

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Committee of the Whole – Friday
December 1, 2017

MEMBERS PRESENT: Dr. Jerry Baudin, Britt Colon, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Kathy Manning, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. Paul Nelson, John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Dr. Sheryl Abshire, Holly Gildig, Dr. Tia Mills, Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Phil Griffith, Roy Mongrue, Jr., Jeff LaCour, Lisa Honore', Adam Averitte, Ed Branagan, Dana Brown, Maurice Coleman, Melanie Deville, Tammy Dardeau, Andrea Guntz, Aricka Hart, Linnie Johnson, Dionne Rabalais, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; and Kelly Thompson, Trustee-elect

Each member of the Board received the following:

1. December 2017 Board Book
2. Investment Committee Meeting November 30, 2017, Performance Report – October 31, 2017
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; Harbert European Real Estate Fund V, L.P.; Sterling Value Add Partners III, L.P.; Aon Hewitt Investment Consulting, Inc.; Alliance Bernstein; Brown Advisory LLC; Geneva Capital Management; T. Rowe Price Associates, Inc.; and BNY Mellon
4. *Investment Overlay Basics and TRSL Performance Update* – Parametric
5. *Actuarial Review of UAL Payment Schedules* – Shelley Johnson, Foster & Foster Actuaries and Consultants
6. *TRSL's Comprehensive Annual Financial Report and Popular Annual Financial Report for Fiscal Year Ended June 30, 2017*
7. *TRSL Retirees, December 2017, Vol 26, No 2*

Dr. Baudin called the meeting to order at 10:25 a.m. Mr. Colon 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 December 1, 2017 (Including Minutes of Committee Meetings Held November 30 and December 1, 2017)

ON MOTION OF DR. TAYLOR, SECONDED BY MR. JULIEN, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held December 1, 2017 (Including Minutes of Committee Meetings held November 30 and December 1, 2017).

Investment Committee Report

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

Committee of the Whole Report

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to accept the report of the Committee of the Whole 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, 2017

Charlene Wilson presented the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2017.

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, AND CARRIED, the Board voted to approve the TRSL Comprehensive and Popular Annual Financial Reports for Fiscal Year Ended June 30, 2017.

Presentation of TRSL Board of Trustees Self-Evaluation

Dr. Baudin presented the TRSL Board of Trustees Self-Evaluation.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. PARAUKA, AND CARRIED, the Board voted to receive the report on the 2017 TRSL Board of Trustees Self-Evaluation.

Director's Update

Dana Vicknair updated the Board on the following items:

- Mrs. Vicknair recognized and thanked Melanie Deville, who coordinates the United Way Campaign each year. TRSL raised \$4,677.60 for the 2017 campaign.
- Civil Service conducted a drop-in review of personnel actions and found no rule, documentation, or performance evaluation (PES) violations. Mrs. Vicknair recognized and thanked Dionne Rabalais, Tammy Dardeau, and Aricka Hart for their diligence and work in keeping TRSL in compliance with all HR rules and regulations.
- Mrs. Vicknair thanked staff for their work on behalf of TRSL.

Presentation of Resolutions Honoring Kathy Manning, Carlos Sam, and Neshelle Nogess

Dr. Baudin and Mr. Lawyer presented Resolutions honoring Kathy Manning, Carlos Sam, and Neshelle Nogess for their service on the TRSL Board of Trustees.

ON MOTION OF DR. BAUDIN, UNANIMOUSLY SECONDED, AND CARRIED, the Board voted to adopt the resolutions.

Board Chair Comments

Dr. Baudin presented comments on TRSL's accomplishments and challenges in 2017.

