

**Louisiana State Employees' Retirement System
Investment Committee Meeting
July 26, 2018**

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, July 26, 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. Abby Partin, recording secretary.

ROLL CALL

Members Present: Mr. Thomas Bickham, Mr. John Broussard (designee of the Treasurer), **Ms. Beverly Hodges, Judge William Kleinpeter, Mr. Rick McGimsey (designee of the Commissioner), Ms. Barbara McManus, Ms. Lori Pierce, *Ms. Shannon Temple

Members Absent: Ms. Virginia Burton, Ms. Janice Lansing, Senator Barrow Peacock, Representative Kevin Pearson, Ms. Lorry Trotter

Staff Present: Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director and Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Mr. Bobby Beale, Chief Investment Officer; Investment Staff: Mr. Darren Fournierat, Ms. Laney Sanders, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Jacques Brousseau, Mr. Reeves Pearce, Mr. Sam Chastian, Ms. Jennifer Adams and other LASERS staff

Also Present: Mr. David Barnes, NEPC LLC, Ms. Tess Shih, Capital Fund Management

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 21, 2018 Investment Committee meeting. **Ms. Hodges moved, seconded by Mr. McGimsey, to approve the minutes of the June 21, 2018, Investment Committee meeting. With no objection or discussion, the motion carried.**

NEW BUSINESS

Mr. Beale stated Caye Weaver is retiring. He introduced and welcomed Ms. Jennifer Adams as the new assistant for the Investments Division.

Multi-Sector Global Fixed Income/Emerging Market Debt Search Review

Mr. Fournerat gave a brief summary of the companies' background and how they became finalists for these mandates.

Multi-Sector Global Fixed Income/Emerging Market Debt Finalist Interviews:

Gramercy

Robert Koenigsberger, Managing Partner & Chief Investment Officer; Bradshaw McKee, Managing Director & Portfolio Manager; Steven LaVersa, Partner & Head of Business Development, appeared before the committee.

Zais Group

Christian Zugel, Founder & Chief Investment Officer; Denise Crowley, Managing Director, Head of Securitized Credit; Chris Mitrovich, Director, Client Relations, appeared before the committee.

*Ms. Templet arrived at 2:08 p.m.

Discussion and Mandate Selection of the Multi-Sector Global Fixed Income/Emerging Market Debt Manager

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. McManus moved, seconded by Ms. Templet, to recommend the Board hire Gramercy for the Emerging Market Debt mandate with an initial allocation of \$100 million, and hire Zais Group for Multi-Sector Global Fixed Income with an initial allocation of \$50 million, as structured by staff. With no objection or discussion, the motion passed.**

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

Mr. Beale stated LSV will be in next month to present. In the meantime, he suggested extending their Custom Emerging Markets contract for three months. **Judge Kleinpeter moved, seconded by Ms. Templet, to recommend the Board extend the LSV Asset Management – Custom Emerging Market contract for three months. With no objection or discussion, the motion passed.**

Private Markets Discussion

Ms. Sanders discussed the recommended commitment to existing managers' follow-on funds noting how each fund would support the overall private market allocation. **Ms. Templet moved, seconded by Ms. McManus, to recommend the Board commit \$100 million to Brookfield Capital Partners Fund V, \$100 million to Collier International Partners VII, and an additional \$50 million to the existing Siguler Guff Pelican Global Emerging Markets Fund. With no objection or discussion, the motion passed.**

**Ms. Hodges left the meeting at 3:01 p.m.

Fiscal Year End and Monthly Performance Review

Mr. Beale gave the monthly performance review, stating that, as of June 30, 2018, the Total Plan preliminary return was 9.1% Fiscal-Year-to-Date. He stated the final number would be available in August.

OTHER BUSINESS

No other business was brought before the committee and the meeting adjourned at 4:03 p.m.