

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Legislative Committee – Friday
April 10, 2015**

- MEMBERS PRESENT:** Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kimberly Flair, Holly Gildig, Joyce Haynes, David Hennigan, Ron Jackson (Commissioner's Designee), Jim Napper (Treasurer's Designee), Carlos Sam, and Dr. James Taylor
- MEMBERS ABSENT:** Senator Elbert Guillory, Kathy Hattaway, Superintendent Alonzo Luce, John Parauka, Representative J. Kevin Pearson, and State Superintendent John White
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Darrel Chenevert, Maurice Coleman, Santiago Cruz, Randall Harrison, Robyn Jenkins-King, Linnie Johnson, Jeff LaCour, Jerri Mack, Steve Marangos, Marion Mills, Jessica Mouton, John Stone, Matt Tessier, Melissa Waldron, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; and Renee Siccone, Louisiana Retired Teachers' Association

Each member of the Board received the following:

1. April 2015 Board Book
2. *Investment Committee Meeting April 9, 2015, Performance Report – February 28, 2015*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; Blackstone Capital Partners; Aon Hewitt; and Brown Investment Advisory, Inc.
4. *2015 Regular Legislative Session Legislation AFFECTING TRSL as of April 7, 2015 and 2015 Regular Legislative Session Legislation MONITORED by TRSL Board as of April 7, 2015*
5. *Investing in Louisiana, The Economic Impact of Louisiana's Largest Public Retirement System (2015)*
6. *April 2015 Boardroom Beacon – "Meet the Departments: Legal"*

Mr. Lawyer called the meeting to order at 9:10 a.m. Mrs. Haynes 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 March 6, 2015 (Including Minutes of Committee Meetings held March 5 and 6, 2015)

ON MOTION OF DR. TAYLOR, SECONDED BY MS. FLAIR, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held March 6, 2015 (including Minutes of Committee Meetings held March 5 and 6, 2015).

Investment Committee Report

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

Dr. Abshire in the Chair.

Executive Committee Report

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, 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.

Legislative Committee Report

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

Introduction of Newly Hired Staff

Mr. Cagle and Mrs. Vicknair introduced the following staff hired during the period 01/01/15 through 03/31/15:

Accounting Department

Melissa Waldron – Accountant 3

Public Information Department

Jerri Mack – Public Information Officer 3

Retirement Department

Jessica Mouton – Administrative Coordinator 3

Santiago Cruz – Retirement Benefits Analyst 1

Director's Update

Ms. Westgard updated the Board on the following items:

- *Investing in Louisiana 2015* – Dr. Abshire and Ms. Westgard commended staff and Trustees on the publication and efforts made towards positively impacting Louisiana's economy
- Reminder - Tier 2.1 Disclosure Form Due May 15, 2015 – See Mr. Mongrue with any questions regarding completing and filing the form
- Legal Department Overview
 - Mr. Mongrue gave an overview of the Legal Department and introduced the department employees.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 9:40 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals
for Mid Cap Value Manager
8:30 a.m. – Thursday
April 9, 2015**

MEMBERS PRESENT: Dr. Sheryl Abshire, Dr. Jerry Baudin, Holly Gildig, Jim Napper (Treasurer's Designee), Joyce P. Haynes, and Robert Lawyer

MEMBERS ABSENT: Kathy Hattaway

OTHER MEMBERS PRESENT: Kimberly Flair, David Hennigan, Ron Jackson (Commissioner's Designee), Carlos Sam, and Dr. James Taylor

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

OTHERS PRESENT: Scott Coopridier, Steve Benjamin, and Rishi Delvadia, Aon Hewitt

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 Mrs. Haynes to serve on the Committee.

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith (TRSL), and Scott Coopridier and Rishi Delvadaia of Aon Hewitt presented an overview of the following firm's responses to Mid Cap Value Manager Solicitation for Proposals: Seizert Capital Partners; The Boston Company Asset Management, LLC; Thompson, Siegel & Walmsley LLC; WEDGE Capital Management L.L.P.; and Wells Capital Management, Inc.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that Thompson, Siegel & Walmsley LLC; WEDGE Capital Management L.L.P.; and Wells Capital Management, Inc. be interviewed as finalists.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 9:20 a.m.

