

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
August 7, 2012

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, Robert Lawyer, John G. Parauka, Joe A. Potts, Jr., and Dr. Steven Procopio (Commissioner's Designee)

MEMBERS ABSENT: Senator Elbert Guillory, Kathy Hattaway, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, Carlos J. Sam, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Trudy Berthelot, Jim Buras, Lisa Honore, Steve Marangos, Melinda Parker, Matt Tessier, Katherine Whitney, Charlene Wilson, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, SJ Actuarial Associates; and Afranie Adamako, Louisiana Division of Administration

Each member of the Board received the following:

1. *August 2012 Board Book*
2. *Investment Committee Meeting August 6, 2012, Performance Report–June 30, 2012*
3. Investment Committee Presentation Booklets from Hamilton Lane; Hewitt EnnisKnupp, Inc.; and Shenkman Capital Management
4. *TRSL's Boardroom Beacon – TRSL Benefits & Community Property, August 2012*
5. *TRSL Employer Support Services Group, Employer Kudos List for Clearing Questionable Years and Reporting Sick Leave*
6. Letter of August 3, 2012 to Roy Mongrue from Robert Klausner of Klausner, Kaufman Jensen & Levinson regarding TRSL Board of Trustees' fiduciary duty as related to Executive Order BJ 2012-5
7. *TRSL 2013 Fiscal Year Goals, Major projects by Balanced Scorecard area*

Mrs. Baker called the meeting to order at 10:05 a.m. Mr. Parauka 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 July 10, 2012 (including minutes of committee meetings held July 9 & 10, 2012)

ON MOTION OF MRS. GILDIG, SECONDED BY MR. POTTS, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held July 10, 2012 (including minutes of committee meetings held July 9 & 10, 2012).

Investment Committee Report

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

Elections Committee Report

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

Dr. Abshire in the Chair.

Executive Committee Report

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

Mrs. Baker in the Chair.

Director's Update

Ms. Westgard updated the Board on the following:

- Notification of Upcoming Election Mailouts for Districts 5 and 6
- LAPERS
- TRSL received payments from Louisiana State University Agricultural Center for Retirement Contributions; and the payment from the Department of Education for Act 228 of 1944; Act 27 of 1957; Act 440 of 1960; Act 568 of 1952

- ESS Update/handout – *TRSL Employer Support Services Group, Employer Kudos List for Clearing Questionable Years and Reporting Sick Leave*
 - Acknowledged Calcasieu Parish School Board
- August Boardroom Beacon – *TRSL Benefits & Community Property*

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Board voted to adjourn at 10:25 a.m.

Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposal
For Core Plus Fixed Income Manager
8:30 a.m. – Monday
August 6, 2012

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

OTHER MEMBERS PRESENT: Anne H. Baker, Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, John G. Parauka and Dr. Steven Procopio (Commissioner's Designee)

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

OTHERS PRESENT: Scott Coopridier, Hewitt EnnisKnupp; and Press Robinson, Treasurer's Office

Mr. Lawyer 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 (TRSL) and Scott Coopridier of Hewitt EnnisKnupp presented an overview of the responses to the Core Plus Fixed Income Manager SFP. The firms being reviewed were Dodge & Cox, Janus Capital Management, Loomis Sayles and Company, Pacific Management Investment Company, LLC (PIMCO), Prudential Fixed Income, and Reams Asset Management.

DR. BAKER MOVED to recommend to the Investment Committee that Dodge & Cox, PIMCO, and Reams Asset Management be interviewed as finalists. THERE WAS NO SECOND TO THE MOTION.

MR. NAPPER MOVED AND DR. ABSHIRE SECONDED A MOTION to recommend to the Investment Committee that Janus Capital Management, Loomis Sayles and Company, and PIMCO be interviewed as finalists for Core Plus Fixed Income Manager. After further discussion, MR. NAPPER WITHDREW THE MOTION.

MR. NAPPER MOVED AND DR. ABSHIRE SECONDED A MOTION to interview Janus Capital Management, Loomis Sayles and Company, PIMCO, & Reams Asset Management as finalists for Core Plus Fixed Income Manager. THERE WAS NO OBJECTION, AND THE MOTION CARRIED.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 9:04 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Subcommittee to Review Responses to
Solicitation for Proposal for Core Plus Fixed Income Manager – Monday
August 6, 2012**

- MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Robert Lawyer, Holly B. Gildig, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Dr. Steven Procopio (Commissioner's Designee), Anne H. Baker, and Joyce P. Haynes
- MEMBERS ABSENT:** Senator Elbert Guillory, Kathy Hattaway, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** David A. Hennigan, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Scott Coopriider, Hewitt EnnisKnupp; Paul Yett, Jerry Gates and Jonathan Floyd, Hamilton Lane Advisors, L.L.C., Eric Dobbin and Kim Hekking, Shenkman Capital Management; and Press Robinson, Treasurer's Office

Dr. Abshire called the meeting to order at 9:08 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mrs. Haynes to serve on the Committee as an alternate for Ms. Hattaway.

