

MEETING MATERIAL

Municipal Employees' Retirement System of Louisiana

October 19, 2017



Confidentiality: This evaluation is prepared by Meketa Investment Group, Inc. for the exclusive use of the Municipal Employees' Retirement System of Louisiana. This evaluation is not to be used for any other purpose or by any parties other than the System, its Board Members, employees, agents, attorneys, and/or consultants. No other parties are authorized to review or utilize the information contained herein without expressed written consent.

M E K E T A I N V E S T M E N T G R O U P

BOSTON
MASSACHUSETTS

CHICAGO
ILLINOIS

MIAMI
FLORIDA

PORTLAND
OREGON

SAN DIEGO
CALIFORNIA

LONDON
UNITED KINGDOM

www.meketagroup.com

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

- 1. Fiscal Year 2017 Progress Report**
- 2. Fiscal Year 2017 Attribution Report**
- 3. September 2017 Retirement System Performance Review**
- 4. Bedico Creek Overview**
- 5. Disclaimer, Glossary, and Notes**

Recap of Fiscal Year 2017 Accomplishments

Recap of Fiscal 2017 Accomplishments

- Fiscal year 2017 was a significant year for the Municipal Employees' Retirement System of Louisiana.
- The following timeline is a summary of the key actions the Board of Trustees took over the fiscal year that we believe will position the Retirement System for future stability and success.

	Accomplishment
July 2016	<ul style="list-style-type: none"> • Conducted quarterly board education session by interviewing three existing managers (First Eagle, Brandywine, and Timbervest). • Invested \$30 million in new TIPS index fund. • Reinvested \$70 million (partial) proceeds from four hedge funds (GMT, Paulson, GoldenTree Credit, and GoldenTree Master Fund) into S&P 500 index, investment grade bond index fund and TIPS index fund. • Voted to redeem \$60 million from global equity managers (target allocation of zero).
August 2016	<ul style="list-style-type: none"> • Reinvested proceeds from global equity managers into underweight equity asset classes.
September 2016	<ul style="list-style-type: none"> • Reinvested additional \$25 million into investment grade bond index fund from excess cash balance and additional global equity redemption. • Adopted cash management policy to invest excess cash into passive TIPS index fund. • Selected four finalists for Chief Investment Officer position.
October 2016	<ul style="list-style-type: none"> • Hired Chris Saik as Chief Investment Officer. • Completed the real estate secondary transaction and reinvested the proceeds into underweight asset class (TIPS).
December 2016	<ul style="list-style-type: none"> • Conducted quarterly board education session by interviewing two existing managers (Loomis Sayles and Sentinel). • Provided board education requirements (actuarial education and portfolio risk discussion). • Terminated global equity managers to reach target weight of zero.

Recap of Fiscal 2017 Accomplishments (Continued)

	Accomplishment
January 2017	<ul style="list-style-type: none"> Decided to solicit offers from secondary buyers for nearly all private market investments.
February 2017	<ul style="list-style-type: none"> Annual asset allocation review in conjunction with Meketa Investment Group's annual asset study (projections of asset class return and risk expectations).
March 2017	<ul style="list-style-type: none"> Accepted offer to sell Timbervest Crossover Partners II (moving the system closer to its reduced target to natural resources assets).
April 2017	<ul style="list-style-type: none"> Conducted quarterly board education session by interviewing three existing managers (WCM, Barrow Hanley and First Eagle). Accepted offer to sell Greenspring Crossover Ventures I, Compass Island Investment Opportunities Fund A and Louisiana Fund I (moving the system closer to its reduced target to private equity assets).
May 2017	<ul style="list-style-type: none"> Accepted actuary's recommendation to drop the assumed rate of return to 7.0% (over a four year glide path reduction). Agreed to partial recoupment of assets previously written to zero value with Entropy Venture.
June 2017	<ul style="list-style-type: none"> Approved revised investment policy statement (updated asset class return and risk assumptions were incorporated into the appendix, and the new actuarial target was incorporated into the policy statement).

