



Board of Trustees Meeting Agenda
Tuesday, February 27, 2018
1:00 P.M.

- I. **Call to Order** (*Ms. Lynn Fitch*)
 - A. Invocation
 - B. Pledge of Allegiance
 - C. Approval of Agenda
 - D. Approval of Minutes – *December 19, 2017*
 - E. Employee of the Quarter (*April – June 2018*)

- II. **Report of Administrative Committee** (*Mr. Chris Howard*)
 - A. Approval of Interest Rate for Crediting to Member Accounts
 - B. Regulation 59, Plan Assumptions (*Initial Adoption*)
 - C. Regulation 36, Eligibility for Membership in the Public Employees Retirement System of Mississippi (*Initial Adoption*)
 - D. Approval of Actuarial Firm Finalists
 - E. Litigation
 - F. Other

- III. **Report of Legislative Committee** (*Mr. George Dale*)
 - A. Other

- IV. **Report of Claims Committee** (*Mr. Bill Benson*)
 - A. New Agency Joinder Agreement Modification
- South Madison County Fire Protection District
 - B. Certification of Delinquent Contributions
- Town of Jonestown
 - C. Other

- V. **Report of Audit Committee** (*Mr. Stephen Benson*)
 - A. Approval of Internal Audit Department Charter
 - B. Other

- VI. **Report of Ad Hoc Committee** (*Dr. Lee Childress*)
 - A. Executive Director Search
 - B. Other

- VII. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
 - A. MDC Asset Rollover Request – Tunica County
 - B. Other

- VIII. **Report of Investment Committee** (*Mr. Kelly Breland*)
 - A. Private Equity Commitment
 - B. PERS Investment Policy Statement
 - C. Approval of Investment Consultant Search Finalist
 - D. Other

- IX. **Disability Appeals Committee**

- X. **Staff Reports**
 - A. Litigation Report
 - B. Retiree Report
 - C. Investment Report
 - D. Calendar of Upcoming Agenda Items

- XI. **Staff and Trustee Continuing Education**
 - NASRA 2018 Annual Conference, August 4-8, 2018, San Diego, CA
 - NCTR 2018 Conference, October 7-9, 2018, Washington, D.C.
 - IFEBP CAPP
- Employee Pensions Parts I & II (Chicago, IL, June 12-13, 14-15, 2018)
- Employee Pensions Parts I (New Orleans, LA Oct. 13-14, 2018)

- XII. **Economic Interest Disclosures (Due May 1)**

- XIII. **Adjourn**

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The Board of Trustees of the Public Employees' Retirement System met in the Fourth Floor Board Room of the PERS Building, 429 Mississippi Street, Jackson, Mississippi, at 1:00 p.m., Tuesday, February 27, 2018, with members present as follows: Treasurer Lynn Fitch, Chairman, Mr. Bill Benson, Mr. Stephen Benson, Mr. Kelly Breland, Dr. Lee Childress, Mr. Chris Howard, Dr. Randy McCoy, Dr. Brian Rutledge, and Mr. Drew Snyder. Absent: Mr. George Dale.

Staff members present: Pat Robertson, Executive Director, Lorrie Tingle, Greg Gregory, Shirley Sessoms, Kenny Grissett, Davetta Lee, Charles Nielsen, Justin Smith, Jim Feazell, Andrew Hoeniges, Terri Bennett, Terrance Yarbrough, Ran Jones, Terri Hudson, Alicia Houston, Terri Bennett, Barbara Taylor, Pauline Howard, Walter Hille, Susan Lyon, Jan Cragon, Mason Frantom, LaCarole Smith, Alicia Houston, Shelley Powers, Alison Vowell, and Mary Jones. Also attending was Special Assistant Attorney General Jane Mapp, Attorney General's Office.

Guest attendees were: Mr. Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Ms. Paula Nielsen, Office of the State Treasurer; Mr. Shannon Dyse, Empower Retirement; Dr. Terrell Tisdale and Mrs. Martha Tisdale, Retired Education Personnel of Mississippi; Mr. Mike Larsen, Mississippi Retired Public Employees Association; and Ms. Priscilla Ware, Mississippi Department of Finance and Administration, Office of Budget and Fund Management.

