

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
April 7, 2017**

MEMBERS PRESENT: Dr. Jerry Baudin, Holly Gildig, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Kathy Manning, Rick McGimsey, (Commissioner's Designee), Dr. Tia Mills, Neshelle Nogess, John Parauka, Carlos Sam, and Dr. James Taylor

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Yolanda Blakes, Ed Branagan, Dana Brown, Maurice Coleman, Randall Harrison, Lisa Honore`, Jeff LaCour, Steve Marangos, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Kiera Ward, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Laura Gail Sullivan, Louisiana Senate; and Rodney Watson, Louisiana Retired Teachers' Association

Each member of the Board received the following:

1. April 2017 Board Book
2. Investment Committee Meeting April 6, 2017, Performance Report – February 28, 2017
3. Investment Committee Presentations from Aon Hewitt Investment Consulting, Inc.; Hamilton Lane Advisors, LLC; Mercer; and Morgan Stanley
4. *2017 Regular Legislative Session Legislation AFFECTING TRSL As of April 3, 2017; and 2017 Regular Legislative Session Legislation MONITORED by TRSL Board As of April 3, 2017*
5. *2017 Investing in Louisiana, The Economic Impact of Louisiana's Largest Public Retirement System*
6. *Keys to Understanding TRSL's Actuarial Valuation – Shelley Johnson, Foster & Foster Actuaries and Consultants*

Dr. Baudin called the meeting to order at 10:40 a.m. Mr. Julien 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 March 2, 2017 (Including Minutes of Committee Meetings held March 2, 2017)

ON MOTION OF MR. PARAUKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held March 2, 2017 (Including Minutes of Committee Meetings held March 2, 2017).

Investment Committee Report

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

Legislative Committee Report

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

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.

Introduction of Newly Hired Staff

Laurie Wright introduced Yolanda Blakes and Keira Ward, who were hired March 13, 2017 in the Retirement Department as Retirement Benefits Analysts.

Director's Update

Ms. Westgard updated the Board on the following:

- United Way – TRSL's 2016 contribution was \$8,175.99
- TRSL Member Access Registration Campaign – our goal was to increase on-line registration by 10% in 2017; we have reached 73% of the goal in the first three months of this year.
- 2017 Board of Trustees elections for Retirees, School Food Service, District 1 (Special Election), and Superintendents (Special Election) close April 28, 2017 at 4:30 p.m.

Adjournment

ON MOTION OF DR. MILLS, SECONDED BY MR. MCGIMSEY, AND CARRIED, the Board voted to adjourn at 10:50 a.m.

Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals for
Core Fixed Income Manager
9:00 a.m. – Thursday
April 6, 2017

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

MEMBERS ABSENT: Dr. Sheryl Abshire and Holly Gildig

OTHER MEMBERS PRESENT: Kathy Manning, Ricky Julien, Sr., Rick McGimsey (Commissioner's Designee), Neshelle Nogess, John Parauka, Carlos Sam, and Dr. James Taylor

STAFF PRESENT: Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Jeff LaCour, Davorio Stevenson, Duke Williams, Debbie Boudreaux, and Lisa Barousse

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

Roll Call

Mr. Lawyer called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established.

Review Responses and Recommend Finalists to be Interviewed

Phil Griffith (TRSL) and Scott Coopridier of Aon Hewitt presented an overview of the following firm's responses to the Core Fixed Income Manager SFP: Baird Advisors; Garcia Hamilton & Associates, L.P.; Income Research + Management; J.P. Morgan Asset Management; and PGIM Fixed Income.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent PGIM Fixed Income be retained subject to fee negotiations; and J.P. Morgan Asset Management and Baird Advisors be interviewed as finalists for Core Fixed Income Manager.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 9:57 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Subcommittee to Review Responses to
Solicitation for Proposals for Core Fixed Income Manager – Thursday
April 6, 2017**

- MEMBERS PRESENT:** Kathy Manning, Robert Lawyer, David Hennigan, Jim Napper (Treasurer's Designee), Neshelle Nogess, Rick McGimsey (Commissioner's Designee), Dr. Jerry Baudin, and Dr. James Taylor
- MEMBERS ABSENT:** Dr. Sheryl Abshire, Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Ricky Julien, Sr., Dr. Tia Mills, John Parauka, and Carlos Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Jeff LaCour, Davorio Stevenson, Katherine Whitney, Duke Williams, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett, Jerry Gates, Radhika Cobb, and Matthew Silverio, Hamilton Lane Advisors, L.L.C.; Scott Coopriider, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting, Inc.; Andrew Ness and Mike Paolucci, Mercer; and Dennis Lynch and Mary Sue Marshall, Morgan Stanley

Roll Call

Ms. Manning called the meeting to order at 9:59 a.m. The secretary called the roll and a quorum was established. Ms. Manning appointed Dr. Taylor to serve on the Committee as an alternate for Dr. Abshire.

Report of Subcommittee to Review Responses to Solicitation for Proposals (SFP) for Core Fixed Income Manager

Mr. Lawyer presented the report of the Subcommittee to Review Responses to the SFP for Core Fixed Income Manager.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to the SFP for Core Fixed Income Manager:

"ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent PGIM Fixed Income be retained subject to fee negotiations; and J.P. Morgan Asset Management and Baird Advisors be interviewed as finalists for Core Fixed Income Manager."

