

PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
Board of Trustees Meeting – June 17, 9:00 am
7905 Wrenwood Blvd., Baton Rouge, Louisiana 70809

AGENDA

Board Members:

R. Bruce Kelly, Chair, Region 1
Kelly Fontenot, Region 2
Phillip Bourgoyne, Region 3
Bridgette Horton, Region 4

M. Larry Richard, Designee, Police Jury Assn.
Senator Bob Owen, Vice Chair, Sen. Retirement
Representative Josh Carlson

Meeting Called to Order by the Chair:

1. Invocation
2. Roll Call
3. Public Comment Period (must relate to agenda item)
4. Disclosure of Conflicts
5. Approval of March and April Minutes
 - i. Correction of Typo in December 2024 Minutes
6. Retirements, April, May, & June 2025
7. Reciprocals and Transfers of Creditable Service, April, May, & June 2025
8. Investments
 - i. Investment Summary and Performance Update
 - ii. Recommendations – Custodian Search Results
 - iii. Other Business
 1. 2025 IPS Review
9. 2024 Audit Report, Compliance Questionnaire, & Attestation Questionnaire (approx. 10 am)
10. 2024 Actuarial Report (1 hr. trustee education credit)
 - i. Fund Transfers - Plan B to Plan A and Plan A to Plan B
 - ii. GASB 67
12. Region 3 Candidates
 - i. Nomination of Candidates for Ballot (Spears, Buras)
 - ii. PERS Election Process 2025
13. Director's Report
 - i. Quarterly Report on Operating Budget
 - ii. Legislative Update – Act 22
 - ii. Technology Update – Michele Perez
 - iii. Personnel Manual Draft
 - iv. Upcoming Conferences of Interest
 - a. NASRA – August 9-13 (Seattle); March 1-3 (Washington, D.C.)
 - b. NCPERS – October 26-29 (Ft. Lauderdale); Specialized Trustee Training Options
 - c. NAPPA – July 23-27 (Denver) (pension attorneys only)
 - d. LAPERS - September 7-9, 2025, Westin, New Orleans
14. HR Report*
15. Other New Business
16. Next Meeting September 7, 2025, 8:30 am, Westin New Orleans (Breakfast at 8.)

Adjourn

*The PERS Board of Trustees may enter into Executive Session to discuss these items pursuant to R.S. 42:17A(1)(2) or (10).

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING MINUTES
June 17, 2025, 9:00 am
7905 Wrenwood Blvd., Baton Rouge, LA 70809**

The Board of Trustees met on the above date at PERS Headquarters in Baton Rouge, LA. Chairman Bruce Kelly presided and called the meeting to order at 9:00 a.m.

1. **Invocation** - Mr. M. Larry Richard gave the invocation. Ms. Spinosa was then asked to call the roll.
2. **Roll Call** - Members present were Chairman Bruce Kelly, Ms. Kelly Fontenot, Mr. Phillip Bourgoyne, Mr. M. Larry Richard, and Ms. Bridgette Horton. Members absent were Senator Bob Owen, and Representative Josh Carlson. There was a quorum.

Also present were Ms. Kristi Spinosa, Mr. Chris Burke, Chief Investment Officer, Ms. Michele Perez, Chief Operating Officer, Ms. Laura Gail Sullivan, Mr. Greg Curran, Mr. Rob Hungerbuhler, and Mr. Joey David.

3. **Public Comment** - Chairman Kelly noted that the Board would take public comment at this time. No one appeared for public comment.
4. **Disclosure of Comments** - Chairman Kelly asked if there were Board member conflicts to be disclosed; none were reported.
5. **Approval of March and April 2025 Meeting Minutes:** Mr. Bourgoyne moved to approve the minutes of the March and April 2025 meetings; the motion was seconded and approved unanimously.
6. **Retirements – April, May, & June 2025 (attached)**

Notes/Decisions: On motion of Phillip Bourgoyne, seconded by Bridgette Horton, the motion was approved unanimously.

7. **Reciprocals and Transfers of Creditable Service – April, May, & June 2025 (attached)**

Notes/Decisions: On motion of Kelly Fontenot, seconded by Larry Richard, the motion was approved unanimously.

