

Louisiana School Employees' Retirement System Investment Committee Meeting

Monday, April 16, 2012
9:00 a.m.

The Louisiana School Employees' Retirement System's Investment Committee Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Rester, Chairman of the Investment Committee, called the meeting to order at 9:04 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

* * * * *

Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Ms. Linda Mathiew, and Mr. Philip B. Walther

Members Absent: Mr. John Kennedy – State Treasurer, Mr. Tom Schedler – Secretary of State, Senator Elbert L. Guillory – Chairman of the Senate Committee on Retirement and Representative J. Kevin Pearson – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes – Assistant Director, Mr. Warren D. Ponder – Executive Counsel, Mr. Brendan Brosnan – Chief Investment Officer, Mr. George Meyer – Investment Officer 2, Mr. Jason St. Romain – Auditor 2, and Ms. Laurie Stark – Administrative Assistant 5

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

* * * * *

ANNOUNCEMENTS

Mr. Bujol announced that he and Mr. Ponder will be leaving today's meeting to attend the Senate Retirement Committee meeting scheduled for 9:30 a.m.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION OF MR. FAULK, SECONDED BY MS. McKEE, Ms. Crain, Ms. Landry, Mr. Faulk, Mr. Rester, Ms. Mathiew, Ms. McKee, and Mr. Walther **voted affirmatively** to approve the agenda as amended.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

PORTFOLIO PERFORMANCE REVIEW

Mr. Meyer and Mr. Hazen provided brief reviews of overall performance ending February 29, 2012, followed by an overview of market conditions and a review of asset changes from January 2012 through February 2012. Mr. Meyer then addressed questions from the Committee and LSERS administrative staff.

ON MOTION OF MR. WALTHER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Portfolio Performance Review.

STAFF REPORTS

Commission Recapture Report

Mr. Meyer provided the Commissions Recapture Report and then addressed questions from the committee.

ON MOTION OF MS. LANDRY, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Commission Recapture Report.

Securities Lending Report

Mr. Meyer provided the Securities Lending Report and then addressed questions from the committee.

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

Louisiana Broker Report

Mr. Meyer provided the Louisiana Broker Report and then addressed questions from the committee.

Louisiana Incorporated & Domiciled Broker Report

Mr. Meyer provided the Louisiana Incorporated and Domiciled Broker Report and then addressed questions from the committee.

Legal Update**Investment Staff Report of Receipts**

Mr. Meyer presented the Report of Receipts and then entertained questions from the committee.

ON MOTION OF MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Louisiana and the Louisiana Incorporated and Domiciled Broker Reports and the Report of Receipts.

Current Case Review

Ms. Forbes provided an overview of the current status of the East Baton Rouge Parish School Board, et al vs. LSERS case and then entertained questions from the committee.

FOLLOW-UP ON ENERGY INVESTING OPPORTUNITIES

Mr. Hazen will present a follow-up to a previous presentation regarding Energy Investing Opportunities at the June 2012 Investment Committee Meeting.

PROPOSED CREDIT OPPORTUNITIES – SECURED LOANS COMMITMENT PRESENTATION*Summit Partners Credit Fund, L.P.*

Mr. Thomas S. Roberts – Summit Partners Board member

Mr. Todd D. Hearle – Summit Partners Co-Founder

Mr. James M. Freeland – Summit Partners Co-Founder

Mr. Hazen, along with Mr. Roberts, Mr. Hearle and Mr. Freeland, presented an overview of credit opportunities that are available through secured loans.

COMMISSION RECAPTURE POLICY CHANGE

Mr. Brosnan presented an overview of the proposed changes to the Commission Recapture Program:

- that the current commission recapture policy for domestic equity managers be replaced with a “average commission rate target” that sets an average cents per share target to be achieved over a 1 year period.
- fixed income managers will be exempted from the commission recapture policy and will not be subject to the average commission target.

ON MOTION OF MR. FAULK, SECONDED BY MS. MATHIEW AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Commission Recapture policy change recommendation presented by Mr. Brosnan.

CONSULTANT EVALUATION

Mr. Brosnan provided a handout which shows how the LSERS' board members and staff rated the performance of Segal Advisors, Inc.

ON MOTION OF MR. WALTHER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Consultant Evaluation results.

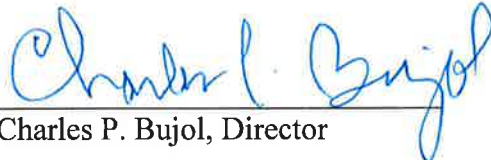
OTHER BUSINESS

There was no other business to discuss.

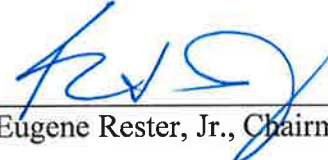
PUBLIC COMMENTS

There were no public comments.

ON MOTION OF MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 10:45 a.m.



Charles P. Bujol, Director



Eugene Rester, Jr., Chairman