

**Teachers' Retirement System of Louisiana  
Board of Trustees  
Upon Adjournment of Legislative Committee – Friday  
May 9, 2014**

**MEMBERS PRESENT:** Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, and Superintendent John White

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Ed Branagan, Beverly Campbell, Laurieann Cassidy, Venetia Clark, Maurice Coleman, Arlene Creoli, Stephanie Daigle, Tammy Dardeau, Michael Ficklin, Randall Harrison, LaCara Haymer, Brenda Hillhouse, Lisa Honore, Kate Hyer, Robyn Jenkins-King, Sharon Lachney, Dant LaSalle, Jeff LaCour, Steve Marangos, Desiree Marshall, Becky McAlister, Sylvia Miller, Bahar Otken, Candi Ourso, Shawn O'Rourke, Rosena Prestigiacomio, Dionne Rabalais, Paula Rhodes, Krystal Schroeder, Kirsten Street, Matt Tessier, Kety Troyer, Genett Washington, Katherine Whitney, Charlene Wilson, Peggy Woodall, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, Foster & Foster, Actuaries and Consultants; and Interpreter name (TBA)

Each member of the Board received the following:

1. May 2014 Board Book
2. *Investment Committee Meeting May 8, 2014, Performance Report – March 31, 2014*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Colony Capital, LLC; Patria Investimentos; Hewitt EnnisKnupp; and Delaware Investments
4. *Discount Rate* – Presentation by Shelley Johnson
5. *2014 Regular Legislative Session Legislation Affecting TRSL as of May 8, 2014; 2014 Regular Legislative Session Legislation Monitored by TRSL Board as of May 8, 2014*
6. *TRSL's Boardroom Beacon, Saving for Emergencies, May 2014*
7. *TRSL Rock Stars, 2014 Service Celebs*

Mr. Lawyer called the meeting to order at 9:30 a.m. Mr. Potts 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 April 4, 2014  
(Including Minutes of Committee Meetings held April 3 and 4, 2014)**

ON MOTION OF DR. BAUDIN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the minutes of the meeting of the TRSL Board of Trustees held April 4, 2014 (Including Minutes of Committee Meetings held April 3 and 4, 2014).

**Investment Committee Report**

ON MOTION OF MR. POTTS, SECONDED BY MS. HATTAWAY, 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.*

**Executive Committee Report**

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, 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. BAKER, SECONDED BY DR. BAUDIN, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

**Recognition of Staff Service Awards**

Mr. Lawyer made comments thanking TRSL staff for their hard work and dedication and recognized TRSL's longest-serving staff members. Ms. Westgard also thanked staff for their public service and contributions to TRSL.

## Director's Update

### Report on Candidates Who Have Qualified for the 2014 Trustee Elections

#### *Colleges & Universities:*

- Dr. Heidi I. Lovett Daniels, faculty member (Southern University-New Orleans)
- Robert Lawyer, faculty member (Delgado Community College)
- Eddie Hughes III, librarian (Southern University-Baton Rouge)

#### *Retirees:*

- William Britt, Castor, LA
- Dr. John D. Foster, Folsom, LA
- Darlene L. LeBlanc, Baton Rouge, LA
- Dr. Michael R. Peterson, Pearl River, LA
- Joe A. Potts, Jr., Metairie, LA
- James A. Taylor, Sr. J.D., Ph.D., Baton Rouge, LA
- Frank Vine, Zachary, LA
- Dr. Wendell C. Wellman, Ed.D., Natchitoches, LA
- Irvin R. West Jr., Hammond, LA
- Paul W. Wilson, PhD, Gonzales, LA

#### *Superintendents:*

- Alonzo (Lonnie) Ray Luce, St. James Parish Schools

#### *District 1:*

- Garri L. Brown, Executive Director of Employee Services (Jefferson Parish Public School System)
- Kimberly Flair, 8th grade teacher, (Jefferson Parish Public School System)
- Mark W. Gamble, CPA, Supervisor of Accounting (St. James Parish School Board)
- Trevor Smith, Information Technology Director (Plaquemines Parish School Board)

