

Louisiana School Employees' Retirement System
Quarterly Board Meeting

Monday, August 21, 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 9:00 a.m. Roll was then called by Mrs. Simmons.

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Members Present: Mr. Jeffrey Faulk, Sr., Ms. Colleen Barber, Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Penny Brown, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Ms. Lori Pierce – designee for Mr. Ron Henson – State Treasurer, *Representative Barbara Carpenter – House Committee on Retirement

Members Absent: Senator Barrow Peacock – Chairman, Senate 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, Mrs. Ashley D. Simmons – Executive Staff Officer, LaQuinta T. Jordan, Internal Auditor

Others Present: Mr. Jeffrey Boucek and Mr. Rob Hungerbuhler- Segal Marco Advisors, Ms. Annie Smith – Attorney, House Committee on Retirement, Ms. Dawn Moeller - Louisiana Legislative Auditor's Office

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* Representative Barbara Carpenter arrived at 9:15 a.m. and departed at 11:40 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- Representative Carpenter will be sworn in this morning.
- LaQuinta Jordan was introduced as the new internal auditor.
- The La. Legislative Auditor staff is onsite conducting the financial audit for the second year in a row and auditor Dawn Moeller was introduced.

- The LAPERS Seminar is in September and the packets were distributed to members. Travel vouchers will be completed at October Investment Committee Meeting. Members who need assistance can contact Ashley D. Simmons.
- LSERS' sent out Benefit Recipient Verification letters to retirees and other benefit recipients over 75 years old to verify contact information.
- Annual Member Statements were placed in the mail.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION OF MS. BARBER SECONDED BY MS. LANDRY 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.

SWEARING IN OF REPRESENTATIVE BARBARA CARPENTER

Mr. Collins administered the Oath of Office to Representative Carpenter as the designee for the House Committee on Retirement.

PORTFOLIO PERFORMANCE REVIEW

Mr. Freedman, Mr. Boucek, and Mr. Hungerbuhler provided an overview of market conditions and performance during the second quarter of 2017. This included three audio/visual presentations and three handouts titled: *Analysis of Investment Performance; Manager Watch List; Flash Report*. They then addressed questions from the Board.

REAL ESTATE MANGER INTERVIEWS

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

Pennybacker IV, LP

Timothy P. Berry – Founder and CEO
Michael O' Malley, Senior Principal, CFO/COO

Dune Real Estate Partners

Julie Brenton – Head of Investor Relations, Partner

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved to hire both firms and commit twenty million dollars to each fund.

STAFF REPORTS

Mr. Freedman provided the following Investment reports:

Securities Lending
Securities Litigation
Louisiana Broker

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

APPROVAL OF MINUTES**May 8, 2017 - Quarterly Board Meeting**

ON MOTION BY MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the May 8, 2017 Quarterly Board meeting.

June 12, 2017 – Investment Committee Meeting

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the June 12, 2017 Investment Committee meeting.

June 12, 2017 – Special Board Meeting

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the June 12, 2017 Special Board meeting.

ADMINISTRATION**Adoption of Management's Financial and Compliance Representation Letter**

Ms. Forbes presented the June 30, 2017 Management's Financial and Compliance Representation letter for adoption and then addressed questions from the Board.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Management's Financial and Compliance Representation letter for June 30, 2017.

Reports

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

Human Resources Action Report
Travel Expense Reports (Year-to-Date and Staff)
Overtime Reports

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Administration reports.

Consideration of 2018 Board Meeting Schedule

Mr. Bujol presented for the Board's consideration the proposed 2018 Board Meeting schedule.

ON MOTION BY MR. RESTER, SECONDED BY MS. PIERCE AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2018 Board Meeting schedule.

Approval of 2018 Election Schedule

Mr. Collins provided the proposed 2018 Election Schedule for Division 1 Retiree Representative and the District 2 Active-Member Representative.

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the 2018 Election Schedule.

Legislation Wrap-up Report from 2017 Regular Session

Mr. Collins provided an overview of the Legislative bills that passed or failed during the 2017 Legislative session.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Legislation Wrap-up report.

LEGAL

Litigation Report

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

ON MOTION BY MR. RESTER, SECONDED BY MS. BROWN 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 MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the collections report

Conference Report

Mr. Collins gave a presentation on ideas and emerging trends from a recent seminar for attorneys representing public pension plans. The topics included points relevant to Board of Trustees, the Internal Revenue Service, and actuaries.

OTHER BUSINESS


There was no other business to discuss.

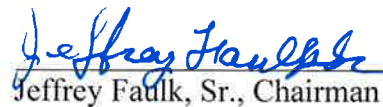
PUBLIC COMMENTS

There were no public comments.

RECESS

ON MOTION OF MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:22 p.m.


Charles P. Bujol, Executive Director


Jeffrey Faulk, Sr., Chairman