

Teachers' Retirement System of Louisiana
Board of Trustees
8401 United Plaza Blvd., 4th Floor, Baton Rouge, LA 70809
Upon Adjournment of Investment Committee – Thursday
July 11, 2019

MEMBERS PRESENT: Dr. Jerry Baudin, David Hennigan, Ricky Julien, Sr., Dr. Tia Mills, Jim Napper (Treasurer's Designee), Neshelle Nogess, John Parauka, Dr. Tom Stafford, Dr. James Taylor, and Kelly Thompson

MEMBERS ABSENT: Holly Gildig, Rick McGimsey (Commissioner's Designee), Dr. Paul Nelson, Senator Barrow Peacock, Representative J. Kevin Pearson, Suzette Riddle, and State Superintendent John White

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Philip Griffith, Douglas Swenson, Jeff LaCour, Lisa Honore', Jonathan Alexander, Adam Averite, Morgan Bacon, Darren Bell, Ed Branagan, Dana Brown, Maurice Coleman, Annie Foster, Linnie Johnson, Will Merrill, Michelle O'Neal, Ronald Richardson, Marina Rubin, Matt Tessier, Davorio Stevenson, To-Trinh Tran, Luis Welchez, Liqun Yang, and Lisa Barousse

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

Each member of the Board received the following:

1. July 2019 Board Book
2. Investment Committee Meeting July 11, 2019, Performance Report – May 31, 2019
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; Aon Hewitt Investment Consulting, Inc.; and Mercer
4. *TRSL Pension Administration Benchmarking Results Fiscal Year 2019 – CEM Benchmarking, Inc.*
5. *TRSL Equal Opportunity Affirmative Action Plan – July 12, 2019*
6. *TRSL 2018-2019 Workload Volumes; TRSL Mission Statement and Balanced Scorecard FY 2018-2019; TRSL 2019 Fiscal Year Goals - Major projects by Balanced Scorecard area (Status Update); and TRSL 2019-2020 Fiscal Year Goals - Major projects by Balanced Scorecard area*

Dr. Baudin called the meeting to order at 3:40 p.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 6, 2019
(Including Minutes of Committee Meetings June 6, 2019)**

ON MOTION OF MS. NOGESS, SECONDED BY MR. JULIEN, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 6, 2019 (including Minutes of Committee Meetings held June 6, 2019).

Executive Committee Report

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

Investment Committee Report

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to accept the report of the Investment Committee in globo and to approve the recommendations contained therein.

Introduction of Newly Hired Staff

The following employees were hired by TRSL during the period 04/01/19 through 06/30/19 and were introduced by Mr. Marangos, Ms. Whitney, Ms. Guntz, Mr. Swenson, and Mr. LaCour, respectively by department:

Information Technology Department

04/29/2019 – Ronald Richardson II – IT Applications Programmer 1

05/06/2019 – Darren Bell – IT Technical Support Analyst 1

Retirement Department

04/01/2019 – Michelle O’Neal – Retirement Benefits Analyst 1

04/01/2019 – Katie Babin – Retirement Benefits Analyst 1

04/01/2019 – Annie Foster – Retirement Benefits Analyst 1

05/20/2019 – Jonathan Alexander – Retirement Benefits Analyst 1

05/20/2019 – To-Trinh Tran – Retirement Benefits Analyst 1

Audit Department

05/06/2019 – Morgan Bacon – Auditor 1

Legal Department

04/08/2019 – Marina Rubin – Paralegal 2

Accounting Department

05/28/2019 – Liqun Yang – Accountant 1

Director's Update

Mrs. Vicknair updated the Board on the following items:

- Ms. Vereta Lee withdrew her candidacy for District 3; and with no opposition Dr. Mills was elected to represent District 3 for the term beginning January 1, 2020
- LAPERS Annual Seminar – September 15-17, 2019, Roosevelt Hotel, New Orleans – please complete hotel registration form and return to Lisa Barousse
- Director's Evaluation form will be uploaded to the portal for completion and submission to Dr. Baudin prior to the September Board meeting
- Trustee Education Reminder - education hours must be completed by August 31, 2019 – presentations are available for review in the Board Portal. Please email the certification to Lisa Barousse upon completion of review of presentations.
- 06/09/19 article by Steven Gassenberger of the Reason Foundation that appeared in the Advocate and 06/12/19 response by TRSL and LASERS

Adjournment

ON MOTION OF DR. STAFFORD, UNANIMOUSLY SECONDED, AND CARRIED, the Board voted to commend staff for doing a superb job supporting the operation of TRSL at an exceptionally high level of performance and efficiency as evidenced by the CEM Benchmarking Report presented in the Executive Committee meeting.

