

**PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM**  
**Board of Trustees Meeting – March 18, 2025, 9 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  
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. Approval of the December 10, 2024 Minutes
5. Disclosure of Conflicts
6. Investments
  - A. Investment Summary and Performance Update
  - B. Investment Recommendations
    1. China Exposure
    2. Goldentree Mandate
  - C. Manager Presentation – Conestoga Small Cap
  - D. Custodial Bank Search
    1. Segal Contract Revisions
  - E. Operating Cash Management Changes
  - F. Other Investment Business
7. Approval of Retirements – December 2024 – February 2025
8. Requests for Actuarial Transfer of Service - December 2024 – February 2025
9. Region 3 Board Member Election, Nomination of Candidate(s)
10. Technology Update
  - A. Imaging Update
  - B. New AS400
11. Administrative Director's Report
  - A. FRS v. Greco, et al Settlement Approval
  - B. Tax Qualification Review Update
  - C. New Member Employer Requests
  - D. Securities Litigation Firms
  - E. Quarterly Report on 2025 Operating Budget
  - F. Legislation Preview
    1. SB 6 Court Reporters
    2. SB 7 ESG & Proxy Voting
  - G. Training and Education Opportunities for Trustees
  - H. Upcoming Member Trainings
    - Pelican Park Rec District – March 20
    - Terrebonne DA's Office – March 31
    - Winn Parish Library – April 15
    - St. Tammany Police Jury – May 16
    - Iberville Parish Police Jury – May 21
12. Other New Business
13. Adjourn  
Next Meeting

**MINUTES OF THE MEETING PAROCHIAL EMPLOYEES' RETIREMENT SYSTEM**  
**BATON ROUGE, LOUISIANA**  
**March 18, 9:00 am**

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.

Mr. M. Larry Richard gave the invocation. Ms. Spinosa was then asked to call the roll.

Members present were: Chairman Bruce Kelly, Ms. Kelly Fontenot, Senator Bob Owen, Mr. Phillip Bourgoyne, Mr. M. Larry Richard, and Ms. Bridgette Horton. Members absent were: 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, Ms. Alaina Perrin, Mr. Joey David, Ms. London Baudoin, and Ms. Virginia Eckert.

Chairman Kelly noted that the Board would take public comment at this time. No one appeared for public comment. Chairman Kelly asked if there were Board member conflicts to be disclosed; none were reported.

Mr. Bourgoyne moved to approve the minutes of the December 10, 2024, meeting; the motion was seconded and approved unanimously.

Chris Burke reported that the portfolio achieved an 11.3% return for the year, significantly surpassing the target return of 6.4%. He attributed this success to the strategic diversification and effective management of the portfolio.

Chris emphasized the importance of maintaining a diverse portfolio to mitigate risks and capitalize on various market opportunities. He highlighted the allocation adjustments made to balance equity and fixed income investments.

Chris discussed the rebalancing of fixed income allocations, noting that the adjustments were made to enhance the portfolio's resilience against market volatility. The rebalancing involved reallocating funds among different fixed income managers to optimize returns.

Chris acknowledged the market volatility experienced during the year and explained how the portfolio's diverse investments helped maintain positive returns despite the fluctuations. He highlighted the importance of staying vigilant and adaptable in response to market changes.

Chris Burke explained the currency program, which involves hedging random currency exposure and replacing it with thoughtful currency management by P/E Global. This program has earned \$160 million, with \$100 million from hedges and \$60 million from active management.

He then provided an overview of the currency program, explaining that it aims to hedge random currency exposure and replace it with thoughtful currency management by P/E Global. This approach helps mitigate risks associated with currency fluctuations.

The program involves hedging \$480 million worth of random currency exposure, which has resulted in significant gains. Chris highlighted that the hedging strategy alone contributed \$100 million to the portfolio's earnings.

**Active Management:** In addition to hedging, the program includes active currency management by P/E Global. This active management has generated an additional \$60 million in earnings, bringing the total earnings from the currency program to \$160 million.

**Risk Mitigation:** Chris emphasized the importance of the currency program in mitigating risks associated with foreign currency exposure. By replacing random currency exposure with thoughtful management, the program helps protect the portfolio from adverse currency movements.

### **Fixed Income Allocation:**

Keith Reynolds discussed the fixed income allocation, noting that the portfolio is more insulated against a negative equity market compared to last year. He also mentioned strong performance of the fixed income segment.

Mr. Reynolds explained that the portfolio's fixed income allocation has been adjusted to provide better insulation against a negative equity market. This strategic move aims to reduce the impact of equity market downturns on the overall portfolio performance.

Mr. Reynolds highlighted the strong performance of the fixed income segment, which has contributed positively to the portfolio's overall returns. He attributed this success to the careful selection and management of fixed income investments.

### **Investment Recommendations:**

Chris Burke and Keith Reynolds presented recommendations for modifying the Golden Tree mandate from multi-sector to multi-sector opportunistic and transitioning the LSV emerging markets value strategy to the "ex-China" strategy.

