

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

*Tuesday, July 16, 2019*

9:01 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 9:01 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, Ms. Amy Mathews – designee for Mr. John Schroder – State Treasurer, Mr. Joe Salter – designee for Kyle Ardoin – Secretary of State

**Members Absent:** Representative Barbara W. Carpenter – House Committee on Retirement, Senator Barrow Peacock – Chairman, Senate Committee on Retirement, Mr. Philip Walther

**Staff Present:** Mr. Charles Bujol – Executive Director, Ms. Chenfei Zhou - Assistant Director, Mr. Robert Collins - Executive Counsel, Mr. John Strange – 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. Keith Reynolds - Segal Marco Advisors

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- \* Ms. Matte arrived at 9:07 a.m.
- \*\* Mr. Reynolds and Mr. Boucek left at 10:34 a.m.

**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol made the following announcements:

- Mr. Strange was welcomed by the Committee as the new Executive Counsel.
- Today's meeting marks the final meeting for Mr. Collins as Executive Counsel.

- Ms. Matte should receive a round of applause once she arrives for her valiant efforts to attend today's meeting after being flooded in by Hurricane Barry.
- LAPERS seminar will be held September 15 – 17, 2019.
- The proposed 2020 Board Meeting schedule has been distributed for the members to review prior to the August 2019 Quarterly meeting.
- The LSERS office hours have been changed from 8:00 a.m. to 4:30 p.m. to now being from 7:30 a.m. until 4:30 p.m.

### **APPROVAL OF AGENDA**

The agenda was presented to the Committee for approval.

**ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER 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. Reynolds provided an overview of market conditions and performance during May 2019. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance Review for Period Ending May 31, 2019*. They then addressed questions from the Committee.

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

### **INVESTMENT RECOMMENDATIONS:**

#### **Aether Real Assets V**

Aether Investment Partners presented a summary of its investment strategy and then addressed questions from the Committee.

*David Rhoades – Chief Operating Officer  
Troy Schell – Managing Director  
Jon Hendrickson – Investment Director*

**ON MOTION BY MR. FAULK, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved a \$50 million dollar commitment to Aether Real Assets V, subject to final legal review.

#### **Pennybacker V**

Mr. Freedman presented a summary of Pennybacker's investment strategy then addressed questions from the Committee.

**ON MOTION BY MS. BARBER, SECONDED BY MS. MATTE AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved a \$25 million dollar commitment to Pennybacker V and a \$10 million dollar commitment to Pennybacker EIV (extension vehicle), subject to final legal review.

#### **UPDATE ON HIGH VISTA OPPORTUNISTIC CREDIT INVESTMENT**

Mr. Freedman provided an update on due diligence regarding a potential investment with HighVista Strategies.

#### **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.

#### **LITIGATION REPORT**

Mr. Strange provided an overview of current litigation which included a handout titled: *Litigation Report: As of June 28, 2019*. He then addressed questions from the Committee.

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

#### **UPDATE ON RULE PROMULGATION ON RULE TO ALLOW GROUP TRUST INVESTMENTS BY LSERS**

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

**UPDATE ON THIRD-PARTY ADMINISTRATION OF DROP AND IBRP LA FUND**

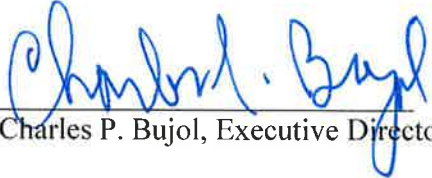
Ms. Zhou and Mr. Collins provided an update on the current status of the Self-Directed Plan with Empower Retirement which will include a target date of January 1, 2020 to which the DROP and IBRP administration will be transitioned over to Empower Retirement. An article will be included in LSERS' August 2019 "Crossroads" newsletter regarding this change. They then addressed questions from the Committee.

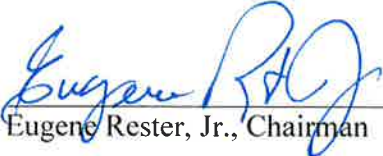
**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MR. YEARBY, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT**, the Committee adjourned at 10:32 a.m.

  
Charles P. Bujol, Executive Director

  
Eugene Rester, Jr., Chairman