

Teachers' Retirement System of Louisiana  
Board of Trustees  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, Louisiana 70809  
Upon Adjournment of Personnel Committee - Thursday  
September 3, 2020

**MEMBERS PRESENT:** Dr. Jerry Baudin, Lotte Delaney, Ryan Gremillion (State Superintendent's Designee), David Hennigan, Ricky Julien, Sr., Dr. Tia Mills, Jim Napper (Treasurer's Designee), Neshelle Nogess, Suzette Riddle, Dr. Tom Stafford, and Dr. James Taylor

**MEMBERS ABSENT:** Holly Gildig, Senator Cleo Fields, Representative Lance Harris, Rick McGimsey (Commissioner's Designee), Dr. Paul Nelson, and Kelly Thompson

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Philip Griffith, Douglas Swenson, Jeff LaCour, Lisa Honore, Dana Brown, Maurice Coleman, and Lisa Barousse

**Others Present:** Shelley Johnson, Foster & Foster Actuaries and Consultants

Each member of the Board received the following:

1. September 2020 Board Book
2. Investment Committee Meeting September 3, 2020, Performance Report – July 31, 2020
3. Investment Committee Presentations from Hamilton Lane Advisors, LLC; Aon Investments; Wateron; and Morgan Stanley Investment Management
4. *Discussion of Assumed Rate of Return, September 3, 2020* - presentation by Shelley Johnson, Foster & Foster Actuaries and Consultants
5. *Equal Opportunity/Affirmative Action Plan, September 2, 2020*
6. Fiscal Year Update: *2019-2020 Workload Volumes; 2020 Fiscal Year Goals Status as of June 30, 2020; and Strategic Plan and Fiscal Year 2020-2021 Balanced Scorecard Goals*

Dr. Baudin called the meeting to order at 1:44 p.m. Ms. Nogess led the Pledge of Allegiance. The secretary called the roll and a quorum was established.

**Approval of Minutes of the Meeting of the TRSL Board of Trustees Held July 31, 2020 (Including Minutes of Committee Meetings held July 31, 2020)**

ON MOTION OF DR. TAYLOR, SECONDED BY MR. JULIEN, AND CARRIED, the Board voted to approve the Minutes of the meeting of the TRSL Board of Trustees held July 31, 2020 (including Minutes of Committee Meetings held July 31, 2020).

### **Executive Committee Report**

ON MOTION OF DR. BAUDIN, SECONDED BY MR. JULIEN, AND CARRIED, the Board voted to accept the report of the Executive Committee in globo, and to approve the recommendations contained therein.

### **Investment Committee Report**

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

### **Personnel Committee Report**

ON MOTION OF MR. NAPPER, SECONDED BY DR. TAYLOR, AND CARRIED, the Board voted to accept the report of the Personnel Committee in globo, and to approve the recommendations contained therein.

### **Director's Update**

Mrs. Vicknair updated the Board on the following:

- COVID-19 – TRSL
- Trustee Education – All trustees completed the education requirements for the period ending August 31, 2020. The new cycle began September 1, 2020. On-line presentations can be accessed through LAPERS and the Board of Ethics. Lisa Barousse will send an email with instructions on accessing the presentations and completing the Board certification form in order to receive credit for the presentations reviewed.
- District 5 and District 6 Elections - last day to vote is next Thursday, September 10<sup>th</sup>. The results of the primary election will be read at the October Elections Committee.
- Deputy Director – Ms. Whitney appointed Douglas Swenson as Deputy Director, effective October 5, 2020.

### **Adjournment**

ON MOTION OF MR. HENNIGAN, SECONDED BY MR. JULIEN, AND CARRIED, the Board voted to adjourn at 1:52 p.m.

