

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
March 5, 2013

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Anne H. Baker, Dr. William C. "Bill" Baker, Bridget Devlin (Superintendent's Designee), Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Elizabeth Murrill (Commissioner's Designee), John G. Parauka, and Carlos J. Sam

MEMBERS ABSENT: Senator Elbert Guillory, Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), and Representative J. Kevin Pearson

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Philip Griffith, Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Melinda Parker, Dionne Rabalais, Katherine Whitney, Charlene Wilson, and Lisa Barousse

Each member of the Board received the following:

1. March 2013 Board Book
2. *Investment Committee Meeting March 4, 2013, Performance Report–January 30, 2013*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; KPS Capital Partners, LP; Hewitt EnnisKnupp; J.P. Morgan Investment Management, Inc.; Prudential Fixed Income; Shenkman Capital Management; Pacific Investment Management Company LLC (PIMCO); and Brandywine Asset Management
4. *2013 Regular Legislative Session Public Notices Involving State Retirement Systems Filed After February Board Meeting as of March 4, 2013*
5. *2013 Regular Legislative Session Legislation Affecting TRSL as of March 4, 2013*
6. February 28, 2013 Letter to the Honorable James D. "Buddy" Caldwell, Attorney General from Maureen H. Westgard regarding request for Attorney General's Opinion related to the Cash Balance Plan
7. *TRSL Fast Facts, March 2013; TRSL Responds to Questions about ORP Employer Contribution Rate*
8. February 25, 2013 article entitled "LHSAA employees may lose pension benefits" that appeared in the Greater Baton Rouge Business Report (www.businessreport.com)
9. February 26, 2013 article entitled "Delay sought for cash balance retirement plan" that appeared in the Daily Comet, ([Lafourche Parish](#))

10. February 27, 2013 article entitled "La. Legislature to take up slew of bills concerning retirement costs" that appeared in the Greater Baton Rouge Business Report (www.businessreport.com)

Mr. Lawyer called the meeting to order at 10:00 a.m. The secretary called the roll and a quorum was established. Mr. Potts led the Pledge of Allegiance.

Approval of the Minutes of the Meeting of the TRSL Board of Trustees Held February 8, 2013 (Including Minutes of Committee Meetings held February 7 and 8, 2013)

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the minutes of the meeting of the TRSL Board of Trustees held February 8, 2013 (Including Minutes of Committee Meetings held February 7 and 8, 2013).

Investment Committee Report

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

Legislative Committee Report

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

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.

Mr. Lawyer in the Chair.

Director's Update

Ms. Westgard updated the Board on the following items:

- o *TRSL Fast Facts, March 2013; TRSL Responds to Questions about ORP Employer Contribution Rate*

- The April Subcommittee meeting will begin late morning, due to the meeting falling on the Monday after Easter
- Staff Raises – LASERS AND LSERS granted employees raises retroactive to October 1, 2012. TRSL continues to monitor the issue as it relates to staffing.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 10:25 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8:30 a.m. – Monday
March 4, 2013**

MEMBERS PRESENT: Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), and David A. Hennigan

MEMBERS ABSENT: Senator Elbert Guillory, Robert Lawyer, Representative J. Kevin Pearson, and Dr. Steven Procopio (Commissioner's Designee)

OTHER MEMBERS PRESENT: Anne H. Baker, Holly B. Gildig, Joyce P. Haynes, John G. Parauka, and Carlos J. Sam

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

OTHERS PRESENT: Paul Miles, Louisiana Division of Administration; Paul Yett, Hamilton Lane; Scott Coopriker and Russ Ivinjack, Hewitt EnnisKnupp; Raquel Palmer, KPS Capital Partners, LP; Douglas Gimple, J.P. Morgan Investment Management, Inc.; James Herbst and Carlos Prata, Prudential Fixed Income; Eric Dobbin and Kim Hekking, Shenkman Capital Management; Alan Isenberg and Julie Salsbery, PIMCO; and Jack McIntyre Brandywine Asset Management

Roll Call

Mr. Potts called the meeting to order at 8:32 a.m. The secretary called the roll and a quorum was established.

Private Market Update and Review of Potential Private Market Investment

Paul Yett of Hamilton Lane Advisors, L.L.C., presented a private market update and reviewed a potential alternative investment in KPS Special Situations Fund IV.

Raquel Palmer of KPS Capital Partners, LP appeared before the Committee to give a presentation on KPS Special Situations Fund IV.

ON MOTION OF DR. BAKER, 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 March 4, 2013, pertaining to investments in KPS Special Situations Fund IV (up to \$75 million).

Private Market Annual Committee Reports

Mr. Yett presented private market annual committee reports on Blackstone Real Estate Partners, Energy Capital Partners, and Levine Leichtman Capital Partners.

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive private market annual reports on Blackstone Real Estate Partners, Energy Capital Partners, and Levine Leichtman Capital Partners.

Mr. Yett informed the Committee that Hamilton Lane has acquired Shott Capital Management.

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

Mr. Potts appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Domestic Small Cap Value Manager: Dr. Baker as Chair, Dr. Abshire, Mrs. Gildig, Mr. Napper, and Mr. Potts.

