

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

**Monday, February 7, 2011
9:00 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. Larry Wilmer, Chairman of the Board, called the meeting to order at 9:00 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

Members Present: Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Tim Palmatier - designee for Mr. Tom Schedler – Secretary of State, Mr. Ron Henson – designee for Mr. John Kennedy – State Treasurer

Members Absent: Senator D. A. "Butch" Gautreaux – Chairman of the Senate Committee on Retirement, Representative J. Kevin Pearson – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles P. Bujol - Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. Warren D. Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mr. Jerry Rhodus - Investment Officer 2, Ms. Jennifer Champagne - Administrative Assistant 6 (Recording Secretary)

Also Present: Mr. Brett Hazen - Segal Advisors

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcement:

In an effort to conserve paper the Investment Report, which reflects purchases and sales for the reporting period, is available for viewing via the Board laptop.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION BY MS. MCKEE, SECONDED BY MS. LANDRY, Mr. Wilmer, Mr. Walther, Mr. Rester, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Faulk, Mr. Henson, and Mr. Palmatier **voted affirmatively** to approve the agenda.

PUBLIC COMMENT ON ANY ITEM ON AGENDA

Mr. Wilmer called for public comment on any item on the agenda. There were no comments.

MANAGER PERFORMANCE REVIEW

Mr. Hazen provided the manager performance review for the period ending December 31, 2010. This included an overview of market conditions throughout the year, asset allocations, and overall performance of the portfolio.

HAMILTON LANE PRIVATE EQUITY SECONDARY OPPORTUNITY STATUS REPORT

Mr. Hazen provided a status report on the Hamilton Lane Private Equity secondary opportunity and then addressed questions from the Board and LSERS' administrative staff.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Manager Performance Review and Hamilton Lane Private Equity Secondary Opportunity Status Report.

INVESTMENT MANAGER REPORTS

The following Investment Managers provided their presentations and then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff:

Wasatch Advisors

Jeff Cardon – CEO, Portfolio Manager
Ellie van de Velde – Vice President of Client Relations

Fisher Investments Institutional Group

Leon Stamps – Vice President & Senior Relationship Manager
Tom Connaghan – Vice President & Relationship Manager

ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved consideration of Item IV on the agenda while awaiting the next presentation.

INVESTMENT REPORTS

Commission Recapture Reports

Mr. Rhodus provided the following reports on Commission Recapture for the reporting period of January 1, 2010 through November 30, 2010:

Equity Managers

Overall commissions directed to Lynch, Jones & Ryan were under the 25% target with total commissions of 5.95%.

Fixed Income Managers

Overall commissions directed to Lynch, Jones & Ryan were under the 35% target with total commissions of .25%.

Mr. Rhodus provided a detailed summary of total commissions for the same reporting period and then addressed questions from the Board.

ON MOTION BY MR. WALTHER, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Commission Recapture Reports.

Trading Compliance Reports

Mr. Rhodus provided the following investment manager reports:

Wasatch Advisors

Wasatch Advisors directed no trades (0.00%) through Lynch, Jones, & Ryan, no trades (0.00%) through Louisiana Brokers and no trades (0.00%) through Louisiana Inc. and Domiciled Brokers.

Fisher Investments

Fisher Investments exceeded their 25% target with 36.7% of total trades directed through Lynch, Jones, & Ryan. No trades (0.00%) were directed through Louisiana Brokers. Their 10% target was exceeded with 21.4% of total trades directed through Louisiana Inc. and Domiciled Brokers.

C. S. McKee

C. S. McKee exceeded their 25% target with 34.5% of total trades directed through Lynch, Jones & Ryan. No trades (0.00%) were directed through Louisiana Brokers. Their 10% target was exceeded with 35.0% of total trades directed through Louisiana Inc. and Domiciled Brokers.

Analytic Investors

There was nothing to report on the Analytic Investors account, as it is a comingled account that is exempt from compliance with trading guidelines because of the nature of its funds.

ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Trading Compliance Reports.

Investment Report

Mr. Brosnan noted that the Investment Report of purchases and sales for the reporting period of October 1, 2010 through December 31, 2010 was available for review electronically on the Board recorder's laptop. A brief summation was provided.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Investment Report.

Securities Lending Report

Mr. Brosnan provided the securities lending report and then addressed questions from the Board.

ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Securities Lending Report.

Other Business

There was no other business to discuss under Investment Reports.

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board approved returning to agenda Item III, Investment Manager Reports.

INVESTMENT MANAGER REPORTS

The following Investment Managers provided their presentations and then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff:

C. S. McKee Investment Managers

Eugene M. Natali – Chairman and CEO
Suda Vatsan, CFA – Senior Vice President Portfolio Manager

Analytic Investors

Mark D. Osterkamp – Senior Director, Marketing & Client Service
Dennis M. Bein, CFA – Chief Investment Officer
Kevin D. Clark, CFA – Director, Marketing & Client Service

CUSTODIAN RFP FINALIST PRESENTATIONS

The following Custodial Banks provided their presentations and then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff:

Northern Trust

Dennis O. Anosike – Senior Vice President-Division Manager, Public Funds/Taft-Hartley
Jeffrey T. Feeney, CFA – Senior Vice President, Corporate & Institutional Services
Gary J. Guibert – Vice President, Public Funds/Taft-Hartley

BNY Mellon

Bob Carroll – First Vice President, New Business Development
Laurin Moore – Managing Director, Director, US Tax Exempt, BNY Mellon Asset Servicing
Yvonne Utz – First Vice President, Senior Relationship Manager

Mr. Brosnan provided a detailed review of each custodial bank, which led to a discussion on the pros and cons of each bank, associated fees, and services provided.

ON MOTION BY MR. FAULK, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT, the Board directed administrative staff/Segal Advisors to follow-up with both presenters to clarify points of their presentation and provide a report during the March 14, 2011 Investment Committee meeting.

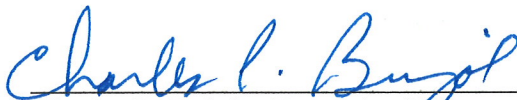
Mr. Wilmer called for a Special Board meeting to be held on March 14, 2011.

OTHER BUSINESS

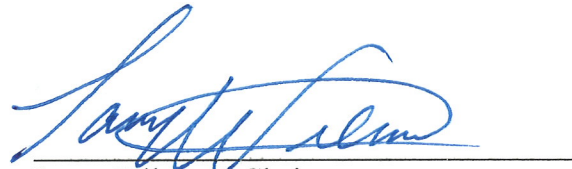
Mr. Wilmer noted that a handout on a proposed working concept for funding future Permanent Benefit Increases (PBI) was distributed. Mr. Hall will be presenting this concept for discussion during the February 8, 2011 meeting.

There was no other business to discuss.

ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 2:51 p.m.



Charles P. Bujol – Executive Director



Larry Wilmer – Chairman