

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee - Friday
September 4, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kimberly Flair, Holly Gildig, Joyce Haynes, David Hennigan, Jim Napper (Treasurer's Designee), John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Senator Elbert Guillory, Kathy Hattaway, Superintendent Alonzo Luce, Commissioner Kristy Nichols, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Roy Mongrue, Jr., Donna Ackerman, Ella Ardoin-Ursin, Ed Branagan, Dana Brown, Sharhonda Brown, Marlene Burke, Beverly Campbell, Darrel Chenevert, Taymkian Christopher, Peggy Crochet, Leslie Edwards, Jodi Fekete, Randy Fekete, Jackie Fisher, Stacey Guilbeau, Randall Harrison, Lisa Honore`, Karissa Johnson, Lynn Johnson, Vicki Johnson, Jeff LaCour, Lisa LeBlanc, Yue "Helen" Li, Steve Marangos, Sylvia Miller, Wes Nelson, Dionne Rabalais, Joanna Rome, LaTrina Stone, Melissa Waldron, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, and Lisa Barousse

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

Each member of the Board received the following:

1. September 2015 Board Book
2. *Investment Committee Meeting September 3, 2015, Performance Report – July 31, 2015*
3. *Investment Committee Meeting, September 2015 Subcommittee to Review Responses to Investment Consultant Services SFP*
4. Investment Committee Presentations: Aon Hewitt Investment Consulting; Hamilton Lane Advisors, LLC; Westwood Holdings Group; Frontier Capital Management Company, LLC; Quantitative Management Associates, LLC; and William Blair
5. *TRSL's Boardroom Beacon, Meet the Departments: Accounting*

Mr. Lawyer called the meeting to order at 10:30 a.m. Mrs. Gildig 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 6, 2015 (Including Minutes of Committee Meetings held August 6, 2015)

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held August 6, 2015 (Including Minutes of Committee Meetings held August 6, 2015).

Investment Committee Report

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

Personnel Committee Report

ON MOTION OF MRS. HAYNES, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to accept the report of the Personnel Committee and to approve the recommendations contained therein.

Executive Committee Report

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

Director's Update

Ms. Westgard updated the Board on the following items:

- Member Statements
- LAPERS Reminder
- Launching new homepage on TRSL website
- Charlene Wilson gave an overview of the Accounting Department and introduced the department employees.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 10:50 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals
for Investment Consultant
8:30 a.m. – Thursday
September 3, 2015**

MEMBERS PRESENT: Dr. Sheryl Abshire, Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Holly Gildig, and Robert Lawyer

MEMBERS ABSENT: Kathy Hattaway

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

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

Roll Call

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

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith presented an overview of the following firms' responses to the SFP for Investment Consultant: Aon Hewitt Investment Consulting, Inc.; Meketa Investment Group, Inc.; Mercer Investment Consulting, Inc.; and Verus.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Investment Consultant SFP: Aon Hewitt Investment Consulting, Inc.; Meketa Investment Group, Inc. and Mercer Investment Consulting, Inc.

Adjournment

ON MOTION OF MR. LAWYER SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 9:09 a.m.

Teachers' Retirement System of Louisiana
Investment Committee

Upon Adjournment of the Subcommittee to Review Responses to Solicitation for Proposals
for Investment Consultant - Thursday
September 3, 2015

MEMBERS PRESENT: Dr. Sheryl Abshire, David Hennigan, Holly Gildig, Jim Napper (Treasurer's Designee), Dr. Jerry Baudin, Joyce Haynes, Robert Lawyer, and John Parauka,

MEMBERS ABSENT: Kathy Hattaway, Senator Elbert Guillory, Commissioner Kristy Nichols, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Kimberly Flair and Dr. James Taylor

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

OTHERS PRESENT: Paul Yett, Jerry Gates, and Brian Reilly, Hamilton Lane Advisors, LLC; Scott Coopriker and Russ Ivinjack, Aon Hewitt Investment Consulting, Inc.; Brian O. Casey, Grant L. Taber, Susan J. Schmidt, and Kim M. Calhoun, Westwood Holdings Group; Michael Cavarretta, Andrew Bennett, and Christopher Premock, Frontier Capital Management Company, LLC; Stacie Mintz and Kevin O'Rourke, Quantitative Management Associates, LLC; and Robert Lanphier and Kevin Fetzer, William Blair

Roll Call

Dr. Abshire called the meeting to order at 9:10 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Parauka to serve on the Committee as an alternate for Ms. Hattaway.

