

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

Monday, July 18, 2016

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. Kessler.

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Members Present: Ms. Colleen Barber, ²Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Jeffrey Faulk, Sr., Ms. Lori Pierce – designee for Mr. John Kennedy – State Treasurer, Ms. Kathy B. Landry, Ms. Judith Ann McKee, Mr. Eugene Rester, Jr., ¹Mr. Joe Salter – designee for Mr. Tom Schedler – Secretary of State, Mr. Philip B. Walther, Mr. Henry Yearby

Members Absent: Senator Barrow Peacock – 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. Alison Kessler – Executive Staff Officer

Others Present: Mr. Jeffrey Boucek and Mr. Rob Hungerbuhler - Segal Rogerscasey, Ms. Arielle Collins – Legislative Auditor's Office, Ms. Penny Brown

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¹ Mr. Salter arrived at 9:03 a.m.

² Mr. Davis arrived at 9:04 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- LSERS celebrated 70 years. LSERS was created in 1946 when House Bill No. 154 was introduced by, then Louisiana Legislator J. Howard Lafleur and Le Fontenot, and enacted as Act 124. LSERS became fully operational on July 1, 1947. The first retirement benefits became effective August 1, 1948 and by the end of 1948-49 fiscal year, 252 retirees were receiving benefits. 70 years after its creation, LSERS provides benefits to more than 13,000 retirees and beneficiaries.
- 2016 LAPERS Seminar will be September 18-20 at The Roosevelt New Orleans. If you have not done so this morning, please check with Alison to sign your Request for Official Travel to attend this year's seminar. Seminar packets will be distributed at the August Quarterly Board Meeting.
- Renovations – Completed 1st phase of renovations on the 2nd floor, completed tree removal and beginning renovations of individual offices.

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY 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. Hungerbuhler provided an overview of market conditions and performance during June 2016. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance as of June 30, 2016*. They then addressed questions from the committee.

INVESTMENT REPORTS

Mr. Saik provided the following reports:

Securities Lending
Securities Litigation Receipts
Louisiana Broker

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

CURRENT CASE REVIEW

Ms. Bailey provided an overview of current litigation which included a handout titled: *Litigation Report: As of July 13, 2015*. She then addressed questions from the Committee.

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

ALTERNATIVE INVESTMENT MANAGERS PRESENTATIONS

Presentations were given by the following Alternative Investment Managers

Orleans Capital Management

*Energy Opportunities Capital Management
L. Farrell Crane – Senior Portfolio Manager
Gary Welchel - Executive Vice President, Marketing*

Kleinwort Benson Investors

*KBI Global Water Strategy
Catherine Ryan - Portfolio Manager, Water
Matt Sheldon - Portfolio Manager, Water
Padraig Sheehy - SVP Business Development*

OTHER BUSINESS

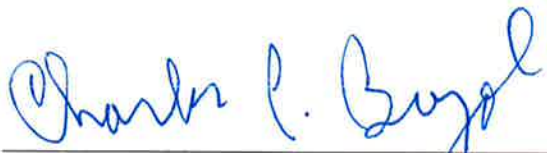
Ms. Forbes discussed a letter addressed to the Board from G.S. Curran & Company, LTD in reference to the Governmental Accounting Standards Board (GASB) Statements 67 and 68.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ON MOTION OF MS. LANDRY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 11:27 a.m.



Charles P. Bujol, Executive Director



Eugene Rester, Jr., Chairman