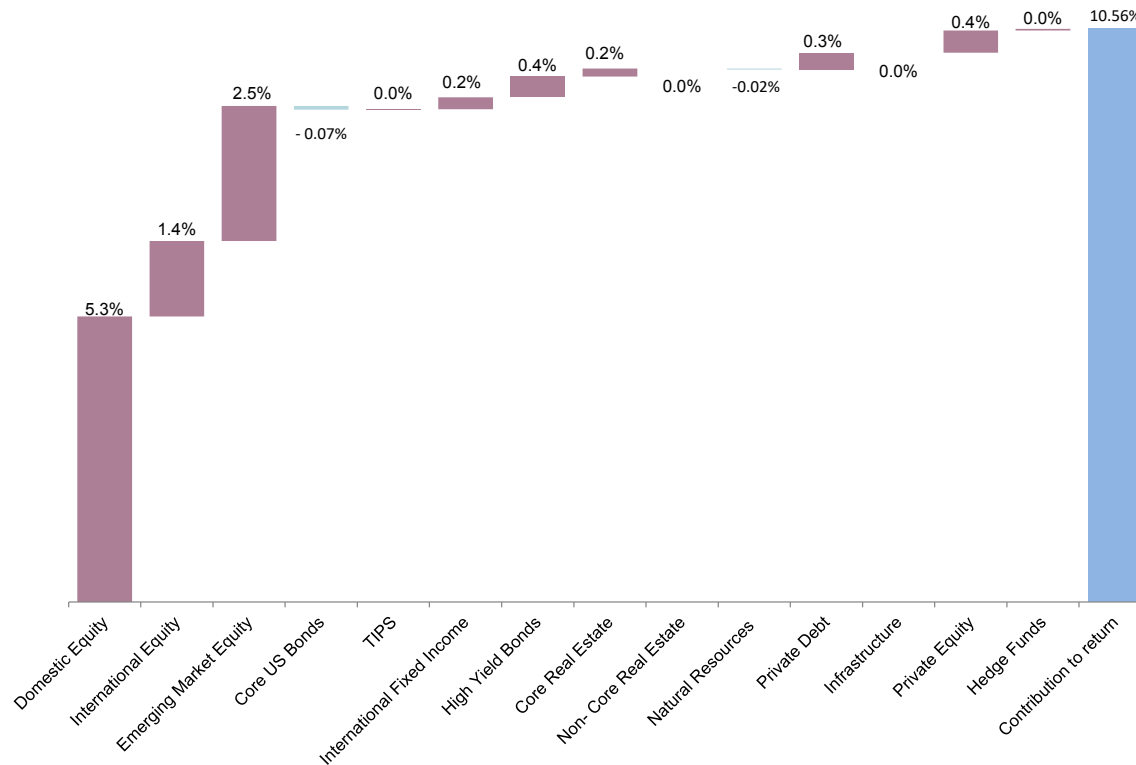


Summary

- Executed manager due diligence schedule
- Lowered management fees
- In December 2016, reached policy range compliance for new asset allocation
- Maintained policy range compliance for all asset classes for the following six months of the fiscal year
- Reduced overweight exposure from hedge funds, non-core real estate, private equity, natural resources, global equity and cash.
- Increased exposure to previously underweight asset classes: TIPS, investment grade bonds, domestic equities, and international developed (non-U.S.) equities
- Executed efficient cash management sweep process (into TIPS or investment grade bonds)
- Improved retirement system performance
- Agreed to sell four legacy private market investments

Fiscal Year 2017 Attribution Analysis

Asset Class Contribution to the Total Retirement System Return



- For the Fiscal Year 2017 the System returned 10.6%, net of fees. Equities generated 86.5% of the total return.

