

**Teachers' Retirement System of Louisiana**  
**Board of Trustees**  
**Upon Adjournment of Executive Committee – Thursday**  
**June 7, 2018**

**MEMBERS PRESENT:** Dr. Jerry Baudin, Dr. Sheryl Abshire, Britt Colon, David Hennigan, Ricky Julien, Sr., Robert Lawyer, Rick McGimsey (Commissioner's Designee), Dr. Tia Mills, Jim Napper (Treasurer's Designee), Dr. Paul Nelson, John Parauka, Dr. James Taylor, and Kelly Thompson

**MEMBERS ABSENT:** Holly Gildig, Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Adam Averite, Ed Branagan, Dana Brown, Andrea Guntz, Randall Harrison, Steve Marangos, Will Merrill, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Luis Welchez, Charlene Wilson, Laurie Wright, and Lisa Barousse

**OTHERS PRESENT:** Douglas Swenson

Each member of the Board received the following:

1. June 2018 Board Book
2. Investment Committee Meeting June 7, 2018, Performance Report – April 30, 2018
3. Investment Committee Presentations from Aon Hewitt Investment Consulting, Inc.; Hamilton Lane Advisors, LLC; Apollo Global Management; Barrow, Hanley, Mewhinney & Strauss, LLC; DePrince, Race & Zollo, Inc.; and Mesirow Financial Equity Management
4. *2018 Regular Legislative Session Legislation AFFECTING TRSL FINAL REPORT; 2018 Regular Legislative Session Legislation MONITORED by TRSL Board FINAL REPORT; and 2018 2<sup>ND</sup> SPECIAL SESSION Legislation MONITORED by TRSL Board FINAL REPORT*

Dr. Baudin called the meeting to order at 3:15 p.m. Mr. Julien 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 3, 2018 (Including Minutes of Committee Meetings May 3, 2018)**

ON MOTION OF MRS. THOMPSON, SECONDED BY MR. PARUAKA, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held May 3, 2018 (including Minutes of Committee Meetings held May 3, 2018).

### **Investment Committee Report**

ON MOTION OF DR. ABSHIRE, SECONDED BY DR. MILLS, AND CARRIED, the Board voted to accept the report of the Investment Committee and to approve the recommendations contained therein.

### **Legislative Committee Report**

ON MOTION OF MR. LAWYER, SECONDED BY MR. COLON, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

### **Executive Committee Report**

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

Dr. Baudin presented a Resolution honoring Roy A. Mongrue, Jr. for his years of service as General Counsel for the Teachers Retirement System of Louisiana.

Dr. Abshire and Dr. Taylor, made comments and thanked Mr. Mongrue for his outstanding leadership, integrity and public service to TRSL and the state of Louisiana.

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

### **Director's Update**

Mrs. Vicknair updated the Board on the following:

- Board Education and Portal Training
- Update on Retirees Election

### **Adjournment**

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Board voted to adjourn at 3:35 p.m.

**Teachers' Retirement System of Louisiana**  
**Subcommittee to Review Responses to Solicitation for Proposals for**  
**Global High Yield Manager**  
**8:30 a.m. – Thursday**  
**June 7, 2018**

**MEMBERS PRESENT:** Robert Lawyer, Dr. Sheryl Abshire, Dr. Paul Nelson, David Hennigan, and Jim Napper (Treasurer's Designee)

**OTHER MEMBERS PRESENT:** Dr. Jerry Baudin, Britt Colon, Ricky Julien, Sr., Rick McGimsey (Commissioner's Designee), John Parauka, Dr. James Taylor, and Kelly Thompson

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Adam Averite, Dana Brown, Maurice Coleman, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Scott Coopridier, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting, Inc.; and Douglas Swenson

**Roll Call**

Mr. Lawyer 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 Coopridier (Aon Hewitt) presented an overview of the following firm's responses to the SFP for Global High Yield Manager: AllianceBernstein, L.P.; MacKay Shields LLC; Nomura Corporate Research and Asset Management Inc.; and Wellington Management Company LLP.

ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent AllianceBernstein, L.P. be retained as Global High Yield manager, subject to fee negotiations.

**Adjournment**

ON MOTION OF MR. NAPPER, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to adjourn at 8:59 a.m.

