

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Legislative Committee – Friday
March 4, 2016**

MEMBERS PRESENT: Dr. Jerry Baudin, Kimberly Flair, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Superintendent Lonnie Luce, Dr. Tia Mills, John Parauka, and Dr. James Taylor

MEMBERS ABSENT: Robert Lawyer, Dr. Sheryl Abshire, Rick McGimsey, (Commissioner's Designee), Jim Napper (Treasurer's Designee), Senator Barrow Peacock, Representative J. Kevin Pearson, and State Superintendent John White

STAFF PRESENT: Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Randall Harrison, Lisa Honore, Robyn Jenkins-King, Lynnie Johnson, Jeff LaCour, Steve Marangos, Dionne Rabalais, Duke Williams, Katherine Whitney, Charlene Wilson, Laurie Wright, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster; Rodney Watson and Renee Siccone, Louisiana Retired Teachers' Association; and Ryan Gremillion, Louisiana Department of Education

Each member of the Board received the following:

1. March 2016 Board Book
2. Investment Committee Meeting March 3, 2016, Performance Report – January 31, 2016
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Aon Hewitt Investment Consulting, Inc.; Mercer; Global Infrastructure Partners; and Artisan
4. *2016 1st Extraordinary Legislative Session Legislation MONITORED by TRSL Board as of March 3, 2016; 2016 Regular Legislative Session Legislation AFFECTING TRSL as of March 3, 2016; and 2016 Regular Legislative Session Legislation MONITORED by TRSL Board as of March 3, 2016*
5. 02/29/2016 Letter to Maureen H. Westgard from Shelley Johnson regarding 2016 Legislative Session bill review and actuarial cost impact to TRSL
6. *Cleanup and Related Bills Comparison*

Dr. Baudin called the meeting to order at 10:15 a.m. Superintendent Luce 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 February 5, 2016 (Including Minutes of Committee Meetings held February 4 and 5, 2016)

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held February 5, 2016 (Including Minutes of committee meetings held February 4 and 5, 2016).

Investment Committee Report

ON MOTION OF MS. HATTAWAY, SECONDED BY MR. HENNIGAN, 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 DR. BAUDIN, SECONDED BY MS. FLAIR, AND CARRIED, the Board voted to accept the report of the Legislative Committee and to approve the recommendations contained therein.

Director's Update

There were no updates.

Adjournment

ON MOTION OF MRS. GILDIG, SECONDED BY MS. FLAIR, AND CARRIED, the Board voted to adjourn at 10:35 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
8:30 a.m. – Thursday
March 3, 2016**

MEMBERS PRESENT: Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Holly Gildig, John Parauka, and Kimberly Flair

MEMBERS ABSENT: Dr. Sheryl Abshire, Robert Lawyer, Rick McGimsey (Commissioner's Designee), Senator Barrow Peacock, and Representative J. Kevin Pearson

OTHER MEMBERS PRESENT: Joyce Haynes, Superintendent Lonnie Luce, Dr. Tia Mills, and Dr. James Taylor

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

OTHERS PRESENT: Shelley Johnson, Foster & Foster; Paul Yett, Hamilton Lane Advisors, LLC; Scott Coopriker, Russ Ivinjack, and Rishi Delvadia, Aon Hewitt Investment Consulting, Inc.; Andrew Ness, Mike Paolucci, and Joe Libbra, Mercer; Jon Bram, Global Infrastructure Partners; and Sean Howley, Artisan

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 Mr. Parauka and Ms. Flair to serve on the Committee as alternates for Dr. Abshire and Mrs. Haynes.

Private Market Update and Review of Potential Private Market Investments

Paul Yett of Hamilton Lane Advisors, L.L.C. presented the private market update.

Mr. Yett reviewed a potential alternative investment in Global Infrastructure Partners III.

Jon Bram of Global Infrastructure Partners appeared before the Committee to give a presentation on Global Infrastructure Partners III.

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 March 3, 2016, pertaining to investments in Global Infrastructure Partners III (up to \$50 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in TPG VII, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. FLAIR, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated March 3, 2016, pertaining to investments in TPG VII, L.P. (up to \$25 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Yett reviewed a potential alternative investment in Waterton Mining Parallel Fund Onshore Master, LP

ON MOTION OF DR. BAUDIN, SECONDED BY MS. FLAIR, AND CARRIED, consistent with the alternative investment guidelines, the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated March 3, 2016, pertaining to investments in Waterton Mining Parallel Fund Onshore Master, LP (up to \$25 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

TRSL 2015 Venture Capital Separate Account Update

Mr. Yett updated the Committee on TRSL's 2015 Venture Capital Separate Account.

