

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
December 4, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kimberly Flair, Kathy Hattaway, Holly Gildig, Joyce Haynes, David Hennigan, Ron Jackson, (Commissioner's Designee), Superintendent Lonnie Luce, Jim Napper (Treasurer's Designee), John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Senator Elbert Guillory, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Linnie Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Duke Williams, Charlene Wilson, Laurie Wright, and Lisa Barousse

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

Each member of the Board received the following:

1. December 2015 Board Book
2. *Investment Committee Meeting December 3, 2015, Performance Report – October 31, 2015*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Thomas H. Lee Partners; BNY Mellon; and Aon Hewitt Investment Consulting, Inc.
4. *Actuarial Funding – Key Assumptions and Methods* – Shelley Johnson, Foster & Foster
5. *Fiscal Status of State Budget; Total State Tax Receipts (REC-based); and Focus on the Fisc, November 2015*, Legislative Fiscal Office
6. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Year Ended June 30, 2015*

Mr. Lawyer called the meeting to order at 9:50 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 November 6, 2015 (Including Minutes of Committee Meetings held November 5 and 6, 2015)

ON MOTION OF DR. TAYLOR, SECONDED BY DR. ABSHIRE, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held November 6, 2015 (including Minutes of Committee Meetings held November 5 and 6, 2015).

Elections Committee Report

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. MILLS, 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. PARAUKA, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

Committee of the Whole Report

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

Legislative Committee Report

ON MOTION OF DR. BAUDIN, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

Presentation and Approval of the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2015

Mr. Cagle presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2015.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2015.

Presentation of TRSL Board of Trustees Self-Evaluation

Mr. Lawyer presented the TRSL Board of Trustees Self-Evaluation.

ON MOTION OF MR. PARAUKA, SECONDED BY DR. ABSHIRE, AND CARRIED, the Board voted to receive the report on the TRSL Board of Trustees Self-Evaluation.

Director's Update

Ms. Westgard updated the Board on the following items:

- Emails purportedly from Maureen Westgard requesting money have been received. The emails are not from her; therefore, please report receipt of such an email to her or Mr. Cagle.
- Mr. Mongrue updated the Board on the Cope case, which has been remanded to the district court.

Board Chair Comments

Mr. Lawyer presented a Resolution honoring Carlos Sam for his years of service on the TRSL Board of Trustees from November 8, 2011 through July 1, 2015. A copy of the Resolution is included in these minutes.

Mr. Lawyer presented comments on TRSL's accomplishments and challenges during 2015.

Mrs. Haynes asked that the Board and TRSL consider security training and procedures in light of the recent violence around the world. Ms. Westgard noted that a training session is scheduled in January on dealing with an active shooter situation; and also, IT security analysis is an item on the current balanced scorecard.

Adjournment

ON MOTION OF MRS. HAYNES, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to adjourn at 10:30 a.m.

**Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Thursday
December 3, 2015**

MEMBERS PRESENT: Kathy Hattaway, Joyce Haynes, Jim Napper (Treasurer's Designee), Dr. Sheryl Abshire, Superintendent Lonnie Luce, Ron Jackson (Commissioner's Designee), Holly Gildig, Robert Lawyer, and Dr. Jerry Baudin

MEMBERS ABSENT: Dr. James Taylor

OTHER MEMBERS PRESENT: Kimberly Flair, David Hennigan, and John Parauka

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

Roll Call

Ms. Hattaway called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Dr. Baudin to serve on the Committee as an alternate for Dr. Taylor.

Receive Runoff Elections Results for District 4 Representative

Ms. Hattaway read the election results as follows:

District 4 Representative	Number	Percentage
David Hennigan	390	54.78
Breanke Mitchell	322	45.22

David Hennigan was elected with 54.78% of the votes.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive and approve the runoff election results for District 4 Representative for the term January 1, 2016 through December 31, 2019.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to adjourn at 8:34 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Elections Committee – Thursday
December 3, 2015**

- MEMBERS PRESENT:** Dr. Sheryl Abshire, Kathy Hattaway, David Hennigan, Holly Gildig, Jim Napper (Treasurer's Designee), Dr. Jerry Baudin, Joyce Haynes, Ron Jackson (Commissioner's Designee), and Robert Lawyer
- MEMBERS ABSENT:** Senator Elbert Guillory and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kimberly Flair, Superintendent Lonnie Luce, Dr. Tia Mills, and John Parauka
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Lisa Honore`, Katherine Whitney, Duke Williams, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Mike Heale, CEM Benchmarking, Inc.; Paul Yett and Brian Reilly, Hamilton Lane Advisors, LLC; Anthony J. DiNovi and Beverly Berman, Thomas H. Lee Partners; Ray Kronz and Mike McDermott, BNY Mellon; and Scott Coopridier and Russ Ivinjack, Aon Hewitt Investment Consulting, Inc.

Roll Call

Dr. Abshire called the meeting to order at 8:35 a.m. The secretary called the roll and a quorum was established.

Annual CEM Investment Benchmarking Report

Mike Heale of CEM Benchmarking, Inc. presented the annual CEM Investment Benchmarking Report. The presentation qualified as one-half hour of Investment Education for Trustees.

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

Private Market Update and Review of Potential Private Market Investments

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

Mr. Yett and Mr. Reilly presented the private market update.

Thomas H. Lee Fund VII, LP

Mr. Yett reviewed a potential investment in Thomas H. Lee Fund VII, LP.

