

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
January 8, 2013

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

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Philip Griffith, Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Jay Fisher, Lisa Honore, Jeff LaCour, Chantelle Landry, Steve Marangos, Marlies Mitchell, Dionne Rabalais, Julius Roberson, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster

Each member of the Board received the following:

1. January 2013 Board Book
2. *Investment Committee Meeting January 7, 2013, Performance Report–November 30, 2012*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; SARES•REGIS Group; Hewitt EnnisKnupp, Inc.; AllianceBernstein, L.P.; Fred Alger Management, Inc.; Janus Capital Management LLC; and TIAA-CREF
4. *TRSL 2013 Fiscal Year Goals, Major Projects by Balanced Scorecard*
5. *January 2013 TRSL's Boardroom Beacon, TRSL at a Glance*

Mr. Lawyer called the meeting to order at 10:30 a.m. The secretary called the roll and a quorum was established. Mr. Parauka led the Pledge of Allegiance.

Approval of the Minutes of the Meeting of the TRSL Board of Trustees Held December 4, 2012 (Including Minutes of Committee Meetings held December 3 and 4, 2012)

ON MOTION OF MRS. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held December 4, 2012 (including Minutes of Committee Meetings held December 3 and 4, 2012).

Investment Committee Report

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

Legislative Committee Report

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

Mr. Potts in the Chair.

Executive Committee Report

MR. LAWYER MOVED to accept the report of the Executive Committee and to approve the recommendations contained therein. MRS. BAKER SECONDED THE MOTION and MRS. HAYNES OBJECTED TO THE MOTION. The secretary called the roll and THE MOTION PASSED by a vote of 11 yeas and 1 nay. Dr. Abshire, Mrs. Baker, Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Hennigan, Superintendent Luce, Mr. Parauka, Mr. Potts, Dr. Procopio and Mr. Lawyer voted yea; Mrs. Haynes voted nay.

Introduction of Newly Hired Staff hired During the Period 10/01/12 through 12/31/12:

Mr. Cagle introduced Jay Fisher, IT Department; and Marlies Mitchell, Audit Department.

Mrs. Vicknair introduced Chantelle Landry and Julius Roberson, who have joined the Retirement Department.

TRSL Board and Staff Ethics Certification

Ms. Westgard noted that Ethics Certifications for 2013, which certify compliance with all Louisiana state ethics laws and TRSL ethics policy, were collected from Trustees and staff.

Director's Update

Ms. Westgard updated the Board on the following items:

- Board Reference Manual will be distributed at the February Board Meeting
- Boardroom Beacon – January 2013 TRSL at a Glance
- Employer Support Services recognition to St. Tammany Parish School Board, Glenco Charter School and Central Community School System for reconciling questionable years

On a point of personal privilege, Mrs. Baker read a thank you note from Trudy Berthelot who retired from TRSL in October with over 30 years of service. Mrs. Baker noted that Ms. Berthelot was nominated and selected for the Civil Service League Charles E. Dunbar Career Service Award and will be recognized at a luncheon on January 18, 2013.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 11:00 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8:30 a.m. – Monday
January 7, 2013**

- MEMBERS PRESENT:** Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Holly B. Gildig, David A. Hennigan, Senator Elbert Guillory, Suzette Meiske, and Robert Lawyer
- MEMBERS ABSENT:** Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Anne H. Baker, Joyce P. Haynes, Superintendent Alonzo R. Luce, and John G. Parauka
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Roy Mongrue, Jr., Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett and Jonathan Floyd, Hamilton Lane; Scott Coopridger and Russ Ivinjack, Hewitt EnnisKnupp; Geoffrey Stack, Robert Wagner, and Kenneth Gladstein, SARES•REGIS Group; Joe Lawrence and Bruce Aronow, AllianceBernstein, L.P.; Jill Greenwald, Kevin Collins and Ted Doyle, Fred Alger Management, Inc.; Brian Schaub, Chad Meade and David Schrock, Janus Capital Management LLC; and Carl Goodwin, Patty Harte, and Greg Johnson, TIAA-CREF

Roll Call

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

Mr. Mongrue administered Oaths of Office to Mrs. Gildig and Mrs. Haynes for the term January 1, 2013 through December 31, 2016.

Investment Policy Statement - Presentation and Approval of Real Estate Investment Guidelines

Phil Griffith presented the Investment Policy Statement Guidelines for Real Estate Investments that was received at the December 2012 Investment Committee meeting.

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Investment Policy Statement Guidelines for Real Estate Investments.

Private Market Update and Review of Potential Private Market Investments

Paul Yett and Jonathan Floyd, Hamilton Lane Advisors, L.L.C., appeared before the Committee. Mr. Yett presented the private market update.

Mr. Yett reviewed a potential alternative investment in EnCap Energy Capital Fund IX.

ON MOTION OF DR. BAKER, 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 January 7, 2013, pertaining to investments in EnCap Energy Capital Fund IX (up to \$50 million).

Mr. Yett reviewed a potential alternative investment in Sares Regis Multifamily Fund, L.P.

