

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

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

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Dana Vicknair, Dana Brown, Tanya Brown, Maurice Coleman, Sharon Ennis, Brenda Hillhouse, Lisa Honore, Jeff LaCour, Steve Marangos, Ronnie Mazie, Becky McAlister, Jeffrey Portier, Dionne Rabalais, Tynia Ross, Krystal Schroeder, Brad Venable, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster, Actuaries and Consultants; Ryan Gremillion, Louisiana Department of Education; and Cheryl Hurstell, Sign Language Services

Each member of the Board received the following:

1. March 2015 Board Book
2. *Investment Committee Meeting March 5, 2015, Performance Report – January 31, 2015*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; Blackstone Tactical Opportunities; and Aon Hewitt
4. *2015 Regular Legislative Session Legislation Affecting TRSL as of March 5, 2015*
5. Article – *Louisiana Public Universities Ill-Equipped to Withstand Further State Funding Cuts*, Moody's Investors Service, February 18, 2015
6. *March 2015 Boardroom Beacon – "Meet the Departments: Administrative Services Department"*

Mr. Lawyer called the meeting to order at 10:00 a.m. Superintendent Luce 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 February 6, 2015
(Including Minutes of Committee Meetings held February 5 and 6, 2015)**

ON MOTION OF MRS. FLAIR, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the minutes of the meeting of the TRSL Board of Trustees held February 6, 2015 (including minutes of committee meetings held February 5 and 6, 2015).

Investment Committee Report

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

Executive Committee Report

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to accept the report of the Executive 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.

Director's Update

- TRSL's March of Dimes Campaign placed 8th in the Capitol Area Top 10, raising \$3,787
- Ms. Westgard attended the NASRA/NCTR meeting in Washington, D.C. (March 1st-3rd). She noted there was discussion of a proposal by Rep. Brady (TX), regarding the WEP issue.
- Administrative Services Department Overview
Mr. Mazie gave an overview of the Administrative Services Department and introduced the department employees.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 10:25 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
9:00 a.m. – Thursday
March 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, Ashlee 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, 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, Jerry Gates, Radhika Cobb, and Brian Reilly, Hamilton Lane Advisors, LLC; Christopher James and Melanie Endo, Blackstone Tactical Opportunities; and Scott Coopridier and Russ Ivinjack, Aon Hewitt

Roll Call

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

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Jerry Gates, Brian Reilly, and Radhika Cobb 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.

Blackstone Tactical Opportunities Fund II, L.P.

Mr. Yett and Mr. Reilly reviewed a potential alternative investment in Blackstone Tactical Opportunities Fund II, L.P. Christopher James and Melanie Endo of Blackstone Tactical Opportunities appeared before the Committee to give a presentation on the fund.

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 March 5, 2015, pertaining to investments in Blackstone Tactical Opportunities Fund II, L.P. (up to \$125 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Blackstone Real Estate Partners VIII L.P.

Mr. Gates and Ms. Cobb reviewed a potential alternative investment in Blackstone Real Estate Partners VIII 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 March 5, 2015 pertaining to investments in Blackstone Real Estate Partners VIII L.P. (up to \$50 million) including an increase of the 80% leverage limit for opportunistic real estate (up to 85%, for this fund investment only), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

New Enterprise Associates 15, L.P.

Mr. Yett and Mr. Reilly reviewed a potential alternative investment in New Enterprise Associates 15, 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 March 5, 2015, pertaining to investments in New Enterprise Associates 15, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Reports

Dr. Abshire noted that there were no private market annual reports this month.

Presentation and Review of Solicitation For Proposals (SFP) for International Small Cap Manager

Mr. Griffith presented the SFP for International Small Cap Manager.

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the SFP for International Small Cap Manager.

Appointment of Subcommittee to Review Responses to the SFP for Mid Cap Value Manager

Dr. Abshire appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Mid Cap Value Manager: Ms. Hattaway as Chair, Dr. Abshire, Dr. Baudin, Mrs. Gildig and Mr. Napper.

Asset Allocation

Scott Cooprider and Russ Ivinjack, Aon Hewitt, presented *Discussion of Asset Allocation for Upcoming Asset/Liability Study*, which qualified as 1.5 hours of Investment Education for Trustees.

Capital Market Update and Review of TRSL Investments

Ms. Hattaway in the Chair.

Monthly Investment Review

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

PIMCO Guideline Request

Mr. Cooprider presented PIMCO's request to change their current portfolio guidelines to increase the exposure limit for 144a private placement securities to 25%, from the current level of 20%. PIMCO uses this exposure to primarily invest in foreign government and agency securities. Aon Hewitt and staff supported the request.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve PIMCO's request to increase the exposure for 144a private placement securities to 25% in their portfolio.

Portfolio Review – Fixed Income Core and Core Plus

Mr. Cooprider (Aon Hewitt) and Dana Brown (TRSL) presented the annual review of Fixed Income managers: J.P. Morgan Investment Management, Inc. and Prudential Fixed Income (Core); and Loomis Sayles (Core Plus)

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 1:40 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Investment Committee – Thursday
March 5, 2015**

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

MEMBERS ABSENT: Dr. Sheryl R. Abshire

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Ed Branagan, Dana Brown, Maurice Coleman, Laurie Wright, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Mr. Lawyer called the meeting to order at 1:47 p.m. The secretary called the roll and a quorum was established.

Update on GASB 67/68

Mr. Cagle presented an update on GASB 67/68 Implementation Process. He noted that TRSL's new external audit firm is Duplantier, Hrapmann, Hogan & Maher, L.L.P.

TRSL's Leave Conversion Provisions

Mrs. Vicknair (TRSL) and Shelley Johnson (Foster & Foster) gave a presentation on TRSL's Leave Conversion Provisions. The presentation qualified as one hour of Education for Trustees.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 2:45 p.m.

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

- MEMBERS PRESENT:** Dr. Jerry J. Baudin, Jim Napper (Treasurer's Designee), Holly B. Gildig, Joyce P. Haynes, John G. Parauka, Robert Lawyer, and David A. Hennigan
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Representative J. Kevin Pearson, and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Kimberly A. Flair, Kathy Hattaway, Superintendent Alonzo R. Luce, Ashlee McNeely (Commissioner's Designee), and Dr. James A. Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, 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; Ryan Gremillion, Louisiana Department of Education; Graig Luscombe, Louisiana Retired Teachers' Association; Laura Gail Sullivan and Margaret Corley, Louisiana Senate

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 and Ms. Flair to serve on the Committee as alternates for Mr. Sam and Dr. Abshire.

Discussion and Update - 2015 Regular Legislative Session

Dr. Baudin stated that the Committee would not take positions on legislation until the April meeting, in order to have complete actuarial and staff analysis of each bill affecting TRSL. Ms. Westgard updated the Committee on prefiled legislation affecting TRSL as of March 5, 2015.

Dr. Baudin noted that Superintendent Luce requested an item be placed on the agenda, which relates to HB 41 by Representative Harrison. HB 41 would require application of certain amounts of Minimum Foundation Program formula funds to the unfunded accrued liability of TRSL. There was discussion regarding whether the provisions of the legislation are a TRSL issue.

Margaret Corley and Laura Gail Sullivan commented on SB 18 by Senator Adley, related to withdrawal from TRSL and liability payments for Higher Education, noting that Senator Adley has indicated that the current version of the bill is a skeleton, with a version reflecting final intent and provisions to be completed before Easter. There was discussion of several issues and questions related to TRSL contained in the current bill.

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the update as presented.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 9:50 a.m.