

Proposed: March 26, 2015
Approved: March 26, 2015

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

February 26, 2015

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, February 26, 2015, in the Fourth floor Conference Room of the Retirement Systems building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Carlton, Committee 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. Connie Carlton; Ms. Beverly Hodges; Judge William Kleinpeter; Ms. Janice Lansing; Ms. Amy Mathews, designee – Louisiana State Treasurer; Ms. Barbara McManus; *Ms. Lori Pierce; Ms. Kathy Singleton; Ms. Shannon Templet

Members absent: Senator Elbert Guillory; Commissioner of Administration Kristy Nichols; Representative Kevin Pearson

Staff present: Ms. Cynthia Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director; Mr. Trey Boudreaux, Assistant Director; Mr. Bobby Beale, Chief Investment Officer; Ms. Tina Grant, Executive Counsel; Investment Staff: Mr. Darren Fournerat, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Ms. Laney Sanders, Mr. Reeves Pearce, and Mr. Blake Steger

Also present: Mr. Rhett Humphreys and Mr. Mario Tate - NEPC

**arrived after roll call*

A quorum was declared present and the meeting opened for business. The Chair called for Public Comment. No one appeared before the Committee for public comment.

REGULAR BUSINESS

The committee considered the minutes of the January 21, 2015, and January 22, 2015, Investment Committee meeting. **Mr. Bickham moved, seconded by Ms. Templet, to approve the minutes of the January 21, 2015, and January 22, 2015, Investment Committee meeting. With no further discussion, and no objections, the motion carried.**

NEW BUSINESS

Mr. Beale introduced the new Investment intern, Mr. Blake Steger.

Custodian Review

Mr. Tate and Ms. Funderburk presented a review of the custodian bank. Mr. Humphreys stated that NEPC recommends renewing the Bank of New York Mellon contract for another five years. After the Bank of New York Mellon annual review, **Ms. Templet moved, seconded by Ms. McManus, to extend the custodian contract with Bank of New York Mellon for another five years, with the terms as presented. With no further discussion, and no objections, the motion carried.**

BNY Mellon Annual Custodian Review

Mr. George Gilmer, Ms. Yvonne Utz, and Mr. Mike McDermott reviewed the services Bank of New York Mellon provides for LASERS.

Investment Guideline Changes

a. Aronson Johnson Ortiz

Mr. Beale reviewed the suggested guideline changes for Aronson Johnson and Ortiz. **After discussion, Ms. McManus moved, seconded by Mr. Bickham, to approve the Investment Guideline changes for Aronson Johnson and Ortiz. With no further discussion, and no objections, the motion carried.**

b. Stone Harbor Investment Partners

Mr. Fournarat reviewed the suggested guideline changes for Stone Harbor Investment Partners. **After discussion, Ms. McManus moved, seconded by Mr. Bickham, to approve the Investment Guideline changes for Stone Harbor Investment Partners, as presented. With no further discussion, and no objections, the motion carried.**

Private Equity 2014 Recommendation

Ms. Sanders advised the Committee that the 2014 Private Equity Strategic plan included an investment in the Collier Capital Fund VII. She stated that Collier did not begin soliciting money until December which pushed the commitment into the 2015 Private Equity Strategic Plan. She reviewed the fund, and stated that staff recommends committing \$75 million. Mr. Humphreys stated that NEPC also recommends committing to the fund. **After discussion, Ms. McManus moved, seconded by Ms. Templet, to commit \$75 million to Collier International Partners Fund VII. With no further discussion, and no objections, the motion carried.**

Private Equity Review and 2015 Strategic Plan

Mr. Humphrey's presented the general guidelines for LASERS Private Equity commitments in 2015. Ms. Sanders stated that if the plan is approved, LASERS would initiate two searches – one in energy this spring, and another in the fall. **After discussion, Ms. Templet moved, seconded by Ms. McManus, to approve the 2015 Private Equity Strategic Plan as presented. With no further discussion, and no objections, the motion carried.**

The Committee then considered the recommendation to initiate an energy search. After discussion, Ms. Lansing moved, seconded by Judge Kleinpeter, to initiate the Private Equity Energy search. With no further discussion, and no objections, the motion carried.

Fourth Quarter 2014 Performance Review

Mr. Beale presented a review of the Plan performance. He stated that Fiscal-Year-to-Date, as of January 31, 2015, the return is -1.9%. He stated that February returns are positive.

OTHER BUSINESS

Ms. McManus asked about the Great West name change. Ms. Grant explained to the committee the circumstances surrounding the name change.

Ms. Sanders reviewed the Optional Retirement Plan and the Self-Directed Retirement Plan. She stated that NEPC, the consultant for these plans, will provide an update at the June Investment Committee meeting.

With no further business to discuss, the meeting adjourned at 4:10 p.m.