

**Teachers' Retirement System of Louisiana
Board of Trustees
Upon Adjournment of Executive Committee – Friday
May 6, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Jerry Baudin, Holly Gildig, Kathy Hattaway, Joyce Haynes, David Hennigan, Superintendent Lonnie Luce, Rick McGimsey, (Commissioner's Designee), Jim Napper (Treasurer's Designee), Dr. Tia Mills, and Dr. James Taylor

MEMBERS ABSENT: Dr. Sheryl Abshire, Kimberly Flair, John Parauka, 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., Dana Brown, Tanya Brown, Marlene Burke, Heidi Cautrell, Megan Coco, Maurice Coleman, Raven Duncil, Patricia Edmonson, Jodi Fekete, Dana Lee Haltom, Joy Irwin, Eric James, Jeff LaCour, Steve Marangos, Sharon Parker, Dionne Rabalais, Joanna Rome, Dee Rose, Jessica Trosclair, Duke Williams, Katherine Whitney, Charlene Wilson, Laurie Wright, Pamela Young, and Lisa Barousse

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Rodney Watson, Louisiana Retired Teachers' Association; Laura Gail Sullivan, Louisiana Senate; and Ryan Gremillion, Louisiana Department of Education

Each member of the Board received the following:

1. May 2016 Board Book
2. Investment Committee Meeting April 7, 2016, Performance Report – March 31, 2016
3. Investment Committee Presentations: Hamilton Lane Advisors, LLC; Aon Hewitt Investment Consulting, Inc.; Colony Capital, Inc.; Hancock Agricultural Investment Group; Brown Advisory, LLC; Loomis, Sayles & Company, L.P.; and Morgan Stanley Investment Management
4. Memorandum of 04/28/16 to Board of Trustees from Maureen Westgard regarding 2016-2017 Operating Budget
5. *2016 Bills Affecting TRSL - Legislative Action Since April 8, 2016; Regular Legislative Session Legislation MONITORED by TRSL Board as of May 5, 2016; and 2016 Regular Legislative Session Legislation AFFECTING TRSL as of May 5, 2016*
6. *Ahoy! Let's SAIL-ebrate Public Service Recognition Week! 2016 TRSL Service Awards*

Mr. Lawyer called the meeting to order at 9:30 a.m. Dr. Baudin 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 April 8, 2016 (Including Minutes of Committee Meetings held April 7 and 8, 2016)

ON MOTION OF DR. MILLS, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to approve the Minutes of the Meeting of the TRSL Board of Trustees held April 8, 2016 (Including Minutes of Committee Meetings held April 7 and 8, 2016).

Investment Committee Report

ON MOTION OF MS. HATTAWAY, SECONDED BY DR. BAUDIN, 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 MRS. HAYNES, AND CARRIED, the Board voted to accept the report of the Legislative Committee.

Executive Committee Report

ON MOTION OF MR. LAWYER, SECONDED BY MRS. GILDIG, AND CARRIED, the Board voted to accept the report of the Executive Committee.

Recognition of Staff Service Awards

Mr. Lawyer made comments thanking TRSL staff for their hard work and dedication and recognized TRSL's longest-serving staff members. Ms. Westgard also thanked staff for their public service and contributions to TRSL.

Presentation of Resolution Honoring Superintendent Alonzo R. "Lonnie" Luce

Mr. Lawyer presented a Resolution Honoring Superintendent Luce for his service as a Trustee on the Board, which is included following these minutes.

Superintendent Luce thanked the Board and commented how impressed he has been with Trustees, TRSL leadership, staff, actuaries and the speed with which information is provided.