Total System Performance vs. Target Policy Performance¹ Fiscal Year 2017

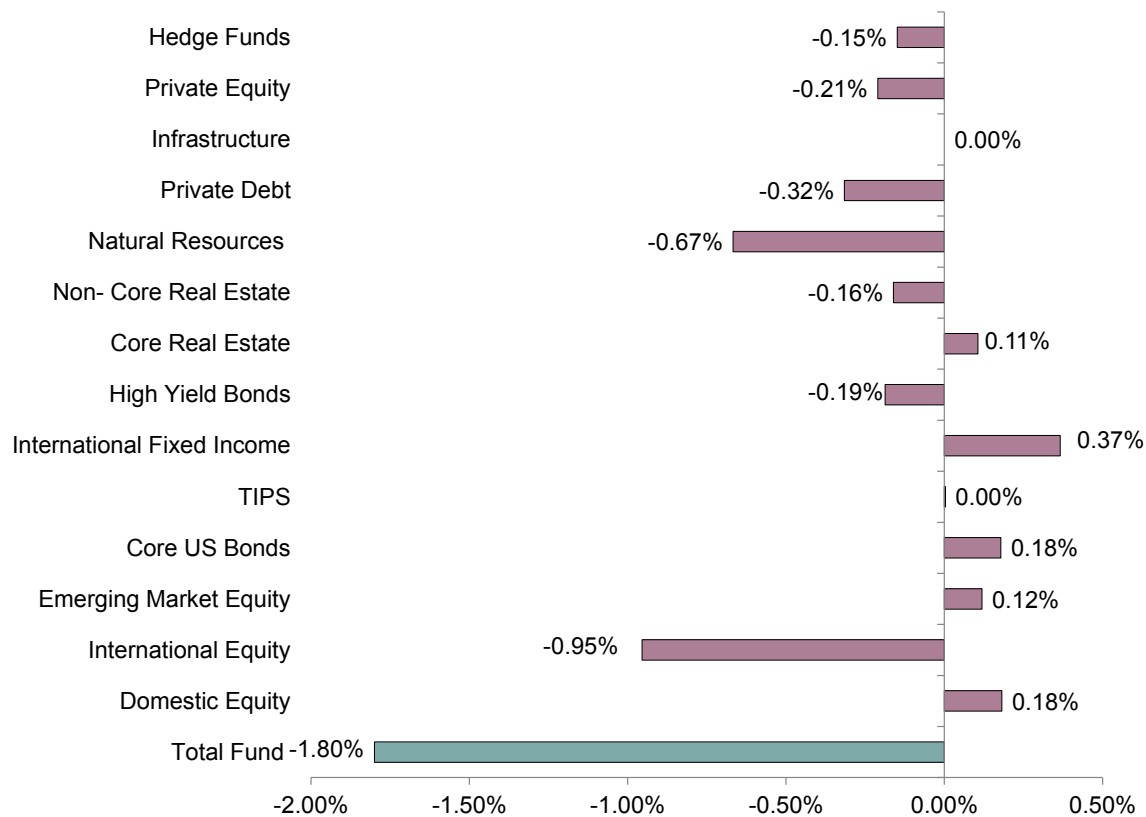
	6/30/17 MV	Actual %	Target %	Reported Performance	Target Policy Performance
Total Fund Aggregate	841.6	100	NA	10.6%	12.4%
Domestic Equity	226.6	27%	28%	19.5%	18.5%
International Equity	101.3	12%	12%	11.4%	20.3%
Emerging Market Equity	82.4	10%	10%	25.3%	23.7%
Core US Bonds	136.1	16%	18%	-0.5%	-0.3%
TIPS	61.5	7%	7%	0.0%	-0.6%
Intl. Fixed Income	35.9	4%	5%	4.9%	-2.2%
High Yield Bonds	38.1	5%	5%	8.1%	12.7%
Core Real Estate	15.3	2%	4%	7.5%	7.2%
Non- Core Real Estate	11.0	1%	0%	-1.3%	7.3%
Natural Resources	42.7	5%	3%	-0.6%	15.3%
Private Debt	39.0	5%	3%	6.4%	14.9%
Infrastructure	0.0	0%	3%	0.0%	0.0%
Private Equity	30.8	4%	2%	10.9%	21.4%
Hedge Funds	12.4	1%	0%	1.1%	0.7%
Cash	8.5	1%	0%	0.0%	0.0%

- For the Fiscal Year 2017 the System returned 10.6%, net of fees, versus a target policy benchmark return of 12.4%. Underperformance relative to the target policy benchmark was mostly attributable to active management in International Equities and in Natural Resources.

¹ Target Policy performance is composed by the target weight of each asset class multiplied by the annual performance of each asset class' respective benchmark.

Contribution to Excess Return: Total Effect Fiscal Year 2017

- On a relative basis, the Retirement System's underperformance to its policy benchmark was most negatively impacted by International Equities and Natural Resources.