Report of Subcommittee to Review Responses to Solicitation for Proposals for Investment Consultant

Dr. Abshire presented the report of the Subcommittee to Review Responses to the SFP for Investment Consultant.

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

“ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following be interviewed as finalists for Investment Consultant SFP: Aon Hewitt Investment Consulting, Inc.; Meketa Investment Group, Inc. and Mercer Investment Consulting, Inc.”

Private Market Update and Review of Potential Private Market Investments

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

Mr. Reilly presented the private market update.

Mr. Gates reviewed a potential alternative investment in Colony Distressed Credit Fund IV, L.P.

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 September 3, 2015, pertaining to investments in Colony Distressed Credit Fund IV, 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 Crow Holdings Realty Partners VII, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated September 3, 2015, pertaining to investments in Crow Holdings Realty Partners VII, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in Summit Partners Growth Equity IX, 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 September 3, 2015, pertaining to investments in Summit Partners Growth Equity IX, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Committee Reports

Mr. Reilly presented private market annual reports on Apollo Global Management, Enhanced Capital Partners, Gilde Buyout Partners, and Stone Point Capital.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports as presented.

Overview of Private Equity Deal Structures

Mr. Yett presented *Overview of Private Equity Deal Structure*. The presentation qualified as one hour of Investment Education for Trustees.

Update and Recommendation on Westwood Holdings Group

Mr. Griffith and Mr. Coopriider presented an update on Westwood Holdings Group. Consultant and staff recommended allocating \$250 million to another SMID Cap equity manager in order to reduce TRSL's exposure to Westwood, and to place Westwood on the watch list.

Brian O. Casey, Grant L. Taber, Susan J. Schmidt, and Kim M. Calhoun of Westwood presented an organizational update.

Interview Finalists and Recommend Successful Candidate Firm(s) for SMID Cap Core Manager

Mr. Coopriider and Mr. Ivinjack presented an overview of the candidates to be interviewed for SMID Cap Core Manager: Frontier Capital Management Company, LLC, Quantitative Management Associates, LLC and William Blair.

The following representatives from each firm appeared before the Committee to give a presentation:

- Michael Cavarretta, Andrew Bennett, and Christopher Premock of Frontier Capital Management Company, LLC
- Stacie Mintz and Kevin O'Rourke of Quantitative Management Associates, LLC
- Robert Lanphier and Kevin Fetzer of William Blair

MRS. HAYNES MOVED and MR. HENNIGAN SECONDED a motion to approve the recommendation by consultant and staff to allocate \$250 million to another SMID Cap equity manager in order to reduce TRSL's exposure to Westwood, and to place Westwood on the

watch list. MR. NAPPER OBJECTED to the motion and the secretary called the roll. The MOTION PASSED by a vote of 6 yeas and 2 nays. Dr. Abshire, Dr. Baudin, Mrs. Gildig, Mr. Hennigan, Mrs. Haynes, and Mr. Lawyer voted yea. Mr. Napper and Mr. Parauka voted nay.

The Committee ranked the firms as follows: William Blair ranked the highest, followed by Frontier and QMA.

	Frontier	QMA	William Blair
Dr. Baudin	2	3	1
Mrs. Gildig	2	3	1
Mr. Parauka	2	3	1
Mrs. Haynes	2	3	1
Mr. Hennigan	3	2	1
Mr. Napper	2	2	1
Mr. Lawyer	2	3	1
Dr. Abshire	2	3	1
	17	22	8
Ranking 1 = highest 3 = lowest			

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to hire William Blair as a SMID Cap Core manager, up to \$250 million, subject to fee negotiation.

