaries and Consultants

Mr. Lawyer called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established.

Strategic Plan Update and TRSL Balanced Scorecard for 2013-2014

Mr. Cagle presented an overview of the Strategic Plan and Balanced Scorecard for 2013-2014 and the 2014 Fiscal Year Goals - Major Projects by Balanced Scorecard Area.

ON MOTION OF MRS. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the Strategic Plan and TRSL Balanced Scorecard Goals for 2013-2014.

Update on Cash Balance Plan

Mr. Mongrue presented an update on the Cash Balance Plan. There has been no further action since the court ruled that the plan was passed by the legislature in violation of the Louisiana Constitution.

Update on Charter Schools

Ms. Whitney presented an overview of Charter Schools, including information on Charter School Authorizers, Types of Charter Schools, Statistics, and Eligibility for Participation. Mr. Mongrue presented further information regarding participation in TRSL and updated the Committee on Priestley School of Architecture and Construction, Inc.; Firstline Schools, Inc. (Dibert Charter School); and Crestworth Learning Academy, Inc. The presentation qualified for one-quarter hour of Rules and Regulations education for trustees.

ON MOTION OF DR. BAKER, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to receive the report on Charter Schools.

Mr. Cagle noted that the Louisiana Association of School Business Officials (LASBO) has created a group to address retirement reform. Mr. Hennigan is a member of LASBO and will serve as a member of the committee.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 9:40 a.m.