

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**Upon Adjournment of Executive Committee – Tuesday**  
**May 8, 2012**

**MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Superintendent Darryl C. Kilbert, Robert Lawyer, and Joe A. Potts, Jr.

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

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Donna Ackerman, Krassy Antonova, Roth Aymond, Darrel Chenevert, Maurice Coleman, Jim Buras, Beverly Campbell, Danielle Carter, Taymekian Christopher, Peggy Crochet, Melanie Deville, Leslie Edwards, Randy Fekete, Debbie Freeman, Marilyn Furlong, Jeff George, Aricka Hart, Carolyn Garcia, Carla Hale, Randall Harrison, Mark Hodges, Lisa Honore, Vicki Johnson, Jeff LaCour, Lisa LeBlanc, Tiffany Redditt, Sharon Savignol, Debby Schroeder, Matt Tessier, Katherine Whitney, Charlene Wilson, Brad Venable, Laurie Wright, Latasha Young, Anthony Zeringue, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates and Anna Dearmon, Louisiana Division of Administration

Each member of the Board received the following:

1. *May 2012 Board Book*
2. *Investment Committee Meeting May 7, 2012, Performance Report–March 31, 2012*
3. *Hedge Fund Consultant Search May 7, 2012*
4. Investment Committee Presentation Booklets from Hamilton Lane; NEA Management Company, L.L.C.; Roark Capital Group; Hewitt EnnisKnupp; Pacific Investment Management Company (PIMCO); Franklin Templeton Investment Management; and Western Asset Management Company
5. May 8, 2012 Legislative Committee handouts - *2012 Regular Legislative Session Legislation Affecting TRSL as of May 7, 2012* and *2012 Regular Legislative Session Legislation Monitored by TRSL as of May 7, 2012*

6. Memorandum of May 7, 2012 from Robert D. Klausner to Louisiana State Employees' Retirement System and Teachers' Retirement System of Louisiana regarding constitutionality of bills and applicable constitutional standards
7. *TRSL 2012 Fiscal Year Goals, Major projects by Balanced Scorecard area*
8. *TRSL's Boardroom Beacon Retirement Benefit Options May 2012*
9. *TRSL Public Service Recognition Week 2012 Spotlight on Service*
10. Article titled "States scaling back worker pensions to save money" that appeared May 1, 2012 on the Fox News website.
11. Article titled "Senate will see scaled-back version of pension overhaul bills" that appeared April 27, 2012 in the Times Picayune, New Orleans, LA
12. Article titled "State pension plan may be delayed by Senate changes" that appeared May 3, 2012 in The Advocate, Baton Rouge, LA
13. Article titled "House approves proposal for pension plan changes" that appeared May 3, 2012, in The Advocate, Baton Rouge, LA
14. Article titled "House deals setback for cash balance proposal for state employees' retirement" that appeared May 1, 2012 in The Times Picayune, New Orleans, LA
15. Article titled "House members approve retirement change" that appeared May 3, 2012 in The Shreveport Times, Shreveport, LA

Mrs. Baker called the meeting to order at 9:55 a.m. Dr. Abshire 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 April 3, 2012 (including minutes of committee meetings held April 2 & 3, 2012)**

ON MOTION OF MRS. GILDIG, SECONDED BY DR. ABSHIRE, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held April 3, 2012 (including minutes of committee meetings held April 2 & 3, 2012).

**Investment Committee Report**

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

*Dr. Abshire in the Chair.*

## Executive Committee Report

ON MOTION OF MRS. BAKER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Board voted to accept the report of the Executive Committee.

*Mrs. Baker in the Chair*

## Board Chair Update

- a. Retirement of Superintendent Kilbert

Mrs. Baker informed the Committee of Superintendent Kilbert's retirement as of June 30, 2012.

ON MOTION OF DR. BAKER, AND UNANIMOUSLY SECONDED AND CARRIED, the Board voted to accept Superintendent Kilbert's resignation, effective June 30, 2012.

- b. Distribution of Evaluation Forms to Trustees for the Annual Evaluation of the TRSL Director (complete form and forward to the Board Chair – for the June Personnel Committee meeting)

Mrs. Baker reminded Trustees that the Director's annual evaluation would be discussed at the June Personnel Committee meeting and asked Trustees to complete the evaluation form and return it to her by Friday, May 25th.