**Teachers' Retirement System of Louisiana  
Investment Committee  
Upon Adjournment of Subcommittee to Review Responses to  
Solicitation for Proposals for Global High Yield Manager  
Thursday – June 7, 2018**

**MEMBERS PRESENT:** Dr. Sheryl Abshire, Robert Lawyer, David Hennigan, Jim Napper, (Treasurer's Designee), Dr. James Taylor, Dr. Paul Nelson, Rick McGimsey (Commissioner's Designee), Dr. Jerry Baudin, and John Parauka

**MEMBERS ABSENT:** Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Britt Colon, Ricky Julien, Sr., Dr. Tia Mills, and Kelly Thompson

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Adam Averite, Dana Brown, Maurice Coleman, Davorio Stevenson, Matt Tessier, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Paul Yett, Matt Silverio, and Ilene Levinson, Hamilton Lane Advisors, LLC; Robert Ruberton and Matthew Cross of Apollo Global Management; Scott Coopridier, Rishi Delvadia, and Russ Ivinjack, Aon Hewitt Investment Consulting, Inc.; James McClure and Robert Barkley, Barrow, Hanley, Mewhinney & Strauss, LLC; Victor Zollo, Jr., Gregory Ramsby, and Matthew Williams, DePrince, Race & Zollo, Inc.; Kathryn Vorisek, Leo Harmon, and Eric Welt of Mesirow Financial Equity Management; Shelley Johnson, Foster & Foster Actuaries and Consultants; Renee Siccone, Louisiana Retired Teachers' Association; and Douglas Swenson

**Roll Call**

Dr. Abshire called the meeting to order at 9:00 a.m. The secretary called the roll and a quorum was established. Dr. Abshire appointed Mr. Parauka to serve on the Committee as an alternate for Mrs. Gildig.

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

Mr. Lawyer presented the report of the Subcommittee to Review Responses to the SFP for Global High Yield Manager.

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

*"ON MOTION OF DR. ABSHIRE, SECONDED BY MR. HENNIGAN, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent AllianceBernstein, L.P. be retained as Global High Yield manager, subject to fee negotiations."*

## **Private Market Update and Review of Potential Private Market Investments**

Paul Yett, Matt Silverio, and Ilene Levinson of Hamilton Lane Advisors, L.L.C., appeared to present private market items. Mr. Silverio presented the private market update.

Mr. Silverio reviewed a potential investment in Apollo Hybrid Value Fund, L.P. Robert Ruberton and Matthew Cross of Apollo Global Management, appeared before the Committee to give a presentation on the fund.

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, consistent with alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated June 7, 2018 pertaining to investments in Apollo Hybrid Value Fund, L.P. (up to \$75 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

## **The Benefits and Structure of Private Market Co-Investments**

Mr. Yett and Ms. Levinson presented *The Benefits and Structure of Private Market Co-Investments*, which qualified as one hour of Investment Education for Trustees.

## **Interview Finalists and Recommend Successful Candidate Firm for Small Cap Value Manager**

Phil Griffith (TRSL) and Scott Coopriider (Aon Hewitt) presented an overview of the candidate firms: Barrow, Hanley, Mewhinney & Strauss, LLC (BHM&S); DePrince, Race & Zollo, Inc. (DRZ); and Mesirow Financial Equity Management (Mesirow).

The following representatives from each firm appeared before the Committee to be interviewed for Small Cap Value Manager: James McClure and Robert Barkley of BHM&S; Victor Zollo, Jr., Gregory Ramsby, and Matthew Williams of DRZ; and Kathryn Vorisek, Leo Harmon, and Eric Welt of Mesirow.

The Committee ranked each firm from 1 to 3, with 1 ranking the highest.

	BHM&S	DRZ	Mesirow
Mr. Hennigan	1	3	2
Mr. Lawyer	3	2	1
Mr. McGimsey	2	3	1
Mr. Napper	1	3	2
Dr. Nelson	3	1	2
Mr. Parauka (A)	3	1	2
Dr. Taylor	3	1	2
Dr. Baudin	3	2	1
Dr. Abshire	3	2	1
Total	22	18	14

Mesirow ranked highest followed by DRZ and BHM&S, respectively.

ON MOTION OF MR. LAWYER, SECONDED BY MR. PARAUKA, AND CARRIED, the Committee voted to hire Mesirow Financial Equity Management as Small Cap Value Manager, subject to fee negotiation.

### **Presentation and Approval of the SFP for Large Cap Value Manager**

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

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to approve the SFP for Large Cap Value Manager.

