



**Board of Trustees Meeting Agenda**  
*Tuesday, August 27, 2019*  
*1:00 p.m.*

- I. **Call to Order** (*Dr. Brian Rutledge, Chairman*)
  - A. **Invocation**
  - B. **Pledge of Allegiance**
  - C. **Approval of Agenda**
  - D. **Approval of Minutes** – *June 25, 2019*
  - E. **Employee of the Quarter** (*October - December 2019*)
  
- II. **Report of Administrative Committee** (*Dr. Lee Childress*)
  - A. **FY 2021 Final Budget Request**
  - B. **Regulation 41 – MDC Marketing Policy & Guidelines** (*initial adoption*)
  - C. **Actuarial Assumptions Recommendation**
  - D. **Other**
  
- III. **Report of Audit Committee** (*Ms. Kimberly Hanna*)
  - A. **Other**
  
- IV. **Report of Defined Contribution Committee** (*Dr. Brian Rutledge*)
  - A. **Approval of Watch List Recommendation**
  - B. **Approval of MDC/ORP Investment Policy Statements**
  - C. **MDC Fund Search Finalists Recommendation – Small Cap**
  - D. **MDC Fund Search Finalists Recommendation – Mid Cap**
  - E. **MDC Search Finalists’ Presentations** – *October 7, 2019*
  - F. **Other**
  
- V. **Report of Investment Committee** (*Treasurer Lynn Fitch*)
  - A. **Approval of PERS Investment Policy Statement**
  - B. **Other**
  
- VI. **Retiree Insurance Advisory Committee Recommendations**
  - A. **Appointment of New Member**
  - B. **Approval of Retiree Insurance Renewal**
  - C. **Approval of Retiree Insurance Open Enrollment**
  - D. **Approval of Medicare Supplement Plan Rate Increase**
  
- VII. **Disability Appeals Committee**
  
- VIII. **Staff Reports**
  - A. **Executive Director’s Update**
  - B. **Litigation Report**
  - C. **Retiree Report**
  - D. **Investment Report**
  
- IX. **Staff and Trustee Continuing Education**
  - A. **Callan College**
    - **October 8-9, 2019, Atlanta, GA**
    - **October 15-16, 2019, Chicago, IL**
  - B. **NCTR 2019 Annual Conference, October 12-15, 2019, Nashville, TN**
  
- X. **Adjourn**

BOARD OF TRUSTEES MINUTES  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
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The Board of Trustees of the Public Employees' Retirement System (PERS) met in the fourth floor board room of the PERS Building, 429 Mississippi Street, Jackson, Mississippi, at 1:00 p.m., Tuesday, August 27, 2019. This meeting was duly announced to the public, at 4:06 p.m., August 9, 2019, *via* the Public Meetings Notice website of the Mississippi Department of Finance and Administration.

The following PERS Board members were present at the meeting: Board Chair Brian Rutledge; Mr. Bill Benson; Mr. Kelly Breland; Dr. Lee Childress; Mr. George Dale; Deputy State Treasurer Jesse Graham, representing State Treasurer Lynn Fitch; Ms. Kimberly Hanna; Mr. Chris Howard; Dr. Randy McCoy; and Mr. Drew Snyder. Absent: none. Also attending were PERS Legislative Liaison members, Senator Sally Doty and Representative John Read.

Staff members present: Ray Higgins, Shirley Sessoms, Davetta Lee, Kenny Grissett, Andrew Hoeniges, Terri Hudson, Susan Lyon, Terrance Yarbrough, Tony Williamson, LaCarole Smith, Alicia Houston, Pauline Howard, Antoinette Brooks, Terri Bennett, Amy Marquez, Nikita Rankin, Centron Lenoir, Cindy Ogletree, David DeGuire, Walter Hille, Charles Nielsen, Jason Clark, Billy Means, Mason Frantom, Shelley Powers, and Mary Jones. Also attending was Special Assistant Attorney General Martin Millette.

