

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**Upon Adjournment of Executive Committee – Friday**  
**October 7, 2016**

**MEMBERS PRESENT:** Robert Lawyer, Dr. Jerry Baudin, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Rick McGimsey, (Commissioner's Designee), Dr. Tia Mills, Jim Napper (Treasurer's Designee), John Parauka, Senator Barrow Peacock, and Dr. James Taylor

**MEMBERS ABSENT:** Dr. Sheryl Abshire, 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, Jill Courtney, Raven Duncil, Randall Harrison, Mark Hodges, Lisa Honore, Joy Irwin, Karissa Johnson, Linnie Johnson, Jeff LaCour, Steve Marangos, Wes Nelson, Dionne Rabalais, Krystal Schroeder, Katherine Whitney, Charlene Wilson, Laurie Wright, Duke Williams, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson and Brad Heinrichs, Foster & Foster Actuaries and Consultants; Paul Gibson; Neshelle Nogess; Ryan Gremillion, Louisiana Department of Education; and Rodney Watson, Louisiana Retired Teachers' Association

Each member of the Board received the following:

1. October 2016 Board Book
2. Investment Committee Meeting October 6, 2016, Performance Report – August 31, 2016
3. Investment Committee Presentations: Aon Hewitt Investment Consulting, Inc.; Hamilton Lane Advisors, LLC; HPS – Mezzanine Partners; Mercer Investment Consulting, LLC; and WEDGE Capital Management, L.L.P.
4. *Teachers' Retirement System of Louisiana Actuarial Valuation June 30, 2016*

Mr. Lawyer called the meeting to order at 9:35 a.m. Dr. Taylor 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 August 4, 2016 (Including Minutes of Committee Meetings held August 4, 2016)**

ON MOTION OF DR. TAYLOR, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held August 4, 2016 (including Minutes of Committee Meetings held August 4, 2016).

**Elections Committee Report**

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

**Investment Committee Report**

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

**Interim Appointment of District 1 Trustee**

**Candidate Statements**

Mr. Lawyer introduced the candidates: Paul Gibson and Neshelle Nogess. Mr. Gibson and Ms. Nogess each made a statement regarding why he or she should be appointed.

**Vote and Selection of Appointee**

Upon hearing the candidate statements, Dr. Baudin moved to appoint Ms. Nogess as the interim appointee for District 1. Mr. Hennigan seconded the motion. Dr. Taylor made a substitute motion to appoint Mr. Gibson as the interim appointee for District 1. Mr. Parauka seconded the motion. The secretary called the roll on the substitute motion. The substitute motion failed by a vote of 4 yeas and 8 nays, with Mrs. Gildig, Mr. McGimsey, Mr. Parauka, and Dr. Taylor voting yea and Dr. Baudin, Ms. Hattaway, Mrs. Haynes, Mr. Hennigan, Mr. Lawyer,

Dr. Mills, Mr. Napper, and Senator Peacock voting nay. The secretary called the roll on the original motion. The motion passed by a vote of 8 yeas and 4 nays, with Dr. Baudin, Ms. Hattaway, Mrs. Haynes, Mr. Hennigan, Mr. Lawyer, Mr. McGimsey, Mr. Napper, and Senator Peacock voting yea and Mrs. Gildig, Dr. Mills, Mr. Parauka, and Dr. Taylor voting nay.

Ms. Nogess was named the interim appointee for District 1.

### **Introduction of Newly Hired Staff**

Mr. Cagle introduced Debbie Boudreaux. Ms. Boudreaux joined the Executive staff in July.

### **Presentation of Government Finance Officers Association Awards for TRSL's Popular Annual Financial Report and Comprehensive Annual Financial Report**

For the 25th consecutive year, the GFOA Certificate of Achievement for Excellence in Financial Reporting was awarded to TRSL. Mr. Randy Fekete, in Accounting, received the Award of Financial Reporting Achievement for his work on the CAFR.

TRSL also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for the 14th consecutive year. Ms. Raven Duncil, in the Public Information Department, received the Award of Outstanding Reporting Achievement for her work on the PAFR.

