MEETING MATERIAL

Municipal Employees' Retirement System of Louisiana

August 16, 2018

Table of Contents

1. **Proposed Manager Due Diligence Schedule**
2. **Glossary of Investments**
3. **Performance Report As of July 31, 2018**
4. **Disclaimer, Glossary, and Notes**

Proposed Manager Due Diligence Schedule

Proposed Schedule

Month	Manager	Asset Class
September 2018	*No Meeting*	*N/A*
October 2018	Brandywine	Global Bonds
November 2018	*No Meeting*	*N/A*
December 2018	BlueBay	Private Debt
January 2019	Barrow Hanley	U.S. Equity
February 2019	Dimensional Fund Advisors	International Equity
March 2019	First Eagle	International Equity
April 2019	Loomis Sayles	Fixed Income
May 2019	Republic Business Credit	Private Debt
June 2019	GQG	Emerging Market Equity
July 2019	Louisiana Funds	Private Equity
August 2019	WCM	International Equity
September 2019	Sentinel	Real Estate

Excluded Managers

Manager	Asset Class	Reason Excluded
Northern Trust	Multiple strategies	Index Funds
Resource Environmental Solutions	Natural Resources	Seeking to liquidate strategy
Bedico Creek	Real Estate	Terminated manager: waiting on final distribution ($1.1 mm)
Franchise Equity Capital Partners	Private Debt	Fund is being liquidated. One holding left ($0.3 mm)
Capital Springs Finance Company	Private Equity	Investment was sold – waiting on final legal documents
Capital Springs LLC	Private Equity	Investment was sold – waiting on final legal documents
Gainesville Vision	Real Estate	Raw land – no investment manager
GoldenTree Offshore Fund	Hedge Fund	Terminated manager: waiting on final distributions ($3.6 mm)

Glossary of the Retirement System's Investments

Investment	Inception	Description
Northern Trust S&P 500 Index	2013	Broadly diversified index portfolio of 500 U.S. Large Cap Stocks
Northern Trust S&P 400 Mid Cap Index	2013	Broadly diversified index portfolio of 400 U.S. Mid Cap Stocks
Barrow Hanley Small Cap Value	2006	Concentrated portfolio of 35-50 U.S. small cap stocks
First Eagle International Value	2014	Portfolio of 125-175 stocks from international developed markets (Europe, Japan, etc.). Conservatively positioned.
WCM Focused International Growth Fund	2014	Concentrated portfolio of 30-50 stocks from international developed markets (Europe, Japan, etc.). Growth oriented.
Northern Trust MSCI EAFE Index	2017	Broadly diversified index portfolio of 1,000+ stocks from international developed markets (Europe, Japan, etc.).
Dimensional Emerging Markets Value	2013	Extremely diversified portfolio of 3,000+ stocks from emerging markets (China, S. Korea, Taiwan, India, Russia, Brazil, etc.). Tilt towards small cap value stocks.
Northern Trust Emerging Markets Index	2016	Broadly diversified index portfolio of 850 stocks from emerging markets (China, S. Korea, Taiwan, India, Russia, Brazil, etc.)
Northern Trust Barclays Aggregate Index	2015	Broadly diversified index portfolio of U.S. nominal investment grade bonds (high quality). Majority are issued by U.S. government.
Northern Trust TIPS Index	2016	Index portfolio of U.S. investment grade bonds (high quality) intended to protect against unexpected inflation. 100% are issued by U.S. government.
Brandywine Global Fixed Income	2006	Portfolio of roughly half U.S. bonds, and half bonds issued by governments' of other countries. Biggest typical regional exposures are to North/Central America, Asia Pacific ex-Japan and Europe ex-Eurozone. Contains currency exposure/risk.
Loomis Sayles Multisector Full Discretion	2006	Portfolio of U.S. bonds of varying credit quality. Nearly 2/3's in corporate bonds (issued by companies not governments)

