

APPROVED MINUTES

LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
BOARD OF TRUSTEES MEETING
WEDNESDAY, JULY 15, 2015
BOSSIER CITY, LOUISIANA
9:00 AM

A meeting of the Louisiana Clerks of Court Retirement and Relief Fund Board of Trustees was held on Wednesday, July 15, 2015 at 9:00 AM in Bossier City, Louisiana.

The meeting was called to order by President Holli Vining. David Dart gave the invocation and Mark Graffeo led the Pledge of Allegiance.

MEMBERS PRESENT:

President Holli Vining
David Dart
Rick Arceneaux
Robin Hooter
Mark Graffeo
Jim Martin
Kay Bolding

OTHERS PRESENT:

Debbie Hudnall, Executive Director
Phineas Troy, Summit Strategies
Denise Akers, Attorney
Gary Curran, Actuary

GUEST PRESENT:

Frank Borne

PUBLIC COMMENTS: None

OATH OF OFFICE

Holli Vining administered the oath of office to Jim Martin as a Clerk Member.

APPROVAL OF MINUTES:

Mark moved that the minutes of May 20, 2015 be amended to show that he made the motion to adjourn rather than Tammy Foster and further that the minutes be approved as amended. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

COMMENTS BY PRESIDENT:

President Vining commented that everyone had enjoyed the dinner the night before and thanked Gary Loftin's office for making the arrangements.

FINANCIAL REPORTS: (ON FILE IN OFFICE)

Treasurer Robin Hooter reviewed the financial reports for April and May 2015.

Apr. 2015 -	Monthly Contributions	\$ 1,859,536
	Other Additions	\$ 6,787
	Investment Gain (Loss)	\$ 7,741,646
	Investment Expenses	\$ (260,838)
	Deductions	\$ (2,911,390)
	Net Income (Decrease)	\$ 6,435,741
	Total Investments	\$ 506,540,870
	Total Assets	\$ 541,443,238
May 2015 -	Monthly Contributions	\$ 2,161,206
	Other Additions	\$ 24,633
	Investment Gain (Loss)	\$ 959,751
	Investment Expenses	\$ (186,729)
	Deductions	\$ (2,862,803)
	Net Income (Decrease)	\$ 96,058
	Total Investments	\$ 507,388,142
	Total Assets	\$ 541,536,386

Motion was made by Rick Arceneaux to receive the financial reports. Motion seconded by Jim Martin. **MOTION CARRIED.**

Investment Committee:

Chairman Mark Graffeo reported that the Investment Committee met prior to the Board meeting and had adopted the recommendation of Summit Strategies which was to:

1. Terminate the international small-cap investments with Mondrian of approximately \$16 million
2. Transfer \$8 million to the existing William Blair international small-cap investments
3. Transfer \$4 million to the existing Vontobel international equity
4. Transfer \$4 million to the existing LSV international value equity
5. \$8 million of the \$16 million to be invested in a passive index fund pending the completion of the transfers

Mark Graffeo moved that the Board approve the recommendations of Summit Strategies and the Investment Committee and that the Executive Director be authorized to sign necessary documents. Motion seconded by David Dart. **MOTION CARRIED.**

Summit Strategies Group: (Report on file in office)

ECONOMIC UPDATE

Phinney Troy presented the economic update reviewing the second quarter. He said the US economy continued to grow but at slower pace and the International economy had started its growth until the last couple of weeks of the quarter, when all eyes turned to China and Greece. Concerns regarding the future of Greece as a member of the Eurozone and the potential ripple effect of Greece's actions on other European countries and the rest of the world raised financial market uncertainty. June employment report suggests continued expansion in the US labor market. US inflation continues to run below the 2% target and the Feds continue to maintain interest rates. There are expectations interest rates may increase in September or little later.

