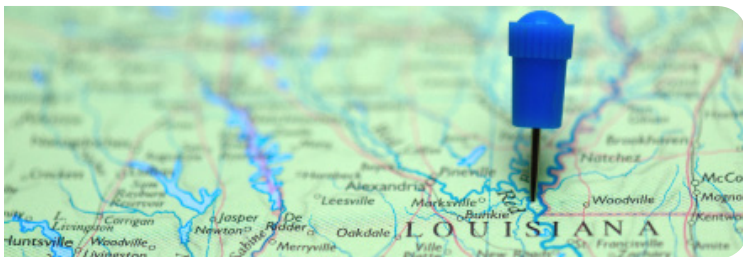


Investing in Louisiana

The Economic Impact of Louisiana's Largest Public Retirement System



Teachers' Retirement System of Louisiana

2017

Creating Buying Power



TRSL at a Glance *(as of 6/30/16)*



75,828
Retirees and
benefit recipients



More than
\$2.0 billion
total benefits paid



\$1.8 billion
Total benefits paid
to in-state recipients



\$2,195
Average TRSL
monthly benefit

- **TRSL provides retirement income to thousands of retirees.**

With TRSL, more than 75,800 retirees and beneficiaries have a steady, monthly income—giving them buying power in their communities.

- **TRSL retirement dollars are critical to local economies.**

Approximately 89% of individuals with a TRSL benefit live in Louisiana where they buy local goods and services, and pay taxes.

- **TRSL benefits have a billion-dollar impact in Louisiana.**

TRSL paid out more than \$2 billion in benefits during Fiscal Year 2016. More than \$1.8 billion went to retirees and beneficiaries living in Louisiana.



Impacting Louisiana's Economy

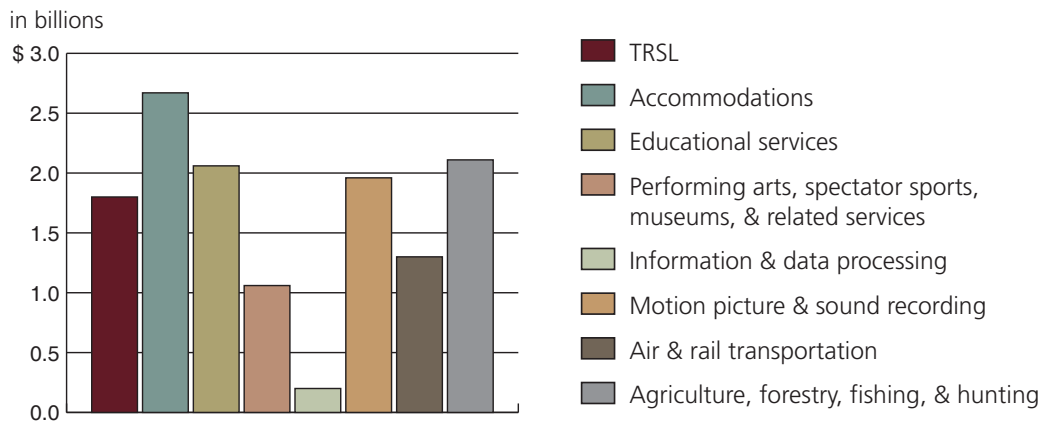
The Ripple Effect

Each year, TRSL benefit payments introduce income into local economies and create a string of economic activity that fuels other industries. This is known as the "ripple effect."

- Approximately **15,890** Louisiana jobs and nearly **\$693 million** in income were supported by TRSL pensions.
- Each dollar of a Louisiana pension benefit ultimately supports **\$1.34 in economic activity/output**.
- TRSL benefit recipients generated approximately **\$408 million** in tax revenues for federal, state, and local governments.

