

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee –Friday
December 2, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Dr. Tia Mills, Neshelle Nogess, John Parauka, Carlos Sam, and Dr. James Taylor

MEMBERS ABSENT: Rick McGimsey, (Commissioner's Designee), Jim Napper (Treasurer'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, Gabrielle Brown-Morgan, Maurice Coleman, Kelli Harrison, Randall Harrison, Lisa Honore`, Lynn Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster, Actuaries and Consultants; and Ricky Julien, Sr., Trustee-elect

Each member of the Board received the following:

1. December 2016 Board Book
2. Investment Committee Meeting December 2, 2016, Performance Report – October 31, 2016
3. Investment Committee Presentations: Aon Hewitt Investment Consulting, Inc.; Hamilton Lane Advisors, LLC; Harbert Management Corporation, CEM Benchmarking, Inc. and BNY Mellon
4. *TRSL Mortality and other Actuarial Assumptions* – Presentation by Shelley Johnson, Foster & Foster Actuaries and Consultants
5. *Retiree Return to Work Provisions – The Historical Journey* – Presentation by Dana Vicknair and Katherine Whitney, TRSL
6. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Year Ended June 30, 2016*

Mr. Lawyer called the meeting to order at 10:55 a.m. Mr. Napper 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 4, 2016 (Including Minutes of Committee Meetings held November 3 and 4, 2016)

ON MOTION OF MR. PARAUKA, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held November 4, 2016 (including Minutes of Committee Meetings held November 3 and 4, 2016).

Investment Committee Report

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to accept the report of the Investment Committee in globo, and to approve the recommendations contained therein.

Executive Committee Report

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

Presentation and Approval of the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2016

Mr. Cagle presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2016.

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. HAYNES, AND CARRIED, the Board voted to approve the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2016.

Presentation of TRSL Board of Trustees Self-Evaluation

Mr. Lawyer presented the TRSL Board of Trustees 2016 Self-Evaluation.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to receive the report on the 2016 Self-Evaluation.

Director's Update

Ms. Westgard noted that TRSL participated in a recent NCTR webinar on unreported deaths and the Social Security Administration master file. Kelli Harrison took part in the webinar, explaining TRSL's process. TRSL was recognized for outstanding work in this area and our

process was used as an example for other retirement systems to consider. Ms. Westgard recognized Kelli, Laurie Wright, and Dana Vicknair for their excellent work in TRSL's Death Section.

Election of Board Chair

Mr. Lawyer opened the floor for nominations for Board Chair for the term beginning January 2017. Dr. Abshire nominated Dr. Baudin to serve as Board Chair. Mr. Parauka seconded the nomination.

ON MOTION OF DR. MILLS, SECONDED BY MS. NOGESS, AND CARRIED, DR. BAUDIN was nominated and elected by acclamation to serve as Board Chair for the term beginning January 2017.

Election of Board Vice Chair

Mr. Lawyer opened the floor for nominations for Board Vice Chair for the term beginning January 2017. Mrs. Haynes nominated Dr. Abshire to serve as Board Vice Chair.

ON MOTION OF MRS. HAYNES, UNANIMOUSLY SECONDED, AND CARRIED, DR. ABSHIRE was nominated and elected by acclamation to serve as Board Vice Chair for the term beginning January 2017.

Presentation of Resolutions Honoring Joyce Haynes and Kimberly Flair.

Mr. Lawyer presented Resolutions honoring Joyce Haynes and Kimberly Flair for their years of service on the TRSL Board of Trustees.

Dr. Abshire, Mr. Parauka, Dr. Taylor, and Ms. Westgard commended Mrs. Haynes, not only for her dedicated service on the Board, but also as a mentor and advocate for public education on state and national levels.

Board Chair Comments

Mr. Lawyer presented comments on TRSL's accomplishments and challenges during 2016.

Adjournment

ON MOTION OF MR. PARAUKA, UNANIMOUSLY SECONDED, AND CARRIED, the Board voted to adjourn at 11:35 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8:30 a.m. – Thursday
December 1, 2016**

- MEMBERS PRESENT:** Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Holly Gildig, Joyce Haynes, Rick McGimsey (Commissioner's Designee), Robert Lawyer, and John Parauka
- MEMBERS ABSENT:** Dr. Sheryl Abshire, Senator Barrow Peacock, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Tia Mills, Neshelle Nogess, Carlos Sam, and Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Davorio Stevenson, Katherine Whitney, Duke Williams, Laurie Wright, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Ricky Julien, Sr., Trustee-elect; Paul Yett, Jerry Gates, and Matt Silverio, Hamilton Lane Advisors, LLC; Jon-Paul Momsen and Charlie Miller, Harbert Management Corporation; Scott Coopriker, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.; and Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Ms. Hattaway called the meeting to order at 8:30 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.

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Jerry Gates, and Matt Silverio of Hamilton Lane Advisors, LLC appeared before the Committee to present private market items. Mr. Yett presented the private market update.

Harbert U.S. Real Estate Fund VI

Mr. Gates reviewed a potential investment in Harbert U.S. Real Estate Fund VI.

Jon-Paul Momsen and Charlie Miller of Harbert Management Corporation appeared before the Committee to give a presentation on the fund.

