

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Legislative Committee – Friday
June 5, 2015

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

MEMBERS ABSENT: Senator Elbert Guillory, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, Carlos Sam, and State Superintendent John White

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

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

Each member of the Board received the following:

1. June 2015 Board Book
2. *Investment Committee Meeting June 4, 2015, Performance Report – April 30, 2015*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; Aon Hewitt; Castlake, and Blackstone Group
4. Actuarial Education Presentation by Shelley Johnson, Foster & Foster – *Asset/Liability Studies, What are they? What are they used for?*
5. Legislative Committee Handouts: *2015 Regular Legislative Session Legislation AFFECTING TRSL as of June 4, 2015; 2015 Regular Legislative Session Legislation MONITORED by TRSL Board as of June 4, 2015; and Resolution of the Board of Trustees of the Teachers' Retirement System Of Louisiana, Direction to System Actuary, House Bill 42 of 2015 Regular Legislative Session*

Mr. Lawyer called the meeting to order at 9:30 a.m. Mr. Parauka 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 May 8, 2015
(Including Minutes of Committee Meetings held May 7 and 8, 2015)**

ON MOTION OF DR. TAYLOR, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held May 8, 2015 (Including Minutes of Committee Meetings held May 7 and 8, 2015).

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.

Dr. Abshire in the Chair.

Executive Committee Report

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

Mr. Lawyer in the Chair.

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.

Director's Update

Ms. Westgard updated the Board on the status of Trustee Education requirements for the period September 1, 2014 through August 31, 2015.

Adjournment

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

Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals for
International Small Cap Manager
8:30 a.m. – Thursday
June 4, 2015

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

OTHER MEMBERS PRESENT: Kimberly Flair, Holly Gildig, Joyce Haynes, John Parauka, and Dr. James Taylor

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

OTHERS PRESENT: Scott Coopridger, Russ Ivinjack, and Corey Schier, Aon Hewitt

Roll Call

Dr. Baudin called the meeting to order at 8:31 a.m. The secretary called the roll and a quorum was established. Dr. Baudin asked Mr. Lawyer, as ex officio, to serve on the Committee.

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith (TRSL), and Scott Coopridger and Corey Schier of Aon Hewitt presented an overview of the following firms' responses to the SFP for International Small Cap Manager: AQR Capital Management, LLC; Copper Rock Capital Partners, LLC; Dimensional Fund Advisors; Mondrian Investment Partners Limited, and Schroder Investment Management North America Inc.

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbents Dimensional Fund Advisors and Mondrian Investment Partners Limited be retained, subject to fee negotiations.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 9:01 A.M.

Teachers' Retirement System of Louisiana
Investment Committee

Upon Adjournment of Subcommittee to Review Responses to Solicitation for Proposals for
International Small Cap Manager – Thursday
June 4, 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, John Parauka, and Dr. James Taylor

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

OTHERS PRESENT: Paul Yett, Brian Reilly, and Mario Giannini, Hamilton Lane Advisors, LLC; Rory O'Neill and Peter Glerum, Castl lake; Steve Schwarzman and Robert McMullan, Blackstone Group; and Scott Coopri der, Russ Ivinjack, and Corey Schier, Aon Hewitt

Roll Call

Dr. Abshire called the meeting to order at 9:03 a.m. The secretary called the roll and a quorum was established.

Report of Subcommittee to Review Responses to the SFP for International Small Cap Manager

Dr. Baudin presented the report of the Subcommittee to Review Responses to the SFP for International Small Cap Manager.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to the SFP for International Small Cap Manager:

"ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbents Dimensional Fund Advisors and Mondrian Investment Partners Limited be retained, subject to fee negotiations."

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 and Mr. Reilly presented the private market update.

Castlelake, IV L.P. - Mr. Yett and Mr. Reilly reviewed a potential alternative investment in Castlelake IV, L.P. Rory O'Neill and Peter Glerum of Castlelake gave a presentation on the fund.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated June 4, 2015 pertaining to investments in Castlelake IV, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Value of Private Equity in a Public Portfolio – Steve Schwarzman, Chairman, CEO and Co-Founder, Blackstone Group and Mario Giannini, CEO, Hamilton Lane

Mr. Schwarzman and Mr. Giannini presented *Value of Private Equity in a Public Portfolio*. The presentation qualified for 1.5 hours of Investment Education for Trustees.

