

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES

APRIL 27 & 28, 2016

The Board of Trustees of the Municipal Employees' Retirement System of Louisiana met in regular session on Wednesday, April 27, 2016 at 1:30 P.M. and Thursday, April 28, 2016 at 9:00 A.M. at the Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana.

PRESENT:

Mayor Clarence Fields, Chairman
Mr. Mike Sands, Vice-Chairman
Mr. Ronnie Harris, Trustee
Ms. Claire Sarradet, Trustee
Ms. Mary O. Vice, Trustee
Ms. Andrea Mahfouz, Trustee
Mayor Carroll Breaux, Trustee
Ms. Marsha Guedry, Division of Administration
Ms. Amy Mathews, State Treasurer's Office

UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,
House Retirement Committee
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

IN ATTENDANCE:

Warren Ponder, Acting Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Bonnie Phillips, Accountant
Aaron Lally, Investment Consultant
Gustavo Bikkeshbakker, Investment Consultant

The Vice-Chairman called the meeting to order.

The Vice-Chairman asked Ms. Vice to open the meeting with a prayer and Mr. Sands led everyone in the pledge of allegiance.

The Vice-Chairman asked Ms. Suire to call roll. A quorum was present.

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After Mr. Ponder updated the Board that the system has received settlement monies on the Tremont class action suit with another payment to be received soon, Ms. Sarradet moved to dismiss the individual lawsuit against Tremont; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Gustavo Bikkesbakker and Aaron Lally gave an overview of the Barrow Hanley, Whalehaven, LA Funds, and Compass Island funds to the Board. An explanation of the types of funds were given along with questions that should be asked to the managers. A copy of this overview is attached and made part of these minutes.

Ms. Vice moved to hold agenda item #6 until John Harloe arrives; the motion was seconded by Mr. Harris. The motion carried without objection or opposition.

Michael Finkelstein gave an update on the Whalehaven fund with education to the Board.

John Harloe gave an update on the Barrow, Hanley, Mewhinney & Strauss fund with education to the Board. He introduced their new analyst, Melodie Hunt, to the Board.

Joe Lovett and Rick Babb gave an update on the LA Fund I & LA Fund II with education to the Board.

Shiv Govindan gave an update on the Compass Island investment with education to the Board.

Gustavo Bikkesbakker and Aaron Lally had a wrap-up session with the Board and answered all questions concerning the presentations given.

Ms. Mahfouz moved to recess until 9:00 a.m. tomorrow; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

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PRESENT:

Mayor Clarence Fields, Chairman
Mr. Mike Sands, Vice-Chairman
Mr. Ronnie Harris, Trustee
Ms. Claire Sarradet, Trustee
Ms. Mary O. Vice, Trustee
Ms. Andrea Mahfouz, Trustee
Mayor Carroll Breaux, Trustee
Ms. Marsha Guedry, Division of Administration
Ms. Amy Mathews, State Treasurer's Office
Senator Barrow Peacock, Chairman,
Senate Retirement Committee

UNABLE TO ATTEND:

Representative J. Kevin Pearson, Chairman,
House Retirement Committee

IN ATTENDANCE:

Warren Ponder, Acting Director
Susita Suire, Retirement Benefits Administrator
Nancy LaGarde, Chief Financial Officer
Gary Curran, G.S. Curran Actuary
Aaron Lally, Investment Consultant
Gustavo Bikkeshbakker, Investment Consultant
Margaret Corley, Senate Retirement Committee

Ms. Vice moved to enter into regular session; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

The Chairman asked Ms. Vice to open the meeting with a prayer and Mr. Mahfouz led everyone in the pledge of allegiance.

The Chairman asked Ms. Suire to call roll. A quorum was present.

The Chairman asked for approval of the minutes of the meeting held on March 31, 2016.

Mayor Breaux moved that the minutes of the meeting held on March 31, 2016 be approved; the motion was seconded by Ms. Vice. The motion carried without objection or opposition. A copy of these minutes are attached and made a part of these minutes.

The Chairman asked for approval of the Plan A and Plan B retirements (a list was provided to the Board Members).

Ms. Sarradet moved that the Plan A and Plan B retirements be approved; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

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Ms. Sarradet moved to enter into executive Session to discuss Fletcher Investment, United States District Court Middle District of Louisiana Civil Action NO. 3:13-CV-00373 Firefighters' Retirement System, *ET AL* Versus Citco Group Limited, *ET AL*; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Mayor Breaux moved to return to regular session; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Mr. Sands moved to authorize Phil Pries to negotiate with the appropriate law firm to refile the claim against RBS in New York or Connecticut; the motion was seconded by Ms. Sarradet. The motion was seconded by Ms. Sarradet. The motion carried without objection or opposition.