### **Appoint Subcommittee to Review Responses to the SFP for Mid Cap Growth Manager**

Dr. Abshire appointed the following to serve on the Subcommittee to Review the SFP for Mid Cap Growth Manager: Mrs. Gildig as Chair, Dr. Abshire, Mr. Napper, Mr. Lawyer, and Dr. Taylor.

## **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. Russ Ivinjack presented Aon Hewitt's June 7, 2018 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through April 30, 2018.

### **Portfolio Review**

Scott Coopridier (Aon Hewitt) and Dana Brown (TRSL) reviewed Large Cap Value Managers: LSV Asset Management and MacQuarie Investment Management; and Emerging Market Equity Managers: Dimensional Fund Advisors (Value) and Harding Loevner (Growth).

### **Adjournment**

ON MOTION OF MR. PARAUKA, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to adjourn at 2:36 p.m.

**Teachers' Retirement System of Louisiana  
Legislative Committee  
Upon Adjournment of Investment Committee – Thursday  
June 7, 2018**

**MEMBERS PRESENT:** Robert Lawyer, Rick McGimsey (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. James Taylor, Dr. Sheryl Abshire, and Dr. Jerry Baudin

**MEMBERS ABSENT:** Holly Gildig, Senator Barrow Peacock, and Representative J. Kevin Pearson

**OTHER MEMBERS PRESENT:** Britt Colon, David Hennigan, Dr. Tia Mills, Dr. Paul Nelson, John Parauka, and Kelly Thompson

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Adam Averite, Ed Branagan, Andrea Guntz, Robyn Jenkins-King, Steve Marangos, Will Merrill, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Douglas Swenson

**Roll Call**

Mr. Lawyer called the meeting to order at 2:40 p.m. The secretary called the roll and a quorum was established.

**Update and Discussion of 2018 Regular and 2nd Extraordinary Sessions**

Mrs. Vicknair reviewed legislation monitored by TRSL in the 2<sup>nd</sup> Extraordinary Session.

The Senate Retirement Committee met May 7, 2018. The Joint Legislative Committee on the Budget (JLCB) met May 16, 2018 and approved TRSL's FY18/19 Budget.

Mrs. Vicknair updated the Committee on legislation affecting and monitored by TRSL during the Regular Session which passed and has been signed by the governor.

**Adjournment**

ON MOTION OF DR. TAYLOR, SECONDED BY DR. ABSHIRE, AND CARRIED, the Committee voted to adjourn at 2:59 p.m.



**Teachers' Retirement System of Louisiana  
Executive Committee  
Upon Adjournment of Legislative Committee – Thursday  
June 7, 2018**

**MEMBERS PRESENT:** Dr. Jerry Baudin, Dr. Sheryl Abshire Robert Lawyer, Jim Napper (Treasurer's Designee), Dr. James Taylor, and David Hennigan

**MEMBERS ABSENT:** Holly Gildig

**OTHER MEMBERS PRESENT:** Britt Colon, Rick McGimsey (Commissioner's Designee), Dr. Tia Mils, Dr. Paul Nelson, John Parauka, and Kelly Thompson

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Jeff LaCour, Phil Griffith, Adam Averite, Ed Branagan, Dana Brown, Andrea Guntz, Robyn Jenkins-King, Steve Marangos, Will Merrill, Dionne Rabalais, Davorio Stevenson, Matt Tessier, Charlene Wilson, Laurie Wright, Debbie Boudreaux, and Lisa Barousse

**OTHERS PRESENT:** Douglas Swenson

**Roll Call**

Dr. Baudin called the meeting to order at 3:00 p.m. The secretary called the roll and a quorum was established.

**Presentation and Approval of Proposed Meeting Dates for 2019**

Mrs. Vicknair presented proposed TRSL 2019 Board of Trustees meeting dates.

Dr. Taylor moved and Mr. Napper seconded a motion to adopt Board of Trustees' 2019 meeting dates as follows: January 10 & 11, February 7 & 8, March 7 & 8, April 4 & 5, May 2 & 3, June 6 & 7, July 11 & 12, August 1 & 2, September 5 & 6, October 3 & 4, November 7 & 8, and December 5 & 6. After discussion regarding moving the meeting dates to the second Thursday and Friday of each month, action on the item was deferred until the July board meeting.

**Adjournment**

ON MOTION MR. LAWYER, SECONDED BY MR. NAPPER, AND CARRIED, the Committee voted to adjourn at 3:10 p.m.