Guest attendees were: Dr. Terrell Tisdale and Mrs. Martha Tisdale, Retired Education Personnel of Mississippi; Ray Wright, Joint Committee on Performance Evaluation and Expenditure Review; Lee Anne Robinson, Legislative Budget Office; and Cavanaugh Macdonald actuaries, Ed Koebel and Jonathan Craven.

Chairman Rutledge called the meeting to order at 1:00 p.m. Mr. George Dale gave the invocation and led the attendees in the Pledge of Allegiance to the United States flag.

**Agenda** | Chairman Rutledge called for a motion to approve the meeting agenda. The motion was made by Dr. Childress, seconded by Mr. Breland, which motion duly passed, to approve the meeting agenda. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Minutes** | Chairman Rutledge called for a motion to approve the minutes of the board meeting of June 25, 2019. The motion was made by Dr. McCoy, seconded by Mr. Howard, which motion duly passed, to approve the minutes of the board meeting of June 25, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Employee of the Quarter** | Chairman Rutledge presented the October through December 2019 PERS Employee of the Quarter award to Antoinette Brooks, PERS benefit analyst, Retirement Education division. Chairman Rutledge stated that this award was being presented to Ms. Brooks in recognition of her consistent dedication to the PERS agency, as demonstrated by her kind and pleasant attitude and her willingness to invest her time and energy to departmental projects. Ms. Brooks was commended for always going the extra mile in performing her duties and her selflessness in assisting coworkers and supporting new employees in the department.

**Administrative Committee** | Administrative Committee Chair Lee Childress reported that the committee met Tuesday, August 27, 2019.

**FY 2021 Final  
Budget Request**

Dr. Childress reported that staff presented the PERS FY2021 Final Administrative Budget Request for approval.

The motion was made by Dr. Childress, seconded by Dr. McCoy, which motion duly passed, to approve the PERS FY 2021 Final Administrative Budget Request. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum A – PERS FY2021 Final Budget Request*)

**Regulation 41**

Dr. Childress reported that the committee approved initial adoption of amended Board Regulation 41, *PERS Marketing Policy and Guidelines - Deferred Compensation Plan*, as presented by staff.

**Public Employees' Retirement System  
Board of Trustees  
August 27, 2019  
Proposed Amendments to Board Regulation**

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

**Chapter 41: PERS Marketing Policy and Guidelines - Deferred Compensation Plan**

PERS Regulation 41 provides enrollment guidelines for the Deferred Compensation Administrator to be used in presenting information to and enrolling employees in the Deferred Compensation Plan.

The proposed amendments to Regulation 41 would:

1. Amend § 102 to update the language.
2. Amend § 103 to allow the PERS executive director to provide member information to the Deferred Compensation Administrator to assist in enrolling employees in the Deferred Compensation Plan and update the language. The Deferred Compensation Administrator will be treated much like the Retiree Insurance Providers.

The effective date of the proposed amendment will be December 1, 2019.

The motion was made by Dr. Childress, seconded by Mr. Breland, which motion duly passed, to approve initial adoption of amended Board Regulation 41, *PERS Marketing Policy and Guidelines – Mississippi Deferred Compensation Plan*, as recommended by staff. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum B – Regulation 41 Initial Filing*)

**Actuarial Assumptions  
Recommendation**

Dr. Childress reported that staff and the Cavanaugh Macdonald actuaries presented the Actuarial Assumptions Recommendation. He advised that the committee approved the adoption of the recommendation presented by staff and the actuaries.

**Summary of Projection Scenarios for Board to Consider  
Estimated 6.86% Return for 2019 FYE**

Demographic (Mortality) and Wage Inflation (3.00%) changes beginning for 2019 Valuation and Phase-In to 7.50% Investment Return Recommendation using Investment Gains based on the following parameters:

- 2% Excess return over assumed rate, lower assumption by 5 basis points,
- 5% Excess return over assumed rate, lower assumption by 10 basis points,
- 8% Excess return over assumed rate, lower assumption by 15 basis points,
- 12% Excess return over assumed rate, lower assumption by 20 basis points.