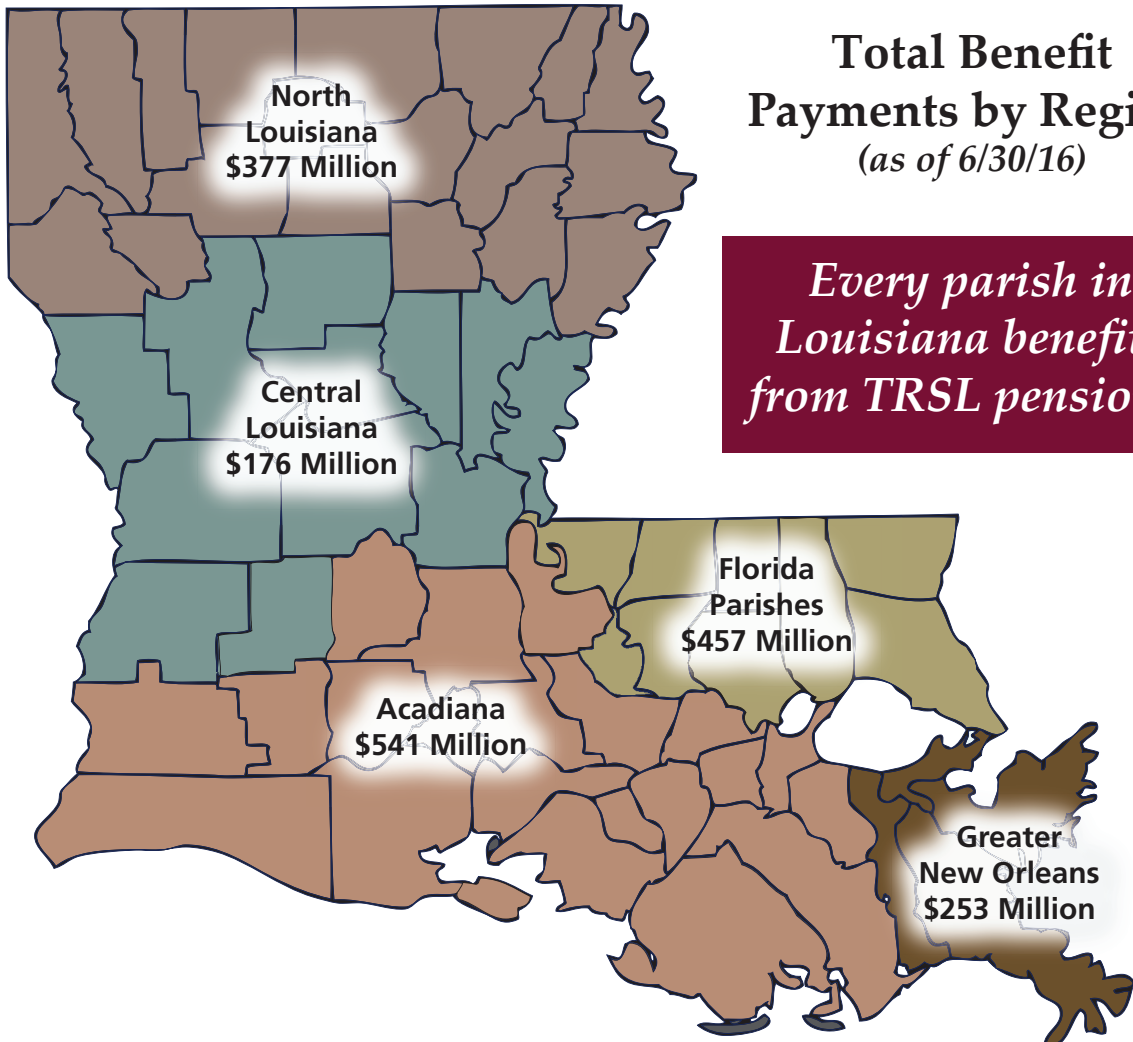
Source: "Pensionomics 2016: Measuring the Economic Impact of DB Pension Expenditures," National Institute on Retirement Security, September 2016

TRSL's economic impact is comparable to or greater than several other major economic sectors in the state.



Source: Bureau of Economic Analysis, U.S. Department of Commerce, Gross Domestic Product by State, Louisiana 2014