Chairman Fitch called the meeting to order at 1:00 p.m. Dr. McCoy gave the invocation. Dr. Rutledge led the attendees in the Pledge of Allegiance to the United States Flag.

Agenda Treasurer Fitch called for a motion to approve the agenda. The motion was made by Mr. Stephen Benson, seconded by Mr. Breland, which motion duly passed, to approve the meeting agenda. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale.

Minutes Treasurer Fitch asked for approval of the Board Meeting Minutes for December 19, 2017. The motion was made by Mr. Howard, seconded by Dr. McCoy, which motion duly passed, to approve the minutes of the December 19, 2017, Board Meeting. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale.

Employee of the Quarter Treasurer Fitch presented Mr. Charles Henderson with the April through June 2018 Employee of the Quarter Award. Mr. Henderson is the PERS Facilities Maintenance Supervisor in the Maintenance department. He was recognized for his diligence, dependability, and conscientiousness, as well as his patient and cheerful attitude.

Administrative Committee Mr. Chris Howard, Administrative Committee Chairman, reported that the Committee met Tuesday, February 27, 2018.

Crediting of Interest on Member Accumulation Accounts Mr. Howard advised that the Committee reviewed the 2018 Interest Rate for Member Accumulation Accounts report presented by staff.

2018 Interest Rate for Member Accounts

In 2016, the PERS Board of Trustees approved the amendment of Regulation 62 to adjust the interest rate for

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member accumulation accounts. The interest rate is now calculated based on the money market rate as published by the Wall Street Journal on December 31 each year with a minimum rate of one percent and a maximum rate of five percent.

On December 31, 2017, the Money Market rate published in the Wall Street Journal was 0.33; therefore, the interest rate paid shall remain set at the minimum rate of one percent as of July 1, 2018.

The motion was made by Mr. Howard, seconded by Mr. Stephen Benson, which motion duly passed, to approve the minimum rate of one percent interest on Member Accumulation Accounts as of July 1, 2018, as presented by staff. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale.

Regulation 59 | Mr. Howard advised that the Committee reviewed amended Regulation 59, Plan Assumptions, for initial adoption.

**Public Employees' Retirement System
Board of Trustees
February 27, 2018**

Proposed Amendments to Board Regulations

Staff requests the Board's initial approval of the proposed amendments to the following regulation:

Regulation 59: Plan Assumptions

The proposed amendments to Regulation 59 would update the actuarial assumptions for PERS, SLRP, and MHSPRS, as approved by the PERS Board of Trustees. This regulation is updated every two years based on the most recent Experience Study.

The effective date of the proposed amendments will be July 1, 2018.

The motion was made by Mr. Howard, seconded by Mr. Bill Benson, which motion duly passed, to approve initial adoption of amended Regulation 59, Plan Assumptions. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale. (*Addendum A – Regulation 59*)

Regulation 36 | Mr. Howard advised that the Committee reviewed amended Regulation 36, Eligibility for Membership in the Public Employees' Retirement System, for initial adoption.

**Public Employees' Retirement System
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Proposed Amendment to Board Regulation

Staff requests the Board's final approval of the proposed amendment to the following regulation:

Regulation 36: Eligibility for Membership in the Public Employees' Retirement System

The proposed amendment to Regulation 36 would clarify that school employees who do not substantially complete the legal school term will be awarded service credit in monthly increments like all other PERS members.

The effective date of the proposed amendments will be July 1, 2018.

The motion was made by Mr. Howard, seconded by Dr. Rutledge, which motion duly passed, to approve initial adoption of amended Regulation 36, Eligibility for Membership in the Public Employees' Retirement System. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale. (*Addendum B – Regulation 36*)

Approval of Actuarial Firm Finalists

Mr. Howard advised that staff presented the list of Actuarial Firm Finalists for Board approval.

