

**Louisiana School Employees' Retirement System
Regular Board Meeting**

**Tuesday, August 14, 2007
8:30 a.m.**

The Board of Trustees of the Louisiana School Employees' Retirement System convened in the Board Room (Room 100) of the Louisiana School Employees' Retirement System Building located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Jeffrey Faulk, Sr., Vice Chairman of the Board, called the meeting to order at 8:29 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

Members Present: Mr. Jeffrey Faulk, Sr. – Vice Chairman, Ms. Betty Crain, Mr. Eugene Rester, Jr., Ms. Kathy Landry, Mr. Earl Richard, Jr., Ms. Judith McKee, Ms. Lori Pierce, designee for Mr. John Kennedy – State Treasurer

Members Absent: Mr. Larry Wilmer – Chairman, Representative Pete Schneider – Chairman of the House Retirement Committee, Senator D.A. "Butch" Gautreaux – Chairman of the Senate Retirement Committee, Mr. Jay Dardenne – Secretary of State

Staff Present: Mr. Charles P. Bujol – Executive Director, Ms. Debra Dudley – Assistant Director, Mr. Brendan Brosnan – Chief Investment Officer, Mr. Warren Ponder – Executive Counsel, Ms. Josie Meche – Investment Manager 1, Ms. Jennifer Champagne – Administrative Assistant 5

Also Present: Mr. Brett Hazen and Mr. Richard Ranallo - Segal Advisors, Inc.

MANAGER PERFORMANCE REVIEW (SEGAL ADVISORS)

Richard E. Ranallo, CFA

Brett W. Hazen

Mr. Ranallo provided a review of market returns for the period ending June 30, 2007, which included returns for the last 3 months, 1 year, 3 years, 5 years, and 10 years. An analysis of the managers' investment performance through June 30, 2007, including an overall review of manager and stock market performance over the last quarter and year-to-date, was also provided.

All managers in the portfolio were individually reviewed and discussed. It was noted that the overall portfolio did very well and most of the diversifications made over the past two years added a lot of value to the portfolio.

Mr. Ranallo and Mr. Hazen then addressed questions from the Board.

INVESTMENT MANAGER REPORTS

WALTER SCOTT & PARTNERS, LTD

Jane E. Henderson - Senior Investment Manager

Ms. Henderson began the presentation by providing a brief synopsis of her responsibilities within the firm. A detailed review of the firm followed, which included the acquisition of Walter Scott & Partners, LTD by the Mellon Financial Corporation in May of 2006, the acquisition of Mellon Financial Corporation by the Bank of New York in December 2006, Sharon Bentley Hamlin's departure from the company, and Walter Scott's resignation from the Board. Charles Macquaker, who has been with the firm for 15 years, assumed Ms. Hamlin's responsibilities and has been running the team effectively. Dr. Kenneth Lyall assumed Walter Scott's role as Chairman of the organization. Questions regarding the acquisition by the Bank of New York, anticipated changes within the firm, loss of clients, and anticipated performance were addressed.

Ms. Henderson then provided an overview of the firm, its investment philosophy and process, and a review of the overall performance of the portfolio. She noted that businesses in the portfolio were well positioned for the next five years and provided a review of the top ten holdings within the portfolio.

Ms. Henderson then addressed questions from the Board.

THORNBURG INVESTMENT MANAGEMENT

*Christopher "Chris" Neill, CFA – Portfolio Strategist
Frances D'Alessio - Senior Portfolio Specialist*

Ms. D'Alessio began the presentation by providing an overview of the portfolio since inception and for the first half of 2007, then a review of the cumulative returns for the second quarter 2007, year to date, and since inception. She also included a review of the July 2007 returns.

Investment objectives followed, along with a review of the firm's profile, new personnel, and product updates. It was noted that the firm was established in 1982, is one of the few employee-owned and independent firms, has a history of extremely low turnover, and has a great deal of stability in personnel.

Mr. Neill continued the presentation by providing an overview of the investment process, investment philosophy, and a summary of performance during the second quarter 2007. This was followed by a review of new purchases/sales, top ten/bottom ten contributors for the second quarter 2007, global market overview and outlook, and the top ten holdings as of June 30, 2007.

Ms. D'Alessio and Mr. Neill then addressed questions from the Board.

EVERGREEN/TATTERSALL

*Balaam T. Elliott, III, Director - Client Management, Evergreen Investment Management Co.
Thomas B. Burton, CFA - Senior Portfolio Specialist & Chief Compliance Officer, Tattersall
Advisory Group*

Mr. Elliott began the presentation by providing a brief review of main issues occurring within the firm. He noted that as of August 14, 2007 Chris Conque was no longer the Chief Investment Officer at Evergreen and Dennis Sparrow, the current President at Evergreen Investments, would assume the role of Chief Investment Officer while a search was conducted. It was also noted that this would have no impact on the portfolio.

This was followed by an economic review and outlook, highlights of the quarter ending June 30, 2007, treasury market performance, fixed income sector performance, and performance by credit rating. LSERS' investment policy, portfolio summary, and portfolio reconciliation were also reviewed.

Mr. Burton continued the presentation by reviewing LSERS' investment performance and fixed income characteristics.

Mr. Elliott and Mr. Burton then answered questions from the Board. A request was made for submission of biographies in future presentations.

LONG/SHORT EQUITY STRATEGY (130/30 MANAGER SEARCH)

REVIEW OF DUE DILIGENCE REPORTS

Mr. Hazen provided a synopsis of the investment management firms that were reviewed for the 130/30 equity manager search. Four firms were selected for consideration:

Analytic Investors, Inc., *Los Angeles, CA*
AXA Rosenberg Investment Mngement, LLC, *Orinda, CA*
Goldman Sachs Asset Management, L.P., *New York, NY*
Quantitative Management Associates, LLC, *Newark, NJ*

An extensive review of each firm was provided.

SELECTION OF FINALISTS

Discussion was held on the selection of finalists for interviewing for the 130/30 equity manager search. Interviewing all four candidates was recommended.

ON MOTION BY MS. CRAIN, SECONDED BY MS. LANDRY AND CARRIED, the Board approved interviewing all four candidates for the 130/30 Manager Search.

PROPOSED INTERVIEW SCHEDULE OF FINALISTS

This item was not discussed.

PUBLIC COMMENT

There was no public comment.

OTHER BUSINESS

The proposed 2008 Louisiana School Employees' Retirement System meeting schedule, which was presented to the Board at its August 13, 2007 meeting, was brought up for review.

ON MOTION BY MR. RICHARD, SECONDED BY MR. RESTER AND CARRIED, the Board accepted the 2008 Louisiana School Employees' Retirement System meeting schedule.

Mr. Faulk called for a Special Board meeting to be held on Monday, September 10, 2007. This meeting would be held upon adjournment of the Investment Committee meeting.

Mr. Ponder informed the Board that he had received a message that Mr. Jay Dardenne, Secretary of State, was doing well after undergoing surgery on August 13, 2007.

There was no other business to discuss.

ON MOTION BY MS. LANDRY, SECONDED BY MR. RESTER AND CARRIED, the Board adjourned at 11:24 p.m.


Charles P. Bujol – Executive Director


Jeffrey Faulk, Sr. – Vice Chairman