

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
April 8, 2016

MEMBERS PRESENT: Robert Lawyer, Dr. Jerry Baudin, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Jim Napper (Treasurer's Designee), Dr. Tia Mills, John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Dr. Sheryl Abshire, Kimberly Flair, Superintendent Lonnie Luce, Rick McGimsey, (Commissioner's Designee), Senator Barrow Peacock, 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, Wade Campbell, Maurice Coleman, Asta Harris, Randall Harrison, Lisa Honore`, Robyn Jenkins-King, Linnie Johnson, Jeff LaCour, Steve Marangos, Edward Prawitz, Dionne Rabalais, Duke Williams, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Rodney Watson, Louisiana Retired Teachers' Association; and Ryan Gremillion, Louisiana Department of Education

Each member of the Board received the following:

1. April 2016 Board Book
2. Investment Committee Meeting April 7, 2016, Performance Report – February 29, 2016
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Aon Hewitt Investment Consulting, Inc.; Charterhouse Capital Partners LLP; Mercer; and Brandywine Asset Management
4. *2016 Bills Affecting TRSL with Legislative Action (as of April 7); 2016 Regular Legislative Session Legislation AFFECTING TRSL, Bills NOT Considered in March 2016; and 2016 Regular Legislative Session Legislation MONITORED by TRSL Board as of April 7 2016; and 2016 Regular Legislative Session Legislation AFFECTING TRSL as of April 7 2016*

Mr. Lawyer called the meeting to order at 9:40 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 4, 2016 (Including Minutes of Committee Meetings held March 3 and 4, 2016)

ON MOTION OF DR. TAYLOR, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held March 4, 2016 (Including Minutes of Committee Meetings held March 3 and 4, 2016).

Investment Committee Report

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

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.

Introduction of Newly Hired Staff

Mr. Cagle introduced the following staff hired during the period 01/01/16 through 03/31/16:

- **Audit Department**
Asta Harris – Auditor 1
- **Information Technology Department**
Wade Campbell – IT Applications Prog/Ana2
Edward Prawitz – IT Management Consultant 1

Director's Update

Ms. Westgard updated the Board on the following items:

- 2016 Economic Impact Statement – Investing in Louisiana
- Tier 2.1 Financial Disclosure form is due May 15, 2016

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MRS. HAYNES, AND CARRIED, the Board voted to adjourn at 9:57 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Proposals and Recommend Finalists
for Domestic Large Cap Growth Manager
8:30 a.m. – Thursday
April 7, 2016**

MEMBERS PRESENT: David Hennigan, Holly Gildig, Dr. Jerry Baudin, and Jim Napper (Treasurer's Designee)

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Kathy Hattaway, Joyce Haynes, Robert Lawyer, John Parauka, and Dr. James Taylor

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

OTHERS PRESENT: Scott Coopriider, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting

Roll Call

Mr. Hennigan 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 Coopriider of Aon Hewitt Investment Consulting presented an overview of the following firms' responses to Domestic Large Cap Growth Manager: Brown Advisory LLC; Fred Alger Management, Inc.; Jackson Square Partners, LLC; Loomis, Sayles & Company, L.P.; MFS Institutional Advisors, Inc.; Morgan Stanley Investment Management; and The Boston Company Asset Management, LLC.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent The Boston Company Asset Management, LLC be retained, subject to fee negotiations; and the following be interviewed:

- **Brown Advisory LLC**
- **Loomis, Sayles & Company, L.P.**
- **Morgan Stanley Investment Management**

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 9:10 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Subcommittee to Review Proposals and Recommend Finalists
for Domestic Large Cap Growth Manager – Thursday
April 7, 2016**

MEMBERS PRESENT: Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Rick McGimsey (Commissioner's Designee), Joyce Haynes, Jim Napper (Treasurer's Designee), Holly Gildig, Robert Lawyer, and John Parauka

MEMBERS ABSENT: Dr. Sheryl Abshire, Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Superintendent Lonnie Luce and Dr. James Taylor

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

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Scott Coopriider, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting; Paul Yett and Matthew Silverio, Hamilton Lane Advisors, LLC; Lionel Giacomotto and Duncan Aldred, Charterhouse Capital Partners LLP; Andrew Ness and Joe Libbra, Mercer; and Jack McIntyre and Nedra Hadley, Brandywine Asset Management; and

Roll Call

Ms. Hattaway called the meeting to order at 9:13 a.m. The secretary called the roll and a quorum was established. Ms. Hattaway appointed Mr. Parauka to serve on the Committee as an alternate for Dr. Abshire.

