

Louisiana School Employees' Retirement System
Investment Committee Meeting
Monday, September 22, 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 9:00 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. Kathy B. Landry, Ms. Betty Crain, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Ashlee McNeely - designee for Ms. Kristy Nichols - Commissioner of Administration

Members Absent: Ms. Judith Ann McKee, Mr. John Kennedy - State Treasurer, Senator Elbert L. Guillory - Chairman, Senate Committee on Retirement, Representative J. Kevin Pearson - Chairman, House Committee on Retirement, Mr. Tom Schedler - Secretary of State

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

Others Present: Mr. Jeffrey Boucek and Mr. Keith Reynolds - Segal Rogerscasey, Mr. Steve Bowes - Sisung Securities

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- a Special Board meeting will be held after the Investment Committee adjourns
- revisions were made to the Investment Committee and Special Board Meeting agendas
- a voicemail left by Ms. Nancy Frazier stating her appreciation for her COLA was played for the Committee

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MR. YEARBY, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT the Committee approved 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 during July 2014. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance Review for Period Ending July 31, 2014*. They then addressed questions from the committee.

ON MOTION BY MS. CRAIN, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the Portfolio Performance Review.

INVESTMENT MANAGER REPORTS

The following Investment Manager provided their presentation and then addressed questions from the Board, Investment Consultant, and LSERS administrative staff:

Summit Partners Credit Fund GP, L.P.

*Courtney Z. McCarthy - Chief Investor Relations Officer
James M. Freeland - Managing Director*

REVIEW PROPOSED REVISIONS TO INVESTMENT POLICY

Mr. Boucek, Mr. Reynolds, and Mr. Saik provided a review of the proposed change to the Investment Policy which includes guidelines for placing underperforming portfolio managers on a "watch list". A handout of the proposed revisions to the investment policy was provided.

ON MOTION BY MS. LANDRY, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the change to the Investment Policy which included guidelines for placing underperforming managers on a "watch list".

DISCUSSION OF MANAGER UNDERPERFORMANCE

Mr. Boucek, Mr. Reynolds, and Mr. Saik provided an overview of two managers that meet the proposed "watch list" criteria. It was recommended that Thornburg Investment Management be terminated for underperformance and turnover of key investment personnel, and a search for a new International Equity manager initiated.

ON MOTION BY MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to the recommendation to terminate Thornburg Investment Management and start a search for a new International Equity manager.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed that Thornburg funds are to be transferred into Mellon Capital Index fund.

STAFF REPORTS

Mr. Saik provided the following reports:

Securities Lending
Louisiana Broker
Securities Litigation

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the reports.

Current Case Review

Ms. Bailey provided an overview of current litigation which included a handout titled: *Litigation Report: As of September 18, 2014*. She then addressed questions from the Committee.

ON MOTION BY MS. LANDRY, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the Current Case review.

DISCUSS EDUCATIONAL RETREAT

Mr. Bujol, Mr. Saik, and Ms. Bailey discussed the proposed dates, location, and the preliminary schedule of speakers for the 2015 LSERS Educational Retreat.

ON MOTION BY MS. LANDRY, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT, the Committee agreed to proceed with the plans for the 2015 LSERS Educational Retreat.

OTHER BUSINESS

There was no other business to discuss.

PUBLIC COMMENTS

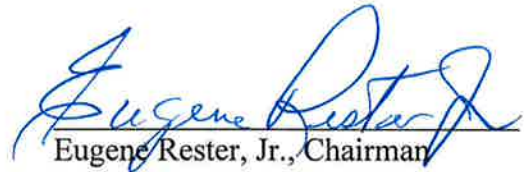
There were no public comments.

ADJOURNMENT

ON MOTION OF MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 10:29 a.m.



Charles P. Bujol, Director



Eugene Rester, Jr., Chairman