Geoffrey Stack, Robert Wagner, and Kenneth Gladstein of SARES•REGIS Group appeared before the Committee to give a presentation on Sares Regis Multifamily Fund, L.P.

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, consistent with the real estate guidelines approved January 7, 2013, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated January 7, 2013, pertaining to investments in Sares Regis Multifamily Fund, L.P. (up to \$20 million), not to exceed 20% of the Fund.

Private Market Investment Annual Meeting Reports

Mr. Yett and Mr. Floyd presented private market annual reports on BC Partners, Falcon Investment Advisors, Intermediate Capital Group, and Providence Equity Partners.

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the private market annual reports on BC Partners, Falcon Investment Advisors, Intermediate Capital Group, and Providence Equity Partners.

Quarterly Transaction Summary of Private Market Investments (for period ended September 30, 2012)

Maurice Coleman presented the Quarterly Transaction Summary of Private Market Investments (for the period ended September 30, 2012).

ON MOTION OF MRS. GILDIG, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Private Market Investments (for the period ended September 30, 2012).

Presentation and Review of Solicitation for Proposals (SFP) for Domestic Small Cap Value Manager

Mr. Griffith presented the SFP for Domestic Small Cap Value Manager.

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the SFP for Domestic Small Cap Value Manager.

Capital Market Update and Review of TRSL Investments (Consultant and Staff)

Mr. Coopridier and Mr. Ivinjack presented Hewitt EnnisKnupp's January 7, 2013 portfolio summary report. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Staff and Consultant reviewed performance of TRSL investments through November 30, 2012.

Interview Finalists for Small Cap Growth Manager and Recommend Successful Candidate Firm

Mr. Griffith (TRSL), Scott Coopridier and Russ Ivinjack (Hewitt EnnisKnupp) presented an overview of the finalist firms.

The following representatives appeared before the Committee to be interviewed for Small Cap Growth Manager:

- Joe Lawrence and Bruce Aronow of AllianceBernstein, L.P.
- Jill Greenwald, Kevin Collins and Ted Doyle of Fred Alger Management, Inc.
- Brian Schaub, Chad Meade and David Schrock of Janus Capital Management LLC

The Committee ranked each firm from 1 to 3, with 1 ranking the highest.

	Alliance	Alger	Janus
Dr. Abshire	1	3	2
Dr. Baker	1	3	2
Mrs. Gildig	1	3	2
Ms. Hattaway	1	3	2
Mr. Hennigan	1	3	2
Ms. Meiske	1	3	2
Mr. Napper	1	3	2
Mr. Lawyer	1	3	2
Mr. Potts	1	3	2
Total	9	27	18

AllianceBernstein ranked the highest, followed by Janus Capital Management, then Fred Alger Management.

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to hire AllianceBernstein, L.P. as Small Cap Growth Manager, with an asset allocation up to \$250 million, subject to fee negotiation.

Review of Optional Retirement Plan (ORP) Provider - TIAA-CREF

Mr. Griffith gave an overview of the timeline and annual review of ORP Provider, TIAA-CREF. Mr. Ivinjack presented a follow-up to the annual review of TIAA-CREF.

Carl Goodwin, Patty Harte, and Greg Johnson of TIAA-CREF appeared before the Committee to address and remedy the contract deficiencies identified in Hewitt EnnisKnupp's annual review of ORP vendors. Hewitt EnnisKnupp and TRSL staff will continue to review TIAA-CREF'S corrective actions and report back to the Investment Committee in April regarding TIAA-CREF'S compliance.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the review of ORP provider TIAA-CREF, and approve the remedies and prospective corrective action offered by TIAA-CREF, with Hewitt EnnisKnupp reporting in April on compliance progress made during the first quarter.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 3:46 p.m.

Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Tuesday
January 8, 2013

MEMBERS PRESENT: Dr. Sheryl R. Abshire, Jim Napper (Treasurer's Designee), David A. Hennigan, John G. Parauka, Dr. Steven Procopio (Commissioner's Designee), Robert Lawyer, Joe A. Potts, Jr. and Dr. William C. "Bill" Baker

MEMBERS ABSENT: Carlos J. Sam

OTHER MEMBERS PRESENT: Anne H. Baker, Kathy Hattaway, Holly B. Gildig, Joyce P. Haynes, and Superintendent Alonzo R. Luce

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Jim Buras, Maurice Coleman, Jeff LaCour, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; and Margaret Corley, Louisiana Senate Retirement Committee

Roll Call

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

2013 Elections Review

Ms. Westgard and Dr. Honore presented information on the upcoming 2013 Elections.

1. Update on one-year pilot program which provided candidates the opportunity to include biography statements limited to 250 words on the election ballot.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive the report regarding the one-year pilot program to include candidate biography statements limited to 250 words on TRSL election ballots and to approve permanent implementation of the program. TRSL staff is authorized to add corresponding provisions to Board Governance Manual Policy No. 100.3 (Election of Trustees).

2. Review & Approval of Proposed Call for Candidates Postcards for Upcoming Elections

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the proposed Call for Candidates postcards for upcoming elections for representatives of Retirees as amended.