8. **Investments -**

- i. **Investment Summary and Performance Update**

Notes: Mr. Burke, assisted by Mr. Hungerbuhler presented the investment update on the PERS portfolio since the March meeting. He stated a rebound in equity returns during the month of May offset mostly negative bond returns. So far through the end of May, the PERSLA investment portfolio has returned approximately 2.75% year-to-date. While the positive month in stocks and economic data provided a reason for optimism, another bout of market turbulence would not be surprising given continued geopolitical news and stretched valuations and the budget battles. The full written update is attached for the record.

- ii. **Recommendations – Custodian Search Results**

Decision: Mr. Burke reported on the recommendation of Northern Trust as the new custodian for the system effective 1/1/26.

Upon motion of Kelly Fontenot, seconded by Phillip Burgoyne, the Board unanimously voted to enter into a contractual agreement with Northern Trust subject to best fee and legal approval from Ms. Spinosa.

iii. **2025 Investment Policy Statement Review**

Notes/Decisions: Mr. Burke reported that only minor technical changes were needed; therefore, no vote was required.

9. **2024 Audit Report, Compliance Questionnaire, & Attestation Questionnaire**

Notes/Decisions: Michelle Cunningham reviewed the results of the 2024 plan audit. She stated that no findings were included and stated it was favorable experience with great staff communication and documentation. She also requested approval of the compliance questionnaire and attestation questionnaire.

On motion of Phillip Bourhouyne, seconded by Kelly Fontenot, all were unanimously approved.

10. **2024 Actuarial Report (1 hr. trustee education credit)**

Notes/Decisions: Greg Curran reviewed the results of the 2024 valuation for both information and Board education credit. He stated that both Plan A and Plan B are in sound financial condition and well over 100% funded. No issues were encountered in the production of the valuation. The next recommended minimum employer rate for Plan A is 7.5% and 5.75% for Plan B.

On motion of Larry Richard, seconded by Phillip Bourhouyne, the full valuation was unanimously approved, with no change in employer or employee contribution rates for 2026.

i. **Fund Transfers – Plan B to Plan A and Plan A to Plan B**

Notes/Decisions: Mr. Curran explained that as part of the valuation his staff conducted a review of the valuation database to identify any members with prior service in one of the plans who is more recently active in the other plan, and who have not previously had a transfer of assets from the older plan to the newer plan. The total amount that Plan A owes Plan B is \$516,728, and the total amount that Plan B owes Plan A is \$299,383. Thus, a net transfer of \$217,345 from Plan A to Plan B is required as of December 31, 2024. This amount should be adjusted with interest at the 6.4% assumed rate of return for the period from January 1, 2025, through the date of the transfer. The \$217,345 will be reflected in the final value of assets used in the actuarial valuation as due from Plan A to Plan B. Hence, assets in Plan B should be increased by \$217,345 and assets in Plan A should be decreased by a like amount.

On motion of Larry Richard, seconded by Phillip Bourhouyne, the net transfer of \$217,345 from Plan A to Plan B was approved unanimously.

ii. **GASB 67 – Mr. Curran stated the GASB 67 would be ready some time in September.**

11. **Region 3 Election**

Notes/Decisions: Ms. Spinosa presented the names of two candidates that expressed interest in the Region 3 seat, Kristine Spears, Washington Parish, and Christine Buras-Dodd, Terrebonne Parish. She also presented the Board with a letter that will go to all employers statewide describing the election process.

On motion of Philip Burgoyne, seconded by Kelly Fontentot, the Board unanimously approved the ballot naming these two well qualified candidates and the procedure letter.

12. Director's Report

i. Quarterly Report on Operating Budget

Notes: Ms. Spinosa reported that the system is overall under budget for the year but may need to be amended between categories related to digital imaging and computer programming at a later date.

ii. Legislative Update – Act 22

Notes: Ms. Spinosa reported that SB 6, now Act 22, related to re-employment of retired court reporters, became law on June 17, 2025. A summary will be distributed to employers at a later date.

iii. Technology Update – Michele Perez

Notes: Ms. Perez stated that digital imaging is moving along faster than planned. She stated she was pleased with the increased pace with the new vendor and anticipates initial scanning being complete by the end of 2025.

iv. Personnel Manual Draft

Notes: Ms. Spinosa informed the Board that the personnel manual consolidation and updates are in progress in consultation with Emergent Method. She will send a draft to the Board prior to the next meeting.

v. Upcoming Conferences of Interest

Notes: Ms. Spinosa notified the Board of the training and education opportunities below available to trustees. She stated that she will attend NAPPA and noted that it is always a very productive and valuable conference of pension attorneys only nationwide.