Director's Update

Ms. Westgard updated the Board on the following items:

- Report on Candidates Who Have Qualified for the 2016 Trustee Elections in Districts 3, 5 and 6:

District 3

- Tia Mills, Ed.D., Autistic Teacher, East Baton Rouge Parish School System
- Teicha Warner Woods, Education Coordinator, Louisiana Office of Juvenile Justice

District 5

- Grady "Andy" Allred, Principal, Union Parish School System
- Holly Bridges Gildig, Teacher, Tangipahoa Parish School System
- Candace Standberry Robertson, Ed.D., Chief of Academic Operations, St. Helena Parish School System

District 6

- Rickey Julien, Sr., M.Ed., Teacher St. Landry Parish School System

NOTE: A letter of intent from a member in District 6 was received in the TRSL office after the qualifying deadline of 4:30 p.m., Friday, April 29. It was received Monday, May 2. The member was notified that TRSL was unable to accept his letter of intent per the board's election policy. Member: Jared Gibbs, West Baton Rouge Parish School Board.

Adjournment

ON MOTION OF MR. HENNIGAN, SECONDED BY MRS. HAYNES, AND CARRIED, the Board voted to adjourn at 9:55 a.m.

**Teachers' Retirement System of Louisiana
Subcommittee to Review Proposals and Recommend Finalists
for Emerging Markets Equity Manager
8:30 a.m. – Thursday
May 5, 2016**

MEMBERS PRESENT: Dr. Jerry Baudin, Jim Napper (Treasurer's Designee) Kathy Hattaway, Joyce Haynes, and Robert Lawyer

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Kimberly Flair, Holly Gildig, David Hennigan, Superintendent Lonnie Luce, and Dr. James Taylor

STAFF PRESENT: Stuart Cagle, Maurice Coleman, Duke Williams, Dana Vicknair, Katherine Whitney, Dana Lee Haltom, and Lisa Barousse

OTHERS PRESENT: Scott Coopridger, Rishi Delvadia, Russ Ivinjack, and David Rose, Aon Hewitt Investment Consulting

Roll Call

Dr. Baudin 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

Dana Brown (TRSL), Rishi Delvadia, Scott Coopridger and Russ Ivinjack of Aon Hewitt Investment Consulting (AHIC) presented an overview of the following firm's responses to the SFP for Emerging Markets Equity Manager: Dimensional Fund Advisors (Value), Dimensional Fund Advisors (Core), Harding Loevner LP, Schroder Investment Management and Baillie Gifford Overseas Limited (All Cap).

ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent Dimensional Fund Advisors (Value) be retained, subject to fee negotiations, and the following be interviewed: Harding Loevner LP, Schroder Investment Management, and Baillie Gifford Overseas Limited (All Cap).

Adjournment

ON MOTION OF MR. LAWYER SECONDED BY MS. HATTAWAY, AND CARRIED, the Committee voted to adjourn at 8:58 a.m.

**Teachers' Retirement System of Louisiana
Investment Committee
Upon Adjournment of Subcommittee to Review Proposals and Recommend Finalists
for Emerging Markets Equity Manager – Thursday
May 5, 2016**

MEMBERS PRESENT: Kathy Hattaway, David Hennigan, Dr. Jerry Baudin, Holly Gildig, Joyce Haynes, Rick McGimsey (Commissioner's Designee), Robert Lawyer, and Kimberly Flair

MEMBERS ABSENT: Dr. Sheryl Abshire, Jim Napper (Treasurer's Designee), Senator Barrow Peacock, and Representative J. Kevin Pearson

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

STAFF PRESENT: 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: Paul Yett, Matthew Silverio, Andrea Kramer, and Jerry Gates, Hamilton Lane Advisors, L.L.C.; Scott Coopriider, Russ Ivinjack, Rishi Delvadia, and David Rose, Aon Hewitt Investment Consulting; Kevin P. Traenkle, David S. Schwarz, and Rommel A. Marseille, Colony Capital, Inc.; Stephen Kenney and Oliver Williams, IV of Hancock Agricultural Investment Group; Ken Stuzin and Mary Gregory, Brown Advisory; Aziz Hamzaogullari and Chad Gross, Loomis Sayles; and Mike Chambers, Armistead Nash and Mary Sue Marshall, Morgan Stanley

Roll Call

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

Report of the Subcommittee to Review Proposals and Recommend Finalists for Emerging Markets Equity Manager

Dr. Baudin presented the report of the Subcommittee.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. LAWYER, AND CARRIED, the Committee voted to approve the following report of the Subcommittee to Review Proposals and Recommend Finalists for Emerging Markets Equity Manager SFP:

“ON MOTION OF MR. LAWYER, SECONDED BY MS. HATTAWAY, AND CARRIED, the Subcommittee voted to recommend to the Investment Committee that incumbent Dimensional Fund Advisors (Value) be retained, subject to fee negotiations, and the following be interviewed: Harding Loevner LP, Schroder Investment Management, and Baillie Gifford Overseas Limited (All Cap).”