Mr. Lawyer recognized the following individuals who contributed to the completion of the CAFR and PAFR for Fiscal Year ended June 30, 2015:

- Wes Nelson (Accounting-General Ledger Section)
- Joy Irwin (Accounting-Deputy Chief Financial Officer)
- Joanna Rome, Karissa Johnson and Mable Landry (Accounting-Investment Section)
- Sharhonda Brown (Accounting-Administrative Assistant)
- Maurice Coleman, Duke Williams and Patricia Edmonson (Investments)
- Mark Hodges and Dant LaSalle (IT)
- Krystal Schroeder (Admin Services)
- Jill Courtney (Public Information)
- Shelley Johnson (Actuary)
- Charlene Wilson (Chief Financial Officer)
- Lisa Honore` (Public Information Director)

### **Board Chair Update**

The Annual Evaluation of the TRSL Director Evaluation forms were distributed to Trustees to be completed and forwarded to the Chair by October 19, 2016. The review will be held at the November Personnel Committee meeting.

### **Director's Update**

Ms. Westgard updated the Board on the following:

- Trustee Education Hours for the new period September 1, 2016 through August 31, 2017
- Impact of the August Flood on TRSL
  - Staff – 33 of 153 FTE were impacted, including ten who lost their homes and their vehicles; a coordinated effort of staff raised and distributed \$1800 plus donated supplies to the employees affected by the flood.
    - Agency Business - TRSL was closed for 6 days. During the closure and upon return, all departments contributed considerable efforts, ensuring that business was taken care of and processed in a timely manner.

### **Adjournment**

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

Teachers' Retirement System of Louisiana  
Elections Committee  
8:30 a.m. – Thursday  
October 6, 2016

**MEMBERS PRESENT:** Jim Napper (Treasurer's Designee), Dr. James Taylor, David Hennigan, Dr. Jerry Baudin, and Robert Lawyer

**MEMBERS ABSENT:** Dr. Sheryl Abshire, Kathy Hattaway, Rick McGimsey (Commissioner's Designee), and John Parauka

**OTHER MEMBERS PRESENT:** Dr. Tia Mills

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Lisa Honore, Katherine Whitney, Duke Williams, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopridger, Russ Ivinjack, and Rishi Delavadia, Aon Hewitt Investment Consulting

**Roll Call**

Mr. Napper called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established.

**Receive and Approve Results for Special Election for District 3 and Primary Election for District 5**

Mr. Napper read the election results for District 3 as follows:

District 3	No.	Pct.
Dr. Tia Mills	283	60.6
Teicha W. Woods	184	39.4

Dr. Mills was elected with 60.6% of the vote.

Mr. Napper read the election results for District 5 as follows:

District 5	No.	Pct.
Grady "Andy" Allred	106	21
Holly B. Gildig	282	56
Dr. Candace S. Robertson	116	23

Mrs. Gildig was elected with 56% of the vote.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive and approve the 2016 special election results for District 3 and 2016 primary election results for District 5.

#### **Receive List of Eligible Candidates for the District 1 Trustee Interim Appointment**

Ms. Westgard read into the record the list of eligible candidates for the District 1 Trustee Interim Appointment. The candidates are Paul C. Gibson, Jr., Professional/Executive Director of Administrative Support, St. Charles Parish Public Schools and Neshelle S. Nogess, Director of Sales & Use Tax, St. James Parish School Board.

Mr. Mongrue discussed the manner in which the vote to select the appointee can be taken. The Board may select an appointee by each Trustee indicating his/her choice by voice vote, followed by a motion to appoint the candidate who receives the most votes. Alternatively, the Board may entertain a motion nominating a candidate as the interim appointee. If there is objection to the motion, the roll will be called and the motion will pass or fail. A substitute motion may also be utilized, as applicable.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the list of eligible candidates for the interim appointment of the District 1 Trustee.

#### **Adjournment**

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 8:40 a.m.