- NASRA – Aug. 9–13 (Seattle); Mar. 1–3 (Washington, D.C.)
- NCPERS – Oct. 26–29 (Ft. Lauderdale); Specialized Trustee Training Options
- NAPPA – July 23–27 (Denver) (pension attorneys only)
- LAPERS – Sept. 7–9, 2025, Westin, New Orleans

Chairman Kelly is unable to attend the LAPERS meeting due to a scheduling conflict.

13. HR Report*

Notes: The Board voted unanimously to enter executive session pursuant to R.S. 42:17A(1)(2) and/or (10).

The Board returned to open session.

Ms. Sullivan stated that following a formal, comprehensive investigation, which included multiple interviews with PERS staff and others, no violations of law or internal policy were found related to the complaint of Janet Landry.

She further stated that the investigation process was thorough, fair, and interviews were conducted with strict confidentiality. All concerns raised by the complainant were addressed, and investigation findings were reported to the Board of Trustees by outside legal counsel in executive session. She noted that the full report is attorney work product, and therefore, not subject to public records law.

The Board made the following motions to further strengthen organizational leadership and workplace culture:

1. Approved the Finding of the Investigation - The Board unanimously moved to accept the findings of the investigation.
2. Amendment of the Harassment Policy – The Board unanimously moved to remove all references to, and responsibilities of, the Assistant Director and assign them to the Chief Investment Officer (COO).
3. Expansion of the Executive Team –The Board unanimously moved to allow the Administrative Director, CIO, and COO to operate as an executive team, led by the Administrative Director, to support leadership capacity and operational growth.
4. Executive Team Leadership Training – The Board unanimously moved to require Executive Team Leadership Training to enhance strategic leadership and practices at the executive level.
5. PERS Staff Workplace Communication Training – The Board unanimously moved require PERS Staff Workplace Communication Training to promote clear, respectful, and productive communication among staff at all levels.

Ms. Sullivan stated that implementation plans for the above initiatives will be developed by the Executive Director and shared with the Board at the next meeting.

14. Other New Business

Notes:

15. Next Meeting

Date: September 7, 2025 (Prior to the LAPERS Trustee Workshop)

Time: 8:30 a.m. (Breakfast at 8:00 a.m.)

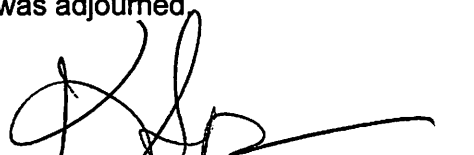
Location: Westin New Orleans

Adjournment

Upon motion and second, approved unanimously, the meeting was adjourned.



Phillip Bourgoyne, Vice Chairman



Kristi Spinoso, Director

Investment Update

A rebound in equity returns during the month of May offset mostly negative bond returns. So far through the end of May, the PERSLA investment portfolio has returned approximately 2.75% year-to-date. While the positive month in stocks and economic data provided a reason for optimism, another bout of market turbulence would not be surprising given continued geopolitical news and stretched valuations and the budget battles.

CIO Insights

After the "Liberation Day" tariff announcements set off a rapid-fire drop in stock prices, on again off again pronouncements of actual tariffs seem to have done the trick of normalizing chaos. As of June 9th, the S&P 500 Index has gained 20% from its low on April 8th and is now within a couple percent of its all-time high. Due to the strong advance of international stocks, the global stock market (MSCI ACWI) resides at an all-time high having experienced a similar 20% bounce off the April 8th lows. What remains mired in a slump is the US dollar relative to a basket of foreign currencies. The dollar is still sitting about 10% below where it was in early January. At the time, the thought was tariffs would increase the value of the dollar, but the exact opposite has played out as the ripple effect of uncertain US foreign policy and souring global investor sentiment towards the U.S. has overwhelmed straight economic theory. That's the problem with theories. They might operate well in a vacuum that holds all other factors constant. But unfortunately for theorists, life does not exist within a vacuum. Note to diary, be wary of theory when investing real money.

