

**Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Budget and Finance Committee - Thursday  
November 1, 2018**

**MEMBERS PRESENT:** Dr. Jerry Baudin, Dr. Sheryl Abshire, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Dr. Paul Nelson, Neshelle Nogess, John Parauka, Dr. James Taylor, and Kelly Thompson

**MEMBERS ABSENT:** Holly Gildig, Jim Napper (Treasurer's Designee), Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Phil Griffith, Jeff LaCour, Douglas Swenson, Lisa Honore', Adam Averite, Ed Branagan, Dana Brown, Maurice Coleman, Randall Harrison, Andrea Guntz, Linnie Johnson, Steve Marangos, Will Merrill, Davorio Stevenson, Matt Tessier, Charlene Wilson, Laurie Wright, and Lisa Barousse

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

Each member of the Board received the following:

1. November 2018 Board Book
2. Investment Committee Meeting November 1, 2018, Performance Report – September 30, 2018
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; and Aon Hewitt Investment Consulting, Inc.
4. *Presentation of the Results of the June 30, 2018 Financial Statement and Compliance Audit – Duplantier, Hrapmann, Hogan, and Maher, LLP*
5. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Year Ended June 30, 2018 (Draft)*

Dr. Baudin called the meeting to order at 2:05 p.m. Mr. Napper 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 October 4, 2018 (Including Minutes of Committee Meetings held October 4, 2018)**

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. THOMPSON, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held October 4, 2018 (Including Minutes of Committee Meetings held October 4, 2018).

### **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.

### **Investment Committee Report**

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

### **Budget and Finance Committee Report**

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. NOGESS, AND CARRIED, the Board voted to accept the report of the Budget & Finance Committee and to approve the recommendations contained therein.

### **Director's Update**

Mrs. Vicknair updated the Board on the following:

- Pledge of Allegiance and Committee Assignment Sheets for 2019 – complete and return to the Director prior to the December Board meeting
- Board of Trustees Self Evaluation Survey complete and return to the Board Chair by November 15th
- Juban's Dinner – December 6<sup>th</sup> @ 6:00 p.m. – complete the dinner selection form and submit payment to Lisa Barousse
- Trustees must complete Preventing Sexual Harassment Training by December 31, 2018

### **Adjournment**

ON MOTION OF DR. ABSHIRE, UNANIMOUSLY SECONDED AND CARRIED, the Board voted to adjourn at 2:25 p.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
8:30 a.m. – Thursday  
November 1, 2018**

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

**MEMBERS ABSENT:** Holly Gildig

**OTHER MEMBERS PRESENT:** Ricky Julien, Sr., Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Dr. Paul Nelson, Neshelle Nogess, John Parauka, Senator Barrow Peacock, Representative J. Kevin Pearson, Treasurer John Schroder, and Kelly Thompson

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

**OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Michelle Cunningham, Duplantier, Hrapmann, Hogan & Maher, L.L.P.; John Broussard, Department of the Treasury; Margaret Corley, Senate Retirement Committee; Tyler Bosworth, House Retirement Committee; and Rodney Watson, Louisiana Retirement Teachers' Association

**Roll Call**

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

**Presentation of Proposed Drafts of the Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR) for Fiscal Year Ended June 30, 2018**

Charlene Wilson presented proposed drafts of the CAFR and the PAFR for Fiscal Year Ended June 30, 2018.

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the proposed drafts of the CAFR and the PAFR for Fiscal Year ended June 30, 2018.

**Presentation and Approval of the Annual Audit by Duplantier, Hrapmann, Hogan & Maher, L.L.P. for Fiscal Year Ended June 30, 2018**

Michelle Cunningham of Duplantier, Hrapmann, Hogan & Maher, L.L.P., presented the Annual Audit for Fiscal Year Ended June 30, 2018.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the Annual Audit for Fiscal Year ended June 30, 2018, as presented.

**Presentation and Approval of the Audit of the Louisiana Retirement Systems Building Fund for Fiscal Year Ended June 30, 2018**

Mr. LaCour presented the Annual Audit of the Louisiana Retirement Systems Building Fund.

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Audit of the Louisiana Retirement Systems Building Fund for Fiscal Year ended June 30, 2018 as presented.