**Actuarial Services Request for Proposals
Recommendation of Semi-Finalists**

Staff Recommendation:

The RFP process calls for the top three semi-finalists to be recommended to the PERS Board of Trustees. The evaluation committee has scored and determined the semi-finalists to include:

- Foster & Foster
- Cheiron
- Cavanaugh MacDonald

It is staff's recommendation that these firms be scheduled for presentations and interviews with the PERS Board.

Purpose:

The PERS Board will select the finalist to enter into a five-year (5) contract to provide actuarial services to PERS.

Process:

- Each proposing firm provided a technical response and a cost proposal in a separate sealed envelope.
 - The technical component allowed 65 points and the total cost component 35 points for a possible total 100 points.
- The members of the evaluation committee independently scored the technical response from each firm. These scores were averaged to determine each firm's technical score.
 - The highest scoring firm received 65 points. Each remaining firm received a fraction of the possible 65 points based on the relationship of each firm's score to the highest.
- The committee opened and recorded the cost proposals after the technical scores were determined.
 - The proposal with the lowest cost for the five-year contract and the lowest hourly rates received 35 points. Each remaining firm received a fraction of the possible 35 points based on the relationship of each firm's score to the lowest cost.

The motion was made by Mr. Howard, seconded by Mr. Bill Benson, which motion duly passed, to approve the recommendation of staff of the three Actuarial Services Firm finalists: Foster and Foster, Cheiron, and Cavanaugh Macdonald, for the PERS Actuarial Services Consultant Search, and furthermore, that said finalists be interviewed by the Board, Monday, April 9, 2018. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale.

Litigation

Mr. Howard reported that the Committee closed the meeting in order to go into executive session to discuss a PERS litigation settlement offer in the Tribune Company litigation. Mr. Howard advised that the Committee voted to reject said settlement offer. He advised that the Committee was requesting Board approval of the Committee's decision.

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The motion was made by Mr. Howard, seconded by Dr. McCoy, which motion duly passed, to approve the decision of the PERS Administrative Committee while in executive session, to reject the settlement offer presented by counsel for the Tribune Company. Voting for: B. Benson, S. Benson, Breland, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Childress and Dale.

Mr. Howard reported that the Committee conducted a Continuation of the Funding Policy Discussion. He advised that no Committee or Board action was required for that discussion, as it was for educational purposes only.

Dr. Childress entered the meeting.

Mr. Howard reported that the Committee received an update from staff of the MARS system.

Mr. Howard reported that the Committee recognized four PERS employees for the years of service to PERS. He advised that the combined years of service for these employees is 45 years.

Legislative Committee Treasurer Fitch, acting Legislative Committee Chairman, reported that the Committee met Tuesday, February 27, 2018. She advised that the current bills that are pertinent to PERS are House Bill 1581, the PERS 2019 Appropriation Bill, and House Bill 1617, the PERS Deficit Bill. Treasurer Fitch advised that no action was required by the Committee relating to these bills.

Claims Committee Mr. Bill Benson, Claims Committee Chairman, reported that the Committee met Tuesday, February 27, 2018.

New Agency Joinder Agreement – South Madison County Fire Protection District Mr. Bill Benson advised that the Committee reviewed and approved the New Agency Joinder Agreement of the South Madison County Fire Protection District.

<u>Entity</u>	<u>Coverage Requested</u>	<u>Effective Date</u>
South Madison County Fire Protection District	Social Security Coverage	February 28, 2018
	Retirement Coverage	March 1, 2018

South Madison County Fire Protection District

South Madison County Fire Protection District submitted a request on July 11, 2017 for Social Security and retirement coverage effective February 28, 2018 and March 1, 2018 respectively.

Jane Mapp, Special Assistant Attorney General, has verified that South Madison County Fire Protection District (SMCFPD) is a public entity. Greg Gregory, Deputy Administrator, reviewed the financial statements submitted by SMCFPD and has determined, upon that limited review that SMCFPD has the financial resources to participate in the Public Employees' Retirement System.

Staff recommends that South Madison County Fire Protection District be approved for Social Security coverage effective February 28, 2018 and PERS retirement coverage with an effective date of March 1, 2018.

