

**LOUISIANA SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM**

Investment Performance Analysis  
through December 31, 2008

*February 2009*



1300 East Ninth Street, Suite 1900 Cleveland, OH 44114-1593  
T 216.687.4400 F 216.687.4480 www.segaladvisors.com

February 4, 2009

Board of Trustees  
Louisiana School Employees'  
Retirement System  
Baton Rouge, Louisiana

Dear Trustees:

This report presents a comprehensive review of the System's investment performance for the time periods ended December 31, 2008. In addition to providing a summary of performance, the report also identifies how assets are currently allocated among equity, fixed income, real estate and cash holdings, and provides portfolio characteristics. Our calculations are based on data provided by the System's custodians, Northern Trust and Capital One. The historical data contained in this report was provided by Frank Russell and includes data from previously terminated investment managers.

This material will assess how your investment managers have carried out the System's investment policies and will aid in your evaluation of the managers' strengths and weaknesses. This report is also useful as a basis for discussing effective investment policies for the future.

Sincerely,

A handwritten signature in black ink, appearing to read "B. W. Hazen".

Brett W. Hazen

A handwritten signature in black ink, appearing to read "Richard E. Ranallo".

Richard E. Ranallo, CFA

ac

7074223v1/03252.001

## TABLE OF CONTENTS

	SECTION
FINANCIAL MARKET CONDITIONS	1
EXECUTIVE SUMMARY	2
TOTAL COMPOSITE	3
U.S. EQUITY MANAGERS COMPOSITE	4
ARK ASSET MANAGEMENT	
NORTHERN TRUST	
ANALYTIC INVESTORS	
AXA ROSENBERG	
C.S. MCKEE	
RHUMLINE	
J&W SELIGMAN	
FISHER	
CHARACTERISTICS	
INTERNATIONAL (NON-U.S.) EQUITY	5
WALTER SCOTT	
THORNBURG	
PRIVATE EQUITY	6
PANTHEON VII	
PANTHEON ASIA	
HAMILTON LANE	
FIXED INCOME MANAGERS COMPOSITE	7
ORLEANS CAPITAL MANAGEMENT	
SCHRODER CAPITAL MANAGEMENT	
EVERGREEN INVESTMENT COMPANY	
CHARACTERISTICS	
REAL ESTATE	8
PRINCIPAL	
PRUDENTIAL	
INVESTMENT MANAGEMENT FEES	9
NOTES	10

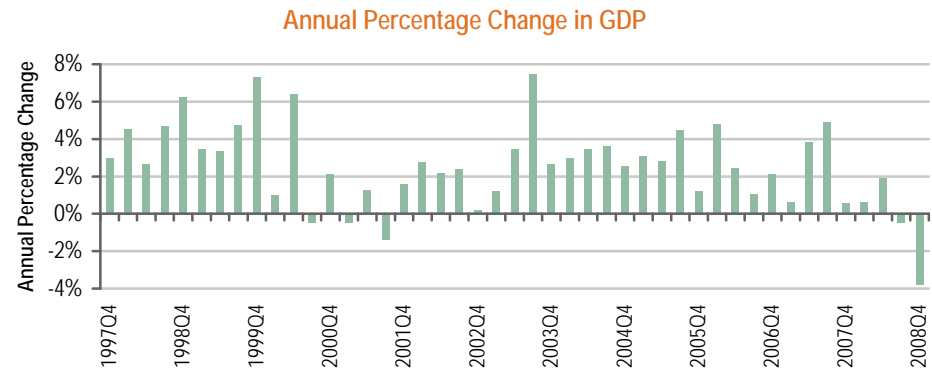
# Financial Market Conditions: Review of Fourth Quarter 2008

## The Economy: Key Indicators

Page 1 and page 2 focus on Segal Advisors' commentary on select economic indicators for fourth quarter (Q4) 2008.

### GDP Growth Negative

As shown in the adjacent graph, Q4 2008 GDP declined at a 3.8 percent annualized rate, which was much better than the consensus expectation of a 5.4 percent drop. Still, this was the biggest contraction of the economy since the first quarter of 1982. GDP for Q3 2008 was revised lower from -0.25 percent to -0.51 percent. Both consumer spending and investments in business and housing fell significantly from Q3 2008.



Source: Moody's Economy.com

### Inflation Decreases

CPI: Percentage Change Year over Year

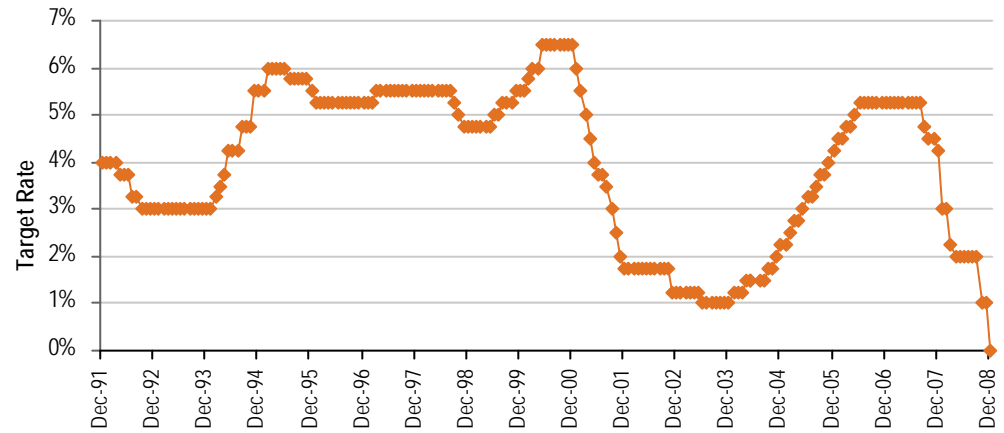


In December, the headline consumer price index (CPI) declined for the fifth consecutive month, which led to a year-ago percentage change of -0.1 percent as of December 31, 2008. The core index, which excludes food and energy prices, remained level during December and increased by 1.7 percent on a year-over-year basis as of the end of Q4 2008. The negative year-over-year percentage change in headline CPI, the first since 1955, illustrates the risk of deflation caused by the current economic environment.

Source: Moody's Economy.com

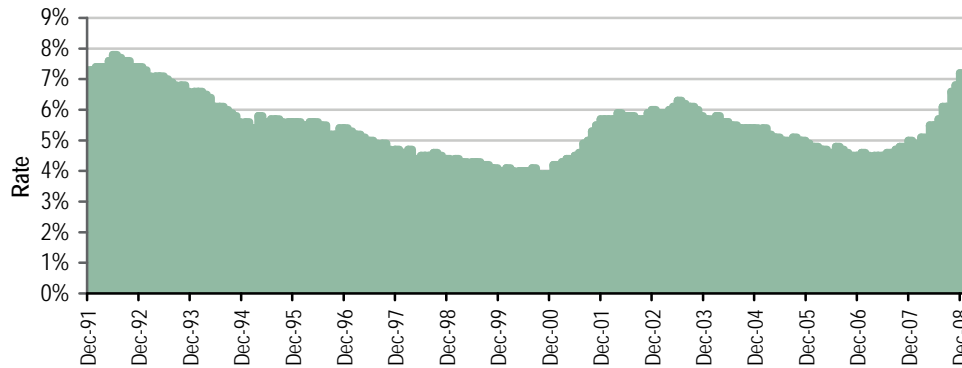
## Fed Funds Target Rate

During Q4 2008, the Federal Reserve cut the federal funds target rate three times, from 2 percent to a range of 0-0.25 percent (50 bps on October 8th, another 50 bps on October 29th, and 75-100 bps on December 16th) and signaled that it will purchase troubled assets as its primary tool to ease the credit crunch and jolt the economy out of recession. In an expanded post-Federal Open Market Committee meeting policy statement, Fed officials stated that the economy has deteriorated across the board. As a result, they will “employ all available tools to promote the resumption of sustainable economic growth and to preserve price stability.” The adjacent graph shows the fed funds target rate since 1991.



Source: Federal Reserve Board

## Labor Market Contraction and the Unemployment Rate



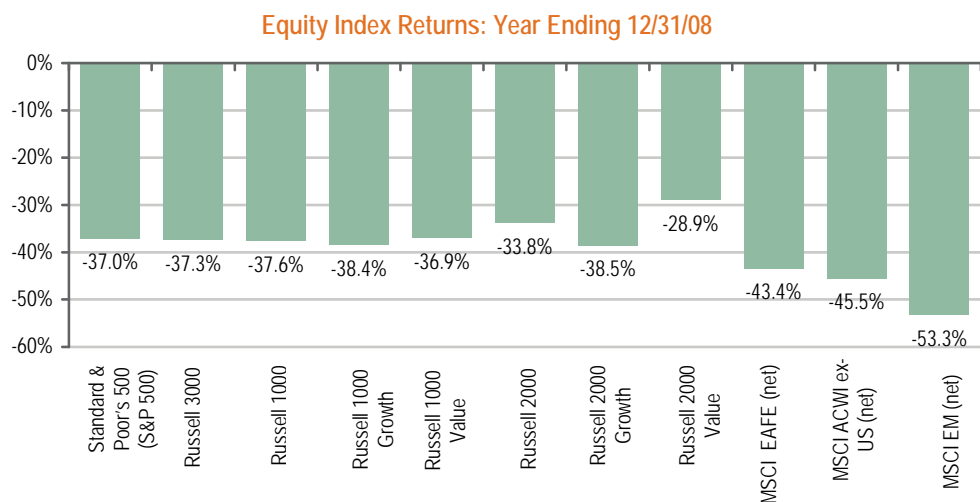
Source: Bureau of Labor Statistics

The unemployment rate rose above 7 percent in December for the first time since the early 1990's, while the rates for the prior two months were revised higher—to 6.8 percent for November and 6.6 percent for October. Payroll employment declined by 524,000 jobs in December, slightly more than expected. Job losses for November and October were much greater than the preliminary data had indicated as well; an additional 154,000 jobs were subtracted from the total in those months. As a result, 1.5 million jobs were lost during the fourth quarter. Over the course of 2008, payrolls shrank by 2.59 million jobs. The adjacent graph shows the unemployment rate since 1991.

## Investment Performance: Selected Rates of Return

This page presents rates of return for selected equity, fixed income, and other indices. The graphs illustrate calendar returns as of 12/31/2008. The tables of data show returns for the latest quarter, year-to-date (YTD), one-, three-, five- and 10-year annualized timeframes. All data in the tables are percentages.

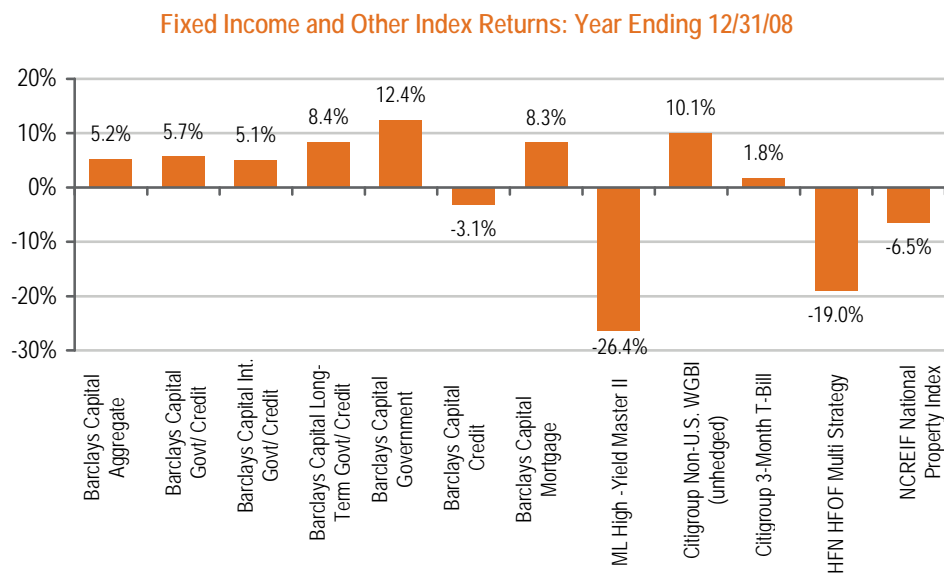
### Equity Index Returns



Equity Indices	Quarter	YTD	1-year	3-year	5-year	10-year
Standard & Poor's 500	-21.9	-37.0	-37.0	-8.4	-2.2	-1.4
Russell 3000	-22.8	-37.3	-37.3	-8.6	-2.0	-0.8
Russell 1000	-22.5	-37.6	-37.6	-8.7	-2.0	-1.1
Russell 1000 Growth	-22.8	-38.4	-38.4	-9.1	-3.4	-4.3
Russell 1000 Value	-22.2	-36.9	-36.9	-8.3	-0.8	1.4
Russell 2000	-26.1	-33.8	-33.8	-8.3	-0.9	3.0
Russell 2000 Growth	-27.5	-38.5	-38.5	-9.3	-2.4	-0.8
Russell 2000 Value	-24.9	-28.9	-28.9	-7.5	0.3	6.1
MSCI EAFE (net)	-20.0	-43.4	-43.4	-7.4	1.7	0.8
MSCI ACWI ex-U.S. (net)	-22.3	-45.5	-45.5	-7.0	2.6	1.9
MSCI EM (net)	-27.6	-53.3	-53.3	-4.9	7.7	9.0

\*Index represents the return of the benchmark net of dividends paid on the stocks.

### Fixed-Income and Other Index Returns



Fixed Income Indices	Quarter	YTD	1-year	3-year	5-year	10-year
Barclays Capital Aggregate	4.6	5.2	5.2	5.5	4.7	5.6
Barclays Capital Govt/Credit	6.4	5.7	5.7	5.6	4.6	5.6
Barclays Capital Intermediate Govt/Credit	4.8	5.1	5.1	5.5	4.2	5.4
Barclays Capital Long-Term Govt/Credit	13.1	8.4	8.4	5.9	6.3	6.6
Barclays Capital Government	8.1	12.4	12.4	8.1	6.1	6.2
Barclays Capital Credit	4.0	-3.1	-3.1	2.0	2.7	4.9
Barclays Capital Mortgage	4.3	8.3	8.3	6.8	5.5	6.0
ML High-Yield Master II	-17.6	-26.4	-26.4	-5.6	-0.9	2.0
Citigroup Non-U.S. WGBI (unhedged)	8.8	10.1	10.1	9.5	6.0	5.6
Citigroup 3-Month T-Bill	0.3	1.8	1.8	3.8	3.1	3.3
<b>Other Indices</b>						
HFN HFOF Multi-Strategy	-8.2	-19.0	-19.0	-0.7	2.2	6.8
NCREIF National Property Index	-8.3	-6.5	-6.5	8.1	11.7	10.5

## Investment Performance: Equity Sector and Yield Spread Analysis

This page presents data on sector and spread analysis for Q4 2008 alongside commentary from Segal Advisors.

### Equity Sector Analysis

The Financial sector experienced the worst quarterly decline of all the sectors comprising the S&P 500 Index and contributed -6.5 percent to the -21.9 percent total Index return. All sectors experienced negative absolute returns, with Telecom the only sector which contributed positively (10 bps) to the Index. See the adjacent table.

### S&P 500 Sector Performance

	Fourth Quarter 2008		
	Ending Weight (%)	Return (%)	Contribution (%)
Consumer Discretionary	8.4	-22.8	-1.7
Consumer Staples	12.9	-12.8	-1.6
Energy	13.6	-20.7	-2.8
Financials	13.2	-37.1	-6.5
Health care	14.8	-12.1	-1.6
Industrials	11.0	-23.8	-2.5
Information Technology	15.2	-25.7	-3.9
Materials	2.9	-30.8	-1.1
Telecom	3.8	-1.4	0.1
Utilities	4.1	-11.0	-0.3

Source: Standard & Poor's

### Widening Yield Spreads for Non-Treasury Sectors

#### OAS and Excess Returns in Basis Points (bps)\*

	Option Adjusted Spreads			Excess Returns vs. US Treasuries			
	6/30/08	9/30/08	12/31/08	Oct	Nov	Dec	2008
U.S. Aggregate Index	129	176	213	-252	-163	136	-710
U.S. Agency (Non-mortgage) Sector	67	115	93	-123	-9	179	-110
Mortgage and ABS Sectors:							
• Mortgage-Backed Securities	127	135	145	-152	-68	33	-232
• Asset-Backed Securities	353	584	955	-665	-316	-190	-2223
• CMBS	288	480	1010	-1020	-2259	1514	-3274
Credit Sectors:							
• U.S. Investment Grade	238	385	493	-580	-183	276	-1786
– Industrial	226	325	500	-884	-218	337	-1756
– Utility	232	335	537	-992	-157	126	-2039
– Financial Institutions	315	613	629	-243	-131	349	-2209
• U.S. High Yield	708	1020	1669	-1650	-1362	568	-3832

Source: Baird Advisors using Barclays Capital Data

\* As a reminder, 10 bps equals 0.1 percent.

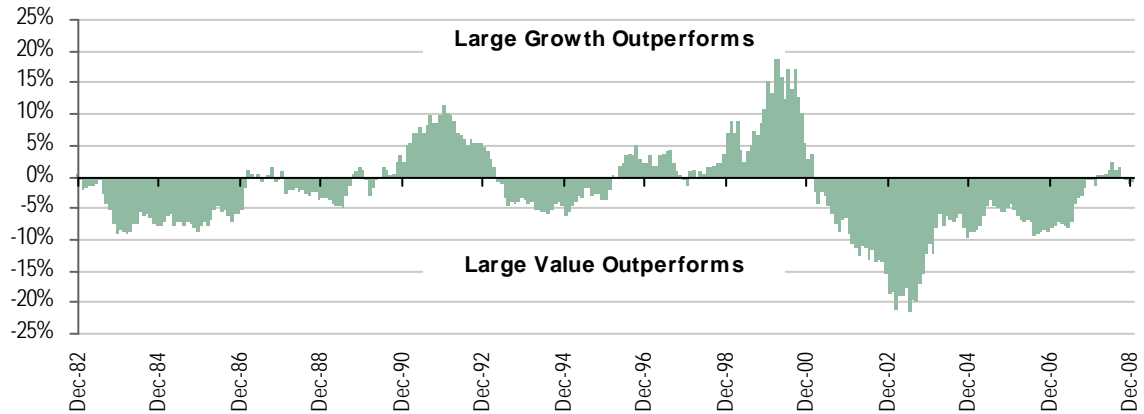
Continued deleveraging resulted in the widening of yield spreads in most non-Treasury sectors. Throughout the year, yields on Asset-Backed Securities widened sharply, resulting in 2223 bps of underperformance for the year. During the second half of the year, spreads in the Financials sector doubled (from 315 bps to 629 bps), resulting in 2209 bps of underperformance. In addition, the Industrials and Utilities sectors were hit hard in October. CMBS fared the worst during October and November, as severely negative technicals and declining fundamentals drove spreads substantially higher. High Yield was also hit especially hard during October and November. During December, several sectors experienced positive excess returns; however, the underperformance of non-Treasury sectors during the year was unprecedented.

## Investment Performance: Long-Term Equity Trends

Page 5 and Page 6 focus on Segal Advisors' observations on the relative performance of selected indices. All of the graphs on this page show rolling three-year return deviations from December 1982 through December 2008. These graphs demonstrate the importance of diversification over the long term. Changes are expressed in terms of percentages and/or basis points (bps). As a reminder, 10 bps equals 0.1 percent.

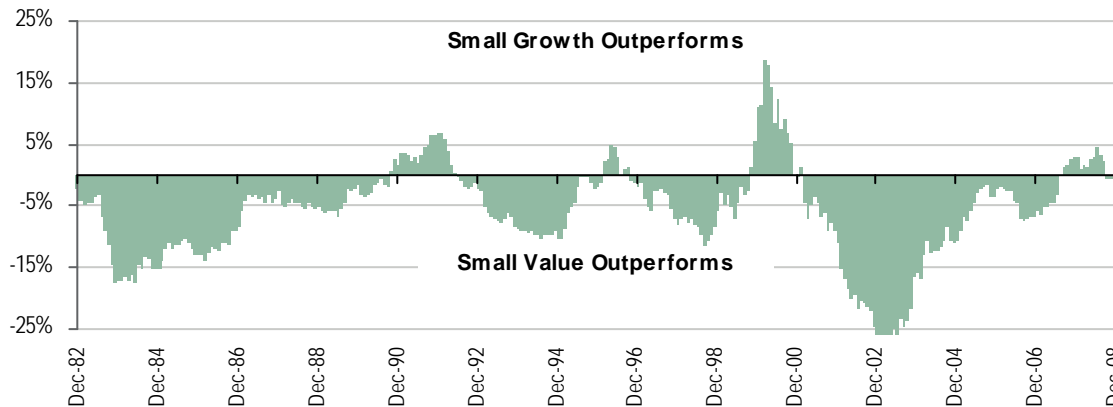
### Large Growth Stocks vs. Large Value Stocks

Large growth stocks had only a short stretch of outperformance, as the Russell 1000 Value (R1000V) outpaced the Russell 1000 Growth (R1000G) during Q4 2008. The R1000V was once again ahead of the R1000G on a trailing one-year (+158 bps) basis and on a trailing three-year basis (+80 bps). Increased volatility in the equity asset class resulted in sharp reversals of the growth vs. value trend in recent monthly three-year rolling returns. The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R1000V increased 11.8 percent and the R1000G increased 9.7 percent, a difference of 210 bps.



Source: Russell Investments

### Small Growth Stocks vs. Small Value Stocks



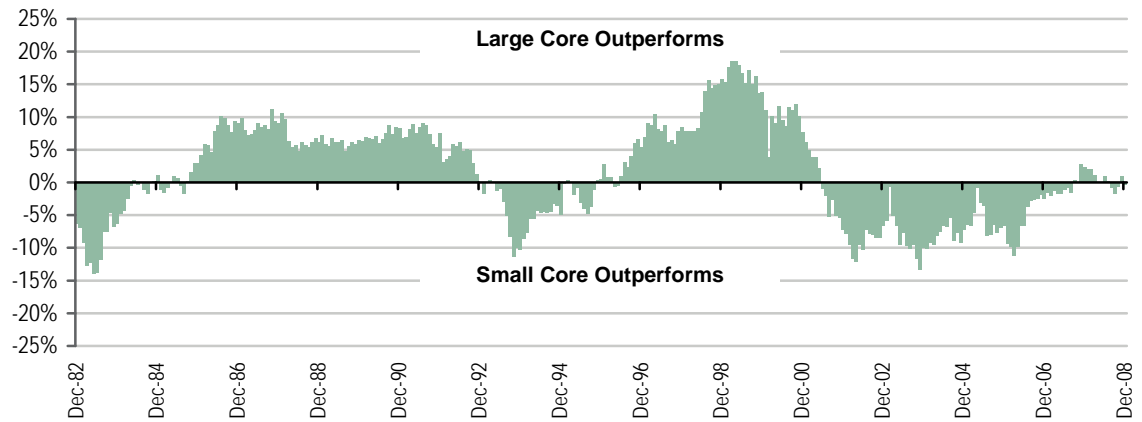
Source: Russell Investments

The Russell 2000 Value (R2000V) continued its outperformance over the Russell 2000 Growth (R2000G) during Q4 2008. The R2000V outpaced the R2000G on a trailing one-year (+961 bps) and a trailing three-year (+180 bps) basis, for the fourth straight month. The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R2000V increased 13.1 percent and the R2000G increased 8.1 percent, a difference of 501 bps.



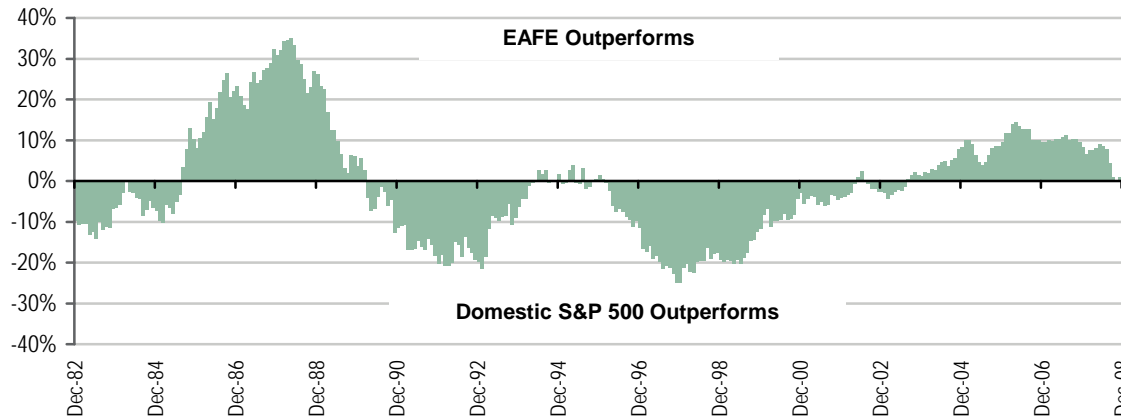
## Large Stocks vs. Small Stocks

Over the long-term, there appears to be multiple points of inflection between large capitalization stocks and small capitalization stocks, prior to the emergence of a long-term trend. These points tend to occur in and around recessions, such as the current economic environment, within the domestic economy. The Russell 1000 (R1000) lagged the Russell 2000 (R2000) on a trailing one-year basis (-381 bps) and on a trailing three-year basis (-40 bps). The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R1000 increased 11.0 percent and the R2000 increased 10.8 percent, a difference of 20 bps.



