

**Louisiana State Employees' Retirement System
Investment Committee Meeting
August 23, 2018**

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, August 23, 2018 in the fourth floor board room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Thomas Bickham, Chair, called the meeting to order at 1:00 p.m. Roll was called by Ms. Jennifer Adams, recording secretary.

ROLL CALL

Members Present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Janice Lansing, Mr. James Mack (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Ms. Lori Pierce, Ms. Shannon Templet, Ms. Lorry Trotter

Members Absent: Senator Barrow Peacock, Representative Kevin Pearson

Staff Present: Ms. Cindy Y. Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director and 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 Fournerat, Ms. Laney Sanders, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Jacques Brousseau, Mr. Reeves Pearce, Ms. Jennifer Adams and other LASERS staff

Also Present: Mr. Rhett Humphreys, NEPC LLC, Mr. Timothy Fitzgerald, NEPC, LLC, Ms. Margaret Corley

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 July 26, 2018 Investment Committee meeting. **Ms. Templet moved, seconded by Judge Kleinpeter, to approve the minutes of the July 26, 2018, Investment Committee meeting. With no objection or discussion, the motion carried.**

NEW BUSINESS

Private Markets Search Review

Mr. Fournerat and Ms. Sanders gave a brief summary of the companies' background and how they became finalists.

Private Markets Finalist Interviews:

DoubleLine Capital

Phillip Barach, President, Co-Founder & Portfolio Manager; Ken Shinoda, Portfolio Manager of Mortgage-Backed Securities and Christopher Von Barga, Global Client Relations appeared before the committee.

GoldenTree Asset Management

Pat Dyson, Partner and Brendan McDonough, Partner appeared before the committee.

Discussion and Mandate Selection of Private Markets

After the interviews, Mr. Fournerat answered questions and gave a summary of the two managers, explaining the differences in their strategies, how they would complement the overall allocation, and their fee structures. **Ms. Templet moved, seconded by Ms. McManus, to commit up to \$125 million to DoubleLine Mortgage Opportunity Fund. Ms. Templet moved, seconded by Ms. McManus, to commit \$75 million to GoldenTree Distressed Fund III. With no objection or discussion, the motions passed.**

Emerging Markets – LSV Asset Management (Custom Emerging Markets) Contract Discussion

Mr. Fournerat gave a brief summary of LASERS relationship with LSV. He also informed the Board that the Custom Emerging Markets Contract is set to expire in November.

Custom Emerging Market Interview

LSV Asset Management

Joseph Lakonishok Ph. D, Partner CEO & CIO and Scott Kemper, Partner – Client Portfolio Services appeared before the committee.

After the interview, Mr. Fournerat suggested extending the Custom Emerging Markets Contract with LSV Asset Management for five years. **Ms. McManus moved, seconded by Ms. Templet, to extend the LSV Asset Management – Custom Emerging Market contract for five years. With no objection or discussion, the motion passed.**

Annual Optional Retirement Plan/Self-Directed DROP Review

Mr. Fitzgerald reviewed the Optional Retirement Plan and the Self-Directed DROP Plan, stating that the plans are performing as designed. While reviewing the SDP plan, he noted that the administration fee decreased by \$2 per participant.

Second Quarter 2018 Performance Review

Mr. Beale presented the final Fiscal-Year-End return with the committee. He stated that after all figures were reported, LASERS ended the June 30, 2018 fiscal year with an investment return of 9.5%. He then reviewed July performance, and updated the committee on August performance to date.

OTHER BUSINESS

No other business was brought before the committee and the meeting adjourned at 4:00 p.m.