

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

*Monday, July 23, 2018*

9:03 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 9:03 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. Andrea Matte, Ms. Colleen Barber, Ms. Penny Brown, Mr. Philip B. Walther, Ms. Lori Pierce - designee for Mr. John Schroder – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration

**Members Absent:** Representative Barbara W. Carpenter – House Committee on Retirement, Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Mr. Kyle Ardoin – Secretary of State, Mr. Henry Yearby

**Staff Present:** Mr. Charles Bujol – Executive Director, Mr. Robert Collins - Executive Counsel, Mr. Matthew Freedman - Chief Investment Officer, Ms. LaQuinta Jordan - Internal Auditor, Ms. Laurie Stark – Administrative Program Specialist A, Ms. Chenfei Zhou – Assistant Director, Ms. Carolyn Forbes – Assistant Director

**Others Present:** Mr. Jeff Boucek and Mr. Rob Hungerbuhler - Segal Marco Advisors, Arielle Collins – Louisiana Legislative Auditor, Mr. Greg Curran – G. S. Curran & Company

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**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol made the following announcements:

- The LAPERS seminar will be held on September 16 – 18, 2018 at the New Orleans Marriott. A guest fee of \$25.00 will need to be paid today.
- The Legislative Auditors are currently onsite and their audit should be completed by September or October.

- The Benefit Recipient Verification Project has officially concluded. All members who we were seeking to locate have now been located.
- The proposed 2019 Board Meeting schedule has been distributed. Any requested changes would need to be made before the August 2018 Quarterly meeting.
- GroundWorks was awarded the landscaping contract for the LSERS office, at a 58 percent savings from our previous landscape maintenance company (Angelo's), and began on July 1, 2018.
- The cooling towers are to be installed over the Labor Day weekend.

### **APPROVAL OF AGENDA**

The agenda was presented to the Committee for approval.

**ON MOTION BY MR. WALTHER, SECONDED BY MS. BROWN 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. Boucek and Mr. Hungerbuhler provided an overview of market conditions and performance during June 2018. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance Review for Period Ending June 30, 2018*.

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

### **SCOUT ENERGY PARTNERS PRESENTATION**

Scout Energy Partners presented a summary of their investment strategy.

*John Baschaub – Managing Director  
and  
Colin Watson, Director – Investor Relations*

**ON MOTION BY MR. WALTHER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved a commitment of \$40 million dollars with Scout Energy Partners IV, subject to legal review.

**FORECAST VALUATION PRESENTATION**

Mr. Curran presented a summary of the results of an actuarial valuation study of LSERS for the period of 2018 through 2037. An audio/visual presentation titled: *Forecast Valuation for the Period From 2018 – 2037* was provided. He then addressed questions from the Committee and staff.

**INVESTMENT EDUCATION: ASSET ALLOCATION**

Mr. Freedman provided an educational presentation on the topic of asset allocation. An audio/visual presentation titled: *Asset Allocation & Capital Markets* was provided. He then addressed questions from the Committee.

**STAFF REPORTS**

Mr. Freedman provided the following reports:

- Securities Lending
- Louisiana Broker
- Securities Litigation

**ON MOTION BY MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved the reports.

**Litigation Report**

Mr. Collins provided an overview of current litigation which included a handout titled: *Litigation Report - Current Case Review: As of July 6, 2018*. He then addressed questions from the Committee.

**ON MOTION BY MR. WALTHER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved the litigation report.

**HENDERSON PARK LEGAL REVIEW**

LSERS' Board approved a \$30 million commitment to Henderson Park Real Estate Fund I, subject to legal review, at its June 11, 2018 meeting. Upon conclusion of the legal review process, which included discussions with Segal Marco Advisors, Mr. Collins determined that Henderson Park's offshore structure represents a reasonable legal cost-benefit choice, and LSERS subsequently executed its Henderson Park Fund I subscription agreement.

**OTHER BUSINESS**

Mr. Freedman informed the Committee that he intended to recommend a commitment to HighBrook Property Fund III at the upcoming August 2018 Quarterly meeting.

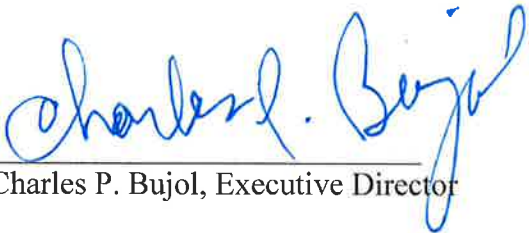
There was no other business to discuss.

**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MR. FAULK, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT,** the Committee adjourned at 11:37 a.m.

  
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Charles P. Bujol, Executive Director

  
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Eugene Rester, Jr., Chairman