

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
December 3, 2013**

MEMBERS PRESENT: Robert Lawyer, Anne H. Baker, Dr. William C. "Bill" Baker, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

MEMBERS ABSENT: Dr. Sheryl R. Abshire, Holly B. Gildig, Senator Elbert Guillory, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, Joe A. Potts, Jr., Dr. Steven Procopio (Commissioner's Designee), and Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Dana Vicknair, Matt Tessier, Katherine Whitney, Desiree Marshall, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Lisa Lawyer; Shelley Johnson, Foster & Foster Actuaries and Consultants; Josh Melder, Louisiana Division of Administration; and Laura Gail Sullivan, Louisiana Senate

Each member of the Board received the following:

1. December 2013 Board Book
2. *Investment Committee Meeting December 2, 2013, Performance Report – October 31, 2013*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; CVC Capital Partners; MetLife Real Estate Investors; Hewitt EnnisKnupp; and BNY Mellon Asset Servicing
4. *Summary of Proposed Statutory Changes for 2014 Tax Qualification Cleanup Legislation* and a proposed draft of the legislation
5. Permanent Benefit Increase presentation documents: proposed Resolution; letter dated November 27, 2013 to Maureen H. Westgard from Shelley Johnston, Foster & Foster regarding 2014 Retiree PBI; and *2014 COLA (PBI)* presentation
6. *2014 Regular Legislative Session Public Notices Involving State Retirement Systems as of December 2, 2013*; and *2014 Regular Legislative Session Public Notices Involving Statewide and Local Retirement Systems as of December 2, 2013*
7. Presentation documents from Shelley Johnson, Foster & Foster: *Discount Rate Scenarios & GASB Crossover*; letter dated November 27, 2013 to Maureen H. Westgard regarding discount rates; and *TRSL-GASB Statement 67/68 Crossover Projection*

8. Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR) for Fiscal Year Ended June 30, 2013
9. Memorandum dated November 22, 2013 to Maureen H. Westgard from Lisa Honore` regarding Communication Efficiencies

Mr. Lawyer called the meeting to order at 11:35 a.m. Mr. Sam 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 November 5, 2013 (Including Minutes of Committee Meetings held November 4 and 5, 2013)

ON MOTION OF MRS. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held November 5, 2013 (Including Minutes of Committee Meetings held November 4 and 5, 2013).

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.

Legislative Committee Report

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

Mrs. Baker in the Chair.

Executive Committee Report

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

Mr. Lawyer in the Chair.

Presentation and Approval of the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2013

Mr. Cagle presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2013.

ON MOTION OF MRS. BAKER, SECONDED BY MR. SAM, AND CARRIED, the Board voted to approve the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2013.

Presentation of TRSL Board of Trustees Self-Evaluation

Mr. Lawyer presented the TRSL Board of Trustees Self-Evaluation.

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. BAKER, AND CARRIED, the Board voted to receive the report on the TRSL Board of Trustees Self-Evaluation.

Director's Update

Ms. Westgard updated the Board on printing reduction and postage savings.

Presentation of Resolution Honoring Anne H. Baker

Mr. Lawyer presented a Resolution honoring Mrs. Baker for 35 years of service on the TRSL Board of Trustees, which is included following these Minutes.

Board Chair Comments

Mr. Lawyer presented comments on TRSL's accomplishments and challenges during 2013.

Adjournment

ON MOTION OF MRS. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to adjourn at 12:13 p.m.

**Teachers' Retirement System of Louisiana
Investment Committee
9:00 a.m. – Monday
December 2, 2013**

- MEMBERS PRESENT:** Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Holly B. Gildig, David A. Hennigan, Robert Lawyer, Joyce P. Haynes, and John G. Parauka
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Representative J. Kevin Pearson, Joe A. Potts, Jr., and Dr. Steven Procopio (Commissioner's Designee)
- OTHER MEMBERS PRESENT:** Anne H. Baker, Superintendent Alonzo R. Luce, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Genett Washington, Pamela Young, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett, Jerry Gates and Jonathan Floyd, Hamilton Lane Advisors, L.L.C.; Roy Kuan and Lisa Lee, CVC Capital Partners; Mark Wilsmann, Scott Hirsch and Lou Jug, MetLife Real Estate; Scott Coopriider, Russ Ivinjack, and Steve Benjamin, Hewitt EnnisKnupp; Callan Joffrion and Josh Melder, Louisiana Division of Administration

Roll Call

Ms. Hattaway called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Mrs. Haynes and Mr. Parauka to serve on the Committee as alternates for Mr. Potts and Dr. Abshire.

