

Proposed: August 24, 2017
Approved: August 24, 2017

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

July 27, 2017

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, July 27, 2017, in the fourth floor conference room of the Retirement Systems building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Shannon Templet, Chair, called the meeting to order at 1:00 p.m. Roll call was conducted by Caye Weaver, recording secretary.

ROLL CALL

Members present: Mr. Thomas Bickham; Ms. Virginia Burton; Ms. Beverly Hodges; Judge William Kleinpeter; Ms. Janice Lansing; Mr. Rick McGimsey, designee – Commissioner of Administration; Representative Kevin Pearson; Ms. Lori Pierce*; Ms. Kathy Singleton; Ms. Shannon Templet; Ms. Lorry Trotter

Members absent: Mr. Ron Henson, Louisiana State Treasurer; Senator Barrow Peacock

Staff present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director & Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Mr. Bobby Beale, Chief Investment Officer; Ms. Tina Vicari Grant, Executive Counsel; Investment Staff: Mr. Darren Fournierat, Ms. Laney Sanders, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Jacques Brousseau, and Mr. Reeves Pearce

Also present: Mr. David Barnes and Ms. Melissa Mendenhall – NEPC LLC; Ms. Annie Smith – Louisiana Senate Retirement Committee

**arrived after roll call*

The Chair called for public comment. Hearing none, the Chair called for the next agenda item.

REGULAR BUSINESS

The committee considered the minutes of the June 22, 2017, Investment Committee meeting. **Ms. Hodges moved, seconded by Ms. Trotter, to approve the minutes of the June 22, 2017, Investment Committee meeting. With no further discussion, and no objections, the motion carried.**

NEW BUSINESS

Fiscal Year-End/Monthly Performance Review

Mr. Beale reviewed the Plan performance for the Fiscal Year 2016-2017. He stated the preliminary return for Fiscal Year ending June 30, is 15.6%, which is one of the highest returns in the last thirty years. Both Mr. Beale and Mr. Barnes commended the Board on their portfolio management.

Emerging Market Debt Contract Discussion

Mr. Fournerat reviewed the Emerging Market contract with Stone Harbor Investment Partners, and advised the committee that the contract will expire in October. He reminded the committee of the portfolio review Stone Harbor conducted last month, and stated that staff and NEPC will keep a close watch on performance. He recommended that the committee extend the contract another five years. **After discussion, Mr. Bickham moved, seconded by Judge Kleinpeter, to extend the Stone Harbor Investment Partners, Emerging Market Debt, contract for another five years. With no further discussion, and no objections, the motion carried.**

Private Markets Recommendation (2017 Strategic Plan)

Mr. Fournerat reviewed the due diligence visit at Bernhard Capital Partners and the BCP Fund II. Mr. Fournerat stated that staff recommends committing \$75 million to the fund as part of the 2017 Private Markets Strategic Plan. **After discussion, Judge Kleinpeter moved, seconded by Ms. Hodges, to commit \$75 million to Bernhard Capital Partners, Fund II. After further discussion, and no objections, the motion carried.**

Review Private Markets Search Book/Finalists Selection

Ms. Sanders and Ms. Mendenhall reviewed the Private Markets Growth Equity search book. Ms. Sanders discussed the opportunities in the technology space. She stated that the committee should allocate up to \$75 million and choose three finalists to interview. She and Ms. Mendenhall then reviewed the candidates and recommended that the committee bring in Apax Partners, Frontier Capital and Insight Venture Partners. **After discussion, Ms. Hodges moved, seconded by Mr. Bickham, to commit up to \$75 million, and interview the following three candidates for the Growth Equity Buyout/Technology mandate: Apax Partners, Frontier Capital and Insight Venture Partners. With no further discussion, and no objections, the motion carried.**

OTHER BUSINESS

With no other business brought before the committee the meeting adjourned at 1:50 p.m.