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The motion was made by Dr. Childress, seconded by Mr. Benson, which motion duly passed, to approve the Actuarial Assumptions Recommendation presented by staff and the Cavanaugh Macdonald actuaries. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum C – Actuarial Assumptions Recommendation*)

**Audit Committee** Ms. Hanna reported that the Audit Committee met Tuesday, August 27, 2019. She advised that staff presented the committee with reports of the PERS Internal Audit Update and the Performance Audit Update. She advised that there was no action taken by the committee, as the reports were presented for informational purposes only.

**Defined Contribution Committee** Defined Contribution Committee Chair Brian Rutledge reported that the committee met Monday, August 26, 2019.

**MDC Watch List Recommendation** Dr. Rutledge reported that the committee reviewed the Mississippi Deferred Compensation (MDC) Investment Manager Watch List. He advised that the committee approved staff's recommendations that all the managers currently listed on the watch list remain on the list and that Vanguard Windsor and BNY Mellon be added to the list.

The motion was made by Dr. Rutledge, seconded by Dr. McCoy, which motion duly passed, to approve staff's recommendations for the MDC Investment Manager Watch List that all the managers currently listed on the watch list remain on the list and that Vanguard Windsor and BNY Mellon be added to the list. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum D – MDC Watch List*)

**Approval of MDC & ORP Investment Policy Statements** Dr. Rutledge reported that the committee reviewed the MDC Investment Policy Statement with the revisions suggested by staff. He advised that the committee approved staff's recommended changes and requested additional revisions from the committee to the MDC Investment Policy Statement.

The motion was made by Dr. Rutledge, seconded by Mr. Benson, which motion duly passed, to approve implementation of the revisions presented by staff and the committee to the MDC Investment Policy Statement. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum E1 – MDC Investment Policy Statement – Redlined*) (*Addendum E2 – MDC Investment Policy Statement – Final*) (*Addendum E3 – MDC Investment Policy Statement – FINAL with Board Changes*)

Dr. Rutledge reported that the committee reviewed the Optional Retirement Plan (ORP) Investment Policy Statement with the revisions suggested by staff. He advised that the committee approved the revisions presented by staff and that the committee added additional revisions to the ORP Investment Policy Statement.

The motion was made by Dr. Rutledge, seconded by Mr. Howard, which motion duly passed, to approve implementation of the revisions presented by staff and the committee to the ORP Investment Policy Statement. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum F1 – ORP Investment Policy Statement – Redlined*)

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*(Addendum F2 – ORP Investment Policy Statement – Final) (Addendum F3 – ORP Investment Policy Statement – FINAL with Board Changes)*

Dr. Rutledge reported that the committee, in further review of both the MDC and the ORP Investment Policy Statements, requested an additional language change to both statements, in addition to the revisions already submitted by staff and approved by the committee. Dr. Rutledge advised that the committee directed staff to remove the term “investment staff” from the policy statements and change it to the term “staff”.

The motion was made by Dr. Rutledge, seconded by Mr. Howard, which motion duly passed, to approve implementation of the revised MDC and ORP Investment Policy Statements, including the additional revisions requested by the committee. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**MDC Search Finalists  
Recommendations  
– Small Cap**

Dr. Rutledge reported that the committee reviewed the MDC Fund Search Finalists Recommendation for the U.S. Small Cap Core Equity portfolio, as presented by staff. He advised that the committee approved the following finalists recommended by staff to facilitate the search for a U.S. Small Cap Core Equity fund manager for the MDC portfolio: Aristotle Capital Boston Small Cap Equity, QMA Small Cap Core, and Wellington Management Company Small Cap Opportunistic.

