

**Louisiana School Employees' Retirement System**  
**Quarterly Board Meeting**  
**Monday, February 4, 2013**  
**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. Jeffrey Faulk, Sr., Chairman of the Board, 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. Champagne.

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**Members Present:** Mr. Philip B. Walther, Mr. Eugene Rester, Jr., \*Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Henry Yearby, Mr. Joe Salter - designee for Mr. Tom Schedler – Secretary of State

**Members Absent:** Mr. John Kennedy – State Treasurer, Senator Elbert L. Guillory – Chairman of the Senate Committee on Retirement, Representative J. Kevin Pearson – Chairman of the House Committee on Retirement, Ms. Kristy Nichols – Commissioner of Administration

**Staff Present:** Mr. Charles P. Bujol - Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. George W. Meyer, III - Chief Investment Officer, Ms. Jennifer Champagne - Administrative Assistant

**Other Staff Present:** Ms. Larisa Ellard – Internal Auditor, Mr. Christopher Saik – Investment Officer

**Others Present:** \*Mr. Charles Hall – Hall Actuarial Associates, Mr. Jeffrey C. Boucek and Mr. John Dickson – Segal Rogerscasey

\* Ms. McKee arrived at 9:09 a.m.  
Mr. Hall left the meeting at 9:27 a.m.

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**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol made the following announcement:

- Educational certification reports, which include education received during the January 7, 2013 meeting, have been provided. Board members were asked to review individual reports for discrepancies and provide additional documentation on education not reported.
- Mr. Hall is scheduled to attend court on Monday, February 4, 2013 and Tuesday, February 5, 2013. A request to change the order of the agenda was made, allowing Mr. Hall to make his presentations on the Cash Balance Plan and Permanent Benefit Increase.

**APPROVAL OF AGENDA**

**ON MOTION BY MR. WALTHER, SECONDED BY MS. LANDRY**, Mr. Walther, Mr. Rester, Ms. Landry, Ms. Crain, Mr. Faulk, Mr. Yearby, and Mr. Salter **voted affirmatively** to amend the order of the agenda to allow Mr. Hall to make his presentations.

The amended agenda was presented to the Board for approval.

**ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER**, Mr. Walther, Mr. Rester, Ms. Landry, Ms. Crain, Mr. Faulk, Mr. Yearby, and Mr. Salter **voted affirmatively** to approve the agenda as amended.

\* Ms. McKee arrived at 9:09 a.m.

Mr. Hall provided a review of a letter mailed to the Board in reference to the *Cash Balance Plan Contribution Rate*. This was followed by a review of a handout on *Permanent Benefit Increase*, which will be discussed under Legislation on Tuesday, February 5, 2013.

\*Mr. Hall left the meeting at 9:27 a.m.

**PUBLIC COMMENT ON ANY ITEM ON THE AGENDA**

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

Mr. Ponder was given the opportunity to address the Board and Mr. Christopher Saik was introduced as the new Investment Officer.

**EASTERLY PARTNERS INVESTMENT REVIEW**

Mr. Meyer requested ratification of a recommendation by the Investment Committee on January 7, 2013 to make a \$20 million dollar investment in the U.S. Government Properties Income Growth Fund II, L.P. and then provided an update on fee negotiations with Easterly Partners Real Estate Advisors.

**ON MOTION BY MS. MCKEE, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Investment Committee's recommendation.

**MANAGER PERFORMANCE REVIEW**

Mr. Boucek provided a review of manager performance, which included a handout titled *Preliminary Investment Performance Review for Period Ending December 31, 2012* and then addressed questions from the Board and LSERS administrative staff.

**ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the Manager Performance Review.

**INVESTMENT POLICY COMPLIANCE**

Mr. Meyer provided a review of investment managers scheduled for presentations, outlining their compliance with guidelines in LSERS Investment policy.

**INVESTMENT MANAGER REPORTS**

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

C.S. McKee Investment Managers

*Eugene M. Natali, Jr. – Senior Vice President*

*Eric Fencil, CFA – Portfolio Manager & Investment Analyst Equity*

**ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the *C.S. McKee Investment Managers* report.

Fisher Investments International Group

*Roman Knysh – Vice President/Portfolio Specialist*

*Leon Stamps – Vice President/Senior Relationship Manager*

**ON MOTION BY MS. LANDRY, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the *Fisher Investments International Group* report.

Wasatch Advisors

*Jeff Cardon, CFA – Chief Executive Officer, Portfolio Manager*

*Ellie van de Velde – Vice President, Client Relations*

*Chuck Stolfa – Vice President, Client Relations*

**ON MOTION BY MR. YEARBY, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the *Wasatch Advisors* report.

**INVESTMENT REPORTS****Trading Compliance**

Mr. Meyer provided the trading compliance report and then addressed questions from the Board and LSERS Administrative staff.

**ON MOTION BY MS. CRAIN, SECONDED BY MS. MCKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Trading Compliance report.

**Investment Transactions**

An electronic version of the Investment Transactions Report was available for review.

**Securities Lending**

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

**ON MOTION BY MS. MCKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Securities Lending report.

**2012 Consultant Evaluations**

Mr. Meyer provided a review of the consultant evaluations and then addressed questions from the Board.

**ON MOTION BY MR. WALTHER, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the 2012 Consultant Evaluations.

**Other Business**

There was no other business to discuss under Investment Reports.

**INVESTMENT MANAGER REPORTS**

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

Analytic Investors

*Kevin Clark, CFA – Director, Relationship Management*

**ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the *Analytic Investors* report.

**OTHER BUSINESS**

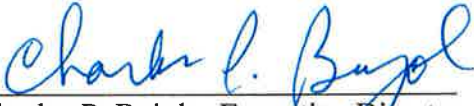
There was no other business to discuss.

**PUBLIC COMMENT**

There were no public comments.

**ADJOURNMENT**

**ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board adjourned at 11:50 a.m.

  
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Charles P. Bujol – Executive Director

  
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Jeffrey Faulk, Sr. – Chairman