Source: Russell Investments

## Foreign Stocks vs. U.S. Stocks



Sources: Morgan Stanley Capital International and Standard & Poor's

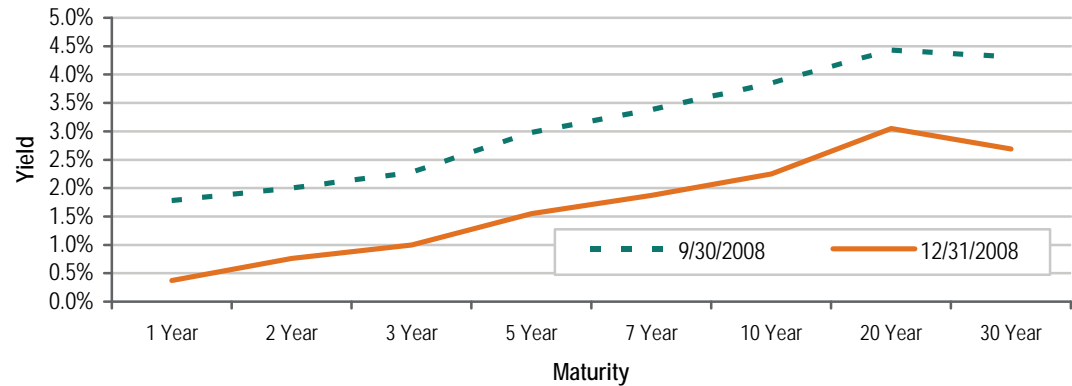
For the trailing one-year, the S&P 500 Index outpaced the MSCI EAFE Index by 639 bps; however, over the trailing three, five, and ten year time periods, the EAFE is ahead. Since January 1979, the S&P 500 increased 11.0 percent and the EAFE increased 8.9 percent, a difference of 211 bps. The adjacent graph compares the rolling three-year returns for both indices.

## Investment Performance: Fixed Income Data

Page 7 and Page 8 focus on selected fixed-income data and Segal Advisors' commentary.

### Continued Yield Curve Steepening

Treasury yields fell during the fourth quarter, as investors continued their flight to quality. Weak economic data intensified the concerns of investors as the global economy slowed and deflation started to emerge. See the adjacent graph. Treasury yields ended Q4 2008 124-162 bps lower than Q3 2008. Record or near record low rates were observed across the yield curve.



Source: U.S. Treasury

### Widening Credit Spreads

#### Moody's Corporate-Treasury Bond Spread Baa 10-Yr Constant Maturities



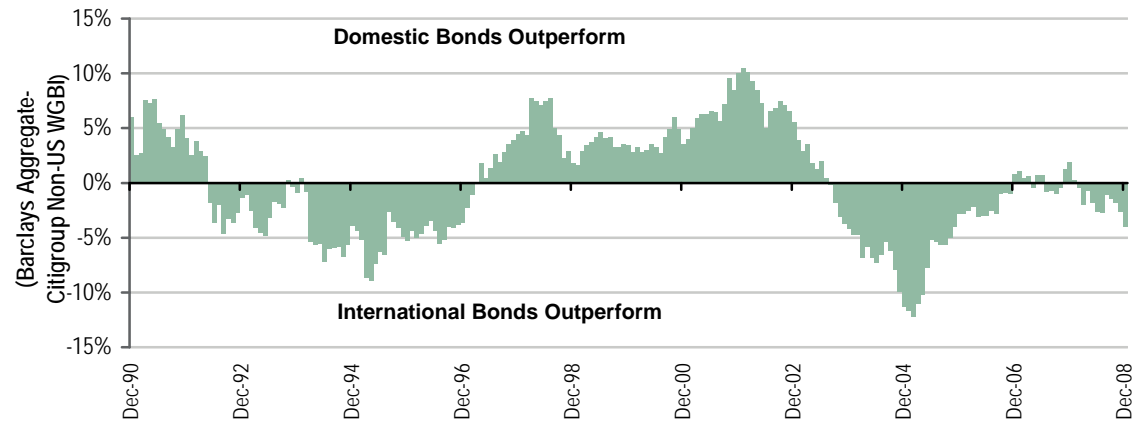
Source: Moody's Economy.com

Credits spreads widened to record levels during Q4 2008 by 242 bps to 604 bps. See the adjacent graph. In response to the ongoing credit turmoil, continued deleveraging, weakening fundamentals, and lack of liquidity, U.S. Treasury prices drastically increased as investors fled to the safest securities. During Q4, fixed income sectors with any hint of credit risk were crushed, with spreads widening and prices dropping to historic levels.

## International Bonds Outperformed Domestic Bonds

International bonds outperformed domestic bonds during Q4 2008 (8.8 percent vs. 4.6 percent) due primarily to declining global government yields. In addition, international bonds outpaced domestic bonds by 4.9 percent, 4.0 percent, 1.3 percent, and 4.5 percent over the one-year, three-year, five-year, and seven-year rolling periods, respectively, that ended December 31, 2008. See the adjacent graph.

Performance of U.S. Bonds vs. International Bonds: Rolling Three-Year Return Deviations  
September 1989 – September 2008



Source: Barclays Capital and Citigroup

## National Council of Real Estate Investment Fiduciaries – National Property Index Sector and Region Performance

	Returns as of the Fourth Quarter 2008		
	% Weight of Index	Q4 (%)	1 Year (%)
<b>NCREIF NPI Total Return</b>	100%	-8.3	-6.5
<b>Sector</b>			
Apartment	24.1	-8.4	-7.3
Hotel	1.8	-10.9	-9.4
Industrial	15.2	-8.0	-5.8
Office	38.4	-9.3	-7.3
Retail	20.6	-6.3	-4.1
<b>NCREIF Region</b>			
East	34.6	-9.7	-7.9
Midwest	10.0	-6.7	-5.3
South	21.0	-6.8	-3.8
West	34.5	-8.2	-6.9

Source: National Council of Real Estate Investment Fiduciaries (NCREIF)

The NCREIF NPI lost 8.3 percent for Q4 2008 and 6.5 percent for the calendar year 2008. Both Q4 and the one year period ended December 31, 2008 were the worst declines for their respective time periods since NCREIF started compiling results in 1978. The only other calendar year periods with negative returns were 1991 (-5.6 percent) and 1992 (-4.3 percent). The hotel and office sectors were hit the hardest, due to decreased leisure and business travel, and reduced usage of space by companies. The regions which were hardest hit were the East and West, as both regions had the largest value appreciation during the recent real estate boom.

## Quarterly Highlights: Noteworthy Developments

Segal Advisors finds the Q4 2008 developments discussed below to be noteworthy for institutional investors.

### Personal Savings Rates

Consumer spending comprises roughly two-thirds of U.S. GDP. From 1950 to 1985, American consumers saved roughly 9 percent of their disposable income. From 1985 onward, that savings rate steadily declined. At the same time, consumer and mortgage debts rose. This trend reversed in late 2008, as concerns about rapid job losses, declining wealth, and limited access to credit impacted the consumer. The savings rate rose to 2.8 percent at the end of November, 2008, which matches the highest rate since early 2002 (excluding isolated months affected by tax rebates and Microsoft's dividend payment). It is anticipated that American consumers will continue to keep their spending in check, limit consumption growth, and keep savings high until the economy improves. While many economists believe that a rise in savings is positive, they also state that a sharp increase, compressed in a short period, could be detrimental to near-term GDP growth.

Personal Savings as a Percentage of Disposable Income



Source: US Bureau of Economic Analysis

### Global GDP & Unemployment

#### Global GDP & Unemployment

2008				2007			
Country	GDP USD (\$B)	GDP Per Capita (\$)	Unemployment Rate (%)	Country	GDP USD (\$B)	GDP Per Capita (\$)	Unemployment Rate (%)
<b>US</b>	14,580	48,000	5.70	<b>US</b>	13,130	44,000	4.60
<b>Canada</b>	1,336	40,200	6.10	<b>Canada</b>	1,178	35,600	6.00
<b>UK</b>	2,281	37,400	5.50	<b>UK</b>	1,930	31,800	5.40
<b>Japan</b>	4,487	35,300	4.20	<b>Japan</b>	4,218	33,100	3.60
<b>Germany</b>	2,863	34,800	7.90	<b>Germany</b>	2,630	31,900	8.80
<b>France</b>	2,097	32,700	7.50	<b>France</b>	1,891	31,100	8.00
<b>Italy</b>	1,801	31,000	6.80	<b>Italy</b>	1,756	30,200	6.00
<b>Mexico</b>	1,578	14,400	4.10	<b>Mexico</b>	1,149	10,700	3.20
<b>China</b>	7,800	6,100	4.00	<b>China</b>	10,170	7,700	4.10
<b>India</b>	3,319	2,900	6.80	<b>India</b>	4,156	3,800	7.80

Source: Central Intelligence Agency (CIA)

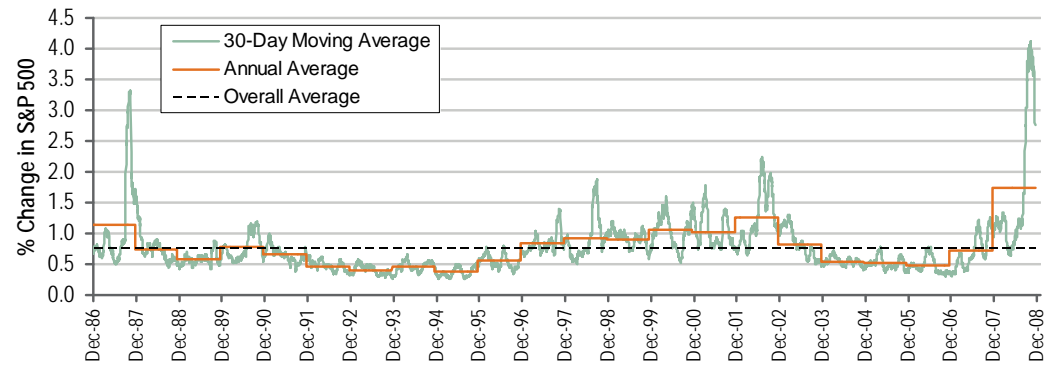
The current economic environment has significantly impeded global economic growth, which is expected to continue with the unemployment rate anticipated to escalate through 2009. The International Labor Organization (ILO) reports that global unemployment in 2009 could surpass that of 2007 by 18-30 million workers, and more than 50 million if the situation continues to deteriorate. The ILO report also states that 200 million workers, predominantly in developing economies, could be pushed into extreme poverty.

Source: International Labor Organization

## Realized Volatility

The adjacent chart displays the realized volatility, or average daily absolute percentage change, for the S&P 500 Index. 2007 volatility turned out to be merely a preview of events to come during 2008, as continued deleveraging led to unprecedented volatility as well as illiquidity in the credit markets, particularly during the second half of 2008. The 30-day moving average of realized volatility for the S&P 500 Index peaked on November 21, 2008 at 4.12 percent, and the annual average for 2008 ended at 1.75 percent, surpassing levels from the 1987 stock market crash. In other words, the S&P 500 Index moved 1.75 percent a day, on average, for 2008, as compared to the overall average of 0.77 percent since 1986.

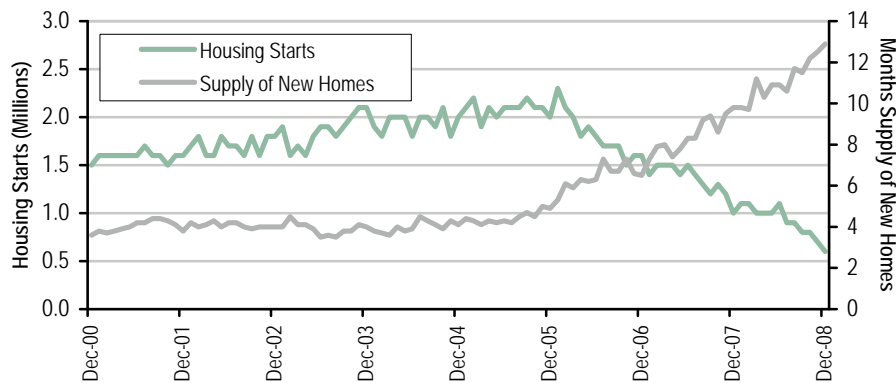
Realized Volatility (Average Daily Absolute % Change in S&P 500)



Source(s): Chicago Board Options Exchange, Standard & Poor's

## Housing

Housing Starts and Months Supply of New Homes



Source(s): Census Bureau and Economy.com

Housing starts declined in December to a seasonally adjusted annual rate of 550,000, down 45 percent from a year ago. This represents the lowest level in half a century. Sales of new homes sank by 57 percent for Q4 2008. December's decline in sales pace (to 331,000 annualized units) was the worst in about 45 years of recorded data, just ahead of the 338,000 units sold in September 1981 during the depths of the 1980s housing correction. The December decline encompassed all regions, with the Northeast and West leading the way. The Midwest saw the smallest hit, but this followed a large decline in sales during November. The year-over-year declines followed the same regional pattern, with the Northeast dropping 50 percent and the Midwest declining by 31 percent. Prices continued to erode. The median new-house price was down by 9 percent from a year ago as homebuilders were forced to discount prices to compete with foreclosures. This represents the first annual decline since 1991 and the largest nominal decline on record. Nevertheless, the sharp drop in sales has caused the available inventory to soar to a new high of 12.9 months.

## EXECUTIVE SUMMARY

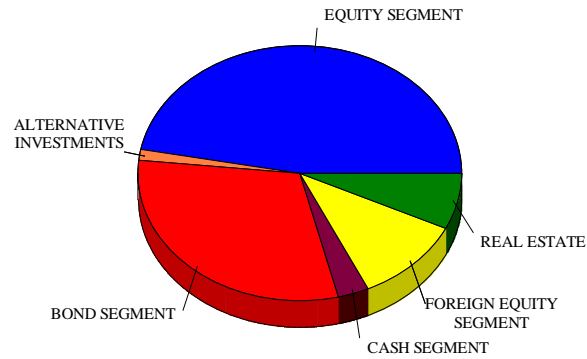
The Louisiana School Employees' Retirement System ended the fourth quarter of 2008 with a market value totaling \$1,159.9 million. The System's assets decreased by \$196.5 million during the three-month reporting period. The decrease consisted of \$181.8 million in investment losses combined with \$14.7 million in net withdrawals. As of December 31, 2008, 42% of the System's assets were allocated to domestic equities, 11% to foreign equities, 33% to fixed income, 7% to real estate, 5% to cash, and 2% to private equity. The Retirement System is benchmarked to a Policy Index consisting of 54% to domestic equities, 10% to international equities, 30% to fixed income and 6% to real estate. The domestic equity target allocation will be reduced to 50% once the System's private equity investments near the targeted allocation of 4% of the overall assets.

The Pantheon Europe VI private equity portfolio was funded with \$500,000 on September 24, 2008. The System's target commitment is \$10 million.

The Total Composite returned negative 13.4% during the fourth quarter of 2008, virtually matching the negative 13.3% return of the Policy Index. During the fourth quarter, large cap managers Ark, AXA Rosenberg, C. S. McKee, small cap manager J&W Seligman, international equity managers Walter Scott and Thornburg, and fixed income manager Schroder all exceeded their respective benchmarks. Large cap manager Analytic, small cap manager Fisher, fixed income managers Orleans and Evergreen, and real estate managers Principal and Prudential all lagged their respective benchmarks over the fourth quarter. The Consumer Price Index plus 330 basis points annually posted a negative 3.0% return during the fourth quarter of 2008. Dating back to the since inception period beginning with the first quarter of 1990, the annualized Retirement System return is 6.8%, matching the Policy Index return.

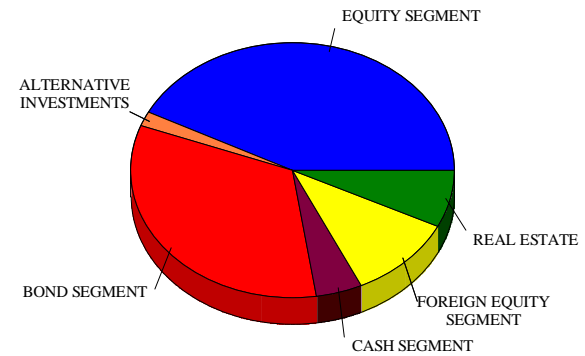
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
ASSET ALLOCATION**

TOTAL MARKET VALUE  
AS OF SEPTEMBER 30, 2008  
\$1,356,399,058



	VALUE	PERCENT
EQUITY SEGMENT	637,259,124	46.98
BOND SEGMENT	413,838,629	30.51
FOREIGN EQUITY SEGMENT	148,551,075	10.95
REAL ESTATE	96,254,911	7.10
CASH SEGMENT	42,033,971	3.10
ALTERNATIVE INVESTMENTS	18,461,348	1.36

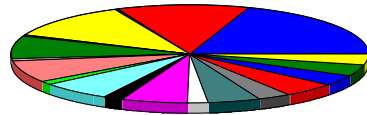
TOTAL MARKET VALUE  
AS OF DECEMBER 31, 2008  
\$1,159,854,816



	VALUE	PERCENT
EQUITY SEGMENT	492,582,254	42.47
BOND SEGMENT	383,862,837	33.10
FOREIGN EQUITY SEGMENT	124,967,694	10.77
REAL ESTATE	84,005,975	7.24
CASH SEGMENT	53,274,708	4.59
ALTERNATIVE INVESTMENTS	21,161,348	1.83

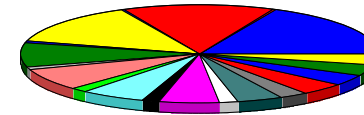
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
MANAGER ALLOCATION  
TOTAL FUND**

TOTAL MARKET VALUE  
ON SEPTEMBER 30, 2008  
\$1,356,399,058



	VALUE	PERCENT
NORTHERN TRUST	266,336,509	19.64
ORLEANS FI	162,242,656	11.96
SCHRODER	160,684,650	11.85
EVERGREEN	101,947,104	7.52
WALTER SCOTT	97,984,372	7.22
C.S. MCKEE	86,056,245	6.34
ARK ASSET	81,570,786	6.01
J&W SELIGMAN	64,943,869	4.79
FISHER	64,608,728	4.76
THORNBURG	50,566,703	3.73
PRINCIPAL	48,210,118	3.55
PRUDENTIAL PRISA	48,044,793	3.54
RHUMBLINE	40,067,849	2.95
AXA ROSENBERG	25,148,215	1.85
ANALYTIC INVESTORS	23,864,491	1.76
CASH	15,660,622	1.15
HAMILTON LANE	9,279,932	0.68
PANTHEON VII	6,803,055	0.50
PANTHEON ASIA	1,985,217	0.15
PANTHEON EUROPE	393,144	0.05

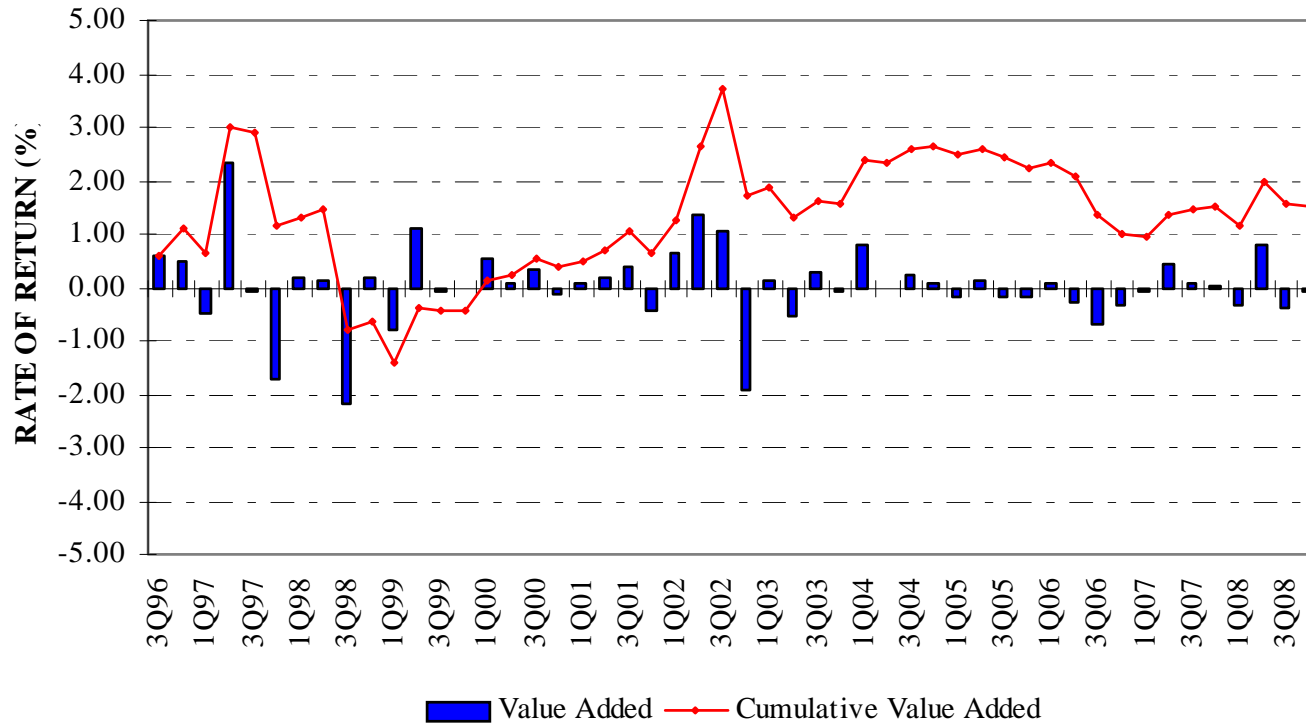
TOTAL MARKET VALUE  
ON DECEMBER 31, 2008  
\$1,159,854,816



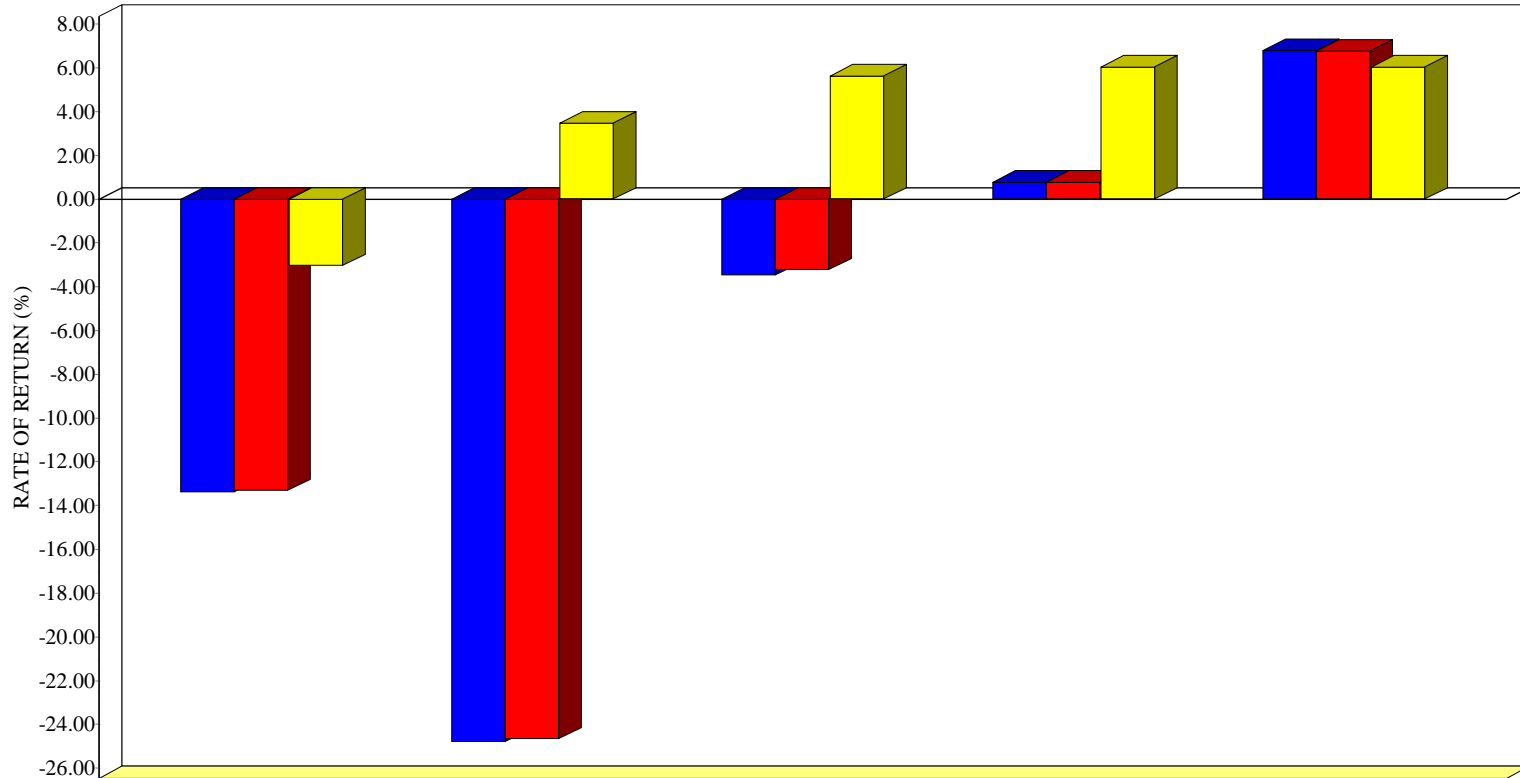
	VALUE	PERCENT
NORTHERN TRUST	207,986,476	17.93
SCHRODER	161,490,623	13.92
ORLEANS FI	157,404,051	13.57
EVERGREEN	91,999,513	7.93
WALTER SCOTT	84,336,093	7.27
C.S. MCKEE	68,057,278	5.87
ARK ASSET	63,039,935	5.44
J&W SELIGMAN	48,121,235	4.15
FISHER	46,740,006	4.03
PRINCIPAL	42,915,098	3.70
PRUDENTIAL PRISA	41,090,877	3.54
THORNBURG	40,631,601	3.50
RHUMBLINE	29,938,327	2.58
AXA ROSENBERG	19,572,255	1.69
ANALYTIC INVESTORS	18,422,034	1.59
CASH	16,948,066	1.46
HAMILTON LANE	10,179,932	0.88
PANTHEON VII	8,003,055	0.69
PANTHEON ASIA	1,985,217	0.17
PANTHEON EUROPE	993,144	0.09