Investment	Inception	Description
Sentinel Real Estate Fund	2006	Portfolio of ~30 multifamily properties across the U.S. with largest exposure in the South and West.
Resource Environmental Solutions ("RES")	2007	Joint venture with an operating company seeking to purchase and restore wetlands in Louisiana. By doing so "credits" are created which can be sold to corporations/developers/government to "offset" any wetlands destroyed by construction.
Republic Business Credit ("RBC")	2010	RBC is a small commercial finance company that provides lending to small businesses on the collateral of their accounts receivable in return for a fee. MERS made a loan (promissory note) to RBC in return for ~8+% coupon and also owns a small equity stake in RBC.
BlueBay Direct Lending Fund II	2015	An investment in a closed-end private debt fund that will make approximately ~20 investments (loans) to private companies in Europe.
Franchise Equity Capital Partners II	2008	Tail-end of a private debt fund that made loans to fast food franchisees. Only one position remaining.
Capital Spring Finance Company ("CSFC")	2010	MERS owns approximately 12% in a finance company that makes ongoing loans to fast food franchisees. No natural liquidity. In late 2017 the Board voted to sell the investment but legal paperwork is currently pending.
Capital Spring, LLC	2007	Nearly identical exposure to CSFC, but through a different vehicle. In late 2017 the Board voted to sell the investment but legal paperwork is currently pending.
Louisiana Fund II	2015	An investment in a New Orleans based early stage life-sciences bio-tech venture capital fund expected to make 8-10 investments in small healthcare companies in the southern region of the United States.
GoldenTree Offshore Fund	2006	Three illiquid investments from a terminated hedge fund. The manager has discretion when/how the assets can/will be sold. Roughly 80% of remaining value is in one company, Bawag (a bank in Austria) which has some liquidity after its 11/2017 IPO.
Bedico Creek Preserve	2010	MERS previously owned 80% of the Bedico Creek master planned subdivision in St. Tammany Parish. MERS sold its stake to the partner/property management in 2018. Awaiting final distribution expected before 6/30/2019.
Gainesville Vision	2008	Plot of land (1,000+ acres) along a highway in Gainesville, GA jointly owned with Austin Police Retirement System and Firefighters' Retirement System of Louisiana.