Private Market Update and Review of Potential Private Market Investments

Paul Yett, Matthew Silverio, Andrea Kramer, and Jerry Gates of Hamilton Lane Advisors, L.L.C., appeared before the Committee to present private market items.

Mr. Yett presented the private market update.

Colony Ground Lease Strategic Fund

Mr. Gates and Ms. Kramer reviewed a potential alternative investment in Colony Ground Lease Strategic Fund.

David Rose and Russ Ivinjack of Aon Hewitt Investment Consulting (AHIC), presented AHIC's Colony Capital Ground Lease Strategy Initial Review.

Kevin P. Traenkle and David S. Schwarz of Colony Capital, Inc. gave a presentation on the fund.

MR. LAWYER MOVED AND DR. BAUDIN SECONDED A MOTION to receive the Hamilton Lane report, including the due-diligence process dated May 5, 2016, pertaining to investments in Colony Ground Lease Strategic Fund and to further instruct Hamilton Lane not to proceed with the investment, in accordance with the terms of the Hamilton Lane contract.

MR. HENNIGAN OFFERED A SUBSTITUTE MOTION to receive the Hamilton Lane report, including the due-diligence process dated May 5, 2016, pertaining to investments in Colony

Ground Lease Strategic Fund (up to \$25 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

There was no second to the substitute motion; the original motion was considered and approved without objection.

Hancock Agriculture Separate Account

Ms. Kramer and Mr. Yett reviewed a potential alternative investment in Hancock Agriculture Separate Account.

Stephen Kenney and Oliver Williams, IV of Hancock Agricultural Investment Group appeared before the Committee to give a presentation on Hancock Agriculture Separate Account.

ON MOTION OF MR. LAWYER, 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 May 5, 2016, pertaining to investments in Hancock Agriculture Separate Account (up to \$75 million) subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

GSO Capital Opportunities Fund III L.P.

Ms. Kramer and Mr. Yett reviewed a potential alternative investment in GSO Capital Opportunities Fund III L.P.

ON MOTION OF MR. LAWYER, 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 May 5, 2016, pertaining to investments in GSO Capital Opportunities Fund III L.P. (up to \$125 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Asset Allocation: Target Asset Class Allocation Presentation and Discussion

Scott Coopridner and Russ Ivinjack, AHIC, presented *Liquidity Analysis and Asset Allocation Results*. The presentation qualified as 1.25 hours of Investment Education for Trustees.

ON MOTION OF MR. LAWYER, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee instructed Hewitt to present the portfolio asset allocations without hedge funds at the June meeting.

Interview Finalists and Recommend Successful Candidate Firm for Domestic Large Cap Growth Manager

Mr. Coopriider presented an overview of the finalist firms: Brown Advisory LLC (Brown); Loomis, Sayles & Company, L.P. (Loomis Sayles); and Morgan Stanley Investment Management (Morgan Stanley).

The following representatives of each firm appeared before the Committee to be interviewed:

- Ken Stuzin and Mary Gregory, Brown Advisory
- Aziz Hamzaogullari and Chad Gross, Loomis Sayles
- Mike Chambers, Armistead Nash and Mary Sue Marshall, Morgan Stanley

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

	Brown	Loomis Sayles	Morgan Stanley
Dr. Baudin	1	3	2
Mrs. Gildig	1	3	2
Ms. Flair (A)	3	2	1
Mrs. Haynes	3	2	1
Mr. Hennigan	3	2	1
Mr. Lawyer	1	3	2
Ms. Hattaway	1	2	3
	13	17	12

Morgan Stanley ranked the highest, followed by Brown, then Loomis Sayles.

