

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
July 11, 2014**

- MEMBERS PRESENT:** Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, and John G. Parauka
- MEMBERS ABSENT:** Robert Lawyer, Benjamin Huxen (Commissioner's Designee), Senator Elbert Guillory, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, Carlos J. Sam, and Superintendent John White
- STAFF PRESENT:** Maureen Westgard, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Randall Harrison, Andrea Joubert, Linnie Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster, Actuaries and Consultants; Ashley McNeely, Louisiana Division of Administration; and Lauren Nero, Associated Professional Educators of Louisiana (APEL)

Each member of the Board received the following:

1. July 2014 Board Book
2. *Investment Committee Meeting July 10, 2014, Performance Report– May 31, 2014*
3. Investment Committee Presentations: Hamilton Lane, Hewitt EnnisKnupp and Lone Star Funds
4. *2014 Fiscal Year Goals, Major projects by Balanced Scorecard area; TRSL Balanced Scorecard Fiscal Year 2014-2015; and 2015 Fiscal Year Goals, Major projects by Balanced Scorecard area*
5. *TRSL Statistics FY 2013 – FY 2014 and TRSL Retirements (FY 2004-FY 2014)*
6. *TRSL's Boardroom Beacon, Mortgages & Planning for the Future, July 2014*
7. Article entitled "State pension boards approve change" that appeared July 4, 2014 in The Advocate (www.theadvocate.com, Baton Rouge, LA)
8. Article entitled "Auditor says Singleton Charter failed to enroll employees in teacher pension plan, doctored records James Singleton Charter School YMCA" that appeared July 7, 2014 in The Times Picayune (www.nola.com, New Orleans, LA)

Mr. Potts called the meeting to order at 10:30 a.m. Dr. Baudin 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, 2014
(Including Minutes of Committee Meetings held June 5 and 6, 2014)**

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 6, 2014 (Including Minutes of Committee Meetings held June 5 and 6, 2014).

Dr. Abshire in the Chair.

Investment Committee Report

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

Mr. Potts in the Chair

Elections Committee Report

Ms. Hattaway read the report of the Elections Committee and moved to accept the report and approve the recommendations contained therein. Dr. Baker noted that the report did not include the motion to accept the elections results, which was made in the Committee meeting.

ON MOTION OF DR. BAKER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Board voted to AMEND the report of the Elections Committee to include the following motion:

“ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the primary election results for Retiree Representative.”

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

Dr. Abshire in the Chair

Executive Committee Report

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

Mr. Potts in the Chair

Introduction of Newly Hired Staff

Andrea Joubert - Auditor - Information Systems, Sandra Jelks – Paralegal, and Chaneita Smith – Retirement Benefits Analyst were hired by TRSL during the period 4/01/14 through 6/30/14. Mrs. Vicknair introduced Ms. Joubert and presented background information on each of the new employees.

Director's Update

Ms. Westgard updated the Board on the following items:

- Higher Education ORP rate setting – three systems have reported
- HB 1225 cleanup bill – first meeting was held with Ms. Sullivan (Senate Counsel)
- LAPERS conference September 7-9 at the Marriott in New Orleans; TRSL Board meeting Sunday morning, September 7th
- Reminder to Trustees to complete sign-out sheet for computers

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Board voted to adjourn at 10:55 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
12:00 p.m. – Thursday
July 10, 2014**

- MEMBERS PRESENT:** Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Holly B. Gildig, and David A. Hennigan
- MEMBERS ABSENT:** Benjamin Huxen (Commissioner's Designee), Senator Elbert Guillory, Robert Lawyer, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin, Joyce P. Haynes, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Steve Marangos, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett and John Shea, Hamilton Lane Advisors, LLC; Andre' Collin and Ben Sarly, Lone Star Funds; Scott Coopriker, Russ Ivinjack, and Steve Benjamin, Hewitt Ennis Knupp; and Ashley McNeely, Louisiana Division of Administration

Roll Call

Mr. Potts called the meeting to order at 12:00 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 John Shea of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items.

Mr. Yett presented a private market update.

Mr. Yett updated the Committee on an investment opportunity in Vista Equity Partners Fund V, L.P. that was presented in April. During final term negotiations, Vista reduced TRSL's allocation from \$75 million to \$10 million; therefore, Hamilton Lane opted not to invest in the fund.

