

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday, December 2, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, David A. Hennigan, Superintendent Alonzo R. Luce, Benjamin Huxen (Commissioner's Designee), Jim Napper (Treasurer's Designee), John G. Parauka, and Carlos J. Sam

MEMBERS ABSENT: Dr. Sheryl R. Abshire, Senator Elbert Guillory, Joyce P. Haynes, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson - Foster & Foster, Actuaries and Consultants; Keith Courville - Associated Professional Educators of Louisiana (A+PEL); and Anne Baker

Each member of the Board received the following:

1. December 2014 Board Book
2. *Investment Committee Meeting December 1, 2014, Performance Report – October 31, 2014*
3. Investment Committee Presentations: Hamilton Lane Advisors, L.L.C.; Abraaj Group; Hewitt EnnisKnupp; CEM Benchmarking, Inc.; and BNY Mellon Asset Servicing
4. *Are You Qualified? Protecting the System's Qualified Status and Providing the Best Tax Treatment for Members' Benefits* – Terry A.M. Mumford and Mary Beth Braitman, Ice Miller
5. November 20, 2014 letter from Shelley Johnson, Foster & Foster, to Maureen Westgard regarding Senator Guillory's proposed legislation related to PBIs.
6. *Components of TRSL June 30, 2014 Unfunded Accrued Liability* – Shelley Johnson, Foster & Foster
7. Comprehensive Annual Financial Report and the Popular Annual Financial Report for Fiscal Year Ended June 30, 2014

Mr. Lawyer called the meeting to order at 10:38 a.m. Dr. Baker 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 7, 2014 (Including Minutes of Committee Meetings held November 6 and 7, 2014)

ON MOTION OF MR. NAPPER, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held November 7, 2014 (including Minutes of Committee Meetings held November 6 and 7, 2014).

Elections Committee Report

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

Committee of the Whole Report

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

Personnel Committee Report

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

Legislative Committee Report

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, 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 MR. NAPPER, 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, 2014

Mr. Cagle presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2014.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. HATTAWAY, AND CARRIED, the Board voted to approve the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2014.

Presentation of TRSL Board of Trustees Self-Evaluation

Mr. Lawyer presented the 2014 TRSL Board of Trustees Self-Evaluation.

ON MOTION OF MR. PARAUKA, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Board voted to receive the report on the TRSL Board of Trustees Self-Evaluation.

Election of TRSL Board of Trustees Chair and Vice Chair

- **Election of Board Chair**

Mr. Lawyer opened the floor for nominations for Board Chair for the two-year term beginning January 2015. Dr. Baker nominated Mr. Lawyer to serve as Board Chair. Mr. Hennigan seconded the nomination. On motion of Dr. Baudin, and unanimously seconded, the nominations were closed. On motion of Mr. Potts, and unanimously seconded, Mr. Lawyer was elected by acclamation to serve as Board Chair for the two-year term beginning January 2015.

- **Election of Board Vice Chair**

Mr. Lawyer opened the floor for nominations for Board Vice Chair for the two-year term beginning January 2015. Mr. Napper nominated Dr. Abshire to serve as Board Vice Chair. Ms. Hattaway seconded the nomination.

On motion of Mr. Napper, seconded by Mr. Potts, and carried, Dr. Abshire was nominated and elected by acclamation to serve as the Board Vice Chair and Investment Committee Chair for the two-year term beginning January 2015.

Director's Update

Ms. Westgard asked Mrs. Vicknair to update the Board on DROP account interest payments.

Presentation of Resolutions Honoring Dr. William C. "Bill" Baker and Joe A. Potts, Jr.

Mr. Lawyer presented Resolutions honoring Dr. Baker and Mr. Potts for their years of service on the TRSL Board of Trustees.

Board Chair Comments

Mr. Lawyer presented comments on TRSL's accomplishments and challenges during 2014.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MR. POTTS, AND CARRIED, the Board voted to adjourn at 11:23 a.m.

Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Monday, December 1, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808

- MEMBERS PRESENT:** Kathy Hattaway, Jim Napper (Treasurer's Designee), David A. Hennigan, John G. Parauka, Benjamin Huxen (Commissioner's Designee), Robert Lawyer, and Holly B. Gildig
- MEMBERS ABSENT:** Joyce P. Haynes and Carlos J. Sam
- OTHER MEMBERS PRESENT:** Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Superintendent Alonzo R. Luce, and Joe A. Potts, Jr.
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Andrea Kramer and Brian Reilly - Hamilton Lane Advisors, LLC; Scott Coopriider, Russ Ivinjack, and Steve Benjamin - Hewitt EnnisKnupp; and Terry A.M. Mumford and Mary Beth Braitman – Ice Miller, 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. Ms. Hattaway appointed Mrs. Gildig to serve on the Committee as an alternate for Mrs. Haynes.

Receive and Approve Runoff Elections Results for District 1

Ms. Hattaway read the election results as follows: Kimberly Flair received – 345 votes (57.79%) and Mark Gamble received 252 votes (42.21%). Ms. Flair was elected with 57.79% of the votes.

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive and approve the runoff election results for District 1 Representative for the term January 1, 2015 through December 31, 2018.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 8:32 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of the Elections Committee – Monday, December 1, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808**

- 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, Benjamin Huxen (Commissioner's Designee), and Robert Lawyer
- MEMBERS ABSENT:** Senator Elbert Guillory and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Andrea Kramer and Brian Reilly - Hamilton Lane Advisors, LLC; Arif Naqvi, Tom Speechley and Wahid Hamid - Abraaj Group; Mike Heale - CEM Benchmarking, Inc.; Ray Kronz and Mike McDermott - BNY Mellon Asset Servicing; Scott Coopriider, Russ Ivinjack, and Steve Benjamin - Hewitt EnnisKnupp; and Terry A.M. Mumford and Mary Beth Braitman – Ice Miller, LLC

Roll Call

Mr. Potts called the meeting to order at 8:33 a.m. The secretary called the roll and a quorum was established.

Private Market Update and Review of Potential Private Market Investments

Andrea Kramer and Brian Reilly of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items. Mr. Reilly presented the Private Market update.

Abraaj Separate Account 2014

Ms. Kramer reviewed a potential alternative investment in Abraaj Separate Account 2014.

Arif Naqvi, Tom Speechley and Wahid Hamid of the Abraaj Group appeared before the Committee to make a presentation on Abraaj Separate Account 2014.

MR. LAWYER made a motion, consistent with the alternative investment guidelines, to receive the Hamilton Lane report, including the due-diligence process dated December 1, 2014, pertaining to investments in Abraaj Separate Account 2014 (up to \$100 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract. DR. BAKER SECONDED THE MOTION, and MR. NAPPER OBJECTED to the motion. The secretary called the roll. The motion passed by a vote of 8 yeas and 1 nay. Dr. Abshire, Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Hennigan, Mr. Huxen, Mr. Lawyer, and Mr. Potts voted yea. Mr. Napper voted nay.

Annual CEM Investment and Administrative Benchmarking Report

Mike Heale, CEM Benchmarking, Inc., presented the annual CEM Investment and Administrative Benchmarking Reports. The Investment Benchmarking Report Qualified as one-quarter hour of Investment Education for Trustees.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to receive the reports.

Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2015

Mr. Griffith presented the proposed Schedule of Manager Portfolio Reviews for 2015.

ON MOTION OF MR. NAPPER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2015.

Presentation and Approval of the Schedule of Investment Searches for 2015

Mr. Griffith presented the proposed Schedule of Investment Searches for 2015.

ON MOTION OF MR. NAPPER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2015.

Presentation of Annual Investment Manager Proxy Voting Report

Dana Brown presented the annual investment manager proxy voting report.