The motion was made by Dr. Rutledge, seconded by Ms. Hanna, which motion duly passed, to approve the following finalists recommended by staff to facilitate the search for a U.S. Small Cap Core Equity fund manager for the MDC portfolio: Aristotle Capital Boston Small Cap Equity, QMA Small Cap Core, and Wellington Management Company Small Cap Opportunistic. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**MDC Search Finalists  
Recommendations  
– Mid Cap**

Dr. Rutledge reported that the committee reviewed the MDC Fund Search Finalists Recommendation for the U.S. Mid Cap Core Equity portfolio, as presented by staff. He advised that the committee approved the following finalists recommended by staff to facilitate the search for a U.S. Mid Cap Core Equity fund manager for the MDC portfolio: Aligned Investors Mid Cap Core, Champlain Investment Partners Mid Cap, and JP Morgan Asset Management Mid Cap Value and Mid Cap Growth.

The motion was made by Dr. Rutledge, seconded by Mr. Benson, which motion duly passed, to approve the following finalists recommended by staff to facilitate the search for a U.S. Mid Cap Core Equity fund manager for the MDC portfolio: Aligned Investors Mid Cap Core, Champlain Investment Partners Mid Cap, and JP Morgan Asset Management Mid Cap Value and Mid Cap Growth. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

Dr. Rutledge reported that the committee approved the date of October 7, 2019, for the MDC Search Finalists' presentations.

**Investment  
Committee**

Acting Investment Committee Chair Jesse Graham reported that the committee met Monday, August 26, 2019.

**Approval of PERS  
Investment Policy  
Statement**

Mr. Graham reported that the committee reviewed the PERS Investment Policy Statement with the revisions presented by staff. He advised that the committee approved the revisions to the PERS Investment Policy Statement, as presented by staff.

The motion was made by Mr. Graham, seconded by Dr. McCoy, which motion duly passed, to approve the revisions to the PERS Investment Policy Statement, as presented by staff. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum G1 – PERS Investment Policy Statement – Redlined*) (*Addendum G2 - PERS Investment Policy Statement – Final*)

**PERS Watch List  
Recommendation**

Mr. Graham reported that the committee reviewed the PERS Investment Manager Watch List. He advised that the committee approved staff's recommendation that all the managers currently listed on the watch list remain on the list.

The motion was made by Mr. Graham, seconded by Ms. Hanna, which motion duly passed, to approve staff's recommendation that all the managers currently listed on the watch list remain on the list. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum H – PERS Watch List*)

**Public Equity  
Update**

Mr. Graham reported that the Callan LLC consultants presented a report of the current PERS Public Equity portfolio structure which was originally adopted in 2015. Mr. Graham advised that the committee reviewed and approved the recommendation of staff and Callan to maintain the current public equity structure in the PERS investment portfolio.

The motion was made by Mr. Graham, seconded by Mr. Breland, which motion duly passed, to approve the recommendation of staff and Callan LLC to maintain the current public equity structure in the PERS investment portfolio. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Retiree Insurance Advisory  
Committee Recommendations**

Director Higgins reported that the Retiree Insurance Advisory Committee (RIAC) has requested approval of the appointment of Cathy Vernon to fill the last remaining vacancy on the RIAC. He advised that staff recommends the appointment of Ms. Vernon to the RIAC to serve an unexpired three-year term that extends from November 1, 2018, through October 31, 2021, Ms. Vernon's appointment to be effective immediately, upon the approval of the PERS Board.

The motion was made by Mr. Dale, seconded by Mr. Benson, which motion duly passed, to approve the recommendation of staff of the appointment of Ms. Cathy Vernon to the RIAC, to serve a three-year unexpired term, effective August 27, 2019, upon this approval of the PERS Board, and ending October 31, 2021. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none. (*Addendum I – RIAC Appointment*)

Mr. Grissett reported that the RIAC met August 13, 2019. He advised that the committee presented the following recommendations for approval:

**RECOMMENDATIONS FROM THE  
RETIREE INSURANCE ADVISORY COMMITTEE**

**PERS Sponsored Retiree Medical Insurance Plan – underwritten and administered by  
Transamerica/Monumental Life Insurance Company**