**Teachers' Retirement System of Louisiana**  
**Subcommittee to Review Responses to Solicitation for Proposals for Global Bond Manager**  
**Upon Adjournment of Elections Committee – Thursday**  
**October 6, 2016**

**MEMBERS PRESENT:** David Hennigan, Kathy Hattaway, and Jim Napper  
(Treasurer's Designee)

**MEMBERS ABSENT:** Dr. Sheryl Abshire

**OTHER MEMBERS PRESENT:** Dr. Jerry Baudin, Joyce Haynes, Robert Lawyer, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Carlos Sam, and Dr. James Taylor

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Katherine Whitney, Duke Williams, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopridger, Russ Ivinjack, and Rishi Delavadia, Aon Hewitt Investment Consulting

**Roll Call**

Mr. Hennigan called the meeting to order at 8:42 a.m. The secretary called the roll and a quorum was established.

**Review proposals and recommend finalist(s) to be interviewed**

Phil Griffith, and Scott Coopridger, Russ Ivinjack, and Rishi Delvadia of Aon Hewitt presented an overview of the following firms' responses to the SFP for Global Bond Manager: Brandywine Global Investment Management LLC (Brandywine); Franklin Resources, Inc.; Manulife Asset Management (US) LLC; Pacific Investment Management Company LLC (PIMCO); and Prudential Fixed Income.

Mr. Napper moved and Ms. Hattaway seconded a motion to recommend to the Investment Committee that incumbents Brandywine and PIMCO be retained, subject to fee negotiations. Mr. Hennigan made a substitute motion to recommend to the Investment Committee that Brandywine be retained and the following be interviewed as finalists: Manulife Asset Management (US) LLC, PIMCO, and Prudential Fixed Income.

There was no second to the motion. Mr. Hennigan objected to the original motion and the secretary called the roll. The motion passed by a vote of 2 yeas and 1 nay, with Ms. Hattaway and Mr. Napper voting yea and Mr. Hennigan voting nay.

**Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 9:26 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
Upon Adjournment of the Subcommittee to Review Responses to  
Solicitation for Proposals for Global Bond Manager – Thursday  
October 6, 2016**

**MEMBERS PRESENT:** Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Joyce Haynes, Rick McGimsey (Commissioner's Designee), Robert Lawyer, and Dr. James Taylor

**MEMBERS ABSENT:** Dr. Sheryl Abshire, Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Dr. Tia Mills and Carlos Sam

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Katherine Whitney, Duke Williams, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopridier, Russ Ivinjack, and Rishi Delavadia, Aon Hewitt Investment Consulting; Paul Yett, Radhika Cobb, and Jerry Gates of Hamilton Lane Advisors, LLC; Scott French of HPS – Mezzanine Partners; Andrew Ness, Mercer; and Richard Wells and Leah Long, WEDGE Capital Management, L.L.P.

**Roll Call**

Ms. Hattaway called the meeting to order at 9:33 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Dr. Taylor to serve on the Committee as an alternate for Dr. Abshire.

**Report of the Subcommittee to Review Responses to the Solicitation for Proposals (SFP) for Global Bond Manager**

Mr. Hennigan presented the report of the Subcommittee to Review Responses to the Solicitation for Proposals (SFP) for Global Bond Manager.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to the SFP for Global Bond Manager:

"Mr. Napper moved and Ms. Hattaway seconded a motion to recommend to the Investment Committee that incumbents Brandywine and PIMCO be retained, subject to fee negotiations. Mr. Hennigan made a substitute motion to recommend to the Investment Committee that Brandywine be retained and the following be interviewed as finalists: Manulife Asset Management (US) LLC, PIMCO, and Prudential Fixed Income. There was no second to the motion. Mr. Hennigan objected to the original motion and the secretary called the roll. The motion passed by a vote of 2 yeas and 1 nay, with Ms. Hattaway and Mr. Napper voting yea and Mr. Hennigan voting nay."

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

Paul Yett, Radhika Cobb, and Jerry Gates of Hamilton Lane Advisors, LLC appeared before the Committee to present private market items.

Mr. Yett presented the private market update.

Mr. Yett reviewed a potential alternative investment in HPS – Mezzanine Partners III, L.P.