Presentation and Review of Solicitation for Proposals for Investment Consultant

Mr. Griffith presented the SFP for Investment Consultant.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the SFP for Investment Consultant.

Presentation and Approval of Solicitation for Proposals for SMID Cap Core Manager

Mr. Griffith presented the SFP for SMID Cap Core Manager.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the SFP for SMID Cap Core Manager.

Capital Market Update and Review of TRSL Investments

1st Quarter 2015 and Monthly Investment Review - Mr. Coopriider presented the 1st Quarter 2015 Investment Review. Mr. Ivinjack presented Aon Hewitt's June 4, 2015 portfolio summary report. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments through April 30, 2015.

Portfolio Review – Mr. Coopriider and Dana Brown reviewed Large Cap Value Managers: Delaware Investments and LSV Asset Management.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 1:21 p.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Investment Committee – Thursday
June 4, 2015

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

OTHER MEMBERS PRESENT: Kimberly Flair, 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, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster; and Scott Coopridger, Russ Ivinjack, and Corey Schier, Aon Hewitt

Roll Call

Mr. Lawyer called the meeting to order at 1:22 p.m. The secretary called the roll and a quorum was established.

Actuarial Education - *Asset/Liability Studies - What are they? What are they used for?* – Shelley Johnson, Foster & Foster

Mrs. Johnson presented *Asset/Liability Studies - What are they? What are they used for?* The presentation qualified for one hour of Actuarial Education for Trustees.

Review and Approval of Proposed Meeting Dates for 2016

Ms. Westgard presented proposed TRSL 2016 Board of Trustees meeting dates.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, CARRIED, the Committee voted to adopt the following dates for the Board of Trustees' 2016 meetings: January 7 & 8, February 4 & 5, March 3 & 4, April 7 & 8, May 5 & 6, June 2 & 3, July 7 & 8, August 4 & 5, September 1 & 2, October 6 & 7, November 3 & 4, December 1 & 2. All meetings are Thursday/Friday.

Update on GASB 68

Ms. Westgard and Mrs. Wilson presented an update on GASB 68 implementation.

Update and Discussion of *Kevin Cope & Roger Lane v. Board of Supervisors of Louisiana State University and A & M College and Teacher Retirement System of Louisiana*, Number 633,758, Division D, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana

Mr. Mongrue updated the Committee on the status of the case. TRSL will file pleadings in the case by June 5, 2015.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 2:42 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
June 5, 2015

MEMBERS PRESENT: Dr. Jerry Baudin, Holly Gildig, Dr. Sheryl Abshire, Joyce Haynes, John Parauka, Robert Lawyer, and David Hennigan

MEMBERS ABSENT: Carlos Sam, Jim Napper (Treasurer's Designee), Senator Elbert Guillory, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Kimberly Flair, Kathy Hattaway, Ron Jackson (Commissioner's Designee), Superintendent Alonzo Luce, 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, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Graig Luscombe, Louisiana Retired Teachers' Association; Bridget Devlin, Louisiana Department of Education; Charles Hall, Hall Actuarial Associates

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 advised the Committee that TRSL's FY 2015/2016 budget was approved at the Joint Legislative Committee on the Budget meeting held May 20, 2015.

Discussion and Update - 2015 Regular Legislative Session (ending June 11, 2015)

Ms. Westgard presented a status update on bills affecting TRSL, including committee and floor actions on the bills as of June 4, 2015. The House Retirement Committee met on May 14, 2015 and the Senate Retirement Committee met on May 18 and June 1, 2015.

Ms. Westgard presented the Resolution regarding the 2015 Permanent Benefit Increase (PBI).

ON MOTION OF MR. PARAUKA, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Resolution as presented.

Ms. Whitney presented a status update on legislation monitored by TRSL.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 9:24 a.m.