

Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Tuesday
July 9, 2013

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

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

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Philip Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Jim Buras, Maurice Coleman, Stephanie Daigle, Kelli Harrison, Randall Harrison, Jeff LaCour, Lisa Honore', Steve Marangos, Dionne Rabalais, Linda Reese, Katherine Whitney, Charlene Wilson, LaTrina Stone, Ling He, Wesley Nelson, Jessica Warner, Ryan Pereira, Shannon Howell, Alysia McCarstle, Katherine Stephens, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster and Foster Actuaries and Consultants; and Dr. Jerry J. Baudin

Each member of the Board received the following:

1. July 2013 Board Book
2. *Investment Committee Meeting July 8, 2013, Performance Report–May 31, 2013*
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Hewitt EnnisKnupp; EIG Global Energy Partners; Oaktree Capital Management, LP; Mondrian Investment Partners; and Dimensional Fund Advisors
4. *TRSL Statistics FY 2012-FY 2013 and TRSL Retirements (FY 2004-FY 2013)*
5. *TRSL Equal Opportunity/ Affirmative Action Plan*
6. *Asset Valuation Methods, July 9, 2013 – Brad Heinrichs and Shelley Johnson, Foster & Foster Actuaries and Consultants*
7. *TRSL Retirees - June 2013 Vol 22, No1*
8. July Boardroom Beacon - *TRSL Disability Requirement*

Mr. Lawyer called the meeting to order at 11:00 a.m. Mrs. Gildig 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 June 11, 2013
(Including Minutes of Committee Meetings held June 10 and 11, 2013)**

ON MOTION OF MR. POTTS, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held June 11, 2013 (Including Minutes of Committee Meetings held June 10 and 11, 2013)

Investment Committee Report

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein, as amended to reflect changes to the members of the Subcommittee to Review Responses to Solicitation for Proposals for Mid Cap Growth Manager .

Elections Committee Report

ON MOTION OF MRS. HAYNES, SECONDED BY MRS. BAKER, AND CARRIED, the Board voted to accept the report of the Elections Committee and to approve the recommendations contained therein.

Mr. Potts in the Chair

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.

Mr. Lawyer in the Chair

Introduction of Newly Hired Staff by TRSL during the period 4/01/13 through 6/30/13:

Mr. Cagle introduced newly hired Accounting Department employees: LaTrina Stone, Ling He, Wesley Nelson, and Jessica Warner; Ryan Pereira in the Audit Department; and Shannon Howell in the IT Department.

Mrs. Vicknair introduced newly hired Retirement Department employees: Alysia McCarstle and Katherine Stephens.

Director's Update

Ms. Westgard updated the Board on the following items:

- LSU Ag Center \$2.2 million payment received; Department of Education payment expected to be received soon
- Trustees need to complete required education hours by August 31, 2013
- LAPERS conference September 15th-17th at the Marriott in New Orleans

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. POTTS, AND CARRIED, the Board voted to adjourn at 11:25 a.m.

Teachers' Retirement System of Louisiana
Subcommittee to Review Responses to Solicitation Proposals for
Global High Yield Manager
8:30 a.m. – Monday
July 8, 2013

MEMBERS PRESENT: Dr. William C. "Bill" Baker, David A. Hennigan, Holly B. Gildig, Jim Napper (Treasurer's Designee), and Joe A. Potts, Jr.

OTHER MEMBERS PRESENT: Anne H. Baker, Kathy Hattaway, Joyce P. Haynes, Robert Lawyer, John G. Parauka, Dr. Steven Procopio (Commissioner's Designee), and Carlos J. Sam

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

OTHERS PRESENT: Scott Coopridger and Russ Ivinjack, Hewitt EnnisKnupp

Roll Call

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

Review Proposals and Recommend Finalists to be Interviewed

Phil Griffith (TRSL), and Scott Coopridger and Russ Ivinjack of Hewitt EnnisKnupp presented an overview of the following firms' responses to the SFP for Global High Yield Manager: AllianceBernstein L.P.; Franklin Advisers, Inc.; MacKay Shields LLC; Western Asset Management Company.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following firms be interviewed for Global High Yield Manager: Alliance Bernstein, MacKay Shields, and Western Asset Management.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to adjourn at 9:09 a.m.