- c. Public Service Recognition Week

Mrs. Baker made comments thanking TRSL staff for the hard work and dedication and recognized TRSL's longest-serving staff members. Ms. Westgard also thanked staff for their public service and contributions to TRSL.

## Director's Update

Ms. Westgard updated the Board on the following items:

- a. Report on Candidates Who Have Qualified for the 2012 Trustee Elections  
District 5
- Holly Bridges Gildig, M.Ed.  
Teacher, Doyle Elementary School, Livingston Parish School District
  - Leland Rawls  
Teacher, Farmerville High School, Union Parish School Board

District 6

- Joyce Haynes  
Teacher, St. Landry Parish School Board
- Jared Manuel  
Teacher, Oakdale High School, Allen Parish School Board
- Frank Vine, III  
Certified School Psychologist, Pointe Coupee Parish School Board

- b. Interim appointment process for the Board's Parish and City Superintendents' Trustee position will be initiated after Superintendent Kilbert's resignation, which is effective June 30, 2012.
- c. Recognition of Lafourche Parish School Board, Delhi Charter School, and Sowela Technical Institute for 100% reporting of outstanding sick leave records
- d. Boardroom Beacon – *Retirement Benefit Options*

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to adjourn at 10:20 a.m.

**Teachers' Retirement System of Louisiana**  
**Subcommittee to Review Responses to Solicitation for Proposals for**  
**Hedge Fund Investment Consultant**  
**8:30 a.m. – Monday**  
**May 7, 2012**

**MEMBERS PRESENT:** Robert Lawyer, Kathy Hattaway, Dr. William C. "Bill" Baker, and Dr. Sheryl R. Abshire

**MEMBERS ABSENT:** Jim Napper (Treasurer's Designee)

**OTHER MEMBERS PRESENT:** Anne H. Baker, Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, Superintendent Darryl Kilbert, John G. Parauka, Joe A. Potts, Jr., and Carlos J. Sam

**STAFF PRESENT:** Stuart Cagle, Philip Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Dana Lee Haltom, and Lisa Barousse

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**

Mr. Griffith presented an overview of the responses to the Hedge Fund Investment Consultant SFP.

DR. ABSHIRE MOVED to recommend to the Investment Committee that the following be interviewed as finalists for Hedge Fund Investment Consultant: Albourne America LLC; Hewitt EnnisKnupp, Inc.; and NEPC, LLC. MS. HATTAWAY SECONDED THE MOTION and DR. BAKER OBJECTED TO THE MOTION. The secretary called the roll and the MOTION PASSED by a vote of 3 yeas and 1 nay.

**Adjournment**

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 9:15 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
Upon Adjournment of the Subcommittee to Review Responses to Solicitation for  
Proposals for Hedge Fund Consultant – Monday  
May 7, 2012**

**MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Robert Lawyer, Kathy Hattaway, Superintendent Darryl C. Kilbert, Dr. William C. "Bill" Baker, Joe A. Potts, Jr., and Anne H. Baker

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

**OTHER MEMBERS PRESENT:** Holly B. Gildig, Joyce P. Haynes, David A. Hennigan, John G. Parauka, and Carlos J. Sam

**STAFF PRESENT:** Stuart Cagle, Philip Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Paul Yett, Hamilton Lane; Tom Grossi and Ed Mathers of NEA Management Company, L.L.C.; Neal Aronson, Roark Capital Group; Scott Coopriider and Russ Ivinjack, Hewitt EnnisKnupp; R. Matthew Clark, Michael Gomez, and Kyle Theodore, Pacific Investment Management Company (PIMCO); Claire Husson-Citanna and J. Carter Bailey, Jr., Franklin Templeton Investment Management; and Keith Gardner and Douglas Hulse, Western Asset Management Company

Dr. Abshire called the meeting to order at 9:23 a.m. The secretary called the roll and a quorum was established.

**Report of the Subcommittee to Review Responses to Solicitation for Proposal for Hedge Fund Investment Consultant**

Mr. Lawyer presented the report of the Subcommittee to Review Responses to the Hedge Fund Investment Consultant SFP.

