

Louisiana School Employees' Retirement System
Quarterly Board Meeting

Monday, February 10, 2020

9:01 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 9:01 a.m. The Board recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Ashley D. Simmons.

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Members Present: Mr. Jeffrey Faulk, Sr., Ms. Andrea Matte, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip Walther, Ms. Penny Brown, Mr. James Mack* – designee for Mr. John Schroder – State Treasurer, Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Mr. Joe Salter – designee for Mr. Kyle Ardoin – Secretary of State

Members Absent: Mr. Eugene Rester, Jr., Rep. Barbara Carpenter - Committee on Retirement member appointed by the Speaker, Senator Edward Price – Chairman, Senate Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Chenfei Zhou - Assistant Director, Mr. John Strange - Executive Counsel, Mr. Matthew Freedman – Chief Investment Officer, Ms. Ashley D. Simmons – Executive Staff Officer.

Others Present: Mr. Jeffrey Boucek - Segal Marco Advisors

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*Mr. James Mack arrived at 9:41.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- The nomination period for the District 3 Active member retirement is on-going. Nominating petitions must be submitted by March 2, 2020, at 4:30pm. As of today, we have not received any challenges to the District 3 seat. If we receive multiple nominations, we will hold the election between April 28th and May 28th. I will announce the results of that election on June 8th.

- Old DROP/IBRP interest will be posted this month, and any applicable lump-sum payouts will be processed in the March payroll.
- We mailed all our 1099R forms and 1099M forms in January. Our members should have received them by now. Ashley has placed copies of the Board Members 1099 forms in your folders.
- Fisher Investments is scheduled to be discussed later today. You will find several articles on Fisher Investments inside your folder. I would like to encourage the board to read them before we consider how to move forward with our investments.
- The House of Representatives and the Senate have announced the new members of their respective Retirement Committees. A list of the committee members can be found in your folders.

RECESS

ON MOTION BY MS. MATTE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved to a recess at 9:05 a.m.

ON MOTION BY MS. MATTE, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Board approved to resume the meeting at 9:10 a.m.

APPROVAL OF AGENDA

ON MOTION BY MR. YEARBY, SECONDED BY MS. MATTE 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.

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek provided an overview of the market conditions and performance. This included an audio/visual presentation and two handouts titled: *Preliminary Investment Performance as of December 31, 2019* and *Manager Watch List*. They then addressed questions from the Board.

INVESTMENT MANAGER PRESENTATIONS

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

Energy Opportunities Capital Management

*Gary Welchel – Executive Vice President of Business Development
Farrell Crane Jr. – Portfolio Manager*

Acadian Asset Management, LLC

*Kurt Livermore, CFA – Senior Vice President, Portfolio Manager
James E. Klapman – Senior Vice President, Relationship Manager*

Brandes Investment Partners

*Christopher J. Garrett, CFA – Director, Institutional Group
Grant Duncan - Director, Institutional Group*

INVESTMENT DISCUSSION & RECOMMENDATIONS

Mr. Freedman recommended that the Board approve up to \$10 million in additional commitments to Talara Capital.

ON MOTION BY MR. WALTHER, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved Mr. Freedman's investment recommendation.

INVESTMENT REPORTS

Mr. Freedman provided the following reports:

Securities Lending
Securities Litigation
Louisiana Broker

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

DISCUSSION & CONSIDERATION OF FISHER INVESTMENTS

Mr. Freedman presented several articles to the Board regarding inflammatory comments made by Fisher Investments Chairman Kenneth Fisher. The Board discussed and made no further actions on Fisher investments.

OTHER BUSINESS

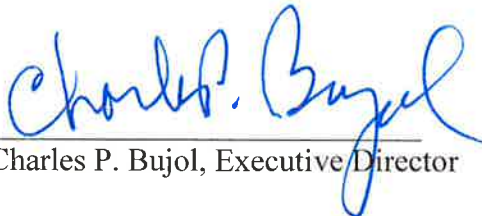
There was no other business to discuss.

PUBLIC COMMENTS

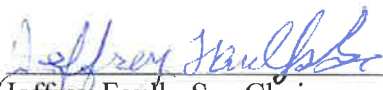
There were no public comments.

ADJOURNMENT

ON MOTION OF MS. BARBER, SECONDED BY MS. BROWN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:57 a.m.



Charles P. Bujol, Executive Director



Jeffrey Faulk, Sr., Chairman