

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
June 6, 2014

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Kathy Hattaway, Joyce P. Haynes, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), Superintendent Alonzo R. Luce, and John G. Parauka

MEMBERS ABSENT: Holly B. Gildig, Senator Elbert Guillory, Jim Napper (Treasurer's Designee), Representative J. Kevin Pearson, Carlos J. Sam, and Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Randall Harrison, Jeff LaCour, Steve Marangos, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster, Actuaries and Consultants

Each member of the Board received the following:

1. June 2014 Board Book
2. *Investment Committee Meeting June 5, 2014, Performance Report– April 30, 2014*
3. Investment Committee Presentations: Hewitt EnnisKnupp and Pacific Investment Management Company LLC
4. *2014 Regular Legislative Session, Final - Legislation Affecting TRSL; and 2014 Regular Legislative Session, Final - Legislation Monitored by TRSL Board*
5. *TRSL's Boardroom Beacon, Student Loans, June 2014*

Mr. Lawyer called the meeting to order at 11:15 a.m. Mr. Parauka 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 May 9, 2014 (Including Minutes of Committee Meetings held May 8 and 9, 2014)

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAUDIN, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees Held May 9, 2014 (Including Minutes of Committee Meetings held May 8 and 9, 2014).

Investment Committee Report

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

Personnel Committee Report

ON MOTION OF DR. ABSHIRE, UNANIMOUSLY SECONDED, 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 DR. BAUDIN, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

Mr. Potts in the Chair

Executive Committee Report

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

Mr. Lawyer in the Chair

Director's Update

- Ms. Westgard asked that the Executive Committee Report be corrected to reflect that the ORP SFP will be presented at a future meeting.
- Mr. Mongrue updated the Board on the Legislative Auditor's Report issued May 28, 2014, regarding the Renew Charter Management Organization.

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MRS. HAYNES, AND CARRIED, the Board voted to adjourn at 11:35 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation for Proposals for
International Large Cap Value Manager
12:00 p.m. – Thursday
June 5, 2014**

MEMBERS PRESENT: Dr. Sheryl R. Abshire, Kathy Hattaway, Jim Napper (Treasurer's Designee), and Joe A. Potts, Jr.

MEMBERS ABSENT: Holly B. Gildig

OTHER MEMBERS PRESENT: Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Joyce P. Haynes, David A. Hennigan, John G. Parauka, Representative J. Kevin Pearson, Benjamin Huxen (Commissioner's Designee), and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Scott Coopridier, Rishi Delvadia, and Corey Schier, Hewitt EnnisKnupp

Roll Call

Dr. Abshire called the meeting to order at 12:00 p.m. The secretary called the roll and a quorum was established.

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith (TRSL) and Scott Coopridier, Rishi Delvadia, and Corey Schier of Hewitt EnnisKnupp presented an overview of the responses to the International Large Cap Value Manager Solicitation for Proposals (SFP).

ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, the Subcommittee voted to retain MFS Institutional Advisors, Inc., subject to fee negotiation.

Adjournment

ON MOTION OF MR. POTTS, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 12:23 p.m.

Teachers' Retirement System of Louisiana
Investment Committee

Upon Adjournment of Subcommittee to Review Responses to Solicitation for Proposals for
International Large Cap Value Manager – Thursday
June 5, 2014

- MEMBERS PRESENT:** Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), David A. Hennigan, Representative J. Kevin Pearson, Benjamin Huxen (Commissioner's Designee), Robert Lawyer, and Joyce P. Haynes
- MEMBERS ABSENT:** Senator Elbert Guillory
- OTHER MEMBERS PRESENT:** Dr. Jerry J. Baudin, Holly B. Gildig, John G. Parauka, and Carlos J. Sam
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Scott Coopridier, Rishi Delvadia, and Corey Schier, Hewitt EnnisKnupp

Roll Call

Mr. Potts called the meeting to order at 12:25 p.m. The secretary called the roll and a quorum was established. Mr. Potts appointed Mrs. Haynes to serve on the Committee as an alternate for Mrs. Gildig (Mrs. Gildig arrived after roll call).