**Golden Tree Mandate:** Chris Burke and Segal recommended modifying the Golden Tree mandate from multi-sector to multi-sector opportunistic in the amount of \$280 million. This change aims to provide the managers with more flexibility to invest in opportunistic segments, potentially enhancing returns. Motion by Phillip Bourgoyne, seconded by Kelly Fontenot, passed unanimously.

**LSV Emerging Markets:** Chris and Segal recommended transitioning the LSV emerging markets value strategy to the LSV emerging market to a limiting exposure to China strategy. This adjustment is intended to reduce exposure to the Chinese equity market, aligning with geopolitical considerations and risk management. Motion by Larry Richard, seconded by Phillip Bourgoyne, passed unanimously.

**Custodian Search:** Chris Burke and Kristi Spinosa discussed the need for a custodian search, led by Rosa Limas from Segal. The search aims to ensure the best services and fees for the organization. Upon motion of Larry Richard, seconded by Kelly Fontenot, the Board unanimously approved the addition of this service to the contract with Segal.

Chris Burke and Kristi Spinosa explained the necessity of conducting a custodian search to ensure the organization receives the best services and fees. They highlighted the importance of evaluating current custodial arrangements and exploring potential improvements.

### **Conestoga Presentation:**

Representatives from Conestoga, including Bob Mitchell, Mark Clewett, and Derek Johnston, presented their investment approach and portfolio performance. They emphasized their focus on high-quality, conservative growth companies and their long-term investment strategy.

**Investment Approach:** Conestoga representatives outlined their investment approach, emphasizing their focus on high-quality, conservative growth companies. They aim to invest in businesses with sustainable growth and strong balance sheets, holding them for the long term.

**Portfolio Performance:** The presentation highlighted the portfolio's performance, noting that Conestoga's strategy has resulted in consistent returns with lower volatility. They provided examples of top-performing stocks and discussed the factors contributing to their success.

**Long-Term Strategy:** Conestoga's long-term investment strategy involves holding stocks for extended periods, allowing the returns to compound over time. They stressed the importance of patience and discipline in achieving sustainable growth and protecting against market volatility. Conestoga announced an update to their succession plan, with Derek Johnston set to succeed Joe Monahan as Co-portfolio manager by the end of 2025. This transition aims to ensure continuity and stability in their investment management team.

Next Mr. Burke addressed cash management strategies for the payment of benefits and administrative expenses. This was an update item for the Board. No action needed.

Mr. Burke then presented an update on the investment timeline.

Kristi Spinosa presented retirements for Board approval from December of 2024 through February 2025, as well as requests for actual transfer or service for the same period. Upon motion of Bridgette Horton, seconded by Senator Owen, the motion was unanimously approved.

Next, Ms. Spinosa notified the Board that only one member had sent in a request for nomination for the Region 3 Board election. Discussion was had. The Board instructed Ms. Spinosa to send an additional letter to each employer in Region 3 to seek more candidates and to present an update at the June meeting.

Michele Perez then gave an update on the new AS400 machine as well as a status update on the digital imaging project.

Ms. Spinosa next discussed the issues of retaining 3 to 5 security litigation firms to represent the system in class action suits for investment irregularities. Upon motion of Larry Richard, seconded by Kelly Fontenot, the Board authorized Ms. Spinosa to move forward and to update the Board as needed.

Kristi Spinosa then notified the Board that the Firefighters Retirement System vs. Greco lawsuit reached a settlement after over a decade. In the settlement those members who were lawfully in PERS would remain while those who were appropriately in FERS would remain there. As an intervener PERS must sign off but has no financial liability and no laws are impacted.

Ms. Spinosa notified the Board that the review of the IRS qualification status of PERS is ongoing by attorney James Thompson. She anticipates results in June or September.

Ms. Spinosa reviewed budget performance to date for 2024, and stated there were no irregularities.

She then reported on two bills:

- a) SB 6 - Court reporter re-employment bill (concerns about actuarial impact)

Upon motion of Kelly Fontenot, seconded by Larry Richard, the Board opposed SB 6 in its current form, but instructed the Director to collaborate with the author as needed on language.

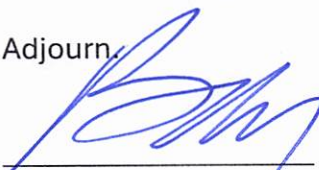
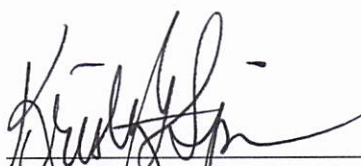
- b) SB 7 - ESG and proxy voting restrictions

Upon motion of Phillip Bourgoyne, seconded by Kelly Fontenot, the Board opposed SB 6 in its current form, but instructed the Director to collaborate with the author as needed on language.

Ms. Spinosa then presented various training and education opportunities for Trustees to fulfill their annual requirements. She also notified the Board of upcoming member and administrative training sessions to be conducted by the Director.

The next meeting is scheduled for June 17, 2025 at 9am.

Adjourn.

  
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Bruce Kelly, Chair  
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Kristi Garcia Spinosa, Director