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Jerry Gates and Jonathan Floyd of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items. Mr. Yett presented the private market update.

CVC Capital Partners Asia Pacific IV, L.P.

Mr. Yett reviewed a potential alternative investment in CVC Capital Partners Asia Pacific IV, L.P.

Roy Kuan and Lisa Lee of CVC Capital Partners appeared before the Committee to make a presentation on CVC Capital Partners Asia Pacific IV, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated December 2, 2013, pertaining to investments in CVC Capital Partners Asia Pacific IV, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

MetLife Core Property Fund, L.P. (FTF)

Mr. Gates reviewed a potential alternative investment in MetLife Core Property Fund, L.P.

Mark Wilsmann, Scott Hirsch and Lou Jug of MetLife Real Estate Investors appeared before the Committee to make a presentation on MetLife Core Property Fund, L.P.

ON MOTION OF MR. HENNIGAN, 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 December 2, 2013, pertaining to investments in MetLife Core Property Fund, L.P. (up to \$150 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Reports

Mr. Floyd presented private market annual reports on Enhanced Equity Funds and BC Partners Limited.

ON MOTION OF MR. PARAUKA, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the private market annual reports on Enhanced Equity Funds and BC Partners Limited.

Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2014

Mr. Griffith presented the proposed Schedule of Manager Portfolio Reviews for 2014.

DR. BAKER MOVED AND MR. HENNIGAN SECONDED A MOTION to approve the Schedule of Manager Portfolio Reviews for 2014.

After discussion regarding managers' presence at the Board meeting, Dr. Baker withdrew the motion, and offered the following:

ON MOTION OF DR. BAKER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2014, with discretion of the manager's presence at the Board meeting, based upon the recommendation of the staff and the consultant, to include at least an initial review of newly hired managers.

Presentation and Approval of the Schedule of Investment Searches for 2014

Mr. Griffith presented the proposed Schedule of Investment Searches for 2014.

ON MOTION OF MR. PARAUKA, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2014.

Presentation of Annual Investment Manager Proxy Voting Report

Dana Brown presented the annual investment manager proxy voting report.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the annual investment manager proxy voting report.

Presentation and Approval of Optional Retirement Plan (ORP) Investment Platform Changes

Steve Benjamin of Hewitt EnnisKnupp presented recommendations relative to ORP.

Mr. Benjamin presented Valic Small Cap Growth replacement option recommendations.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to replace BlackRock Small Cap Growth Equity Fund with T. Rowe Price Small-Cap Stock Fund.

Mr. Benjamin presented Target Date Fund recommendations for ING and Valic.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to add the full range of target date funds at five-year increments through 2055 for ING and Valic.

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. Coopider and Mr. Ivinjack presented Hewitt EnnisKnupp's December 2, 2013 portfolio

summary report. Staff and Consultant reviewed performance of TRSL investments through October 31, 2013.

Annual Review and Update on Securities Lending

Ray Kronz and Mike McDermott of BNY Mellon Asset Servicing appeared before the Committee to give a review and update on securities lending. The presentation qualified for one-half hour of Investment Education.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the annual review and update on securities lending.

Private Market Separate Account Investment Overview - Hamilton Lane

Mr. Yett presented an overview on Private Market Separate Accounts and a recommendation for TRSL. The presentation qualified for one hour of Investment Education.