Preliminary Performance As of July 31, 2018

Total Retirement System Aggregate

As of July 31, 2018

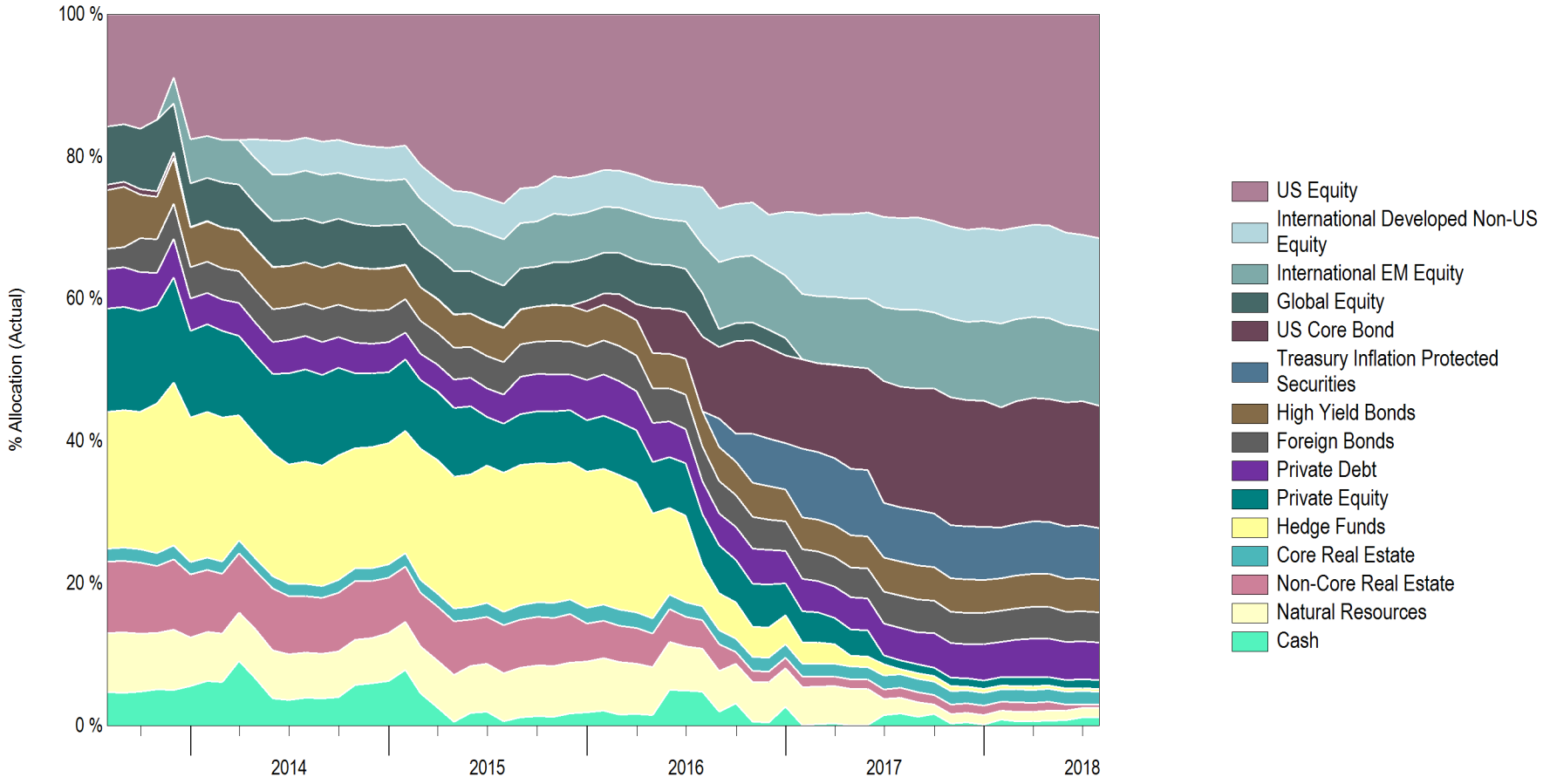
Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
US Equity	$269,082,673	31%	28%	18% - 38%	Yes
International Developed Non-US Equity	$110,134,118	13%	12%	7% - 17%	Yes
International EM Equity	$90,932,143	11%	10%	5% - 15%	Yes
US Core Bond	$146,685,416	17%	18%	8% - 28%	Yes
Treasury Inflation Protected Securities	$62,459,772	7%	7%	2% - 12%	Yes
High Yield Bonds	$39,003,256	5%	5%	0% - 10%	Yes
Foreign Bonds	$36,172,092	4%	5%	0% - 10%	Yes
Private Debt	$45,049,867	5%	3%	0% - 6%	Yes
Infrastructure	--	--	3%	0% - 6%	Yes
Private Equity	$10,339,622	1%	2%	0% - 4%	Yes
Hedge Funds	$3,528,316	0%	0%	0% - 5%	Yes
Core Real Estate	$15,697,443	2%	4%	0% - 8%	Yes
Non-Core Real Estate	$4,008,800	0%	0%	0% - 5%	Yes
Natural Resources	$11,308,445	1%	3%	0% - 6%	Yes
Cash	$10,002,097	1%	0%	0% - 5%	Yes
Total	**$854,404,061**	**100%**	**100%**		

Total Retirement System Aggregate

As of July 31, 2018

Asset Allocation History
5 Years Ending July 31, 2018



Total Retirement System Aggregate

As of July 31, 2018

Asset Class Net Performance Summary

	Market Value ($)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Retirement System Aggregate	**854,404,061**	**100.0**	**1.6**	**0.9**	**5.7**	**2.9**	**3.4**	**2.9**	**3.9**	**Jan-06**
Policy Benchmark			*1.7*	*1.3*	*6.9*	*6.8*	*7.0*	*6.3*	*6.8*	*Jan-06*
60% MSCI ACWI & 40% Barclays Universal			*1.9*	*1.0*	*6.3*	*6.3*	*6.5*	*5.8*	*5.8*	*Jan-06*
Domestic Equity	**269,082,673**	**31.5**	**3.2**	**6.2**	**16.4**	**12.2**	**11.7**	**10.7**	**8.5**	**Feb-06**
Russell 3000			*3.3*	*6.6*	*16.4*	*12.2*	*12.8*	*10.7*	*8.8*	*Feb-06*
Developed Equity	**110,134,118**	**12.9**	**1.7**	**0.7**	**6.5**	**7.1**	**--**	**--**	**5.5**	**May-14**
MSCI EAFE			*2.5*	*-0.4*	*6.4*	*5.0*	*5.9*	*3.4*	*3.3*	*May-14*
Emerging Market Equity	**90,932,143**	**10.6**	**3.3**	**-3.9**	**4.5**	**10.0**	**--**	**--**	**5.8**	**Dec-13**
MSCI Emerging Markets			*2.2*	*-4.6*	*4.4*	*8.9*	*5.3*	*2.9*	*4.3*	*Dec-13*
U.S. Core Bond Assets	**146,685,416**	**17.2**	**0.0**	**-1.6**	**-0.9**	**1.8**	**0.5**	**--**	**0.7**	**Apr-13**
BBgBarc US Aggregate TR			*0.0*	*-1.6*	*-0.8*	*1.5*	*2.2*	*3.7*	*1.5*	*Apr-13*
Treasury Inflation Protected Securities	**62,459,772**	**7.3**	**-0.5**	**-0.5**	**1.1**	**--**	**--**	**--**	**0.1**	**Jul-16**
BBgBarc US TIPS TR			*-0.5*	*-0.5*	*1.2*	*1.7*	*1.4*	*3.0*	*0.1*	*Jul-16*
Foreign Bond Assets	**36,172,092**	**4.2**	**1.3**	**-1.9**	**-2.0**	**3.7**	**2.2**	**--**	**0.9**	**Apr-13**
BBgBarc Global Aggregate TR			*-0.2*	*-1.6*	*-0.5*	*2.4*	*1.2*	*2.6*	*0.6*	*Apr-13*
High Yield Bonds	**39,003,256**	**4.6**	**0.9**	**-0.3**	**1.5**	**4.0**	**5.1**	**--**	**4.4**	**Apr-13**
BBgBarc US High Yield TR			*1.1*	*1.3*	*2.6*	*6.1*	*5.3*	*8.5*	*4.8*	*Apr-13*