ON MOTION OF DR. MILLS, UNANIMOUSLY SECONDED, AND CARRIED, the Board voted to adjourn at 3:55 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
8401 United Plaza Blvd., 4th Floor, Baton Rouge, LA 70809
8:30 a.m. – Thursday
July 11, 2019**

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

MEMBERS ABSENT: Holly Gildig

OTHER MEMBERS PRESENT: Dr. Tia Mills, Jim Napper (Treasurer's Designee), and Dr. Tom Stafford

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Philip Griffith, Douglas Swenson, Jeff LaCour, Lisa Honore', Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Andrea Guntz, Steve Marangos, Will Merrill, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Treasurer John Schroder, Shelley Johnson, Foster & Foster Actuaries and Consultants, Inc.; and Mike Heale, CEM Benchmarking

Roll Call

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

Annual CEM Administrative Benchmarking Report

Mike Heale of CEM Benchmarking, Inc. presented the annual CEM Administrative Benchmarking Report.

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

Presentation and Approval of Audit Reports by TRSL Audit Staff

Mrs. Guntz presented Compliance Audit Reports on Retirees Returning to Work and Limited Scope Reviews.

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

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2018-2019

Ms. Guntz presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2018-2019.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2018-2019.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2019-2020

Ms. Guntz presented the TRSL Annual Audit Plan for Fiscal Year 2019-2020.

ON MOTION OF MR. PARUAKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve Annual Audit Plan for Fiscal Year 2019-2020.

Update on 2019-20 Affirmative Action Plan

Mrs. Rabalais presented an update on the 2019-2020 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 19, 2019 that the updated plan was approved.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the report.

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

Mr. LaCour presented the Louisiana Compliance Questionnaire.

ON MOTION OF MR. PARAUKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve Louisiana Compliance Questionnaire.

Presentation of Quarterly Litigation Reports

Mr. Swenson presented the Quarterly Litigation Reports.

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

Fiscal Year Update

Mrs. Vicknair gave an overview of TRSL's Vision and Mission Statement, and Balanced Scorecard Goals.

Ms. Whitney reviewed the 2018-2019 Workload Volumes.

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

Dr. Honore` reviewed the 2019 Fiscal Year Goals Status as of June 30, 2019.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the FY 2019 Goals status report.

Dr. Honore` presented an overview of the Strategic Plan and Fiscal Year 2019-2020 Balanced Scorecard Goals

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the Strategic Plan and Fiscal Year 2019-2020 Balanced Scorecard Goals as presented.

Discussion Regarding August 2019 Board and Committee Meetings

Mrs. Vicknair apprised the Board that staff reviewed scheduling and tentative agendas for August and September, and staff recommended cancelling the August Committee and Board meetings. Those items scheduled for August will be moved to September and the Investment Timelines updated for the remainder of the year.

ON MOTION OF MR. PARAUKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to cancel the August 1 and 2, 2019 Committee and Board meetings and update the Investment Committee Active Manager Portfolio Reviews.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, the Committee voted to adjourn at 10:09 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
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MEMBERS ABSENT: Holly Gildig, Rick McGimsey (Commissioner's Designee), Dr. Paul Nelson, Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Dr. Tom Stafford and Kelly Thompson

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

OTHERS PRESENT: Paul Yett, Matthew Silverio, Ben Eckroth, and Bob Flanigan Hamilton Lane Advisors, L.L.C.; Scott Coopridger, Rishi Delvadia, and Russ Ivinjack Aon Hewitt Investment Consultants, Inc.; Andrew Ness and Will Dillard, Mercer; and Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Mr. Hennigan called the meeting to order at 10:20 a.m. The secretary called the roll and a quorum was established. Mr. Hennigan appointed Mr. Julien and Dr. Mills to serve on the Committee as alternates for Mrs. Gildig and Dr. Nelson.