**September 2017
Retirement System
Performance Review**

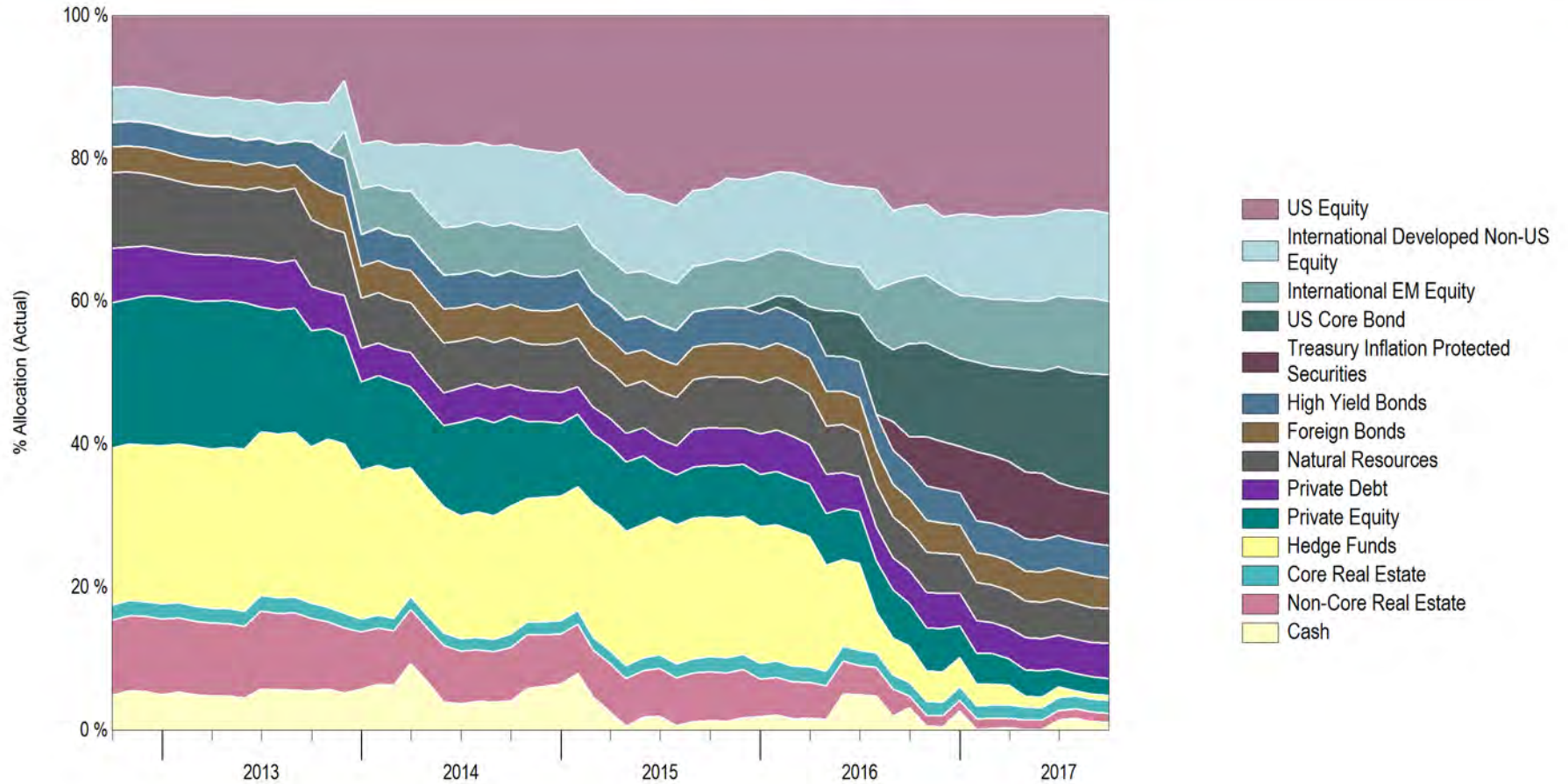
Total Retirement System Aggregate

As of September 30, 2017

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
US Equity	\$238,776,228	28%	28%	18% - 38%	Yes
International Developed Non-US Equity	\$105,570,931	12%	12%	7% - 17%	Yes
International EM Equity	\$88,000,796	10%	10%	5% - 15%	Yes
US Core Bond	\$144,590,043	17%	18%	8% - 28%	Yes
Treasury Inflation Protected Securities	\$62,032,154	7%	7%	2% - 12%	Yes
High Yield Bonds	\$38,804,413	5%	5%	0% - 10%	Yes
Foreign Bonds	\$37,044,645	4%	5%	0% - 10%	Yes
Natural Resources	\$41,603,936	5%	3%	0% - 6%	Yes
Private Debt	\$42,359,259	5%	3%	0% - 6%	Yes
Infrastructure	--	--	3%	0% - 6%	Yes
Private Equity	\$20,642,183	2%	2%	0% - 4%	Yes
Hedge Funds	\$5,953,895	1%	0%	0% - 5%	Yes
Core Real Estate	\$15,295,944	2%	4%	0% - 8%	Yes
Non-Core Real Estate	\$11,042,577	1%	0%	0% - 5%	Yes
Cash	\$9,587,572	1%	0%	0% - 5%	Yes
Total	\$861,304,575	100%	100%		