Report of the Subcommittee to Review Proposals and Recommend Finalists for Domestic Large Cap Growth Manager

Mr. Hennigan presented the report of the Subcommittee to Review Proposals and Recommend Finalists for Domestic Large Cap Growth Manager.

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Proposals and Recommend Finalists for Domestic Large Cap Growth Manager:

“ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent The Boston Company Asset Management, LLC be retained, subject to fee negotiations; and the following be interviewed: Brown Advisory LLC; Loomis, Sayles & Company, L.P.; and Morgan Stanley Investment Management.”

Private Market Update and Review of Potential Private Market Investments

Paul Yett and Matthew Silverio of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items. Mr. Yett introduced Mr. Silverio, who will be working on the TRSL account. Mr. Yett presented the private market update.

Charterhouse Capital Partners X, L.P.

Mr. Yett reviewed a potential alternative investment in Charterhouse Capital Partners X, L.P.

Lionel Giacomotto and Duncan Aldred of Charterhouse Capital Partners LLP appeared before the Committee to give a presentation on Charterhouse Capital Partners X, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated April 7, 2016, pertaining to investments in Charterhouse Capital Partners X, L.P. (up to \$100 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

OHA Strategic Credit Fund II, L.P.

Mr. Yett reviewed a potential alternative investment in OHA Strategic Credit Fund II, 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 7, 2016, pertaining to investments in OHA Strategic Credit Fund II, L.P. (up to \$75 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2016 Venture Capital Separate Account Update

Mr. Yett presented an update on the TRSL 2016 Venture Capital Separate Account.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to receive the TRSL 2016 Venture Capital Separate Account report as presented.

Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2015)

Maurice Coleman presented the Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2015).

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Alternative Assets and Real Estate (for period ended December 31, 2015).

Optional Retirement Plan Quarterly Update (for period ended December 31, 2015)

Andrew Ness and Joe Libbra of Mercer presented Mercer's ORP Quarterly Review for the period ended December 31, 2015.

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

Investment Search Update

Mr. Griffith presented an Update to the 2016 Schedules of Investment Searches and Manager Portfolio Reviews.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the updates to the *2016 Schedules of Investment Searches and Manager Portfolio Review* as presented.

Mr. Griffith presented the SFP for Global Bond Manager.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to approve the SFP for Global Bond Manager.

Mr. Griffith presented the SFP for Emerging Markets Equity Manager.

ON MOTION OF DR. BAUDIIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the SFP for Emerging Markets Equity Manager.

Appointment of Subcommittee to Review Proposals and Recommend Finalists for Emerging Markets Equity Manager

Ms. Hattaway appointed the following to serve on the Subcommittee for Emerging Market Equity Manager: Dr. Baudin as Chair, Dr. Abshire, Mr. Napper, Ms. Hattaway, and Mrs. Haynes.

Asset Allocation Discussion and Approval – Behaviors and Parameter Criteria

Scott Coopridier, Rishi Delvadia, and Russ Ivinjack of Aon Hewitt appeared before the Committee to give a presentation on *Asset Allocation – Behaviors and Parameters*. The presentation qualified for 1.25 hours of Investment Education.

ON MOTION OF MRS. HAYNES, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the parameter criteria recommendations.

Capital Market Update and Review of TRSL Investments

Mr. Ivinjack presented the 4th Quarter 2015 Investment Review.

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopridier presented Aon Hewitt's April 7, 2016 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through February 29, 2016.

Mr. Delvadia and Mr. Brown presented the annual portfolio review of Global Bond Managers: Pacific Investment Management Company LLC and Brandywine Asset Management; and Emerging Market Debt Manager: Western Asset Management.