Review and Adopt 2020 Fiscal Year Private Market Strategic Plan

Mr. Yett, Mr. Silverio, Mr. Eckroth, and Mr. Flanigan, Hamilton Lane Advisors, L.L.C., presented an overview of private markets and the 2020 Fiscal Year Private Market Strategic Plan. The presentation qualified for 1.75 hours of Investment Education.

ON MOTION OF DR. TAYLOR, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adopt the report on the 2020 Fiscal Year Private Market Strategic Plan as presented.

Review of Potential Private Market Investments

Mr. Flanigan reviewed a potential alternative investment in Campus Real Estate Partners II, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. MILLS, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 11, 2019, pertaining to investments in Campus Real Estate Partners II, 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 Global Infrastructure Partners IV, L.P.

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 July 11, 2019, pertaining to investments in Global Infrastructure Partners IV, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Committee Reports

Mr. Yett presented an overview of the private market annual reports on Apollo Investment Fund III, IV, V, VI, VII, VIII, IX, L.P.; Bridgepoint Europe IV, V, VI, L.P.; Green Equity Investors V, VI, VII, L.P.; GSO Capital Opportunities Fund III, L.P.; Harbert United States Real Estate Fund VI, L.P.; Harbert European Real Estate Fund V, L.P. and TCV VIII, IX, X, L.P.

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

TRSL 2019 Venture Capital Separate Account Update

Mr. Yett presented an update on the TRSL 2019 Venture Capital Separate Account.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the update on the TRSL 2019 Venture Capital Separate Account.

Discussion of Asset Allocation for Upcoming Asset/Liability Study

Mr. Coopriider and Mr. Ivinjack, Aon Hewitt Investment Consultants, Inc., presented “*Discussion of Asset Allocation for Upcoming Asset/Liability Study*”. The presentation qualified for 3/4 hour of Investment Education.

Capital Market Update and Review of TRSL Investments

Investment Policy Update – Global High Yield Fixed Income

Mr. Coopriider presented an update for the IPS to allow flexibility for GLOBAL HIGH YIELD FIXED INCOME manager to allocate an emerging markets debt weight relative to the benchmark based on their investment views.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the update to the IPS relative to Global High Yield Fixed Income as presented.

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 Monthly Investment Review. Staff and Consultant reviewed performance of TRSL investments through May 31, 2019.

Portfolio Review

Mr. Delvadia and Mr. Brown reviewed Emerging Market Equity Managers: Dimensional Fund Advisors (Value) and Harding Loevner (Growth).

Annual Evaluation of Custodian

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

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

Optional Retirement Plan (ORP) Quarterly Review (for period ended March 31, 2019)

Mr. Ness and Mr. Dillard, Mercer presented the Optional Retirement Plan (ORP) Quarterly Review for March 31, 2019.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to receive the ORP Quarterly Review as presented.

Annual Evaluation of Investment Consulting Firms – Mercer and Aon Hewitt

Mr. Hennigan asked for a motion to convene into Executive Session.

DR. BAUDIN MOVED, AND MR. PARAUKA SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the general investment consultant and optional retirement plan (ORP) consultant, with the Director and the Chief Investment Officer to remain in the room.

A roll-call vote was taken. The vote was unanimous with Dr. Baudin, Mr. Hennigan, Mr. Julien, Dr. Mills, Mr. Napper, Ms. Nogess, Mr. Parauka, and Dr. Taylor voting yea and the Committee convened into Executive Session.

DR. BAUDIN 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, Mr. Hennigan, Mr. Julien, Dr. Mills, Mr. Napper, Ms. Nogess, Mr. Parauka, and Dr. Taylor voting yea and the Committee reconvened into Regular Session.

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

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to adjourn at 3:38 p.m.