

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
February 6, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl R. Abshire, Dr. Jerry J. Baudin, Kimberly A. Flair, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, Ashley McNeely (Commissioner's Designee), Jim Napper (Treasurer's Designee), John G. Parauka, Carlos J. Sam, and Dr. James A. Taylor

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Ed Branagan, Dana Brown, Maurice Coleman, Randall Harrison, Lisa Honore, Robyn Jenkins-King, Lynnie Johnson, Jeff LaCour, Steve Marangos, Ronnie Mazie, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Renee Britt, Arlene Creoli, Patricia Edmonson, Rosena Prestigiaco, Melissa Ventress, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Bridget Devlin, Louisiana Department of Education; and Vanessa Hennigan

Each member of the Board received the following:

1. February 2015 Board Book
2. *Investment Committee Meeting February 5, 2015, Performance Report – December 31, 2014*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C. and Aon Hewitt
4. Education Presentation - *The Prudent Man Rule – Fiduciary Responsibilities*
5. *2015 Regular Legislative Session Public Notices Involving TRSL, as of February 6, 2015 and 2015 Regular Legislative Session Public Notices Involving Other State or Statewide/Local Retirement Systems, as of February 6, 2015*
6. News Articles (Published By, Title, Date) – TRSL eNews Update, *TRSL Responds to new study about teacher pensions*, January 28, 2015; The Times Picayune, *Louisiana teachers retirement system gets C-grade, study says*, January 27, 2015; The Advocate, *Report: Louisiana's teacher retirement system deserves C minus*, January 27, 2015; The Advocate, *Report: La. teacher retirement system deserves C-*, January 28, 2015; The Times Picayune, *Louisiana teachers pension officials decry disparaging report, say funding problems are being addressed*, February 2, 2015; The Advocate, *James Gill: A small lesson in investment deals*, January 25, 2015; The Advocate, *Letter: Ensuring La. Teachers a retirement for the*

long term, January 28, 2015; The Advocate, *Battle over Louisiana pension funds shaping up*, January 25, 2015; American Press, *Retirement changes unavoidable*, February 2, 2015; The Times Picayune, *Public employees' pensions can't be on cruise control: James Varney*, January 27, 2015; CBS Moneywatch, *Teacher pensions: The math adds up to a crisis*, January 28, 2015; 24/7 Wall St., *US Teachers State Pensions Near \$500 Billion in Unfunded Liabilities*, January 27, 2015; The Wall Street Journal, *Pensions Are a Mathematical Issue, Public pensions in most states are in a reasonably good shape.*, January 26, 2015; GoLocalPDX, *Personal Finance: What People with Government Pensions Should Know about Social Security*, January 28, 2015; and PlanSponsor, *Charter Schools to Be Included in Governmental Plan Regs*, January 29, 2015

7. *February 2015 Boardroom Beacon – "Meet the Departments: Investment Department"*

Mr. Lawyer called the meeting to order at 9:40 a.m. Dr. Taylor 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 January 9, 2015 (Including Minutes of Committee Meetings held January 8 and 9, 2015)

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 January 9, 2015 (Including Minutes of Committee Meetings held January 8 and 9, 2015).

Investment Committee Report

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. FLAIR, 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 DR. BAUDIN, SECONDED BY MS. HATTAWAY, 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 MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to accept the report of the Executive Committee and to approve the recommendations contained therein.

Director's Update

- 2015 Board Reference Guide
- February 2015 Boardroom Beacon –Investment Department.
 - Mr. Griffith gave an overview of the Investment Department and introduced the department employees.

Adjournment

ON MOTION OF MRS. HAYNES, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 10:00 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
12:15 p.m. – Thursday
February 5, 2015**

- MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Kathy Hattaway, David A. Hennigan, Holly B. Gildig, Jim Napper (Treasurer's Designee), Dr. Jerry J. Baudin, Joyce P. Haynes, Ashley McNeely (Commissioner's Designee), and Robert Lawyer
- MEMBERS ABSENT:** Senator Elbert Guillory and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kimberly A. Flair, Superintendent Alonzo R. Luce, John G. Parauka, Carlos J. Sam, and Dr. James A. Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett and Brian Reilly – Hamilton Lane Advisors, LLC; Scott Coopridger, Russ Ivinjack, and Jeanna Cullins – Aon Hewitt; Tony Gelderman - Bernstein Litowitz Berger & Grossmann, LLP; Bob Klausner - Klausner, Kaufman, Jensen & Levinson; Jim Baker, Randy Hamonko, Gregory Wilson, Jose` Rodrigos, Wynika White, Rebecca Waxman, Emmanuel Segura, James Reed, Peter Tappeiner, Angela McKinnon, Anna Fuchs, Byron Kennedy, Mary Reynolds - UniteHere

Roll Call

Dr. Abshire called the meeting to order at 12:15 p.m. The secretary called the roll and a quorum was established.

Private Market Update and Review of Potential Private Market Investments

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

Mr. Yett presented the private market update.