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the proposed Call for Candidates postcards for upcoming elections for representatives of School Food Service and Parish and City Superintendents.

3. Review and Approval of the Proposed 2013 Schedule of Elections for Retirees, School Food Service, and Parish and City Superintendents Special Election

ON MOTION OF MR. PARAUKA, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the proposed 2013 Schedule of Elections for upcoming elections for representatives of Retirees, School Food Service, and Parish and City Superintendents.

Presentation and Approval of Amendments to Board Governance Manual Policy No. 100.3 (Election of Trustees)

Ms. Whitney presented amendments to Board Governance Manual Policy No. 100.3 (Election of Trustees).

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve amendments to Board Governance Manual Policy No. 100.3 (Election of Trustees), as presented.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 8:48 a.m.

Teachers' Retirement System of Louisiana
Legislative Committee
Upon Adjournment of Elections Committee – Tuesday
January 8, 2013

MEMBERS PRESENT: Dr. William C. "Bill" Baker, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Jim Napper (Treasurer's Designee), Anne H. Baker, Holly B. Gildig, Robert Lawyer, and Joyce P. Haynes

MEMBERS ABSENT: Senator Elbert Guillory, Representative J. Kevin Pearson, and Carlos J. Sam

OTHER MEMBERS PRESENT: Kathy Hattaway, David A Hennigan, Superintendent Alonzo R. Luce; John G. Parauka, and Dr. Steven Procopio (Commissioner's Designee)

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

OTHERS PRESENT: Shelley Johnson, Foster & Foster; Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; and Margaret Corley, Louisiana Senate Retirement Committee

Roll Call

Dr. Baker called the meeting to order at 8:49 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mrs. Haynes to serve on the Committee as an alternate for Mr. Sam.

Update on Legislative Committee Meetings

Ms. Westgard updated the Committee on the following meetings:

- a. Funding Review Panel – December 5, 2012 – At the request of the panel, Mr. Griffith presented information on investment benchmarking.

- b. Senate Retirement Committee (COLAs) – December 11, 2012
 - i. Senate Bill Working Draft – Ms. Westgard presented an overview of the bill draft. A comprehensive review and discussion of the bill will be presented at the February Legislative Committee meeting
- c. House Retirement Committee - January 22, 2013 - Review of all 13 retirement systems' valuation reports, funding, etc.

Update on Cash Balance Plan

Ms. Westgard updated the Committee on the following items:

- a. December 7, 2012 Letter from Ice Miller LLP to Internal Revenue Service
- b. December 18, 2012 meeting to discuss policy issues

Discussion of Potential Legislation for the 2013 Regular Legislative Session

Ms. Westgard informed the Committee that no additional legislation had been filed to date. Staff is monitoring public notices, which will be included in the February meeting materials. Dr. Baker asked that Trustees submit any suggestions for legislation to him or the Director.

Approval of the TRSL Legislative Team for the 2013 Regular and Special Session(s) of the Louisiana Legislature

Dr. Baker outlined the roles of the Legislative Team and Trustees in testifying and contact with the legislature.

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to authorize the Board Chair, Legislative Committee Chair, Director, Deputy Director, General Counsel, Assistant Director, Chief Investment Officer, and Actuaries to represent TRSL and take action as necessary at legislative hearings during the 2013 Legislative Session(s).

Adjournment

ON MOTION OF MRS. BAKER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 9:17 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Tuesday
January 8, 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, Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), John G. Parauka, and Dr. Steven Procopio (Commissioner's Designee)

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Roth Aymond, Dana Brown, Jim Buras, Maurice Coleman, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster; Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; and Margaret Corley, Louisiana Senate Retirement Committee

Roll Call

Mr. Lawyer called the meeting to order at 9:18 a.m. The secretary called the roll and a quorum was established.

Appointment of State Medical Disability Board Physicians

Mrs. Vicknair presented the proposed list of State Medical Disability Physicians.

ON MOTION OF DR. ABSHIRE, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to appoint the State Medical Disability Board Physicians as presented.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Mr. LaCour presented Compliance Audit Reports – Retirees Returning to Work and Limited Scope Reviews.

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Progress Report on TRSL Balanced Scorecard Goals for 2012-2013

Ms. Westgard presented an overview of TRSL's Vision, Mission, Values and Goals Statement, Balanced Scorecard and Major Project Report by Balanced Scorecard Area. Mr. Cagle presented a progress report on the major projects of the TRSL Balanced Scorecard Goals for 2012-2013.

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

Discussion and Approval of Alternative 2013 Board Meeting Dates

Mr. Lawyer stated that several Trustees had requested a review of the 2013 Board meeting dates for possible changes to Thursday/Friday meetings. Discussion ensued regarding changing the dates.

ON MOTION OF MRS. GILDIG, SECONDED BY MS. HATTAWAY, AND CARRIED, the committee voted to move the February meeting to February 7 and 8, 2013. The remaining meeting dates will stand as previously adopted.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Update on Charter School Participation in TRSL

Mr. Mongrue presented an update on Charter School participation in TRSL. Answers have been filed in the FirstLine case. No action is required on this item.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 10:24 a.m.