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
VALUE ADDED VS. POLICY INDEX  
JUNE 30, 1996 THROUGH DECEMBER 31, 2008**



LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 TOTAL COMPOSITE  
 DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
COMPOSITE	-13.40	-24.81	-3.50	0.76	6.78
POLICY INDEX	-13.34	-24.69	-3.23	0.79	6.76
CPI + 330 BP	-3.04	3.45	5.64	6.05	6.05

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM**  
**TOTAL COMPOSITE**  
**INVESTMENT PERFORMANCE**  
**DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008**

	LATEST QUARTER ROR	ONE YEAR ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
TOTAL FUND					
ARK ASSET	-21.63	-40.23	-5.27	N/A	N/A
NORTHERN TRUST	-21.91	-36.96	-2.13	-1.35	N/A
AXA ROSENBERG	-22.17	-37.62	N/A	N/A	N/A
ANALYTIC INVESTORS	-22.81	-38.85	N/A	N/A	N/A
C.S. MCKEE	-20.92	-35.19	N/A	N/A	N/A
RHUMBLINE	-25.28	-35.96	N/A	N/A	N/A
J&W SELIGMAN	-25.90	-41.30	-2.92	-0.03	N/A
FISHER	-27.66	N/A	N/A	N/A	N/A
WALTER SCOTT	-13.93	-30.70	6.09	5.56	N/A
THORNBURG	-19.65	-42.29	N/A	N/A	N/A
PANTHEON VII	0.00	-11.30	N/A	N/A	N/A
HAMILTON LANE	0.00	-4.79	N/A	N/A	N/A
PANTHEON ASIA	0.00	N/A	N/A	N/A	N/A
ORLEANS FI	1.47	2.05	4.10	5.36	N/A
SCHRODER	5.02	5.86	5.16	6.21	N/A
EVERGREEN	-6.77	-16.31	0.17	N/A	N/A
PRINCIPAL	-10.71	-12.15	N/A	N/A	N/A
PRUDENTIAL PRISA	-14.47	-12.98	N/A	N/A	N/A
CASH	4.15	-13.60	-0.19	1.65	4.36
PANTHEON EUROPE	0.00	N/A	N/A	N/A	N/A
COMPOSITE	-13.40	-24.81	0.76	2.56	6.78
POLICY INDEX	-13.34	-24.69	0.79	2.32	6.76
CPI + 330 BP	-3.04	3.45	6.05	5.86	6.05

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
TOTAL FUND AND SEGMENT BENCHMARKS**

**TOTAL FUND BENCHMARK**

09/30/2006 - Present

54% RUSSELL 3000  
30% Barclays Capital Aggregate Bond  
10% MSCI EAFE  
6% NCREIF

03/31/2006 - 09/30/2006

51% RUSSELL 3000  
39% Barclays Capital Aggregate Bond  
7% MSCI EAFE  
3% NCREIF

06/30/2004 - 03/31/2006

51% RUSSELL 3000  
42% Barclays Capital Aggregate Bond  
7% MSCI EAFE

12/31/2001 - 06/30/2004

48% Barclays Capital Aggregate Bond  
45% RUSSELL 3000  
7% MSCI EAFE

06/30/1997 - 12/31/2001

50% Barclays Capital Aggregate Bond  
45% RUSSELL 3000  
5% MSCI EAFE

10/31/1995 - 06/30/1997

65% Barclays Capital Aggregate Bond  
35% RUSSELL 3000

12/31/1989 - 10/31/1995

60% Barclays Capital Aggregate Bond  
35% RUSSELL 3000  
5% 90 DAY U.S. TREASURY BILL

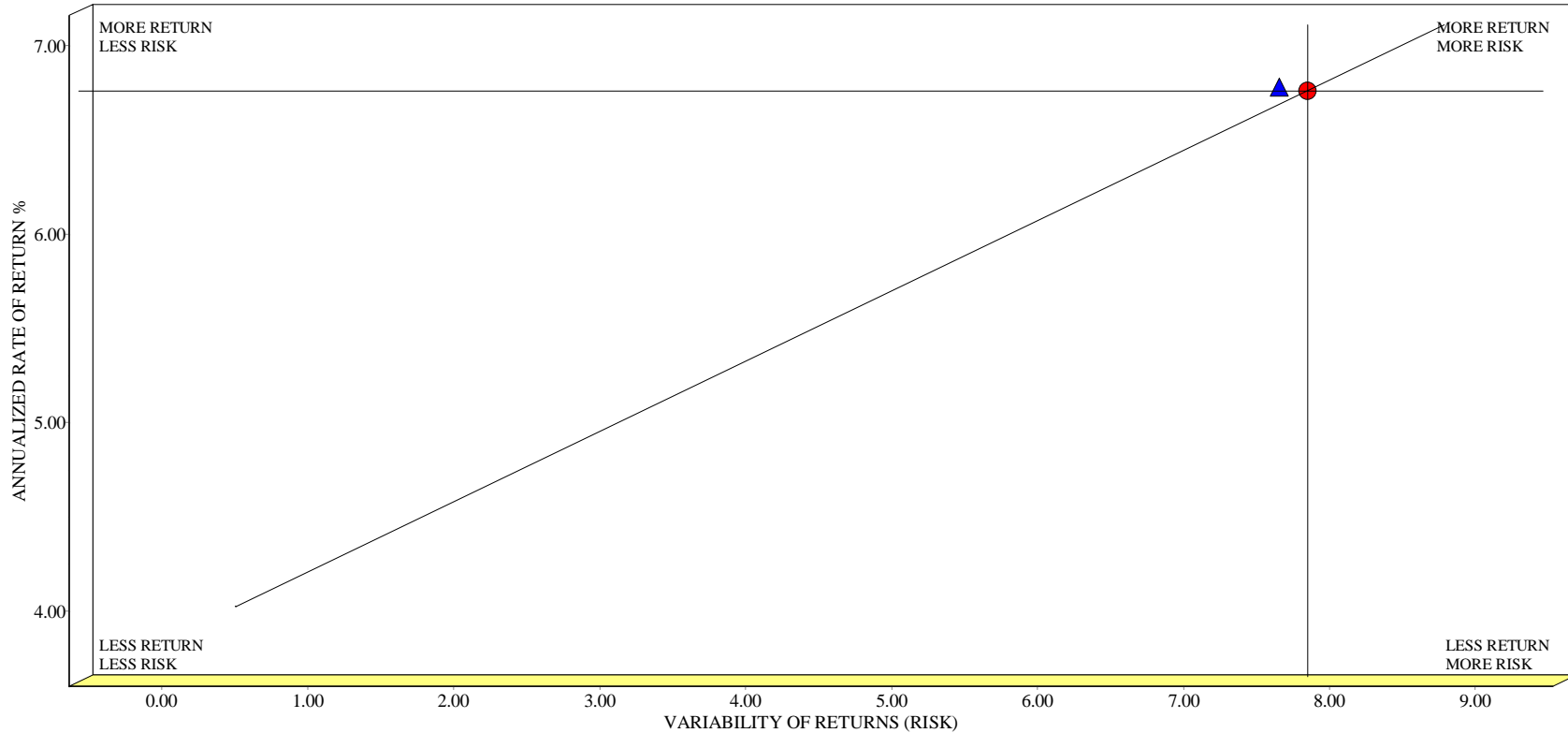
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
INVESTMENT EARNINGS  
SEPTEMBER 30, 2008 THROUGH DECEMBER 31, 2008**

MANAGER AND ASSET CLASS	BEGINNING MARKET VALUE	NEW MONEY	INTEREST AND DIVIDENDS	NET CAPITAL APPRECIATION	ENDING MARKET VALUE	TOTAL INVESTMENT EARNINGS	RATE OF RETURN
ANALYTIC INVESTORS	23,864,491	0	0	-5,442,457	18,422,034	-5,442,457	-22.81
EQUITY SEGMENT	23,864,491	0	0	-5,442,457	18,422,034	-5,442,457	-22.81
NORTHERN TRUST (INDEX FUND)	266,336,509	0	1,634,974	-59,985,007	207,986,476	-58,350,033	-21.91
EQUITY SEGMENT	264,793,465	-777,247	1,629,201	-59,985,007	205,660,412	-58,355,806	-22.01
CASH SEGMENT	1,543,044	777,247	5,773	0	2,326,064	5,773	0.32
ARK ASSET MANAGEMENT (LC GROWTH)	81,570,786	-1,000,000	242,667	-17,773,518	63,039,935	-17,530,851	-21.63
EQUITY SEGMENT	73,977,849	2,398,911	229,920	-17,773,518	58,833,162	-17,543,598	-22.75
CASH SEGMENT	7,592,937	-3,398,911	12,747	0	4,206,773	12,747	0.34
PANTHEON ASIA	1,985,217	0	0	0	1,985,217	0	0.00
ALTERNATIVE INVESTMENTS	1,985,217	0	0	0	1,985,217	0	0.00
AXA ROSENBERG	25,148,215	0	0	-5,575,960	19,572,255	-5,575,960	-22.17
EQUITY SEGMENT	25,148,215	0	0	-5,575,960	19,572,255	-5,575,960	-22.17
IN-HOUSE ACCOUNT	15,660,622	586,145	379,594	321,705	16,948,066	701,299	4.15
CASH SEGMENT	15,660,622	586,145	379,594	321,705	16,948,066	701,299	4.15
C.S. MCKEE (LC VALUE)	86,056,245	0	592,366	-18,591,333	68,057,278	-17,998,967	-20.92
EQUITY SEGMENT	84,057,767	1,307,878	587,327	-18,591,333	67,361,639	-18,004,006	-21.34
CASH SEGMENT	1,998,478	-1,307,878	5,039	0	695,639	5,039	0.37
FISHER INVESTMENTS	64,608,728	0	295,338	-18,164,060	46,740,006	-17,868,722	-27.66
EQUITY SEGMENT	63,818,528	720,431	293,811	-18,164,060	46,668,710	-17,870,249	-27.87
CASH SEGMENT	790,200	-720,431	1,527	0	71,296	1,527	0.44
HAMILTON LANE	9,279,932	900,000	0	0	10,179,932	0	0.00
ALTERNATIVE INVESTMENTS	9,279,932	900,000	0	0	10,179,932	0	0.00
J&W SELIGMAN (SC GROWTH)	64,943,869	0	113,919	-16,936,553	48,121,235	-16,822,634	-25.90
EQUITY SEGMENT	61,530,960	1,425,453	105,855	-16,936,553	46,125,715	-16,830,698	-26.95
CASH SEGMENT	3,412,909	-1,425,453	8,064	0	1,995,520	8,064	0.34
ORLEANS CAPITAL MANAGEMENT	162,242,656	-7,000,000	2,493,406	-332,011	157,404,051	2,161,395	1.47
BOND SEGMENT	161,208,021	-8,417,730	2,490,370	-332,011	154,948,650	2,158,359	1.52
CASH SEGMENT	1,034,635	1,417,730	3,036	0	2,455,401	3,036	0.26

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
INVESTMENT EARNINGS  
SEPTEMBER 30, 2008 THROUGH DECEMBER 31, 2008**

MANAGER AND ASSET CLASS	BEGINNING MARKET VALUE	NEW MONEY	INTEREST AND DIVIDENDS	NET CAPITAL APPRECIATION	ENDING MARKET VALUE	TOTAL INVESTMENT EARNINGS	RATE OF RETURN
PANTHEON EUROPE	393,144	600,000	0	0	993,144	0	0.00
ALTERNATIVE INVESTMENTS	393,144	600,000	0	0	993,144	0	0.00
PRINCIPAL REAL ESTATE	48,210,118	0	0	-5,295,020	42,915,098	-5,295,020	-10.71
PRUDENTIAL PRISA REAL ESTATE	48,044,793	0	0	-6,953,916	41,090,877	-6,953,916	-14.47
PANTHEON VII ALTERNATIVE INVESTMENTS	48,044,793	0	0	-6,953,916	41,090,877	-6,953,916	-14.47
PANTHEON VII ALTERNATIVE INVESTMENTS	6,803,055	1,200,000	0	0	8,003,055	0	0.00
RHUMBLINE EQUITY SEGMENT	6,803,055	1,200,000	0	0	8,003,055	0	0.00
EVERGREEN BOND SEGMENT	40,067,849	0	0	-10,129,522	29,938,327	-10,129,522	-25.28
EVERGREEN CASH SEGMENT	40,067,849	0	0	-10,129,522	29,938,327	-10,129,522	-25.28
THORNBURG FOREIGN EQUITY SEGMENT	101,947,104	-3,000,000	1,884,678	-8,832,269	91,999,513	-6,947,591	-6.77
SCHRODER INVESTMENT MANAGEMENT BOND SEGMENT	94,215,685	-3,054,408	1,854,809	-8,832,269	84,183,817	-6,977,460	-7.75
SCHRODER INVESTMENT MANAGEMENT CASH SEGMENT	7,731,419	54,408	29,869	0	7,815,696	29,869	0.31
WALTER SCOTT INTERNATIONAL FOREIGN EQUITY SEGMENT	50,566,703	0	112,158	-10,047,260	40,631,601	-9,935,102	-19.65
WALTER SCOTT INTERNATIONAL FOREIGN EQUITY SEGMENT	50,566,703	0	112,158	-10,047,260	40,631,601	-9,935,102	-19.65
COMPOSITE	160,684,650	-7,000,000	1,897,953	5,908,020	161,490,623	7,805,973	5.02
COMPOSITE	158,414,923	-21,414,991	1,822,418	5,908,020	144,730,370	7,730,438	5.83
COMPOSITE	2,269,727	14,414,991	75,535	0	16,760,253	75,535	0.53
COMPOSITE	97,984,372	0	227,453	-13,875,732	84,336,093	-13,648,279	-13.93
COMPOSITE	97,984,372	0	227,453	-13,875,732	84,336,093	-13,648,279	-13.93
COMPOSITE	1,356,399,058	-14,713,855	9,874,506	-191,704,893	1,159,854,816	-181,830,387	-13.40
COMPOSITE	413,838,629	-32,887,129	6,167,597	-3,256,260	383,862,837	2,911,337	1.01
COMPOSITE	637,259,124	5,075,426	2,846,114	-152,598,410	492,582,254	-149,752,296	-23.32
COMPOSITE	18,461,348	2,700,000	0	0	21,161,348	0	0.00
COMPOSITE	148,551,075	0	339,611	-23,922,992	124,967,694	-23,583,381	-15.88
COMPOSITE	42,033,971	10,397,848	521,184	321,705	53,274,708	842,889	1.61
COMPOSITE	96,254,911	0	0	-12,248,936	84,005,975	-12,248,936	-12.59

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 TOTAL COMPOSITE  
 CAPITAL MARKET LINE  
 DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	6.78	7.66	0.95	0.14	95.72
● POLICY INDEX	6.76	7.85	1.00	0.00	100.00

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	EQUITY SEGMENT	PERCENT	ALTERNATIVE INVESTMENTS	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	-15,930,599	604,229,935	42.52	653,473,505	45.98	0	0.00	1,421,172,055	6.77	334.82
3/2004	-16,883,973	626,228,281	43.11	676,044,677	46.54	0	0.00	1,452,511,018	3.41	346.24
6/2004	-18,691,517	582,839,782	40.90	682,635,899	47.91	0	0.00	1,424,953,719	-0.61	344.13
9/2004	-19,690,383	596,059,330	42.17	671,756,044	47.52	0	0.00	1,413,607,953	0.59	346.17
12/2004	-14,919,791	590,400,051	39.56	736,811,323	49.37	0	0.00	1,492,527,014	6.68	369.29
3/2005	-14,650,590	573,631,772	39.40	715,810,440	49.16	0	0.00	1,456,088,239	-1.47	363.86
6/2005	-14,612,538	593,118,776	40.14	722,655,418	48.91	0	0.00	1,477,501,240	2.47	372.86
9/2005	-17,501,498	585,667,344	39.20	727,843,010	48.71	0	0.00	1,494,158,523	2.31	381.48
12/2005	-17,598,617	587,421,891	39.22	737,221,163	49.22	0	0.00	1,497,749,302	1.42	386.90
3/2006	-21,188,092	516,018,874	33.83	779,198,472	51.09	0	0.00	1,525,262,271	3.17	399.18
6/2006	-18,551,745	506,271,481	33.99	754,528,452	50.66	0	0.00	1,489,482,878	-1.15	394.60
9/2006	-21,653,730	462,057,507	30.40	751,210,238	49.43	226,392	0.01	1,519,810,869	3.54	408.55
12/2006	-21,679,470	451,588,014	28.56	790,155,753	49.98	490,677	0.03	1,580,930,529	5.19	429.76
3/2007	-20,971,621	443,040,245	27.94	793,166,291	50.01	3,121,682	0.20	1,585,888,455	1.66	436.91
6/2007	-18,749,104	435,545,032	26.61	830,317,603	50.72	5,352,322	0.33	1,637,046,391	4.34	455.87
9/2007	-21,088,803	449,121,760	27.16	835,029,826	50.50	6,047,289	0.37	1,653,379,565	2.27	466.21
12/2007	-21,334,094	449,320,028	27.75	797,435,348	49.25	7,188,560	0.44	1,619,214,354	-0.81	462.44
3/2008	-17,911,578	423,093,963	28.03	712,943,517	47.24	10,878,427	0.72	1,509,189,683	-5.70	436.10
6/2008	-24,150,998	421,383,639	28.51	704,653,891	47.67	15,019,686	1.02	1,478,154,509	-0.49	433.97
9/2008	-11,992,989	413,838,629	30.51	637,259,124	46.98	18,461,348	1.36	1,356,399,058	-7.48	401.50
12/2008	-14,713,855	383,862,837	33.10	492,582,254	42.47	21,161,348	1.82	1,159,854,816	-13.40	347.71

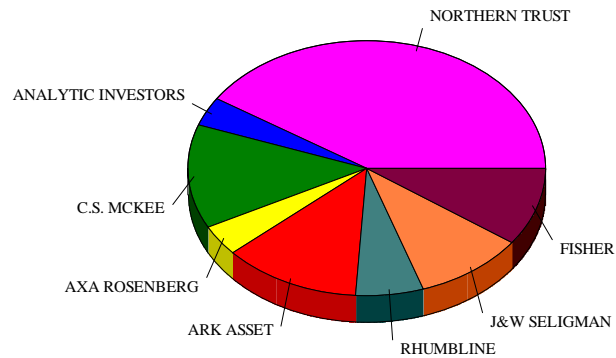


**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
TOTAL COMPOSITE  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	FOREIGN EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	REAL ESTATE	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	-15,930,599	100,285,090	7.06	63,183,525	4.45	0	0.00	1,421,172,055	6.77	334.82
3/2004	-16,883,973	109,253,531	7.52	40,984,529	2.82	0	0.00	1,452,511,018	3.41	346.24
6/2004	-18,691,517	107,590,869	7.55	51,887,169	3.64	0	0.00	1,424,953,719	-0.61	344.13
9/2004	-19,690,383	107,525,356	7.61	38,267,223	2.71	0	0.00	1,413,607,953	0.59	346.17
12/2004	-14,919,791	120,877,931	8.10	44,437,709	2.98	0	0.00	1,492,527,014	6.68	369.29
3/2005	-14,650,590	120,231,687	8.26	46,414,340	3.19	0	0.00	1,456,088,239	-1.47	363.86
6/2005	-14,612,538	114,374,356	7.74	47,352,690	3.20	0	0.00	1,477,501,240	2.47	372.86
9/2005	-17,501,498	120,676,015	8.08	59,970,154	4.01	0	0.00	1,494,158,523	2.31	381.48
12/2005	-17,598,617	122,160,431	8.16	50,945,817	3.40	0	0.00	1,497,749,302	1.42	386.90
3/2006	-21,188,092	132,488,768	8.69	51,528,670	3.38	46,027,487	3.02	1,525,262,271	3.17	399.18
6/2006	-18,551,745	132,533,966	8.90	48,000,165	3.22	48,148,814	3.23	1,489,482,878	-1.15	394.60
9/2006	-21,653,730	134,858,439	8.87	76,813,746	5.05	94,644,547	6.23	1,519,810,869	3.54	408.55
12/2006	-21,679,470	180,319,752	11.41	60,266,855	3.81	98,109,478	6.21	1,580,930,529	5.19	429.76
3/2007	-20,971,621	184,021,387	11.60	62,416,746	3.94	100,122,104	6.31	1,585,888,455	1.66	436.91
6/2007	-18,749,104	183,180,305	11.19	77,765,066	4.75	104,886,063	6.41	1,637,046,391	4.34	455.87
9/2007	-21,088,803	195,153,633	11.80	58,509,930	3.54	109,517,127	6.62	1,653,379,565	2.27	466.21
12/2007	-21,334,094	192,102,408	11.86	66,988,440	4.14	106,179,570	6.56	1,619,214,354	-0.81	462.44
3/2008	-17,911,578	174,758,520	11.58	83,138,167	5.51	104,377,089	6.92	1,509,189,683	-5.70	436.10
6/2008	-24,150,998	176,789,569	11.96	63,170,870	4.27	97,136,854	6.57	1,478,154,509	-0.49	433.97
9/2008	-11,992,989	148,551,075	10.95	42,033,971	3.10	96,254,911	7.10	1,356,399,058	-7.48	401.50
12/2008	-14,713,855	124,967,694	10.77	53,274,708	4.59	84,005,975	7.24	1,159,854,816	-13.40	347.71

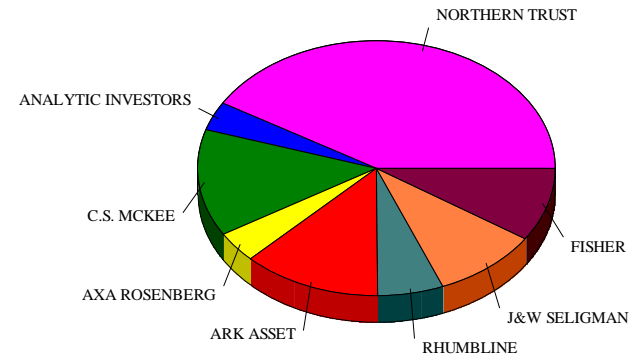
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
US EQUITY COMPOSITE  
MANAGER ALLOCATION  
TOTAL FUND**

