

# Louisiana School Employees' Retirement System Investment Committee Meeting

Monday, January 6, 2014

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 9:02 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. Jeffrey Faulk, Sr., Ms. Judith Ann McKee, Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Henry Yearby, Mr. Paul Holmes - designee for Ms. Kristy Nichols - Commissioner of Administration, \*Mr. Ron Henson – designee for Mr. John Kennedy – State Treasurer

**Members Absent:** Mr. Philip B. Walther, Representative J. Kevin Pearson – Chairman of the House Committee on Retirement, Senator Elbert L. Guillory – Chairman of the Senate Committee on Retirement, Mr. Tom Schedler - Secretary of State

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

**Others Present:** Mr. Jeffrey C. Boucek and Mr. Keith Reynolds - Segal Rogerscasey

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\*Mr. Henson arrived at 9:12 a.m.

## DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcement:

- A 2013 Consultant Evaluation form needs to be completed and given to Ms. Stark at the end of the meeting today or at the February 3, 2014 Quarterly Board Meeting.

**APPROVAL OF AGENDA**

The agenda was presented to the Board for approval.

**ON MOTION OF MS. McKEE, SECONDED BY MR. FAULK**, Mr. Rester, Ms. Landry, Mr. Yearby, Ms. McKee, Mr. Faulk, Ms. Crain, and Mr. Holmes **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.

\*Mr. Henson arrived at 9:12 a.m.

**PORTFOLIO PERFORMANCE REVIEW**

Mr. Boucek and Mr. Reynolds provided an overview of market conditions and a review of asset changes from January 2013 through November 2013. This included an audio/visual presentation and handout titled: *Preliminary Investment Performance Review for Period Ending November 30, 2013*. They then addressed questions from the committee.

**ON MOTION OF MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Portfolio Performance Review Report.

**TRANSITION REPORT & UPDATE**

Mr. Boucek reported on the "very successful" asset reallocation transition process that was completed in December 2013. Included was an audio/visual presentation and handout titled: *Investment Structure Update*. Mr. Boucek also recommended a dedicated allocation to International Small Cap Equities that would be derived from the approved allocations to Non-U.S. Developed Equity and Emerging Market Equity. The approved allocations of 16% to Non-U.S. Developed Equity and 12% to Emerging Market Equity would be reduced to 15% and 10% respectively to fund the 3% dedicated allocation to International Small Cap Equities.

**ON MOTION OF MR. FAULK, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the Committee agreed to move 3% of dedicated funds into International Small Cap Equities.

**STAFF REPORTS****Securities Lending, Louisiana Domiciled Broker, and Louisiana Incorporated & Domiciled Broker Reports**

Mr. Saik provided a review of the following reports and then addressed questions from the committee:

Securities Lending  
Louisiana Domiciled Broker Report  
Louisiana Domiciled and Incorporated Broker Report

**ON MOTION BY MS. McKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved the reports.

**Securities Litigation Report**

Mr. Saik provided a review of the Securities Litigation report and then addressed questions from the committee.

**ON MOTION BY MR. FAULK, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved the Securities Litigation report.

**Current Case Review**

Ms. Bailey provided an overview of current litigation which included a handout titled: *Litigation Report: As of January 2, 2014*. Ms. Bailey addressed questions from the committee.

**ON MOTION BY MR. YEARBY, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the Committee approved the current case review.

**OTHER BUSINESS**

There was no other business to discuss.

**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MS. LANDRY, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Committee adjourned at 10:02 a.m.

  
Charles P. Bujol, Director

  
Eugene Rester, Jr., Chairman