ON MOTION OF MR. LAWYER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Hedge Fund Investment Consultant SFP:

"DR ABSHIRE MOVED to recommend to the Investment Committee that the following be interviewed as finalists for Hedge Fund Investment Consultant: Albourne America LLC; Hewitt EnnisKnupp, Inc.; and NEPC, LLC. MS. HATTAWAY SECONDED THE MOTION and DR. BAKER OBJECTED TO THE MOTION. The secretary called the roll and the MOTION PASSED by a vote of 3 yeas and 1 nay."

### **Private Market Update and Potential Private Market Investments**

- a. New Enterprise Associates 14 LP
- b. Roark Capital Partners III

Paul Yett of Hamilton Lane Advisors, L.L.C., presented a private market update and brief overview of venture capital, which counted as one-half hour of Investment Education for Trustees.

Mr. Yett reviewed a potential alternative investment in New Enterprise Associates 14 LP.

Tom Grossi and Ed Mathers of NEA Management Company, L.L.C. appeared before the Committee to give a presentation on New Enterprise Associates 14 LP.

Mr. Yett reviewed a potential alternative investment in Roark Capital Partners III.

Neal Aronson of Roark Capital Group appeared before the Committee to give a presentation on Roark Capital Partners III.

ON MOTION OF SUPERINTENDENT KILBERT, SECONDED BY MS. HATTAWAY, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane reports, including the due-diligence process dated May 7, 2012, pertaining to investments in New Enterprise Associates 14 LP (up to \$50 million) and Roark Capital Partners III (up to \$50 million).

### **Private Market Annual Committee Report**

Mr. Yett presented a private market annual report on Falcon Investment Advisors.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to receive the private market annual report on Falcon Investment Advisors.

**Appointment of Subcommittee to Review Responses to Solicitation for Proposal (SFP) for Core Fixed Income Managers**

Dr. Abshire appointed the following members to serve on the Subcommittee to Review Responses to Solicitation for Proposal (SFP) for Core Fixed Income Managers: Mr. Lawyer, Ms. Hattaway as Chair, Mr. Potts, Mr. Napper, and Dr. Abshire.

**Presentation and Review of Solicitation for Proposal (SFP) for Core (Plus) Fixed Income Managers**

Mr. Griffith presented the SFP for Core (Plus) Fixed Income Managers.

ON MOTION OF MR. POTTS, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the SFP for Core (Plus) Fixed Income Managers.

**Investment Policy Statement**

a. Approval of Asset Allocation Guidelines Section

Mr. Griffith presented the Investment Policy Statement Asset Allocation Guidelines Section that was received at the April 2012 Investment Committee meeting.

ON MOTION OF MRS. BAKER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to approve the Investment Policy Statement Asset Allocation Guidelines Section.

b. Presentation and Review of Investment Guidelines (Domestic Equity and Developed International Equity Managers) Section (for subsequent approval at June 2012 Investment Committee meeting)

Mr. Griffith presented the Investment Policy Statement Investment Guidelines (Domestic Equity and Developed International Equity Managers) Section.

ON MOTION OF MR. POTTS, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the Investment Policy Statement Investment Guidelines (Domestic Equity and Developed International Equity Managers) Section.

**Quarterly Review of Optional Retirement Plan (ORP) Providers**

Mr. Coopriider and Mr. Ivinjack, Hewitt EnnisKnupp, presented the quarterly review of TRSL's Optional Retirement Plan Providers.

ON MOTION OF MR. POTTS, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the review of Optional Retirement Plan providers.

**Public Market Update and Review of TRSL Investments**

Mr. Ivinjack and Mr. Coopridier presented a review of TRSL’s Private Equity Program.

Mr. Griffith presented an overview of TRSL’s total plan and public and private market investments. Mr. Ivinjack and Mr. Coopridier presented Hewitt EnnisKnupp’s May 7, 2012 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through March 31, 2012.

**Interview Finalists and Recommend Successful Candidate Firms for Emerging Market Debt Manager**

Mr. Coopridier gave an overview of the potential candidates for Emerging Market Debt Manager.