TOTAL MARKET VALUE  
ON SEPTEMBER 30, 2008  
\$652,596,692



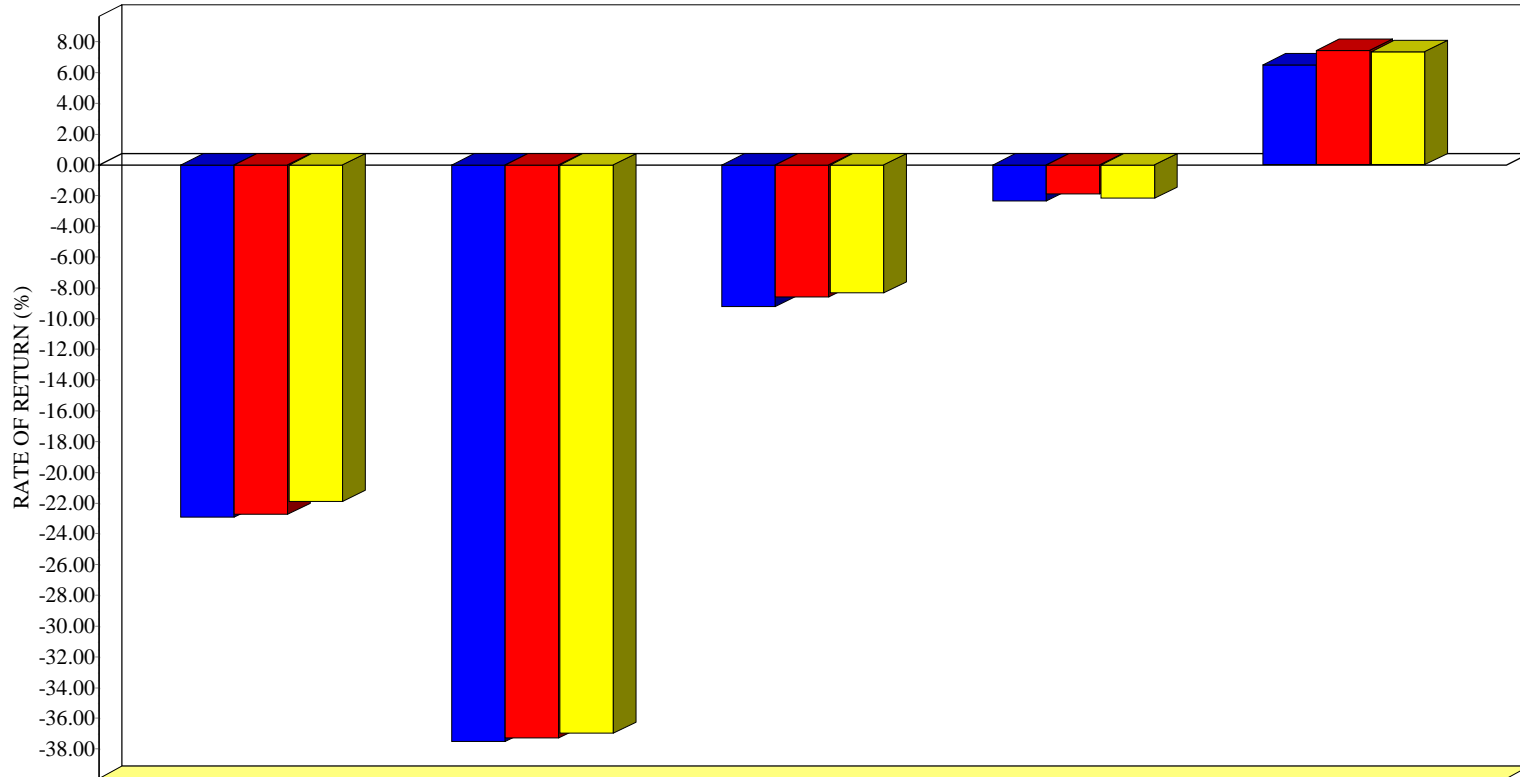
	VALUE	PERCENT
ANALYTIC INVESTORS	23,864,491	3.66
ARK ASSET	81,570,786	12.50
AXA ROSENBERG	25,148,215	3.85
C.S. MCKEE	86,056,245	13.19
FISHER	64,608,728	9.90
J&W SELIGMAN	64,943,869	9.95
NORTHERN TRUST	266,336,509	40.81
RHUMBLINE	40,067,849	6.14

TOTAL MARKET VALUE  
ON DECEMBER 31, 2008  
\$501,877,546



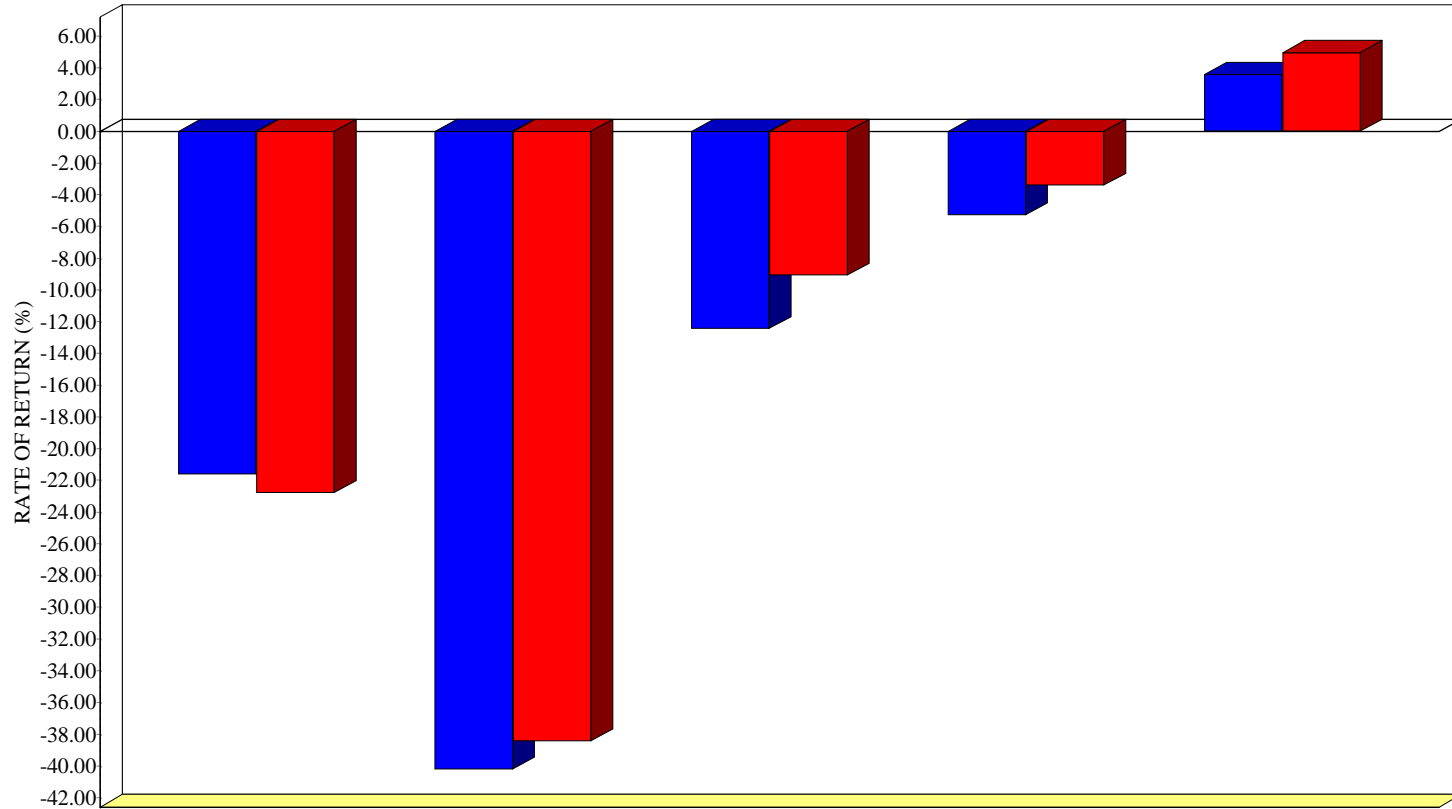
	VALUE	PERCENT
ANALYTIC INVESTORS	18,422,034	3.67
ARK ASSET	63,039,935	12.56
AXA ROSENBERG	19,572,255	3.90
C.S. MCKEE	68,057,278	13.56
FISHER	46,740,006	9.31
J&W SELIGMAN	48,121,235	9.59
NORTHERN TRUST	207,986,476	41.44
RHUMBLINE	29,938,327	5.97

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 US EQUITY COMPOSITE  
 DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008



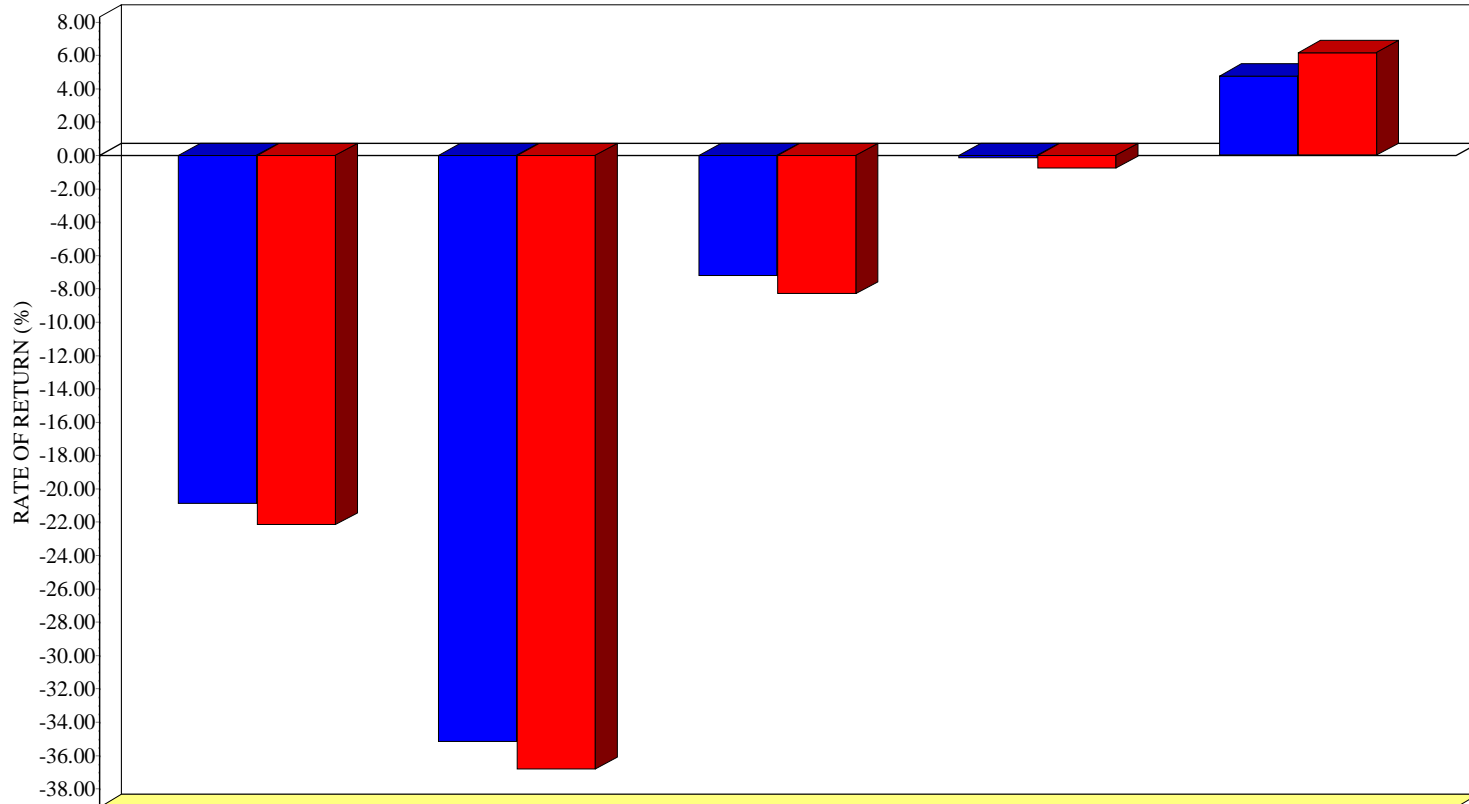
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
EQ COMPOSITE	-22.96	-37.55	-9.27	-2.40	6.51
RUSSELL 3000	-22.78	-37.31	-8.63	-1.95	7.41
S&P 500	-21.94	-37.00	-8.36	-2.19	7.32

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
GROWTH COMPOSITE  
SEPTEMBER 30, 1994 THROUGH DECEMBER 31, 2008**



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
<span style="color: blue;">■</span> GROWTH COMPOSITE	-21.63	-40.23	-12.46	-5.27	3.58
<span style="color: red;">■</span> RUSSELL 1000 GROWTH	-22.79	-38.44	-9.11	-3.42	4.95

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
VALUE COMPOSITE  
DECEMBER 31, 1995 THROUGH DECEMBER 31, 2008**

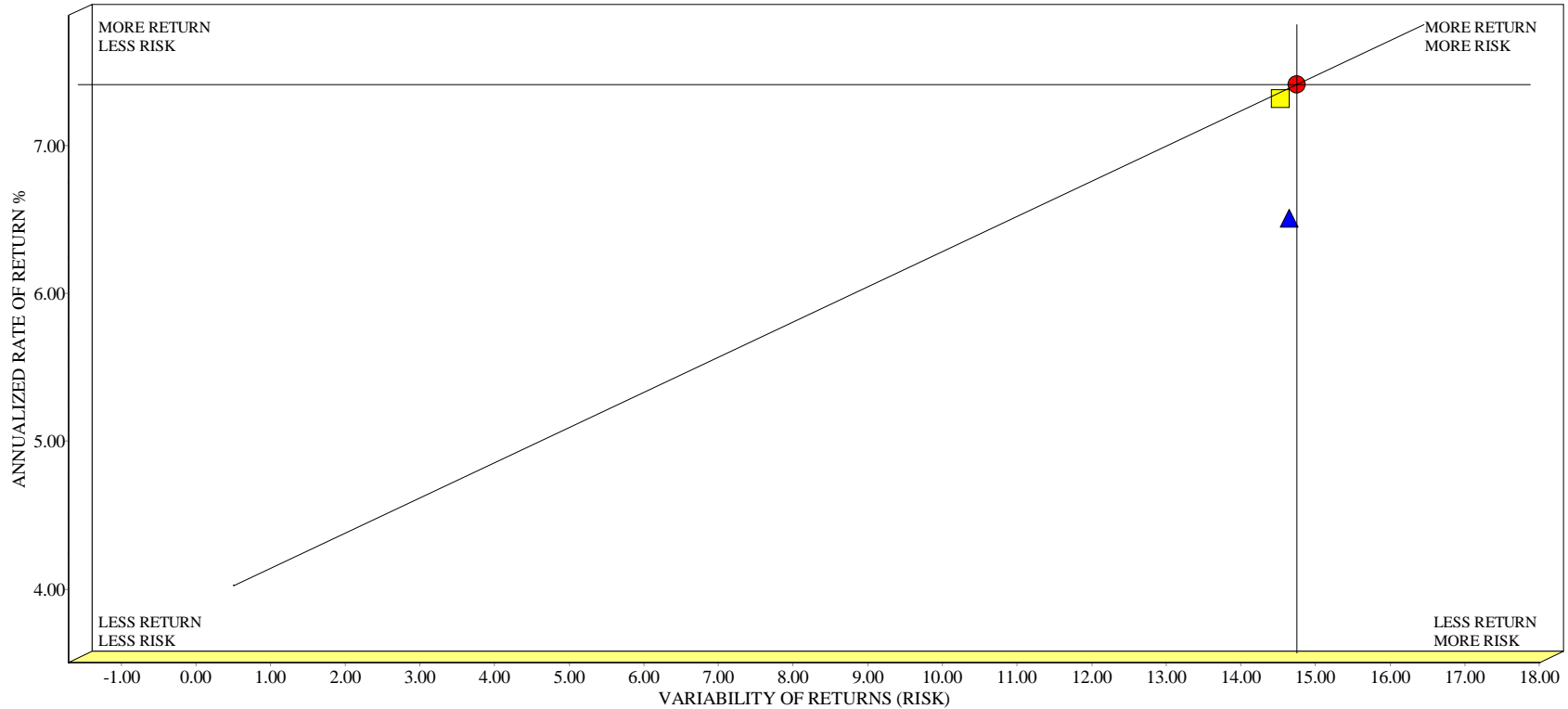


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
VALUE COMPOSITE	-20.92	-35.19	-7.23	-0.16	4.77
RUSSELL 1000 VALUE	-22.18	-36.85	-8.32	-0.79	6.17

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
US EQUITY COMPOSITE  
INVESTMENT PERFORMANCE  
DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008**

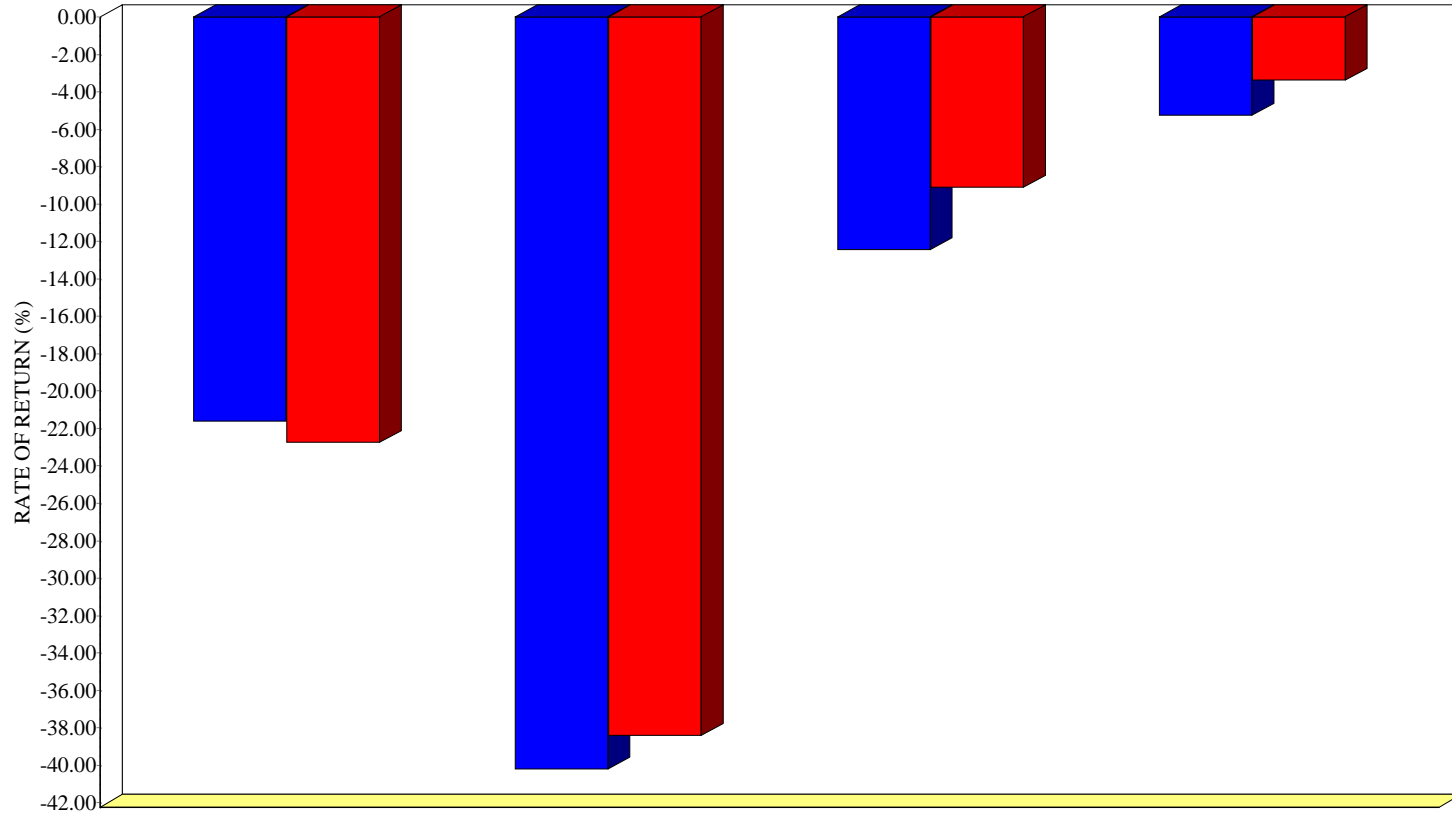
	LATEST QUARTER ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
<b>TOTAL FUND</b>						
ANALYTIC INVESTORS	-22.81	-38.85	N/A	N/A	N/A	N/A
AXA ROSENBERG	-22.17	-37.62	N/A	N/A	N/A	N/A
ARK ASSET MANAGEMENT (LC GROWTH)	-21.63	-40.23	-12.46	-5.27	N/A	N/A
NORTHERN TRUST (INDEX FUND)	-21.91	-36.96	-8.30	-2.13	-1.35	N/A
J&W SELIGMAN (SC GROWTH)	-25.90	-41.30	-8.42	-2.92	-0.03	N/A
FISHER INVESTMENTS	-27.66	N/A	N/A	N/A	N/A	N/A
C.S. MCKEE (LC VALUE)	-20.92	-35.19	N/A	N/A	N/A	N/A
RHUMBLINE	-25.28	-35.96	N/A	N/A	N/A	N/A
US EQUITY COMPOSITE	-22.96	-37.55	-9.27	-2.40	-1.03	6.51
S&P 500	-21.94	-37.00	-8.36	-2.19	-1.38	7.32
RUSSELL 3000	-22.78	-37.31	-8.63	-1.95	-0.80	7.41
RUSSELL 1000	-22.48	-37.60	-8.66	-2.04	-1.09	7.46
RUSSELL 1000 GROWTH	-22.79	-38.44	-9.11	-3.42	-4.27	6.11
RUSSELL 1000 VALUE	-22.18	-36.85	-8.32	-0.79	1.36	8.29
RUSSELL 2000 GROWTH	-27.45	-38.54	-9.32	-2.35	-0.76	4.48
RUSSELL 2000 VALUE	-24.89	-28.92	-7.49	0.27	6.10	9.83
S&P MID CAP 400	-25.55	-36.23	-8.76	-0.08	4.46	10.50

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 US EQUITY COMPOSITE  
 CAPITAL MARKET LINE  
 DECEMBER 31, 1989 THROUGH DECEMBER 31, 2008



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	6.51	14.65	0.98	-0.77	96.86
● RUSSELL 3000	7.41	14.75	1.00	0.00	100.00
■ S&P 500	7.32	14.53	1.00	0.00	100.00

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 ARK ASSET MANAGEMENT (LC GROWTH)  
 DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008



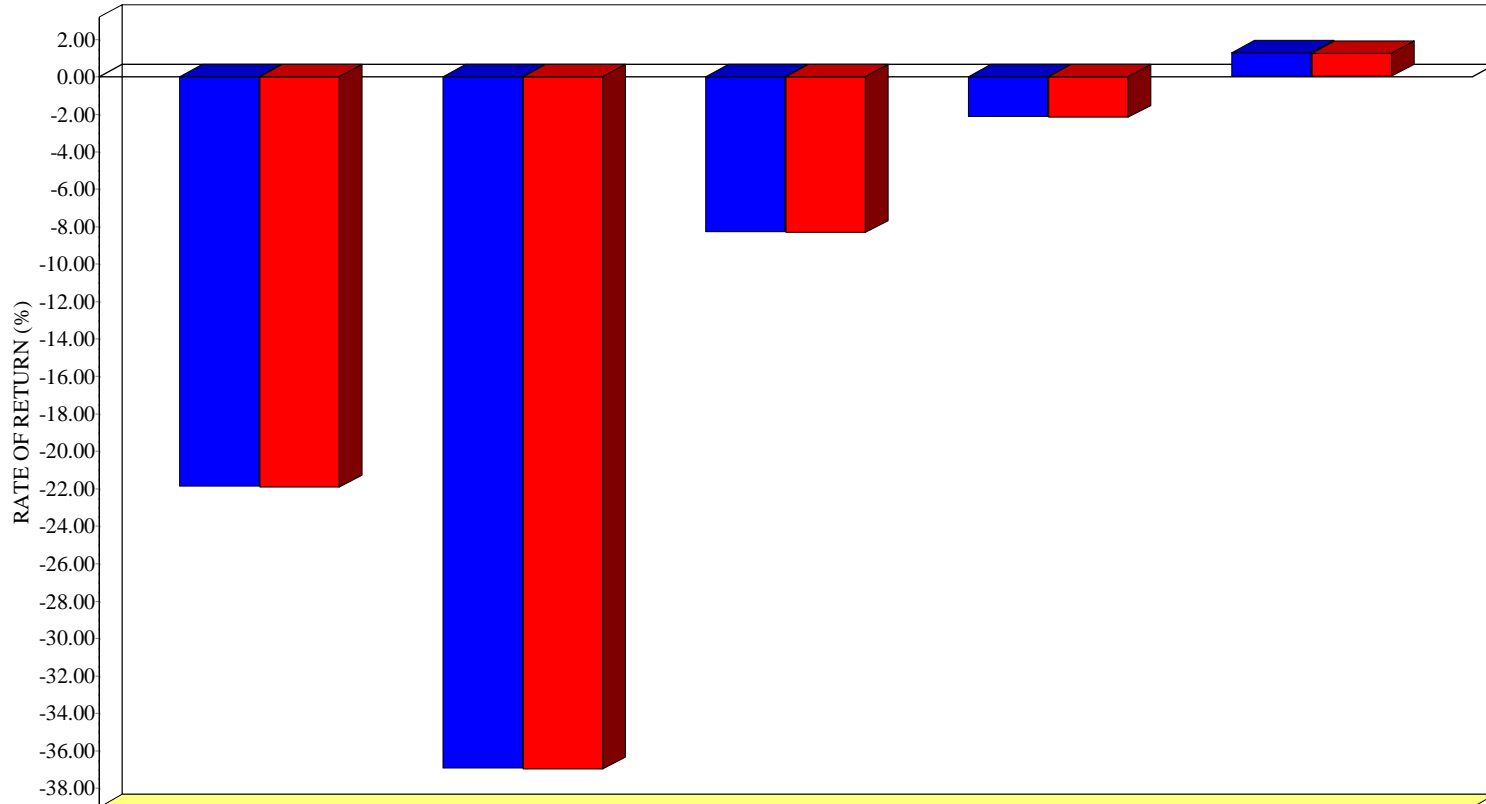
	LATEST QUARTER	ONE YEAR	THREE YEARS	SINCE INCEPTION
ARK ASSET	-21.63	-40.23	-12.46	-5.27
RUSSELL 1000 GROWTH	-22.79	-38.44	-9.11	-3.42