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the Hamilton Lane recommendation relative to establishing a Separate Account Structure to gain exposure to Venture Capital (up to \$50 million), as outlined in their presentation.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 2:38 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
9:00 a.m. – Tuesday
December 3, 2013

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Anne H. Baker, Holly B. Gildig, Robert Lawyer, Joyce P. Haynes, David A. Hennigan, and John G. Parauka
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire, Senator Elbert Guillory, Representative J. Kevin Pearson, and Joe A. Potts, Jr.,
- OTHER MEMBERS PRESENT:** Kathy Hattaway, Superintendent Alonzo R. Luce, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Matt Tessier, Katherine Whitney, Desiree Marshall, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster and Foster Actuaries and Consultants; Marsha Shuler, The Advocate; Josh Melder, Louisiana Division of Administration; Graig Luscombe, Louisiana Retired Teachers' Association; Laura Gail Sullivan, Louisiana Senate

Roll Call

Dr. Baker called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mrs. Haynes, Mr. Hennigan, and Mr. Parauka to serve on the Committee as alternates for Mr. Potts, Dr. Abshire, and Mr. Sam (Mr. Sam arrived after roll call).

Review and Approval of Board Sponsored Legislation

Ms. Westgard updated the Committee on the status of filing the IRS Cycle C submission for TRSL's Defined Benefit and Optional Retirement Plans.

2014 Tax Qualification Cleanup

Mr. Mongrue presented a summary of the proposed 2014 Tax Qualification Cleanup legislation. Senator Guillory has agreed to author and sponsor the bill.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the 2014 Tax Qualification Cleanup legislation as presented, to be submitted for filing at the 2014 Regular Legislative Session.

Permanent Benefit Increase

Ms. Westgard presented a summary of the process for submitting the proposed Permanent Benefit Increase (PBI) Board Resolution. Senator Guillory has agreed to author and sponsor the PBI legislation.

Shelley Johnson, Foster & Foster Actuaries and Consultants gave a presentation on the actuarial information related to the proposed PBI. The presentation qualified for one-half hour of Actuarial Education for trustees.

MRS. BAKER MOVED AND MR. PARAUKA SECONDED a motion to approve the Board Resolution recommending legislative approval of a Permanent Benefit Increase (PBI) for retirees in an amount equal to the consumer price index, U.S. city average for all urban consumers (CPI-U), provided the increase does not exceed 1.5%. The PBI is to be payable to eligible retirees as provided by law, and based on funds available in the experience account. The resolution will be sent to the President of the Senate and Speaker of the House and copies sent to the Retirement Committee Chairmen of both the Senate and the House and the legislative actuary.

After further discussion, Mrs. Baker withdrew the motion. Further review of the Resolution will be conducted at the January Legislative Committee meeting.

Update and General Discussion of 2014 Legislative Session

Ms. Westgard updated the Committee on the following items relative to the 2014 Legislative Session:

- LRTA PBI Proposal. (Mr. Luscombe presented information on the proposal.)
- Entry Age Normal Bill by Sen. Peacock
- Public Notices
- MFP Task Force meeting (November 21, 2013) presentation by TRSL

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 10:14 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Tuesday
December 3, 2013**

MEMBERS PRESENT: Robert Lawyer, Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, and Kathy Hattaway

MEMBERS ABSENT: Dr. Sheryl R. Abshire and Joe A. Potts, Jr.

OTHER MEMBERS PRESENT: Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Dana Vicknair, Matt Tessier, Katherine Whitney, Desiree Marshall, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster and Foster Actuaries and Consultants; Josh Melder, Louisiana Division of Administration; Graig Luscombe, Louisiana Retired Teachers' Association; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Mr. Lawyer called the meeting to order at 10:33 a.m. The secretary called the roll and a quorum was established.

Appointment of State Medical Disability Board Physician

Mrs. Vicknair presented information on the proposed State Medical Disability Board Physician, Dr. Jose Artecona.

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to appoint the State Medical Disability Board Physician as presented.

Discount Rate Scenarios and GASB Crossover - Shelley Johnson, Foster & Foster

Mrs. Johnson gave a presentation on "Discount Rate Scenarios and GASB Crossover". The presentation qualified as one hour of Actuarial Education for Trustees.

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

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 11:30 a.m.