

**Louisiana School Employees' Retirement System  
Board Investment Committee Meeting**

*Monday, October 9, 2006  
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. Ms. Jacobs called the meeting to order at 9:01 a.m. Mrs. Stark called the Roll.

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**Members Present:** Ms. Betty Jacobs - Chairperson, Mrs. Kathy Landry, Ms. Betty Crain, Mrs. Judith McKee, Mr. Larry Wilmer, Mr. Jeffrey Faulk, Sr., Mr. Earl Richard, Jr., and Ms. Amy Mathews - Treasurer's Office.

**Members Absent:** Mr. Al Ater - Secretary of State, 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, Mrs. Julia LeBlanc - Chief Investment Officer, Mrs. Josie Meche - Investment Manager I, Ms. Judy Wright - Public Information Director I and Mrs. Laurie Stark - Administrative Assistant 5.

**Others Present:** Ms. Ruby Jolissaint.

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**STAFF REPORTS**

**Commission Recapture Report**

Mrs. Meche reported that for the period January 1, 2006 through July 31, 2006 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 C.S. McKee and Walter Scott. The total funds available for disbursement as of July 31, 2006 were \$191,871.00. Payments totaling \$164,381.77 were made, leaving a balance of \$27,489.23 available for disbursement.

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**ON MOTION OF MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED**, the committee accepted the Commission Recapture Report.

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**Northern Trust Securities Lending Report**

Mrs. LeBlanc reported that for the calendar year-to-date period ending August 2006, the gross income on securities lending was \$446,463.24. Northern Trust received a fee of \$133,826.89. The fund earned \$312,636.35 or an average of \$39,079.54 per month. To date the fund earned \$5,479,243.14 or an average net monthly income of \$35,579.50.

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**ON MOTION OF MR. RICHARD, SECONDED BY MR. WILMER AND CARRIED,** the committee accepted the Northern Trust Securities Lending Report.

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**Louisiana Brokers**

Mrs. Meche reported that for the period of January 1, 2006 through July 31, 2006 the fixed income managers that met or exceeded their 10% target were Orleans Capital and Evergreen. The equity managers that met or exceeded their 10% minimum target were Ark and Walter Scott. A total of \$177,010,673.27 par value and \$41,788.48 in equity commissions was directed during the period ending July 31, 2006.

**Louisiana Incorporated & Domiciled Broker Report**

Mrs. Meche reported that for the period of January 1, 2006 through July 31, 2006 the equity managers that met or exceeded their 10% target were Trinity and C.S. McKee. Orleans Capital was the only fixed income manager to meet its target for the period. A total of \$32,390.18 in equity commissions and \$7,897,770.00 par value was directed during the period ending July 31, 2006.

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**ON MOTION OF MR. FAULK, SECONDED BY MRS. LANDRY AND CARRIED,** the committee accepted the Louisiana and Louisiana Incorporated and Domiciled Broker Reports.

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**Report on Funding For New Portfolios.**

Mrs. LeBlanc presented the funding report for the new portfolios and explained how, when and where funds were transferred for each new portfolio.

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**ON MOTION OF MRS. LANDRY, SECONDED BY MS. CRAIN AND CARRIED,** the committee accepted the Report on Funding for New Portfolios.

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**Securities Litigation  
Investment Staff Report of Receipts**

Mrs. LeBlanc reported that as of August 30, 2006, LSERS received a total of \$1,013,675.31 in cash, \$578 in par value and 8,013 shares of stock/warrants for settlements from securities litigations.

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**ON MOTION OF MR. WILMER, SECONDED BY MR. FAULK AND CARRIED,** the committee accepted the Securities Litigation Report on Receipts.

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**Current Case Review**

Mr. Ponder reported that no appeal has been filed in the Soloman Brothers/AT&T case and judgment on the settlement would be final by the end of October. He also reported that the Attorney General of New York has filed a lawsuit against J&W Seligman concerning rapid trading in the mutual fund side of their investments. Mr. Ponder noted that in a telephone conversation with Mrs. Buckley of J & W Seligman she pointed out that no allegations have been made on public institutional investors.

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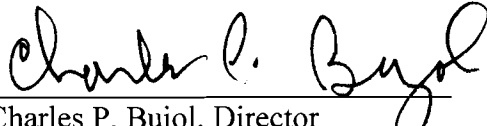
**ON MOTION OF MS. CRAIN, SECONDED BY MRS. LANDRY AND CARRIED,** the committee accepted the Current Case Review report.


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**ON MOTION OF MRS. McKEE, SECONDED BY MS. CRAIN AND CARRIED,** the committee agreed to adjourn.

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The meeting adjourned at 10:09 a.m.

  
Charles P. Bujol, Director

  
Betty Jacobs, Chairperson