The motion was made by Mr. Bill Benson, seconded by Dr. Rutledge, which motion duly passed, to approve the New Agency Joinder Agreement of South Madison County Fire Protection District, presented by staff, to provide Social Security coverage effective February 28, 2018 and PERS Retirement coverage with an

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effective date of March 1, 2018. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

**Certification of Delinquent
Contributions – Town of Jonestown**

Mr. Bill Benson reported that the Committee reviewed and certified the Delinquent Contributions of the Town of Jonestown, in the amount of \$11,695.66. He advised that the Town of Jonestown will be notified that if the amounts are not fully paid within thirty days, PERS will pursue legal steps to recover such amounts from state funds due the employer from the Department of Revenue, Mississippi Division of Medicaid or any other department or agency of the State of Mississippi.

The motion was made by Mr. Bill Benson, seconded by Dr. McCoy, which motion duly passed, to certify the Delinquent Contributions status of the Town of Jonestown, in the amount of \$11,695.66. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale. (*Addendum C – Certification of Delinquency – Jonestown*)

**Audit
Committee**

Mr. Stephen Benson, Audit Committee Chairman, reported that the Committee met Tuesday, February 27, 2018.

**Internal Audit
Dept Charter**

Mr. Stephen Benson reported that the Committee reviewed and approved the Internal Audit Department Charter presented by staff.

The motion was made by Mr. Stephen Benson, seconded by Dr. Childress, which motion duly passed, to approve the Internal Audit Department Charter presented by PERS staff. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale. (*Addendum D – Internal Audit Charter*)

Mr. Stephen Benson reported that staff presented the Limited Internal Control and Compliance Review report for informational purposes. He advised that no Committee action was required for this report.

**Ad Hoc
Committee**

Dr. Childress, Ad Hoc Committee Chairman, reported that the Committee met Monday, February 27, 2018. He advised that the Committee, along with Korn Ferry search firm, is continuing the search process for the PERS Executive Director position.

**Defined Contribution
Committee**

Dr. Rutledge, Defined Contribution Committee Chairman, reported that the Committee met Monday, February 26, 2018.

Dr. Rutledge reported that the Committee heard the Second Quarter FY 2018 Performance Review presented by Callan Associates consultants. He advised that this review was presented for informational purposes, and no Committee action was required for this report.

Dr. Rutledge advised that the Committee reviewed the Mississippi Deferred Compensation (MDC) Watch List presented by staff. He advised that no Committee action was required for the Watch List Review, as it was presented for informational purposes.

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MDC Asset Rollover Request – Tunica County | Dr. Rutledge reported that the Committee reviewed and approved the MDC Asset Rollover Request of Tunica County to allow individual employees to transfer their individual assets from the MDC Plan and Trust to the 457(b) employer plan provided by the county.

The motion was made by Dr. Rutledge, seconded by Mr. Bill Benson, which motion duly passed, to approve the MDC Asset Rollover Request of Tunica County, to allow individual employees to transfer their individual assets from the MDC Plan and Trust to the 457(b) employer plan provided by the county. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale. (*Addendum E – MDC Asset Rollover Request – Tunica County*)

Investment Committee | Mr. Breland, Investment Committee Chairman, reported that the Committee met Monday, January 22, 2018, and Monday, February 26, 2018.

Investment Consultant Search Finalist | Mr. Breland reported that the Committee heard presentations Monday, January 22, 2018, from the finalists of the Investment Consultant Services Search. He advised that after reviewing the materials and the finalists' presentations, the Committee voted to select Callan Associates, LLC, as the Investment Consultant for the PERS investment portfolio, for a five-year contract term, with a three-year renewal option, beginning April 1, 2018.

The motion was made by Mr. Breland, seconded by Mr. Bill Benson, which motion duly passed, to approve the selection of Callan Associates, LLC, as the Investment Consultant for the PERS investment portfolio, for a five-year contract term, with a three-year renewal option, beginning April 1, 2018. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

Private Equity Commitment | Mr. Breland reported that the Committee heard an update from staff of the current asset allocation and target allocation in the PERS portfolio. He advised that staff presented the 2018 Private Equity Commitment Recommendation. Mr. Breland advised that staff recommended an additional commitment to private equity of \$600 million to Grosvenor Capital Management, in order for PERS to reach its 8% target allocation to private equity. Mr. Breland advised that staff reported that this commitment will be executed under the existing contract PERS has with Grosvenor Capital Management. He added that this \$600 million commitment to Grosvenor Capital Management will be for the next five years.