Report of Subcommittee to Review SFP for International Large Cap Value Manager

Dr. Abshire presented the report of the Subcommittee to Review Responses to the International Large Cap Value Manager SFP.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to International Large Cap Value Manager SFP:

"ON MOTION OF MR. NAPPER, SECONDED BY MR. POTTS, AND CARRIED, the Subcommittee voted to retain MFS Institutional Advisors, Inc., subject to fee negotiation"

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 through April 30, 2014.

Mr. Griffith presented Loomis Sayles' (Core Plus Fixed Income Manager) request for revision to the investment guidelines.

MR. LAWYER MOVED AND DR. BAKER SECONDED A MOTION to approve Loomis Sayles' requested revisions to the Investment Guidelines for Core Plus Fixed Income to increase the total portfolio investment in emerging markets to 15% (a 5% increase) and Rule 144(a) purchases to 25% (a 5% increase) of the total portfolio. The guideline modification will apply only to Loomis Sayles core fixed income product. MR. NAPPER OBJECTED TO THE MOTION and the secretary called the roll. The motion passed by a vote of 8 yeas, 1 nay, and 1 abstention. Dr. Abshire, Dr. Baker, Ms. Hattaway, Mrs. Haynes, Mr. Huxen, and Mrs. Lawyer voted yea; Mr. Napper voted nay; and Representative Pearson abstained.

Mr. Coopriider presented Hewitt EnnisKnupp's (HEK) June 5, 2014 portfolio summary report.

- **Quarterly Review of Portfolio Managers**

Mr. Coopriider reviewed performance of TRSL investments for the First Quarter of 2014.

- **Portfolio Review – Global Bonds**

Mr. Delvadia, Mr. Coopriider, and Mr. Schier (HEK), and Dana Brown (TRSL) reviewed Global Bond Managers: Brandywine Asset Management and Pacific Investment Management Company LLC (PIMCO).

Matt Clark and Alan Isenberg presented PIMCO's annual portfolio review.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 2:18 p.m.

**Teachers' Retirement System of Louisiana
Personnel Committee
Upon Adjournment of Investment Committee - Thursday
June 5, 2014**

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

MEMBERS ABSENT: Superintendent Alonzo R. Luce

OTHER MEMBERS PRESENT: Dr. Jerry J. Baudin, Kathy Hattaway, David A. Hennigan, Joe A. Potts, Jr., and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Dionne Rabalais, Dana Lee Haltom, and Lisa Barousse

Roll Call

Mrs. Gildig called the meeting to order at 2:39 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 Superintendent Luce.

Update and Recommendation Related to Merit Increases

Ms. Westgard updated the Committee on recommendations relative to classified employee merit increases.

ON MOTION OF MR. LAWYER, SECONDED BY MR. SAM, AND CARRIED, the Committee voted to approve a 4% merit increase retroactive to October 1, 2013, for eligible TRSL classified staff, in accordance with Civil Service rules.

Transition Performance Evaluations

DR. ABSHIRE MOVED and MR. PARAUKA SECONDED a motion to convene into Executive Session to discuss the Director's transition evaluations of the TRSL Unclassified Staff and the transition performance evaluation of the Director, as related to their character and professional competence, with the Director to remain for the Unclassified Staff evaluations only. A roll call vote was taken. The vote was unanimous and the Committee convened into Executive Session.

MRS. HAYNES MOVED and MR. PARAUKA SECONDED a motion to reconvene into Regular Session. A roll call vote was taken. The vote was unanimous and the Committee reconvened into Regular Session.

ON MOTION OF MRS. HAYNES, UNANIMOUSLY SECONDED, AND CARRIED, the Committee voted to receive the transition performance evaluations of the unclassified staff for Fiscal Year 2013-2014.

ON MOTION OF MR. PARAUKA, UNANIMOUSLY SECONDED, AND CARRIED, the Committee voted to approve the transition performance evaluation of the Director for Fiscal Year 2013-2014.