Presentation and Approval of Solicitation for Proposals for International All Country World Index (ACWI) ex U.S. Manager

Mr. Griffith presented the SFP for International All Country World Index (ACWI) ex U.S. Manager.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the SFP for International All Country World Index (ACWI) ex U.S. Manager.

Presentation and Review of Solicitation for Proposals for International Equity (EAFE Growth) Manager

Mr. Griffith presented the SFP for International Equity (EAFE Growth) Manager.

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the SFP for International Equity (EAFE Growth) Manager to be presented to the Committee for subsequent approval in April 2013.

Investment Policy Statement

Mr. Griffith presented the Investment Policy Statement Selection and Monitoring of Investment Options Section and the Investment Policy Amendment Process Section.

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Investment Policy Statement Selection and Monitoring of Investment Options Section and the Investment Policy Amendment Process Section.

The Investment Policy Statement update is now complete and will be effective immediately. A copy of the complete policy will be provided to Board members upon final compilation and signature of the Board Chair.

Discussion and Education on High Yield Bond Asset Class

Scott Coopridier and Russ Ivinjack of Hewitt EnnisKnupp gave a presentation on High Yield Bond Asset Class. This presentation qualified for three quarter hour of Investment Education.

Capital Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopridier presented Hewitt EnnisKnupp's Fourth Quarter 2012 report. Mr. Ivinjack presented Hewitt EnnisKnupp's Portfolio Summary Report as of January 31, 2013.

Portfolio Reviews

Mr. Coopridier and Mr. Ivinjack, Hewitt EnnisKnupp and Mr. Brown reviewed the following strategies and managers:

- Fixed Income (Core) – J.P. Morgan Investment Management, Inc. and Prudential Fixed Income
- High Yield – Shenkman Capital Management, Inc.
- Global Bonds – Pacific Investment Management Company LLC (PIMCO) and Brandywine Asset Management

The following representatives presented their respective firm's portfolio review.

- J.P. Morgan Investment Management, Inc. – Douglas Gimple
- Prudential Fixed Income – James Herbst and Carlos Prata
- Shenkman Capital Management - Eric Dobbins and Kim Hekking
- PIMCO – Alan Isenberg and Julie Salsbery
- Brandywine Asset Management – Jack McIntyre

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 3:40 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Tuesday
March 5, 2013**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Jim Napper (Treasurer's Designee), Anne H. Baker, Carlos J. Sam, Holly B. Gildig, and Robert Lawyer
- MEMBERS ABSENT:** Senator Elbert Guillory and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kathy Hattaway, David A. Hennigan, John G. Parauka, and Elizabeth Murrill (Commissioner's Designee)
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Melinda Parker, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Marsha Shuler, The Advocate; Shane Riddle, Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; and Margaret Corley and Laura Gail Sullivan, Louisiana Senate

Roll Call

Dr. Baker called the meeting to order at 8:33 a.m. The secretary called the roll and a quorum was established.

Update on Legislative Committee Meetings

Mr. Mongrue and Ms. Whitney will attend a March 11, 2013 meeting with Representative Pearson and the Louisiana Charter School Association regarding HB 33 by Representative Pearson.

Update on Cash Balance Plan

Mr. Mongrue presented updates on:

- a. February 9, 2013 Letter from Ice Miller LLP to D. J. Simonetti

Ms. Murrill updated the Committee on the status of the private letter ruling request and noted that the matter has been transferred to the IRS, Office of Chief Counsel, who will handle the Social Security Issue.

- b. Follow-up on Request for Attorney General's Opinion – TRSL made the request February 28, 2013 seeking an opinion as to the appropriate employer contribution rate for ORP participants first employed on or after July 1, 2013.

Ms. Westgard presented an update on:

- c. February 19, 2013 meeting - Draft Legislation Review

Discussion and Review of Legislation for the 2013 Regular Legislative Session

- a. Public Notices

Ms. Westgard updated the Committee on the public notices filed after the February Board meeting as of March 4, 2013.

- b. Bills

Ms. Westgard presented an overview of legislation affecting TRSL as of March 4, 2013 regarding Actuarial Valuation Method, UAL, Cash Balance Plan, Tier 1 Benefit Structure – FAC / Contributions, LHSAA Members – Removal, LSUHSC Members – Transfer of Accrued Benefit and Retirement Eligibility, Optional Retirement Plan Contributions, PBIs, Return to Work, and Transfers Between Retirement Systems.

Ms. Whitney presented an overview of the provisions of HB 68 by Representative Pearson – Cash Balance Plan.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 9:30 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Tuesday
March 5, 2013**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, and Kathy Hattaway

OTHER MEMBERS PRESENT: David A. Hennigan, Elizabeth Murrill (Commissioner's Designee, Jim Napper (Treasurer's Designee), John G. Parauka, and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Melinda Parker, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Charles Hall, Hall Actuarial Associates; Marsha Shuler, The Advocate; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Mr. Lawyer called the meeting to order at 9:40 a.m. The secretary called the roll and a quorum was established.

Overview of Ethics Reporting

Mr. Mongrue presented an overview of Ethics reporting requirements relative to financial disclosure.

Update on Public Retirement Systems' Actuarial Committee (PRSAC) meeting

Ms. Westgard informed the Committee that a PRSAC meeting to approve 2012 retirement system valuations is scheduled for March 7, 2013. Ms. Westgard reviewed the agenda.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to adjourn at 9:53 a.m.