Teachers' Retirement System of Louisiana
Investment Committee

Upon Adjournment of the Subcommittee to Review Responses to Solicitation for Proposals
for Global High Yield Manager – Monday
July 8, 2013

MEMBERS PRESENT: Joe A. Potts, Jr., Kathy Hattaway, Dr. William C. "Bill" Baker, Jim Napper (Treasurer's Designee), Holly B. Gildig, David A. Hennigan, Dr. Steven Procopio (Commissioner's Designee), Robert Lawyer, and Joyce P. Haynes

MEMBERS ABSENT: Dr. Sheryl R. Abshire, Senator Elbert Guillory, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Anne H. Baker, Superintendent Alonzo R. Luce, John G. Parauka, and Carlos J. Sam

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

OTHERS PRESENT: Paul Yett, Hamilton Lane Advisors, LLC; Randall S. Wade, EIG Global Energy Partners; Ambrose Fisher and Doug Powell, Oaktree Capital Management, LP; Scott Coopridner and Russ Ivinjack, Hewitt EnnisKnupp; Ormala Krishnan, Ph.D. and E. Todd Rittenhouse, Mondrian Investment Partners; James G. Charles and Allen Pu, Ph.D., Dimensional Fund Advisors; and Shelley Johnson, Foster & Foster Actuaries and Consultants

Roll Call

Mr. Potts called the meeting to order at 9:10 a.m. The secretary called the roll and a quorum was established. Mr. Potts appointed Mrs. Haynes as alternate for Dr. Abshire.

Report of the Subcommittee to Review Responses to Solicitation for Proposals for Global High Yield Manager

Dr. Baker presented the report of the Subcommittee to Review Responses to the Global High Yield Manager SFP.

ON MOTION OF DR. BAKER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Responses to Global High Yield Manager SFP:

“ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that the following firms be interviewed for Global High Yield Manager: Alliance Bernstein, MacKay Shields, and Western Asset Management.”

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Hamilton Lane Advisors, L.L.C., presented the private market update and reviewed a potential alternative investment in EIG Energy Fund XVI, L.P.

Randall S. Wade of EIG Global Energy Partners, appeared before the Committee to make a presentation on EIG Energy Fund XVI, L.P.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report including the due-diligence process dated July 8, 2013, pertaining to investments in EIG Energy Fund XVI, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in Oaktree Real Estate Opportunities Fund VI, L.P.

Ambrose Fisher and Doug Powell of Oaktree Capital Management, L.P. appeared before the Committee to make a presentation on Oaktree Real Estate Opportunities Fund VI, L.P.

ON MOTION OF DR. BAKER, 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 July 8, 2013, pertaining to investments in Oaktree Real Estate Opportunities Fund VI, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Quarterly Summary of Alternative Assets and Real Estate Investments

Maurice Coleman presented the Quarterly Transaction Summary of Alternative Assets and Real Estate Investments (for the period ended March 31, 2013).

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Quarterly Transaction Summary of Alternative Assets and Real Estate Investments (for the period ended March 31, 2013).

Presentation and Review of Solicitation for Proposals for Private Market Manager

Ms. Westgard gave an overview of the history of TRSL's private market asset program management, and presented the SFP for Private Market Manager. Russ Ivinjack and Scott Coopridier of Hewitt EnnisKnupp commented on various ways public pension plans handle management of private market assets.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the SFP for Private Market Manager.

Appointment of Subcommittee to Review Responses to Solicitation for Proposals for Mid Cap Growth Manager

Mr. Potts appointed the following members to serve on the Subcommittee to Review Responses to the SFP for Mid Cap Growth Manager: Dr. Abshire as Chair, Ms. Hattaway, Dr. Baker, Mr. Napper, and Mr. Potts.

Presentation and Approval of Solicitation for Proposals for U.S. Large Cap Value Manager

Mr. Griffith presented the SFP for U.S. Large Cap Value Manager.

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to approve the SFP for U.S. Large Cap Value Manager.

Report on Annual Evaluation of Investment Custodian Bank

Dana Brown presented a report on the annual evaluation of the investment custodian bank.

ON MOTION OF MR. NAPPER, SECONDED MR. LAWYER, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

Quarterly Review of Optional Retirement Plan (ORP) Providers

Mr. Ivinjack presented the Quarterly Review of ORP Providers.