ON MOTION OF MRS. HAYNES, UNANIMOUSLY SECONDED, AND CARRIED, the Committee voted to approve unclassified staff pay increases, retroactive to October 1, 2013, as follows:

Maureen Westgard, Stuart Cagle, Roy Mongrue, and Dana Vicknair: 4%
Phil Griffith, Maurice Coleman, and Dana Brown: 4% merit and a market rate
adjustment of 2%

Adjournment

ON MOTION OF DR. ABSHIRE, UNANIMOUSLY SECONDED, AND CARRIED, the Committee voted to adjourn at 3:40 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
June 6, 2014

- MEMBERS PRESENT:** Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, Dr. Sheryl R. Abshire, Jim Napper (Treasurer's Designee), Joe A. Potts, Jr., Carlos J. Sam, Robert Lawyer, and Joyce P. Haynes
- MEMBERS ABSENT:** Holly B. Gildig, Senator Elbert Guillory, and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Kathy Hattaway, David A. Hennigan, Benjamin Huxen (Commissioner's Designee), and Superintendent Alonzo R. Luce
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster, Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Scott Coopriider, Hewitt EnnisKnupp; Andrew Ness and Joe Libbra, Mercer; Graig Luscombe, Louisiana Retired Teachers' Association; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Dr. Baker called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baker appointed Mrs. Haynes to serve on the Committee as an alternate for Mrs. Gildig.

Update on Legislative Meetings

Ms. Westgard updated the Committee on the Joint Legislative Committee on the Budget (JLCB) meeting of May 14, 2014. The JLCB approved TRSL's budget for 2014-2015.

Discussion and review of Legislation for the 2014 Regular Session

Ms. Westgard updated the Committee on legislation affecting TRSL as of the end of the 2014 Regular Session (June 2, 2014). Ms. Whitney updated the Committee on the final status of legislation monitored by TRSL.

Adjournment

ON MOTION OF MR. POTTS, SECONDED BY DR. BAUDIN, and CARRIED the Committee adjourned at 9:11 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee - Friday
June 6, 2014**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Dr. Sheryl R. Abshire, Dr. William C. "Bill" Baker, Dr. Jerry J. Baudin, and Kathy Hattaway

MEMBERS ABSENT: Holly B. Gildig

OTHER MEMBERS PRESENT: Joyce P. Haynes, 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, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Maurice Coleman, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Katherine Whitney, Charlene Wilson, Laurie Wright, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster, Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Scott Coopridger, Hewitt EnnisKnupp; Andrew Ness and Joe Libbra, Mercer; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Mr. Lawyer called the meeting to order at 9:12 a.m. The secretary called the roll and a quorum was established.

Optional Retirement Plan (ORP)

Andrew Ness and Joe Libbra of Mercer presented a review of TRSL's Optional Retirement Plan, including recommendations regarding the Solicitation for Proposal (SFP), which will be presented for review at a future meeting.

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

Ms. Whitney presented the proposed ORP administrative rules. With receipt of the favorable determination letter from the IRS, adoption of administrative rules is the next step in the process. The rules will be presented for approval at the July Executive Committee meeting.

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

Presentation and Discussion Regarding Discount Rates

Ms. Westgard and Shelley Johnson presented information regarding impact of a change to the discount rate.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adopt a 7.75% assumed actuarial rate of return, to be used beginning Fiscal Year 2014-2015 for funding valuation purposes, beginning October 1, 2014 for actuarial equivalence and administrative purposes, and to be used for GASB valuation purposes.

Review and Approval of Revised December 2014 Meeting Dates and Proposed Meeting Dates for 2015

Ms. Westgard advised the Committee that the current December 2014 meeting dates of Monday and Tuesday, December 1 and 2 immediately follow the Thanksgiving holiday. Ms. Westgard presented alternate meeting dates of Thursday and Friday, December 4 and 5 or Monday and Tuesday, December 8 and 9 for consideration. The Committee took no action.

Ms. Westgard presented proposed TRSL 2015 Board of Trustees meeting dates.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to adopt the following dates for the Board of Trustees' 2015 meetings:

January 8 & 9	July 9 & 10
February 5 & 6	August 6 & 7
March 5 & 6	September 3 & 4
April 9 & 10	October 1 & 2
May 7 & 8	November 5 & 6
June 4 & 5	December 3 & 4

**The above meeting dates are Thursdays and Fridays*

Adjournment

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to adjourn at 11:05 p.m.