**Discussion of Discount Rate Reduction Plan**

Mrs. Vicknair and Shelley Johnson updated the Committee on the Discount Rate Reduction Plan and presented possible alternatives. There was extensive discussion regarding the alternatives. The presentation qualified as one hour of Actuarial Education.

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adopt Alternative 1 as presented and take actions necessary to implement the reduction.

**Discussion regarding *Societe Generale* (potential litigation)**

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

MR. NAPPER MOVED AND DR. ABSHIRE SECONDED A MOTION to convene into Executive Session to review and discuss potential litigation related to *Societe Generale*, with the Director, Executive Counsel, and Chief and Deputy Chief Investment Officers to remain in the room; and Hamilton Lane representatives to be present as requested for a portion of the Executive Session. A roll-call vote was taken. The vote was unanimous with Dr. Baudin, Dr. Abshire, Mr. Hennigan, Mr. Lawyer and Mr. Napper voting yea; and the Committee convened into Executive Session.

MR. LAWYER MOVED AND DR. TAYLOR 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 yea; and the Committee reconvened into Regular Session.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to authorize the Director, Chief Investment Officer, and General Counsel to take appropriate actions in matters related to *Societe Generale*.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to authorize hiring outside counsel, if necessary, to represent TRSL in litigation related to *Societe Generale* and in any and all related matters.

### **Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 11:30 a.m.

**Teachers' Retirement System of Louisiana  
Subcommittee to Review Responses to  
Solicitation for Proposals for Private Markets Manager  
Upon Adjournment of Executive Committee – Thursday  
November 1, 2018**

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

**MEMBERS ABSENT:** Holly Gildig

**OTHER MEMBERS PRESENT:** Dr. Jerry Baudin, Ricky Julien, Sr., Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Dr. Paul Nelson, Neshelle Nogess, John Parauka, Dr. James Taylor, and Kelly Thompson

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

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

**Roll Call**

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

**TRSL Private Market Manager Structure and Scope - Aon Hewitt**

Scott Coopridier, Russ Ivinjack, and Rishi Delvadia of Aon Hewitt Investment Consulting, Inc. presented *TRSL Private Market Manager Structure and Scope*. The presentation qualified for one-quarter hour of Investment Education.

**Review Proposals and Recommend Finalists to be Interviewed**

Mr. Coopridier reviewed the responses to the Solicitation for Proposals for Private Market Manager.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that a new search for Private Market Manager be conducted in 2019 and that incumbent Hamilton Lane Advisors, L.L.C., be retained as Private Markets Manager until that search is concluded.

**Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 12:41 p.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
Upon Adjournment of Subcommittee to Review Responses to  
Solicitation for Proposals for Private Markets Manager  
Thursday – November 1, 2018**

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

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

**OTHER MEMBERS PRESENT:** Ricky Julien, Sr., Dr. Tia Mills, Neshelle Nogess, and Kelly Thompson

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

**OTHERS PRESENT:** Scott Coopridger, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.; and Paul Yett and Matt Silverio, Hamilton Lane Investment Consultants, LLC

**Roll Call**

Dr. Abshire called the meeting to order at 12:43 p.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Parauka to serve on the Committee as an alternate for Mrs. Gildig.

**Report of the Subcommittee to Review Responses to Solicitation for Proposals for Private Markets Manager**

Mr. Lawyer presented the report of the Subcommittee to Review Responses to the SFP for Private Markets Manager.

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to the SFP for Private Markets Manager:



*"ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that a new search for Private Markets Manager be conducted in 2019 and that incumbent Hamilton Lane Advisors, L.L.C., be retained as Private Markets Manager until that search is concluded."*

### **Private Market Update and Review of Potential Private Market Investments**

Paul Yett and Matt Silverio of Hamilton Lane Advisors, LLC appeared before the Committee to present private market items.

Mr. Yett presented the private market update.