Asset Allocation History
5 Years Ending September 30, 2017



Total Retirement System Aggregate

As of September 30, 2017

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Retirement System Aggregate	861,304,575	100.0	1.0	3.1	8.7	9.8	2.9	4.6	2.6	4.2	Jan-06
<i>Policy Benchmark</i>			0.9	3.7	11.9	12.2	5.9	7.8	4.9	6.8	Jan-06
<i>60% MSCI ACWI & 40% Barclays Universal</i>			1.0	3.5	11.7	11.3	5.8	7.2	4.5	5.8	Jan-06
Domestic Equity	238,776,228	27.7	4.0	5.3	12.8	20.0	10.6	13.1	7.6	8.0	Feb-06
<i>Russell 3000</i>			2.4	4.6	13.9	18.7	10.7	14.2	7.6	8.3	Feb-06
Developed Equity	105,570,931	12.3	1.4	4.2	17.4	11.3	7.2	--	--	5.6	May-14
<i>MSCI EAFE</i>			2.5	5.4	20.0	19.1	5.0	8.4	1.3	2.9	May-14
Emerging Market Equity	88,000,796	10.2	-1.2	6.8	26.0	22.5	6.0	--	--	6.2	Dec-13
<i>MSCI Emerging Markets</i>			-0.4	7.9	27.8	22.5	4.9	4.0	1.3	4.6	Dec-13
U.S. Core Bond Assets	144,590,043	16.8	-0.5	0.8	3.0	-0.2	2.7	--	--	1.1	Apr-13
<i>BBgBarc US Aggregate TR</i>			-0.5	0.8	3.1	0.1	2.7	2.1	4.3	2.1	Apr-13
Treasury Inflation Protected Securities	62,032,154	7.2	-0.6	0.9	1.9	-0.6	--	--	--	-0.4	Jul-16
<i>BBgBarc US TIPS TR</i>			-0.6	0.9	1.7	-0.7	1.6	0.0	3.9	-0.5	Jul-16
Foreign Bond Assets	37,044,645	4.3	-0.4	3.2	13.5	6.5	2.5	--	--	1.7	Apr-13
<i>BBgBarc Global Aggregate TR</i>			-0.9	1.8	6.3	-1.3	1.3	0.5	3.3	0.8	Apr-13
High Yield Bonds	38,804,413	4.5	0.5	2.0	7.4	6.2	4.3	--	--	5.1	Apr-13
<i>BBgBarc US High Yield TR</i>			0.9	2.0	7.0	8.9	5.8	6.4	7.8	5.3	Apr-13

Total Retirement System Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Core Real Estate	15,295,944	1.8	0.0	0.0	3.4	5.7	9.1	11.9	5.6	7.4	Mar-06
<i>NCREIF ODCE Equal Weighted (net)</i>			0.0	0.0	3.1	5.1	9.5	10.3	3.8	5.3	Mar-06
Natural Resources	41,603,936	4.8	0.0	0.0	0.0	-0.5	-2.0	--	--	-1.0	Apr-13
<i>S&P Global Natural Resources Index TR USD</i>			3.2	10.8	13.0	20.5	1.3	1.1	-0.7	1.6	Apr-13
Private Debt	42,359,259	4.9	0.0	1.1	5.7	7.4	5.1	--	--	7.3	Apr-13
<i>BBgBarc High Yield+2%</i>			1.1	2.5	8.6	11.0	7.9	8.5	10.0	7.4	Apr-13
Private Equity	20,642,183	2.4	0.0	0.0	-19.8	-9.9	-15.2	-9.2	--	-2.8	Feb-08
<i>S&P 500 +3%</i>			2.3	5.2	16.8	22.1	14.1	17.6	10.6	12.0	Feb-08
Hedge Funds	5,953,895	0.7	0.0	0.0	-0.6	1.8	-2.1	2.1	1.4	2.3	Mar-06
<i>HFRI Fund of Funds Composite Index</i>			0.4	2.2	5.5	6.4	2.2	3.8	1.1	2.1	Mar-06
Non-Core Real Estate	11,042,577	1.3	0.0	0.0	-1.7	-1.3	-3.1	-0.1	0.3	1.5	Feb-06
<i>NCREIF Property (1-quarter lagged)</i>			1.8	1.8	5.1	7.0	10.2	10.5	6.4	8.1	Feb-06
Cash	9,587,572	1.1									

Total Retirement System Aggregate

As of September 30, 2017

Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Retirement System Aggregate	861,304,575	100.0	--	1.0	3.1	8.7	9.8	2.9	4.6	2.6	4.2	Jan-06
<i>Policy Benchmark</i>				0.9	3.7	11.9	12.2	5.9	7.8	4.9	6.8	Jan-06
<i>60% MSCI ACWI & 40% Barclays Universal</i>				1.0	3.5	11.7	11.3	5.8	7.2	4.5	5.8	Jan-06
Domestic Equity	238,776,228	27.7	27.7	4.0	5.3	12.8	20.0	10.6	13.1	7.6	8.0	Feb-06
<i>Russell 3000</i>				2.4	4.6	13.9	18.7	10.7	14.2	7.6	8.3	Feb-06
Northern Trust S&P 500 Index	129,707,459	15.1	54.3	2.1	4.5	14.2	18.6	10.8	--	--	11.4	Dec-13
<i>S&P 500</i>				2.1	4.5	14.2	18.6	10.8	14.2	7.4	11.4	Dec-13
<i>Large Cap MStar MF Median</i>				2.2	4.4	13.8	18.4	9.5	13.5	7.1	9.9	Dec-13
<i>Large Cap MStar MF Rank</i>				57	47	43	46	25	--	--	21	Dec-13
Northern Trust S&P 400 MidCap Index	56,223,258	6.5	23.5	3.9	3.2	9.4	17.5	11.1	--	--	10.4	Dec-13
<i>S&P 400 MidCap</i>				3.9	3.2	9.4	17.5	11.2	14.4	9.0	10.4	Dec-13
<i>Mid Cap MStar MF Median</i>				3.2	3.7	11.9	17.0	9.3	13.3	7.5	8.9	Dec-13
<i>Mid Cap MStar MF Rank</i>				30	64	65	42	18	--	--	17	Dec-13
Barrow Hanley Small Cap Value Equity	52,845,512	6.1	22.1	9.3	9.9	12.7	26.6	13.4	14.6	9.9	10.7	Jan-06
<i>Russell 2000 Value</i>				7.1	5.1	5.7	20.5	12.1	13.3	7.1	7.7	Jan-06
<i>Small Value MStar MF Median</i>				6.6	4.7	5.7	19.4	10.0	13.3	7.8	8.3	Jan-06
<i>Small Value MStar MF Rank</i>				1	1	2	2	7	18	2	1	Jan-06
Developed Equity	105,570,931	12.3	12.3	1.4	4.2	17.4	11.3	7.2	--	--	5.6	May-14
<i>MSCI EAFE</i>				2.5	5.4	20.0	19.1	5.0	8.4	1.3	2.9	May-14
First Eagle International Value	33,789,340	3.9	32.0	0.6	2.6	12.0	8.0	5.4	--	--	3.9	May-14
<i>MSCI EAFE</i>				2.5	5.4	20.0	19.1	5.0	8.4	1.3	2.9	May-14
<i>Foreign Value MStar MF Median</i>				2.4	5.7	19.7	20.5	4.9	8.1	1.2	2.7	May-14
<i>Foreign Value MStar MF Rank</i>				94	96	97	96	40	--	--	32	May-14