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
ARK ASSET MANAGEMENT (LC GROWTH)  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	126,258,656	115,121,521	89.59	13,378,378	10.41	128,499,899	NA	100.00
3/2004	-7,574,235	118,234,945	97.92	2,512,901	2.08	120,747,846	-0.16	99.84
6/2004	0	120,409,642	97.56	3,017,202	2.44	123,426,844	2.22	102.06
9/2004	0	113,866,563	97.31	3,151,481	2.69	117,018,044	-5.19	96.76
12/2004	0	126,565,315	97.53	3,199,235	2.47	129,764,550	10.89	107.30
3/2005	0	120,746,211	97.49	3,110,646	2.51	123,856,857	-4.55	102.42
6/2005	0	123,465,056	96.48	4,501,402	3.52	127,966,458	3.32	105.81
9/2005	0	132,209,483	97.60	3,255,278	2.40	135,464,761	5.86	112.01
12/2005	0	133,173,646	96.84	4,351,223	3.16	137,524,869	1.52	113.72
3/2006	0	136,967,107	98.09	2,673,418	1.91	139,640,525	1.54	115.47
6/2006	0	127,373,706	96.73	4,304,063	3.27	131,677,769	-5.70	108.88
9/2006	0	130,701,169	95.17	6,634,928	4.83	137,336,097	4.30	113.56
12/2006	-6,000,000	129,304,525	96.49	4,704,006	3.51	134,008,531	1.94	115.77
3/2007	0	131,953,013	97.37	3,562,819	2.63	135,515,832	1.12	117.07
6/2007	0	141,471,277	97.93	2,995,853	2.07	144,467,130	6.61	124.80
9/2007	-17,000,000	131,076,327	98.12	2,514,225	1.88	133,590,552	4.48	130.39
12/2007	-25,000,000	105,928,036	99.04	1,029,633	0.96	106,957,669	-2.11	127.64
3/2008	0	90,704,297	96.20	3,584,186	3.80	94,288,483	-11.85	112.52
6/2008	0	91,603,631	96.39	3,431,086	3.61	95,034,717	0.79	113.41
9/2008	0	73,977,849	90.69	7,592,937	9.31	81,570,786	-14.17	97.34
12/2008	-1,000,000	58,833,162	93.33	4,206,773	6.67	63,039,935	-21.63	76.29

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NORTHERN TRUST (INDEX FUND)  
SEPTEMBER 30, 1997 THROUGH DECEMBER 31, 2008**

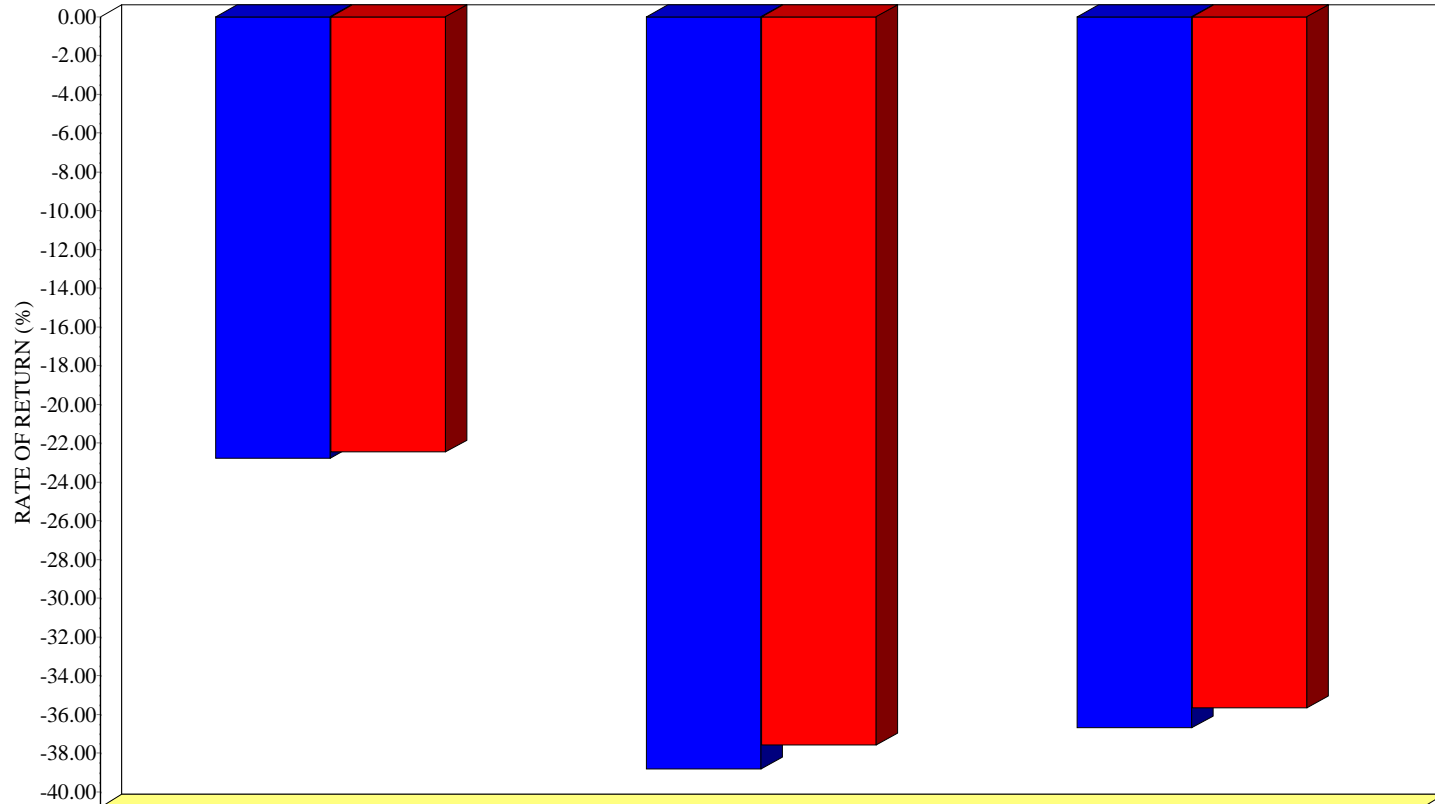


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
<span style="color: blue;">■</span> NORTHERN TRUST	-21.91	-36.96	-8.30	-2.13	1.29
<span style="color: red;">■</span> S&P 500	-21.94	-37.00	-8.36	-2.19	1.26

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
NORTHERN TRUST (INDEX FUND)  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	0	261,738,493	99.55	1,183,642	0.45	262,922,135	12.17	128.07
3/2004	0	265,938,073	99.46	1,452,854	0.54	267,390,927	1.70	130.25
6/2004	0	271,585,402	99.81	520,825	0.19	272,106,227	1.76	132.55
9/2004	0	265,739,174	99.49	1,374,892	0.51	267,114,066	-1.83	130.11
12/2004	0	288,426,923	98.85	3,343,628	1.15	291,770,551	9.23	142.12
3/2005	0	281,422,958	98.55	4,132,329	1.45	285,555,287	-2.13	139.10
6/2005	0	283,935,162	98.09	5,531,316	1.91	289,466,478	1.37	141.00
9/2005	0	297,359,242	99.15	2,542,451	0.85	299,901,693	3.60	146.09
12/2005	0	303,088,063	99.00	3,068,459	1.00	306,156,522	2.09	149.13
3/2006	0	317,666,458	99.55	1,449,719	0.45	319,116,177	4.23	155.45
6/2006	0	311,584,941	99.05	2,977,000	0.95	314,561,941	-1.43	153.23
9/2006	0	327,288,869	98.46	5,115,308	1.54	332,404,177	5.67	161.92
12/2006	0	352,645,740	99.41	2,087,701	0.59	354,733,441	6.72	172.79
3/2007	0	353,088,030	98.91	3,904,228	1.09	356,992,258	0.64	173.90
6/2007	-1,500,000	365,929,461	96.80	12,087,441	3.20	378,016,902	6.30	184.86
9/2007	-27,000,000	355,457,954	99.23	2,772,860	0.77	358,230,814	2.06	188.66
12/2007	-17,000,000	327,271,790	99.19	2,665,564	0.81	329,937,354	-3.31	182.42
3/2008	0	294,663,617	98.62	4,115,091	1.38	298,778,708	-9.44	165.19
6/2008	0	286,843,834	98.68	3,837,144	1.32	290,680,978	-2.71	160.72
9/2008	0	264,793,465	99.42	1,543,044	0.58	266,336,509	-8.37	147.26
12/2008	0	205,660,412	98.88	2,326,064	1.12	207,986,476	-21.91	114.99

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 ANALYTIC INVESTORS  
 NOVEMBER 30, 2007 THROUGH DECEMBER 31, 2008

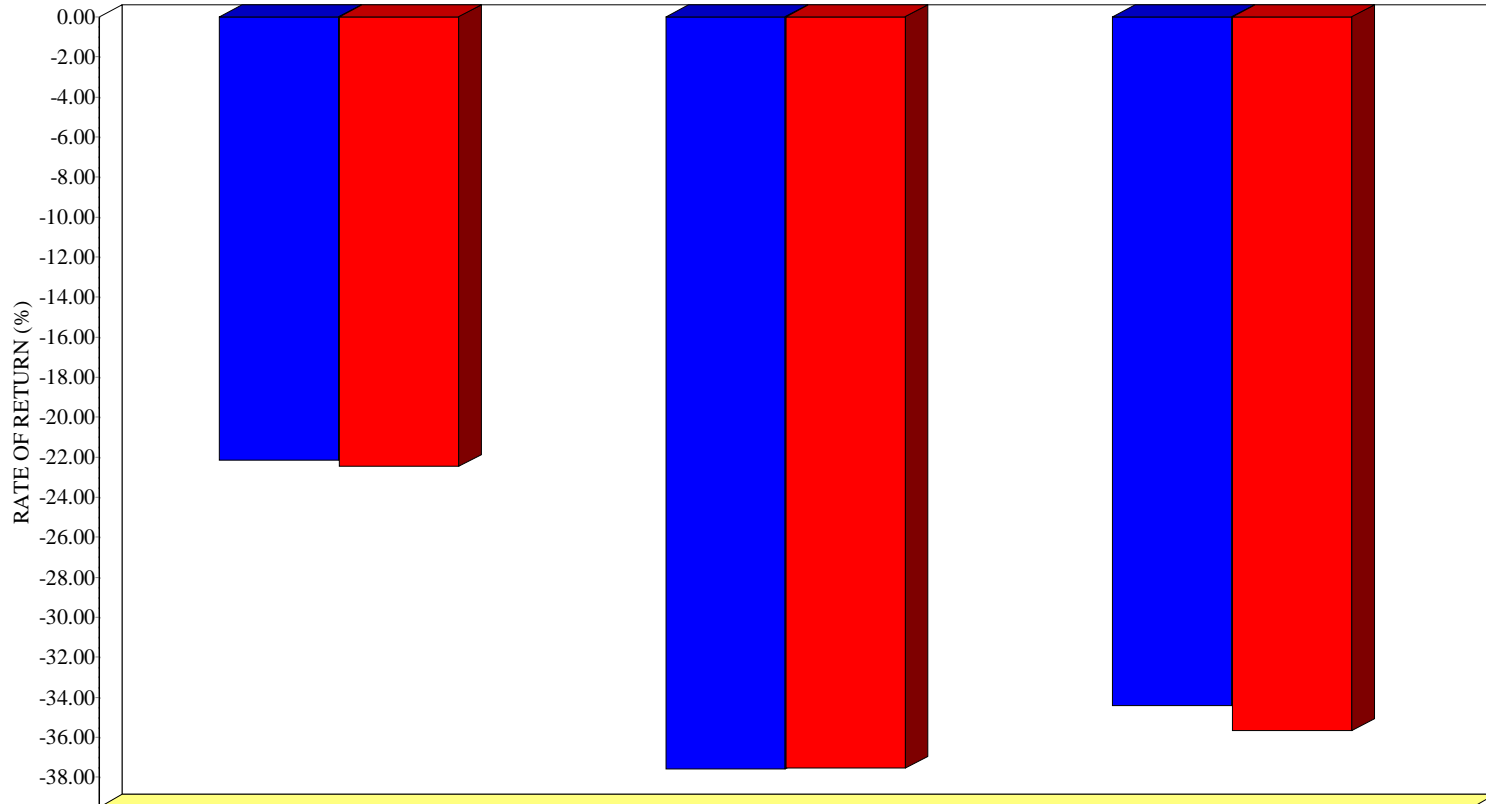


	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
ANALYTIC INVESTORS	-22.81	-38.85	-36.71
RUSSELL 1000	-22.48	-37.60	-35.68

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
ANALYTIC INVESTORS  
ALLOCATION OF ASSETS  
NOVEMBER 30, 2007 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2007	30,000,000	30,222,077	100.00	30,222,077	N/A	99.62
3/2008	0	27,332,218	100.00	27,332,218	-9.56	90.10
6/2008	0	27,292,397	100.00	27,292,397	-0.15	89.97
9/2008	-86,298	23,864,491	100.00	23,864,491	-12.28	78.92
12/2008	0	18,422,034	100.00	18,422,034	-22.81	60.92

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 AXA ROSENBERG  
 NOVEMBER 30, 2007 THROUGH DECEMBER 31, 2008

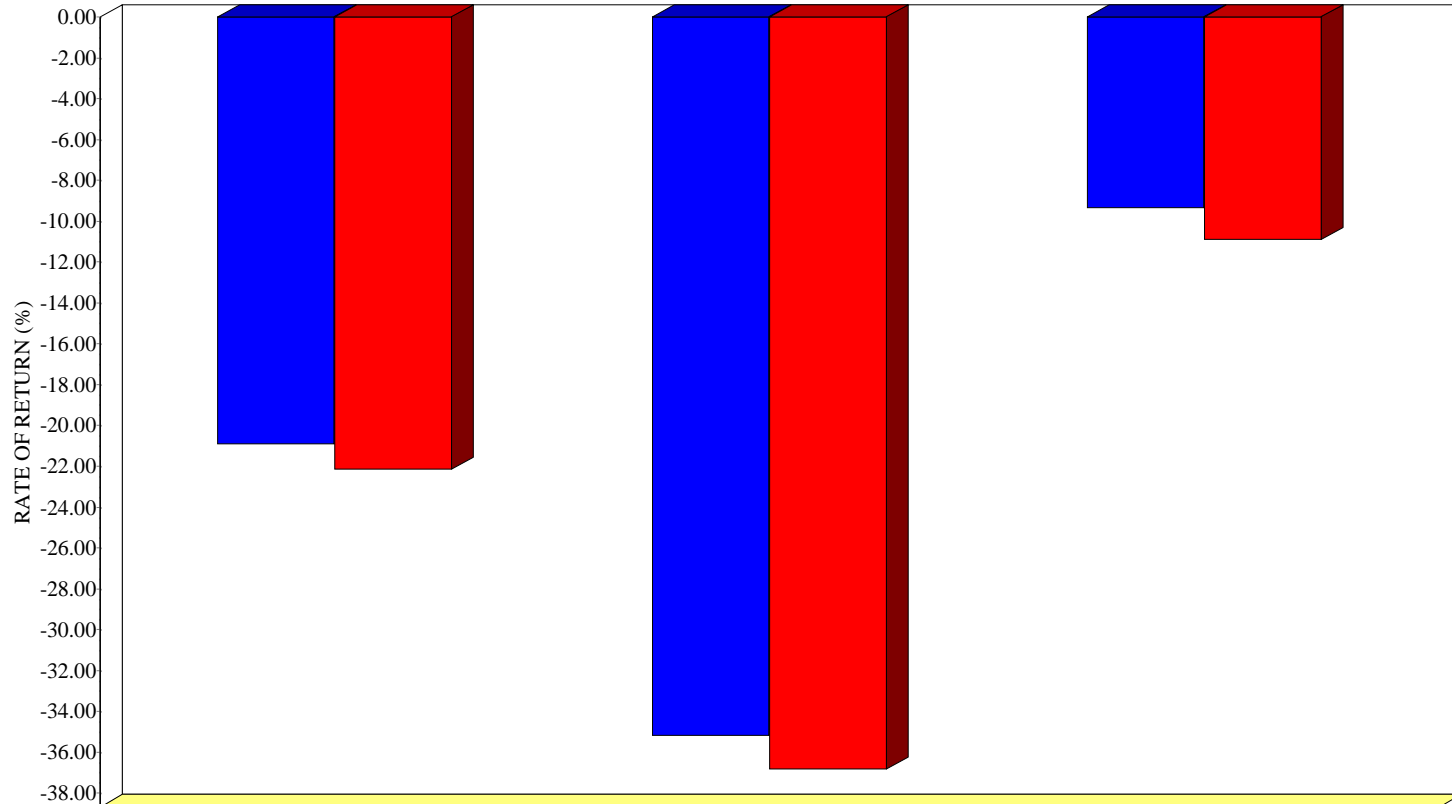


	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
AXA ROSENBERG	-22.17	-37.62	-34.45
RUSSELL 1000	-22.48	-37.60	-35.68

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
AXA ROSENBERG  
ALLOCATION OF ASSETS  
NOVEMBER 30, 2007 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2007	30,000,000	31,375,684	100.00	31,375,684	N/A	101.45
3/2008	0	27,619,529	100.00	27,619,529	-11.97	89.31
6/2008	0	28,408,700	100.00	28,408,700	2.86	91.86
9/2008	0	25,148,215	100.00	25,148,215	-11.48	81.32
12/2008	0	19,572,255	100.00	19,572,255	-22.17	63.29

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 C.S. MCKEE (LC VALUE)  
 MARCH 31, 2006 THROUGH DECEMBER 31, 2008



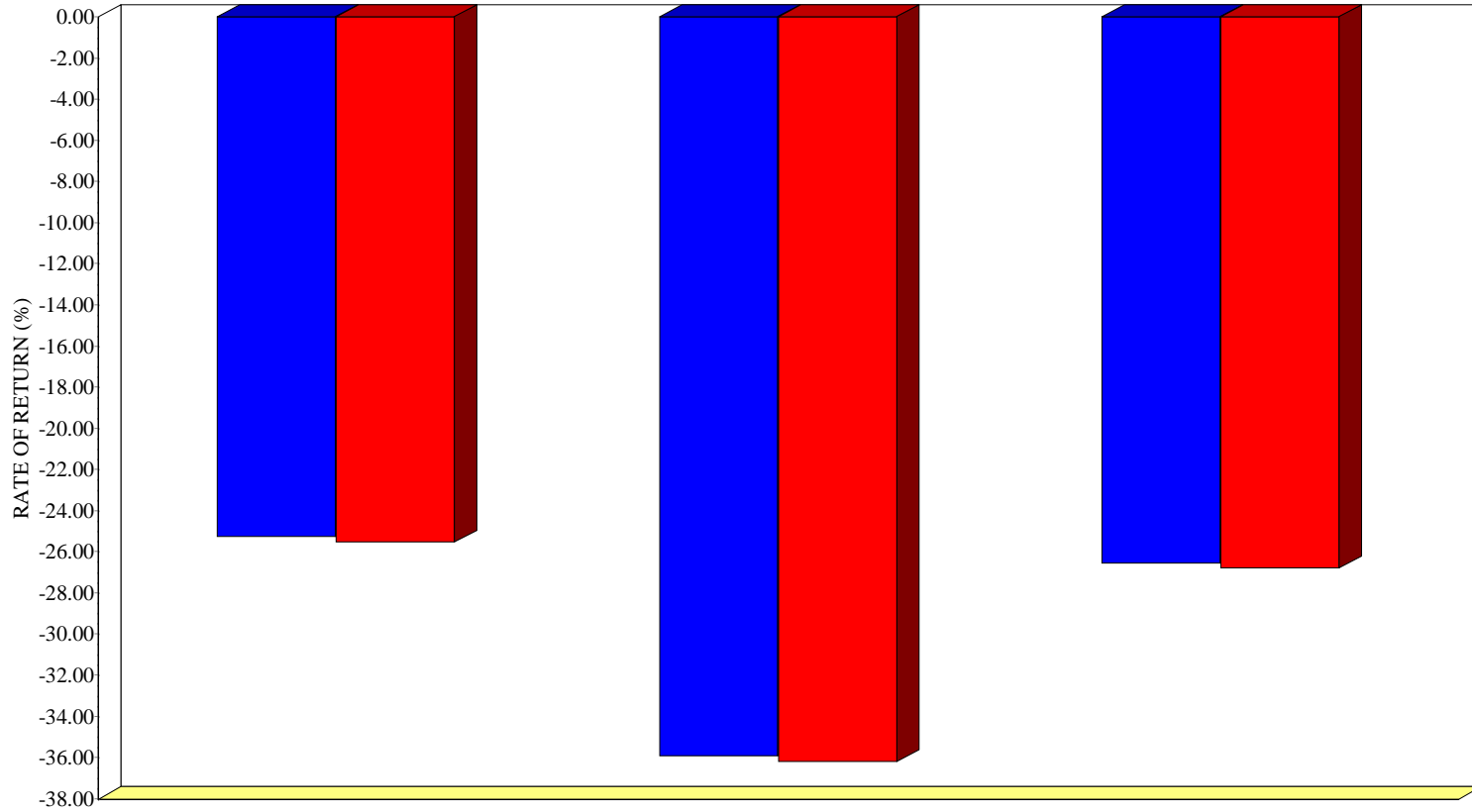
	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
C.S. MCKEE	-20.92	-35.19	-9.38
RUSSELL 1000 VALUE	-22.18	-36.85	-10.93



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
C.S. MCKEE (LC VALUE)  
ALLOCATION OF ASSETS  
MARCH 31, 2006 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
3/2006	157,494,320	154,663,106	99.53	727,898	0.47	155,391,004	N/A	100.00
6/2006	242,202	151,248,289	97.30	4,198,071	2.70	155,446,360	-0.12	99.88
9/2006	0	137,007,498	86.17	21,992,789	13.83	159,000,287	2.29	102.16
12/2006	-32,000,000	136,665,079	98.81	1,640,564	1.19	138,305,643	8.12	110.46
3/2007	0	134,118,744	96.00	5,594,230	4.00	139,712,974	1.02	111.59
6/2007	0	143,337,575	95.16	7,288,748	4.84	150,626,323	7.81	120.30
9/2007	-17,000,000	130,609,702	96.77	4,360,149	3.23	134,969,851	0.75	121.20
12/2007	-25,000,000	103,007,666	96.97	3,219,965	3.03	106,227,631	-2.90	117.69
3/2008	0	94,745,367	96.31	3,631,035	3.69	98,376,402	-7.39	108.99
6/2008	0	90,512,035	94.45	5,316,886	5.55	95,828,921	-2.59	106.17
9/2008	-1,000,000	84,057,767	97.68	1,998,478	2.32	86,056,245	-9.16	96.45
12/2008	0	67,361,639	98.98	695,639	1.02	68,057,278	-20.92	76.28

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 RHUMLINE  
 JULY 31, 2007 THROUGH DECEMBER 31, 2008

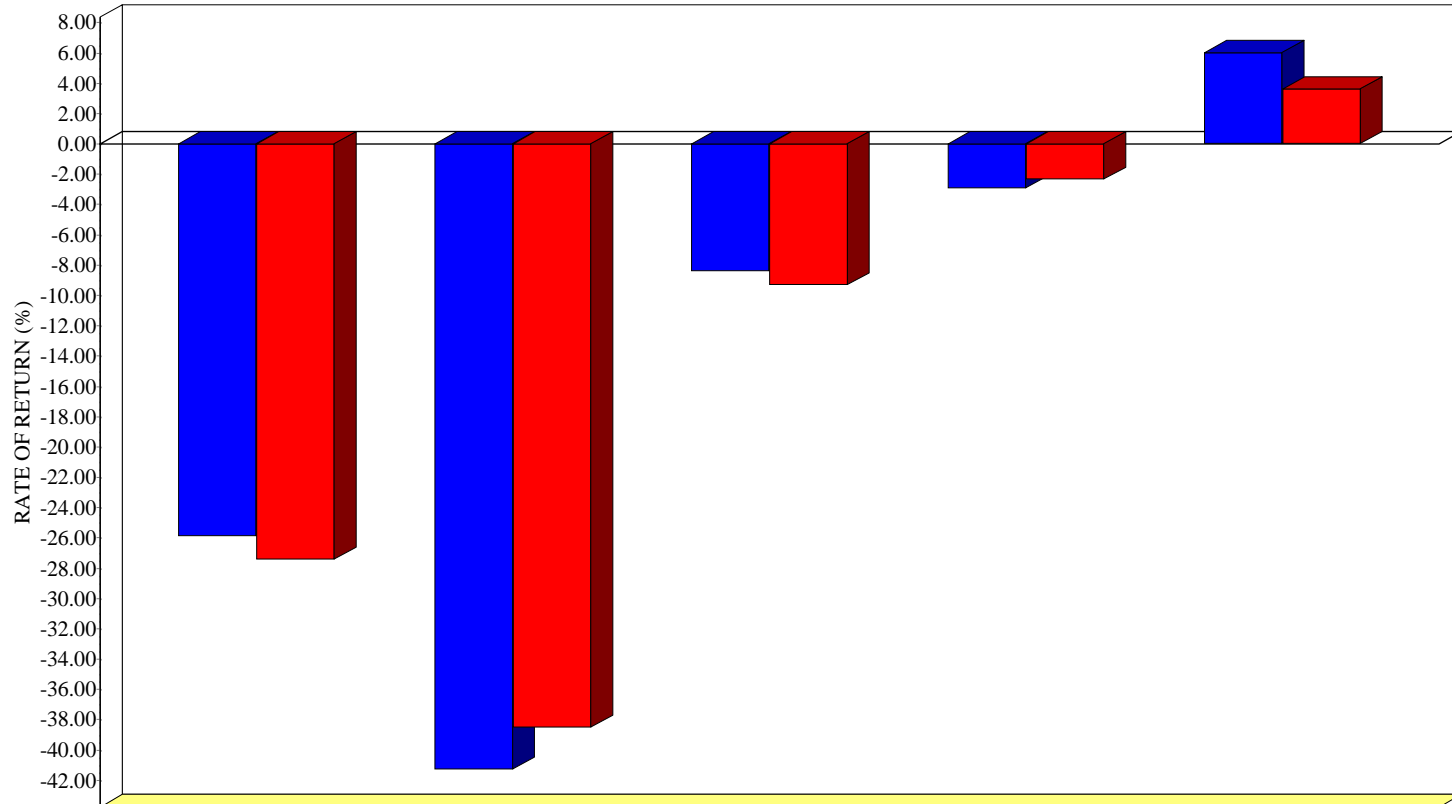


	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
RHUMLINE	-25.28	-35.96	-26.60
S&P MID CAP 400	-25.55	-36.23	-26.82