Report of the Subcommittee to Review Response to Solicitation for Proposal for Core Plus Fixed Income Manager

Mr. Lawyer presented the report of the Subcommittee to Review Responses to the Core Plus Fixed Income Manager SFP.

ON MOTION OF MR. LAWYER, SECONDED BY DR. PROCOPIO, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Core Plus Fixed Income Manager SFP:

"Dr. Baker made a motion, to which there was no second. Mr. Napper made a motion which was withdrawn after discussion by the Committee. The motion that carried was as follows:

MR. NAPPER MOVED AND DR. ABSHIRE SECONDED A MOTION to interview Janus Capital Management, Loomis Sayles and Company, PIMCO, & Reams Asset Management as finalists for Core Plus Fixed Income Manager. THERE WAS NO OBJECTION, AND THE MOTION CARRIED."

Approval of Annual Evaluation of Investment Consulting Firm Hewitt EnnisKnupp Conducted at the July 9, 2012 Investment Committee Meeting

Dr. Abshire asked for approval of the evaluation of the investment consulting firm Hewitt EnnisKnupp that was conducted at the July 9, 2012 Committee meeting to reflect correction to a numerical computation.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the annual evaluation of the investment consulting firm Hewitt EnnisKnupp that was conducted at the July 9, 2012 Committee meeting to reflect correction to a numerical computation.

Portfolio Review – Private Market and Real Estate

a. Hamilton Lane

Phil Griffith and Maurice Coleman (TRSL), and Scott Coopriider of Hewitt EnnisKnupp, presented an overview of Hamilton Lane Advisors' background, commitments, and performance as manager for private market investments for TRSL.

b. Request by Hamilton Lane to Modify Core Real Estate Guidelines

Paul Yett of Hamilton Lane Advisors, L.L.C., appeared before the Committee and introduced his associates, Jerry Gates and Jonathan Floyd.

Mr. Yett presented a request for the Committee to approve increasing the leverage limitation from 25% to 35% on core real estate investments. Mr. Gates further explained the request.

ON MOTION OF MRS. BAKER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to approve the request by Hamilton Lane to increase the leverage limitation from 25% to 35% on core real estate investments.

Mr. Gates gave information regarding his professional background and real estate investment experience, as well as Hamilton Lane's real estate team and dedicated real estate investment committee.

Review of 2013 Fiscal Year Private Market Investments Strategic Plan

Mr. Yett, Mr. Gates, and Mr. Floyd presented an overview of alternative assets and the 2013 Fiscal Year Private Market Investments Strategic Plan. The presentation qualified for 2.25 hours of Investment Education.

ON MOTION OF MR. NAPPER, SECONDED MR. LAWYER, AND CARRIED, the Committee voted to adopt the report on the 2013 Fiscal Year Private Market Investments Strategic Plan.

Private Market Annual and Advisory Committee Reports

Mr. Yett presented private market annual and advisory committee reports on the following firms: Bridgepoint, First Reserve Corporation, Glide Buy-Out Partners, and Summit Partners.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the private market annual and advisory committee reports on Bridgepoint, First Reserve Corporation, Glide Buy-Out Partners, and Summit Partners.

Investment Policy Statement

Mr. Griffith presented the Investment Policy Statement Guidelines for Global Bonds, High Yield Bonds, and Emerging Market Debt (for subsequent approval at September 2012 Investment Committee meeting)

ON MOTION OF MR. POTTS, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the Investment Policy Statement Guidelines for Global Bonds, High Yield Bonds, and Emerging Market Debt.

Capital Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan (public and private market) investments. Mr. Griffith stated that TRSL investments had earned the highest return among public pension plans with assets greater than \$1 Billion, according to the Wilshire Trust Universe Comparison Service for the two-year period ended June 30, 2012.

Mr. Coopriider presented Hewitt EnnisKnupp's August 6, 2012 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through June 30, 2012.