Adjournment

ON MOTION OF MS. MANNING, SECONDED BY MR. COLON, AND CARRIED, the Board voted to adjourn at 10:55 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8:30 a.m. – Thursday
November 30, 2017**

MEMBERS PRESENT: Dr. Sheryl Abshire, Kathy Manning, Robert Lawyer, David Hennigan, Jim Napper (Treasurer's Designee), Dr. James Taylor, Representative J. Kevin Pearson, Rick McGimsey (Commissioner's Designee), and Dr. Jerry Baudin

MEMBERS ABSENT: Holly Gildig and Senator Barrow Peacock,

OTHER MEMBERS PRESENT: Britt Colon, Ricky Julien, Sr., Dr. Paul Nelson, and John Parauka

STAFF PRESENT: Dana Vicknair, Katherine Whitney, Phil Griffith, Roy Mongrue, Jr., Jeff LaCour, Lisa Honore', Adam Averitte, Dana Brown, Maurice Coleman, Davorio Stevenson, Debbie Boudreaux, and Lisa Barousse

OTHERS PRESENT: Paul Yett, Jerry Gates, Steve Gruber, and Matt Silverio, Hamilton Lane Advisors, LLC; Scott O'Donnell and Charles Miller, Harbert Management Corporation; Brian Kosoy and Adam Munder, Sterling Organization; Scott Coopridier, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.; Bruce K. Aronow and Jason Brandt, Alliance Bernstein; Christopher Berrier and Topher Fearey, Brown Advisory LLC; José Muñoz, Matthew Pistorio, and David Schrock, Geneva Capital Management; Jason Widener, Brian Dausch, and Sudhir Nanda, T. Rowe Price Associates, Inc.; Ray Kronz and Mike McDermott, BNY Mellon; and Kelly Thompson (Trustee - elect)

Roll Call

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

Private Market Update and Review of Potential Private Market Investments

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

Mr. Yett presented the private market update.

Mr. Yett noted that Mr. Gates will be retiring in March of 2018 and introduced Mr. Gruber. Mr. Gruber is the Managing Director of Real Assets. Mr. Gruber and his team from RAPM recently joined Hamilton Lane to provide global coverage of the asset class.

Mr. Gates and Mr. Gruber reviewed a potential investment in **Harbert European Real Estate Fund V, L.P.**

Scott O'Donnell and Charles Miller of Harbert Management Corporation appeared before the Committee to give a presentation on the fund.

ON MOTION OF MR. LAWYER, SECONDED BY MS. MANNING, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated November 30, 2017, pertaining to investments in Harbert European Real Estate Fund V, L.P. (up to \$50 million in EUR) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Gates and Mr. Gruber reviewed a potential investment in **Sterling Value Add Partners III, L.P.**

Brian Kosoy and Adam Munder of Sterling Organization appeared before the Committee to give a presentation on the fund.

ON MOTION OF DR. BAUDIN, 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 November 30, 2017, pertaining to investments in Sterling Value Add Partners III, L.P. (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Silverio reviewed a potential investment in **Bridgepoint Europe VI L.P.**

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 November 30, 2017, pertaining to investments in Bridgepoint Europe VI, L.P. (up to \$75 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett updated the Committee on TRSL 2018 Venture Capital Separate Account.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the report and Hamilton Lane's recommendation relative to establishing a 2018 calendar year Separate Account Structure to Venture Capital/Growth Equity (up to \$100 million), as outlined in their presentation.

Private Market Annual Meeting Reports

Mr. Silverio presented private market annual meeting reports on CVC European Equity Partners V, L.P.; CVC Capital Partners VI & VII, L.P.; First Reserve Fund XI & XII, L.P.; Merit Mezzanine Fund V, L.P.; and Rockpoint Real Estate Fund II, III & V, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual meeting reports as presented.

Interview Finalists and Recommend Successful Candidate Firm(s) for Small Cap Growth Manager

Phil Griffith (TRSL), and Scott Coopridier and Rishi Delvadia (Aon Hewitt) presented an overview of the finalist firms Alliance Bernstein (AB), Brown Advisory, LLC (Brown), Geneva Capital Management (Geneva), and T. Rowe Price Associates, Inc. (T. Rowe Price). Representatives from each firm appeared before the Committee to be interviewed: Bruce K. Aronow and Jason Brandt of AB; Christopher Berrier and Topher Fearey of Brown; José Muñoz, Matthew Pistorio, and David Schrock of Geneva; and Jason Widener, Brian Dausch, and Sudhir Nanda of T. Rowe Price.

