

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
October 3, 2014**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, John G. Parauka, and Carlos J. Sam

MEMBERS ABSENT: Dr. Sheryl R. Abshire, Senator Elbert Guillory, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Ed Branagan, Dana Brown, Elizabeth Carney, Maurice Coleman, Randall Harrison, Lisa Honore, Lynn Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Danielle Rowell, Matt Tessier, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; and Lauren Nero, Associated Professional Educators of Louisiana (A+PEL)

Each member of the Board received the following:

1. October 2014 Board Book
2. *Investment Committee Meeting October 4, 2014, Performance Report – August 31, 2014*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; Hewitt EnnisKnupp; Kelso & Company; H.I.G. Capital; Voya Investment Management; Systematic Financial Management, L.P.; and Vontobel Asset Management, Inc.
4. *Teachers' Retirement System of Louisiana Actuarial Valuation June 30, 2014*

Mr. Lawyer called the meeting to order at 10:15 a.m. Dr. Baudin 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 September 7, 2014 (Including Minutes of Committee of the Whole Meeting held September 7, 2014)

ON MOTION OF DR. BAUDIN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held September 7, 2014 (Including Minutes of Committee of the Whole Meeting held September 7, 2014).

Elections Committee Report

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

Investment Committee Report

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

Introduction of Newly Hired Staff

Dana Vicknair introduced Danielle Rowell and Elizabeth Carney who were hired in the Retirement Department as Retirement Benefit Analysts 1 during the period July 1, 2014 – September 30, 2014. Mr. Lawyer, on behalf of the Board, welcomed the new employees to the staff.

Presentation of Government Finance Officers Association Awards for TRSL's Popular Annual Financial Report and Comprehensive Annual Financial Report

For the 23rd consecutive year, the GFOA Certificate of Achievement for Excellence in Financial Reporting was awarded to TRSL. Mr. Randy Fekete, in Accounting, received the Award of Financial Reporting Achievement for his work on the CAFR.

TRSL also received the Award for Outstanding Achievement in Popular Annual Financial Reporting for the 12th consecutive year. Mrs. Jill Courtney, in the Public Information Department, received the Award of Outstanding Reporting Achievement for her work on the PAFR.

Mr. Lawyer recognized the following individuals who contributed to completion of the CAFR and PAFR for Fiscal Year ended June 30, 2013:

- Ben Foster, Wes Nelson (Accounting-General Ledger Section)
- Joanna Rome, Vicki Johnson, and Karissa Johnson (Accounting-Investment Section)
- Sharhonda Brown (Accounting-Administrative Assistant)
- Renee Britt, Rosena Prestigiacomo, and Patricia Edmonson (Investments)
- Mark Hodges and Dant LaSalle (IT)
- Shelley Johnson (Actuary)
- Charlene Wilson (Chief Financial Officer)
- Lisa Honore` (Public Information Director)

Director's Update

Ms. Westgard updated the Board on the following items:

- 2014 Preventing Sexual Harassment Training must be completed by the end of November
- Boardroom Beacon will recommence in January 2014, and will highlight a TRSL department each month
- TRSL received an Excellent Human Resources Program Evaluation from Civil Service; Ms. Westgard recognized Dionne Rabalais for her contributions as Human Resources Director
- Attorney General Opinion 14-0032: Municipal Police Employees' Retirement System requested an opinion regarding if there is a restriction on how a one time COLA may be granted

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to adjourn at 10:40 a.m.

Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Thursday
October 2, 2014

- MEMBERS PRESENT:** Kathy Hattaway, Joyce P. Haynes, Jim Napper (Treasurer's Designee), David A. Hennigan, John G. Parauka, and Robert Lawyer
- MEMBERS ABSENT:** Benjamin Huxen (Commissioner's Designee) and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, and Joe A. Potts, Jr.
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Lisa Honore`, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Trevor Smith; Scott Coopriider, Steve Benjamin, and Rishi Delvadia - Hewitt EnnisKnupp; Paul Yett and Brian Reilly - Hamilton Lane Advisors, LLC

Roll Call

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

Receive and Approve Primary Elections Results for District 1 and Colleges and Universities

Ms. Hattaway read the election results as follows:

District 1	No.	Pct.
Kimberly Flair	244	37.65
Mark W. Gamble	166	25.62
Garri L. Brown	135	20.83
Trevor Smith	103	15.90

A run-off election will be held between Kimberly Flair and Mark Gamble, who received 37.65% and 25.62% of the votes, respectively.

ON MOTION OF MR. NAPPER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive and approve the 2014 primary election results for District 1.

Colleges & Universities	No.	Pct.
Robert Lawyer	707	82.11
Eddie Hughes, III	154	17.89

Robert Lawyer was elected with 82.11 % of the vote.

ON MOTION OF MR. PARUKA, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive and approve the 2014 primary election results for Colleges and Universities.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARUKA, AND CARRIED, the Committee voted to adjourn at 8:38 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Elections Committee – Thursday
October 2, 2014**

- 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, Ashley McNeely (Commissioner's Designee), and Robert Lawyer
- MEMBERS ABSENT:** Senator Elbert Guillory and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin, Joyce P. Haynes, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Lisa Honore`, Dana Brown, Maurice Coleman, Ed Branagan, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Paul Yett and Brian Reilly - Hamilton Lane Advisors, LLC; Phil Berney - Kelso & Company; John Bolduc - H.I.G. Capital; Scott Coopriider, Steve Benjamin and Rishi Delvadia - Hewitt EnnisKnupp; Jeffrey Bianchi and Darren Massey - Voya Investment Management; Aman Patel and James Wallerius - Systematic Financial Management, L.P.; and Douglas Bennett and Amit Mukadam - Vontobel Asset Management, Inc.