The motion was made by Mr. Breland, seconded by Mr. Stephen Benson, which motion duly passed, to approve the 2018 Private Equity Commitment Recommendation of staff that a \$600 million mandate be awarded in the PERS investment portfolio to Grosvenor Capital Management. Voting for: B. Benson, S. Benson, Breland, Childress, Howard, McCoy, and Rutledge. Voting against: Snyder. Abstaining: Fitch. Absent: Dale. (*Addendum F – Private Equity Commitment Recommendation*)

Investment Policy Statement | Mr. Breland advised that the Committee reviewed the PERS Investment Policy Statement and approved the changes and revisions to the Policy Statement, as presented by staff.

The motion was made by Mr. Breland, seconded by Dr. McCoy, which motion duly passed, to approve the

PERS Investment Policy Statement with the changes and revisions submitted by staff. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale. (*Addendum G – Investment Policy Statement*)

**Disability Appeals
Committee**

Ms. Bennett presented the recommendations of the Disability Appeals Committee. She reported that Board members were provided the recommendations of the Disability Appeals Committee prior to the Board Meeting. She advised that Board members were given an opportunity to state by case number any exceptions which said Board members had to any of the recommendations of the Disability Appeals Committee.

Chairman Fitch asked for a motion concerning the following recommendations of the Disability Appeals Committee by case number:

PERS No. 17-19: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees September 11, 2011, and was deferred for consideration of additional medical records on January 8, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is not disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the performance of duty, as required to qualify for duty related disability benefits under Miss. Code Ann. §25-11-114 of the Mississippi Code. The Disability Appeals Committee recommends that the claimant's request for duty-related disability benefits be denied.

PERS No. 17-24: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees on December 4, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Disability Appeals Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is not physically and mentally unable to return to the employment from which he is retired and that the Board of Trustees should terminate the claimant's non-duty-related disability benefits as provided in Section 25-11-113 of the Mississippi Code.

PERS No. 17-27: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees July 17, 2017, and action was deferred for consideration of an Independent Medical Examination on December 11, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is not disabled within the meaning of Section 25-11-113 of the Mississippi Code and, therefore, is not entitled to non-duty-related disability benefits.

PERS No. 17-32: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees September 11, 2017, and was deferred for additional consideration on December 4, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is not disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the performance of duty, as required to qualify for duty related disability benefits under Section 25-11-114 of the Mississippi Code. The

Disability Appeals Committee recommends that the claimant's request for duty-related disability benefits be denied.

PERS No. 17-36: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees October 2, 2017, and action was deferred for consideration of additional medical records on December 4, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled within the meaning of Section 25-11-113 of the Mississippi Code and, therefore, is not entitled to non-duty-related disability benefits.

PERS No. 17-44: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees December 4, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled within the meaning of Section 25-11-113 of the Mississippi Code and, therefore, is not entitled to non-duty-related disability benefits. The Committee recommends that the claimant's request for non-duty-related disability benefits be denied.

PERS No. 17-46: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees December 11, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is disabled within the meaning of Section 25-11-113 of the Mississippi Code. The Committee recommends that the claimant's request for non-duty-related disability benefits be approved.

PERS No. 17-47: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees December 11, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was not disabled as a direct result of an accident or traumatic event resulting in a physical injury that occurred during the performance of duty, as required to qualify for duty related disability benefits under Section 25-11-114 of the Mississippi Code, and was not disabled from performing her usual duties of employment, as required for non-duty-related disability benefits under Section 25-11-113 of the Mississippi Code. The Disability Appeals Committee recommends that the claimant's request for disability benefits be denied.