- The Retiree Insurance Advisory Committee is recommending renewal of the PERS-sponsored Retiree Medical Insurance Plan (Medicare supplement) for calendar year 2020 with Transamerica/Monumental Life.
- The Retiree Insurance Advisory Committee is recommending renewal of the PERS Retiree Medical Insurance Plan for calendar year 2020 with a *4.0% increase* in premiums. The premium will increase from \$171.65/month per enrollee to \$178.52/month and from \$343.30/month per enrollee and spouse to \$357.04.
- The Retiree Insurance Advisory Committee is recommending approval of an open enrollment period for the PERS Retiree Medical Plan to run from October 1, 2019 through November 30, 2019.
- There are currently 3,066 participants covered under the PERS-sponsored Retiree Medical Insurance Plan. Annual premiums for the plan total \$6.2 million.

Current members of the Retiree Insurance Advisory Committee are as follows:

Mr. Tom Lariviere, Chairman  
Dr. Howell Garner  
Mr. Joel R. Jones  
Mr. William T. (Tom) Long  
Dr. Linda Norwood  
Mrs. Yvonne Shotts

The motion was made by Dr. Childress, seconded by Ms. Hanna, which motion duly passed, to approve the aforementioned recommendations of the RIAC. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, and Rutledge. Voting against: Snyder. Absent: none.

**Disability Appeals Committee** | Ms. Bennett presented the recommendations of the Disability Appeals Committee (DAC), which had been provided to the board members prior to the board meeting. She advised that staff was requesting approval of the recommendations of the DAC.

Dr. Rutledge called for a motion concerning the following recommendations of the DAC:

**PERS No. 19-11:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees July 29, 2019. 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 this Statement of Facts, Conclusions of Law, and Recommendation that the claimant's request for non-duty-related disability benefits be approved. The Disability Appeals Committee recommends that the claimant's request for non-duty-related disability benefits be approved, subject to reexamination.

**PERS No. 19-12:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees June 17, 2019. 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 this Statement of Facts, Conclusions of Law, and Recommendation that claimant's request for duty-related disability benefits be denied and that claimant's request for non-duty-related disability benefits be approved, subject to reexamination. The Disability Appeals Committee recommends: (1) that the claimant's request for duty-related disability benefits be denied and (2) that the claimant's request for non-duty-related disability benefits be approved, subject to reexamination.

**PERS No. 19-13:** This matter came on for hearing before the Disability Appeals Committee of the Board of Trustees June 17, 2019. 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 this Statement of Facts, Conclusions of Law, and Recommendation that claimant's request for non-duty-related disability benefits be approved, subject to reexamination. The Disability Appeals Committee recommends that the claimant's request for non-duty-related disability benefits be approved, subject to reexamination.

The motion was made by Mr. Benson, seconded by Mr. Howard, which motion duly passed, to accept the findings of the DAC and approve the DAC recommendations. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Litigation Report** | Mr. Millette presented a summary of the statuses of PERS litigation cases since the last board meeting of June 25, 2019. He advised that there are currently 25 cases in the appellate process. He advised that there has been activity in the following cases since the June 25, 2019, report to the Board of Trustees:

**CLAIMS COMMITTEE HEARINGS:**

**CIRCUIT COURT:**

***COLEMAN v. PERS:*** The Disability Appeals Committee of the PERS Board of Trustees entered an Order dated February 27, 2018, denying that claimant's application for disability benefits. Coleman timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 21, 2018. The Administrative Record has been filed with the Court.

***SMITH v. PERS:*** The Disability Appeals Committee of the PERS Board of Trustees entered an Order dated February 27, 2018, denying that claimant's application for disability benefits. Smith timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 21, 2018. PERS has filed a certified copy of the transcript of administrative record with the Circuit Clerk. Briefing has been completed.

***THOMAS v. PERS:*** The Disability Appeals Committee of the PERS Board of Trustees entered an Order dated February 27, 2018, denying that claimant's application for disability benefits. Thomas timely filed a notice of appeal with the Hinds County Circuit Clerk's office on March 27, 2018. PERS has filed a certified copy of the transcript of administrative record with the Circuit Clerk. Briefing has been completed.

