

Proposed: July 21, 2016
Approved: July 21, 2016

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

June 23, 2016

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, June 23, 2016, in the fourth floor Board room of the Retirement Systems building, 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Kathy Singleton, 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; Mr. John Broussard – designee, State Treasurer; Ms. Beverly Hodges; Ms. Janice Lansing; Mr. Rick McGimsey – designee, Commissioner of Administration; Ms. Lori Pierce; Ms. Kathy Singleton; Ms. Shannon Templet; Ms. Lorry Trotter

Members absent: Ms. Virginia Burton; Judge William Kleinpeter; Senator Barrow Peacock; Representative Kevin Pearson

Staff present: Ms. Maris LeBlanc, Deputy Director & Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Mr. Bobby Beale, Chief Investment Officer; Investment Staff: Mr. Darren Fournerat, Ms. Laney Sanders, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Jacques Brousseau and Mr. Reeves Pearce

Also present: Mr. Rhett Humphreys and Mr. Jeffrey Roberts - NEPC

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 May 19, 2016, Investment Committee meeting. **Mr. Bickham moved, seconded by Ms. Templet, to**

approve the minutes of the May 19, 2016, Investment Committee meeting. With no further discussion, and no objections, the motion carried.

NEW BUSINESS

Distressed/Special Situations Mandate Review

Ms. Sanders, Mr. Roberts and Ms. Singleton reviewed the due diligence trips held at each finalist's office. Ms. Singleton stated that she highly recommends participating in the due diligence trips when hiring a manager as it provides a unique view into the operations.

Distressed/Special Situations Mandate Finalists Interviews:

Cerberus Capital Management

Mr. Steve Feinberg – Co-Founder and CEO and Mr. David Abrams – Managing Director & Head of Global Credit Opportunities, appeared before the committee.

Gamut Capital Management

Mr. Stan Parker – Founder and Co-CIO and Ms. Allyson Alimansky – Partner and Marketing Head, appeared before the committee.

Oak Hill Advisors

Mr. Glenn August – CEO, Founder and Ms. Natalie Harvard, Managing Director, appeared before the committee.

Siguler Guff & Company

Mr. George Siguler – Founding Partner, Managing Director, Mr. Jim Gereghy – Managing Director, and Mr. Ryan Mason – Principal, appeared before the committee.

Discussion and Mandate Selection of the Private Equity – Distressed/Special Situations Manager

After the interviews, Ms. Sanders and Mr. Roberts presented their recommendations for hiring a manager for the mandate. Ms. Sanders stated that she recommends hiring Cerberus Capital Management, Gamut Capital Management and Oak Hill Advisors. Mr. Roberts stated that NEPC also recommends hiring those three managers. **After discussion, Ms. Templet moved, seconded by Ms. Lansing, to hire three managers for the Private Equity Distressed/Special Situations mandate. With no further discussion, and no objections, the motion carried.**

Ms. Sanders and Mr. Roberts then stated that they recommend committing \$125 million to Cerberus Capital Partners, \$50 million to Gamut Capital Partners, and \$50 million to Oak Hill Advisors. **After discussion, Ms. Templet moved, seconded by Ms. Lansing, to hire Cerberus Capital Management for \$125 million; Gamut Capital Management for \$50 million; and Oak Hill Advisors**

for \$50 million; for the Private Equity Distressed/Special Situations mandate. With no further discussion and no objections, the motion carried.
Review of 2016 Private Equity Strategic Plan and Search Recommendation

Ms. Sanders reviewed the Private Equity Strategic Plan with the committee and stated that according to the Strategic Plan, LASERS would like to begin a search for a Private Equity Emerging Markets manager. **After discussion, Ms. Templet moved, seconded by Ms. Lansing, to begin a search for a Private Equity Emerging Markets manager. With no further discussion, and no objections, the motion carried.**

Monthly Performance Review

Mr. Beale reviewed the Plan performance for May with the Committee.

OTHER BUSINESS

No other business was brought before the committee and the meeting adjourned at 4:26 p.m.