

Louisiana School Employees' Retirement System
Quarterly Board Meeting

Monday, December 4, 2017

9:00 a.m.

The Louisiana School Employees' Retirement System's Quarterly Board 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. Jeffrey Faulk, Sr., Chairman of Board, called the meeting to order at 9:02 a.m. The Board recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Ashley D. Simmons.

* * * * *

Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip 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: Rep. Barbara Carpenter - Committee on Retirement member appointed by the Speaker, Senator Barrow Peacock – Chairman, Senate 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. LaQuinta Jordan - Internal Auditor, Ms. Ashley D. Simmons – Executive Staff Officer

Others Present: Mr. Rob Hungerbuhler and Mr. Jeffrey Boucek - Segal Marco Advisors

* * * * *

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- The Board will need to elect a new Vice Chair Pro Tem at the January 8, 2018 Special meeting as Ms. Kathy Landry is vacating the position. Letters of Intent must be submitted directly to Mr. Charles Bujol.
- PRSAC has not met to approve LSERS' June 30, 2017 valuation.
- The December *Crossroads* newsletter will include information on the upcoming elections for Division 1 Retirement seat and the District 2 Active seat.

- Mr. Bujol and staff members, Ms. Cindy Jarrett and Ms. Mandy Schof from the Retirement Department, attended the November Louisiana School Bus Operators Association meeting.

APPROVAL OF AGENDA

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

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Hungerbuhler provided an overview of the market conditions and performance during the third quarter of 2017. This included an audio/visual presentation and a handout titled: *Analysis of Investment Performance, Third Quarter 2017*. They then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the portfolio performance report.

Mr. Bujol passed out the ACT 1004 Consolidated Quarterly report that all state and statewide retirement systems must report to the Legislature. He pointed out that LSERS' is first in performance for the ten-year outlook out of all Louisiana state and statewide retirement systems.

FLASH REPORT AND MANAGER WATCH LIST

Mr. Boucek and Mr. Hungerbuhler provided an overview of performance for the managers that are on the Manager Watch List and a report on preliminary investments. This included an audio/visual presentation and two handouts titled: *Preliminary Investment Performance as of October 31, 2017* and *Manager Watch List*. They then addressed questions from the Board.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Flash Report and the Manager Watch List.

INVESTMENT MANAGER REVIEWS

The following Investment Managers provided their presentations and then addressed questions from the Board, Investment Consultant, and LSERS administrative staff:

Schroder Investment Management N.A., Inc.

John Mensack, CFA – Senior Investment Director
Anthony Williams – US Institutional Business Development Director
Vivian Quaye – Institutional Manager

Loomis Sayles & Company, L.P.

Christopher Lazzaro – VP, Client Portfolio Manager
Roger Ackerman, VP, Product Manager

Orleans Capital Management

Emily C. Becker – Senior Portfolio Manager
Gary L. Welchel – Executive Vice President – Marketing

ON MOTION BY MS. LANDRY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved all the Investment Manager reports.

INVESTMENT REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Securities Litigation
Louisiana Broker

ON MOTION BY MS. BARBER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Investment reports.

ADMINISTRATION**Reports**

Ms. Forbes provided a review of the following reports then addressed questions from the Board:

Human Resources Actions Report
Travel Expenses Reports (Year-to-Date and Staff)
Overtime Report

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Administration reports.

AUDIT**Reports**

Ms. Jordan provided a review of the following reports then addressed questions from the Board:

Retirement Benefits Calculations
West Carroll Parish School Board
Audit Plan

ON MOTION BY MR. RESTER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Audit reports and Audit Plan.

LEGAL**Litigation Report**

Mr. Collins provided a review of the litigation report, then addressed questions from the Board.

ON MOTION BY MS. BARBER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Litigation report.

Collections Report

Mr. Collins provided a review of the collections report.

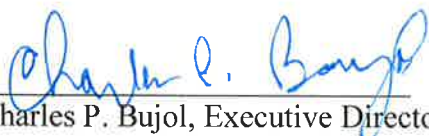
ON MOTION BY MS. BARBER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Collections report.

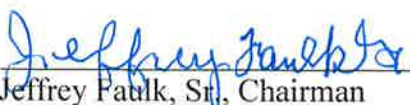
INFORMATION TECHNOLOGY

The IT Department Manager, Mr. Dean Majoue' presented an informative presentation on Cybersecurity and how LSERS is protecting member data.

ADJOURNMENT

ON MOTION OF MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:04 p.m.


Charles P. Bujol, Executive Director


Jeffrey Paulk, Sr., Chairman