**CIRCUIT COURT OPINIONS ISSUED:**

**SUPREME COURT/COURT OF APPEALS:**

***STAKELUM v. PERS:*** The PERS Board entered an Order dated February 24, 2015, upholding the Medical Board's decision to deny Stakelum's request for disability benefits. Stakelum appealed the decision to the Circuit Court of Hinds County. Stakelum filed her Brief of Appellant on April 25, 2017, and PERS filed its Brief of Appellee on August 17, 2017. On September 30, 2017, Stakelum filed a Motion to Remand to PERS to Consider Award of Social Security Disability or to take Judicial Notice Thereof. PERS filed its Response in Opposition to the motion on October 5, 2017. The Circuit Court affirmed the Decision of the Board on July 25, 2018. Stakelum timely filed a Notice of Appeal with the Supreme Court on August 24, 2018. Briefing has been completed.



**BRADLEY v. PERS:** On December 18, 2012, the PERS Board of Trustees entered an order adopting the recommendation of the Disability Appeals Committee that Bradley's application for duty-related disability benefits be denied. Bradley appealed the decision to the Circuit Court. On March 21, 2018, the Court entered its Order Affirming the Decision of the PERS Board of Trustees. Bradley filed a Notice of Appeal to the Supreme Court on April 17, 2018. Briefing has been completed.

**LANG v. PERS:** The case was remanded to PERS by the Court of Appeals for further determination on October 23, 2012. The Board approved the recommendation of the Disability Appeals Committee and issued its Order February 25, 2014, to deny the claimant non-duty disability benefits. Following briefing by both parties, the Court entered its Order Affirming the Decision of the PERS Board of Trustees on April 3, 2018. Lang filed a Notice of Appeal to the Supreme Court on April 17, 2018. Briefing has been completed. Oral argument has been set in the Court of Appeals for August 28, 2019.

**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 filed. The Circuit Court affirmed the Decision of the Board on June 13, 2018. Hicks filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

**THOMPSON v. PERS:** The PERS Board entered an Order dated December 15, 2015, upholding the Medical Board's decision to deny Thompson's request for disability benefits. Thompson has appealed the decision to the Circuit Court of Hinds County. The Administrative Record was filed with the Clerk of the Court on March 23, 2016. Thompson filed her Brief of Appellant on April 25, 2017, and PERS filed its Brief of Appellee on June 23, 2017. On September 14, 2017, Thompson filed a Motion to Remand for a New Hearing, alleging PERS violated due process right to a fair hearing. PERS filed Response in Opposition to the motion on September 15, 2017. On March 26, 2018, Thompson filed a second Motion to Remand to Consider Social Security Determination or to take Judicial Notice Thereof. PERS filed its Response in Opposition to the motion on March 27, 2018. The Circuit Court affirmed the Decision of the Board on June 12, 2018. Thompson filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

**PINION v. PERS:** The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated February 26, 2013, that claimant's for non-duty related disability should be denied. A notice of appeal was timely filed, but due to the death of the Court Reporter in attendance at the hearing, no transcript was available. The parties agreed to submit a Statement of Testimony in lieu of a transcript and the available administrative record was filed with the Clerk on April 26, 2016. The Brief of Appellant was filed July 24, 2016, and PERS' Appellee's Brief was filed September 22, 2016. The Circuit Court affirmed the Decision of the Board on June 22, 2018. Pinion filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed. Oral argument has been set in the Court of Appeals for August 21, 2019.

**PHILLIPS v. PERS:** The Disability Appeals Committee of the PERS Board of Trustees determined that the claim for duty-related disability should be denied. A notice of appeal was timely filed July 26, 2011. Due to the death of the Court Reporter in attendance at the hearing, no transcript was available. The parties

agreed to submit a Statement of Testimony in lieu of a transcript and the available administrative record was filed with the Clerk on April 14, 2016. The Brief of Appellant was filed May 27, 2016, and PERS' Appellee's Brief was filed July 8, 2016. The Circuit Court affirmed the Decision of the Board on June 20, 2018. Richardson, the mother of Kari Phillips, who is deceased, filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed.