Quarterly Investment Performance Review

PORTFOLIO PERFORMANCE June 30, 2015

	2015	1 Mo	FYTD
Total Funds	\$ 534,141,911	-0.93%	3.50%
US Equity			
QMA	\$ 52,765,305	-1.75%	8.07%
Rothschild	\$ 29,214,128	-1.44%	4.44%
Westfield	\$ 41,008,984	-1.13%	9.85%
William Blair	\$ 18,282,555	1.39%	3.76%
Elk Creek	\$ 18,772,639	2.61%	7.51%
Intl. Equity			
Vontobel	\$ 36,789,990	-2.02%	-1.93%
LSV	\$ 35,110,597	-2.52%	-4.19%
Mondrian	\$ 15,934,081	-1.38%	-2.00%
William Blair	\$ 12,215,685	-1.23%	-2.97%
AJO	\$ 23,602,944	-2.60%	
Fixed Income			
Pyramis	\$ 47,766,537	-1.13%	2.28%
Pyramis (Tact)	\$ 23,629,969	-1.36%	2.45%
SSgA Ag Bond	\$ 21,121,943	-1.09%	1.90%
Hedge Funds			
Blackstone	\$ 22,386,451	-1.16%	4.73%
Magnitude	\$ 22,807,736	-0.43%	8.62%
UBP	\$ 950,590		
Real Estate			
Clarion	\$ 49,611,611	4.68%	17.22%
MLP'S			
Harvest	\$ 15,116,457	-5.30%	-8.72%
Tortoise	\$ 14,481,451	-5.61%	-13.24%
Whitney – Cash	\$ 1,268,789		
DROP FUNDS	\$ 21,870,271		
Cash Funds	\$ 9,433,198		

Phinney pointed out that unfortunately with the Greece situation it did affect the portfolio in the last week or so of the fiscal year. He pointed out that the Real Estate investment with Clarion was the big winner for the year ending up with over a 17% return, but expected to be less than double digits in the future. The US equity portion of the portfolio ended the year with a return of 7.36% while International was down 2.83%. Summit still finds the international markets attractive. The biggest detractor for the year was the MLP's that were down 10.44% but up 15.99% since their inception. They still expect MLP's to do well in the future.

ACTUARY REPORT (On file in office)

Gary Curran presented the new Actuarial Assumptions to the Board for approval. David Dart moved that the new Actuarial Assumptions be approved. Motion seconded by Mark Graffeo. **MOTION CARRIED.** Gary discussed the upcoming evaluation informing the Board they would be reviewing mortality rates which could have a cost to the system. He stated there are many factors that could affect cost to the system, especially since the return rate for the year was 3.5%, but reminded the Board since returns are smoothed over a five year period that would help offset cost. Additionally, because the Board had approved maintaining the contribution rate at 19%, this would provide a good buffer.

APPLICATIONS AND REFUNDS: (On file in office)

Debbie reported that since the May Board meeting there were 6 applications for DROP; 5 applications for regular retirement; and 8 post DROP retirement application. Robin Hooter moved that the applications be approved. Motion was seconded by Rick Arceneaux. **MOTION CARRIED.**

Debbie further reported there had been 120 refunds through June 2015 in the amount of \$963,483.

EXECUTIVE DIRECTOR REPORT:

Legislation – Debbie reported that HB 27 which was the Retirement clean-up legislation that had been proposed by the Board had been signed by the Governor and was now Act 42. She also reported that HB 48, initially introduced by Assessors, had been signed by the Governor and was now Act 370. This provided that if and when a COLA is granted, the Funding Deposit Account could be used to offset the costs.

House Appointee – Debbie informed the Board that Stephanie Little and Katie LeLeux had been appointed by Representative Pearson to serve as his representatives at executive sessions of the Board meetings.

LAPERS – Debbie distributed registration forms for the LAPERS educational seminar and recommended that everyone try to attend in order to obtain the required educational hours.

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ATTORNEY

Denise Akers stated that in light of the US Supreme Court ruling on "Same Sex Marriages", she would be working with Debbie to send some type of notice to the active employees in this regard.

OTHER BUSINESS: Debbie reported that the Retirement Portal for active members and retirees should be ready to roll out in the next month. She said they would probably use West Baton Rouge Parish as a test parish before rolling the portal out statewide.

COMMENTS BY BOARD MEMBERS: No comments.

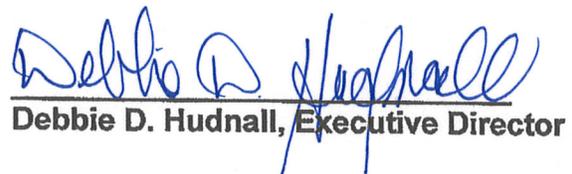
There being no other business; David Dart moved that the meeting be adjourned. Motion seconded by Kay Bolding. **MOTION CARRIED.**

MEETING ADJOURNED.

Approved:


Holli Vining, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director