

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
October 4, 2011

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Holly B. Gildig, Kathy Hattaway, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Dr. Dominic Salinas, and Gavin L. Vitter

MEMBERS ABSENT: Senator D.A. "Butch" Gautreaux, Joyce Haynes, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, and Acting State Superintendent Ollie Tyler

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Renee Britt, Dana Brown, Jim Buras, Maurice Coleman, Jill Courtney, Patricia Edmonson, Randy Fekete, Jennifer Haire, Randall Harrison, Jamie Henry, Lisa Honore, Janice Hope, Karissa Johnson, Vicki Johnson, Jeff LaCour, Mable Landry, Sharhonda Lee, Peyton Naquin, Melinda Parker, Rosena Prestigiacomo, Joanna Rome, Brandi Russell, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: John Barts, Foster and Foster, Inc; Shelley Johnson, SJ Actuarial Associates; and Laura Gail Sullivan, Louisiana Senate

Each member of the Board received the following:

1. *October 2011 Board Book*
2. *Investment Committee Meeting–October 3, 2011, Performance Report–August 30, 2011*
3. Investment Committee Presentation Booklets from Hewitt EnnisKnupp; Hamilton Lane; and LSV Asset Management
4. *Teachers' Retirement System of Louisiana June 30, 2011 Actuarial Valuation* prepared by Shelley Johnson, SJ Actuarial Associates
5. Boardroom Beacon – *October 2011 Retirement Issues for Women*
6. Article titled "Blueprint Louisiana's Five-Point Reform Agenda" that appeared September 27, 2011 in The Hayride (www.thehayride.com)

7. Article titled "Blueprint Louisiana releases agenda for new term" that appeared September 27, 2011 on the NOLA website (www.nola.com)
8. Article titled "Loophole lets Louisiana lawmakers join retirement system, despite ban" that appeared September 27, 2011 in The Town Talk (Alexandria, LA)
9. Article titled "Public Sector Overwhelmingly Favors Pension-Style Retirement: NIRS DB plans are more cost effective than DC plans" that appeared September 29, 2011 in AdvisorOne (www.advisorone.com)
10. Article titled "State, local pension funds continue to recover" that appeared September 29, 2011 in The Washington Post (www.washingtonpost.com)

Mrs. Baker called the meeting to order at 11:10 a.m. Dr. Abshire 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 September 9, 2011 (Including Minutes of Committee Meetings Held September 8 and 9, 2011)

ON MOTION OF MRS. BECKWITH, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held September 9, 2011 (Including minutes of committee meetings held September 8 and 9, 2011).

Elections Committee Report

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

Introduction of Newly Hired TRSL Staff

Mrs. Vicknair introduced employees hired during the period July 01, 2011–September 30, 2011: Jamie Henry, Jennifer Haire, and Brandi Russell, Retirement Benefit Analysts 1

Director's Update

Ms. Westgard thanked Trustees for their active participation in the LAPERS conference and updated the Board on the following items:

- Participation in Hewitt EnnisKnupp Advisory Board meeting
- Boardroom Beacon – *October 2011 Retirement Issues for Women*

Government Finance Officers Association's Awards for TRSL's Popular Annual Financial Report and Comprehensive Annual Financial Report

Mrs. Baker noted that for the 20th consecutive year, the GFOA Certificate of Achievement for Excellence in Accounting was awarded to TRSL. Mr. Randy Fekete received the Award of Financial Reporting Achievement for his work on the CAFR. TRSL also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for the ninth consecutive year. Mrs. Jill Courtney received the Award of Outstanding Reporting Achievement for her work on the PAFR. Mrs. Baker commended the following individuals who contributed to the completion of the June 30, 2010 CAFR and PAFR Report: Janice Hope and Peyton Naquin (Accounting-General Ledger Section); Joanna Rome, Vicki Johnson, Mable Landry, & Karissa Johnson (Accounting-Investment Section); Sharhonda Lee (Accounting-Admin. Asst); Paula Bezar, Renee Britt, Rosena Prestigiacomo, and Patricia Edmonson (Investments), and Shelley Johnson (Actuary).