Jack McIntyre and Nedra Hadley presented Brandywine's portfolio review.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to adjourn at 3:25 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
April 8, 2016

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

MEMBERS ABSENT: Dr. Sheryl Abshire, Superintendent Lonnie Luce, Rick McGimsey (Commissioner's Designee), Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Kathy Hattaway, David Hennigan, Dr. Tia Mills, and John Parauka

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Rodney Watson, Louisiana Retired Teachers' Association; Shane Riddle, Louisiana Association of Educators; Ryan Gremillion, Louisiana Department of Education; and Laura Gail Sullivan and Margaret Corley, Louisiana Senate

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 Mrs. Gildig to serve on the Committee as an alternate for Superintendent Luce.

Update on Meetings

Ms. Westgard notified the Committee that she would provide an update on Senate and House Retirement Committee meeting actions during 2016 Legislative Session Review. She also noted that the Senate Revenue and Fiscal Affairs Committee will meet April 11, 2016 and review tax expenditures relative to retirement benefits.

Discussion and Review of 2016 Legislative Sessions

Special Session

Ms. Whitney noted that none of the legislation being monitored during the special session passed.

Legislation Affecting TRSL

- Ms. Westgard presented a status update on bills affecting TRSL, including committee and floor actions on the bills as of April 7, 2016.

Ms. Westgard also noted that there have been two data requests: Representative Ivey has requested 18 months of information on Board attendance, including Committee and Subcommittee attendance; and Representative Jones has requested information on 2014/2015 travel and a statement regarding if TRSL has had any write-offs on investments since 2007 (TRSL has not). The information is being compiled and responses to the requests submitted Monday, April 11th.

- Ms. Westgard and Ms. Whitney reviewed the bills affecting TRSL that have been filed subsequent to TRSL's March Legislative Committee meeting. The Committee took action on the bills as follows:

Board Investment Authority

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to oppose HB 917 by Representative Ivey.

Actuarial Assumptions

ON MOTION OF MR. LAWYER, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to oppose HB 1092 by Representative Ivey.

Legislative Auditor – Records Access

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to take no position on HB 621 by Representative Ivey.

Legislative Auditor – Reporting Requirements

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to remain neutral on **HB 1093** by Representative Ivey.

K-12 Employer Withdrawal From System

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to take no position on **SB 452** by Senator White.

Funding/Employer Contributions

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to remain neutral on **SB 147** by Senator Gatti and **HB 555** by Representative Miller.

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to support **HB 908** by Representative Pearson.

Return to Work

ON MOTION OF DR. TAYLOR, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to remain neutral **HB 907** by Representative LeBas.

Membership

ON MOTION OF MRS. GILDIG, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to take no position on **HB 910** by Representative Talbot.

Actuarial Notes

ON MOTION OF MRS. GILDIG, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to take no position on **SB 372** by Senator Peacock.

Supplemental Payments to UAL

ON MOTION OF DR. TAYLOR, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to support **HB 504** and **HB 477** by Representative Ivey, **HB 603** and **HB 696** by Representative Leger, **HB 509** and **HB 617** by Representative Miller, **SB 315** by Senator Donahue, and **HB 422** by Representative Amedee.

Legislation Monitored by TRSL

In interest of time, the monitored legislation was not reviewed; however, any questions regarding the legislation should be directed to Katherine Whitney.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 9:21 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
April 8, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Jerry Baudin, Kathy Hattaway, Joyce Haynes, David Hennigan and Jim Napper (Treasurer's Designee)

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Holly Gildig, Dr. Tia Mills, John Parauka, and Dr. James Taylor

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Rodney Watson, Louisiana Retired Teachers' Association; Shane Riddle, Louisiana Association of Educators; Ryan Gremillion, Louisiana Department of Education; and Laura Gail Sullivan and Margaret Corley, Louisiana Senate

Roll Call

Mr. Lawyer called the meeting to order at 9:22 a.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 Reports: Retirees Returning to Work – April 2016 and Limited Scope Reviews – April 2016.

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

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

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

Update on FY 2016-2017 Administrative Budget

Ms. Westgard presented an update on the FY 2016-2017 Administrative Budget.

ON MOTION OF MR. NAPPER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to give the Director and Deputy Director authority to amend the 2016-2017 Administrative Operating Budget, previously approved by the Board of Trustees on November 6, 2015, prior to approval by the Joint Legislative Committee on the Budget.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 9:31 a.m.