ON MOTION OF MRS. GILDIG, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to receive the 2015 Venture Capital Separate Account report as presented.

Private Market Annual Committee Reports

Mr. Yett presented private market annual committee reports on: Energy Capital Partners, Kohlberg & Company, KPS Capital Partners, and Platinum Equity Capital Partners.

ON MOTION OF MRS. GILDIG, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports as presented.

Appointment of Subcommittee to Review Responses to the SFP for Domestic Large Cap Growth Manager

Ms. Hattaway appointed the following to serve on the Subcommittee to Review Responses to the SFP for Domestic Large Cap Growth Manager: Mrs. Gildig as Chair, Dr. Abshire, Mr. Hennigan, Dr. Baudin, and Mr. Napper.

Presentation and Review of the SFP for Global Bond Manager

Mr. Griffith presented the SFP for Global Bond Manager.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the SFP for Global Bond Manager.

Asset Allocation – Behaviors and Parameters

Russ Ivinjack and Scott Coopridier of Aon Hewitt Investment Consulting presented *Asset Allocation – Behaviors and Parameters*. The presentation qualified for one hour of Investment Education for Trustees.

Defined Contribution Investment Policy Statement Basics

Andrew Ness, Mike Paolucci and Joe Libbra of Mercer presented *Defined Contribution Investment Policy Statement Basics*. The presentation qualified for .75 hour of Investment Education for Trustees.

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. Mr. Coopridier presented Aon Hewitt's March 3, 2016 portfolio summary report. Staff and Consultant reviewed performance of TRSL investments through January 31, 2016.

Portfolio Review

Rishi Delvadia (Aon Hewitt) and Dana Brown (TRSL) reviewed the following managers:

International Equity Developed

- Baillie Gifford Overseas Limited (ACWI)
- LSV Asset Management (ACWI)

International Large

- MFS Institutional Advisors, Inc. (Value)
- Artisan Partners (Growth) - Sean Howley presented Artisan's portfolio review.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 2:25 p.m.

Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
March 4, 2016

- MEMBERS PRESENT:** Dr. Jerry Baudin, Jim Napper (Treasurer's Designee), Dr. James Taylor, Superintendent Lonnie Luce, Joyce Haynes, Senator Barrow Peacock, and Kimberly Flair
- MEMBERS ABSENT:** Robert Lawyer, Dr. Sheryl Abshire, Rick McGimsey (Commissioner's Designee), and Representative J. Kevin Pearson
- OTHER MEMBERS PRESENT:** Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Dr. Tia Mills, and John Parauka
- STAFF PRESENT:** Maureen Westgard, Stuart Cagle, Phil Griffith, Dana Vicknair, Roy Mongrue, Jr., Ed Branagan, Dana Brown, Maurice Coleman, Lisa Honore, Robyn Jenkins-King, Jeff LaCour, Steve Marangos, Dionne Rabalais, Matt Tessier, Duke Williams, Katherine Whitney, Laurie Wright, Dana Lee Haltom, and Lisa Barousse
- OTHERS PRESENT:** Shelley Johnson, Foster & Foster; Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Margaret Corley, Louisiana Senate Retirement Committee; Rodney Watson, Louisiana Retired Teachers' Association; and Ryan Gremillion, Louisiana Department of Education

Roll Call

Dr. Baudin called the meeting to order at 8:30 a.m. The secretary called the roll and a quorum was established. Dr. Baudin appointed Ms. Flair to serve on the Committee as an alternate for Dr. Abshire.

Update on Meetings

Ms. Westgard updated the Committee on the Senate Retirement Committee meeting of February 17, 2016. Ms. Westgard and Mrs. Vicknair attended the Lincoln Parish Retired

Teachers' Association meeting in Ruston on March 2nd. Ms. Westgard and Rodney Watson (LRTA) will attend the Louisiana Retired Superintendents' Association meeting Monday, March 7th in Cottonport.

Update and Discussion of 2016 Legislative Sessions

- **Special Session**

Ms. Westgard and Ms. Whitney updated the Committee on the Special Session and the bills TRSL is monitoring.