ON MOTION OF MR. LAWYER, SECONDED MS. HATTAWAY, AND CARRIED, the Committee voted to receive the Quarterly Review of ORP Providers.

Capital Market Update and Review of TRSL Investments

Mr. Griffith presented an overview of TRSL's total plan and public and private market investments. Mr. Ivinjack presented Hewitt EnnisKnupp's July 8, 2013 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through May 31, 2013.

Portfolio Review – International Small Cap

Mr. Coopriider and Mr. Brown reviewed International Small Cap firms, Mondrian Investment Partners and Dimensional Fund Advisors.

Ormalala Krishnan, Ph.D. and E. Todd Rittenhouse presented Mondrian Investment Partners annual portfolio review.

James G. Charles and Allen Pu, Ph.D., presented Dimensional Fund Advisors annual portfolio review.

Annual Evaluation of Investment Consulting Firm – Hewitt EnnisKnupp

Mr. Potts asked for a motion to convene into Executive Session.

DR. BAKER MOVED AND MR. LAWYER SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the general consultant firm being evaluated, with the Director and the Chief Investment Officer to remain in the room. A roll-call vote was taken. Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Lawyer, and Mr. Potts voted yea. The vote was unanimous of the members present and the Committee convened into Executive Session.

DR. BAKER MOVED AND MS. HATTAWAY SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken. Dr. Baker, Mrs. Gildig, Ms. Hattaway, Mr. Lawyer, and Mr. Potts voted yea. The vote was unanimous of the members present and the Committee reconvened into Regular Session.

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the annual evaluation of the consultant firm, Hewitt EnnisKnupp.

Adjournment

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 3:05 p.m.

**Teachers' Retirement System of Louisiana
Elections Committee
8:30 a.m. – Tuesday
July 9, 2013**

- MEMBERS PRESENT:** Joyce P. Haynes, Jim Napper (Treasurer's Designee), David A. Hennigan, John G. Parauka, Carlos J. Sam, Robert Lawyer, and Joe A. Potts, Jr.
- MEMBERS ABSENT:** Dr. Sheryl R. Abshire and Dr. Steven Procopio (Commissioner's Designee)
- OTHER MEMBERS PRESENT:** Anne H. Baker, Dr. William C. "Bill" Baker, Holly Gildig, Kathy Hattaway, and Superintendent Alonzo R. Luce
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore', Jeff LaCour, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Brad Heinrichs and Shelley Johnson, Foster and Foster Actuaries and Consultants; Marsha Shuler, The Advocate; Dr. Jerry J. Baudin; Stephanie Little, Louisiana House of Representatives; Laura Gail Sullivan and Margaret Corley, Louisiana State Senate; and Dr. James F. Taylor

Roll Call

Mrs. Haynes called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Mrs. Haynes appointed Mr. Potts to serve on the Committee as alternate for Dr. Abshire. Candidates Dr. Jerry Baudin and Dr. James Taylor were present at the meeting.

Receive Primary Elections Results for Retiree Representative

Mrs. Haynes read the runoff election results as follows:

	Retiree Representative	Number	Percentage
1.	Dr. Jerry J. Baudin	2578	20.32
2	Dr. James Taylor	2511	19.79
3	Dr. Randy Moffett	1486	11.71
4	Sherry Brock	1346	10.61
5	Jean Doerge	1270	10.01
6	Jude Theriot	948	7.47
7	Dr. Darryl C. Kilbert	920	7.25
8	Dr. Dominic Salinas	752	5.93
9	Irvin West, Jr.	397	3.13
10	Dr. Brian J. Hales	362	2.85

Note: Ms. Etta Licciardi received 118 votes, however she had withdrawn her candidacy.

A run-off election will be held between Dr. Jerry J. Baudin (2,578 votes, 20.32%) and Dr. James A Taylor (2,511 votes, 19.79%).

ON MOTION OF MR. POTTS, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to receive and approve the primary election results for Retiree Representative for the term January 1, 2014 through December 31, 2017.