Total Retirement System Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
WCM Focused International Growth Fund	30,786,412	3.6	29.2	0.9	4.4	24.4	15.7	9.4	--	--	7.7	Jun-14
<i>MSCI ACWI ex USA</i>				1.9	6.2	21.1	19.6	4.7	7.0	1.3	3.1	Jun-14
<i>Foreign Growth MStar MF Median</i>				2.3	6.8	26.0	18.7	7.6	9.3	3.1	5.3	Jun-14
<i>Foreign Growth MStar MF Rank</i>				94	90	63	81	23	--	--	19	Jun-14
Northern Trust MSCI EAFE Index	40,995,179	4.8	38.8	2.5	5.5	20.3	--	--	--	--	20.3	Jan-17
<i>MSCI EAFE</i>				2.5	5.4	20.0	19.1	5.0	8.4	1.3	20.0	Jan-17
<i>Foreign MStar MF Median</i>				2.3	6.0	22.3	19.1	6.0	8.6	2.0	22.3	Jan-17
<i>Foreign MStar MF Rank</i>				34	63	74	--	--	--	--	74	Jan-17
Emerging Market Equity	88,000,796	10.2	10.2	-1.2	6.8	26.0	22.5	6.0	--	--	6.2	Dec-13
<i>MSCI Emerging Markets</i>				-0.4	7.9	27.8	22.5	4.9	4.0	1.3	4.6	Dec-13
Dimensional Emerging Markets Value	40,327,812	4.7	45.8	-2.2	5.6	23.9	22.8	4.2	--	--	3.9	Dec-13
<i>MSCI Emerging Markets</i>				-0.4	7.9	27.8	22.5	4.9	4.0	1.3	4.6	Dec-13
<i>Diversified Emerging Mkts MStar MF Median</i>				0.1	7.8	28.4	21.4	5.0	4.6	1.7	4.6	Dec-13
<i>Diversified Emerging Mkts MStar MF Rank</i>				99	76	69	37	65	--	--	68	Dec-13
Northern Trust Emerging Markets Index	47,672,984	5.5	54.2	-0.4	7.9	27.7	22.3	--	--	--	25.9	Jun-16
<i>MSCI Emerging Markets</i>				-0.4	7.9	27.8	22.5	4.9	4.0	1.3	26.0	Jun-16
<i>Diversified Emerging Mkts MStar MF Median</i>				0.1	7.8	28.4	21.4	5.0	4.6	1.7	24.5	Jun-16
<i>Diversified Emerging Mkts MStar MF Rank</i>				62	49	55	39	--	--	--	36	Jun-16
U.S. Core Bond Assets	144,590,043	16.8	16.8	-0.5	0.8	3.0	-0.2	2.7	--	--	1.1	Apr-13
<i>BBgBarc US Aggregate TR</i>				-0.5	0.8	3.1	0.1	2.7	2.1	4.3	2.1	Apr-13
Northern Trust Barclays Aggregate Index	144,558,456	16.8	100.0	-0.5	0.8	3.1	0.0	--	--	--	3.2	Dec-15
<i>BBgBarc US Aggregate TR</i>				-0.5	0.8	3.1	0.1	2.7	2.1	4.3	3.3	Dec-15
<i>Intermediate-Term Bond MStar MF Median</i>				-0.4	0.9	3.5	0.8	2.7	2.3	4.7	4.0	Dec-15
<i>Intermediate-Term Bond MStar MF Rank</i>				84	63	69	82	--	--	--	77	Dec-15