**Teachers' Retirement System of Louisiana  
Executive Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809  
8:30 a.m. - Thursday  
September 3, 2020**

**MEMBERS PRESENT:** Dr. Jerry Baudin, Neshelle Nogess, David Hennigan, Ricky Julien, Sr., Dr. Tia Mills, Jim Napper (Treasurer's Designee); and Dr. James Taylor

**MEMBERS ABSENT:** Holly Gildig

**OTHER MEMBERS PRESENT:** Lotte Delaney, Ryan Gremillion (State Superintendent's Designee), Dr. Paul Nelson, Suzette Riddle, and Dr. Tom Stafford

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Douglas Swenson, Philip Griffith, Jeff LaCour, Lisa Honore`, Dana Brown, Maurice Coleman, Anne Rohmbach, and Lisa Barousse

**OTHERS PRESENT:** Shelley Johnson, Foster & Foster Actuaries and Consultants; and Rodney Watson, Louisiana Retired Teachers' Association

### **Roll Call**

Dr. Baudin called the meeting to order at 8:35 a.m. The secretary called the roll and a quorum was established. Dr. Baudin appointed Dr. Taylor to serve on the Committee. Mrs. Vicknair introduced and welcomed Ryan Gremillion to the Board as State Superintendent Brumley's designee on the Board.

### **Discussion of Assumed Rate of Return**

Shelley Johnson, Foster & Foster Actuaries and Consultants presented information on the Assumed Rate of Return based on June 30, 2020 numbers. The presentation qualified as .75 hour of actuarial education for trustees.

ON MOTION OF MR. NAPPER, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to adopt a 7.4% discount rate for FY 2021-2022 and authorize Shelley Johnson of Foster & Foster Actuaries and Consultants to use this discount rate to set the FY 2022 projected employer contribution rates as presented.

### **Update on 2020-2021 Affirmative Action Plan**

Ms. Whitney presented an update on the 2020-2021 Affirmative Action Plan.

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

### **Fiscal Year Update**

Mrs. Vicknair gave an overview of TRSL's Vision and Mission Statement, and Balanced Scorecard Goals.

Ms. Whitney reviewed the 2019-2020 Workload Volumes and July and August 2020 statistics.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the report.

Dr. Honore` reviewed the 2020 Fiscal Year Goals Status as of June 30, 2020.

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the FY 2020 Goals status report.

Dr. Honore` presented an overview of the Strategic Plan and Fiscal Year 2020-2021 Balanced Scorecard Goals

ON MOTION OF DR. TAYLOR, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to approve the Strategic Plan and Fiscal Year 2020-2021 Balanced Scorecard Goals as presented.

### **Review of Board Self-Evaluation Form (for approval of suggested changes in October)**

Dr. Honore' presented an overview of the Board Self Evaluation form and Board Governance Policy regarding review of the form each year for suggested changes. Please submit suggested changes to Dr. Honore' by Monday, September 21st for review and approval at the October Executive Committee meeting.

### **Presentation and Approval of Administrative Rules Regarding Chapter 9 (Computation of Final Average Compensation) and Chapter 5 (Deferred Retirement Option Plan (DROP))**

Mr. Swenson presented Administrative Rules Regarding Chapter 9 (Computation of Final Average Compensation) and Chapter 5 (Deferred Retirement Option Plan (DROP)) for final approval.

ON MOTION OF MR NAPPER, SECONDED BY MR. HENNIGAN AND CARRIED, the Committee voted to approve the Administrative Rules Regarding Chapter 9 and Chapter 5 as presented.

**Presentation of Administrative Rules Regarding Chapter 1 (General Provisions)**

Mr. Swenson presented a review of Administrative Rules Regarding Chapter 1 (General Provisions).

ON MOTION OF MR. NAPPER, SECONDED BY MR. HENNIGAN, AND CARRIED, the Committee voted to receive the Administrative Rules Regarding Chapter 1 for approval as a Notice of Intent in October.

**Adjournment**

ON MOTION OF MR. HENNIGAN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to adjourn at 10:08 a.m.

Teachers' Retirement System of Louisiana  
Investment Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, Louisiana 70809  
Upon Adjournment of Executive Committee - Thursday  
September 3, 2020

**MEMBERS PRESENT:** David Hennigan, Dr. Paul Nelson, Neshelle Nogess, Jim Napper (Treasurer's Designee), Dr. James Taylor, Dr. Tom Stafford, Dr. Jerry Baudin, and Dr. Tia Mills

**MEMBERS ABSENT:** Holly Gildig, Rick McGimsey (Commissioner's Designee), Senator Cleo Fields, and Representative Lance Harris

**OTHER MEMBERS PRESENT:** Lotte Delaney, Ryan Gremillion (State Superintendent's Designee), Ricky Julien, Sr., and Suzette Riddle