- **Legislation Affecting TRSL**

Ms. Westgard, Mr. Mongrue, Ms. Whitney, and Mrs. Johnson reviewed the bills affecting TRSL that have been filed for the 2016 Legislative Session. The Committee took action on the bills as follows:

Board Sponsored

ON MOTION OF MR. NAPPER, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to support SB 4 by Senator Peacock.

ON MOTION OF DR. TAYLOR, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to support SB 5 by Senator Peacock.

Administrative Expenses

ON MOTION OF DR. TAYLOR, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to support HB 15 by Representative Pearson.

ON MOTION OF MS. FLAIR, SECONDED BY DR. TAYLOR AND CARRIED, the Committee voted to take no position on HB 47 by Representative Ivey.

Board Membership

ON MOTION OF MR. NAPPER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to take no position on HB 14 by Representative Pearson.

ON MOTION OF SUPERINTENDENT LUCE, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to oppose HB 48 by Representative Ivey.

Board Training

ON MOTION OF MS. FLAIR, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to remain neutral on HB 63 by Representative Ivey.

Board Actuary Appointment

ON MOTION OF MS. FLAIR, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to oppose HB 51 by Representative Ivey.

Unfunded Accrued Liability (UAL)

Ms. Whitney reviewed the *Cleanup and Related Bills Comparison* (SB 20, SB 18, HB 21, and HB 32).

ON MOTION OF MS. FLAIR, SECONDED BY MR. NAPPER AND CARRIED, the Committee voted to take no position on SB 20 by Senator Peacock.

ON MOTION OF MS. FLAIR, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to take no position on SB 18 by Senator Peacock.

ON MOTION OF MS. FLAIR, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to take no position on HB 21 by Representative Jones.

Employer Contributions

MS. FLAIR made a MOTION to remain neutral on HB 62 by Representative Ivey. DR. TAYLOR SECONDED the motion, and MR. NAPPER OBJECTED to the motion. After discussion Mr. Napper withdrew his objection; however asked to abstain. The secretary called the roll and the motion passed by a vote of 4 yeas, 1 nay, and 1 abstention. Ms. Flair, Mrs. Haynes, Dr. Taylor and Dr. Baudin voted yea; Superintendent Luce voted nay, and Mr. Napper abstained.

PBIs/COLAs

ON MOTION OF DR. TAYLOR SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to support SB 2 by Senator Peacock.

ON MOTION OF MR. NAPPER SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to take no position on HB 32 by Representative Jones.

ON MOTION OF MR. NAPPER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **take no position** on HB 33 by Representative Jones.

Benefit Structure

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **oppose** HB 45 by Representative Ivey.

ON MOTION OF MRS. HAYNES, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **oppose** HB 46 by Representative Ivey.

ON MOTION OF MR. NAPPER, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to **oppose** HB 49 by Representative Ivey.

ON MOTION OF SUPERINTENDENT LUCE, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to **oppose** HB 50 by Representative Ivey.

ON MOTION OF DR. TAYLOR SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **oppose** HB 65 by Representative Ivey.

ON MOTION OF MR. NAPPER, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to **take no position** ON HB 66 by Representative Ivey.

Optional Retirement Plan

ON MOTION OF DR. TAYLOR, SECONDED BY SUPERINTENDENT LUCE, AND CARRIED, the Committee voted to **remain neutral** on SB 17 by Senator Peacock.

Return to Work

ON MOTION OF MR. NAPPER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **remain neutral** on HB 60 by Representative Miguez.

ON MOTION OF MR. NAPPER, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **remain neutral** on HB 61 by Representative Hoffmann.

Investments Reporting

ON MOTION OF MRS. HAYNES, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **take no position** on HB 64 by Representative Jones.

Public Retirement Systems' Actuarial Committee (PRSAC)

ON MOTION OF DR. TAYLOR, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to **oppose** HB 52 by Representative Ivey.

Purchasing Service Credit

ON MOTION OF SUPERINTENDENT LUCE, SECONDED BY MRS. HAYNES, AND CARRIED, the Committee voted to **support** HB 13 by Representative Pearson.

- **Legislation Monitored by TRSL**

Ms. Whitney reviewed legislation being monitored by TRSL.

Adjournment

ON MOTION OF SUPERINTENDENT LUCE, SECONDED BY MS. FLAIR, AND CARRIED, the Committee voted to adjourn at 10:10 a.m.