Scott French of HPS – Mezzanine Partners gave a presentation on the fund.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated October 6, 2016, pertaining to investments in HPS – Mezzanine Partners III, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Gates reviewed a potential alternative investment in AEW Senior Housing Investors III, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. HAYNES, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated October 6, 2016, pertaining to investments in AEW Senior Housing Investors III, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Ms. Cobb reviewed a potential alternative investment in Lone Star Fund X, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane

report, including the due-diligence process dated October 6, 2016, pertaining to investments in Lone Star Fund X, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

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

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 October 6, 2016, pertaining to investments in Platinum Equity Capital Partners IV, L.P. (up to \$100 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

### **Private Market Annual Reports**

Mr. Yett presented private market annual reports on Apollo Management; GSO Capital Partners; Leonard Green & Partners; Bridgepoint Europe IV and V, L.P.; Colony Distressed Credit and Special Situations Funds III and IV, L.P.; Gilde Buyout Fund IV, L.P.; Kelso Investment Associates IX, L.P.; OHA Strategic Credit Fund IB, L.P.; OHA European Strategic Credit Fund, L.P.; OHA Newbury Partners, L.P.; and Trident VI, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the annual reports.

### **Quarterly Summary of Alternative Assets and Real Estate (for period ended 06/30/16)**

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for the period ended June 30, 2016).

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the report.

### **Optional Retirement Plan Quarterly and Fiscal Year Update (for period ended June 30, 2016)**

Andrew Ness of Mercer presented the ORP quarterly and fiscal year update for the period ended June 30, 2016.

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

### **REITs (Real Estate Investment Trusts) – An Educational Presentation– Aon Hewitt**

Scott Coopridner and Russ Ivinjack of Aon Hewitt gave a presentation on REITS. The presentation qualified as three-quarters of an hour of Investment 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. Mr. Coopridner presented the Aon Hewitt October 6, 2016 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through August 31, 2016.

#### **Portfolio Review**

Mr. Delvadia of Aon Hewitt and Dana Brown reviewed Mid Cap Managers, Voya Investment Management (Growth) and WEDGE Capital Management, L.L.P. (Value).

Richard Wells and Leah Long of WEDGE appeared before the Committee to present their annual review.

### **Adjournment**

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 2:40 p.m.

Teachers' Retirement System of Louisiana  
Executive Committee  
8:30 a.m. – Friday  
October 7, 2016

- MEMBERS PRESENT:** Robert Lawyer, Dr. Jerry Baudin, Kathy Hattaway, Joyce Haynes, David Hennigan, and Jim Napper (Treasurer's Designee)
- MEMBERS ABSENT:** Dr. Sheryl Abshire
- OTHER MEMBERS PRESENT:** Holly Gildig, Rick McGimsey, (Commissioner's Designee), Dr. Tia Mills, John Parauka, Senator Barrow Peacock, 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, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Duke Williams, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Brad Heinrichs and Shelley Johnson, Foster & Foster Actuaries and Consultants; Annie Smith, Louisiana House Retirement Committee; Margaret Corley, Louisiana Senate Retirement Committee; Shane Riddle, Louisiana Association of Educators; Ryan Gremillion, Louisiana Department of Education; Rodney Watson, Louisiana Retired Teachers' Association; and Jim Melohn, St. Charles Parish School Board

**Roll Call**

Mr. Lawyer called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established

**Presentation of Actuarial Valuation for Fiscal Year Ended June 30, 2016 by Foster & Foster Actuaries and Consultants**

Shelley Johnson of Foster & Foster, Actuaries and Consultants, presented the Annual Actuarial Valuation (including the Actuarial Valuation of the Louisiana State University Agriculture and

Extension Service) for Fiscal Year ended June 30, 2016. (Note: The valuation is not considered final until approval by PRSAC.) The presentation qualified for one hour of Actuarial Science Education for trustees.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the Annual Actuarial Valuation of the Teachers' Retirement System of Louisiana, (including the Actuarial Valuation of the Louisiana State University Agriculture and Extension Service) for the Fiscal Year ended June 30, 2016 and the projected contribution rates contained therein for the Fiscal Year ending June 30, 2018.

### **Presentation and Approval of Audit Reports by TRSL Audit Staff**

Jeff LaCour presented the Retirees Return to Work and Limited Scope Reviews Audit Reports.

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. BAUDIN, AND CARRIED, the committee voted to approve Audit Reports as presented.

### **Presentation of Quarterly Litigation Reports**

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the committee voted to receive the Quarterly Litigation Reports.

### **Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 9:25 a.m.