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Douglas Swenson, Philip Griffith, Jeff LaCour, Lisa Honore`, Dana Brown, Maurice Coleman, and Lisa Barousse

**OTHERS PRESENT:** Matt Silverio, Steve Gruber, and Ben Eckroth, Hamilton Lane Advisors, LLC; David Schwartz and Michelle Wells, Waterton; Scott Brown and Claiborne Johnston, Morgan Stanley Investment Management; and Scott Coopridger, Russ Ivinjack, and Rishi Delvadia, Aon Investments

**Roll Call**

Mr. Hennigan called the meeting to order at 10:16 a.m. The secretary called the roll and a quorum was established. Mr. Hennigan appointed Dr. Mills to serve on the Committee as an alternate for Mrs. Gildig.

**Private Market Update and Review**

Mr. Silverio, Mr. Gruber, and Mr. Eckroth of Hamilton Lane Advisors, LLC appeared before the Committee to present the private market items.

Mr. Silverio presented the private market update.

### Potential Private Market Investments

Mr. Gruber reviewed a potential alternative investment in Waterton Residential Property Venture XIV, L.P.

Mr. Schwartz and Ms. Wells of Waterton appeared before the Committee to give a presentation on the fund.

ON MOTION OF DR. BAUDIN, SECONDED BY DR. NELSON, AND CARRIED, consistent with the alternative investment guidelines the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated September 3, 2020 pertaining to investments in Waterton Residential Property Venture XIV, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Gruber reviewed a potential alternative investment in Core Real Estate - Morgan Stanley Prime Property Fund, LLC.

Scott Brown and Claiborne Johnston of Morgan Stanley Investment Management appeared before the Committee to give a presentation on the fund.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. NOGESS, AND CARRIED, consistent with the alternative investment guidelines the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated September 3, 2020 pertaining to investments in Morgan Stanley Prime Property Fund, LLC (up to \$400 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

Mr. Silverio reviewed a potential alternative investment in TCV XI, L.P.

ON MOTION OF DR. BAUDIN, SECONDED BY MR. NAPPER, AND CARRIED, consistent with the alternative investment guidelines the Committee voted to receive the Hamilton Lane report, including the due-diligence process dated September 3, 2020 pertaining to investments in TCV XI, L.P. (up to \$50 million), subject to final term negotiations completed within the timeline established by the Hamilton Lane contract.

### Private Market Annual Meeting Reports

Mr. Eckroth presented private market annual reports on American Securities Partners VI, VII & VIII, L.P.; Global Infrastructure Partners III & IV, L.P.; Sterling Value Add Partners III, L.P.; Summit Partners Credit Fund III, L.P.; TPG Real Estate Partners III, L.P.; and Trident VI & VII, L.P.

ON MOTION OF MR. NAPPER, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to receive the Hamilton Lane private market annual reports as presented.

### **Capital Market Update and Review of TRSL Investments**

Mr. Coopriider, Mr. Delvadia, and Mr. Ivinjack appeared before the Committee to present the 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. Coopriider presented Aon Investments' Monthly Investment Review. Staff and Consultant reviewed performance of TRSL investments through July 31, 2020.

#### **Portfolio Review**

Mr. Delvadia and Mr. Brown reviewed International Small Cap Managers: Dimensional Fund Advisors and Mondrian Investment Partners; and SMID managers: Quantitative Management Associates, LLC and William Blair.

### **Annual Evaluation of Custodian - Bank Of New York/Mellon**

Mr. Griffith presented a report on the annual evaluation of the investment custodian bank – BNY Mellon Asset Services.

ON MOTION OF DR. BAUDIN, SECONDED BY MS. NOGESS, AND CARRIED, the Committee voted to receive the report on the annual evaluation of the investment custodian bank.

### **Annual Evaluation of Investment Consulting Firms – Aon Investments (General) and Mercer (ORP)**

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

MR. NAPPER MOVED AND DR. BAUDIN SECONDED A MOTION to convene into Executive Session to review and discuss the professional competency of the general investment and optional retirement plan (ORP) consultants being evaluated, with the Director, Deputy Director, and the Chief Investment Officer to remain in the room. A roll-call vote was taken. The vote was unanimous with Mr. Napper, Dr. Nelson, Ms. Nogess, Dr. Stafford, Dr. Taylor, Dr. Baudin, and Mr. Hennigan voting yea; and the Committee convened into Executive Session.

