

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Legislative Committee – Friday
May 8, 2015

MEMBERS PRESENT: Robert Lawyer, Dr. Jerry Baudin, Kimberly Flair, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Superintendent Alonzo Luce, Jim Napper (Treasurer's Designee), John Parauka, and Carlos Sam

MEMBERS ABSENT: Dr. Sheryl Abshire, Senator Elbert Guillory, Ron Jackson (Commissioner's Designee), Representative J. Kevin Pearson, Dr. James Taylor and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Krassimira Antonova, Ed Branagan, Kelly Broussard, Dana Brown, Heidi Cautrell, Maurice Coleman, Stephanie Daigle, Greg Diebold, Jay Fischer, Jennifer George, Ying Gu, Stacy Guilbeau, Randall Harrison, Mark Hodges, Lisa Honore', Shannon Howell, Jan Huang, Eric James, Sharhonda Jenkins, Robyn Jenkins-King, Linnie Johnson, Steve Jungk, Sean Labat, Jeff LaCour, Steve Marangos, Desiree Marshall, Ronnie Mazie, Marion Mills, Don Milner, Bahar Otken, Shawn O'Rourke, Dionne Rabalais, Mark Rayburn, Debby Schroeder, Shawn Sewell, Kirsten Street, Matt Tessier, Keti Troyer, Nisha Valsaraj, Genett Washington, Katherine Whitney, Charlene Wilson, Peggy Woodall, Melvin Woods, Laurie Wright, Pamela Young, and Lisa Barousse

OTHERS PRESENT: Bridget Devlin, Louisiana Department of Education; and Dr. Daniel Burch and Scott Huffman, Sign Language Services

Each member of the Board received the following:

1. May 2015 Board Book
2. *Investment Committee Meeting May 7, 2015, Performance Report – March 31, 2015*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C. (including updated Appendix G); GSO Capital Partners; Aon Hewitt; Thompson, Siegel & Walmsley LLC; WEDGE Capital Management L.L.P.; and Wells Capital Management, Inc

4. Legislative Committee Handouts: Letter to the Editor from Robert Lawyer, TRSL Board Chair – *Teachers' pension reform efforts need time to pay off* (The Advocate, May 8, 2015); *2015 Regular Legislative Session Legislation AFFECTING TRSL as of May 7, 2015*; *2015 Regular Legislative Session Legislation MONITORED by TRSL Board as of May 7, 2015*; *Pension Reform, SB 18 (To be Amended) Paying a Fair Share*; and *THE FACTS ABOUT UAL PAYMENTS, SB 18 (To Be Amended): Proposes to Shift UAL Payment Costs (TRSL)*
5. *2015 TRSL Service Awards*
6. *May 2015 Boardroom Beacon – Meet the Departments: Information Technology*

Mr. Lawyer called the meeting to order at 9:25 a.m. Ms. Flair 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 10, 2015 (Including Minutes of Committee Meetings held April 9 and 10, 2015)

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 10, 2015 (Including Minutes of Committee Meetings held April 9 and 10, 2015).

Investment Committee Report

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

Ms. Hattaway in the Chair.

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.

Mr. Lawyer in the Chair.

Legislative Committee Report

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN 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

Ms. Westgard updated the Board on the following items:

- Mr. Sam was selected as Superintendent of Education for E. Feliciana Parish.
- Reminder - Tier 2.1 Disclosure Form Due May 15, 2015 – See Mr. Mongrue with any questions regarding completing and filing the form.
- Report on Candidates Who Have Qualified for the 2015 Trustee Elections in Districts 2, 3, and 4

DISTRICT 2:

John G. Parauka: Teacher, Orleans Parish School Board

DISTRICT 3:

No candidates – a special election will be held next year. Upon beginning his position as Superintendent, Mr. Sam will not be able to serve the rest of his term as representative for District 3 and the board may begin the interim appointment process.

DISTRICT 4:

Cynthia Y. Henderson: Assistant Principal, Caddo Parish School Board

David A. Hennigan: Budget Supervisor, Caddo Parish School Board

Breanke P. Mitchell: Benefit Specialist-Certified Personnel/Retirement Section, Caddo Parish School Board

Dr. Fredrick L. Pinkney: Teacher, Caddo Parish School Board

Samuel R. Ziegler, Jr.: Teacher/Science Department Chair, DeSoto Parish School Board

- Mr. Marangos gave an overview of the Information Technology Department and introduced the department employees.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY DR. BAUDIN, AND CARRIED, the Board voted to adjourn at 9:55 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
9:00 a.m. – Thursday
May 7, 2015**

- MEMBERS PRESENT:** Kathy Hattaway, David Hennigan, Holly Gildig, Jim Napper (Treasurer's Designee), Dr. Jerry Baudin, Joyce Haynes, Ron Jackson (Commissioner's Designee), Robert Lawyer, and Carlos Sam
- MEMBERS ABSENT:** Dr. Sheryl Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kimberly Flair, Superintendent Alonzo Luce, John Parauka, and Dr. James Taylor
- STAFF PRESENT:** Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett and Brian Reilly, Hamilton Lane Advisors, LLC; Scott Coopridier and Rishi Delvadia, Aon Hewitt; Dwight Scott and Jennifer Wilcox, GSO Capital Partners; Brett Hawkins and John Reifsnider, Thompson, Siegel & Walmsley LLC; Martin Robinson, Richard Wells and Leah Long, WEDGE Capital Management L.L.P.; Bryant VanCronkhite and Christopher Corish, Wells Capital Management, Inc.