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

Annual Review and Update on Securities Lending (Qualifies as Investment Education for Trustees)

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

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to receive the annual review and update on securities lending.

Update on Responses to Solicitation for Proposals (SFP) for Optional Retirement Plan (ORP) Providers

Steve Benjamin, Scott Coopriider, and Russ Ivinjack of Hewitt EnnisKnupp, appeared before the Committee for the update on responses to the SFP for ORP Providers. Mr. Benjamin presented the review.

MR. NAPPER made a motion to receive the report. MS. HATTAWAY SECONDED the motion, and DR. BAKER OBJECTED to the motion. The secretary called the roll. The motion passed by a vote of 8 yeas and 1 abstention. Dr. Abshire, Mrs. Gildig, Ms. Hattaway, Mr. Hennigan, Mr. Huxen, Mr. Napper, Mr. Lawyer, and Mr. Potts voted yea. Dr. Baker abstained.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review and 2014 3Q Quarterly Investment Review

Staff and Consultant reviewed performance of TRSL investments through October 31, 2014. Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Coopriider presented the third quarter 2014 manager rankings. Mr. Ivinjack presented Hewitt EnnisKnupp's December 1, 2014 portfolio summary report.

Review and Approval - Investment Policy Update

Mr. Griffith presented the proposed updates to Investment Policy Statement Guidelines to reflect TRSL's current assumed actuarial rate of return.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Investment Policy Statement Guidelines reflecting the current assumed actuarial rate of return.

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 1:34 p.m.

**Teachers' Retirement System of Louisiana
Committee of the Whole
Upon Adjournment of the Investment Committee – Monday, December 1, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Holly B. Gildig, Kathy Hattaway, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), John G. Parauka, and Carlos J. Sam

MEMBERS ABSENT: Senator Elbert Guillory, Joyce P. Haynes, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Scott Coopriider, Russ Ivinjack, and Steve Benjamin - Hewitt EnnisKnupp; and Terry A.M. Mumford and Mary Beth Braitman – Ice Miller, LLC

Roll Call

Mr. Lawyer called the meeting to order at 1:35 p.m. The secretary called the roll and a quorum was established.

Presentation: *Are You Qualified? Protecting the System's Qualified Status and Providing the Best Tax Treatment for Members' Benefits*

Terry Mumford and Mary Beth Braitman, Ice Miller, LLP gave a presentation on *Are You Qualified? Protecting the System's Qualified Status and Providing the Best Tax Treatment for Members' Benefits*. The presentation qualified as one hour of Rules & Regulations Education for Trustees.

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

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 2:37 p.m.

**Teachers' Retirement System of Louisiana
Personnel Committee
Upon Adjournment of the Committee of the Whole – Monday, December 1, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808**

MEMBERS PRESENT: Holly B. Gildig, Jim Napper (Treasurer's Designee), Dr. Sheryl R. Abshire, John G. Parauka, Superintendent Alonzo R. Luce, Carlos J. Sam, Robert Lawyer, and Benjamin Huxen (Commissioner's Designee)

MEMBERS ABSENT: Joyce P. Haynes

OTHER MEMBERS PRESENT: Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, David A. Hennigan, Kathy Hattaway, and Joe A. Potts, Jr.

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Terry A.M. Mumford and Mary Beth Braitman – Ice Miller, LLP

Roll Call

Mrs. Gildig called the meeting to order at 2:45 p.m. The secretary called the roll and a quorum was established. Mrs. Gildig appointed Mr. Huxen to serve on the Committee as an alternate for Mrs. Haynes.

Update and Approval of Recommendations Related to Restructuring and Salary Adjustments

MR. NAPPER MOVED and DR. ABSHIRE SECONDED a motion to convene into Executive Session to discuss recommendations related to restructuring and salary adjustments for unclassified staff, as related to their character and professional competence, with the Director to be present. The secretary called the roll. Dr. Abshire, Mr. Huxen, Superintendent Luce, Mr. Napper, Mr. Parauka, Mr. Sam, Mr. Lawyer, and Mrs. Gildig voted yea. The vote was unanimous and the Committee convened into Executive Session.

