

**Louisiana School Employees' Retirement System**  
**Quarterly Board Meeting**  
*Monday, December 2, 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 9:02 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

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**Members Present:** Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Mr. Philip B. Walther, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Henry Yearby, Ms. Amy Mathews – designee for Mr. John Kennedy – State Treasurer, Mr. Joe Salter – designee for Mr. Tom Schedler – Secretary of State, \*Ms. Stephanie Little - representative for Representative J. Kevin Pearson - Chairman of the House Committee on Retirement, Mr. Paul Holmes - designee for Ms. Kristy Nichols - Commissioner of Administration, \*Representative J. Kevin Pearson - Chairman of the House Committee on Retirement, \*Ms. Margaret Corley - representative for Senator Elbert L. Guillory - Chairman of the Senate Committee on Retirement

**Staff Present:** Mr. Charles P. Bujol - Executive Director, Ms. Carolyn Forbes - Assistant Director, Ms. Lauren Bailey - Executive Counsel, Ms. Laurie Stark - Administrative Assistant, Ms. Alison Kessler - Executive Staff Officer, Mr. Christopher Saik - Investment Officer

**Other Staff Present:** Ms. Larisa Ellard – Internal Auditor

**Others Present:** Mr. Jeffrey C. Boucek, Mr. Rob Hungerbuhler, and Mr. Keith Reynolds – Segal Rogerscasey, \*Mr. Kyle Ferachi - McGlinchy Stafford

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\*Ms. Little arrived at 11:45 a.m.  
Mr. Ferachi arrived at 12:00 p.m.  
Representative Pearson arrived at 12:02 p.m.  
Ms. Corley arrived at 12:02 p.m.

**DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol made the following announcements:

- Welcomed Ms. Amy Mathews in attendance from the State Treasurer's Office
- An advance copy of the December Crossroads newsletter has been provided

**APPROVAL OF AGENDA**

**ON MOTION BY MS. MCKEE, SECONDED BY MR. RESTER**, Mr. Rester, Ms. McKee, Ms. Landry, Ms. Crain, Mr. Salter, Mr. Faulk, Ms. Mathews, Mr. Holmes, and Mr. Yearby **voted affirmatively** to approve the agenda.

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

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

**CLARIFICATION OF SEPTEMBER 23, 2013 AND OCTOBER 28, 2013 INVESTMENT COMMITTEE MEETING RECOMMENDATIONS**

Mr. Bujol reported that during the September 23, 2013 Investment Committee Meeting, a motion was made to combine the investments into Mellon Capital. The RhumbLine Mid-Cap fund was not included in the list of managers to be transitioned into Mellon Capital.

**ON MOTION OF MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT**, the Board agreed that the RhumbLine Mid-Cap fund should be included in the list of managers to be transitioned into Mellon Capital.

**MANAGER PERFORMANCE REVIEW**

Mr. Boucek, Mr. Reynolds, Mr. Hungerbuhler and Mr. Saik provided a review of manager performance, which included two (2) handouts titled *Preliminary Investment Performance Review for Period Ending October 31, 2013* and *Analysis of Investment Performance September 2013* then addressed questions from the Board and LSERS administrative staff.

**UPDATE AND CONSIDERATION OF BOARD ACTION REGARDING TRANSITION**

Mr. Boucek provided an update on the current progress of the transition and the moving of the large and mid-cap monies into one index fund which should be completed on December 5, 2013.

**INVESTMENT POLICY COMPLIANCE**

Mr. Saik provided the investment policy compliance report 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 Investment Policy Compliance Report.

**INVESTMENT MANAGER REPORTS**

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

Schroder Distressed Debt

*Rene Madden - Head of Institutional Client Support, North America*  
*David Harris - US Fixed Income Portfolio Manager*

Schroder Investment Management N.A., Inc.

*Rene Madden - Head of Institutional Client Support, North America*  
*David Harris - US Fixed Income Portfolio Manager*

**ON MOTION BY MS. McKEE, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the *Schroder Distressed Debt* and the *Schroder Investment Management N.A., Inc.* reports.

Orleans Capital Management

*Emily C. Becker – Portfolio Manager*  
*Gary L. Welchel - Marketing*

**ON MOTION BY MS. LANDRY, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the Board approved the *Orleans Capital Management* report.

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

Mr. Saik provided the trading compliance report and then addressed questions from the Board and LSERS administrative staff.

**Investment Transactions**

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

**Securities Lending**

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

**ON MOTION BY MS. MCKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Investment Reports.

\*Ms. Little arrived at 11:45 a.m.

Mr. Ferachi arrived at 12:00 p.m.

Representative Pearson arrived at 12:02 p.m.

Ms. Corley arrived at 12:02 p.m.

**CONSIDERATION OF RECOMMENDATION OF EXECUTIVE DIRECTOR TO TERMINATE EMPLOYMENT OF CHIEF INVESTMENT OFFICER**

Mr. Bujol presented an overview of reasons why he recommended that the employment of George W. Meyer, III as Chief Investment Officer be terminated. Mr. Meyer made a responsive presentation. After discussions were held, Mr. Meyer tendered resignation effective immediately.

**ON MOTION BY MR. RESTER, SECONDED BY MS. CRAIN AND CARRIED BY A MAJORITY VOTE**, the Board accepted Mr. Meyer's immediate resignation as LSERS Chief Investment Officer. (It was noted that there was one vote in opposition to the motion by Mr. Henry Yearby.)

**OTHER BUSINESS**

There was no other business to discuss.

**PUBLIC COMMENT**

There were no public comments.

**ADJOURNMENT**

**ON MOTION BY MR. YEARBY, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 1:38 p.m.**

  
Charles P. Bujol – Executive Director

  
Jeffrey Faulk, Sr. – Chairman