Anthony J. DiNovi and Beverly Berman of Thomas H. Lee Partners appeared before the Committee to give a presentation on Thomas H. Lee Equity Fund VII, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated December 3, 2015, pertaining to investments in Thomas H. Lee Fund VII, L.P. (up to \$100 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TCV IX, L.P.

Mr. Yett reviewed a potential investment in TCV IX, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated December 3, 2015, pertaining to investments in TCV IX, L.P. (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2016 Venture Capital Separate Account

Mr. Reilly updated the Committee on TRSL Venture Capital Separate Account.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve Hamilton Lane's recommendation relative to establishing a 2016 calendar year Separate Account Structure to Venture Capital (up to \$100 million), as outlined in their presentation.

Private Market Annual Committee Reports

Mr. Reilly presented private market annual reports on EnCap Investments, Falcon Investment Advisors, Providence Equity Partners, and TPG Capital.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports on EnCap Investments, Falcon Investment Advisors, Providence Equity Partners and TPG Capital.

Presentation and Approval of the Schedule of Investment Searches for 2016

Mr. Griffith presented the Schedule of Investment Searches for 2016.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2016.

Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2016

Mr. Griffith presented the Schedule of Manager Portfolio Reviews for 2016.

ON MOTION OF MRS. GILDIG, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2016.

Presentation of Annual Investment Manager Proxy Voting Report

Duke Williams presented the annual investment manager proxy voting report.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to receive the annual investment manager proxy voting report.

Annual Review and Update on Securities Lending

Ray Kronz and Mike McDermott of BNY Mellon appeared before the Committee to give a review and update on securities lending. The presentation qualified for one-half hour of Investment Education.

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the annual review and update on securities lending.

Capital Market Update and Review of TRSL Investments

Investment Policy Statement (IPS) Update

Mr. Griffith presented a proposed update to *Section III C. - Investment Manager* of the IPS. The update will provide clarity within the IPS regarding when a manager will be required to appear before the Board as part of their review.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to approve the update to IPS *Section III C. Investment Manager*, regarding when a manager will be required to appear before the Board.

3rd Quarter Investment Review

Scott Coopridier of Aon Hewitt presented the third quarter 2015 manager rankings.

Monthly Investment Review

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Russ Ivinjack of Aon Hewitt presented the Aon Hewitt December 3, 2015 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through October 31, 2015.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 11:50 a.m.

**Teachers' Retirement System of Louisiana
Committee of the Whole
Upon Adjournment of Investment Committee – Thursday
December 3, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kimberly Flair, Kathy Hattaway, Holly Gildig, Joyce Haynes, David Hennigan, Ron Jackson, (Commissioner's Designee), Superintendent Lonnie Luce, Dr. Tia Mills, Jim Napper (Treasurer's Designee), and John Parauka

MEMBERS ABSENT: Senator Elbert Guillory, Representative J. Kevin Pearson, Dr. James Taylor, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Steve Marangos, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Rodney Watson, Louisiana Retired Teachers' Association; Maris LeBlanc, Louisiana State Employees' Retirement System (LASERS); Jim Melohn, St. Charles Parish School Board; Shane Riddle, Louisiana Association of Educators

Roll Call

Mr. Lawyer called the meeting to order at 1:00 p.m. The secretary called the roll and a quorum was established.

Actuarial Funding – Key Assumptions and Methods – Shelley Johnson, Foster & Foster Actuaries and Consultants

Shelley Johnson presented *Actuarial Funding – Key Assumptions and Methods*. The presentation qualified as 2.50 hours of Actuarial Education for Trustees.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 3:25 p.m.

The Committee reconvened at 3:26 p.m.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the report on Actuarial Funding – Key Assumptions and Methods.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 3:27 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. - Friday
December 4, 2015

- MEMBERS PRESENT:** Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Holly Gildig, Dr. Sheryl Abshire, Joyce Haynes, John Parauka, David Hennigan, and Robert Lawyer
- MEMBERS ABSENT:** Representative J. Kevin Pearson and Senator Elbert Guillory
- OTHER MEMBERS PRESENT:** Kimberly Flair, Kathy Hattaway, Ron Jackson (Commissioner's Designee), Superintendent Lonnie Luce, Dr. Tia Mills, and Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Matt Tessier, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Pres Robinson, Treasurer's Office; Travis McIlwain and Matt LaBruyere, Legislative Fiscal Office; Rodney Watson, Louisiana Retired Teachers' Association; Trey Boudreaux, Louisiana State Employees' Retirement System (LASERS); Shane Riddle, Louisiana Association of Educators; and Trent Hill, Associated Professional Educators of Louisiana

Roll Call

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

Fiscal Status of the State Budget – Travis McIlwain and Matt LaBruyere, Legislative Fiscal Office

Travis McIlwain and Matt LaBruyere of the Legislative Fiscal Office presented *Fiscal Status of the State Budget*. The presentation qualified as one hour of Investment Education for Trustees.

Update on Meetings

Ms. Westgard updated the Committee on the following meetings:

- 11/16/15 - Meeting with Daryl Purpera Regarding Discount Rate
- 11/18/15 - Meeting with Rep. Ivey regarding his pension reform goals
- 12/01/15 - Public Retirement Systems Actuarial Committee (PRSAC) Meeting – TRSL and LASERS valuation were not presented at the Dec. 1st meeting; tentatively, the valuations will be scheduled in January 2016
- Senator Guillory Sustainability Meetings Summary Letter

Discussion and Update - 2016 Legislative Sessions

Ms. Westgard noted that a special session probably will be called in February after Mardi Gras and she updated the Committee on the following.

- Administrative Expense Bill
- PBI Information

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 9:45 a.m.