LOUISIANA DISTRICT ATTORNEYS' RETIREMENT SYSTEM
Minutes of the Meeting of the Board of Trustees
April 17, 2025 9:30 a.m.
2525 Quail Dr. Baton Rouge, LA 70808

The Board of Trustees of the District Attorneys' Retirement System held a regular meeting on February 19, 2025, at the DARS Office, located at 2525 Quail Drive Baton Rouge, Louisiana 70808.

1. Roll Call

The meeting was called to order by Mr. Andy Shealy at 9:30 A.M.

Ms. Danielle Ball called roll.

Members Present
Mr. David Burton
Mr. Houston Gascon
Mr. Scott Perrilloux
Mr. S. Andrew Shealy
Mr. Brad Burget
Mr. Joseph Green
Mr. J. Reed Walters
Mr. Don Burkett
Representative John R. Illg Jr.

Members Absent
Senator Kirk Talbot

A Quorum was present.

Others Present
Mr. Philip Qualls, Director
Ms. Danielle Ball, Benefits Supervisor
Ms. Brittany Cahill, Pension Assistant
Mr. Jon Breth, Mariner Institutional
Mr. Greg Curran, Curran Actuarial
Ms. Laura Gail Sullivan, Legal Counsel
Ms. Alana Perrin, LA State Senate Retirement Committee
Mr. Pete Adams, Director Emeritus
Mr. Tony Falterman

2. Conflicts Disclosure

Mr. Shealy inquired if there were any conflicts of interest to report. No conflicts of interest were disclosed.

3. Public Comment

Mr. Shealy called for public comments. No members of the public elected to speak.

4. Minutes of the meeting of February 19, 2025

Motion by Mr. Gascon, seconded by Mr. Burton, to approve the meeting minutes of February 19, 2025. Unanimously, the motion passed.

5. **February 2025 Financials**

Mr. Qualls reviewed the February 2025 financial statements, including regular annual fees associated with state-required auditing and accounting services.

Motion by Mr. Green, seconded by Mr. Burget, to approve the financials. The motion passed unanimously.

6. **Retirement Activity**

Mr. Shealy outlined all retirement activity for board approval.

Motion by Mr. Burget, seconded by Mr. Gascon, to approve all retiree activity. With no objection, the motion passed.

7. **Actuary Report – Curran Actuarial**

Mr. Curran provided a summary of the system valuation and explained the application of variable employer contribution rates.

a. **FY 2025 – 2026 Employer Rate**

Mr. Walters requested reviewing the investment portfolio before making a decision on the FY 2025 – 2026 Employer Rate. Without opposition, the Board moved to the Investment Report (Item 8a).

8. **Investment Report – Mariner Institutional**

a. **Market Commentary and DARS Performance Report**

Mr. Breth provided market commentary and analysis. Mr. Breth commented that emerging market stocks performed very well during the first quarter. This was the first time non-US equities had outperformed US equities since 2017. It was pointed out that the DARS legacy benchmark had a material weighting to international, which had historically helped the plan but was one of the factors for underperformance for Q1 2025. Mr. Breth indicated that the multi-sector fixed income portfolio managers hope to perform well through the volatility.

Mr. Falterman asked about the liquidity in the portfolio and if DARS was positioned to take advantage of the pullback in equities. Mr. Breth responded that the liquidity position has improved due to letting the structured notes mature and roll off, but advised against trying to time the market. Discussion was had on the portfolio's structured notes. Mr. Breth commented that he would not recommend structured notes to his institutional clients.

Mr. Breth walked through investment performance for the first quarter. He noted that alternatives were slightly down due to a private REIT that was paid off and was marked down.

Mr. Breth reviewed DARS' private market exposure. The system has a 15% long-term allocation to alternatives, which is split across real estate, private equity, and private debt. The portfolio currently has 6.5% in private real estate, 2.0% in private equity, and 3.3% in private debt. The current goal is to increase private equity to 5% of the portfolio per strategic asset allocation. Cash on hand is approximately $3.5MM, which is less than 1% of the total portfolio.

Mr. Falterman asked questions regarding Mariner's ADV form dated 2023. Mr. Breth clarified that this predated the Mariner purchase of AndCo Consulting. Mr. Breth also reinforced that Mariner Institutional does not earn any commissions or trading fees in servicing DARS. The only fee is the annual flat fee of $110,000 per year.