Roll Call

Ms. Hattaway called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Mr. Sam to serve on the Committee as an alternate for Dr. Abshire.

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.

GSO Energy Select Opportunities Fund LP

Mr. Yett and Mr. Reilly reviewed a potential alternative investment in GSO Energy Select Opportunities Fund LP.

Dwight Scott and Jennifer Wilcox of GSO Capital Partners 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 May 7, 2015, pertaining to investments in GSO Energy Select Opportunities Fund LP, (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Apollo Natural Resource Partners II, L.P.

Mr. Yett and Mr. Reilly reviewed a potential alternative investment in Apollo Natural Resource Partners II, L.P.

ON MOTION OF MR. LAWYER, 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 7, 2015, pertaining to investments in Apollo Natural Resource Partners II, L.P., (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett commented on exploring opportunities to sell some legacy funds in the secondary market.

Presentation and Review of Solicitation for Proposals for Small Cap Core Manager

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

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

Appointment of Subcommittee to Review Responses to Solicitation for Proposals for International Small Cap Manager

Ms. Hattaway appointed Dr. Baudin (as Chair), Dr. Abshire, Ms. Hattaway, Mr. Hennigan and Mr. Napper to serve on the Subcommittee.

Interview Finalists and Recommend Successful Candidate Firm for Mid Cap Value Manager

Scott Coopridner and Rishi Delvadia of Aon Hewitt presented an overview of the finalist firms: Thompson, Siegel & Walmsley LLC (TSW); WEDGE Capital Management L.L.P. (WEDGE); and Wells Capital Management, Inc. (Wells).

Representatives of each firm appeared before the Committee to be interviewed for Mid Cap Value Manager:

- o Brett Hawkins and John Reifsnider of TSW
- o Martin Robinson, Richard Wells and Leah Long of WEDGE
- o Bryant VanCronkhite and Christopher Corish of Wells

The Committee ranked each firm from 1 to 3, with 1 ranking the highest:

	TSW	WEDGE	Wells
Dr. Baudin	2	1	3
Mrs. Gildig	2	1	3
Mrs. Haynes	1	2	3
Mr. Hennigan	2	1	3
Mr. Jackson	2	1	3
Mr. Napper	1	2	3
Mr. Sam	1	2	3
Mr. Lawyer	2	1	3
Ms. Hattaway	2	1	3
	15	12	27

WEDGE ranked the highest, followed by TSW, then Wells.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to hire WEDGE Capital Management L.L.P as Mid Cap Value Manager (up to \$315 million), subject to fee negotiation.

Performance Attribution

Mr. Coopridner presented *Performance Evaluation and Attribution*. The presentation qualified for one hour of education for Trustees.

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 through March 31, 2015. Mr. Coopriker and Mr. Delvadia presented Aon Hewitt's May 7, 2015 portfolio summary report.

Portfolio Review

Mr. Delvadia and Dana Brown reviewed Global Bond Managers: Brandywine Asset Management and Pacific Investment Management Company LLC.

Adjournment

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

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Investment Committee – Thursday
May 7, 2015**

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

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Kimberly Flair, Ron Jackson (Commissioner's Designee), Superintendent Alonzo Luce, John Parauka, Carlos Sam, and Dr. James Taylor

STAFF PRESENT: Stuart Cagle, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Lee Haltom, and Lisa Barousse

Roll Call

Mr. Lawyer called the meeting to order at 2:45 p.m. The secretary called the roll and a quorum was established.

Presentation of Proposed Meeting Dates for 2016

Mr. Cagle presented the Proposed Meeting Dates for 2016 (for review and subsequent approval at the June Executive Committee meeting).

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the proposed dates as presented.

Update on IRS Communication Items

Mr. Mongrue presented an update on IRS communication items relative to plan qualification and charter schools.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 2:50 p.m.

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

- MEMBERS PRESENT:** Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Holly Gildig, Joyce Haynes, John Parauka, Robert Lawyer, David Hennigan, and Kimberly Flair
- MEMBERS ABSENT:** Dr. Sheryl Abshire, Senator Elbert Guillory, Representative J. Kevin Pearson, and Carlos Sam
- OTHER MEMBERS PRESENT:** Kathy Hattaway and Superintendent Alonzo Luce
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Ed Branagan, Maurice Coleman, Lisa Honore`, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, 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 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 and Ms. Flair to serve on the Committee as alternates for Mr. Sam and Dr. Abshire.

Update on Meetings

Ms. Westgard updated the Committee on the following meetings:

- Louisiana Association of Educators (LAE), Louisiana Federation of Teachers (LFT), and Louisiana School Board Association (LSBA) – April 16th
- Louisiana Retired Teachers' Association (LRTA) meeting – April 22nd
- Public Affairs Research Council of Louisiana (PAR) meeting – April 23rd

Discussion and Update - 2015 Regular Legislative Session

Ms. Westgard presented a status update on bills affecting TRSL, including committee and floor actions on the bills as of May 7th. The House and Senate Retirement Committees met on the following dates:

- House Retirement Committee – April 22nd and April 30th; a meeting is scheduled for May 14th
- Senate Retirement Committee – April 20th

Ms. Westgard updated the Committee on the concept of amendments which may be offered for Senate Bill 18 by Senator Adley related to changing the structure of higher education's UAL payment.

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 9:20 a.m.