As usual, there is plenty to update with respect to the portfolio itself. We successfully completed the modification of LSV's Emerging Markets strategy to exclude Chinese stocks. This takes our direct equity exposure to China below 1% of our portfolio. The proceeds from the sales were simply recycled back into the portfolio cash bucket. We have an approximate 2% net cash drain every year and this was an opportune time to replenish the "cash bucket." Thankfully, we do get paid to sit on cash in the realm of 4% plus. The transition of our GoldenTree fixed income strategy will take place at the end of this month. They have been one of our better performing managers within that space, and as part of the transition to a strategy that gives them an expanded opportunity set, we will be trimming ever so slightly our allocation to keep it in line with our risk objectives. As mentioned last quarter, two of our separate account managers have agreed to start up commingled investment vehicles (easier and simpler from an operational and administrative standpoint). The Doubleline transition is scheduled to happen at the end of June, and we are hopeful that the Loomis Small Cap Value transition will happen shortly thereafter. These types of things take time and attention to detail. Kristi and Larisa have been key contributors and integral to this process. It takes a village!

And finally, Segal has completed their due diligence on potential custodians and will have a recommendation to make with respect to that at the meeting.

Equity	YTD (%)	Fixed Income	YTD (%)	Equity	MTD (%)	Fixed Income	MTD (%)
All Cap U.S. Stocks		Bloomberg		All Cap U.S. Stocks		Bloomberg	
Russell 3000	0.6	U.S. Aggregate	2.70	Russell 3000	6.3	U.S. Aggregate	-0.5
Growth	-0.5	U.S. Treasury: 1-3 Year	2.30	Growth	8.7	U.S. Treasury: 1-3 Year	-0.1
Value	2.0	U.S. Treasury	2.70	Value	3.6	U.S. Treasury	-0.8
Large Cap U.S. Stocks		U.S. Treasury Long	0.80	Large Cap U.S. Stocks		U.S. Treasury Long	-2.6
S&P 500	1.1	U.S. TIPS	4.00	S&P 500	6.3	U.S. TIPS	-0.2
Russell 1000	1.0	U.S. Credit: 1-3 Year	2.50	Russell 1000	6.4	U.S. Credit: 1-3 Year	0.2
Growth	-0.3	U.S. Intermediate Credit	3.30	Growth	8.8	U.S. Intermediate Credit	0.3
Value	2.6	U.S. Credit	2.50	Value	3.6	U.S. Credit	0.1
Mid Cap U.S. Stocks		U.S. Intermediate GIC	3.20	Mid Cap U.S. Stocks		U.S. Intermediate GIC	-0.1
S&P 400	-3.6	U.S. Govt/Credit	2.80	S&P 400	5.0	U.S. Govt/Credit	-0.5
Russell Midcap	1.2	U.S. Govt/Credit Long	0.60	Russell Midcap	5.9	U.S. Govt/Credit Long	-1.5
Growth	6.2	U.S. MBS	2.70	Growth	10.6	U.S. MBS	-0.7
Value	-0.5	U.S. Corp High Yield	2.70	Value	4.3	U.S. Corp High Yield	1.7
Small Cap U.S. Stocks		Global Aggregate (USD)	5.40	Small Cap U.S. Stocks		Global Aggregate (USD)	-0.2
S&P 600	-8.5	Emerging Markets (USD)	3.10	S&P 600	4.9	Emerging Markets (USD)	0.8
Russell 2000	-7.2			Russell 2000	4.9		
Growth	-6.3	Morningstar/LSTA		Growth	6.1	Morningstar/LSTA	
Value	-8.2	Leveraged Loan	2.00	Value	3.7	Leveraged Loan	1.6
International				International			
MSCI EAFE NR (USD)	16.9			MSCI EAFE NR (USD)	4.6		
MSCI EAFE NR (LOC)	7.6	Alternative		MSCI EAFE NR (LOC)	4.7	Alternative	
MSCI EM NR (USD)	7.6	Bloomberg Commodity	2.20	MSCI EM NR (USD)	3.1	Bloomberg Commodity	-1.4
MSCI EM NR (LOC)	4.7	S&P GSCI	-3.00	MSCI EM NR (LOC)	2.2	S&P GSCI	1.0