Helping Local Communities



**Total Benefit
Payments by Region**
(as of 6/30/16)

*Every parish in
Louisiana benefits
from TRSL pensions.*

TRSL Benefits and Recipients by Parish - FY 2016

Parish	No. of recipients	Total benefits	Parish	No. of recipients	Total benefits
Acadia	769	\$ 16,936,826	Madison	210	\$ 5,260,059
Allen	352	\$ 8,671,215	Morehouse	391	\$ 8,705,499
Ascension	1,328	\$ 33,942,710	Natchitoches	879	\$ 25,070,298
Assumption	365	\$ 9,582,850	Orleans	4,001	\$ 118,755,628
Avoyelles	666	\$ 15,597,764	Ouachita	2,488	\$ 69,638,622
Beauregard	564	\$ 14,268,968	Plaquemines	212	\$ 5,745,707
Bienville	268	\$ 6,797,058	Pointe Coupee	374	\$ 9,505,685
Bossier	1,632	\$ 43,696,124	Rapides	2,345	\$ 55,833,558
Caddo	4,239	\$ 117,382,668	Red River	115	\$ 2,934,822
Calcasieu	3,137	\$ 78,731,888	Richland	355	\$ 8,791,296
Caldwell	174	\$ 3,914,713	Sabine	431	\$ 9,698,859
Cameron	91	\$ 2,581,757	St. Bernard	203	\$ 4,491,054
Catahoula	185	\$ 3,962,006	St. Charles	747	\$ 19,915,280
Claiborne	291	\$ 6,841,137	St. Helena	275	\$ 6,652,458
Concordia	337	\$ 7,805,213	St. James	429	\$ 11,922,773
DeSoto	461	\$ 12,281,764	St. John the Baptist	551	\$ 13,951,564
East Baton Rouge	7,445	\$ 234,198,042	St. Landry	1,675	\$ 42,730,914
East Carroll	129	\$ 3,089,281	St. Martin	711	\$ 16,439,634
East Feliciana	291	\$ 7,033,534	St. Mary	744	\$ 18,093,903
Evangeline	587	\$ 13,772,982	St. Tammany	3,359	\$ 91,212,887
Franklin	431	\$ 9,960,341	Tangipahoa	1,817	\$ 48,532,898
Grant	357	\$ 7,617,985	Tensas	104	\$ 2,334,309
Iberia	1,186	\$ 28,552,415	Terrebonne	1,482	\$ 37,173,184
Iberville	443	\$ 12,559,378	Union	343	\$ 7,688,115
Jackson	343	\$ 8,146,168	Vermilion	911	\$ 22,414,257
Jefferson	4,774	\$ 123,617,277	Vernon	666	\$ 14,110,859
Jefferson Davis	518	\$ 13,870,862	Washington	838	\$ 20,006,848
Lafayette	3,273	\$ 92,119,851	Webster	778	\$ 19,755,781
Lafourche	1,689	\$ 45,688,519	West Baton Rouge	307	\$ 7,783,644
LaSalle	259	\$ 5,969,490	West Carroll	257	\$ 6,467,719
Lincoln	1,090	\$ 32,849,432	West Feliciana	198	\$ 5,919,889
Livingston	1,417	\$ 35,741,440	Winn	327	\$ 7,608,976



Investing in Louisiana

TRSL creates jobs and opportunities for Louisiana citizens and businesses. Through its alternative assets and real estate program, TRSL has invested more than \$359 million in Louisiana businesses. These investments have enabled businesses to expand their operations through increased staff and additional facilities. TRSL is proud to participate in the growth of the state's business community through its sound investments.

Louisiana Investments *by Sector*

Sector	Investment
Consumer Discretionary	\$ 95 million
Consumer Durables	\$ 4 million
Consumer Staples	\$ 5 million
Energy	\$ 90 million
Financial	\$ 21 million
Healthcare	\$ 44 million
Industrials	\$ 38 million
Information Technology	\$ 26 million
Materials	\$ 10 million
Real Estate	\$ 26 million

*TRSL has
invested
more than
\$359
million
in Louisiana.*

Source: TRSL Partnerships as of September 30, 2016

TRSL Investments at Work



Seaside Healthcare, based in Shreveport, LA, develops and operates a network of facilities that specialize in mental health treatment services for the adolescent, adult, and geriatric population. Through investments from TRSL, Seaside can provide a comprehensive continuum of care in the area of mental health.

\$3 million
invested in
Seaside Healthcare



Cheniere is among the leading companies in North America strategically pursuing the development, construction, and operation of liquefied natural gas (LNG) facilities along the U.S. Gulf Coast. TRSL's investment in this industry helped finance the construction of the Sabine Pass LNG terminal in Cameron Parish. This is the first facility in the continental U.S. to package and ship natural gas as LNG.

\$21 million
invested in
Cheniere



Founded in Metairie, LA, and now headquartered in Covington, LA, **LLOG Exploration** conducts onshore and deepwater project explorations. Investment from TRSL enables companies to thrive. LLOG is a top U.S. private oil producer and the recipient of a 2017 Offshore Technology Conference Distinguished Achievement Award for the development and operation of a floating, oil-production facility in the deepwater Gulf of Mexico.

\$15 million
invested in
LLOG Exploration

NOTE: TRSL investments as of September 30, 2016



Promoting Economic Security

Economic security in retirement is important to all working Americans. Since most TRSL members cannot participate in Social Security, their TRSL benefits are often their only source of income in retirement.

- In FY 2016, the average annual TRSL retirement benefit was \$26,341 (\$2,195 per month).
- TRSL benefits are a modest, yet reliable, source of income enabling individuals to purchase goods and services even in uncertain economic times.
- Stable pensions promote self-sufficiency instead of dependence on costly government assistance programs.