**DAVIS v. PERS:** On August 25, 2015, the Board of Trustees denied the claimant's application for disability benefits, both duty and non-duty. Davis appealed the decision to the Circuit Court of Hinds County on September 18, 2015. On September 29, 2015, the Circuit Court entered an Order granting PERS 30 days following receipt of a certified copy of the transcript in which to file the Administrative Record. PERS filed the Administrative Record with the Circuit Court on December 11, 2015. The Brief of Appellant was filed January 20, 2017, and PERS' Brief was filed March 20, 2017. The Circuit Court affirmed the Decision of the Board on June 12, 2018. Davis filed a timely Notice of Appeal to the Supreme Court on July 9, 2018. Briefing has been completed.

**BUCKHAULTS v. PERS:** On September 26, 2012, the Appellant, Buckhaults, an unvested member of PERS, filed an application for PERS duty-related disability benefits. On June 24, 2014, the Board of Trustees denied the claimant's application for disability benefits. Buckhaults appealed the decision to the Circuit Court of Hinds County. PERS filed the Administrative Record with the Circuit Court on August 24, 2015. The Circuit Court affirmed the Decision of the Board on June 26, 2018. Buckhaults filed a timely Notice of Appeal to the Supreme Court on July 19, 2018. Briefing has been completed.

**CARVER v. PERS:** The Medical Board approved the Claimant for non-duty related disability. The PERS Board of Trustees, upon recommendation of the Disability Appeals Committee, held in an Order dated August 28, 2012, that his claim for duty-related disability should be denied. A notice of appeal was timely filed, but due to the death of the Court Reporter in attendance at the hearing, only a partial transcript was available. The parties agreed to submit a Statement of Testimony in lieu of a complete transcript and the available administrative record was filed with the Clerk on April 18, 2016. The Circuit Court affirmed the Decision of the Board on July 13, 2018. Carver filed a timely Notice of Appeal to the Supreme Court on July 3, 2018. Briefing has been completed.

**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.
- 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)

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- Dr. Reddy's Laboratories Ltd.
- Acuity Brands, Inc.
- Advance Auto Parts, Inc.
- WageWorks, Inc.
- Facebook, Inc.
- Columbia Pipeline Group, Inc.
- Nielsen Holdings plc.
- McDermott International, Inc.
- The Boeing Company

**Securities-Related Cases in which PERS is a Defendant:**

- In Re: Tribune Company

**Retiree Report** | Mr. Frantom reported that, as of the August 2019 payroll, all systems (PERS, SLRP, MHSPRS, and MRS) had a total of 111,975 retirees and survivors receiving monthly benefit payments, with a total monthly payroll of more than \$179 million, and a year-to-date total of approximately \$358 million.

Mr. Frantom 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. Mr. Frantom provided the following breakdown of retirees and survivors by system and amounts paid per plan:

<u>System</u>	<u>July 2019</u>		<u>August 2019</u>	
	<u>Retirees</u>	<u>Payments</u>	<u>Retirees</u>	<u>Payments</u>
<b>PERS</b>	109,178	\$174,289,669.26	109,382	\$170,851,879.38
<b>SLRP</b>	212	\$88,575.33	215	\$87,907.92
<b>MHSPRS</b>	742	\$2,027,141.41	746	\$1,997,922.05
<b>MRS</b>	1,637	\$2,426,987.07	1,632	\$2,433,503.41
<b>TOTAL</b>	111,769	\$178,832,373.07	111,975	\$179,302,179.90