Mr. Yett presented an Update on the Energy Sector. The presentation qualified as one-half hour of Investment Education for Trustees.

Mr. Yett reviewed a potential alternative investment in EnCap Energy Capital Fund X, L.P.

ON MOTION OF DR. BAUDIN, 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 February 5, 2015, pertaining to investments in EnCap Energy Capital Fund X, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Reports

Mr. Reilly and Mr. Yett presented private market annual reports on Apollo Global Management, CVC Capital Partners, Kohlberg & Company, Providence Equity Partners, Rockpoint Group, and Starwood Capital Group.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the private market annual reports as presented.

Presentation and Approval of Solicitation for Proposals (SFP) for Mid Cap Value Manager

Mr. Griffith presented the SFP for Mid Cap Value Manager.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the SFP for Mid Cap Value Manager.

The Prudent Man Rule – Fiduciary Responsibilities

Tony Gelderman of Bernstein Litowitz Berger & Grossmann, LLP; Jeanna Cullins of Aon Hewitt; and Bob Klausner of Klausner, Kaufman, Jensen & Levinson gave a presentation on the Prudent Man Rule – Fiduciary Responsibilities. The presentation qualified as one and one-half hour of Education for Trustees.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review

Staff and Consultant reviewed performance of TRSL investments through December 31, 2014. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Russ Ivinjack presented Aon Hewitt's February 5, 2015 portfolio summary report.

Portfolio Review

Scott Coopridier of Aon Hewitt, and Dana Brown presented the annual review of: International Equity Developed Managers - Baillie Gifford Overseas Limited (ACWI ex U.S.) and LSV Asset Management (ACWI ex U.S.); and International Large Cap Managers - MFS Institutional Advisors, Inc. (Value) and Artisan Partners Limited Partnership (Growth).

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 3:49 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
February 6, 2015**

- MEMBERS PRESENT:** Dr. Jerry J. Baudin, Jim Napper (Treasurer's Designee), Holly B. Gildig, Joyce P. Haynes, Dr. Sheryl R. Abshire, John G. Parauka, Robert Lawyer, and David A. Hennigan
- MEMBERS ABSENT:** Senator Elbert Guillory, Representative J. Kevin Pearson, and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Kimberly A. Flair, Kathy Hattaway, Superintendent Alonzo R. Luce, Ashley McNeely (Commissioner's Designee), and Dr. James A. Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Bridget Devlin, Louisiana Department of Education; Tim Mathis and Stephanie Little, Louisiana House of Representatives; and Graig Luscombe, Louisiana Retired 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. Dr. Baudin appointed Mr. Hennigan to serve on the Committee as an alternate for Mr. Sam.

Update on Meetings

Ms. Westgard updated the Committee on the following meetings:

- Board of Elementary and Secondary Education (BESE) - January 13 & 14, 2015
- Return to Work – January 22, 2015
- PRSAC – February 3, 2015

Discussion and Update - 2015 Regular Legislative Session

Public Notices and Potential Legislation

Ms. Westgard and Ms. Whitney updated the Committee on public notices and potential legislation.

ON MOTION OF MR. PARAUKA, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the reports on public notices and potential legislation.

2015-16 Administrative Operating Budget

Ms. Westgard updated the Committee on the 2015-16 Administrative Operating Budget.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to authorize the Director and Deputy Director to take actions as necessary related to the 2015-16 Administrative Operating Budget.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. PARAUKA AND CARRIED, the Committee voted to adjourn at 8:47 a.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
February 6, 2015

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl R. Abshire, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, and David A. Hennigan

OTHER MEMBERS PRESENT: Kimberly A. Flair, Superintendent Alonzo R. Luce, Ashley McNeely (Commissioner's Designee), Jim Napper (Treasurer's Designee), John G. Parauka, Carlos J. Sam, and Dr. James A. Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore`, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Shane Riddle, Louisiana Association of Educators; Bridget Devlin, Louisiana Department of Education; and Tim Mathis and Stephanie Little, Louisiana House of Representatives

Roll Call

Mr. Lawyer called the meeting to order at 8:48 a.m. The secretary called the roll and a quorum was established.

**Presentation and Approval of Update to Board Governance Manual Policy No. 100.3 :
Election of Trustees**

Ms. Whitney presented the proposed update to Board of Governance Policy No. 100.3. – Election of Trustees.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the policy update as presented.

Update on Proposed IRS Regulations Regarding the Definition of Governmental Plan

Ms. Westgard and Mr. Mongrue presented an update on proposed IRS regulations regarding the definition of Governmental plan.

During the discussion, Superintendent Luce requested an item be included on next month's Legislative Committee agenda regarding UAL payment structure.

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

Overview of Ethics Reporting

Mr. Mongrue presented an overview of Ethics reporting requirements relative to financial disclosure.

Update on GASB 67/68

Ms. Westgard and Mr. Cagle presented an update on GASB 67/68 Implementation Process.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 9:27 a.m.