Total Retirement System Aggregate

As of July 31, 2018

	Market Value ($)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	**15,697,443**	**1.8**	**0.0**	**4.0**	**7.4**	**8.6**	**10.2**	**7.1**	**6.7**	**Apr-06**
NCREIF ODCE Equal Weighted (Net)			*0.0*	*3.9*	*7.7*	*8.7*	*10.2*	*4.2*	*5.6*	*Apr-06*
Private Debt	**45,049,867**	**5.3**	**0.0**	**3.8**	**6.9**	**4.0**	**5.9**	**--**	**6.0**	**Apr-13**
BBgBarc High Yield+2%			*1.3*	*2.4*	*4.6*	*8.2*	*7.4*	*10.6*	*6.9*	*Apr-13*
Private Equity	**10,339,622**	**1.2**	**0.0**	**-0.1**	**2.3**	**-18.2**	**-17.6**	**-7.9**	**-7.3**	**Feb-08**
S&P 500 +3%			*4.0*	*8.3*	*19.7*	*15.9*	*16.5*	*14.0*	*12.6*	*Feb-08*
Non-Core Real Estate	**4,008,800**	**0.5**	**0.0**	**-34.0**	**-34.0**	**-18.9**	**-9.0**	**-4.9**	**-2.0**	**Feb-06**
NCREIF Property (1-quarter lagged)			*0.0*	*3.5*	*7.1*	*8.7*	*10.0*	*6.1*	*8.0*	*Feb-06*
Natural Resources	**11,308,445**	**1.3**	**0.0**	**0.0**	**-11.3**	**-30.4**	**-19.3**	**--**	**-17.8**	**Apr-13**
S&P Global Natural Resources Index TR USD			*1.1*	*4.8*	*19.0*	*12.6*	*5.2*	*0.7*	*3.9*	*Apr-13*
Hedge Funds	**3,528,316**	**0.4**								
Cash	**10,002,097**	**1.2**								