#### *District 7:*

- Sheryl R. Abshire, Ph.D., Chief Technology Officer (Calcasieu Parish School Board)

### Other Items

- Reminder to Trustees to complete the transition evaluation form for the Director and return it to the Board Chair by May 23, 2014
- Public Service Recognition Week – May 5-9, 2014

**Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 9:55 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
9:00 a.m. – Thursday  
May 8, 2014**

- MEMBERS PRESENT:** Joe A. Potts, Jr., Kathy Hattaway, Dr. William C. "Bill" Baker, Holly B. Gildig, Robert Lawyer, Joyce P. Haynes, and Carlos J. Sam
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin and Superintendent Alonzo R. Luce
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Scott Coopriider and Russ Ivinjack, Hewitt EnnisKnupp; Ty Nutt and Gregg Erdman, Delaware Investments; Paul Yett and John Shea, Hamilton Lane Advisors, LLC; Kevin Traenkle and Rommel Marseille, Colony Capital, LLC; and Ricardo Scavazza and Scott Goldchain, Patria Investimentos

**Roll Call**

Mr. Potts called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Mr. Potts appointed Mrs. Haynes and Mr. Sam to serve on the Committee as alternates for Dr. Abshire and Mr. Hennigan.

**Capital Market Update and Review of TRSL Investments**

**Monthly Investment Review**

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Scott Coopriider and Russ Ivinjack presented Hewitt EnnisKnupp's May 8, 2014 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through March 31, 2014.

Mr. Griffith updated the Committee on Loomis Sayles' request for a revision to Core Plus Fixed Income Investment Managers guidelines, which will be presented for approval in June.

### Portfolio Review- Large Cap Value

Mr. Coopridier and Mr. Griffith reviewed Large Cap Value Managers: LSV Asset Management and Delaware Investments.

Ty Nutt and Gregg Erdman presented Delaware Investments annual portfolio review.

### "Reinsurance Investing" – Hewitt EnnisKnupp

Mr. Ivinjack presented "Reinsurance Investing". This presentation qualified for one hour of Investment Education for Trustees.

### Update to Timeline and Appointment of Subcommittee to Review Solicitations for Proposals (SFP) for International Large Cap Value Manager

Mr. Potts appointed Dr. Abshire, Ms. Hattaway, Mr. Napper, Mr. Potts, and Mrs. Gildig as Chair to serve on the Subcommittee to Review Responses to the SFP for International Large Cap Value Manager.

Phil Griffith presented the updated timeline for International Large Cap Value Manager.

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve the updated timeline for International Large Cap Value Manager.

### TRSL 2014 Venture Capital Separate Account Update

Mr. Yett presented the Venture Capital Separate Account Update, including reports on Lightspeed Venture Partners X, L.P.; Lightspeed Venture Partners Select, L.P.; GGV Capital V, L.P. and Insight Venture Partners Co-Investment Fund III, L.P.

Mr. Yett previewed Hamilton Lane's expected commitment pace going forward. Hamilton Lane is currently in due diligence with two venture capital funds with a commitment target of \$35 million. Therefore, Hamilton Lane recommended a \$50 million increase in the TRSL Separate Account Commitment maximum to \$100 million.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the Hamilton Lane recommendation to increase the current \$50 million maximum Venture Capital Separate Account allocation to \$100 million for calendar year 2014, as outlined in their presentation.

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

### **Private Market Update and Review of Potential Private Market Investments**

Mr. Yett presented the private market update.

Mr. Shea reviewed a potential alternative investment in Colony Distressed Credit Fund III, L.P. Kevin Traenkle and Rommel Marseille of Colony Capital, LLC appeared before the Committee to make a presentation on the fund.

Mr. Yett reviewed a potential alternative investment Patria-Brazilian Private Equity Fund V, L.P. Ricardo Scavazza and Scott Goldchain of Patria Investimentos appeared before the Committee to make a presentation on the fund.