The following representatives for each firm appeared before the Committee to be interviewed for the Emerging Market Debt Manager:

- R. Matthew Clark, Michael Gomez. and Kyle Theodore of Pacific Investment Management Company (PIMCO)
- Claire Husson-Citanna and J. Carter Bailey, Jr. of Franklin Templeton Investment Management
- Keith Gardner and Douglas Hulsey of Western Asset Management Company

The Committee rated the firms as follows:

	PIMCO	Franklin Templeton	Western Asset Management
Dr. Baker	3	2	1
Supt. Kilbert	2	3	1
Mr. Lawyer	1	2	3
Mr. Potts	2	3	1
Mrs. Baker	2	3	1
Dr. Abshire	3	2	1
	13	15	8
1 = Best      3 = Worst			

ON MOTION OF MR. POTTS, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to hire Western Asset Management Co. for Emerging Market Debt Manager with an asset allocation up to \$300 million, based on fee negotiation.

**Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY SUPERINTENDENT KILBERT, AND CARRIED, the Committee voted to adjourn at 3:50 p.m.

**Teachers' Retirement System of Louisiana  
Legislative Committee  
8:30 a.m. – Tuesday  
May 8, 2012**

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Superintendent Darryl C. Kilbert, Robert Lawyer, Joe A. Potts, Jr., Jim Napper (Treasurer's Designee), Anne H. Baker, and Joyce P. Haynes
- MEMBERS ABSENT:** Senator Elbert Guillory, Representative J. Kevin Pearson, and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Holly B. Gildig, Kathy Hattaway, and David A. Hennigan
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Roth Aymond, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Melinda Parker, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Charles Hall, Hall Actuarial Associates; Shelley Johnson, SJ Actuarial Associates; and Graig Luscombe, Louisiana Retired Teachers' Association

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

**Update on Legislative and Executive Committee Meetings**

The Retirement Committees met as follows:

- a. House Retirement Committee meetings: April 12, 19, and 26, 2012
- b. Senate Retirement Committee meetings: April 2, 9, 16, 23, and 30, 2012

**Discussion and Review of Legislation for the 2012 Regular Legislative Session**

- a. Constitutional Review by Outside Counsel

Ms. Westgard updated the Committee on the April 15 and May 7, 2012 Memorandums from Robert Klausner to TRSL and LASERS regarding the constitutionality of bills and applicable constitutional standards.

b. Legislation Affecting TRSL

Ms. Westgard updated the Committee on the status of the Governor's package of bills regarding new benefit structure - cash balance plan (HB 61), employee contribution rate (SB 52), final average compensation (SB 47), retirement eligibility (SB 749), the TRSL/LSERS administration merger (HB 1198); TRSL's entry age normal bill (SB 32); and other legislation affecting TRSL.

c. Legislation Monitored by TRSL

Ms. Whitney reviewed legislation being monitored by TRSL.

**Adjournment**

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 9:12 a.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Tuesday  
May 8, 2012**

**MEMBERS PRESENT:** Anne H. Baker, Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Robert Lawyer, Joyce P. Haynes, Kathy Hattaway, and Superintendent Darryl C. Kilbert

**OTHER MEMBERS PRESENT:** Holly B. Gildig, David A. Hennigan, and Joe A. Potts, Jr.

**STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Dana Vicknair, Roth Aymond, Jim Buras, Maurice Coleman, Lisa Honore, Jeff LaCour, Melinda Parker, Paula Rhodes, Matt Tessier, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, SJ Actuarial Associates and Anna Dearmon, Louisiana Division of Administration

Mrs. Baker called the meeting to order at 9:22 a.m. The secretary called the roll and a quorum was established.

**Reminder – Tier 2.1 Disclosure Form Due May 15, 2012**

Ms. Westgard reminded Trustees that the Tier 2.1 Disclosure Form must be filed by May 15, 2012.

**Presentation of Proposed Meeting Dates for 2013 (for review and subsequent approval in June)**

Ms. Westgard presented the proposed meeting dates for 2013, which will be reviewed and approved in June 2012.

**Director's Fiscal Year Update**

Ms. Westgard and Mr. Cagle presented the Fiscal Year update.

**Update on Charter School Participation in TRSL**

Ms. Westgard presented an update on the March 30, 2012 Attorney General Opinion 11-0257 issued in response to TRSL's request for an opinion relative to charter school participation in TRSL and TRSL's April 27, 2012 letter to BESE regarding the opinion.

**Update on Potential Litigation Regarding:**

- a. Priestley School of Architecture and Construction, Inc.
- b. Firstline Schools, Inc. – John Dibert Community School
- c. Algiers Charter School Association

There was no action on this item.

**Adjournment**

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 9:48 a.m.