The Committee ranked each firm from 1 to 4, with 1 ranking the highest.

	AB	Brown	Geneva	T.Rowe Price/Combo
Mr. Hennigan	2	4	3	1
Mr. Lawyer	3	4	2	1
Ms. Manning	2	4	3	1
Mr. Napper	2	4	3	1
Rep. Pearson	1	4	3	2
Dr. Taylor	2	4	3	1
Dr. Baudin	2	4	3	1
Dr. Abshire	2	4	3	1
Total	16	32	23	9

T. Rowe Price/Combo ranked highest followed by AB, Geneva, and Brown, respectively.

ON MOTION OF MR. LAWYER SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to hire T. Rowe Price and Alliance Bernstein as Small Cap Growth Managers with a combined allocation not to exceed \$350 million, subject to fee negotiation.

Presentation and Approval of the Schedule of Manager Portfolio Reviews for 2018

Mr. Griffith presented the Schedule of Manager Portfolio Reviews for 2018.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the Schedule of Manager Portfolio Reviews for 2018.

Presentation and Approval of the Schedule of Investment Searches for 2018

Mr. Griffith presented the Schedule of Investment Searches for 2018.

ON MOTION OF MS. MANNING, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the Schedule of Investment Searches for 2018.

Presentation of Annual Investment Manager Proxy Voting Report

Davorio Stevenson 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 DR. BAUDIN, SECONDED BY MS. MANNING, AND CARRIED, the Committee voted to receive the annual review and update on securities lending.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review

Scott Coopridner (Aon Hewitt) presented an overview of TRSL's total plan and public and private market investments. Mr. Coopridner presented the Aon Hewitt November 30, 2017 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through October 31, 2017.

IPS Guideline Review and Approval (REITS and Opportunistic Investments)

Mr. Griffith presented the proposed updates to Investment Policy (Policy No. 100.31) Section V. - Asset Allocations Guidelines and an additional Appendix for REIT Managers and Opportunistic Investments.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the updates to the Investment Policy guidelines and appendix as presented.

Adjournment

ON MOTION OF DR. TAYLOR, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 3:45 p.m.

**Teachers' Retirement System of Louisiana
Committee of the Whole
8:30 a.m. – Friday
December 1, 2017**

- MEMBERS PRESENT:** Dr. Jerry Baudin, Dr. Sheryl Abshire, Britt Colon, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Kathy Manning, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. Paul Nelson, John Parauka, and Dr. James Taylor
- MEMBERS ABSENT:** Holly Gildig, Dr. Tia Mills, Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White
- STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Phil Griffith, Roy Mongrue, Jr., Jeff LaCour, Lisa Honore', Adam Averitte, Ed Branagan, Dana Brown, Maurice Coleman, Andrea Guntz, Dionne Rabalais, Matt Tessier, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse
- OTHERS PRESENT:** Justin Henne and Greg Bauer, Parametric; Shelley Johnson, Foster & Foster Actuaries and Consultants; Annie Smith, House Retirement Committee; and Kelly Thompson, Trustee-elect

Roll Call

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

Investment Overlay Basics and TRSL Performance Update

Phil Griffith gave a brief introduction of TRSL's overlay program. Justin Henne and Greg Bauer of Parametric presented *Investment Overlay Program Review*. The presentation qualified as one hour of Investment Education for Trustees.

Actuarial Review of UAL Payment Schedules

Shelley Johnson of Foster & Foster, Actuaries and Consultants presented the results of an Actuarial Review of UAL Payment Schedules pursuant to Act 95 of the 2016 Regular Legislative Session. The presentation qualified as .75 hour of Actuarial Education for Trustees.

ON MOTION OF MR. LAWYER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to receive the Actuarial Review of the UAL Payment Schedules, as presented.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MS. MANNING, AND CARRIED, the Committee voted to adjourn at 10:12 a.m.