

Louisiana School Employees' Retirement System
Quarterly Board Meeting
Monday, February 9, 2015
9:00 a.m.

The Board of Trustees of the Louisiana School Employees' Retirement System convened in the boardroom (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 9:00 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

Members Present: Mr. Jeffrey Faulk, Sr., Ms. Judith Ann McKee, Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Mr. Joe Salter - designee for Mr. Tom Schedler - Secretary of State, Ms. Ashlee McNeely - representative for Ms. Kristy Nichols - Commissioner of Administration, *Mr. Ron Henson - designee for Mr. John Kennedy - State Treasurer

Members Absent: Senator Elbert L. Guillory - Chairman, Senate Committee on Retirement, Representative J. Kevin Pearson - Chairman, House Committee on Retirement

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. Gary Curran and Mr. Greg Curran - G.S. Curran and Company, Ltd.

*Mr. Henson arrived at 9:12 a.m.
Mr. Gary Curran and Mr. Greg Curran arrived at 10:35 a.m.

DISCUSSION OF WATCH LIST

Mr. Boucek and Mr. Reynolds provided an overview of performance for the managers that are currently on the Manager Watch List. Those managers are as follows: Wasatch Advisors, Walter Scott & Partners, Ltd., Mondrian Investment Partners, Inc., and Principal Global Investors. A handout titled *Manager Watch List* was provided. Mr. Reynolds further reported that due to Principal's recent performance, their long term results have put them ahead of the benchmark for the three and five-year periods. It was recommended that Principal be removed from the Watch List.

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to remove Principal Global Investors from the LSERS Manager Watch List.

REVIEW PROPOSED REVISIONS TO INVESTMENT POLICY

Mr. Saik provided an overview of the revisions being recommended relative to the Investment Policy, which included updating target allocations and establishing an official quiet period.

ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to accept the recommended revisions to the Investment Policy.

2014 CONSULTANT AND CUSTODIAN EVALUATIONS

Mr. Saik provided an overview of the results of the 2014 performance of the agency's consultants, Segal Rogercasey, and the performance of its custodian bank, BNY Mellon.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the results of the 2014 Consultant and Custodian Evaluations.

PRESENTATION RELATIVE TO INTERNATIONAL EQUITY MANAGER CANDIDATES

Mr. Reynolds provided an overview of the search parameters that were used to create the list of candidates for the MSCI EAFE Value Index manager that is being sought to replace the terminated International Large Cap Value Equity Manager (Thornburg). A handout titled *International Large Cap Value Search* was provided. The candidates for consideration are: Dodge & Cox, Franklin Templeton, Mondrian Investment Partners Limited, and Todd Asset Management LLC.

INVESTMENT REPORTS

Mr. Saik provided the following reports and then addressed questions from the Board and LSERS administrative staff:

Louisiana Broker
Securities Lending
Investment Transaction

ON MOTION BY MS. LANDRY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Louisiana Broker, Securities Lending and the Investment Transaction reports.

APPROVAL OF MINUTES**December 1, 2014 - Quarterly Board Meeting**

ON MOTION BY MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the December 1, 2014 Quarterly Board meeting.

December 2, 2014 – Quarterly Board Meeting

ON MOTION BY MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the December 2, 2014 Quarterly Board meeting.

January 5, 2015 - Special Board Meeting

ON MOTION BY MR. YEARBY, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the January 5, 2015 Special Board meeting.

January 5, 2015 – Investment Committee Meeting

ON MOTION BY MR. YEARBY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the minutes of the January 5, 2015 Investment Committee meeting.

ADMINISTRATION**Human Resources**

Ms. Forbes provided a review of the Human Resources Actions report then addressed questions from the Board.

DISCUSS AND CONSIDER BOARD POSITIONS

Ms. Bailey provided a brief overview of the bills that may be filed and recommended that the board take positions on all bills filed which impact LSERS during the meeting on April 13, 2015.

LEGAL**Litigation Report**

Ms. Bailey reported that there was no new information to provide for the litigation report for this meeting.

Collections Report

Ms. Bailey provided a report on collections during last quarter.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MR. RESTER, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 11:07 a.m.



Charles P. Bujol, Director



Jeffrey Faulk, Sr., Chairman