Capital Market Update and Review of TRSL Investments

2nd Quarter Investment Review – Mr. Ivinjack reviewed performance of TRSL investments for the 2nd Quarter of 2015.

Monthly Investment Review - Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopridier presented Aon Hewitt's September 3, 2015 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through July 31, 2015.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 3:12 p.m.

**Teachers' Retirement System of Louisiana
Personnel Committee
Upon Adjournment of Investment Committee – Thursday
September 3, 2015**

MEMBERS PRESENT: Joyce Haynes, Jim Napper (Treasurer's Designee), John Parauka, Kimberly Flair, Dr. Sheryl Abshire, Robert Lawyer, and Dr. Jerry Baudin

MEMBERS ABSENT: Kathy Hattaway and Commissioner Kristy Nichols

OTHER MEMBERS PRESENT: Holly Gildig, David Hennigan, and Dr. James Taylor

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

Roll Call

Mrs. Haynes called the meeting to order at 3:13 p.m. The secretary called the roll and a quorum was established. Mrs. Haynes appointed Dr. Baudin to serve on the Committee as an alternate for Ms. Hattaway.

Annual Performance Evaluations

Mrs. Haynes asked for a motion to convene into Executive Session.

DR. BAUDIN MOVED and DR. ABSHIRE SECONDED a motion to convene into Executive Session to discuss the Director's evaluations of TRSL unclassified staff and the performance evaluation of the Director, as related to their character and professional competence, with the Director to remain for the unclassified staff evaluations only. The secretary called the roll. The vote was unanimous with Dr. Abshire, Dr. Baudin, Ms. Flair, Mr. Napper, Mr. Parauka, Mr. Lawyer, and Mrs. Haynes voting yea. The Committee convened into Executive Session.

DR. BAUDIN MOVED and MR. NAPPER SECONDED a motion to reconvene into Regular Session. The secretary called the roll. The vote was unanimous with Dr. Abshire, Dr. Baudin, Ms. Flair, Mr. Napper, Mr. Parauka, Mr. Lawyer, and Mrs. Haynes, voting yea. The Committee reconvened into Regular Session.

ON MOTION OF MS. FLAIR, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the performance evaluations of the unclassified staff for the 2014-2015 rating period.

ON MOTION OF MS. FLAIR, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve a 5% adjustment for Philip Griffith, in recognition of completion of CFA certification, effective September 15, 2015.

ON MOTION OF DR. ABSHIRE, UNANIMOUSLY SECONDED, AND CARRIED, the Committee voted to approve the performance evaluation of the Director for the 2014-2015 rating period.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to authorize the Board Chair to execute an amendment to the Director's contract extending it for one year with proposed changes.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 4:03 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. – Friday
September 4, 2015**

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

MEMBERS ABSENT: Kathy Hattaway

OTHER MEMBERS PRESENT: Kimberly Flair, Jim Napper (Treasurer's Designee), John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Lisa Honore, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster, Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Jan Hartford, CEM Benchmarking; Laura Gail Sullivan and Margaret Corley, Louisiana Senate; Stephanie Little, Louisiana House of Representatives; Rodney Watson, Louisiana Retired Teachers' Association; and Cindy Rougeou, Louisiana State Employees' Retirement System

Roll Call

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

Annual CEM Administrative Benchmarking Report

Jan Hartford, CEM Benchmarking, Inc., presented the annual CEM Administrative Benchmarking Report.

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

Update on Legislative Meetings

Ms. Westgard updated the Committee on the following meetings: Senator Guillory's Sustainability Discussion Group meeting held August 13, 2015; and the Public Retirement Systems' Actuarial Committee (PRSAC) meeting of August 13, 2015.

Presentation of Asset/Liability Study by Shelley Johnson, Foster & Foster

Shelley Johnson of Foster & Foster, Actuaries and Consultants, presented *Teachers' Retirement System of Louisiana Asset/Liability Study*. The presentation qualified for 1.25 hours of Actuarial Education for Trustees.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to approve the Asset/Liability Study as presented.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 10:20 a.m.