Mr. Sands moved to enter into executive session to discuss *Broyles v. Cantor Fitzgerald & Co., et al*, Suit No. 594,747, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, and all related matters; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Ms. Vice moved to return to regular session; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Mr. Sands moved to authorize our representative to extend a settlement offer to Walter Morales and Commonwealth Advisors for full damages, attorney's fees, interest, and a confessional judgement; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

After a presentation by Matthew Meiners with Kean Miller, Mr. Harris moved to accept the new term sheet with Republic Business Credit; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition. A copy of this term sheet is attached and made part of these minutes.

Let the record reflect Senator Peacock arrived at 10:50 a.m.

Gustavo Bikkesbakker and Aaron Lally gave the Board an overview of the first quarter capital market and an update on the asset allocation rebalancing progress.

Gustavo Bikkesbakker and Aaron Lally presented the Board with a copy of the Preliminary Performance Report for the month of March 2016. The performance of the portfolio as of March 31, 2016 was up 4.0%. Domestic equities were up 7.2%, developed equities were up 5.3%, emerging market equity was up 10.9%, and the global equities were up 6.5%. U.S. core bonds were up 0.9%, foreign bonds were up 6.1%, and high yield bonds were up 3.9%. Core real estate is up 1.5% and non-core real estate is up 2.1%. Hedge funds were up 0.2%.

Ms. Vice moved to accept the investment report from Meketa Investment Group; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition. A copy of this report is attached and made part of these minutes.

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Mr. Sands, Chairman of the Personnel Committee, updated the Board that during their meeting on April 22, the committee reviewed all resumes received for the Director's position and recommended the top five (5) applicants be interviewed by the full Board. Ms. Vice moved to accept the Personnel Committee's report and to interview the top five (5) applicants. Mr. Sands will send letters to the remaining six (6) applicants; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Harris moved to have the interviews for the Director's position on the afternoon of May 25 at 1:00 p.m. and on May 26 at 9:00 a.m. Susita Suire will email the five (5) applicant's resumes to the Board; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

After a lengthy discussion and upon Meketa's recommendation, Ms. Vice moved to approve the non-binding Letter of Intent (LOI) with Landmark Realty Advisors to purchase AEW V, AEW VI, AEW VII, Crow IV, JPMorgan India Fund, and LEM for \$20MM. The offer is contingent on successful due diligence review by Landmark; the motion was seconded by Ms. Mahfouz. The motion carried with opposition from Mr. Harris. Senator Peacock and Ms. Sarradet abstained.

Ms. LaGarde presented a budget report through March 31, 2016 detailing the amount budgeted and the balance year to date.

Ms. Vice moved to accept the budget report through March 31, 2016 as presented; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition. A copy of this budget is attached and made part of these minutes.

Ms. Mahfouz moved to have staff and Marsha Guedry conduct interviews with the three (3) audit firms that sent in proposals to perform the system's audit and bring their recommendation to the Board at the May Board meeting; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.

Ms. LaGarde updated the Board that all DROP funds have been transferred from LAMP to Capital One in March. The current interest being paid by Capital One is .50% and LAMP's current interest is .05%.

Ms. LaGarde updated the Board that she and Bonnie Phillips will be attending some conferences this year to obtain their required CPE's.

Ms. Sarradet moved to accept the CFO report; the motion was seconded by Ms. Vice. The motion carried without objection or opposition.

Ms. Vice moved to oppose HB 904 that would exempt certified sewer and water workers from earnings limitations for a period of three (3) years; the motion was seconded by Ms. Mahfouz. The motion carried without objection or opposition.

Mr. Ponder updated the Board that the reimbursement lawsuit is in the discovery phase at this time.

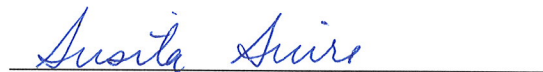
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Mr. Ponder updated the Board that Mayor Donald Villere, Mayor of Mandeville, was the only qualified candidate nominated for the Board seat. He will be sworn in at the May 25 meeting.

Ms. Mahfouz moved to adjourn; the motion was seconded by Mayor Breaux. The motion carried without objection or opposition.



APPROVED



ATTEST