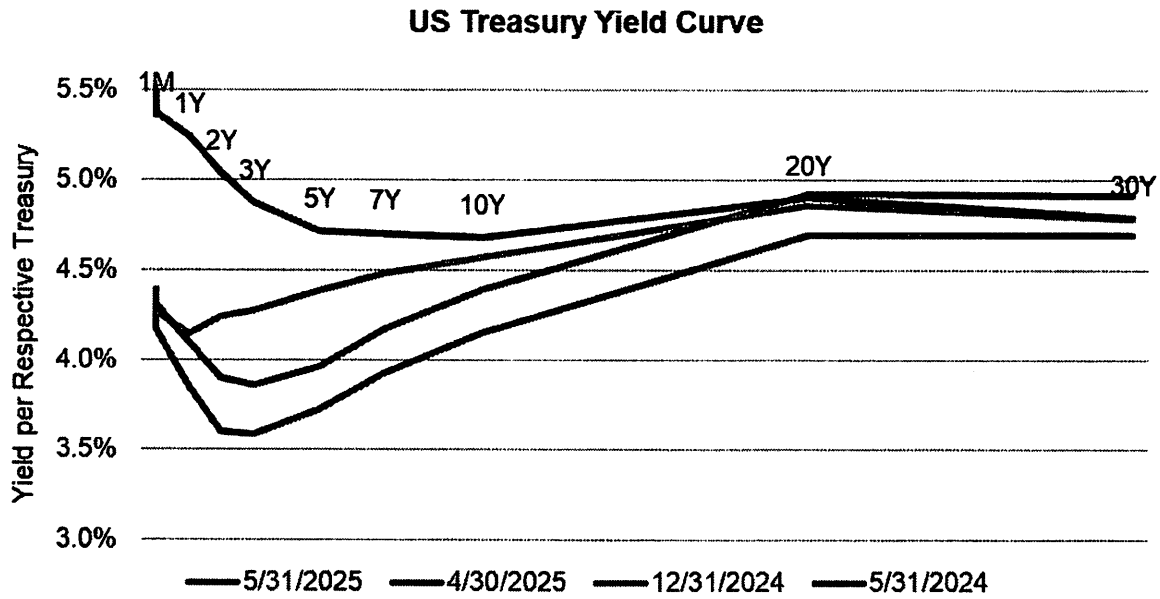
Equity Markets

U.S. Equities rebounded broadly with a 6.3% return, as the S&P 500 had its best performance in the month of May since 1990. On a sector basis, Information Technology (+10.9%) and Communication Services (+9.6%) were the top contributors, while Health Care (-5.5%) was the lone negative contributor. On a year-to-date basis, the only significantly negative portion of U.S. markets is small capitalization stocks (Russell 2000 Index at -7.2%).

International equity markets, including both Developed (+4.6%) and Emerging (+3.1%), were positive but underperformed U.S. Equities. Within the developed markets, Europe (+4.8%) led the way on a regional basis with strong returns from Germany (+6.2%). Within emerging markets, Asia (+5.0%) outperformed with strong results from Korea (+13.1%) and Taiwan (+12.7%). For the month, Information Technology was the strongest performing sector abroad.

Fixed Income Markets

The bond market continues to demonstrate macro concerns from the potential increasing fiscal deficits, produced by the proposed budget bill, and fears of inflation due to the unresolved tariff issues. Amidst this backdrop, fixed income returns were mixed, with U.S. Treasury yields rising (inversely prices fell, hence negative returns) across the curve with 2-year U.S. Treasury bonds rising 31 bps to 3.9% and 30-year Treasuries rising by 22 bps to 4.9%. There were pockets of positive returns in sectors where higher coupons offset price declines such as investment grade corporate credit and high yield sectors.



Looking Ahead

Amid heightened volatility, we continue to advise clients to retain a disciplined approach by focusing on asset allocation, rebalancing as appropriate and maintaining sufficient reserves to pay benefits.