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Jerry Gates, Radhika Cobb, and Matthew Silverio of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items. Mr. Yett presented the private market update.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve an additional \$175 million in excess of the original target commitment pace for fiscal year 2017.

Apollo European Principal Finance Fund III, L.P.

Mr. Silverio reviewed a potential alternative investment in Apollo European Principal Finance Fund III, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated April 6, 2017 pertaining to investments in Apollo European Principal Finance Fund III, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Carlyle Realty Partners VIII, L.P.

Mr. Gates and Ms. Cobb reviewed a potential alternative investment in Carlyle Realty Partners VIII, 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 April 6, 2017 pertaining to

investments in Carlyle Realty Partners VIII, L.P. (up to \$100 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

New Enterprise Associates 16, L.P.

Mr. Yett reviewed a potential alternative investment in New Enterprise Associates 16, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MS. NOGESS, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated April 6, 2017 pertaining to investments in New Enterprise Associates 16, L.P. (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2017 Venture Capital Separate Account Update

Mr. Silverio presented an update on the TRSL 2017 Venture Capital Separate Account.

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

Quarterly Summary of Alternative Assets and Real Estate (for the period ended December 31, 2016)

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for the period ended December 31, 2016).

ON MOTION OF DR. TAYLOR, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to receive the Quarterly Summary of Alternative Assets and Real Estate (for the period ended December 31, 2016).

Optional Retirement Plan (ORP) Quarterly Review (for the period ended December 31, 2016)

Andrew Ness and Mike Paolucci of Mercer presented the ORP Quarterly Review (for the period ended December 31, 2016).

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the ORP Quarterly Review (for period ended December 31, 2016).

Capital Market Update and Review of TRSL Investments

4th Quarter 2016 and Monthly Investment Review

Russ Ivinjack presented Aon Hewitt's 4th Quarter Investment Review. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Rishi Delvadia and Scott Coopridier presented Aon Hewitt's April 6, 2017 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through February 28, 2017.

Portfolio Review – Large Cap Growth

Mr. Delvadia and Dana Brown reviewed Large Cap Growth Managers: Morgan Stanley and The Boston Company. Dennis Lynch and Mary Sue Marshall of Morgan Stanley presented their firm's annual review.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 1:55 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
April 7, 2017**

MEMBERS PRESENT: Robert Lawyer, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. James Taylor, John Parauka, Dr. Jerry Baudin, and Kathy Manning

MEMBERS ABSENT: Dr. Sheryl Abshire, Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Holly Gildig, David Hennigan, Ricky Julien, Sr., Dr. Tia Mills, Neshelle Nogess, and Carlos Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Margaret Corley and Laura Gail Sullivan, Louisiana Senate; Rodney Watson, Louisiana Retired Teachers' Association; and Ryan Gremillion, Louisiana Department of Education

Roll Call

Mr. Lawyer called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Mr. Lawyer appointed Ms. Manning to serve on the Committee as an alternate for Mr. Sam (Mr. Sam arrived after roll call).

Update and Discussion of 2017 Regular Legislative Session

Ms. Westgard reviewed the bills affecting TRSL that have been filed for the 2017 Regular Session. The Committee took action on the bills as follows:

TRSL - LSERS Merger

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to remain neutral on **SB 11** by Senator Peacock.

Board Membership

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to remain neutral on **HB 33** by Representative Pearson.

Funding/Employer Contributions

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to remain neutral on **SB 87** by Senator Morrish.

Correction of Enrollment Errors

ON MOTION OF MS. MANNING, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to remain neutral on **SB 8** by Senator Peacock.

Return to Work

ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to remain neutral on **HB 4** by Representative Miguez and **HB 31** by Representative Hoffmann.

Charter Schools

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, AND CARRIED, the Committee voted to remain neutral on **HB 546** by Representative Havard.

Ms. Whitney reviewed legislation being monitored by TRSL.

Ms. Westgard updated the Committee on the following items:

- TRSL's budget hearing is tentatively scheduled for April 21, 2017.
- *Investing in Louisiana, The Economic Impact of Louisiana's Largest Public Retirement System* has been updated for 2017.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 8:58 a.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
April 7, 2017

MEMBERS PRESENT: Dr. Jerry Baudin, Robert Lawyer, Jim Napper (Treasurer's Designee), Holly Gildig, Carlos Sam, and David Hennigan

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Ricky Julien, Sr., Kathy Manning, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Neshelle Nogess, John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Margaret Corley and Laura Gail Sullivan, Louisiana Senate; Rodney Watson, Louisiana Retired Teachers' Association; and Ryan Gremillion, Louisiana Department of Education

Roll Call

Dr. Baudin called the meeting to order at 8:59 a.m. The secretary called the roll and a quorum was established.

Keys to Understanding TRSL's Actuarial Valuation – Shelley Johnson, Foster & Foster Actuaries and Consultants

Mrs. Johnson presented *Keys to Understanding TRSL's Actuarial Valuation*. The presentation qualified as 1.25 hours of Actuarial Education for Trustees

Presentation and Approval of Audit Reports

Mr. LaCour presented Compliance Audit Reports: *Limited Scope Reviews – April 2017* and *Retirees Returning to Work – April 2017*.

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

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

Reminder - Tier 2.1 Disclosure Form Due May 15, 2017

Mr. Mongrue reviewed the Tier 2.1 Disclosure Form which must be filed with the Louisiana Board of Ethics on or before May 15, 2017.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 10:34 a.m.