

Louisiana School Employees' Retirement System Board Investment Committee Meeting

Monday, July 13, 2009
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, Chairman of the committee, called the meeting to order at 9:00 a.m. Roll was called by Mrs. Stark.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Larry Wilmer, Mr. Eugene Rester, Jr., Mrs. Kathy Landry, Ms. Betty Crain, Mrs. Judith McKee, Mr. Philip B. Walther, *Mr. Randy Davis, designee for Mr. Jay Dardenne – Secretary of State, Ms. Lauren Bailey, observer for Senator D.A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement and Ms. Lori Pierce, designee for Mr. John Kennedy – State Treasurer

Members Absent: Representative Joel Robideaux – Chairman of the House Committee on Retirement

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

Also Present: Mr. Brett Hazen – Segal Advisors, Inc.

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*Mr. Randy Davis arrived at 9:08 a.m.

ANNOUNCEMENTS

There were no announcements.

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APPROVAL OF AGENDA

The agenda was presented to the committee for approval.

ON MOTION OF MR. RESTER, SECONDED BY MS. CRAIN, Mrs. McKee, Ms. Crain, Mrs. Landry, Mr. Wilmer, Mr. Faulk, Mr. Rester, Ms. Pierce, and Mr. Walther **voted affirmatively** to approve the agenda.

Mr. Randy Davis arrived at 9:08 a.m.

DISCUSSION WITH CONSULTANT

Mr. Hazen provided an update on the current status of the market. An overview of the managers scheduled for interviews in the Global Fixed Income Manager Search followed.

STAFF REPORTS

Commission Recapture

Mr. Brosnan reported that for the period January 1, 2009 through April 30, 2009 none of the fixed income managers met their targeted commitment to Lynch Jones & Ryan. It was also reported that Fisher, J & W Seligman, NTGI and Walter Scott met or exceeded their 25% targets. The total funds available for disbursement as of April 30, 2009 were \$80,815.00. Disbursements totaling \$14,200.00 were made, leaving a balance of \$66,615.00.

ON MOTION OF MR. WILMER, SECONDED BY MRS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Commission Recapture Report.

Northern Trust Securities Lending Report

Mr. Brosnan reported that for the period of January 1, 2009 through April 30, 2009 the gross income on securities lending was \$69,474.61. Northern Trust received a fee of \$16,661.36. The fund earned \$171,062.24 for 2009 or an average of \$42,765.56 per month. Since inception the fund earned \$7,947,100.06 or an average net monthly income of \$42,726.34.

ON MOTION OF MR. WILMER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Securities Lending Report.

ON MOTION OF MRS. LANDRY, SECONDED BY MR. WILMER AND CARRIED BY UNANIMOUS CONSENT, the committee agreed to suspend participation in the securities lending staged withdrawal when it reaches the \$15 million “on loan” amount.

Louisiana Incorporated & Domiciled Broker Report

Mr. Brosnan reported that for the reporting period of January 1, 2009 through April 30, 2009 none of the fixed income managers met their 10% target. The equity managers that met or exceeded their 10% minimum target were Fisher and J & W Seligman. Equity commissions totaling \$10,898.00 were directed during the period ending April 30, 2009. No par value was collected.

Louisiana Broker Report

Mr. Brosnan reported that for the reporting period of January 1, 2009 through April 30, 2009 only NTGI and Walter Scott met or exceeded their 10% target. None of the fixed income managers met their target for the period. Equity commissions totaling \$7,471.99 were collected during the period ending April 30, 2009. No par value was collected.

ON MOTION OF MS. CRAIN, SECONDED BY MRS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Louisiana Incorporated and Domiciled Broker and Louisiana Broker Reports.

**Legal Update
Investment Staff Report of Receipts**

Mr. Brosnan reported that as of May 2009 LSERS received a total of \$3,919,701.92 in cash, \$578 in par value and 8,963 shares of stock/warrants for settlements from securities litigations.

ON MOTION OF MR. WALTHER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Securities Litigation Report of Receipts.

Current Case Review

Mr. Ponder reported that there are two (2) cases that are active and nothing significant has occurred in either case.

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ON MOTION OF MRS. LANDRY, SECONDED BY MR. WILMER AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Current Case Review.

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Legislative Update

Mr. Ponder gave an update on the final status of all legislative bills that would have affected LSERS.

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ON MOTION OF MS. CRAIN, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Legislative Update.

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MANAGER INTERVIEWS – GLOBAL FIXED INCOME SEARCH

The following managers were present for the Global Fixed Income Manager Search:

Baring Asset Management, Inc.

*Eric Maskalunas, Vice President – Sales & Business Development
Harjeet Heer, Director – Fixed Income & Currency*

Loomis, Sayles & Company

*Kenneth M. Buntrock, CFA, Vice President - Portfolio Manager
William J. Averill, Vice President - Public Funds*

Mr. Faulk called a recess at 11:50 a.m. for lunch and to allow the Special Board Meeting to convene at 12:30 p.m.

Mr. Faulk called the Investment Committee Meeting back into session at 1:03 p.m. and continued with the Global Fixed Income Manager Search Interviews.

Mondrian Investment Partners

Lee Giannone, Senior Vice President – Client Services

Daniel Philps, Senior Portfolio Manager (Via Conference Phone)

ON MOTION OF MRS. McKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the committee recommended that Mondrian Investment Partners, Ltd. be hired as the new Global Fixed Income Manager.

ON MOTION OF MRS. McKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the committee agreed to allow staff and Segal Advisors to negotiate the fee with Mondrian Investment Partners, Ltd.

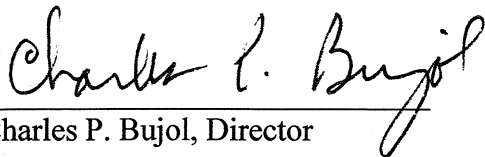
PUBLIC COMMENTS

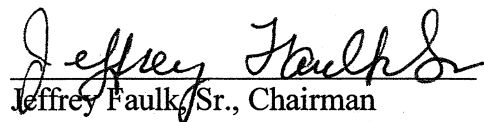
There were no public comments.

OTHER BUSINESS

There was no other business.

ON MOTION OF MRS. McKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the committee adjourned at 2:04 p.m.


Charles P. Bujol, Director


Jeffrey Faulk, Sr., Chairman