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
RHUMLINE  
ALLOCATION OF ASSETS  
JULY 31, 2007 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2007	50,000,000	48,047,681	100.00	48,047,681	N/A	103.56
12/2007	0	46,745,879	100.00	46,745,879	-2.71	100.76
3/2008	0	42,616,284	100.00	42,616,284	-8.83	91.86
6/2008	0	44,927,985	100.00	44,927,985	5.42	96.84
9/2008	0	40,067,849	100.00	40,067,849	-10.82	86.36
12/2008	0	29,938,327	100.00	29,938,327	-25.28	64.53

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 J&W SELIGMAN (SC GROWTH)  
 JUNE 30, 1994 THROUGH DECEMBER 31, 2008

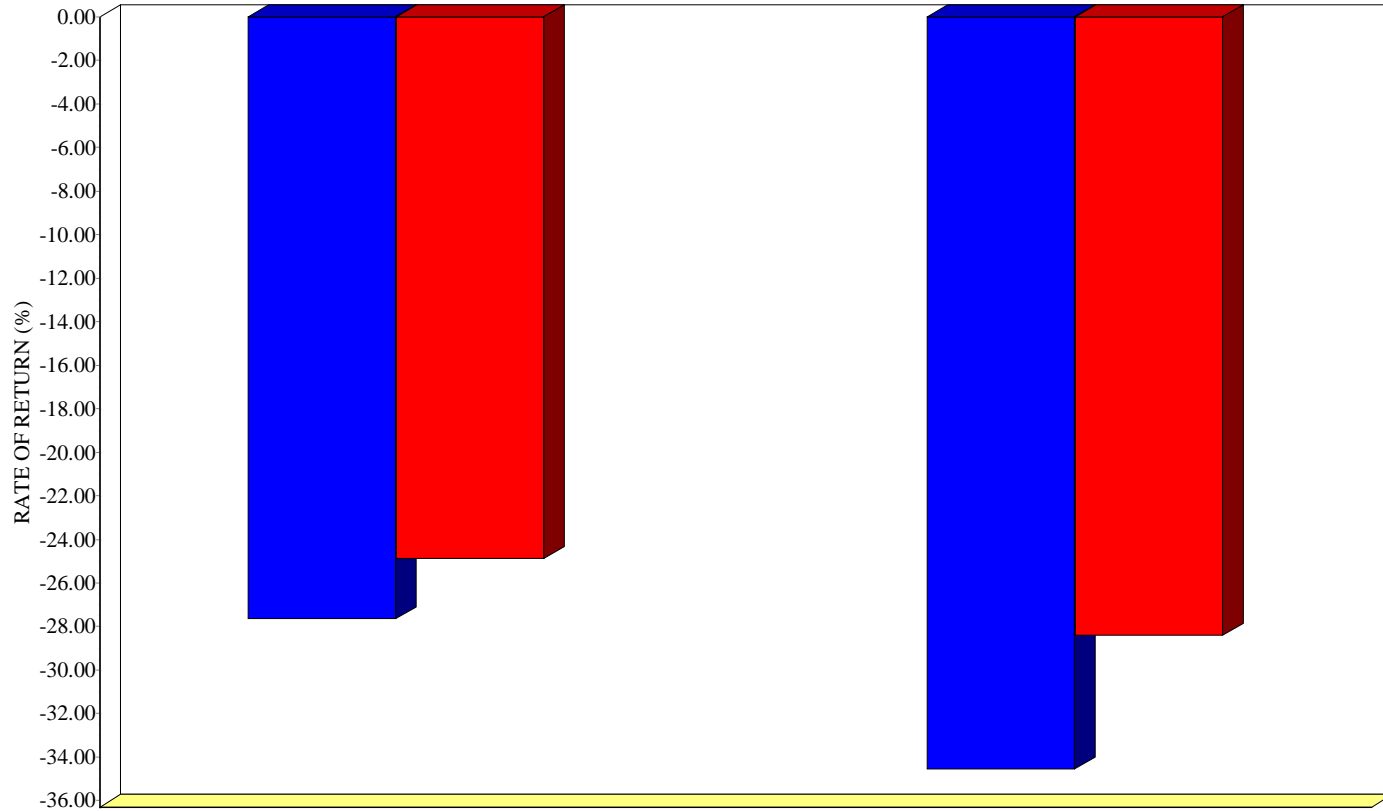


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
J&W SELIGMAN	-25.90	-41.30	-8.42	-2.92	6.02
RUSSELL 2000 GROWTH	-27.45	-38.54	-9.32	-2.35	3.63

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
J&W SELIGMAN (SC GROWTH)  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	0	61,527,478	97.07	1,859,303	2.93	63,386,781	14.71	270.57
3/2004	0	65,600,683	96.44	2,420,311	3.56	68,020,994	7.31	290.36
6/2004	0	65,244,119	97.41	1,737,320	2.59	66,981,439	-1.53	285.92
9/2004	0	61,607,225	97.13	1,819,626	2.87	63,426,851	-5.31	270.74
12/2004	0	70,922,262	97.58	1,757,473	2.42	72,679,735	14.59	310.24
3/2005	0	65,017,003	96.08	2,650,617	3.92	67,667,620	-6.90	288.85
6/2005	0	66,208,424	96.56	2,358,698	3.44	68,567,122	1.33	292.69
9/2005	0	67,371,226	95.48	3,191,201	4.52	70,562,427	2.91	301.20
12/2005	0	68,585,733	96.36	2,590,981	3.64	71,176,714	0.87	303.83
3/2006	0	78,915,844	97.28	2,205,729	2.72	81,121,573	13.97	346.28
6/2006	0	74,877,183	97.57	1,864,842	2.43	76,742,025	-5.40	327.58
9/2006	0	75,525,023	97.75	1,741,555	2.25	77,266,578	0.68	329.82
12/2006	0	82,715,103	95.88	3,550,549	4.12	86,265,652	11.65	368.23
3/2007	0	85,778,187	94.99	4,525,424	5.01	90,303,611	4.68	385.47
6/2007	-1,500,000	87,622,432	92.96	6,635,617	7.04	94,258,049	6.14	409.14
9/2007	-5,000,000	89,858,076	98.35	1,507,126	1.65	91,365,202	2.37	418.83
12/2007	-5,000,000	79,487,751	96.97	2,485,460	3.03	81,973,211	-5.09	397.53
3/2008	0	64,675,506	95.59	2,982,511	4.41	67,658,017	-17.46	328.11
6/2008	0	68,897,992	95.72	3,077,774	4.28	71,975,766	6.38	349.05
9/2008	0	61,530,960	94.74	3,412,909	5.26	64,943,869	-9.77	314.95
12/2008	0	46,125,715	95.85	1,995,520	4.15	48,121,235	-25.90	233.37

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 FISHER INVESTMENTS  
 AUGUST 31, 2008 THROUGH DECEMBER 31, 2008



	LATEST QUARTER	SINCE INCEPTION
FISHER	-27.66	-34.58
RUSSELL 2000 VALUE	-24.89	-28.41

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FISHER INVESTMENTS  
ALLOCATION OF ASSETS  
AUGUST 31, 2008 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2008	70,460,881	63,818,528	98.78	790,200	1.22	64,608,728	N/A	90.44
12/2008	0	46,668,710	99.85	71,296	0.15	46,740,006	-27.66	65.42

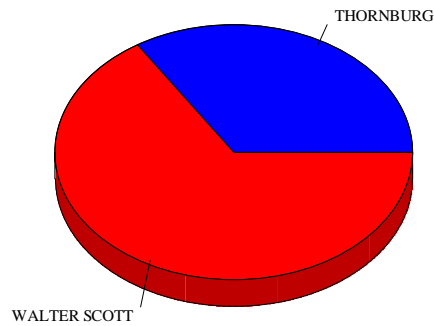
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
US STOCK CHARACTERISTICS  
AS OF DECEMBER 31, 2008**

	<u>S&amp;P 500</u>	<u>Composite</u>	<u>Ark Asset</u>	<u>Northern Trust</u>	<u>Analytic Investors</u>	<u>AXA Rosenberg</u>	<u>C.S. McKee</u>	<u>Rhumblin</u>	<u>J&amp;W Seligman</u>	<u>Fisher</u>
<b>P/E RATIO</b>	11.4	12.8	18.5	11.4	11.3	13.8	10.2	23.2	14.2	10.8
<b>P/B RATIO</b>	2.7	2.4	3.1	2.7	2.4	1.6	2.0	1.9	2.1	1.4
<b>DIVIDEND YIELD</b>	3.0	2.4	1.4	3.0	2.3	2.8	3.6	1.6	0.7	2.0
<b>MEDIAN MARKET VALUE</b>	\$38,547	--	\$25,382	\$38,547	\$4,715	\$5,140	\$20,263	\$1,940	\$982	\$1,343
<b>NUMBER OF STOCKS</b>	500	1,893	56	500	320 Long/ 122 Short	163 Long/ 99 Short	44	401	97	91
<b>TURNOVER RATIO (%)</b>	1.6	--	68.4	1.6	83.0	61.4	15.8	18.2	162.8	17.0



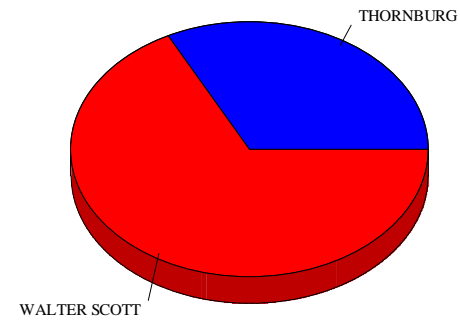
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
INTERNATIONAL EQUITY COMPOSITE  
MANAGER ALLOCATION  
TOTAL FUND**

TOTAL MARKET VALUE  
ON SEPTEMBER 30, 2008  
\$148,551,075



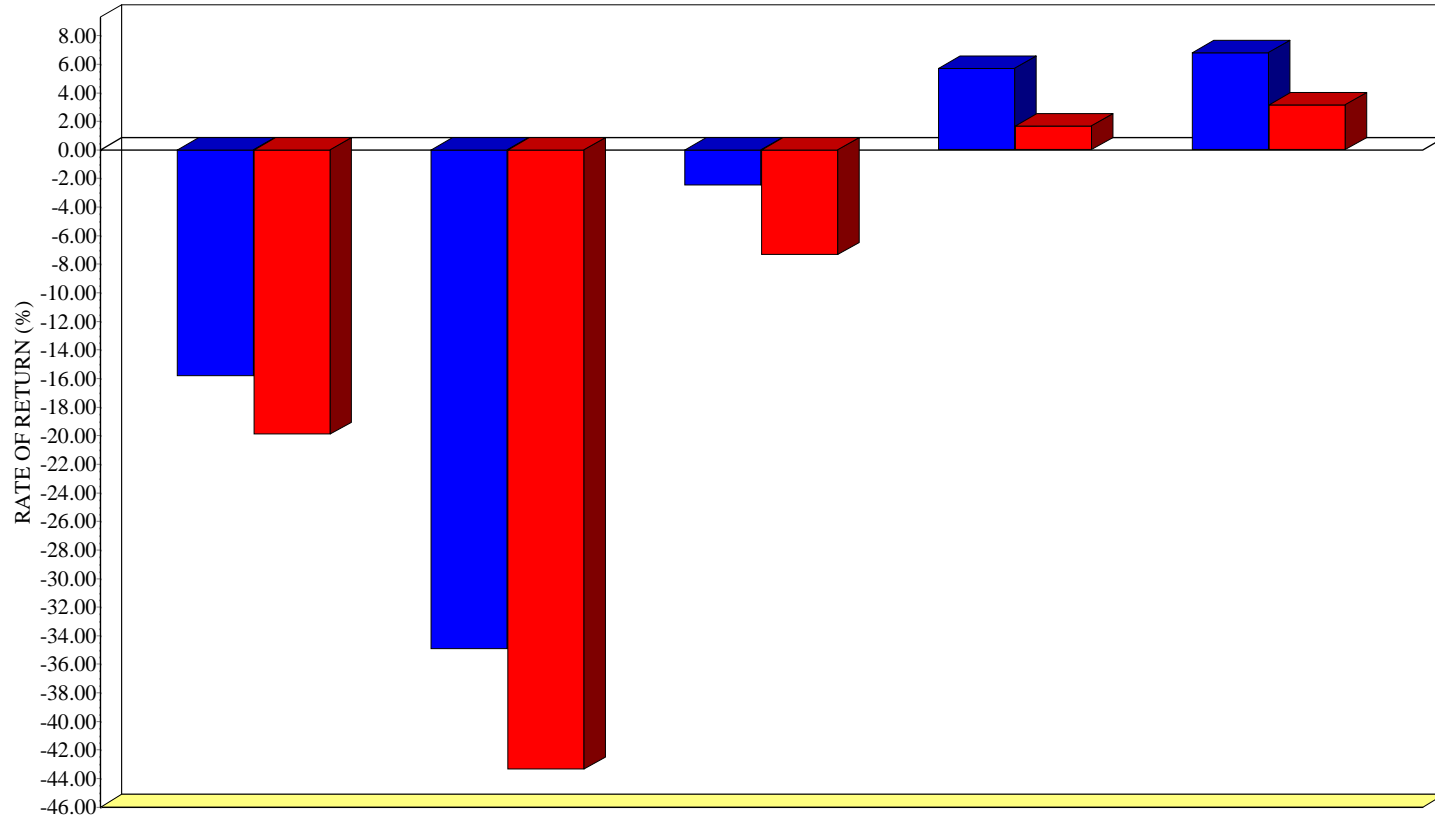
	VALUE	PERCENT
THORNBURG	50,566,703	34.04
WALTER SCOTT	97,984,372	65.96

TOTAL MARKET VALUE  
ON DECEMBER 31, 2008  
\$124,967,694



	VALUE	PERCENT
THORNBURG	40,631,601	32.51
WALTER SCOTT	84,336,093	67.49

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
INTERNATIONAL EQUITY COMPOSITE  
JUNE 30, 1995 THROUGH DECEMBER 31, 2008**

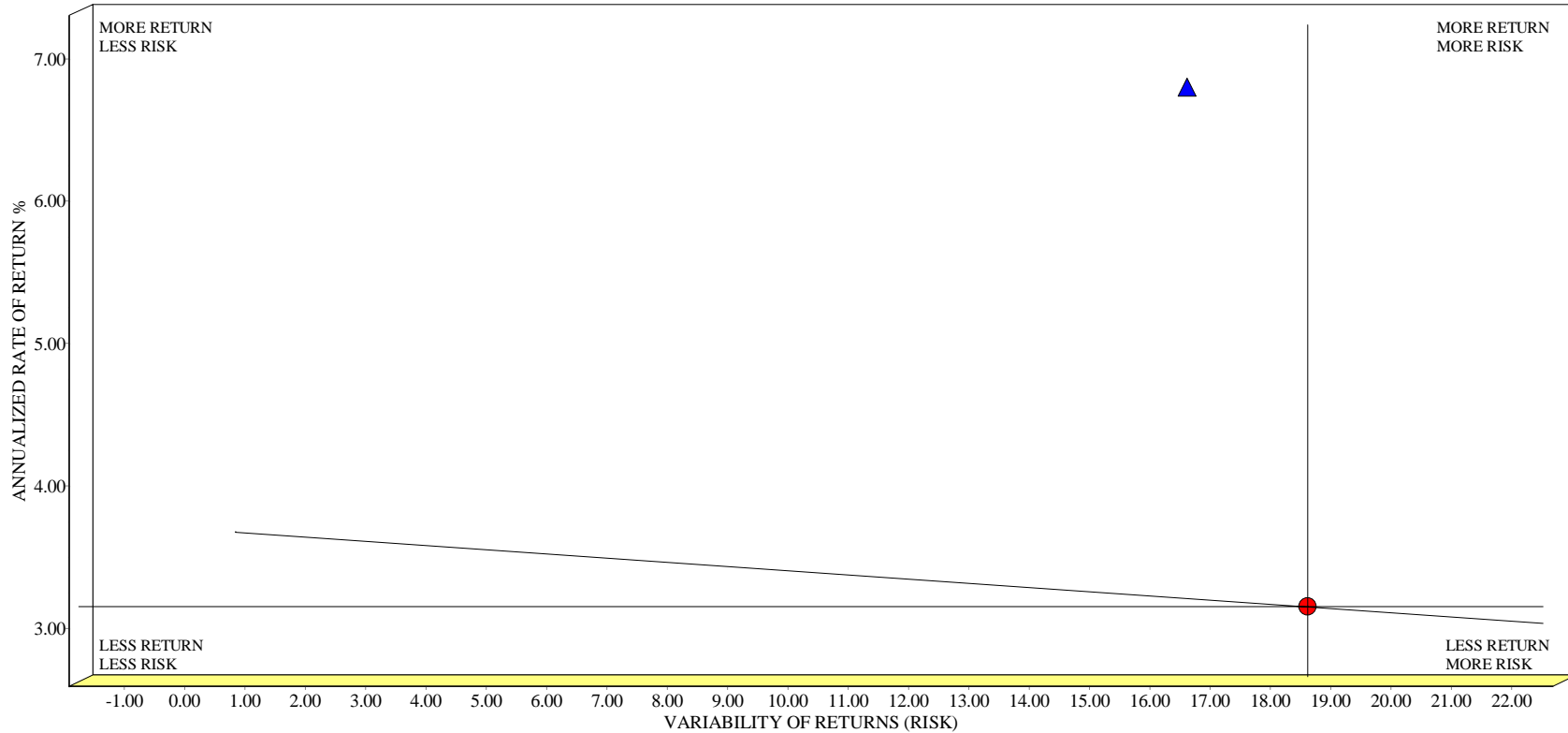


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
INT EQUITY COMPOSITE	-15.88	-34.95	-2.49	5.71	6.80
MSCI EAFE	-19.95	-43.38	-7.35	1.66	3.15

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
INTERNATIONAL EQUITY COMPOSITE  
INVESTMENT PERFORMANCE  
JUNE 30, 1995 THROUGH DECEMBER 31, 2008**

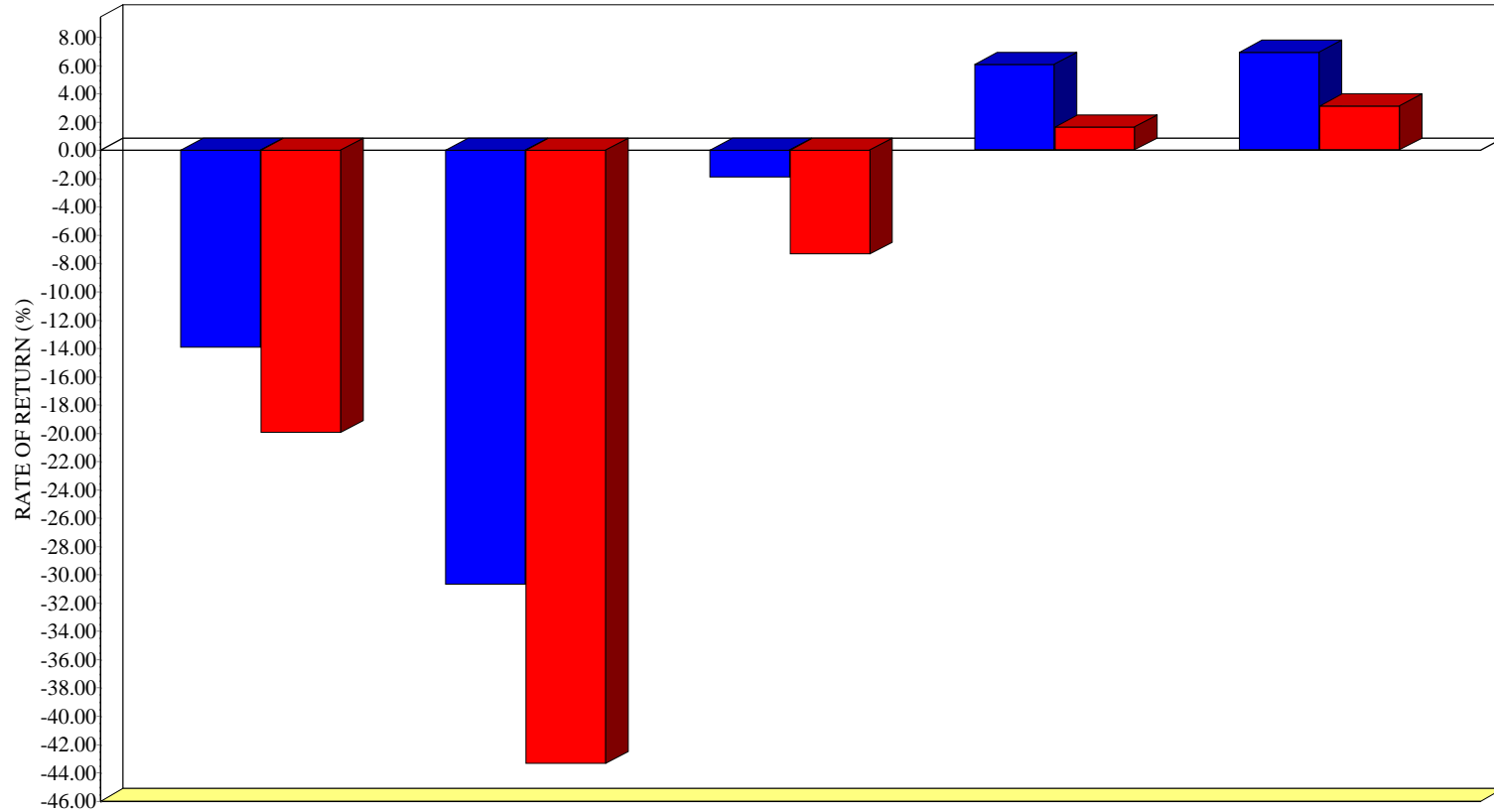
	LATEST QUARTER ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>					
THORNBURG	-19.65	-42.29	N/A	N/A	N/A
WALTER SCOTT INTERNATIONAL	-13.93	-30.70	-1.90	6.09	6.94
INTERNATIONAL EQUITY COMPOSITE	-15.88	-34.95	-2.49	5.71	6.80
MSCI EAFE	-19.95	-43.38	-7.35	1.66	3.15

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
INTERNATIONAL EQUITY COMPOSITE  
CAPITAL MARKET LINE  
JUNE 30, 1995 THROUGH DECEMBER 31, 2008**



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	6.80	16.62	0.83	3.35	87.24
● MSCI EAFE	3.15	18.61	1.00	0.00	100.00

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
WALTER SCOTT INTERNATIONAL  
JUNE 30, 1995 THROUGH DECEMBER 31, 2008**