Portfolio Review – High Yield

Mr. Coopriider and Dana Brown reviewed High Yield Manager, Shenkman Capital Management.

Eric Dobbin and Kim Hekking of Shenkman Capital Management presented a market overview and annual portfolio review for 2012. The market overview portion of the presentation qualified for one-half hour of Investment Education.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 3:05 p.m.

Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Tuesday
August 7, 2012

- MEMBERS PRESENT:** Joe A. Potts, Jr., David A. Hennigan, Robert Lawyer, John G. Parauka, Anne H. Baker, Dr. William C. "Bill" Baker, and Dr. Steven Procopio (Commissioner's Designee)
- MEMBERS ABSENT:** Kathy Hattaway, Jim Napper (Treasurer's Designee), and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Holly B. Gildig, and Joyce P. Haynes
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Trudy Berthelot, Jim Buras, Lisa Honore, Melinda Parker, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates; Stephanie Little, Louisiana House Retirement Committee; Laura Gail Sullivan, Louisiana Senate; and Press Robinson, Treasurer's Office

Mr. Potts called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Mr. Potts appointed Dr. Baker and Dr. Procopio to serve on the Committee as alternates for Ms. Hattaway and Mr. Sam.

Discussion and Approval of Interim Appointment Process for the TRSL Board of Trustees Parish and City Superintendents Position Which Became Vacant July 1, 2012

Ms. Westgard presented the proposed schedule and vacancy flyer for appointment of the TRSL Board of Trustees Parish and City Superintendents position which became vacant July 1, 2012.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the schedule and vacancy flyer for appointment of the TRSL Board of Trustees Parish and City Superintendents position which became vacant July 1, 2012.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 8:41 a.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Elections Committee – Tuesday
August 7, 2012

MEMBERS PRESENT: Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Robert Lawyer, Joyce P. Haynes, and Joe A. Potts, Jr.

MEMBERS ABSENT: Kathy Hattaway

OTHER MEMBERS PRESENT: Holly B. Gildig, David A. Hennigan, John G. Parauka, and Dr. Steven Procopio (Commissioner's Designee)

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Trudy Berthelot, Jim Buras, Lisa Honore, Steve Marangos, Melinda Parker, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, SJ Actuarial Associates; Afranie Adomako, Louisiana Division of Administration; Stephanie Little, Louisiana House Retirement Committee; Laura Gail Sullivan, Louisiana Senate; and Press Robinson, Treasurer's Office

Mrs. Baker called the meeting to order at 8:43 a.m. The secretary called the roll and a quorum was established.

Update on Executive Order BJ 12-05 Coordinated Retirement Plan Sponsor—IRS Submission

Ms. Westgard and Mr. Mongrue presented an update on matters associated with Executive Order BJ 12-05, including the meeting of July 20, 2012 and the response from Mr. Klausner to the request made at the July 2012 Executive Committee meeting for a legal opinion related to the Board's fiduciary responsibility and the Executive Order.

It has been agreed that the retirement systems will prepare and submit Cycle C Tax filings, the Administration will prepare and submit the Social Security filing, and the systems and Administration will share information regarding the filings. A third meeting is scheduled for August 10, 2012.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the letter from Klausner, Kaufman, Jensen and Levinson dated August 3rd, 2012 relative to the fiduciary duty of the TRSL Board of Trustees' responsibility for filing the necessary request for tax qualified status with the IRS related to Executive Order BJ 12-05.

Strategic Plan Update and TRSL Balanced Scorecard Goals for 2012-2013

Ms. Westgard presented an overview of the Strategic Plan and Balanced Scorecard Goals for 2012-2013. Mr. Cagle presented the 2013 Fiscal Year Goals - Major Projects by Balanced Scorecard Area.

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve the Strategic Plan and TRSL Balanced Scorecard Goals for 2012-2013.

Review and Approval of Revisions to Board Governance Manual Policy Nos. 100.10 (Board Committees, Charters, Chair, Members, and Quorum) and 100.10.3 (Executive Committee Charter)

Katherine Whitney presented proposed revisions to Board Governance Manual Policy Nos. 100.10 (Board Committees, Charters, Chair, Members, and Quorum) and 100.10.3 (Executive Committee Charter).

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the revisions to Board Governance Manual Policy Nos. 100.10 (Board Committees, Charters, Chair, Members, and Quorum) and 100.10.3 (Executive Committee Charter) as presented.

Update on Charter School Participation in TRSL

Mr. Mongrue presented an update on charter school participation in TRSL.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 9:54 a.m.