MR. NAPPER MOVED AND DR. BAUDIN SECONDED A MOTION to reconvene into Regular Session. A roll-call vote was taken. The vote was unanimous with Mr. Napper, Dr. Nelson, Ms. Nogess, Dr. Stafford, Dr. Taylor, Dr. Baudin, and Mr Hennigan voting yea; and the Committee reconvened into Regular Session.



ON MOTION OF DR. BAUDIN, SECONDED BY DR. TAYLOR, AND CARRIED, the Committee voted to approve the annual evaluation of the consultant firms, Mercer and Aon Investments

**Adjournment**

ON MOTION OF DR. BAUDIN, SECONDED BY DR. NELSON, AND CARRIED, the Committee voted to adjourn at 1:26 p.m.

**Teachers' Retirement System of Louisiana  
Personnel Committee  
8401 United Plaza Blvd., 4<sup>th</sup> Floor, Baton Rouge, LA 70809  
Upon Adjournment of Investment Committee - Thursday  
September 3, 2020**

**MEMBERS PRESENT:** Jim Napper (Treasurer's Designee), Ricky Julien, Sr., Dr. James Taylor, Suzette Riddle, David Hennigan, Dr. Paul Nelson, Dr. Jerry Baudin, Neshelle Nogess, and Lotte Delaney

**MEMBERS ABSENT:** Holly Gildig, Kelly Thompson, and Dr. Tia Mills

**OTHER MEMBERS PRESENT:** Ryan Gremillion (State Superintendent's Designee) and Dr. Tom Stafford

**STAFF PRESENT:** Dana Vicknair, Katherine Whitney, Douglas Swenson, Philip Griffith, Jeff LaCour, Lisa Honore`, Dana Brown, Maurice Coleman, and Lisa Barousse

**Roll Call**

Mr. Napper called the meeting to order at 1:27 p.m. The secretary called the roll and a quorum was established. Mr. Napper appointed Ms. Nogess and Ms. Delaney to serve on the Committee as alternates for Mrs. Gildig and Mrs. Thompson.

**Annual Performance Evaluations**

MR. HENNIGAN MOVED AND DR. BAUDIN SECONDED a motion to convene into Executive Session to discuss the Director's evaluations of TRSL unclassified staff, as related to their character and professional competence, with the Director to remain in the room and the Deputy Director to remain in the room as requested by the Board. A roll-call vote was taken. The vote was unanimous with Ms. Delaney, Mr. Hennigan, Mr. Julien, Dr. Nelson, Ms. Nogess, Mrs. Riddle, Dr. Taylor, Dr. Baudin, and Mr. Napper voting yea; and the Committee convened into Executive Session.

MR. HENNIGAN MOVED AND DR. BAUDIN SECONDED a motion to reconvene into Regular Session. A roll-call vote was taken.

The vote was unanimous with Ms. Delaney, Mr. Hennigan, Mr. Julien, Dr. Nelson, Ms. Nogess, Mrs. Riddle, Dr. Taylor, Dr. Baudin, and Mr. Napper voting yea; and the Committee reconvened into Regular Session.

ON MOTION OF DR. TAYLOR, SECONDED BY MRS. RIDDLE, AND CARRIED, the Committee voted to receive the performance evaluations of the unclassified staff for the 2019-2020 rating period.

ON MOTION OF MR. HENNIGAN, SECONDED BY MRS. RIDDLE, AND CARRIED, the Committee voted to approve a 3% pay increase, effective October 1, 2020, for the following unclassified employees:

- Katherine Whitney, Deputy Director
- Jeff LaCour, Assistant Director
- Philip Griffith, Chief Investment Officer
- Douglas Swenson, Executive Counsel
- Lisa Honore`, Public Information Director
- Maurice Coleman, Deputy Chief Investment Officer
- Dana Brown, Public Markets Director
- Adam Averite, Private Asset Manager
- Davorio Stevenson, Director of Investment Operations

Mr. Napper thanked Mrs. Vicknair for her service and exemplary leadership as Director of TRSL.

### **Adjournment**

ON MOTION OF DR. TAYLOR, SECONDED BY DR. BAUDIN, AND CARRIED, the Committee voted to adjourn at 1:43 p.m.