Total Retirement System Aggregate

As of July 31, 2018

Trailing Net Performance

	Market Value ($)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Retirement System Aggregate	**854,404,061**	**100.0**	**--**	1.6	0.9	5.7	2.9	3.4	2.9	3.9	**Jan-06**
Policy Benchmark				*1.7*	*1.3*	*6.9*	*6.8*	*7.0*	*6.3*	*6.8*	*Jan-06*
60% MSCI ACWI & 40% Barclays Universal				*1.9*	*1.0*	*6.3*	*6.3*	*6.5*	*5.8*	*5.8*	*Jan-06*
Domestic Equity	**269,082,673**	**31.5**	**31.5**	3.2	6.2	**16.4**	**12.2**	11.7	**10.7**	8.5	**Feb-06**
Russell 3000				*3.3*	*6.6*	*16.4*	*12.2*	*12.8*	*10.7*	*8.8*	*Feb-06*
Northern Trust S&P 500 Index	147,209,791	17.2	54.7	3.7	6.4	16.2	12.5	--	--	12.2	Dec-13
S&P 500				*3.7*	*6.5*	*16.2*	*12.5*	*13.1*	*10.7*	*12.3*	*Dec-13*
Large Cap MStar MF Median				*3.5*	*5.8*	*15.6*	*11.1*	*11.9*	*10.2*	*10.9*	*Dec-13*
Large Cap MStar MF Rank				*37*	*42*	*43*	*24*	--	--	*27*	*Dec-13*
Northern Trust S&P 400 MidCap Index	62,870,289	7.4	23.4	1.8	5.2	14.4	11.4	--	--	11.1	Dec-13
S&P 400 MidCap				*1.8*	*5.3*	*14.5*	*11.5*	*11.7*	*11.2*	*11.1*	*Dec-13*
Mid Cap MStar MF Median				*2.3*	*5.2*	*14.2*	*9.7*	*11.0*	*10.1*	*9.8*	*Dec-13*
Mid Cap MStar MF Rank				*75*	*50*	*48*	*26*	--	--	*24*	*Dec-13*
Barrow Hanley Small Cap Value Equity	59,002,593	6.9	21.9	3.5	6.8	19.2	14.4	11.9	12.9	10.9	Jan-06
Russell 2000 Value				*1.8*	*7.3*	*14.4*	*12.9*	*10.2*	*9.5*	*8.0*	*Jan-06*
Small Value MStar MF Median				*1.7*	*5.0*	*13.1*	*10.6*	*9.8*	*9.9*	*8.5*	*Jan-06*
Small Value MStar MF Rank				*2*	*24*	*6*	*5*	*8*	*3*	*1*	*Jan-06*
Developed Equity	**110,134,118**	**12.9**	**12.9**	1.6	0.5	6.3	7.1	--	--	5.5	**May-14**
MSCI EAFE				*2.5*	*-0.4*	*6.4*	*5.0*	*5.9*	*3.4*	*3.3*	*May-14*
First Eagle International Value	33,781,891	4.0	30.7	0.9	-2.2	1.0	4.9	--	--	3.1	May-14
MSCI EAFE				*2.5*	*-0.4*	*6.4*	*5.0*	*5.9*	*3.4*	*3.3*	*May-14*
Foreign MStar MF Median				*2.1*	*-0.8*	*6.1*	*6.0*	*6.2*	*4.1*	*4.1*	*May-14*
Foreign MStar MF Rank				*82*	*77*	*95*	*70*	--	--	*73*	*May-14*