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 May 8, 2014, pertaining to investments in Colony Distressed Credit Fund III, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

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 May 8, 2014, pertaining to investments in Patria-Brazilian Private Equity Fund V, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

### **Adjournment**

ON MOTION OF MRS. GILDIG, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 2:15 p.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Investment Committee – Thursday  
May 8, 2014**

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

**MEMBERS ABSENT:** Dr. Sheryl R. Abshire

**OTHER MEMBERS PRESENT:** Joyce P. Haynes and Superintendent Alonzo R. Luce,

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Maurice Coleman, Dionne Rabalais, 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 2:20 p.m. The secretary called the roll and a quorum was established.

**Reminder – Tier 2.1 Disclosure Form Due May 15, 2014**

Mr. Mongrue reminded Trustees that the Tier 2.1 Disclosure Form must be filed by May 15, 2014.

**Presentation of Proposed Meeting Dates for 2015**

Ms. Westgard presented the proposed meeting dates for 2015 for review and subsequent approval at the June Executive Committee meeting.

**Update on IRS Cycle C Filing**

Ms. Westgard and Mr. Mongrue presented an update on IRS Cycle C Filing. TRSL's Optional Retirement Plan (ORP) received a favorable letter ruling from the IRS on April 2<sup>nd</sup>, as well as notification that the Defined Benefit Plan has moved from initial review to the second level review. Staff will begin the ORP related rulemaking process in June.

**Presentation and Approval of Amendments to Board Governance Manual Policy No 100.8 -  
Unclassified Staff Employment, Compensation and Evaluation**

Ms. Westgard presented amendments to Board Governance Manual Policy No. 100.8 – Unclassified Staff Employment, Compensation, and Evaluation, and the transition form for unclassified performance evaluations.

ON MOTION OF MR. POTTS, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the amendments to Policy No. 100.8, effective July 1, 2014.

**Presentation and Discussion Regarding Discount Rates**

Ms. Westgard, Shelley Johnson, and Roy Mongrue presented information regarding impact of a change to the discount rate and use of different discount rates for funding, administrative, and GASB purposes. The presentation counted as .75 hour of actuarial education for trustees.

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

**Adjournment**

ON MOTION OF DR. BAKER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 3:41 p.m.

**Teachers' Retirement System of Louisiana  
Legislative Committee  
8:30 a.m. – Friday  
May 9, 2014**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Joe A. Potts, Jr., Holly B. Gildig, Robert Lawyer, and John G. Parauka
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kathy Hattaway, Joyce P. Haynes, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Maurice Coleman, Randall Harrison, Lisa Honore`, Robyn Jenkins-King, Jeff LaCour, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, Foster & Foster Actuaries and Consultants; Shane Riddle, Louisiana Association of Educators; and Graig Luscombe, Louisiana Retired Teachers' Association

**Roll Call**

Dr. Baker called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mr. Parauka to serve as an alternate on the Committee for Dr. Abshire.

**Update on Legislative Meetings**

Ms. Westgard updated the Committee on ongoing meetings and progress in regard to HB 1225 by Representative Robideaux. The bill passed the House by a 96-0 vote and will be heard at a special Senate Retirement Committee meeting on Tuesday, May 13<sup>th</sup>.

TRSL's budget will be heard at the JLCB meeting scheduled for Wednesday, May 14<sup>th</sup> and Senate Bill 13 (entry age normal) will be heard in House Retirement Committee, Thursday, May 15<sup>th</sup>.

### **Discussion and review of Legislation for the 2014 Regular Session**

Ms. Westgard presented a status update on legislation affecting TRSL, including committee and floor actions on the bills as of May 8th.

Ms. Westgard recognized Charles Hall, Shelley Johnson, Katherine Whitney and Trey Roche (LASERS) on their significant and ongoing work on HB 1225. Ms. Whitney and Mrs. Johnson summarized the provisions of HB 1225 with the House Committee and Floor amendments.

Ms. Whitney presented an overview of legislation monitored by TRSL.

### **Adjournment**

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 9:22 a.m.