Total Retirement System Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Internal Fixed Income Account	31,587	0.0	0.0	-1.2	-0.8	-3.2	-0.3	2.7	1.1	3.9	4.2	Mar-06
<i>BBgBarc US Aggregate TR</i>				-0.5	0.8	3.1	0.1	2.7	2.1	4.3	4.4	Mar-06
Treasury Inflation Protected Securities	62,032,154	7.2	7.2	-0.6	0.9	1.9	-0.6	--	--	--	-0.4	Jul-16
<i>BBgBarc US TIPS TR</i>				-0.6	0.9	1.7	-0.7	1.6	0.0	3.9	-0.5	Jul-16
Northern Trust TIPS	62,032,154	7.2	100.0	-0.6	0.9	1.9	-0.7	--	--	--	-0.4	Jul-16
<i>BBgBarc US TIPS TR</i>				-0.6	0.9	1.7	-0.7	1.6	0.0	3.9	-0.5	Jul-16
<i>Inflation-Protected Bond MStar MF Median</i>				-0.5	0.8	1.6	-0.5	1.2	-0.2	3.5	-0.1	Jul-16
<i>Inflation-Protected Bond MStar MF Rank</i>				73	38	39	67	--	--	--	66	Jul-16
Foreign Bond Assets	37,044,645	4.3	4.3	-0.4	3.2	13.5	6.5	2.5	--	--	1.7	Apr-13
<i>BBgBarc Global Aggregate TR</i>				-0.9	1.8	6.3	-1.3	1.3	0.5	3.3	0.8	Apr-13
Brandywine Global Opportunistic Fixed Income	37,044,645	4.3	100.0	-0.4	3.2	13.5	6.5	3.1	2.9	5.9	6.3	Jan-06
<i>BBgBarc Global Aggregate TR</i>				-0.9	1.8	6.3	-1.3	1.3	0.5	3.3	3.9	Jan-06
<i>World Bond MStar MF Median</i>				-0.5	1.7	6.4	1.7	1.8	1.8	4.3	4.4	Jan-06
<i>World Bond MStar MF Rank</i>				41	1	2	3	27	29	5	1	Jan-06
High Yield Bonds	38,804,413	4.5	4.5	0.5	2.0	7.4	6.2	4.3	--	--	5.1	Apr-13
<i>BBgBarc US High Yield TR</i>				0.9	2.0	7.0	8.9	5.8	6.4	7.8	5.3	Apr-13
Loomis Sayles Multisector Full Discretion	38,804,413	4.5	100.0	0.5	2.0	7.4	6.2	4.3	5.3	7.1	7.6	Jan-06
<i>BBgBarc US Govt/Credit TR</i>				-0.6	0.8	3.5	0.0	2.8	2.1	4.3	4.4	Jan-06
<i>BBgBarc US High Yield TR</i>				0.9	2.0	7.0	8.9	5.8	6.4	7.8	7.9	Jan-06
<i>Multisector Bond MStar MF Median</i>				0.3	1.5	5.6	4.8	3.8	4.1	5.9	5.9	Jan-06
<i>Multisector Bond MStar MF Rank</i>				25	20	20	24	36	14	4	1	Jan-06

Total Retirement System Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Core Real Estate	15,295,944	1.8	1.8	0.0	0.0	3.4	5.7	9.1	11.9	5.6	7.4	Mar-06
<i>NCREIF ODCE Equal Weighted (net)</i>				0.0	0.0	3.1	5.1	9.5	10.3	3.8	5.3	Mar-06
Sentinel Real Estate Fund	15,295,944	1.8	100.0	0.0	0.0	3.4	5.7	9.1	11.9	5.6	7.4	Mar-06
<i>NCREIF ODCE Equal Weighted (net)</i>				0.0	0.0	3.1	5.1	9.5	10.3	3.8	5.3	Mar-06
Natural Resources	41,603,936	4.8	4.8	0.0	0.0	0.0	-0.5	-2.0	--	--	-1.0	Apr-13
<i>S&P Global Natural Resources Index TR USD</i>				3.2	10.8	13.0	20.5	1.3	1.1	-0.7	1.6	Apr-13
Resource Environmental Solutions	36,022,376	4.2	86.6									
Timbervest Crossover Partners II	5,581,560	0.6	13.4									
Private Debt	42,359,259	4.9	4.9	0.0	1.1	5.7	7.4	5.1	--	--	7.3	Apr-13
<i>BBgBarc High Yield+2%</i>				1.1	2.5	8.6	11.0	7.9	8.5	10.0	7.4	Apr-13
Republic Business Credit	19,000,000	2.2	44.9									
BlueBay Direct Lending Fund II, L.P.	23,115,197	2.7	54.6									
Franchise Equity Capital Partners III	100,109	0.0	0.2									
Franchise Equity Capital Partners II	143,953	0.0	0.3									
Private Equity	20,642,183	2.4	2.4	0.0	0.0	-19.8	-9.9	-15.2	-9.2	--	-2.8	Feb-08
<i>S&P 500 +3%</i>				2.3	5.2	16.8	22.1	14.1	17.6	10.6	12.0	Feb-08
Capital Spring Finance Company	13,250,835	1.5	64.2									
Whalehaven Fund Limited	5,000,000	0.6	24.2									
Louisiana Fund II	1,545,612	0.2	7.5									
Hedge Funds	5,953,895	0.7	0.7	0.0	0.0	-0.6	1.8	-2.1	2.1	1.4	2.3	Mar-06
<i>HFRI Fund of Funds Composite Index</i>				0.4	2.2	5.5	6.4	2.2	3.8	1.1	2.1	Mar-06