MR. LAWYER MOVED, and MR. SAM SECONDED a motion to reconvene into Regular Session. The secretary called the roll. Dr. Abshire, Mr. Huxen, Superintendent Luce, Mr. Napper, Mr. Parauka, Mr. Sam, Mr. Lawyer, and Mrs. Gildig voted yea. The vote was unanimous and the Committee reconvened into Regular Session.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve market rate pay adjustments for certain unclassified staff, effective December 1, 2014, as follows: Stuart Cagle - 4.5%, Dana Vicknair - 4.5%, Phil Griffith - 15.1%, Dana Brown - 14%, and Maurice Coleman - 4%.

ON MOTION OF MR. LAWYER, SECONDED BY MR. SAM, AND CARRIED, the Committee voted to approve the promotion of Maurice Coleman to Deputy Chief Investment Officer, effective December 1, 2014, with a promotional salary adjustment of 7.2%.

ON MOTION OF MR. PARAUKA, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to approve establishment of an unclassified position to replace vacant classified positions in the Investment Department, effective December 1, 2014.

ON MOTION OF MR. LAWYER, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to approve the Continuity Agreement between TRSL and Philip Griffith, Maurice Coleman, and Dana Brown.

Adjournment

ON MOTION OF MR. PARAUKA, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to adjourn at 3:55 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
9:00 a.m. - Tuesday, December 2, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808

MEMBERS PRESENT: Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Jim Napper (Treasurer's Designee), Joe A. Potts, Jr., Holly B. Gildig, Robert Lawyer, David A. Hennigan, and John G. Parauka,

MEMBERS ABSENT: Dr. Sheryl R. Abshire and Joyce P. Haynes

OTHER MEMBERS PRESENT: David A. Hennigan, Kathy Hattaway, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson - Foster & Foster, Actuaries and Consultants; Keith Courville - Associated Professional Educators of Louisiana (A+PEL); Shane Riddle and Tom Tate - Louisiana Association of Educators; Graig Luscombe, Louisiana Retired Teachers' Association; Suzette Riddle; and Anne Baker

Roll Call

Dr. Baker called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mr. Hennigan and Mr. Parauka to serve on the Committee as alternates for Dr. Abshire and Mr. Sam.

Update on Meetings

Ms. Westgard updated the Committee on the November 17, 2014 House Retirement Committee meeting, and the Public Retirement Systems' Actuarial Committee (PRSAC) meeting of November 19, 2014.

Update and Review of Act 399 (HB 1225) Clean-up Legislation

Ms. Westgard and Ms. Whitney reviewed the technical changes currently identified to be included in the clean-up legislation. Additional changes may be considered and discussed in the January and February Legislative Committee meetings.

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

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adjourn at 9:43 a.m.

Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Tuesday, December 2, 2014
Cook Conference Center, Shelton Room
3838 W Lakeshore Dr., Baton Rouge, LA 70808

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: David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), John G. Parauka, and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Dana Brown, Maurice Coleman, Matt Tessier, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson - Foster & Foster, Actuaries and Consultants; Keith Courville - Associated Professional Educators of Louisiana (A+PEL); Shane Riddle - Louisiana Association of Educators; and Anne Baker

Roll Call

Mr. Lawyer called the meeting to order at 9:44 a.m. The secretary called the roll and a quorum was established.

Presentation: *Components of TRSL June 30, 2014 Unfunded Accrued Liability*

Mrs. Johnson presented *Components of TRSL June 30, 2014 Unfunded Accrued Liability*. The presentation qualified as three-quarters hour of Actuarial Education for Trustees.

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

Adjournment

ON MOTION OF MR. POTTS, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 10:25 a.m.