Mr. Gascon asked if there were analytics that illustrated institutional portfolios being more stable than other investors and if the day traders are contributions to volatility. Mr. Breth responded that the migration to the index mutual funds from the ETFs should be more stable since the mutual funds always trade at net asset value (NAV). ETF prices do not necessarily match their NAV. Mr. Breth also commented that the pace of information is a large contribution to daily volatility.

Discussion was had on the Louisiana private equity funds.

Mr. Walters asked about the projected performance for the fiscal year. Mr. Breth estimated that the portfolio is likely to remain relatively flat compared to the prior year.

7. Actuary Report – Curran Actuarial

a. FY 2025 – 2026 Employer Rate

The Board returned to the discussion on setting the employer rate for the upcoming fiscal year. Mr. Qualls recommended that, considering the volatility in the portfolio, the system keep the rate at 12.25% but could go as low as 11.00% as a concession to the employers.

Motion by Mr. Burkett, seconded by Mr. Perrilloux, to keep the employer rate at 12.25%. Unanimously, the motion passed.

b. Contract Renewal

Mr. Curran confirmed that the current pricing structure for actuarial services would remain unchanged.

Motion by Mr. Gascon, seconded by Mr. Walters, to retain Curran Actuarial. The motion passed unanimously.

The Board requested to move the Private Equity Education to the end of the meeting. With no opposition, the meeting proceeded to the Director's Report (Item 9).

9. Director's Report

a. Legislation

Mr. Qualls reported that DARS has not sponsored any new legislation this session. Mr. Qualls noted that SB7 is similar to legislation previously introduced by Senator Miguez last year. As a reminder, R.S. 11:263 designates the board, director, consultants, and managers as fiduciaries, explicitly requiring them to act in that capacity. Mr. Qualls explained that the bill could have a chilling effect on institutional investment managers. If the system were restricted from investing in commingled funds such as index funds, it would be compelled to manage investments in-house. This shift would necessitate expanding the investment team, increasing legal expertise, and raising the administrative budget by approximately 34%, placing significant strain on both the actuarial outlook and the operational budget.

Given these implications, Mr. Qualls requested a motion to oppose SB7 as currently written. Mr. Shealy added that Mr. Qualls has been collaborating with other retirement systems, many of which share similar concerns.

Motion by Mr. Walters, seconded by Mr. Burget, to oppose SB7 in its current form and authorize Mr. Qualls to work with the bill's author on revised language. The motion carried, with Representative Illg abstaining from the vote.

b. Support Staff Training Conference

Mr. Qualls informed the Board that all DARS office staff will attend the annual Support Staff Training Conference in Lake Charles, Louisiana.

c. FY 2025 – 2026 Budget Draft Approval

Mr. Qualls fielded questions regarding the proposed administrative budget for FY 2026.

Motion by Mr. Burkett, seconded by Mr. Perrilloux, to approve the proposed FY 2025-2026 budget. The motion passed unanimously.

d. Financial Disclosure

Mr. Qualls reminded all present of the state of Louisiana financial disclosure deadline.

Mr. Falterman and Mr. Adams departed the meeting.

8. Investment Report – Mariner Instritutional

b. Private Equity Education

Mr. Breth delivered a comprehensive presentation on the structure and objectives of private equity investments as part of Trustee education.

c. Investment Manager Update

Motion by Mr. Perrilloux, seconded by Mr. Walters, to enter executive session under LA R.S. 42:17(A)(2). Unanimously, the motion passed.

Motion by Mr. Perrilloux, seconded by Mr. Walters, to return to regular session. The motion carried without opposition.

10. Next Meeting – June 19, 2025

11. Meeting adjourned

The meeting was adjourned at 12:26 P.M.

12. Ethics Education for Public Servants

Mr. Curtis Nelson provided one hour of ethics training, fulfilling the annual requirement for public servants.

To the best of my knowledge, the foregoing minutes accurately represent the actions taken at the meeting held on April 17, 2025.

S. Andrew Shealy

S. Andrew Shealy, Chairman

Philip Qualls

Philip Qualls, Director