Mr. Silverio reviewed a potential alternative investment in Blackstone Real Estate Partners IX, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated November 1, 2018, pertaining to investments in Blackstone Real Estate Partners IX, L.P. (up to \$50 million) including an increase of the 80% leverage requirement for opportunistic real estate up to 85% for the fund investment only, subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

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

Mr. Silverio presented Annual Meeting Reports on the following funds: Apollo Investment Fund IV, V, VI, VII, VIII, & IX, L.P.; Bridgepoint Europe IV, V & VI, L.P.; Castlake IV & V, L.P.; Charterhouse Capital Partners X, L.P.; Crow Holdings Realty Partners V, VI, VII, & VIII, L.P.; Glide Buyout Fund IV, L.P.; Global Infrastructure Partners III, L.P.; Summit Partners Growth Equity Fund VIII & IX, L.P.; Summit Partners Venture Capital Fund IV, L.P.; and Trident VI & VII, L.P.

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

### **Presentation and Review of the Schedule of Manager Portfolio Reviews for 2019**

Mr. Griffith presented the 2019 Schedule of Manager Portfolio Reviews (for approval in December).

ON MOTION OF DR. NELSON, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to receive the Schedule of Manager Portfolio Reviews for 2019.

## **Presentation and Review of the Schedule of Investment Searches for 2019**

Mr. Griffith presented the 2019 Schedule of Investment Searches (for approval in December).

ON MOTION OF DR. TAYLOR, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the Schedule of Investment Searches for 2019.

## **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. Russ Ivinjack presented Aon Hewitt's November 1, 2018 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through September 30, 2018.

Portfolio Review - Rishi Delvadia (Aon Hewitt) and Dana Brown (TRSL) reviewed Small Cap Managers: Alliance Bernstein, L.P. (Growth) and Mesirow Financial Equity Management (Value); and Global High Yield Manager Alliance Bernstein, L.P.

## **Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to adjourn at 1:41 p.m.

**Teachers' Retirement System of Louisiana  
Budget & Finance Committee  
Upon Adjournment of Investment Committee – Thursday  
November 1, 2018**

**MEMBERS PRESENT:** David Hennigan, Robert Lawyer, Dr. James Taylor, John Parauka, Ricky Julien, Sr., Dr. Sheryl Abshire, Dr. Jerry Baudin, and Dr. Paul Nelson

**MEMBERS ABSENT:** Holly Gildig

**OTHER MEMBERS PRESENT:** Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Jim Napper, (Treasurer's Designee), Neshelle Nogess, and Kelly Thompson

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

**Roll Call**

Mr. Hennigan called the meeting to order at 1:42 p.m. The secretary called the roll and a quorum was established. Mr. Hennigan appointed Dr. Nelson to serve on the Committee as an alternate for Mrs. Gildig.

**Review, Discuss and Approve the Proposed 2019-2020 Louisiana Retirement Systems Building Fund Budget**

Mr. LaCour presented the proposed 2019-2020 Louisiana Retirement Systems Building Fund Budget.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the 2019-2020 Louisiana Retirement Systems Building Fund Budget.

**Review, Discuss and Approve the Proposed 2019-2020 Louisiana Teachers' Retirement Systems Administrative Operating Budget**

Mr. LaCour presented the proposed 2019-2020 Louisiana Teachers' Retirement System Administrative Operating Budget.

ON MOTION OF MR. PARAUKA, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to approve the 2019-2020 Louisiana Teachers' Retirement System Administrative Operating Budget and authorize the Director and Deputy Director to make adjustments as needed and brief the Board on such actions.

**Review, Discuss, and Approve the 2019-2020 Department of Education Payment Amount and Notification of Payment Due for Act 228 of 1944; Act 568 of 1952; Act 27 of 1957; and Act 440 of 1960**

Ms. Whitney reviewed the 2019-2020 Department of Education Payment Amount and Notification of Payment Due for Act 228 of 1944; Act 568 of 1952; Act 27 of 1957; and Act 440 of 1960.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the notification of payment due for Fiscal Year 2019-2020.

**Update on Notification to LSU AgCenter of Payment Due for Fiscal Year 2019-2020**

Ms. Whitney updated the Committee on the notification of payment due for Fiscal Year 2019-2020 which was sent to the LSU AgCenter on October 12, 2018.

**Adjournment**

ON MOTION OF MR. JULIEN, SECONDED BY MR. PARAUKA AND CARRIED, the Committee voted to adjourn at 2:01 p.m.