Roll Call

Mr. Potts called the meeting to order at 8:40 a.m. The secretary called the roll and a quorum was established.

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 presented the private market update.

Kelso Investment Associates IX, L.P.

Mr. Yett reviewed a potential alternative investment in Kelso Investment Associates IX, L.P.

Phil Berney, Kelso & Company, gave a presentation on Kelso Investment Associates IX, L.P.

Mr. Griffith and Ms. Westgard commented on staff's concerns regarding the fund.

ON MOTION OF DR. BAKER, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted, in accordance with the guidelines, to not receive the Hamilton Lane report, including the due-diligence process dated October 2, 2014, pertaining to investments in Kelso Investment Associates IX, L.P. (up to \$100 million).

H.I.G. Bayside Loan Opportunities IV, L.P.

Mr. Yett reviewed a potential alternative investment in H.I.G. Bayside Loan Opportunities IV, L.P.

John Bolduc, H.I.G. Capital, appeared before the Committee to give a presentation on H.I.G. Bayside Loan Opportunities Fund IV, L.P.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated October 2, 2014, pertaining to investments in H.I.G. Bayside Loan Opportunities Fund IV, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Private Market Annual Reports

Mr. Reilly presented private market annual reports on 3i Investments Plc, Enhanced Equity Funds, First Reserve Corporation, and Merit Capital Partners.

ON MOTION OF MR. HENNIGAN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to receive the private market annual reports.

Quarterly Summary of Alternative Assets and Real Estate (for period ended 06/30/14)

Maurice Coleman presented the Quarterly Summary of Alternative Assets and Real Estate (for the period ended 06/30/14).

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

Fiscal Year-end Optional Retirement Plan (ORP) Review

Steve Benjamin, Hewitt EnnisKnupp (HEK) presented the Fiscal Year-end Optional Retirement Plan (ORP) Review. Scott Coopriders, HEK, updated the Committee on PIMCO and the change to a “hold” rating by HEK.

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

Capital Market Update and Review of TRSL Investments

Monthly Investment Review

Mr. Griffith presented an overview of TRSL’s total plan and public and private market investments. Mr. Coopriders presented HEK’s October 2, 2014 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through August 31, 2014.

Mr. Coopriders and Mr. Griffith updated the Committee on PIMCO as related to the departure of PIMCO’s co-founder, Bill Gross, and the firm’s role as a Global Fixed Income Manager for TRSL.

Portfolio Review

Mr. Coopriders and Rishi Delvadia (HEK), and Dana Brown (TRSL) reviewed SMID Manager: Westwood Holdings Group, Inc.; Mid Cap Managers: Voya Investment Management (Growth) and Systematic Financial Management, L.P. (Value); and Emerging Market Equity Manager: Vontobel Asset Management, Inc. (Growth) Staff and Consultant recommended that Systematic Financial Management, L.P. be placed on a watch list due to underperformance.

The following representatives presented their respective firm’s portfolio review:

- Voya Investment Management – Jeffrey Bianchi and Darren Massey
- Systematic Financial Management, L.P. – Aman Patel and James Wallerius
- Vontobel Asset Management, Inc. – Douglas Bennett and Amit Mukadam

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to accept the portfolio review report and the recommendations contained therein.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 3:30 p.m.

Teachers' Retirement System of Louisiana
Executive Committee
8:30 a.m. - Friday
October 3, 2014

- MEMBERS PRESENT:** Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, and Kathy Hattaway
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire
- OTHER MEMBERS PRESENT:** Joyce P. Haynes, David A. Hennigan, Jim Napper (Treasurer's Designee), John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Ed Branagan, Lisa Honore, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson and Brad Heinrichs - Foster & Foster Actuaries and Consultants; Charles Hall - Hall Actuarial Associates; Marsha Shuler - The Advocate; Graig Luscombe - Louisiana Retired Teachers' Association; Stephanie Little and Tim Mathis - Louisiana House of Representatives; Margaret Corley and Laura Gail Sullivan - Louisiana Senate; Paul Richmond - Louisiana Legislative Auditor's Office; Scott Richard - Louisiana School Board Association; Jim Melohn - St. Charles Parish School Board; and Lauren Nero - Associated Professional Educators of Louisiana (A+PEL)

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 of Actuarial Valuation for Fiscal Year Ended June 30, 2014 by Foster & Foster, Actuaries and Consultants (Qualifies as Actuarial Science Education for Trustees)

Shelley Johnson of Foster & Foster, Actuaries and Consultants, presented the Annual Actuarial Valuation (including the Actuarial Valuation of the Louisiana State University Agriculture and Extension Service) for Fiscal Year ended June 30, 2014. (Note: The valuation will not be

considered final until approval by PRSAC.) The presentation qualified for 1.5 hours of Actuarial Science Education for trustees.

ON MOTION OF MR. POTTS, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve the Annual Actuarial Valuation of the Teachers' Retirement System of Louisiana, (including the Actuarial Valuation of the Louisiana State University Agriculture and Extension Service) for the Fiscal Year ended June 30, 2014 and the projected contribution rates contained therein for the Fiscal Year ending June 30, 2016.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented the Retirees Return to Work and Limited Scope Reviews Audit Reports.

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

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

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

Presentation and Approval of Administrative Rules for the Defined Benefit Plan Regarding Tax Qualification

Mr. Mongrue presented the Administrative Rules for the Defined Benefit Plan Regarding Tax Qualification.

ON MOTION OF MR. POTTS, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to approve the Administrative Rules as presented.

Adjournment

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