Teachers' Retirement System of Louisiana
Investment Committee

Upon Adjournment of Subcommittee to Review Responses to Solicitation for Proposals for
Mid Cap Value Manager – Thursday

April 9, 2015

MEMBERS PRESENT: Dr. Sheryl Abshire, David Hennigan, Holly Gildig, Jim Napper (Treasurer's Designee), Dr. Jerry Baudin, Joyce Haynes, Ron Jackson (Commissioner's Designee), Robert Lawyer, and Carlos Sam

MEMBERS ABSENT: Senator Elbert Guillory, Kathy Hattaway, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Kimberly Flair and Dr. James Taylor

STAFF PRESENT: Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Ed Branagan, Jeff LaCour, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Paul Yett and Brian Reilly, Hamilton Lane Advisors, LLC; Vik Sawhney and Robert McMullan, Blackstone Capital Partners; Scott Coopridger, Steve Benjamin, and Rishi Delvadia, Aon Hewitt; and Maneesh Bajaj and Mary Gregory, Brown Investment Advisory Inc.

Roll Call

Dr. Abshire called the meeting to order at 9:22 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Sam to serve on the Committee as an alternate for Ms. Hattaway.

Report of the Subcommittee to Review Responses to Solicitation for Proposals (SFP) for Mid Cap Value Manager

Dr. Abshire presented the report of the Subcommittee to Review Responses to the SFP for Mid Cap Value Manager.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Mid Cap Value Manager SFP:

“ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that: Thompson, Siegel & Walmsley LLC; WEDGE Capital Management L.L.P.; and Wells Capital Management, Inc. be interviewed as finalists.”

Private Market Update and Review of Potential Private Market Investments

Paul Yett and Brian Reilly of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items.

Mr. Yett and Mr. Reilly presented the private market update.

Blackstone Capital Partners VII, L.P.

Mr. Yett and Mr. Reilly reviewed a potential alternative investment in Blackstone Capital Partners VII, L.P.

Vik Sawhney and Robert McMullan of Blackstone Capital Partners gave a presentation on Blackstone Capital Partners VII, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated April 9, 2015, pertaining to investments in Blackstone Capital Partners VII, L.P. (up to \$125 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

ICG Europe Fund VI, L.P.

Mr. Yett reviewed a potential alternative investment in ICG Europe Fund VI, 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 April 9, 2015, pertaining to investments in ICG Europe Fund VI, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2015 Venture Capital Separate Account Update

Mr. Reilly and Mr. Yett presented an update on TRSL 2015 Venture Capital Separate Account.

Private Market Annual Reports

Mr. Reilly presented private market annual reports on Lindsay Goldberg and Platinum Equity Capital Partners.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports as presented.

Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2014)

Maurice Coleman presented the Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2014).

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2014).

Presentation and Approval of Solicitation for Proposals (SFP) for International Small Cap Manager

Mr. Griffith presented the SFP for International Small Cap Manager.

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the SFP for International Small Cap Manager.

Active v. Passive Investing

Scott Coopridger, Rishi Delvadia, and Steve Benjamin of Aon Hewitt, presented *Investment Management – Active vs. Passive*. The presentation qualified for one hour of education for Trustees.

Optional Retirement Plan (ORP) Quarterly Update

Mr. Benjamin presented Aon Hewitt's ORP Quarterly Review for the period ended December 31, 2014.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the report.

Capital Market Update and Review of TRSL Investments

4th Quarter 2014 and Monthly Investment Review

Mr. Coopridier presented the 4th Quarter 2014 Investment review.

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments through February 28, 2015. Mr. Coopridier presented Aon Hewitt's April 9, 2015 portfolio summary report.

Portfolio Review – Large Cap Growth

Mr. Delvadia and Dana Brown reviewed Large Cap Growth managers: Brown Investment Advisory Inc. (Brown) and The Boston Company Asset Management, LLC

Maneesh Bajaj and Mary Gregory presented Brown's annual portfolio review.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 2:45 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Investment Committee – Thursday
April 9, 2015**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl R. Abshire, Dr. Jerry Baudin, and David Hennigan

MEMBERS ABSENT: Holly Gildig, Kathy Hattaway, and Joyce Haynes

OTHER MEMBERS PRESENT: Kimberly Flair, Ron Jackson (Commissioner's Designee), Jim Napper (Treasurer's Designee), and Dr. James Taylor

STAFF PRESENT: Stuart Cagle, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Ed Branagan, Jeff LaCour, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

Roll Call

Mr. Lawyer called the meeting to order at 2:47 p.m. The secretary called the roll and a quorum was established.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Mr. LaCour presented the Compliance Audit Report – Retirees Returning to Work – April 2015.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Audit Reports as presented.