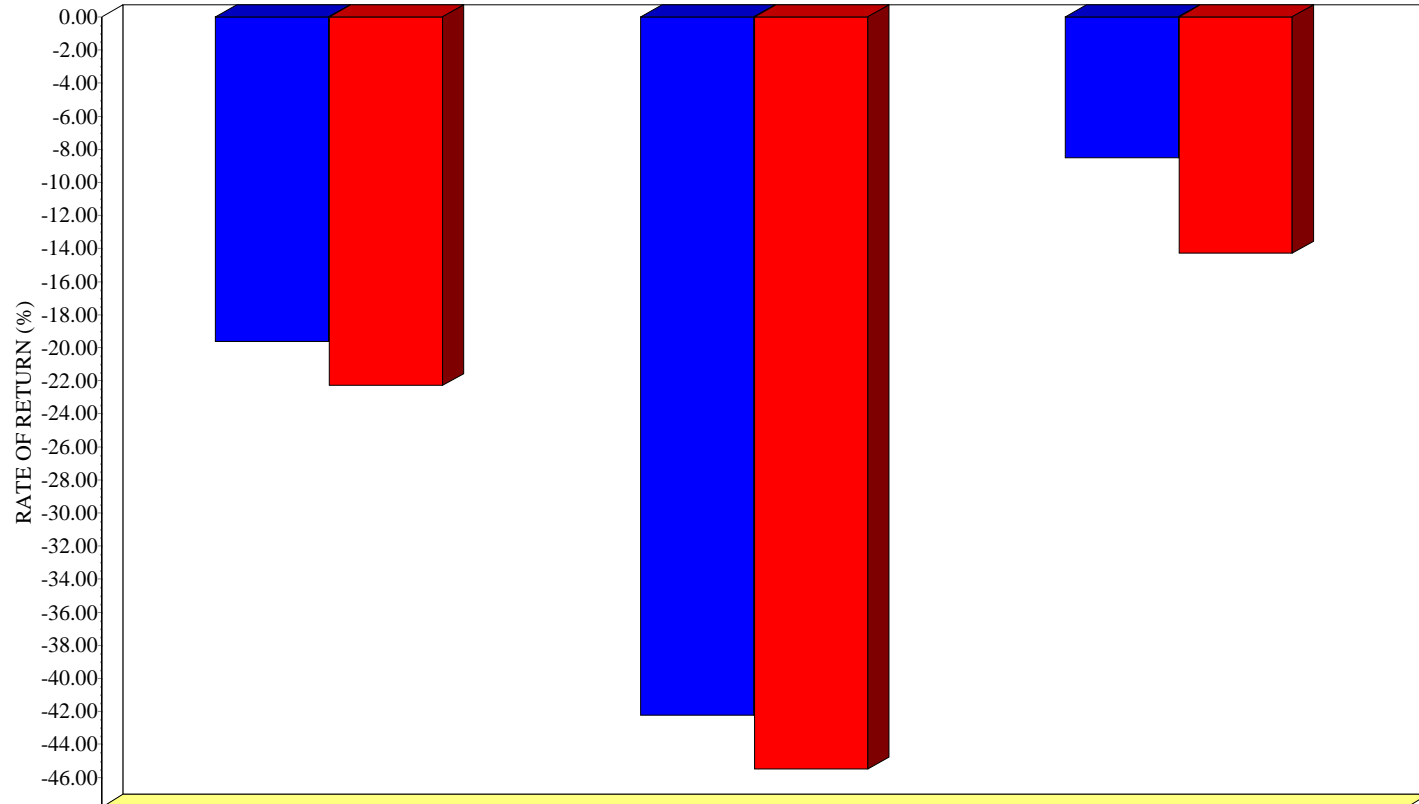


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
WALTER SCOTT	-13.93	-30.70	-1.90	6.09	6.94
MSCI EAFE	-19.95	-43.38	-7.35	1.66	3.15

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
WALTER SCOTT INTERNATIONAL  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	FOREIGN EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	0	100,285,090	100.00	100,285,090	9.91	184.12
3/2004	0	109,253,531	100.00	109,253,531	8.94	200.59
6/2004	0	107,590,869	100.00	107,590,869	-1.52	197.54
9/2004	0	107,525,356	100.00	107,525,356	-0.06	197.42
12/2004	0	120,877,931	100.00	120,877,931	12.42	221.93
3/2005	0	120,231,687	100.00	120,231,687	-0.53	220.75
6/2005	-6,000,000	114,374,356	100.00	114,374,356	0.16	221.09
9/2005	-7,000,000	120,676,015	100.00	120,678,015	12.24	248.15
12/2005	-5,000,000	122,160,431	100.00	122,160,431	5.63	262.12
3/2006	0	132,488,768	100.00	132,488,768	8.45	284.28
6/2006	0	132,533,966	100.00	132,533,966	0.03	284.38
9/2006	0	134,858,439	100.00	134,858,439	1.75	289.37
12/2006	-20,000,000	125,126,439	100.00	125,126,439	8.92	315.17
3/2007	0	127,026,972	100.00	127,026,972	1.52	319.96
6/2007	-14,000,000	119,328,550	100.00	119,328,550	5.04	336.10
9/2007	0	124,658,431	100.00	124,658,431	4.47	351.11
12/2007	-5,000,000	121,696,660	100.00	121,696,660	1.69	357.03
3/2008	0	111,709,185	100.00	111,709,185	-8.21	327.73
6/2008	0	115,420,351	100.00	115,420,351	3.32	338.62
9/2008	0	97,984,372	100.00	97,984,372	-15.11	287.47
12/2008	0	84,336,093	100.00	84,336,093	-13.93	247.42

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 THORNBURG  
 OCTOBER 1, 2006 THROUGH DECEMBER 31, 2008



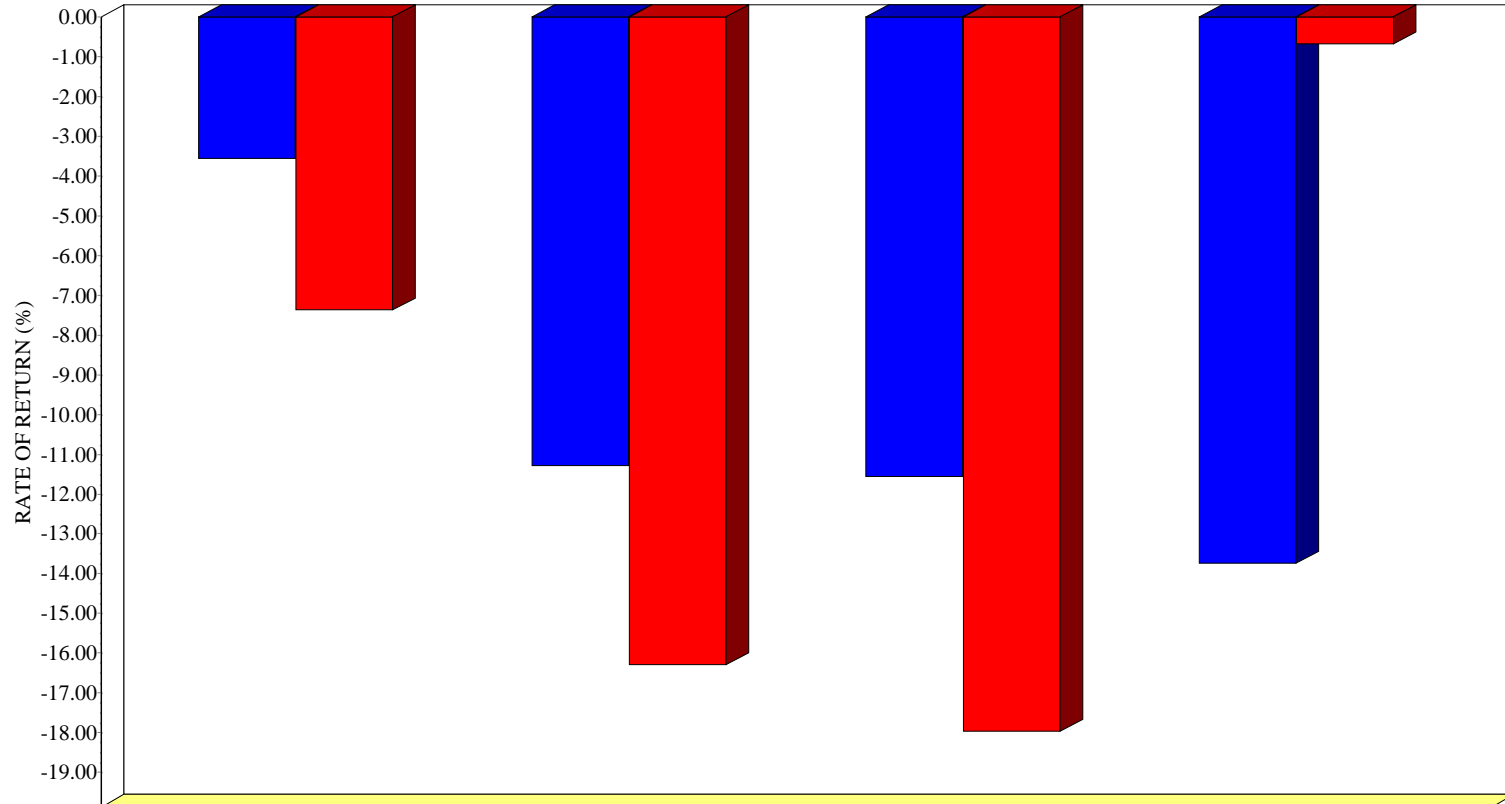
	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
THORNBURG	-19.65	-42.29	-8.56
MSCI ACWI EX US	-22.34	-45.53	-14.31

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
THORNBURG  
ALLOCATION OF ASSETS  
OCTOBER 1, 2006 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	FOREIGN EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2006	50,000,000	55,193,313	100.00	55,193,313	10.57	110.57
3/2007	0	56,994,415	100.00	56,994,415	3.42	114.35
6/2007	0	63,851,755	100.00	63,851,755	12.03	128.10
9/2007	0	70,495,202	100.00	70,495,202	10.56	141.63
12/2007	0	70,405,748	100.00	70,405,748	0.03	141.66
3/2008	0	63,049,335	100.00	63,049,335	-10.45	126.86
6/2008	0	61,369,218	100.00	61,369,218	-2.66	123.48
9/2008	0	50,566,703	100.00	50,566,703	-17.60	101.75
12/2008	0	40,631,601	100.00	40,631,601	-19.65	81.76



LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 PANTHEON VII  
 SEPTEMBER 30, 2006 THROUGH SEPTEMBER 30, 2008

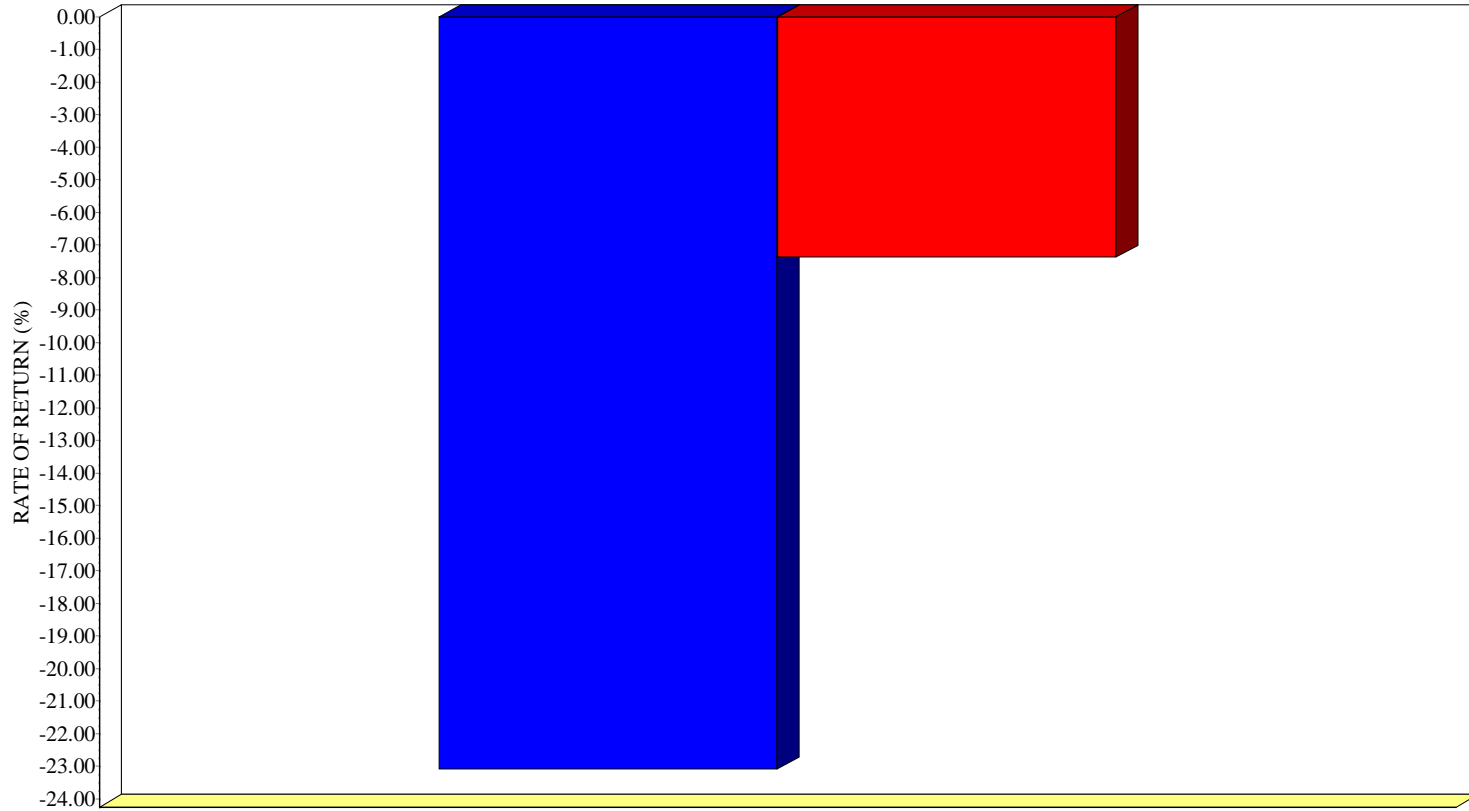


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
<span style="color: blue;">■</span> PANTHEON VII	-3.57	-11.30	-11.58	-13.75
<span style="color: red;">■</span> S&P 500 + 400 BPS	-7.39	-16.30	-17.98	-0.68

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
PANTHEON VII  
ALLOCATION OF ASSETS  
SEPTEMBER 30, 2006 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	ALTERNATIVE INVESTMENTS	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2006	300,000	226,392	100.00	226,392	N/A	100.00
12/2006	300,000	490,677	100.00	490,677	-15.78	84.22
3/2007	1,500,000	1,957,932	100.00	1,957,932	-6.67	78.60
6/2007	600,000	2,650,200	100.00	2,650,200	4.71	82.30
9/2007	600,000	3,309,849	100.00	3,309,849	2.23	84.14
12/2007	600,000	3,899,463	100.00	3,899,463	-0.31	83.88
3/2008	1,050,000	4,710,857	100.00	4,710,857	-6.07	78.79
6/2008	1,200,000	5,812,216	100.00	5,812,216	-2.08	77.16
9/2008	1,200,000	6,803,055	100.00	6,803,055	-3.57	74.40

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 PANTHEON ASIA  
 JUNE 30, 2008 THROUGH SEPTEMBER 30, 2008

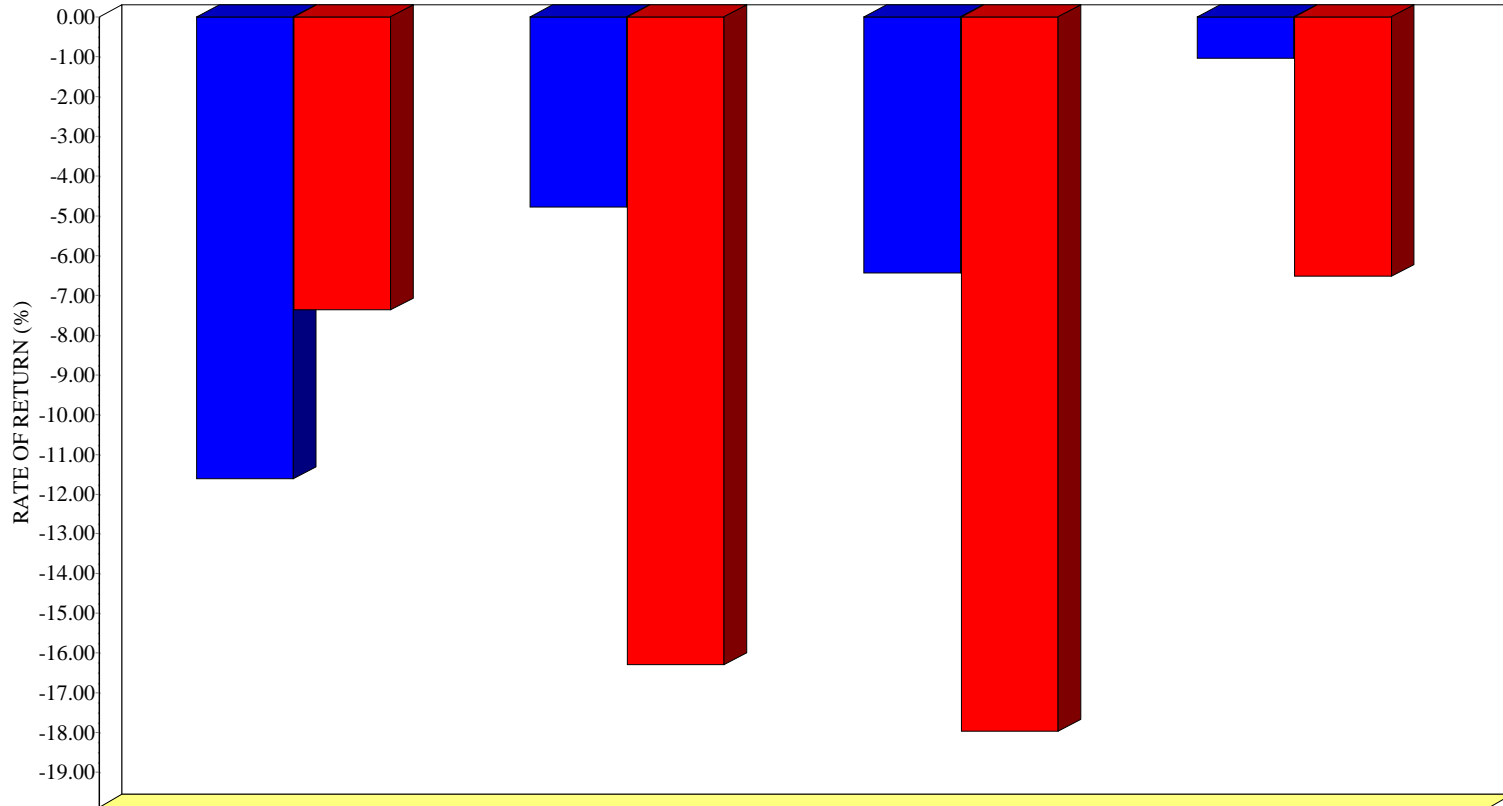


	SINCE INCEPTION
PANTHEON ASIA	-23.10
S&P 500 + 400 BPS	-7.39

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
PANTHEON ASIA  
ALLOCATION OF ASSETS  
JUNE 30, 2008 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	ALTERNATIVE INVESTMENTS	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
6/2008	1,650,000	1,411,160	100.00	1,411,160	N/A	100.00
9/2008	900,000	1,985,217	100.00	1,985,217	-23.10	76.90

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 HAMILTON LANE  
 MARCH 31, 2007 THROUGH SEPTEMBER 30, 2008



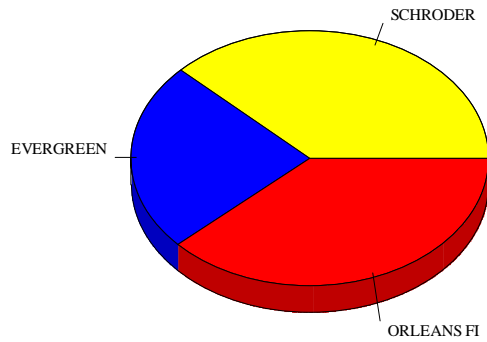
	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
HAMILTON LANE	-11.63	-4.79	-6.46	-1.06
S&P 500 + 400 BPS	-7.39	-16.30	-17.98	-6.55

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
HAMILTON LANE  
ALLOCATION OF ASSETS  
MARCH 31, 2007 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	ALTERNATIVE INVESTMENTS	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
3/2007	1,500,000	1,157,530	100.00	1,157,530	N/A	100.00
6/2007	1,500,000	2,702,122	100.00	2,702,122	3.85	103.85
9/2007	0	2,737,440	100.00	2,737,440	1.31	105.21
12/2007	600,000	3,289,097	100.00	3,289,097	-1.75	103.36
3/2008	3,000,000	6,167,570	100.00	6,167,570	-3.59	99.65
6/2008	900,000	7,796,310	100.00	7,796,310	11.76	111.37
9/2008	2,400,000	9,279,932	100.00	9,279,932	-11.63	98.41

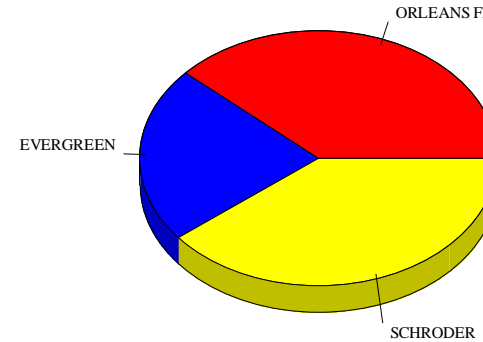
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FIXED INCOME COMPOSITE  
MANAGER ALLOCATION  
TOTAL FUND**

TOTAL MARKET VALUE  
ON SEPTEMBER 30, 2008  
\$424,874,410



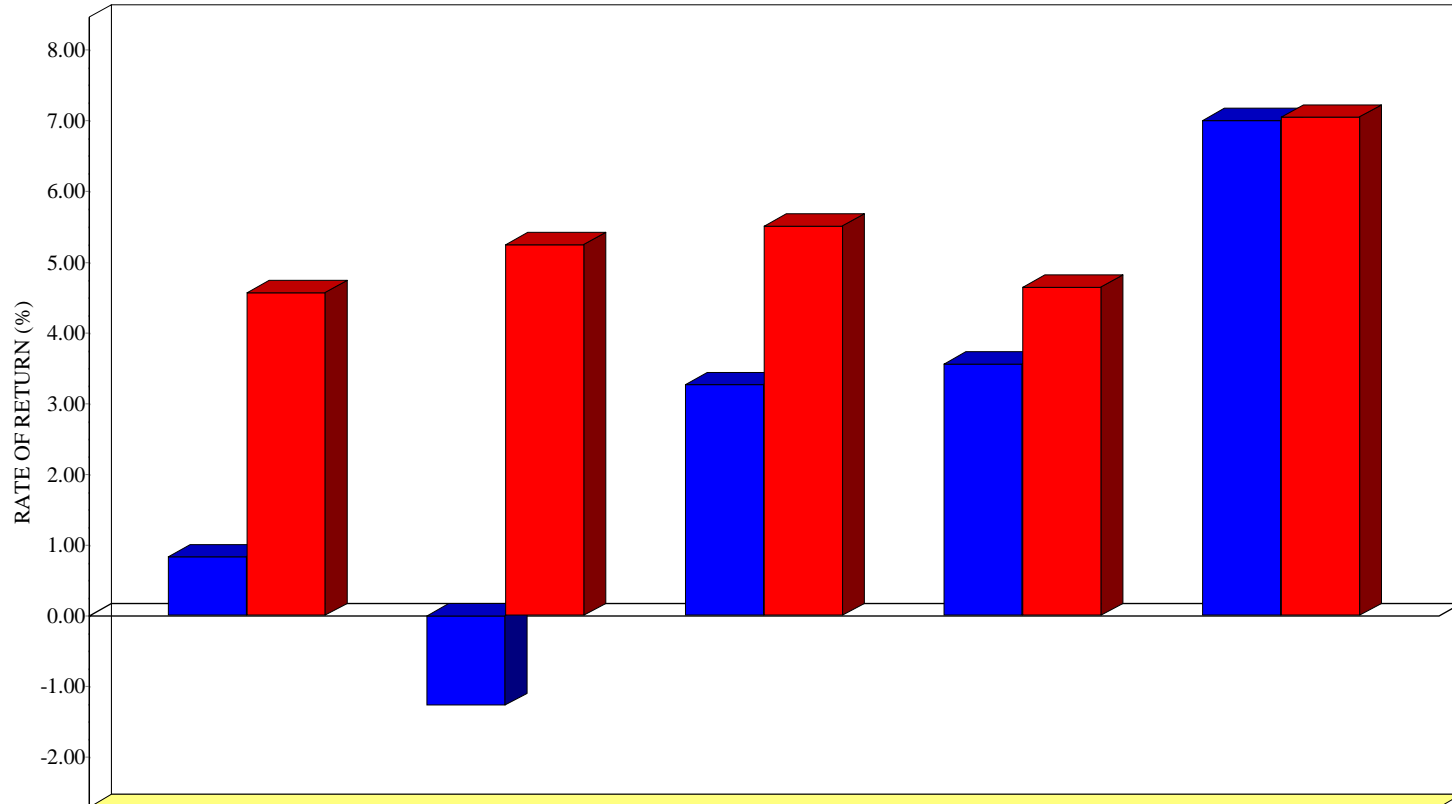
	VALUE	PERCENT
EVERGREEN	101,947,104	23.99
ORLEANS FI	162,242,656	38.19
SCHRODER	160,684,650	37.82

TOTAL MARKET VALUE  
ON DECEMBER 31, 2008  
\$410,894,187



	VALUE	PERCENT
EVERGREEN	91,999,513	22.39
ORLEANS FI	157,404,051	38.31
SCHRODER	161,490,623	39.30

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FIXED INCOME COMPOSITE  
NOVEMBER 30, 1989 THROUGH DECEMBER 31, 2008**