PERS No. 17-48: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees December 11, 2017. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was disabled within the meaning of Section 25-11-113 of the Mississippi Code. The Disability Appeals Committee recommends that the claimant's request for non-duty-related disability benefits be approved by the Board of Trustees, subject to re-examination in one year.

PERS No. 18-01: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees January 8, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant is not disabled within the meaning of Section 25-11-113 of the Mississippi Code and, therefore, is not entitled to non-duty-related disability benefits. The Committee recommends that the claimant's request for non-duty-related disability benefits be denied.

PERS No. 18-02: This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees January 8, 2018. The Disability Appeals Committee heard sworn testimony, received evidence, and gave due consideration to the applicable laws and regulations. The Committee submits to the Board of Trustees its Proposed Statement of Facts, Conclusions of Law, and Recommendation that the claimant was disabled within the meaning of Section 25-11-113 of the Mississippi Code. The Committee recommends that the claimant's request for non-duty-related disability benefits be approved by the Board of Trustees, subject to re-examination in one year.

The motion was made by Mr. Stephen Benson, seconded by Mr. Howard, which motion duly passed, to accept the findings of the Disability Appeals Committee and approve all the recommendations of the Committee. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

Litigation Report | Ms. Mapp presented a summary of the statuses of cases in which changes or actions have occurred since the December 19, 2017, Board Meeting. Ms. Mapp reported that there are currently 25 cases in the appellate process. She advised that there has been activity in the following cases since the December 19, 2017, report to the PERS Board of Trustees:

CIRCUIT COURT:

HICKS v. PERS: On October 24, 2017, the PERS Board of Trustees entered an order adopting the recommendation of the Claims Committee to deny Hicks' claim regarding survivor benefits. Ms. Hicks appealed the decision to the Circuit Court of Hinds County on October 31, 2017. PERS filed the certified administrative record with the circuit clerk on January 2, 2018. Brief of Appellant filed with Circuit Court on February 7, 2018. Brief of Appellee is currently due March 9, 2018.

BUTLER v. PERS: The Disability Appeals Committee of the PERS Board of Trustees determined that claimant's application for disability should be denied. Butler timely filed a notice of appeal with the Hinds County Circuit Clerk's office on November 29, 2017. PERS filed the certified administrative record with the circuit clerk on January 3, 2018. Brief of Appellant is currently due February 26, 2018.

ULRICH v. PERS: The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated April 19, 2016, that claimant's application for duty related disability should be denied. A notice of appeal was timely filed and the complete Administrative Record was filed on June 28, 2016. The Brief of Appellant was filed September 22, 2016 and PERS' Appellee's Brief was filed November 7, 2016. On February 2, 2018, the Circuit Court issued its Opinion and Order affirming the decision of the PERS Board of Trustees. Ulrich has 30 days until March 5, 2018, to file a Notice of Appeal to the Supreme Court.

PERS Securities Litigation:

- Amedisys, Inc.
- Satyam Computer Services Limited
- Merck & Co., Inc. (VIOXX)
- Green Mountain Coffee Roasters
- IN RE: Canada, Inc. v. Qualcomm *et al.*
- Sprouts Farmers Market, Inc.
- HCP, Inc. & HCR ManorCare, Inc.
- Banco Bradesco S.A.
- Stericycle, Inc. *et al.*
- TreeHouse Foods, Inc.
- Roadrunner Transportation Systems, Inc.
- Endo International, PLC
- Signet Jewelers Limited
- Valeant Pharmaceuticals International
- Volkswagen AG (Germany)
- Regeneron Pharmaceuticals, Inc.