ON MOTION OF MR. LAWYER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to hire Morgan Stanley for Domestic Large Cap Growth Manager, subject to fee negotiation.

Capital Market Update and Review of TRSL Investments

Monthly Investment Review

Mr. Coleman presented an overview of TRSL's total plan and public and private market investments through March 31, 2016. Mr. Ivinjack presented AHIC's May 5, 2016 portfolio summary report.

Portfolio Review

Mr. Delvadia and Mr. Brown reviewed Fixed Income Core & Core Plus Managers:

- J.P. Morgan Investment Management, Inc. (Core)
- Prudential Fixed Income (Core)
- Loomis Sayles (Core Plus)

Adjournment

ON MOTION OF MRS. HAYNES, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 3:50 p.m.

**Teachers' Retirement System of Louisiana
Legislative Committee
8:30 a.m. – Friday
May 6, 2016**

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

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 Mrs. Gildig to serve on the Committee as an alternate for Dr. Abshire.

Discussion and Review of 2016 Legislative Session

Update on Meetings

The TRSL 2016/2017 Budget will be heard at the Joint Legislative Committee on the Budget (JLCB) meeting on May 20th. Ms. Westgard noted that the budget was revised to remove merit

increases, reflect a reduction of three staff, and a reduction in investment fees, resulting in a 3.9% decrease from the 2015-2016 budget.

Legislation Affecting TRSL

Ms. Westgard presented a status update on bills affecting TRSL, including committee and floor actions on the bills as of May 5th.

Ms. Westgard, Mr. Lawyer, and Dr. Baudin recognized staff for their hard work and contributions during the legislative session.

Legislation Monitored by TRSL

Ms. Whitney presented a status update on legislation monitored by TRSL.

Adjournment

ON MOTION OF MR. NAPPER, SECONDED BY MRS. GILDIG, AND CARRIED, the Committee voted to adjourn at 9:05 a.m.

**Teachers' Retirement System of Louisiana
Executive Committee
Upon Adjournment of Legislative Committee – Friday
May 6, 2016**

MEMBERS PRESENT: Robert Lawyer, Dr. Jerry Baudin, Kathy Hattaway, Joyce Haynes, David Hennigan, and Jim Napper (Treasurer's Designee)

MEMBERS ABSENT: Dr. Sheryl Abshire

OTHER MEMBERS PRESENT: Holly Gildig, Superintendent Lonnie Luce, Rick McGimpsey, (Commissioner's Designee), Dr. Tia Mills, and Dr. James Taylor

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

OTHERS PRESENT: Shelley Johnson, Foster & Foster Actuaries and Consultants; Charles Hall, Hall Actuarial Associates; Shane Riddle, Louisiana Association of Educators; Ryan Gremillion, Louisiana Department of Education; Rodney Watson, Louisiana Retired Teachers' Association; and Laura Gail Sullivan, Louisiana Senate

Roll Call

Mr. Lawyer called the meeting to order at 9:06 a.m. The secretary called the roll and a quorum was established.

Update and Discussion of August and September 2016 Meeting Dates

Ms. Westgard presented alternative meeting date options for the August and September 2016 Board and Committee meetings (for approval in June, dependent on the passage of SB 4).

Presentation of Proposed Meeting Dates for 2017

Ms. Westgard presented the Proposed Meeting Dates for 2017 (for review and subsequent approval at the June Executive Committee meeting).

Mr. Hennigan asked the Board to consider meeting on the second Thursday and Friday of each month due to conflicting dates of his employer's board meetings.

Reminder – Tier 2.1 Disclosure Form Due May 15, 2016

Mr. Mongrue reviewed the Tier 2.1 Disclosure form, which Trustees must submit by May 15, 2016.

Adjournment

ON MOTION OF DR. BAUDIN, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to adjourn at 9:20 a.m.