Ms. Westgard recognized Charlene Wilson, Lisa Honore, and Stuart Cagle for their contributions to the CAFR and PAFR.

Mrs. Baker commended Ms. Westgard and staff who worked on the CAFR and PAFR for their achievement in receiving the GFOA awards.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 11:40 a.m.

Teachers' Retirement System of Louisiana
Elections Committee
9:00 a.m. – Monday
October 3, 2011

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

MEMBERS ABSENT: Joyce Haynes

OTHER MEMBERS PRESENT: Eula Beckwith, Superintendent Darryl Kilbert, and Dr. Dominic Salinas

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Maurice Coleman, Dana Brown, Lisa Honore, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Carlos Sam and Sherry Brock

Roll Call

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

Receive and Approve Primary Election Results for Districts 2, 3, and 4

Ms. Hattaway read the runoff election results as follows:

	District 2	Number	Percentage
1.	John G. Parauka	513	73.81%
2.	Toyia M. Washington-Kendrick	182	26.19%

Mr. Parauka was elected with 73.81% of the total vote.

	District 3	Number	Percentage
1.	Hennessy T. Melancon	385	45.51%
2.	Carlos J. Sam	461	54.49%

Mr. Sam was elected with 54.49% of the total vote.

	District 4	Number	Percentage
1.	Clara B. Devereaux	112	15.05%
2.	David A. Hennigan	343	46.10%
3.	Dr. Judy Lavender Nicholas	98	13.17
4.	Gregory O'Quinn	77	10.35%
5.	Emma Shepard, Ed. S.	114	15.32%

A run-off election will be held between Mr. Hennigan and Ms. Shepard

ON MOTION OF MR. POTTS, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive and approve the 2012 primary election results for Districts 2, 3, and 4.

Ms. Hattaway welcomed Mr. Sam to the Board.

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 9:08 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to
Emerging Market Manager Solicitation for Proposal
Upon Adjournment of Elections Committee – Monday
October 3, 2011**

MEMBERS PRESENT: Kathy Hattaway, Dr. William C. "Bill" Baker, Superintendent
Darryl Kilbert, Jim Napper (Treasurer's Designee) and Dr.
Sheryl Abshire

OTHER MEMBERS PRESENT: Holly B. Gildig, Joyce Haynes, Robert Lawyer, and Joe A.
Potts, Jr.

STAFF PRESENT: Maureen Westgard, Roy Mongrue, Jr., Dana Vicknair, Dana
Brown, Maurice Coleman, Dana Lee Haltom, and Lisa
Barousse

OTHERS PRESENT: Scott Coopridger, Russ Ivinjack, and Shalin Vyas, Hewitt
EnnisKnupp

Roll Call

Ms. Hattaway called the meeting to order at 9:10 a.m. The secretary called the roll and a quorum was established.

**Review Responses to Emerging Market Manager Solicitation for Proposal (SFP) and
Recommend Finalists to be Interviewed**

Dana Brown (TRSL), and Scott Coopridger, Russ Ivinjack, and Shalin Vyas, Hewitt EnnisKnupp presented an overview of the responses to the Emerging Market Manager SFP.

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Emerging Market Manager:

Dimensional Fund Advisors L.P.
J.P. Morgan Asset Management
Quantitative Management Associates LLC
Schroder Investment Management North America Inc.
Vontobel Asset Management, Inc.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to adjourn at 10:19 a.m.

Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of the Subcommittee to Review Responses to
Emerging Market Manager Solicitation for Proposal - Monday
October 3, 2011

MEMBERS PRESENT: Dr. Sheryl Abshire, Dr. Dominic Salinas, Dr. William C. "Bill" Baker, Superintendent Darryl C. Kilbert, Kathy Hattaway, Eula Beckwith, Jim Napper (Treasurer's Designee), and Anne H. Baker

MEMBERS ABSENT: Senator D.A. "Butch" Gautreaux and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Holly B. Gildig, Joyce Haynes, Robert Lawyer and Joe A. Potts, Jr.