Total Retirement System Aggregate

As of July 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
WCM Focused International Growth Fund	33,676,113	3.9	30.6	1.4	3.9	11.6	9.6	--	--	8.4	Jun-14
MSCI ACWI ex USA				*2.4*	*-1.5*	*5.9*	*6.0*	*5.6*	*3.2*	*3.3*	*Jun-14*
Foreign MStar MF Median				*2.1*	*-0.8*	*6.1*	*6.0*	*6.2*	*4.1*	*4.1*	*Jun-14*
Foreign MStar MF Rank				*73*	*6*	*12*	*11*	*--*	*--*	*6*	*Jun-14*
Northern Trust MSCI EAFE Index	42,676,115	5.0	38.7	2.4	0.1	6.7	--	--	--	15.3	Jan-17
MSCI EAFE				*2.5*	*-0.4*	*6.4*	*5.0*	*5.9*	*3.4*	*14.9*	*Jan-17*
Foreign MStar MF Median				*2.1*	*-0.8*	*6.1*	*6.0*	*6.2*	*4.1*	*15.8*	*Jan-17*
Foreign MStar MF Rank				*36*	*30*	*39*	*--*	*--*	*--*	*57*	*Jan-17*
Emerging Market Equity	**90,932,143**	**10.6**	**10.6**	**3.3**	**-3.9**	**4.5**	**10.0**	**--**	**--**	**5.8**	**Dec-13**
MSCI Emerging Markets				*2.2*	*-4.6*	*4.4*	*8.9*	*5.3*	*2.9*	*4.3*	*Dec-13*
Dimensional Emerging Markets Value	42,250,429	4.9	46.5	4.6	-2.9	5.0	10.7	--	--	4.2	Dec-13
MSCI Emerging Markets Value NR USD				*4.0*	*-3.7*	*3.0*	*6.8*	*3.2*	*2.0*	*2.2*	*Dec-13*
MSCI Emerging Markets				*2.2*	*-4.6*	*4.4*	*8.9*	*5.3*	*2.9*	*4.3*	*Dec-13*
Diversified Emerging Mkts MStar MF Median				*1.8*	*-5.5*	*3.5*	*8.3*	*4.9*	*3.2*	*4.0*	*Dec-13*
Diversified Emerging Mkts MStar MF Rank				*1*	*11*	*27*	*13*	*--*	*--*	*42*	*Dec-13*
Northern Trust Emerging Markets Index	48,681,714	5.7	53.5	2.3	-4.8	4.0	--	--	--	16.0	Jun-16
MSCI Emerging Markets				*2.2*	*-4.6*	*4.4*	*8.9*	*5.3*	*2.9*	*16.2*	*Jun-16*
Diversified Emerging Mkts MStar MF Median				*1.8*	*-5.5*	*3.5*	*8.3*	*4.9*	*3.2*	*14.7*	*Jun-16*
Diversified Emerging Mkts MStar MF Rank				*35*	*38*	*41*	*--*	*--*	*--*	*32*	*Jun-16*
U.S. Core Bond Assets	**146,685,416**	**17.2**	**17.2**	**0.0**	**-1.6**	**-0.9**	**1.8**	**0.5**	**--**	**0.7**	**Apr-13**
BBgBarc US Aggregate TR				*0.0*	*-1.6*	*-0.8*	*1.5*	*2.2*	*3.7*	*1.5*	*Apr-13*
Northern Trust Barclays Aggregate Index	146,685,416	17.2	100.0	0.0	-1.6	-0.9	--	--	--	1.7	Dec-15
BBgBarc US Aggregate TR				*0.0*	*-1.6*	*-0.8*	*1.5*	*2.2*	*3.7*	*1.8*	*Dec-15*
Intermediate-Term Bond MStar MF Median				*0.1*	*-1.4*	*-0.6*	*1.7*	*2.4*	*4.4*	*2.3*	*Dec-15*
Intermediate-Term Bond MStar MF Rank				*74*	*68*	*70*	*--*	*--*	*--*	*80*	*Dec-15*

Total Retirement System Aggregate

As of July 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Treasury Inflation Protected Securities	**62,459,772**	**7.3**	**7.3**	**-0.5**	**-0.5**	**1.1**	**--**	**--**	**--**	**0.1**	**Jul-16**
BBgBarc US TIPS TR				*-0.5*	*-0.5*	*1.2*	*1.7*	*1.4*	*3.0*	*0.1*	*Jul-16*
Northern Trust TIPS	62,459,772	7.3	100.0	-0.5	-0.5	1.1	--	--	--	0.1	Jul-16
BBgBarc US TIPS TR				*-0.5*	*-0.5*	*1.2*	*1.7*	*1.4*	*3.0*	*0.1*	*Jul-16*
Inflation-Protected Bond MStar MF Median				*-0.3*	*-0.4*	*1.1*	*1.5*	*1.1*	*2.7*	*0.3*	*Jul-16*
Inflation-Protected Bond MStar MF Rank				*93*	*66*	*46*	*--*	*--*	*--*	*70*	*Jul-16*
Foreign Bond Assets	**36,172,092**	**4.2**	**4.2**	**1.3**	**-1.9**	**-2.0**	**3.7**	**2.2**	**--**	**0.9**	**Apr-13**
BBgBarc Global Aggregate TR				*-0.2*	*-1.6*	*-0.5*	*2.4*	*1.2*	*2.6*	*0.6*	*Apr-13*
Brandywine Global Opportunistic Fixed Income	36,172,092	4.2	100.0	1.3	-1.9	-2.0	3.7	2.6	5.1	5.7	Jan-06
BBgBarc Global Aggregate TR				*-0.2*	*-1.6*	*-0.5*	*2.4*	*1.2*	*2.6*	*3.6*	*Jan-06*
World Bond MStar MF Median				*0.3*	*-0.9*	*0.0*	*2.9*	*1.8*	*3.8*	*4.4*	*Jan-06*
World Bond MStar MF Rank				*11*	*65*	*87*	*26*	*32*	*18*	*10*	*Jan-06*
High Yield Bonds	**39,003,256**	**4.6**	**4.6**	**0.9**	**-0.3**	**1.5**	**4.0**	**5.1**	**--**	**4.4**	**Apr-13**
BBgBarc US High Yield TR				*1.1*	*1.3*	*2.6*	*6.1*	*5.3*	*8.5*	*4.8*	*Apr-13*
Loomis Sayles Multisector Full Discretion	39,003,256	4.6	100.0	0.9	-0.3	1.5	4.0	4.6	7.4	7.1	Jan-06
BBgBarc US Govt/Credit TR				*0.1*	*-1.8*	*-1.0*	*1.6*	*2.3*	*3.8*	*4.0*	*Jan-06*
BBgBarc US High Yield TR				*1.1*	*1.3*	*2.6*	*6.1*	*5.3*	*8.5*	*7.5*	*Jan-06*
Multisector Bond MStar MF Median				*0.8*	*-0.3*	*1.4*	*3.8*	*3.8*	*6.0*	*5.5*	*Jan-06*
Multisector Bond MStar MF Rank				*33*	*61*	*46*	*40*	*18*	*9*	*1*	*Jan-06*

