

**Louisiana School Employees' Retirement System
Investment Committee Meeting**

Monday, March 10, 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.

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. Philip B. Walther, *Mr. Ron Henson – designee for Mr. John Kennedy – State Treasurer, *Mr. Paul Holmes - designee for Ms. Kristy Nichols - Commissioner of Administration

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

Staff Present: Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes - Assistant Director, Mr. Christopher Saik - Interim Chief 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, *Mr. Charles Hall - Hall Actuarial Associates

*Mr. Henson arrived at 9:16 a.m.

Mr. Holmes arrived at 9:53 a.m.

Mr. Hall arrived at 11:38 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcement:

- The Public Retirement Systems' Actuarial Committee (PRSAC) adopted our valuation including the DROP rate at 11.54% for fiscal year ending June 30, 2013 and the employer contribution rate at 33% effective July 1, 2014.
- The evaluation of Carolyn Forbes has been distributed. The evaluations of all unclassified employees must be completed and sent to the Personnel Committee Chairman no later than April 7, 2014. The results will be reported at the Personnel Committee meeting on April 14, 2014.

APPROVAL OF AGENDA

The agenda was presented to the Board for approval.

ON MOTION OF MR. YEARBY, SECONDED BY MS. McKEE, Mr. Rester, Ms. Landry, Mr. Yearby, Ms. McKee, Mr. Faulk, Mr. Walther, and Ms. Crain **voted unanimously** 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.

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Reynolds provided an overview of market conditions and a review of asset changes from January 2013 through December 2013. This included two audio/visual presentations and handouts titled: *Preliminary Investment Performance Review for Period Ending January 31, 2014* and *Analysis of Investment Performance*. They then addressed questions from the committee.

*Mr. Henson arrived at 9:16 a.m.

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

STAFF REPORTS**Securities Lending**

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

ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the Committee approved 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 Broker reports and then addressed questions from the committee.

ON MOTION BY MS. McKEE, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the Louisiana Domiciled Broker and Louisiana Incorporated and Domiciled Broker 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 MR. YEARBY 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 March 3, 2014*. Ms. Bailey addressed questions from the committee.

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

EMERGING MARKET MANAGER INTERVIEWS

Interviews were conducted with the following emerging market managers:

Acadian Asset Management, LLC

Brian K. Wolahan, CFA - Senior Vice President/Senior Portfolio Manager
Jack W. Gastler - Senior Vice President

Brandes Investment Partners, L.P.

Grant W. Duncan - Director Institutional Group
Greg Rippel, CFA - Senior Analyst
Michael Israel, CFA - Product Manager and Institutional Portfolio Manager

Van Eck Associates Corporation

David Semple, CFA - Portfolio Manager
Angus Shillington - Deputy Portfolio Manager
Jeff Harding - Managing Director - Institutional

*Mr. Hall arrived at 11:38 a.m.

SELECTION OF EMERGING MARKET MANAGER(S)

Mr. Henson offered for discussion his recommendation to hire Acadian Asset Management, LLC to manage a one hundred million dollar investment and Brandes Investment Partners, L.P. to manage a seventy million dollar investment in emerging market funds.

ON MOTION BY MR. HENSON, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the recommendation to hire Acadian Asset Management, LLC to manage a one hundred million dollar allocation and Brandes Investment Partners L.P. to manage a seventy million dollar allocation in emerging market funds.

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 12:35 p.m.



Charles P. Bujol, Director



Eugene Rester, Jr., Chairman