Average TRSL Benefit	
Fiscal Year	Monthly Benefit
2016	\$ 2,195
2015	\$ 2,149
2014	\$ 2,102
2013	\$ 2,044
2012	\$ 2,025
2011	\$ 1,989
2010	\$ 1,954
2009	\$ 1,923
2008	\$ 1,892
2007	\$ 1,811

*TRSL serves **one** out of every 22 adults in Louisiana by providing critical retirement income to retirees and beneficiaries, and offering retirement planning services to future retirees.*

Impacting Education and Business



92% of Americans say pensions help recruit and retain qualified employees.

Source: "Retirement Security 2017: Americans' Views of the Retirement Crisis," National Institute on Retirement Security, February 2017

- **TRSL retirement benefits are a key recruiting tool.**

A secure pension from TRSL is an employment benefit that helps Louisiana schools recruit and retain qualified teachers.

- **A skilled workforce strengthens Louisiana's economy.**

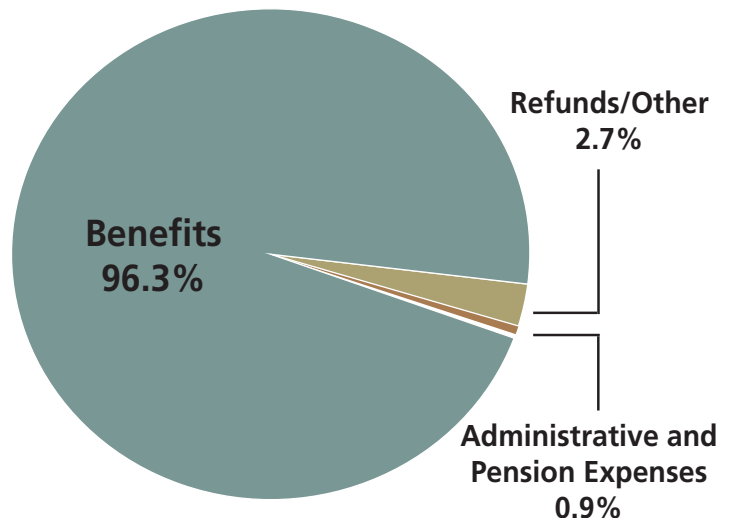
TRSL benefits play a critical role in attracting and retaining qualified teachers to train future Louisiana workers.

Did You Know?

Retirement benefit payments represent **96.3%** of all TRSL expenses.

Administrative costs make up less than **1%** of TRSL expenses.

TRSL Expenses: 10-Year Average (FY 2007 - 2016)



Source: TRSL Comprehensive Annual Financial Report (CAFR), 2016



Controlling Costs

BENCHMARKING:

What gets measured, gets managed.

Benchmarking is an independent review of an organization's efficiencies and cost effectiveness. Since 2003, TRSL has used benchmarking analysis as a management tool to compare its cost effectiveness with similarly sized pension systems.

TRSL Administrative Costs *(per annuitant & active member)*

TRSL
Actual
Cost



Peer Group
Average
Cost



Investment Program

The latest results show TRSL is in the **"high value, low cost"** quadrant when compared to similarly sized systems (peers), and all 163 U.S. pension funds participating in the annual benchmarking analysis. TRSL's **5-year total net return, policy return, and net value added were higher** than the peer median, and its costs were **\$13.1 million lower** than peer median costs.

Pension Administration

For the 14th consecutive year, results show TRSL provides a high level of customer service in an efficient, cost-effective manner. TRSL's cost per active member and retiree is **\$90 compared to the peer average of \$112.**

Key Points



Investing in Louisiana

TRSL has invested more than **\$359 million** in Louisiana companies, supporting economic and job growth in the state.

Impacting Louisiana's Economy

TRSL pensions support approximately **15,890** Louisiana jobs and nearly **\$693 million** in income, according to the most recent report from the National Institute on Retirement Security (NIRS).

Impacting Education and Business

TRSL benefits are a **key recruitment tool** that make teaching a viable career choice.

Creating Buying Power

TRSL paid more than **\$2 billion** to retirees and beneficiaries in FY 2016. Approximately **89%** of TRSL retirees and beneficiaries live in Louisiana, positively impacting local economies across the state.

Promoting Economic Security

TRSL retirement benefits are a reliable source of income that create **economic security** for retirees and help **stabilize the economy**.

Controlling Costs

For the **14th** consecutive year, TRSL has been recognized for its cost-effective pension administration, providing a **high level of service at a lower cost** than peer retirement systems.

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Contact Information

Physical address: 8401 United Plaza Blvd, Ste 300 • Baton Rouge, LA 70809-7017

Mailing address: P.O. Box 94123 • Baton Rouge, LA 70804-9123

Telephone: 225-925-6446 • **Fax:** 225-925-4779

Toll free (outside Baton Rouge area): 1-877-ASK-TRSL (1-877-275-8775)

Email: web.master@trsl.org • **Website:** www.TRSL.org

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