

# Louisiana School Employees' Retirement System Investment Committee Meeting

Monday, April 8, 2019

9:02 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 9:02 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 J. Yearby, Ms. Penny Brown, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Mr. James Mack – designee for Mr. John Schroder – State Treasurer

**Members Absent:** Mr. Philip Walther, Mr. Kyle Ardoin – Secretary of State, Representative Barbara W. Carpenter – House Committee on Retirement, Senator Barrow Peacock – Chairman, Senate 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. LaQuinta Jordan - Internal Auditor, Ms. Laurie Stark – Administrative Program Specialist A

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

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## DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- The annual Tier 2.1 Personal Financial Disclosure Statements packets were distributed to the board members and are due to the Louisiana Board of Ethics by May 15, 2019.
- The board members were provided a copy of the 2019 PAR (Public Affairs Research Council) guide to the 2019 Legislative session.
- The 2019 Regular Legislative session begins today and must end by 6:00 p.m. on June 6, 2019.
- The cooling tower contract has been signed and it will be installed before summer.
- The Chateau Dijon right-of-way exchange paperwork has been completed.

**APPROVAL OF AGENDA**

The agenda was presented to the Committee for approval.

**ON MOTION BY MS. BARBER, SECONDED BY MS. MATTE 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 February 2019. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance Review for Period Ending February 28, 2019*. They then addressed questions from the Committee.

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

**INVESTMENT RECOMMENDATION – INCREASE HENDERSON PARK COMMITMENT**

Mr. Freedman recommended to the Committee that LSERS increase its commitment to Henderson Park Real Estate Fund I by \$10 million dollars prior to the Fund's final closing, subject to legal review. He then addressed questions from the Committee.

**ON MOTION BY MR. FAULK, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved increasing LSERS' commitment to Henderson Park Real Estate Fund I by \$10 million dollars, subject to legal review.

**CONSIDERATION OF OPENING MELLON FIXED INCOME ACCOUNT**

Mr. Freedman asked the Committee to consider using a separately managed account structure as an interim implementation solution for the recently approved Mellon Capital US Treasury investment during the process of promulgating an administrative rule regarding investment in group trust structures.

**ON MOTION BY MS. MATTE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved interim implementation of the Mellon Capital US Treasury investment in a separate account structure.

**INVESTMENT EDUCATION – PRIVATE EQUITY**

Mr. Freedman provided an educational presentation regarding Private Equity.

**STAFF REPORTS**

Mr. Freedman provided the following reports:

- Securities Lending
- Louisiana Broker
- Securities Litigation

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

**UPDATE ON THE PROMULGATION OF ADMINISTRATIVE RULE TO AUTHORIZE GROUP TRUST INVESTMENTS**

Mr. Collins updated the Committee on the current status of the promulgation of LSERS' proposed administrative rule to authorize group trust investments.

**ON MOTION BY MS. MATTE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT**, the Committee accepted the update from Mr. Collins regarding the promulgation of the proposed administrative rule to authorize group trust investments.

**LITIGATION REPORT**

Mr. Collins provided an overview of current litigation which included a handout titled: *Litigation Report: As of March 26, 2019*. He then addressed questions from the Committee.

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

**OTHER BUSINESS**

There was no other business to discuss.

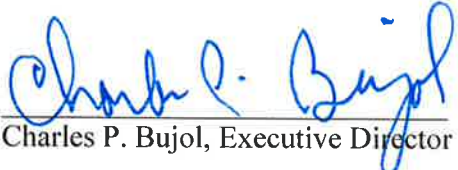
**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MR. FAULK, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT,** the Committee adjourned at 10:25 a.m.



  
Charles P. Bujol, Executive Director

  
Eugene Rester, Jr., Chairman