

Louisiana School Employees' Retirement System Board Investment Committee Meeting

*Monday, January 7, 2008
9:00 a.m.*

The Louisiana School Employees' Retirement System's Board Investment Committee convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Faulk called the meeting to order at 9:05 a.m. Mrs. Stark called the Roll.

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Members Present: Mr. Jeffrey Faulk, Sr. - Chairman, Mr. Larry Wilmer, Mrs. Kathy Landry, Ms. Betty Crain, Mrs. Judith McKee, Mr. Eugene Rester, Jr., Mr. Philip B. Walther, and Mr. Randy Davis, designee for Mr. Jay Dardenne - Secretary of State.

Members Absent: Honorable John Kennedy – State Treasurer, Senator D.A. “Butch” Gautreaux, Chairman - Senate Retirement Committee and Representative Pete Schneider, Chairman - House Retirement Committee.

Staff Present: Mr. Charles Bujol – Executive Director, Mrs. Debra Dudley - Assistant Director, Mr. Warren Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mrs. Josie Meche - Investment Manager I, and Mrs. Laurie Stark - Administrative Assistant 5.

Others Present: Mr. Brett Hazen – Segal Advisors, Inc., Mr. Marcus L. Alexis and Mr. David B. Braman – Pantheon Ventures.

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Mr. Bujol made the following announcements:

CD's of the 2007 LAPERS Conference are available to board members.

Updates to LSERS' Board of Trustees Manual have been distributed to each member.

Board pictures will be taken before the board meeting on Monday, February 11, 2008.

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DISCUSSION WITH CONSULTANT

Mr. Hazen had nothing to report for the meeting.

PANTHEON PRIVATE EQUITY

Mr. Marcus Alexis and Mr. David Braman with Pantheon Ventures were in attendance to give an educational presentation regarding private equity. Mr. Braman gave an overview of Pantheon’s Europe and Asia Funds. Mr. Alexis also reported on the performance as of December 31, 2007 of Pantheon’s USA Fund VII which LSERS invested in.

DISCUSSION OF DROP ACCOUNT STIF INVESTMENT VEHICLE

Mr. Brosnan reported that the Federated Prime Value Obligations Fund that LSERS is using for its new DROP account has an “A” rating by Moody’s. Mr. Brosnan recommended that LSERS consider moving all DROP account monies into the Federated Prime Obligations Fund that is “AAA” rated and yielding only 6 basis points lower than the current fund.

ON MOTION OF MR. WILMER, SECONDED BY MS. CRAIN AND CARRIED, the committee recommended that DROP account monies be put into the “AAA” rated Federated Prime Obligations Fund.

STAFF REPORTS

Commission Recapture

Mrs. Meche reported that for the period January 1, 2007 through September 30, 2007 none of the fixed income managers met their targeted commitment to Lynch Jones & Ryan. The equity managers that met or exceeded their 25% target were J & W Seligman, NTQA and Walter Scott. The total funds available for disbursement as of September 30, 2007 were \$68,708. Payments totaling \$29,150 were made, leaving a balance of \$39,558 available for disbursement.

ON MOTION OF MR. WILMER, SECONDED BY MS. CRAIN AND CARRIED, the committee accepted the Commission Recapture Report.

Northern Trust Securities Lending Report

Mr. Brosnan reported that for September 2007 the gross income on securities lending was \$123,868.87. Northern Trust received a fee of \$37,144.71. The fund earned \$86,724.16 for September or an average of \$60,282.09 per month calendar year-to-date. Since inception the fund earned \$6,186,037.08 or an average net monthly income of \$37,042.14.

ON MOTION OF MS. CRAIN, SECONDED BY MRS. LANDRY AND CARRIED, the committee accepted the Northern Trust Securities Lending Report.

Louisiana Brokers

Mrs. Meche reported that for the period January 1, 2007 through September 30, 2007 none of the fixed income managers met their 10% target. The equity managers that met or exceeded their 10% minimum target were Ark, J & W Seligman, NTQA, RhumbLine and Walter Scott. A total of \$33,820,336.60 par value and \$135,308.01 in equity commissions was directed during the period ending September 30, 2007.

Louisiana Incorporated & Domiciled Broker Report

Mrs. Meche reported that for the period January 1, 2007 through September 30, 2007 the equity managers that met or exceeded their 10% target were Brandywine and C.S. McKee. None of the fixed income managers met their targets for the period. A total of \$61,473.81 in equity commissions and \$1,034,542.50 in par value was directed during the period ending September 30, 2007.

ON MOTION OF MR. WILMER, SECONDED BY MS. CRAIN AND CARRIED, the committee accepted the Louisiana Broker Report and the Louisiana Incorporated and Domiciled Broker Report.

**Securities Litigation
Investment Staff Report of Receipts**

Mr. Brosnan reported that as of October 31, 2007 LSERS received a total of \$2,011,268.84 in cash, \$578 in par value and 8,963 shares of stock/warrants for settlements from securities litigations.

ON MOTION OF MS. CRAIN, SECONDED BY MRS. LANDRY AND CARRIED, the committee accepted the Securities Litigation Report on Receipts.

Current Case Review

Mr. Ponder reported that the settlement awarded to LSERS in the Bank One case has not been received. He and Mr. Bujol updated the committee on the system's plans for bills that would affect LSERS during the upcoming 2008 Regular Legislative Session.

ON MOTION OF MS. CRAIN, SECONDED BY MR. RESTER AND CARRIED, the committee accepted the Current Case Review.

PUBLIC COMMENTS

There were no public comments.

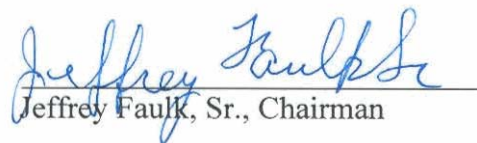
OTHER BUSINESS

There was no other business.

ON MOTION OF MR. WILMER, SECONDED BY MS. CRAIN AND CARRIED, the committee agreed to adjourn.

The meeting adjourned at 11:55 a.m.


Charles P. Bujol, Director


Jeffrey Faulk, Sr., Chairman