

Louisiana School Employees' Retirement System
Investment Committee Meeting

Monday, March 4, 2013

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. Eugene Rester, Jr., Chairman of the Investment Committee, 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. Stark.

Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Henry Yearby, Mr. Philip B. Walther, *Ms. Anna Dearmon – designee for Ms. Kristy Nichols – Commissioner of Administration, Ms. Margaret Corley - representative for Senator Elbert L. Guillory - Chairman of the Senate Committee on Retirement, Mr. Joe R. Salter – designee for Mr. Tom Schedler – Secretary of State, *Mr. Ron Henson - designee for Mr. John Kennedy – State Treasurer

Members Absent: Representative J. Kevin Pearson – Chairman of the House Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Mr. George W. Meyer, III – Chief Investment Officer, Mr. Christopher Saik - Investment Officer, Ms. Melinda Carson - Accounting Department Supervisor, Ms. Larisa Ellard - Internal Auditor, Ms. Laurie Stark – Administrative Assistant

Staff Absent: Ms. Carolyn Forbes - Assistant Director (court subpoena)

Others Present: Mr. Jeffrey C. Boucek – Segal Rogerscasey

*Mr. Ron Henson arrived at 9:41 a.m.
Ms. Anna Dearmon arrived at 10:36 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- Ms. Forbes will not be attending the meeting due to a previously scheduled deposition.

- Packets for the Annual Evaluations of Unclassified Employees have been distributed. Completed and signed evaluations are to be returned to Ms. McKee, Chairperson of the Personnel Committee, by April 8, 2013. A summary of the evaluations will be presented at the April 15, 2013 Personnel Committee meeting
- Two educational presentations will be provided at today's meeting
- Mr. Faulk and Ms. Landry were reelected to their board seats without opposition

Mr. Bujol introduced Ms. Lauren Bailey as LSERS Executive Counsel.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION OF MS. McKEE, SECONDED BY MS. CRAIN, Ms. Crain, Ms. Landry, Mr. Yearby, Mr. Faulk, Mr. Rester, Ms. McKee, Mr. Salter and Mr. Walther **voted affirmatively** to approve the agenda.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

EDUCATIONAL PRESENTATION: INVESTMENTS

Mr. Brian Portnoy, Ph.D., CFA - Managing Director
Mr. Michael L. Nairne - Director

A 45 minute educational presentation on hedge funds was provided by Chicago Equity Partners. The PowerPoint presentation and handout were titled: *A World of Alternatives*.

ON MOTION OF MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the educational presentation.

*Mr. Ron Henson arrived at 9:41 a.m.

EDUCATIONAL PRESENTATION: TRANSITION MANAGEMENT

Mr. Joseph E. Serzan - Vice President, Sales & Marketing
Ms. Yvonne Utz - First Vice President, Senior Relationship Manager

A half-hour educational presentation on beta and transition management was provided by BNY Mellon. This included a PowerPoint presentation and handout titled: *Beta & Transition Management Overview*.

ON MOTION OF MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the educational presentation.

*Ms. Anna Dearmon arrived at 10:36 a.m.

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Meyer provided an overview of market conditions and a review of asset changes from January 2012 through January 2013. This included handouts titled: *Analysis of Investment Performance for Period Ending February 2013* and *Preliminary Investment Performance Review for Period Ending January 30, 2013*. Mr. Boucek and Mr. Meyer then addressed questions from the committee.

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

STAFF REPORTS**Securities Lending Report**

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

ON MOTION OF MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Securities Lending report.

Louisiana Domiciled Broker and Louisiana Incorporated & Domiciled Broker Reports

Mr. Saik provided an overview of the Louisiana Domiciled Broker and Louisiana Incorporated and Domiciled reports and then addressed questions from the committee.

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

Legal Update**Investment Staff Report of Receipts**

Mr. Meyer provided the Investment Staff Report of Receipts and then addressed questions from the committee.

ON MOTION OF MR. WALTHER, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Investment Staff Report of Receipts.

Current Case Review

Ms. Bailey provided an overview of current litigation and then addressed questions from the committee.

ON MOTION OF MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Current Case Review.

LEGISLATIVE UPDATE

The legislative update will be addressed during the Special Board meeting, which convenes upon adjournment of the Investment Committee meeting.

OTHER BUSINESS

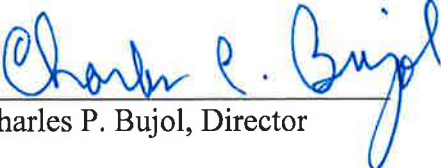
There was no other business to discuss.

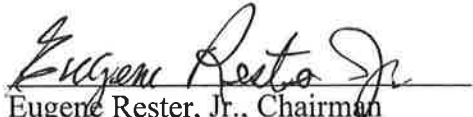
PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MS. McKEE, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:03 a.m.


Charles P. Bujol, Director


Eugene Rester, Jr., Chairman