

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

Monday, March 12, 2018

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 Board 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. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Penny Brown, Ms. Andrea Matte, Ms. Lori Pierce – designee for Mr. John Schroder – State Treasurer, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration,

Members Absent: Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Representative Barbara Carpenter – House Committee on Retirement, Mr. Tom Schedler – Secretary of State

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. LaQuinta Jordan – Internal Auditor,

Others Present: Mr. Jeffrey Boucek and Mr. Keith Reynolds - Segal Marco Advisors, Ms. Arielle Collins - Legislative Auditor's Office, *Mr. Greg Curran – G. S. Curran & Company

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

*Mr. Curran arrived at 9:23 a.m.

DIRECTOR'S ANNOUNCEMENTS

- The 2018 Regular Legislative Session begins today and is supposed to end by 6:00 p.m. on June 4, 2018. The regular session may end early to start a special session.

- 2018 PAR (Public Affairs Research Council) guides have been distributed.
- Division 1 Retiree and the District 2 Active seats received no opposition, therefore no elections will be held this year. Ms. Barber and Mr. Rester will be sworn in January 2019.
- An Asset Liability study is needed and G.S. Curran will need to produce a valuation study which will cost \$23,000 which he approved.
- The pavement in front of and behind the building has been replaced.
- One of the two chiller's cooling towers sprung a leak which has been temporarily repaired. Bids for replacing both cooling towers will cost approximately \$90,000.

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MS. BARBER, SECONDED BY MR. YEARBY 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. Reynolds and Mr. Boucek provided an overview of market conditions and performance during January 2018. This included audio/visual presentations and two handouts titled: *Preliminary Investment Performance as of January 31, 2018* and *Analysis of Investment Performance*. They then addressed questions from the Committee.

ON MOTION BY MR. WALTHER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the performance report by Segal.

PRESENTATION BY BERNHARD CAPITAL PARTNERS MANAGEMENT

Bernhard Capital Partners Management presented an investment overview of BCP Fund II:

Jeff Jenkins – Partner
Mark Spender – Managing Director

Recommendations were made for a \$75 million dollar investment in Orleans Capital and \$25 million dollar investment into Bernhard Capital Management Fund II. After discussions were held, it was then recommended that a \$25 million dollar investment would be made to Orleans Capital and a \$25 million dollar investment in the Bernhard Capital Management Fund II. Staff will research options to be presented to the Board for the investment of the additional \$50 million in an energy specific index fund.

ON MOTION BY MR. FAULK, SECONDED BY MS. PIERCE AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to an investment of \$25 million in Orleans Capital and \$25 million in Bernhard Capital Partners Management's Fund II.

STAFF REPORTS

Mr. Freedman provided the following reports:

- Securities Lending
- Securities Litigation
- Louisiana Broker

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

LITIGATION REPORT

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

ON MOTION BY MR. FAULK, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the litigation report.

OTHER BUSINESS

There was no other business to discuss.

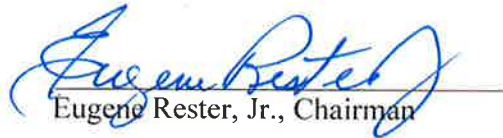
PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 10:09 a.m.


Charles P. Bujol, Executive Director


Eugene Rester, Jr., Chairman