

**Louisiana School Employees' Retirement System
Investment Committee Meeting**

Monday, April 10, 2017

9:00 a.m.

The Louisiana School Employees' Retirement System's Investment Committee Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Eugene Rester, Jr., Chairman of the Investment Committee, called the meeting to order at 9:00 a.m. The Committee recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Stark.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, *Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Penny Brown, Ms. Lori Pierce – designee for Mr. Ron Henson – State Treasurer, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Mr. Joe Salter – designee for Mr. Tom Schedler – Secretary of State

Members Absent: Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Representative Barbara Carpenter – House Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman - Chief Investment Officer, Ms. Laurie Stark – Administrative Assistant V, Ms. Ashley D. Simmons – Executive Staff Officer

Others Present: Mr. Jeffrey Boucek and Mr. Rob Hungerbuhler - Segal Marco Advisors, Ms. Nancy Breaux

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*Mr. Davis arrived at 9:16 a.m.

Ms. Barber left at 11:22 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- The Tier 2 Financial Disclosure Statement packets were distributed to each of the members of the Board of Trustees of LSERS' and are due to be returned to the Board of Ethics by May 15, 2017. Board members were informed that Mr. Robert Collins, Executive Counselor, is available for any assistance they may need.

- April 2017 Crossroads newsletters were mailed April 4, 2017.
- The Joint Legislative Committee on the Budget has tentatively scheduled a meeting for April 21, 2017 to consider and approve LSERS' FY 2017-18 operating budget.
- The PAR Guides have been distributed.
- The contract with Election America has been finalized and eligible voting members will be sent their ballots and will be able to vote by phone, online or by mail beginning May 1, 2017.
- The chiller has been installed and the expense removed from the 2017-18 budget.
- The 2017 Legislative Session begins today and will end June 8, 2017.

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Committee approved the agenda.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

Mr. Rester called for public comment on any item on the agenda. There were no comments.

PORTFOLIO PERFORMANCE REVIEW

Mr. Hungerbuhler provided an overview of market conditions and performance during February 2017. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance as of February 28, 2017*. He then addressed questions from the Committee.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the performance report by Segal.

DISCUSSION OF LIQUIDATION OF EASTERLY HOLDINGS

Mr. Freedman and Mr. Boucek provided an update on the status of investment in Easterly Government Properties.

STAFF REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Louisiana Broker

Securities Litigation

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the reports.

Current Case Review

Mr. Collins provided an overview of current litigation. He then addressed questions from the Committee.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the current case review.

SMALL CAP GROWTH MANAGER INTERVIEWS

Interviews were conducted with the following small cap growth managers:

Conestoga Capital Advisors

Joseph F. Monahan, CFA – Managing Partner, Portfolio Manager, Research Analyst
Mark S. Clewett, CFA – Managing Partners, Director of Institutional Sales and Client Service

Westfield Capital Management

Justin Moscardelli – Partner
Ethan J. Meyers, CFA – Managing Partner

Ranger Investment Management, LP

K. Scott Canon – Partner, President and Chief Executive Officer
W. Conrad Doenges – Partner, Chief Investment Officer and Portfolio Manager
Lewis Del Ponte – Vice President – Institutional Sales

SMALL CAP GROWTH DISCUSSION

Mr. Freedman, Mr. Boucek, and Mr. Hungerbuhler led discussion of Small Cap Growth management firms that had previously been interviewed and addressed questions from the committee.

ON MOTION BY MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to hire Conestoga Capital Advisors as the new Small Cap Growth portfolio manager.

OTHER BUSINESS

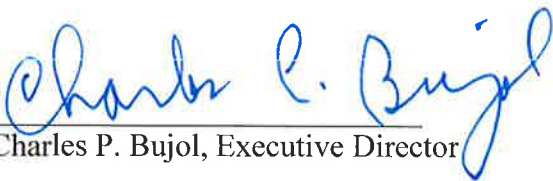
There was no other business to discuss.

PUBLIC COMMENTS

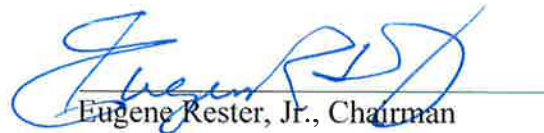
There were no public comments.

ADJOURNMENT

ON MOTION OF MR. FAULK, SECONDED BY MS. PIERCE AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 11:35 a.m.



Charles P. Bujol, Executive Director



Eugene Rester, Jr., Chairman