Update on FY 2015-2016 Administrative Budget

Mr. Cagle presented an update on the FY 2015-2016 Administrative Budget.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

The following items were considered together in Executive Session.

Update and Discussion of *Kevin Cope & Roger Lane v. Board of Supervisors of Louisiana State University and A & M College and Teachers' Retirement System of Louisiana*, Number 633,758, Division D, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana

Update and Discussion of *Margaret Anne Coady Latiolais v. Teachers' Retirement System of Louisiana*, Number 541,036, Division 8, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana

DR. BAUDIN MOVED AND DR. ABSHIRE SECONDED a motion to convene into Executive Session to discuss litigation in the matters of: *Kevin Cope & Roger Lane v. Board of Supervisors of Louisiana State University and A & M College and Teacher Retirement System of Louisiana*, Number 633,758, Division D, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, and *Margaret Anne Coady Latiolais v. Teachers' Retirement System of Louisiana*, Number 541,036, Division 8, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana; with the Deputy Director and General Counsel to be present. The secretary called the roll. The vote was unanimous, with Dr. Abshire, Dr. Baudin, Mr. Hennigan, and Mr. Lawyer voting yea, and the Committee convened into Executive Session.

DR. ABSHIRE MOVED AND DR. BAUDIN SECONDED a motion to reconvene into Regular Session. The secretary called the roll. The vote was unanimous, with Dr. Abshire, Dr. Baudin, Mr. Hennigan, and Mr. Lawyer voting yea. The Committee reconvened into Regular Session.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to authorize the Director and General Counsel to negotiate in the matter of *Margaret Anne Coady Latiolais v. Teachers' Retirement System of Louisiana*.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 3:15 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
April 10, 2015**

- MEMBERS PRESENT:** Dr. Jerry Baudin, Carlos Sam, Jim Napper (Treasurer's Designee), Holly Gildig, Dr. Sheryl Abshire, Joyce Haynes, Robert Lawyer, and Kimberly Flair
- MEMBERS ABSENT:** Senator Elbert Guillory, John Parauka, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** David Hennigan, Ron Jackson (Commissioner's Designee), and Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Dana Brown, Maurice Coleman, Lisa Honore, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Ryan Gremillion, Louisiana Department of Education; Margaret Corley, Louisiana Senate; Stephanie Little, Louisiana House of Representatives; Renee Siccone, Louisiana Retired Teachers' Association; Marsha Shuler, Capitol News Bureau; and Shane Riddle and Tom Tate, Louisiana Association of Educators

Roll Call

Dr. Baudin called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baudin appointed Ms. Flair to serve on the Committee as an alternate for Mr. Parauka.

Discussion and Update - 2015 Regular Legislative Session

➤ **Legislation Affecting TRSL**

Ms. Westgard reviewed the bills affecting TRSL that have been filed for the 2015 Legislative Session. The Committee took action on the bills as follows:

- **Application of Excess Earnings/PBIs**

Act 399 (2014 Cleanup Bill)

ON MOTION OF MR. LAWYER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **support** SB 16 by Senator Guillory.

2015 PBI

ON MOTION OF MR. SAM, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **support** HB 42 by Representative Jones.

- **Withdrawal from TRSL and Liability Payments (Higher Education)**

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to **take no position**, at this time, on SB 18 by Senator Adley.

- **Funding/Employer Contributions**

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **remain neutral** on SB 14 by Senator Guillory.

HB 41 by Representative Harrison was withdrawn from the files of the House.

- **Return to Work**

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to **remain neutral** on SB 20 by Senator Long.

ON MOTION OF MR. LAWYER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **remain neutral** on HB 43 by Representative LeBas.

- **Purchasing Service Credit**

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to **support** HB 10 by Representative Pearson.

- UAL Appropriations/Taxes

ON MOTION OF MRS. GILDIG, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to support **SB 15** by Senator Nevers, **HB 55** by Representative Ritchie, and **HB 562** by Representative Havard.

- Legislation Monitored by TRSL

Ms. Whitney reviewed legislation being monitored by TRSL.

- Update on Meetings

Ms. Westgard updated the Committee on the following meetings:

- 03/23/15 - Retired Superintendents' Meeting
- No Senate or House Retirement Committee meetings currently scheduled.
- Meetings with Senator Donahue, Senator Cortez, Senator Adley, and Paul Richmond (Legislative Auditor's Office)

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to adjourn at 9:00 a.m.