Total Retirement System Aggregate

As of September 30, 2017

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Scoggin Worldwide Distressed Fund	716,341	0.1	12.0									
GoldenTree Offshore Fund, Ltd.	5,237,554	0.6	88.0									
Non-Core Real Estate	11,042,577	1.3	1.3	0.0	0.0	-1.7	-1.3	-3.1	-0.1	0.3	1.5	Feb-06
<i>NCREIF Property (1-quarter lagged)</i>				1.8	1.8	5.1	7.0	10.2	10.5	6.4	8.1	Feb-06
Bedico Creek Preserve	8,051,728	0.9	72.9									
Gainesville Vision	2,908,800	0.3	26.3									
Americus Real Estate Fund II	82,049	0.0	0.7									
Cash	9,587,572	1.1	1.1									

Footnote Appendix

- Item 1. Fiscal year begins July 1.
- Item 2. All returns are presented net of management fees.
- Item 3. As of February 1, 2016 the policy benchmark performance is 50% equities (represented by 28% Russell 3000 index, 12% FTSE All World (ex. U.S.) index, 10% MSCI EM index), 35% public fixed income (represented by performance of Barclays Universal) and 15% alternatives (represented by 4% NCREIF Property Index, 3% S&P Global Natural Resources index, 3% Barclays High Yield + 2% index, 2% S&P 500 +3% index, 3% S&P Global Infrastructure index). Prior to February 1, 2016 the policy benchmark performance is 50% equities (represented by 26% Russell 3000 index, 12% MSCI EAFE index, 12% MSCI EM index), 15% public fixed income (represented by performance of Barclays Universal) and 35% alternatives (represented by 7% HFRI Fund WC, 7% NCREIF Property Index, 7% S&P Global Natural Resources index, 7% Barclays High Yield index, 7% S&P 500 +3% index).
- Item 4. Unless otherwise noted the market values for non-public market assets are based on most recent available data from each manager adjusted for subsequent cash flows (where applicable) through the performance date of this report.
- Item 5. The following investments market values are based on the most recent MERS plan level audit valuations prepared by the System's auditor (adjusted for subsequent cash flows where applicable): Resource Environmental Solutions, Republic Business Credit, Capital Springs Finance Company, Whalehaven Fund Limited, Bedico Creek Preserve.
- Item 6. Hedge fund investments are in liquidation. The remaining value in the GoldenTree Offshore fund is in an illiquid side-pocket.

Bedico Creek

History

- In October 2010, the Retirement System and David Waltemath created a limited liability company named Bedico Creek Preserve, LLC.
- According to the Operating Agreement, the purpose of the entity was to “engage in the ownership, improvement, construction, maintenance, operation, management, and sale of property, including Bedico Creek Subdivision in St. Tammany Parish.”

Terms

- MERS committed, and subsequently invested, seven million dollars.
- Waltemath was not obligated to invest any money originally but offered services as day to day management of the entity.

	Contribution	Ownership
MERS	Up to \$7 million	80%
Waltemath	“Services Rendered”	20%

- When cash is available, it is distributed as follows:
 - (1) MERS receives a 10% coupon on its remaining cost basis, compounded annually
 - (2) MERS receives its cost basis (principal) back
 - (3) Waltemath receives 15% of the amount in item #1
 - (4) Any remaining cash is distributed pro-rata based on ownership: 80% to MERS, 20% to Waltemath

Cash Flows

	Invested	Distributed/Received	Market Value	<i>Unrealized Multiple</i>
MERS	\$7.2 million	\$5.3 million	\$8.0 million ¹	1.8x

- MERS invested a total of \$7.2 million and has received \$5.3 million so far on its investment.

¹ This is the Equity of Bedico Creek Preserve as of 6/30/17 as per the audited report. It values the receivables, payables, and lots at full value and the acreage at a 20% discount.