Securities-Related Cases in Which PERS Is a Defendant:

- In Re: Tribune Company

Retiree Report | Mr. Frantom reported that, as of the March 2018 payroll, all systems (PERS, SLRP, MHSP, and MRS) had a total of 107,186 retirees/survivors receiving monthly benefit payments, with a total monthly payroll of over \$165 million. The breakdown of retirees/survivors by system and amounts paid per plan was presented as follows:

System	January 2018		February 2018		March 2018	
	Retirees	Payments	Retirees	Payments	Retirees	Payments
PERS	104,454	\$161,122,805.56	104,540	\$161,293,571.01	104,523	\$161,317,872.00
SLRP	206	\$87,778.24	205	\$86,783.86	205	\$86,783.86
MHSPRS	733	\$1,903,418.72	733	\$1,903,409.07	733	\$1,904,860.30
MRS	1,737	\$2,521,042.97	1,732	\$2,516,691.36	1725	\$2,507,852.85
TOTAL	107,130	\$165,635,045.49	107,210	\$165,800,536.30	107,186	\$165,817,369.01

Mr. Frantom reported that the total fiscal year-to-date payroll, including the December 2017 COLA payments, was over \$2 million. He provided additional breakdown information including the total number of recipients per plan, and the total number of recipients added or removed from payroll for each plan.

The motion was made by Dr. Childress, seconded by Mr. Breland, which motion duly passed, to approve the Retiree Report. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

Investment Report | Mr. Hoeniges presented the Report of Investments for the period ending January 31, 2018. He reported that as of January 31, 2018, the market value of the PERS investment portfolio was \$29.1 billion. Mr. Hoeniges advised that there are currently 40 investment managers managing 55 different portfolios.

Consolidated Portfolio Summary
As of: 01/31/2018

Asset Class	Book Value	% of Total Book Value	Market Value	% of Total Market Value
Domestic Equity	4,705,594,692.54	21.59%	8,151,870,198.36	28.00%
Fixed Income	5,030,378,604.82	23.08%	5,106,223,543.51	17.54%
International Equity	7,907,120,074.60	36.28%	10,401,338,771.93	35.73%
Real Estate	1,758,334,393.30	8.07%	2,740,122,850.75	9.41%
Private Equity	1,531,473,470.88	7.03%	1,911,853,546.15	6.57%
Cash & Cash Equivalent In-House	386,568,663.51	1.77%	386,568,663.51	1.33%
Cash & Cash Equivalent Manager	476,644,728.55	2.19%	415,104,716.45	1.43%
Total	21,796,114,628.20	100.00%	29,113,082,290.66	100.00%

Mr. Hoeniges presented the list of FY 2018 fund transfers and the list of investment transactions processed since the December 19, 2017, PERS Board meeting. He requested Board certification of the investment transactions and Board approval of the Investment Report.

The motion was made by Mr. Bill Benson, seconded by Dr. Childress, which motion duly passed, to approve the Investment Report presented by staff and to certify the investment transactions and fund transfers for FY 2018, to date. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

Ms. Robertson advised that for informational purposes staff included a listing of the upcoming Board meeting agenda items for the next Board of Trustees meeting(s).

Ms. Robertson advised that the annual conference of the National Association of State Retirement Administrators will be held August 4-8, 2018, in San Diego, California; the National Council on Teacher Retirement conference will be held October 7-9, 2018, in Washington, D.C.; and the International Foundation of Employee Benefit Plans Certificate of Achievement in Public Plan Policy, Parts I and II training sessions, will be held in Chicago, Illinois, June 12-13, and 14-15, 2018, with Part I to be conducted again in New Orleans, Louisiana, October 13-14, 2018.

Ms. Robertson advised the Board members that their Economic Interest Disclosure forms with the Mississippi Ethics Commission are due to be updated by May 1, 2018. She stated that each Board member is responsible for updating his or her form online.

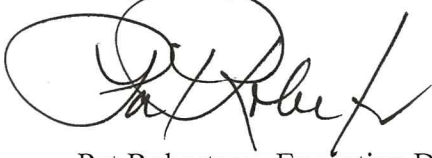
Chairman Fitch called for a motion to adjourn the meeting.

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The motion was made by Dr. Childress, seconded by Mr. Breland, which motion duly passed, to adjourn the meeting. Voting for: B. Benson, S. Benson, Breland, Childress, Fitch, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: Dale.

There being no additional business, the meeting adjourned at 1:28 p.m.

Respectfully Submitted,



Pat Robertson, Executive Director
Public Employees' Retirement System



Lynn Fitch
Chairman, Board of Trustees

PR:maj