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Paul Yett, Jerry Gates, and Peter Larson, Hamilton Lane; Scott Coopriider, Russ Ivinjack, and Shalin Vyas, Hewitt EnnisKnupp; James Owens and Scott Kemper, LSV Asset Management; Shelley Johnson, SJ Actuarial Associates

Roll Call

Dr. Abshire called the meeting to order at 10:30 a.m. The secretary called the roll and a quorum was established.

Report of the Subcommittee to Review Responses to Emerging Market Manager Solicitation for Proposal

Ms. Hattaway presented the report of the Subcommittee to Review Responses to the Emerging Market Manager Solicitation for Proposal.

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. BECKWITH, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Emerging Market Manager SFP:

“ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Emerging Market Managers: Dimensional Fund Advisors L.P.; J.P. Morgan Asset Management; Quantitative Management Associates LLC; Schroder Investment Management North America Inc.; and Vontobel Asset Management, Inc.”

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Peter Larson, and Jerry Gates of Hamilton Lane Advisors, L.L.C., presented a private market update and Core Real Estate review of Prudential Real Estate Investors (PRISA) and J.P. Morgan Strategic Property Fund.

Mr. Yett, Mr. Larson, and Mr. Gates reviewed a potential alternative investment in Blackstone Real Estate Partners VII.

ON MOTION OF DR. BAKER, SECONDED BY MRS. BECKWITH, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to veto the Hamilton Lane report, including the due-diligence process dated October 3, 2011, pertaining to investments in Blackstone Real Estate Partners VII (up to \$50 million).

ON MOTION OF DR. SALINAS, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to direct Hamilton Lane to seek a more favorable fee structure pertaining to investments in Blackstone Real Estate Partners VII.

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Core Real Estate review.

Private Market Investment Advisory Committee Reports

Mr. Yett presented Private Market Annual Reports on Irving Place Capital and 3i Investments PLC.

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the private market annual reports on 3i Investments PLC and Irving Place Capital.

Mr. Yett updated the Committee on an opportunity to potentially co-invest in five EnCap Energy Capital Fund VIII portfolio investments.

Quarterly Transaction Summary of Private Market Investments (for the period ended June 30, 2011)

Maurice Coleman presented the Quarterly Transaction Summary of Private Market Investments (for the period ended June 30, 2011).

ON MOTION OF SUPERINTENDENT KILBERT, SECONDED BY MRS. BECKWITH, AND CARRIED, the Committee voted to receive the *Quarterly Transaction Summary of Private Market Investments* (for the period ended June 30, 2011).

Investment Policy Update

Katherine Whitney presented the process by which the Board will review and approve the updated Investment Policy Statement (IPS). Ms. Whitney also presented the proposed Overview and Purpose Section of the IPS, which will be presented for approval at the November Investment Committee meeting.

ON MOTION OF MRS. BECKWITH, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the Investment Policy Statement with the proposed Overview and Purpose Section.

Review of TRSL Investments

Maurice Coleman presented an overview of TRSL's total plan and public market investments. Scott Coopridier, Russ Ivinjack, and Shalin Vyas of Hewitt EnnisKnupp presented their October 3, 2011 Meeting Packet. Staff and consultant reviewed performance of TRSL investments through August 31, 2011.

Portfolio Review: Large Cap (Value)

Scott Coopridier and Dana Brown reviewed Large Cap Value Manager, LSV Asset Management. Scott Kemper and James Owens of LSV Asset Management presented LSV's annual portfolio review.

Adjournment

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to adjourn at 2:20 p.m.

Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. – Tuesday
October 4, 2011

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl Abshire, Dr. William C. "Bill" Baker, Eula Beckwith, Dr. Dominic Salinas, and Kathy Hattaway

MEMBERS ABSENT: Joyce Haynes

OTHER MEMBERS PRESENT: Holly B. Gildig, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., and Gavin Vitter

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Randall Harrison, Lisa Honore, Jeff LaCour, Melinda Parker, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: John Barts, Foster & Foster, Inc.; Joe Salter and Monica Candal, Louisiana Department of Education; Renee Siccone, Louisiana Retired Teachers Association; Shelley Johnson, SJ Actuarial Associates; and Laura Gail Sullivan, Louisiana Senate

Roll Call

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

Presentation of Annual Actuarial Valuation for Fiscal Year Ended June 30, 2011, by SJ Actuarial Associates

TRSL Actuary, Shelley Johnson of SJ Actuarial Associates, presented the Annual Actuarial Valuation for Fiscal Year Ended June 30, 2011. Mrs. Johnson introduced John Barts of Foster and Foster Actuarial Firm. The presentation qualified for 1.5 hours of Actuarial Science Education for trustees.

ON MOTION OF DR. BAKER, SECONDED BY MRS. BECKWITH, AND CARRIED, the Committee voted to approve the Annual Actuarial Valuation of the Teachers' Retirement System of Louisiana, (including the Actuarial Valuation of the Louisiana State University Agriculture and Extension Service) for the Fiscal Year ended June 30, 2011 and the projected contribution rates contained therein for the Fiscal Year ending June 30, 2013.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented the Limited Scope Review and Retirees Returning to Work Audit Reports.

ON MOTION OF MRS. BECKWITH, SECONDED BY DR. SALINAS, AND CARRIED, the committee voted to approve the Limited Scope Review and Retirees Returning to Work Audit Reports.

Discussion and Approval of Study Contract

Ms. Westgard presented information relative to the Study Contract.

ON MOTION OF DR. BAKER, SECONDED BY MRS. BECKWITH, AND CARRIED, the committee voted to hire Mr. Robert Klausner's firm, Klausner & Kaufman, to conduct the report relative to feasibility of consolidating the four state retirement systems in accordance with HCR 135.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF DR. SALINAS, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Update on Delinquent Employer Contributions and Potential Litigation

Mrs. Baker asked for a motion to convene into Executive Session to discuss potential litigation regarding Priestley School and Orleans Parish School Board, and Firstline Schools, Inc. – John Dibert Community School, and that Ms. Westgard, Mr. Cagle, Mr. Mongrue, and Ms. Whitney remain in the room.

Superintendent Kilbert recused himself from the discussion regarding Priestley School due to his position as Superintendent of the Orleans Parish School Board. Superintendent Kilbert was not present during the discussion regarding Priestley.

DR. ABSHIRE MOVED to convene into Executive Session to discuss potential litigation regarding Priestley School and Orleans Parish School Board, and Firstline Schools, Inc. – John Dibert Community School, and that Ms. Westgard, Mr. Cagle, Mr. Mongrue, and Ms. Whitney remain in the room. DR. SALINAS SECONDED THE MOTION. The secretary called the roll.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	ABSENT
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee convened into Executive Session.

DR. SALINAS MOVED to reconvene into Regular Session. DR. ABSHIRE SECONDED THE MOTION. The secretary called the roll.

Dr. Abshire	Y
Dr. Baker	Y
Mrs. Beckwith	Y
Ms. Hattaway	Y
Mrs. Haynes	ABSENT
Dr. Salinas	Y
Mrs. Baker	Y

The vote was unanimous and the Committee reconvened into Regular Session.

Update on Charter School Participation in TRSL

Mr. Mongrue and Ms. Whitney presented an update on charter school participation in TRSL. There has not been a request from BESE for an Attorney General Opinion relative to allowing charter school's to opt out of TRSL.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. SALINAS, AND CARRIED, the Committee voted to direct TRSL staff, with input from legislative staff, to prepare a request for an Attorney General Opinion regarding: BESE's administrative authority to allow charter schools to withdraw from participation in TRSL; who is responsible for the unfunded accrued

liability of the member; and the issue of constitutional protection of the benefit, and any other matters associated with charter participation in TRSL.

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

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 11:00 a.m.