<b>ALL SYSTEMS</b>		<b>COMBINED DAILY AND MONTHLY RETIREE PAYROLL TOTALS</b>		
		<b>DAILY PAYROLL**</b>	<b>MONTHLY PAYROLL</b>	<b>PAYROLL TOTALS</b>
<b>MONTH</b>	<b>YEAR</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
JULY	2019	\$42,852,338.28	\$178,832,373.07	\$221,684,711.35
AUGUST	2019	\$0.00	\$179,302,179.90	\$179,302,179.90
SEPTEMBER	2019	\$0.00	\$0.00	\$0.00
OCTOBER	2019	\$0.00	\$0.00	\$0.00
NOVEMBER	2019	\$0.00	\$0.00	\$0.00

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DECEMBER	2019	\$0.00	\$0.00	\$0.00
DECEMBER 15th	2019	\$0.00	\$0.00	\$0.00
JANUARY	2020	\$0.00	\$0.00	\$0.00
FEBRUARY	2020	\$0.00	\$0.00	\$0.00
MARCH	2020	\$0.00	\$0.00	\$0.00
APRIL	2020	\$0.00	\$0.00	\$0.00
MAY	2020	\$0.00	\$0.00	\$0.00
JUNE	2020	\$0.00	\$0.00	\$0.00
<b>YTD</b>		<b>\$42,852,338.28</b>	<b>\$358,134,552.97</b>	<b>\$400,986,891.25</b>

\*\*Note: This information does not include the Refunds only Retiree Payroll (PLSO and Benefits)

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

**Investment Report**

Mr. Nielsen presented the Report of Investments for the period ending July 31, 2019. He reported that as of July 31, 2019, the net asset value of the PERS investment portfolio was \$28.7 billion. He reported that, as of close of business yesterday, August 26, 2019, the PERS portfolio net asset value was \$27.9 billion.

Mr. Nielsen reported that PERS currently has 37 investment managers, managing 57 different portfolios. He reported that the total Securities Lending earnings amount for FY 2020 totals approximately \$1 million.

**Consolidated Portfolio Summary**

As of : 07/31/2019

<b>Asset Class</b>	<b>Book Value</b>	<b>% of Total Book Value</b>	<b>Market Value</b>	<b>% of Total Market Value</b>
Domestic Equity	5,219,653,715.81	22.74%	8,089,922,166.89	28.21%
Fixed Income	5,560,991,112.79	24.23%	5,744,457,806.49	20.03%
International Equity	7,838,787,899.97	34.15%	8,967,547,086.42	31.27%
Real Estate	1,690,583,868.67	7.37%	2,765,203,240.51	9.64%
Private Equity	1,836,839,704.11	8.00%	2,335,505,217.94	8.14%

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Cash & Cash Equivalent In-House	342,786,493.89	1.49%	342,786,493.89	1.20%
Cash & Cash Equivalent Manager	461,870,871.39	2.01%	432,482,225.27	1.51%
<b>Total</b>	<b>22,951,513,666.63</b>	<b>100.00%</b>	<b>28,677,904,237.41</b>	<b>100.00%</b>

The motion was made by Mr. Dale, seconded by Mr. Breland, which motion duly passed, to approve the Investment Report presented by staff and to approve and certify the investment transactions and fund transfers performed by staff, since the last board meeting of June 25, 2019. Voting for: Benson, Breland, Childress, Dale, Graham, Hanna, Howard, McCoy, Rutledge, and Snyder. Voting against: none. Absent: none.

**Staff & Trustee Conferences  
& Continuing Education**

Mr. Higgins advised that the NCTR 2019 Annual Conference will be held October 12-15, in Nashville, Tennessee, and the Callan College will be held October 8-9, 2019, as well as October 15-16, 2019, in Atlanta, Georgia, and Chicago, Illinois, respectively.

There being no additional business, Chairman Rutledge called for a motion to adjourn the meeting.

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

The meeting adjourned at 1:21 p.m.

Respectfully Submitted,



H. Ray Higgins, Jr.  
 Executive Director  
 Public Employees' Retirement System



Brian Rutledge, PhD  
 Chair  
 PERS Board of Trustees

HRH: maj