Adjournment

ON MOTION OF MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 8:37 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Elections Committee – Tuesday
July 9, 2013**

MEMBERS PRESENT: Robert Lawyer, Joe A. Potts, Jr., Anne H. Baker, Dr. William C. "Bill" Baker, Holly B. Gildig, and Kathy Hattaway

MEMBERS ABSENT: Dr. Sheryl R. Abshire

OTHER MEMBERS PRESENT: Joyce P. Haynes, David A. Hennigan, Superintendent Alonzo R. Luce, Jim Napper (Treasurer's Designee), John G. Parauka, Dr. Steven Procopio (Commissioner's Designee), and Carlos J. Sam

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Roy Mongrue, Jr., Dana Vicknair, Dana Brown, Jim Buras, Maurice Coleman, Lisa Honore', Jeff LaCour, Dionne Rabalais, Katherine Whitney, Charlene Wilson, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Brad Heinrichs and Shelley Johnson, Foster and Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Marsha Shuler, The Advocate; Dr. Jerry J. Baudin; Stephanie Little, Louisiana House of Representatives; Laura Gail Sullivan and Margaret Corley, Louisiana Senate; and Dr. James F. Taylor

Roll Call

Mr. Lawyer called the meeting to order at 8:43 a.m. The secretary called the roll and a quorum was established.

Update on Cash Balance Plan

Mr. Mongrue updated the Committee on the Cash Balance Plan. On June 28, 2013, the Louisiana Supreme Court ruled, by a vote of 7-0, that the plan was passed by the legislature in violation of the Louisiana Constitution. The court found the legislation did not receive a 2/3 vote (needed due to actuarial cost), the plaintiffs had standing to bring the lawsuit, the 2/3 vote requirement applied to current and future members of the retirement system, and the legislative actuary's determination of cost is the basis for defining cost of retirement legislation.

Presentation and Approval of Audit Reports by TRSL Audit Staff

Jeff LaCour presented reports on Compliance and Retiree Return to Work Audits.

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to approve the reports on Compliance and Retiree Return to Work Audits.

Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2012-2013

Mr. LaCour presented the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2012-2013.

ON MOTION OF MS. HATTAWAY, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to receive the Annual Recap of Internal and Compliance Audits Performed in Fiscal Year 2012-2013.

Presentation and Approval of the TRSL Annual Audit Plan for Fiscal Year 2013-2014

Mr. LaCour presented the TRSL Annual Audit Plan for Fiscal Year 2013-2014.

ON MOTION OF DR. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to approve the Annual Audit Plan for Fiscal Year 2013-2014.

Approval of the Louisiana Compliance Questionnaire

Mr. Cagle presented the Louisiana Compliance Questionnaire.

ON MOTION OF DR. BAKER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to approve the Louisiana Compliance Questionnaire.

Presentation of Quarterly Litigation Reports

Mr. Mongrue presented the Quarterly Litigation Reports.

ON MOTION OF MRS. BAKER, SECONDED BY MR. POTTS, AND CARRIED, the Committee voted to receive the Quarterly Litigation Reports.

Update on 2013-2014 Affirmative Action Plan

Ms. Rabalais presented an update on the 2013-2014 Affirmative Action Plan. TRSL was notified by Civil Service in a letter dated June 14, 2013, that the updated plan was approved.

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

Review of FY 2012-2013 Workload Volumes

Mrs. Vicknair reviewed FY 2012-2013 Workload Volumes.

Discussion and Approval of Asset Valuation Method

Shelley Johnson and Brad Heinrichs of Foster and Foster Actuaries and Consultants presented information regarding recommendation to change TRSL's asset valuation method. The presentation qualified for one hour of Actuarial Education for Trustees.

ON MOTION OF MR. POTTS, SECONDED BY MRS. BAKER, AND CARRIED, the Committee voted to adopt the Asset Valuation Method as described and recommended by the actuaries effective for the June 30, 2013 Actuarial Valuation.

Discussion of Actuarial Services

Ms. Westgard reviewed and recommended renewal of the contract with Foster and Foster Actuaries and Consultants through June 30, 2016.

ON MOTION OF MRS. GILDIG, SECONDED BY DR. BAKER, AND CARRIED, the Committee voted to renew the contract with Foster and Foster Actuaries and Consultants through June 30, 2016.

Adjournment

ON MOTION OF DR. BAKER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 10:50 a.m.