Mr. Shea reviewed a potential alternative investment in Lone Star Fund IX, L.P.

Andre' Collin and Ben Sarly of Lone Star Funds appeared before the Committee to make a presentation on Lone Star Fund IX, L.P.

ON MOTION OF MR. HENNIGAN, 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 July 10, 2014, pertaining to investments in Lone Star Fund IX, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Shea reviewed a potential alternative investment in Carlyle Realty VII, L.P.

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated July 10, 2014, pertaining to investments in Carlyle Realty VII, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in Roark Capital Partners IV, L.P.

ON MOTION OF MR. HENNIGAN, 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 July 10, 2014 pertaining to investments in Roark Capital Partners IV, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett presented a Venture Capital Separate Account update, including an investment overview of Spark Capital Growth Fund, L.P.

Private Market Annual and Advisory Committee Reports

Mr. Yett presented private market annual reports on Crow Holdings Capital Partners, The Gores Group, GSO Capital Solutions, Platinum Equity Capital Partners and TPG Growth.

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports on Crow Holdings Capital Partners, The Gores Group, GSO Capital Solutions, Platinum Equity Capital Partners, and TPG Growth.

Quarterly Summary of Alternative Assets and Real Estate (for period ended 03/31/14)

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for the period ended March 31, 2014).

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the Quarterly Summary of Alternative Assets and Real Estate (for the period ended March 31, 2014).

Report on Annual Evaluation of Investment Custodian Bank

Dana Brown presented a report on the annual evaluation of the investment custodian bank – BNY Mellon Asset Services. Mr. Griffith notified the Committee that the contract with BNY Mellon was renewed for five years.

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

Optional Retirement Plan (ORP)

Review of Proposed Solicitation for Proposal (SFP) for ORP Providers

Phil Griffith presented the proposed SFP for ORP Providers, for subsequent approval in August.

ON MOTION OF MRS. GILDIG, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the SFP for ORP Providers for subsequent approval in August.

Quarterly Review of ORP Providers

Steve Benjamin of Hewitt EnnisKnupp presented the Quarterly Review of ORP Providers.

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Quarterly Review of ORP Providers and approve the recommendation contained therein.

Capital Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Russ Ivinjack presented Hewitt EnnisKnupp's July 10, 2014 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2014.

Portfolio Review

Scott Coopriider of Hewitt EnnisKnupp and Mr. Brown reviewed International Small Cap Managers: Mondrian Investment Partners and Dimensional Fund Advisors and Emerging Market Equity Manager: Dimensional Fund Advisors

Mr. Griffith presented a revised Active Managers' Portfolio Review Schedule for the remainder of 2014. The proposed revisions move reviews of Western Asset Management Company to August and Vontobel Asset Management, Inc. to October.

ON MOTION OF DR. BAKER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the revised *Active Managers' Portfolio Review* schedule as presented.

Annual Evaluation of Investment Consulting Firm - Hewitt EnnisKnupp

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

DR. ABSHIRE MOVED, AND MS. HATTAWAY SECONDED THE MOTION to convene into Executive Session to review and discuss the professional competency of the general consultant firm being evaluated, with the Director and the Chief Investment Officer to remain in the room. A roll-call vote was taken with Dr. Abshire, Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Hennigan, Mr. Napper and Mr. Potts voting yea. The vote was unanimous and the Committee convened into Executive Session.

DR. ABSHIRE MOVED, AND DR. BAKER SECONDED THE MOTION to reconvene into Regular Session. A roll-call vote was taken with Dr. Abshire, Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Hennigan, Mr. Napper and Mr. Potts voting yea. The vote was unanimous and the Committee reconvened in Regular Session.

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the annual evaluation of the consultant firm, Hewitt EnnisKnupp.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 3:48 p.m.

**Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Friday
July 11, 2014**

- MEMBERS PRESENT:** Kathy Hattaway, Joyce P. Haynes, John G. Parauka, Holly B. Gildig, and Dr. Jerry J. Baudin
- MEMBERS ABSENT:** Jim Napper (Treasurer's Designee), David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Carlos J. Sam, and Robert Lawyer
- OTHER MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Superintendent Alonzo R. Luce, and Joe A. Potts, Jr.
- STAFF PRESENT:** Maureen Westgard, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Lisa Honore`, Jeff LaCour, Steve Marangos, Dionne Rabalais, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster, Actuaries and Consultants; Margaret Corley and Laura Gail Sullivan, Louisiana Senate, Ashley McNeely, Louisiana Division of Administration; Darlene L. LeBlanc; and Dr. James A. Taylor, Sr.

Roll Call

Ms. Hattaway called the meeting to order at 8:35 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Mrs. Gildig and Dr. Baudin to serve on the Committee as alternates for Mr. Hennigan and Mr. Sam. Ms. Hattaway noted that Dr. James A. Taylor, Jr. and Darlene L. LeBlanc, candidates for the election, were present.

Receive Primary Election Results for Retiree Representative

Ms. Hattaway read the primary election results as follows (Candidate Name, Number/Percentage of votes received): Dr. James A. Taylor, Sr., 2851/22.19%; Darlene L. LeBlanc, 2342/18.22%; Joe A. Potts, Jr., 2168/16.87%; Dr. John D. Foster, 1986/15.45%, William Britt, 1193/9.28%; Dr. Michael R. Peterson, 662/5.15%; Dr. Paul W. Wilson, 480/3.74%; Frank Vine, 424/3.30%; Irvin R. West, Jr., 397/3.09%; and Dr. Wendell Wellman, 348/2.71%.

A run-off election will be held between Dr. Taylor and Mrs. LeBlanc who received 22.19% and 18.22% of the vote, respectively.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the primary elections results for Retiree Representative.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 8:43 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Elections Committee - Friday
July 11, 2014**

MEMBERS PRESENT: Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, and Kathy Hattaway

MEMBERS ABSENT: Robert Lawyer

OTHER MEMBERS PRESENT: Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, and John G. Parauka

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, 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; Margaret Corley and Laura Gail Sullivan, Louisiana Senate; Ashley McNeely, Louisiana Division of Administration; and Lauren Nero, Associated Professional Educators of Louisiana (APEL)

Roll Call

Mr. Potts called the meeting to order at 8:54 a.m. The secretary called the roll and a quorum was established.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented Compliance Audit Reports on Retirees Returning to Work and Limited Scope Reviews.

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

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2013-2014

Mr. LaCour presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2013-2014.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2013-2014.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2014-2015

Mr. LaCour presented the TRSL Annual Audit Plan for Fiscal Year 2014-2015.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve Annual Audit Plan for Fiscal Year 2014-2015.

Approval of the Louisiana Compliance Questionnaire

Mrs. Vicknair presented the Louisiana Compliance Questionnaire.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve Louisiana Compliance Questionnaire.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Charter School Update

Mr. Mongrue and Ms. Westgard presented an update on charter schools, including an action plan related to ReNew Charter Management Organization and James M. Singleton Charter Middle School.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to authorize the Director and General Counsel to take appropriate actions related to the findings of the Legislative Auditor and his reports on ReNew Charter Management Organization and James M. Singleton Charter Middle School.

Update on 2014-2015 Affirmative Action Plan

Ms. Rabalais presented an update on the 2014-2015 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 17, 2014, that the updated plan was approved.

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

Cycle C Submission

Presentation and Approval of ORP Administrative Rules

Ms. Whitney presented the proposed ORP administrative rules.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the ORP administrative rules for advertisement as a Notice of Intent in the Louisiana Register.

Update on Compliance Statement

Mr. Mongrue presented an update on the Compliance Statement for the TRSL Defined Benefit Plan qualification review.

Director's Fiscal Year Update

Strategic Plan Update and TRSL Balanced Scorecard Goals for 2014-2015

Ms. Westgard presented an overview of the Strategic Plan and Balanced Scorecard for 2014-2015 and the 2015 Fiscal Year Goals - Major Projects by Balanced Scorecard Area.

ON MOTION OF DR. BAKER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Strategic Plan and TRSL Balanced Scorecard Goals for 2014-2015.

Review of FY 2013-2014 Workload Volumes

Ms. Westgard reviewed FY 2013-2014 workload volumes.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 10:18 a.m.