

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

Monday, March 11, 2019

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. Andrea Matte, Ms. Colleen Barber, Mr. Henry Yearby, Ms. Penny Brown, Mr. Joe Salter – designee for Mr. Kyle Ardoin – Secretary of State, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration

Members Absent: Mr. Philip B. Walther, Senator Barrow Peacock – Chairman, Senate Committee on Retirement; Mr. John Schroder – State Treasurer, Representative Barbara Carpenter – House Committee on Retirement

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

Others Present: Mr. Jeffrey Boucek and Mr. Rob Hungerbuhler - Segal Marco Advisors, Mr. Greg Curran – G. S. Curran & Company, Lowell Good, Office of the Legislative Auditor, **Nicole Edmonson, Office of the Legislative Auditor

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* Mr. Davis arrived at 10:26 a.m.
** Ms. Edmonson arrived at 9:16 a.m.

DIRECTOR'S ANNOUNCEMENTS

- Ms. Lori Pierce, formerly the designee for the State Treasurer, has retired.

- Mr. Walther, who was absent, was congratulated for being unopposed and retaining his 1st Retirement District seat. His new term will begin January 1, 2020.
- Mr. Lowell Good and Ms. Nicole Edmonson, with the Louisiana Legislative Auditor's office, were introduced. Ms. Edmonson is the Assistant Legislative Auditor for State Audit Services and Mr. Good is the new actuary who is succeeding Mr. Paul Richmond.
- On February 27, 2019, bids were opened for the installation of LSERS' second Cooling Tower. The winning bidder was Gallo. Their bid was \$89,700 which was approximately \$10,000 less than what was expected. The installation project will begin sometime later this spring.
- The formal paperwork is being finalized for the exchange of rights-of-way with LSERS' next-door neighbor, Chateau Dijon Apartments.

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MR. YEARBY, 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.

SWEARING IN OF MR. HENRY J. YEARBY

Mr. Collins swore in Mr. Yearby, the newly re-elected President of the Louisiana School Bus Operators' Association, as a member of the LSERS Board of Trustees. His term began February 2019.

PORTFOLIO PERFORMANCE REVIEW

Mr. Hungerbuhler and Mr. Boucek provided an overview of market conditions and the LSERS investment portfolio's performance during January 2019. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance as of January 31, 2019*. They then addressed questions from the Committee.

ON MOTION BY MS. MATTE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the performance report by Segal.

INVESTMENT RECOMMENDATIONS:**Rosemawr Management**

Rosemawr Management presented a summary of its investment strategy.

*James Lister – Principal & Director of Investor Relations
Greg Shlionsky – Portfolio Manager*

Siguler Guff & Company, LP

Siguler Guff & Company, LP, presented a summary of its investment strategy.

*James S. Corl – Managing Director
Aron Khurana – Vice President*

ON MOTION BY MR. FAULK, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Committee approved a commitment of \$20 million to the Rosemawr Capital IV Fund, a \$20 million commitment to the Rosemawr Municipal Partners Fund, and a \$40 million commitment to the Siguler Guff Distressed Real Estate Opportunities Fund IIB, all subject to legal review.

CONSIDERATION OF REVISED INVESTMENT POLICY STATEMENT

Mr. Freedman provided an overview of two proposed changes to the LSERS' Investment Policy and recommended that the Committee adopt these changes.

ON MOTION BY MS. MATTE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to adopt the two proposed changes to the Investment Policy.

STAFF REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Securities Litigation
Louisiana Broker

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

CONSIDERATION OF PROPOSED RESOLUTION ON NEW RULE ON GROUP TRUST INVESTING

Mr. Collins provided an overview of a new administrative regulation to be proposed authorizing LSERS to invest in group trusts. He recommended that the Committee to adopt a written resolution starting the authorization process to create the new administrative regulation for group trust investing.

ON MOTION BY MS. FAULK, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to adopt a written resolution authorizing the process to create new administrative regulations for group trust investing.

LITIGATION REPORT

Mr. Collins provided an overview of current litigation. He then addressed questions from the Committee. He further asked that the Committee consider authorizing the Executive Director to respond on behalf of LSERS to any reasonable settlement offer that might emerge from an upcoming mediation in the Tribune Company lawsuit.

ON MOTION BY MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to authorize the Executive Director to respond on behalf of LSERS to any potential settlement offer that may emerge from the upcoming mediation in the Tribune Company civil lawsuit currently underway in federal court in the Southern District of New York.

ON MOTION BY MS. BARBER, 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

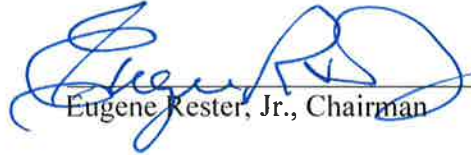
There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 11:05 a.m.



Charles P. Bujol, Executive Director



Eugene Rester, Jr., Chairman