ON MOTION OF DR. BAUDIN, 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 1, 2016, pertaining to investments in Harbert U.S. Real Estate Fund VI (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Annual CEM Investment and Administrative Benchmarking Reports

Mike Heale of CEM Benchmarking, Inc. presented the annual CEM Investment and Administrative Benchmarking Reports. The investment portion of the presentation qualified as one-half hour of Investment Education for Trustees.

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

Review of Potential Private Market Investments *(continued from Item 2)*

Benefit Street Partners Fund IV

Mr. Silverio reviewed a potential investment in Benefit Street Partners Fund IV.

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 December 1, 2016, pertaining to investments in Benefit Street Partners Fund IV (up to \$75 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Crow Holdings Realty Partners VIII

Mr. Gates reviewed a potential investment in Crow Holdings Realty Partners VIII.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated December 1, 2016, pertaining to investments

in Crow Holdings Realty Partners VIII (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL Venture Capital Separate Account

Mr. Yett updated the Committee on TRSL Venture Capital Separate Account.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the report and Hamilton Lane's recommendation relative to establishing a 2017 calendar year Separate Account Structure to Venture Capital (up to \$100 million), as outlined in their presentation.

Private Market Annual Reports

Mr. Silverio presented private market annual reports on BC European Capital IX & X, L.P.; Carlyle Partners IV & V, L.P.; EIG Energy Fund XVI, L.P.; Providence Equity Partners VI & VII, L.P., and TPG Partners V, VI, & VII, L.P. Mr. Silverio noted that EIG Energy Fund XVI, L.P. is on watch; however, the General Partner is cautiously optimistic about fund performance as it believes the energy market is in a recovery phase.

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

Hamilton Lane Due Diligence and Monitoring Process

Mr. Yett, Mr. Silverio, and Mr. Gates presented *Hamilton Lane Due Diligence and Monitoring Process*. The presentation qualified as one hour of Investment Education for Trustees.

Mr. Griffith updated the Committee on staff restructuring in the Investment Department. Duke Williams is now the manager for private markets, and Davorio Stevenson took Mr. Williams position as operations director.

Presentation and Approval of the Schedule of Investment Searches for 2017

Mr. Griffith presented the Schedule of Investment Searches for 2017.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2017, including the recommendation to present and approve the manager search SFP in the same month.

Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2017

Mr. Griffith presented the Schedule of Manager Portfolio Reviews for 2017.

ON MOTION OF DR. BAUDIN, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2017.

Presentation of Annual Investment Manager Proxy Voting Report

Duke Williams presented the annual investment manager proxy voting report.

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

Annual Review and Update on Securities Lending

Ray Kronz and Mike McDermott of BNY Mellon appeared before the Committee to give a review and update on securities lending. The presentation qualified for .75 hour of Investment Education.

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

Capital Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Rishi Delvadia of Aon Hewitt presented the Aon Hewitt December 1, 2016 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through October 31, 2016.

Active vs. Passive Investing – Aon Hewitt

Russ Ivinjack and Scott Coopriider presented Aon Hewitt's *Active vs. Passive Investing*. The presentation qualified as 1.25 hours of Investment Education for Trustees.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 3:23 p.m.

**Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. – Friday
December 2, 2016**

- MEMBERS PRESENT:** Robert Lawyer, Dr. Sheryl Abshire, Dr. Jerry Baudin, Kathy Hattaway, Joyce Haynes, David Hennigan, and Jim Napper (Treasurer's Designee)
- OTHER MEMBERS PRESENT:** Holly Gildig, Dr. Tia Mills, Neshelle Nogess, John Parauka, Carlos Sam, and Dr. James Taylor
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore', Jeff LaCour, Matt Tessier, Katherine Whitney, Duke Williams, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster, Actuaries and Consultants; Ricky Julien, Sr., Trustee-elect; Rodney Watson, Louisiana Retired Teachers' Association, and Ryan Gremillion, Louisiana Department of Education

Roll Call

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

Presentation and Approval of Board Governance Manual Policy Number 100.3 (Election of Trustees)

Ms. Whitney presented the proposed amendments to Board Governance Manual Policy Number 100.3 (Election of Trustees).

ON MOTION OF DR. BAUDIN, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the amendments to Board Governance Manual Policy Number 100.3 as presented.

TRSL Mortality and other Actuarial Assumptions

Ms. Westgard updated the Committee on the PRSAC meeting held November 30, 2016 where TRSL's valuation was adopted by the Committee after extended discussion regarding the System Valuation and the Louisiana Legislative Auditor (LLA) Valuation, which was not issued until the evening of November 28th.

Shelley Johnson, Foster & Foster, Actuaries and Consultants presented *TRSL Mortality and other Actuarial Assumptions*. The presentation included explanation of how the LLA 2016 Valuation differs from the System Valuation, impact of the differences, and mortality tables.

Dr. Baudin and Mr. Lawyer attended the PRSAC meeting and made comments on their observations about the meeting.

The presentation qualified as 1.25 hours of Actuarial Education for Trustees.

Retiree Return to Work Provisions – The Historical Journey

Mrs. Vicknair and Ms. Whitney presented *Retiree Return to Work Provisions – The Historical Journey*. The presentation qualified as one hour of Rules and Regulations Education for Trustees.

Update on Actuarial Services Contract

Ms. Westgard updated the Committee on the Actuarial Services Contract.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 10:47 a.m.