Total Retirement System Aggregate

As of July 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Real Estate	**15,697,443**	**1.8**	**1.8**	**0.0**	**4.0**	**7.4**	**8.6**	**10.2**	**7.1**	**6.7**	**Apr-06**
NCREIF ODCE Equal Weighted (Net)				*0.0*	*3.9*	*7.7*	*8.7*	*10.2*	*4.2*	*5.6*	*Apr-06*
Sentinel Real Estate Fund	15,697,443	1.8	100.0	0.0	4.0	7.4	8.6	10.2	7.1	7.4	Mar-06
NCREIF ODCE Equal Weighted (Net)				*0.0*	*3.9*	*7.7*	*8.7*	*10.2*	*4.2*	*5.8*	*Mar-06*
Private Debt	**45,049,867**	**5.3**	**5.3**	**0.0**	**3.8**	**6.9**	**4.0**	**5.9**	**--**	**6.0**	**Apr-13**
BBgBarc High Yield+2%				*1.3*	*2.4*	*4.6*	*8.2*	*7.4*	*10.6*	*6.9*	*Apr-13*
BlueBay Direct Lending Fund II, L.P.	28,319,775	3.3	62.9								
Republic Business Credit	16,443,779	1.9	36.5								
Franchise Equity Capital Partners II	286,313	0.0	0.6								
Private Equity	**10,339,622**	**1.2**	**1.2**	**0.0**	**-0.1**	**2.3**	**-18.2**	**-17.6**	**-7.9**	**-7.3**	**Feb-08**
S&P 500 +3%				*4.0*	*8.3*	*19.7*	*15.9*	*16.5*	*14.0*	*12.6*	*Feb-08*
Capital Spring Finance Company	7,797,085	0.9	75.4								
Louisiana Fund II	2,175,895	0.3	21.0								
Capital Spring, LLC	366,642	0.0	3.5								
Non-Core Real Estate	**4,008,800**	**0.5**	**0.5**	**0.0**	**-34.0**	**-34.0**	**-18.9**	**-9.0**	**-4.9**	**-2.0**	**Feb-06**
NCREIF Property (1-quarter lagged)				*0.0*	*3.5*	*7.1*	*8.7*	*10.0*	*6.1*	*8.0*	*Feb-06*
Bedico Creek Preserve	1,100,000	0.1	27.4								
Gainesville Vision	2,908,800	0.3	72.6								

Total Retirement System Aggregate

As of July 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Natural Resources	**11,308,445**	**1.3**	**1.3**	**0.0**	**0.0**	**-11.3**	**-30.4**	**-19.3**	**--**	**-17.8**	**Apr-13**
S&P Global Natural Resources Index TR USD				*1.1*	*4.8*	*19.0*	*12.6*	*5.2*	*0.7*	*3.9*	*Apr-13*
Resource Environmental Solutions	11,308,445	1.3	100.0								
Hedge Funds	**3,528,316**	**0.4**	**0.4**								
GoldenTree Offshore Fund, Ltd.	3,528,316	0.4	100.0								
Cash	**10,002,097**	**1.2**	**1.2**								

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, Bedico Creek Preserve, Gainsville Vision.
Item 6.	Hedge fund investments are in liquidation. The remaining value in the GoldenTree Offshore fund is in an illiquid side-pocket.

Disclaimer, Glossary, and Notes

Disclaimer

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA.

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM", "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{\text{5\% (discount)}}{\text{5 (yrs. to maturity)}} = \text{1\% pro rata, plus 5.26\% (current yield)} = \text{6.26\% (yield to maturity)}$$

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991.

Notes

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.