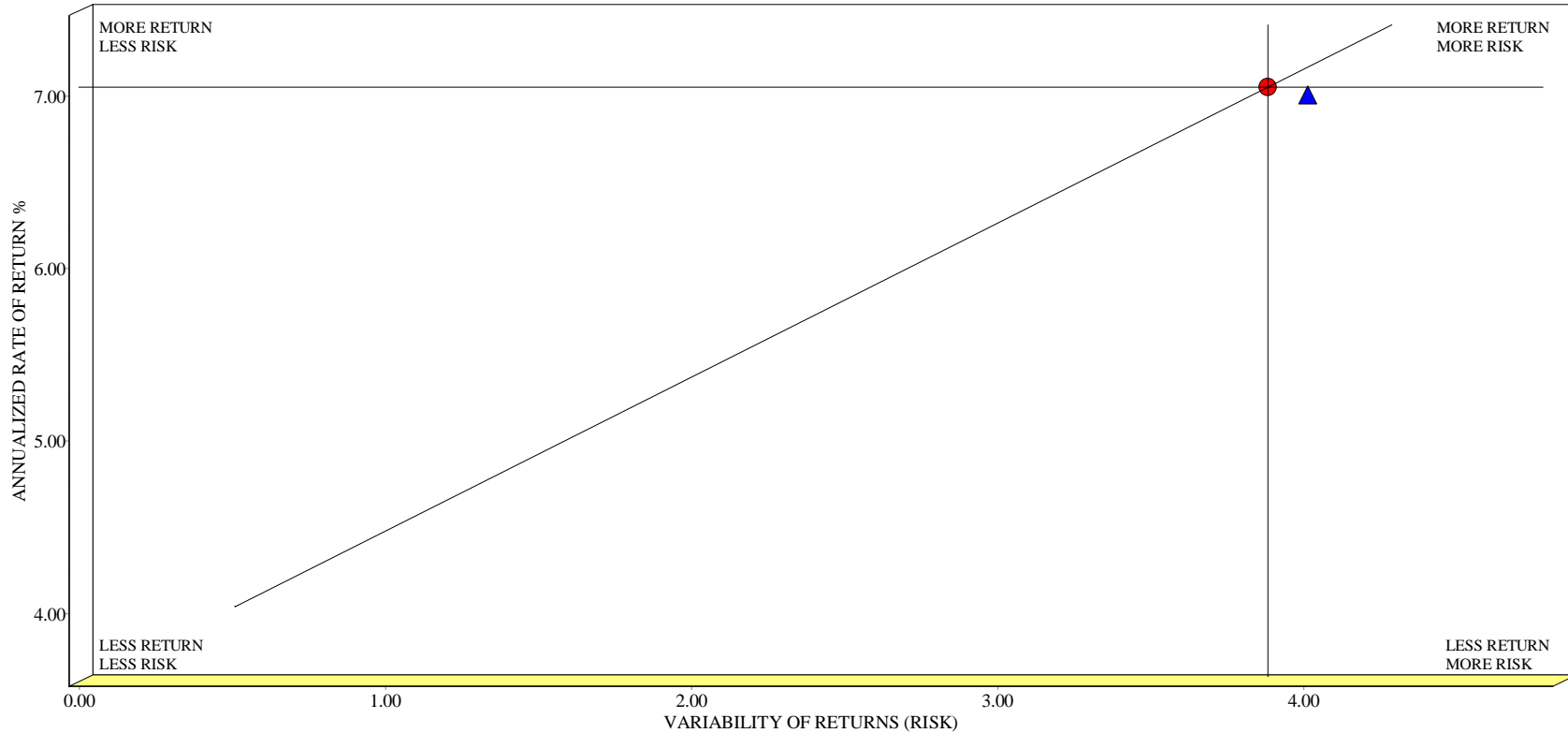
	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
FI COMPOSITE	0.83	-1.27	3.27	3.56	7.01
BARCLAYS AGG BOND	4.57	5.24	5.51	4.65	7.05



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FIXED INCOME COMPOSITE  
INVESTMENT PERFORMANCE  
NOVEMBER 30, 1989 THROUGH DECEMBER 31, 2008**

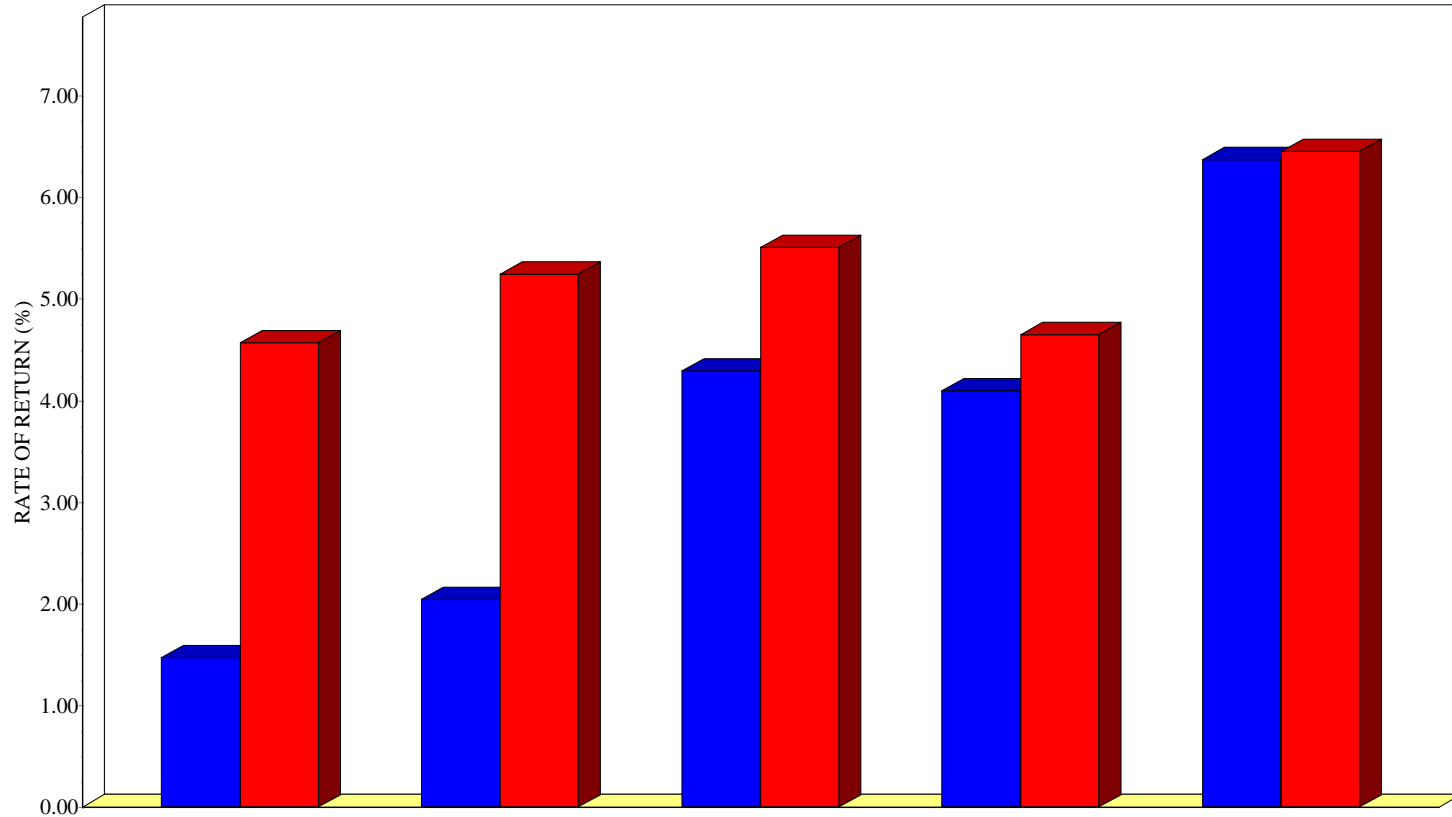
	LATEST QUARTER ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>						
EVERGREEN	-6.77	-16.31	-2.22	0.17	N/A	N/A
ORLEANS CAPITAL MANAGEMENT	1.47	2.05	4.29	4.10	5.36	N/A
SCHRODER INVESTMENT MANAGEMENT FIXED INCOME COMPOSITE	5.02	5.86	5.78	5.16	6.21	N/A
	0.83	-1.27	3.27	3.56	5.21	7.01
BARCLAYS AGG BOND	4.57	5.24	5.51	4.65	5.63	7.05

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 FIXED INCOME COMPOSITE  
 CAPITAL MARKET LINE  
 NOVEMBER 30, 1989 THROUGH DECEMBER 31, 2008



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.01	4.01	0.95	0.11	85.96
● BARCLAYS AGG BOND	7.05	3.88	1.00	0.00	100.00

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 ORLEANS CAPITAL MANAGEMENT  
 DECEMBER 31, 1991 THROUGH DECEMBER 31, 2008

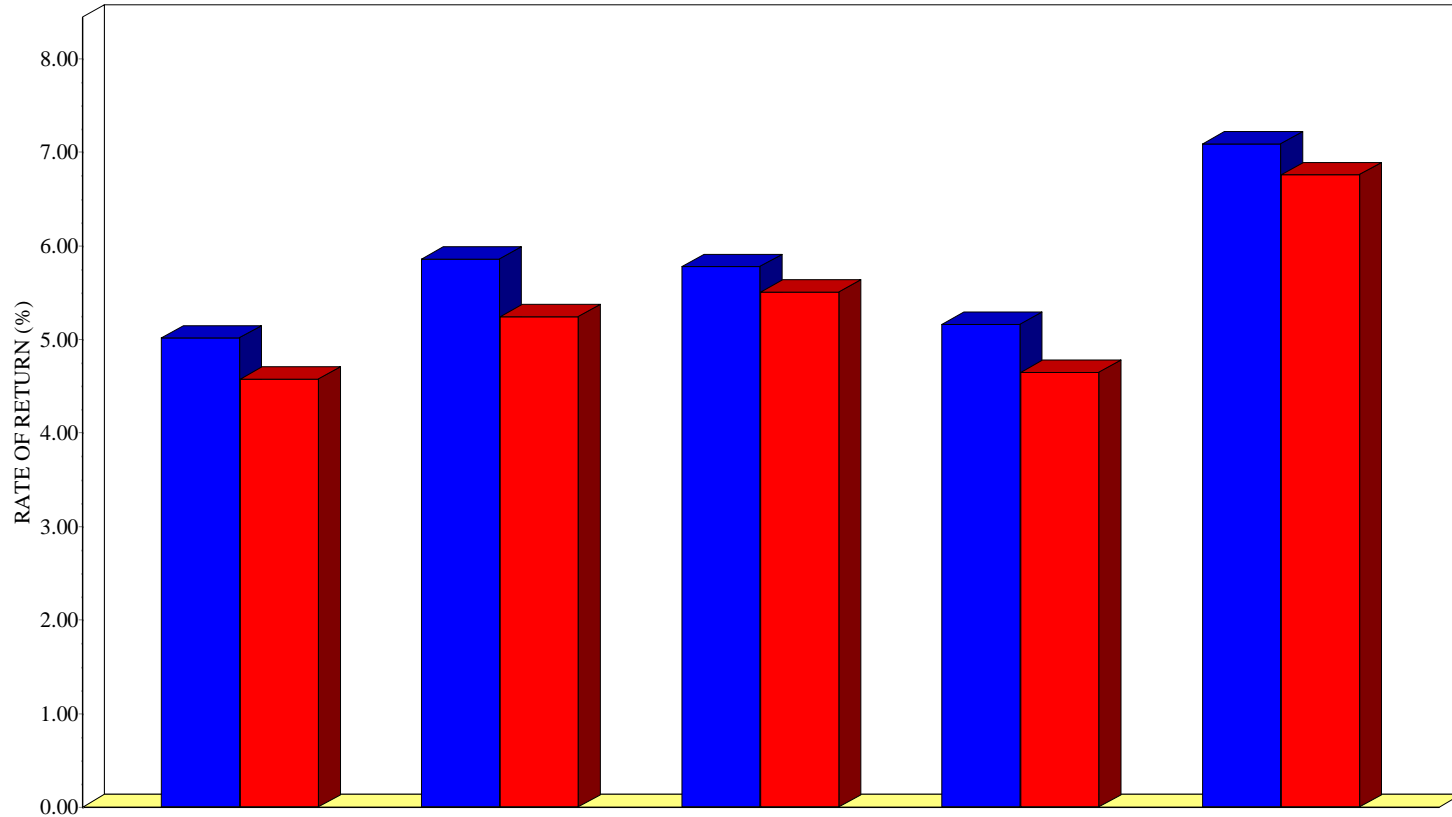


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
ORLEANS FI	1.47	2.05	4.29	4.10	6.37
BARCLAYS AGG BOND	4.57	5.24	5.51	4.65	6.46

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
ORLEANS CAPITAL MANAGEMENT  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	0	226,810,816	98.22	4,109,493	1.78	230,920,309	0.40	233.80
3/2004	0	232,341,350	97.56	5,812,290	2.44	238,153,640	3.13	241.12
6/2004	0	224,425,684	96.54	8,045,033	3.46	232,470,717	-2.39	235.37
9/2004	0	236,303,740	98.26	4,188,132	1.74	240,491,872	3.45	243.49
12/2004	0	240,041,858	98.63	3,322,903	1.37	243,364,761	1.19	246.40
3/2005	0	235,310,228	97.21	6,747,967	2.79	242,058,195	-0.54	245.08
6/2005	-6,000,000	239,135,665	98.57	3,480,561	1.43	242,616,226	2.78	251.89
9/2005	0	239,696,138	99.25	1,820,356	0.75	241,516,494	-0.45	250.74
12/2005	0	235,037,340	96.85	7,643,391	3.15	242,680,731	0.48	251.95
3/2006	-30,000,000	206,900,527	97.55	5,204,559	2.45	212,105,086	-0.33	251.12
6/2006	-5,000,000	193,895,875	93.83	12,748,042	6.17	206,643,917	-0.22	250.56
9/2006	-34,750,000	172,737,308	96.30	6,628,172	3.70	179,365,480	3.84	260.18
12/2006	-6,000,000	172,108,729	98.07	3,386,402	1.93	175,495,131	1.23	263.37
3/2007	0	173,561,912	97.27	4,878,942	2.73	178,440,854	1.68	267.80
6/2007	-4,000,000	168,164,333	96.81	5,538,974	3.19	173,703,307	-0.42	266.66
9/2007	0	175,833,283	98.84	2,055,911	1.16	177,889,194	2.41	273.09
12/2007	0	180,435,975	98.90	2,010,082	1.10	182,446,057	2.56	280.08
3/2008	-2,000,000	180,222,127	98.06	3,574,691	1.94	183,796,818	1.83	285.22
6/2008	-15,000,000	168,095,215	99.82	307,903	0.18	168,403,118	-0.23	284.56
9/2008	-4,500,000	161,208,021	99.36	1,034,635	0.64	162,242,656	-1.02	281.67
12/2008	-7,000,000	154,948,650	98.44	2,455,401	1.56	157,404,051	1.47	285.82

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 SCHRODER INVESTMENT MANAGEMENT  
 SEPTEMBER 30, 1994 THROUGH DECEMBER 31, 2008

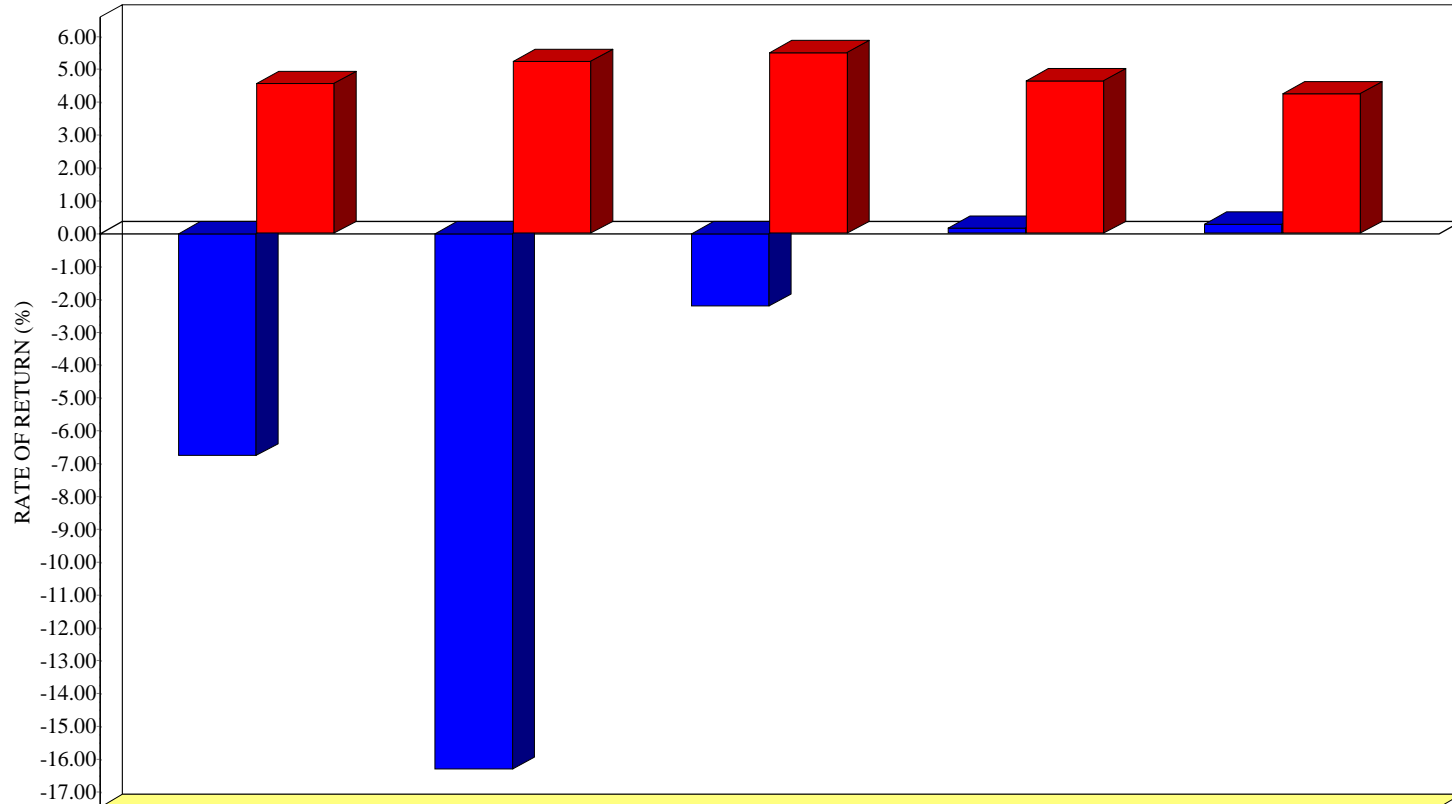


	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
SCHRODER	5.02	5.86	5.78	5.16	7.09
BARCLAYS AGG BOND	4.57	5.24	5.51	4.65	6.76

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
SCHRODER INVESTMENT MANAGEMENT  
ALLOCATION OF ASSETS  
DECEMBER 31, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
12/2003	0	283,558,633	95.32	13,907,612	4.68	297,466,245	0.79	206.39
3/2004	0	298,422,328	97.52	7,582,963	2.48	306,005,291	2.87	212.31
6/2004	-17,000,000	269,904,851	95.62	12,361,165	4.38	282,266,016	-2.33	207.36
9/2004	-20,000,000	267,757,151	98.83	3,158,200	1.17	270,915,351	3.30	214.20
12/2004	-20,000,000	250,692,653	98.64	3,461,504	1.36	254,154,157	1.25	216.87
3/2005	-7,500,000	236,541,302	96.09	9,626,233	3.91	246,167,535	-0.21	216.42
6/2005	0	252,215,033	99.23	1,949,965	0.77	254,164,998	3.25	223.45
9/2005	0	244,973,829	96.85	7,966,333	3.15	252,940,162	-0.48	222.37
12/2005	0	249,782,978	97.91	5,343,354	2.09	255,126,332	0.86	224.29
3/2006	-30,000,000	202,969,817	90.48	21,366,006	9.52	224,335,823	-0.40	223.39
6/2006	-16,000,000	205,291,671	98.62	2,871,115	1.38	208,162,786	-0.08	223.22
9/2006	-34,750,000	181,943,964	100.90	-1,627,125	-0.90	180,316,839	3.52	231.08
12/2006	-6,000,000	166,623,034	94.24	10,180,119	5.76	176,803,153	1.43	234.37
3/2007	0	160,699,884	89.20	19,456,570	10.80	180,156,454	1.90	238.82
6/2007	-4,000,000	157,216,070	89.51	18,424,741	10.49	175,640,811	-0.29	238.12
9/2007	0	166,069,094	92.24	13,973,728	7.76	180,042,822	2.51	244.09
12/2007	0	159,507,263	86.23	25,464,608	13.77	184,971,871	2.74	250.77
3/2008	-16,000,000	129,947,931	75.19	42,869,010	24.81	172,816,941	2.08	255.99
6/2008	-2,000,000	150,396,526	88.93	18,728,664	11.07	169,125,190	-0.98	253.48
9/2008	-8,000,000	158,414,923	98.59	2,269,727	1.41	160,684,650	-0.28	252.78
12/2008	-7,000,000	144,730,370	89.62	16,760,253	10.38	161,490,623	5.02	265.45

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
EVERGREEN  
JUNE 30, 2003 THROUGH DECEMBER 31, 2008**



	LATEST QUARTER	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
EVERGREEN	-6.77	-16.31	-2.22	0.17	0.29
BARCLAYS AGG BOND	4.57	5.24	5.51	4.65	4.25

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
EVERGREEN  
ALLOCATION OF ASSETS  
JUNE 30, 2003 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
6/2003	100,747,162	63,178,693	63.13	36,905,352	36.87	100,084,045	N/A	100.00
9/2003	0	90,864,284	91.18	8,785,862	8.82	99,650,146	0.34	100.34
12/2003	0	93,860,486	93.81	6,189,731	6.19	100,050,217	0.40	100.75
3/2004	0	95,464,603	92.90	7,299,629	7.10	102,764,232	2.71	103.48
6/2004	0	88,509,247	88.20	11,837,870	11.80	100,347,117	-2.35	101.05
9/2004	0	91,998,439	88.73	11,689,397	11.27	103,687,836	3.33	104.41
12/2004	0	99,665,540	95.22	5,000,380	4.78	104,665,920	0.94	105.39
3/2005	0	101,780,242	97.24	2,890,723	2.76	104,670,965	0.00	105.40
6/2005	0	101,768,078	94.45	5,984,053	5.55	107,752,131	2.94	108.50
9/2005	0	100,997,377	94.24	6,172,306	5.76	107,169,683	-0.54	107.92
12/2005	0	102,601,573	95.08	5,308,425	4.92	107,909,998	0.69	108.66
3/2006	0	106,148,530	98.82	1,272,196	1.18	107,420,726	-0.45	108.17
6/2006	0	107,083,935	99.55	486,353	0.45	107,570,288	0.14	108.32
9/2006	0	107,376,235	96.21	4,234,540	3.79	111,610,775	3.76	112.39
12/2006	0	112,856,251	99.65	391,085	0.35	113,247,336	1.47	114.04
3/2007	0	108,778,449	94.48	6,360,850	5.52	115,139,299	1.67	115.94
6/2007	-4,000,000	110,164,629	99.55	503,534	0.45	110,668,163	-0.42	115.45
9/2007	0	107,219,383	94.13	6,688,775	5.87	113,908,158	2.93	118.83
12/2007	0	109,376,790	94.00	6,982,321	6.00	116,359,111	2.15	121.39
3/2008	0	112,923,905	98.88	1,284,523	1.12	114,208,428	-1.85	119.14
6/2008	0	102,891,898	91.08	10,075,896	8.92	112,967,794	-1.09	117.85
9/2008	-2,500,000	94,215,685	92.42	7,731,419	7.58	101,947,104	-7.55	108.96
12/2008	-3,000,000	84,183,817	91.50	7,815,696	8.50	91,999,513	-6.77	101.58

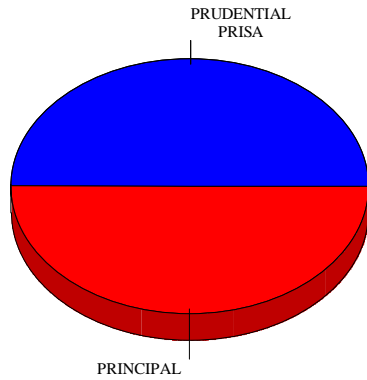


**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
FIXED INCOME CHARACTERISTICS  
AS OF DECEMBER 31, 2008**

	<u>Barclays Capital Aggregate Index</u>	<u>Fixed Income Composite</u>	<u>Orleans Capital</u>	<u>Schroder Capital</u>	<u>Evergreen Investment</u>
AVERAGE MATURITY (YEARS)	5.5	5.6	4.9	5.1	7.7
YIELD TO MATURITY (%)	4.0	6.2	5.8	3.9	11.1
AVERAGE DURATION (YEARS)	3.7	3.7	3.5	3.6	4.0
AVERAGE QUALITY	AA1/AA2	AA2	AA3	AA1	AA2
TURNOVER RATIO (%)	--	--	3.0	84.7	64.2

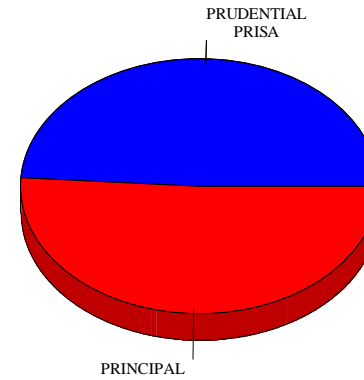
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
REAL ESTATE COMPOSITE  
MANAGER ALLOCATION  
TOTAL FUND**

TOTAL MARKET VALUE  
ON SEPTEMBER 30, 2008  
\$96,254,911



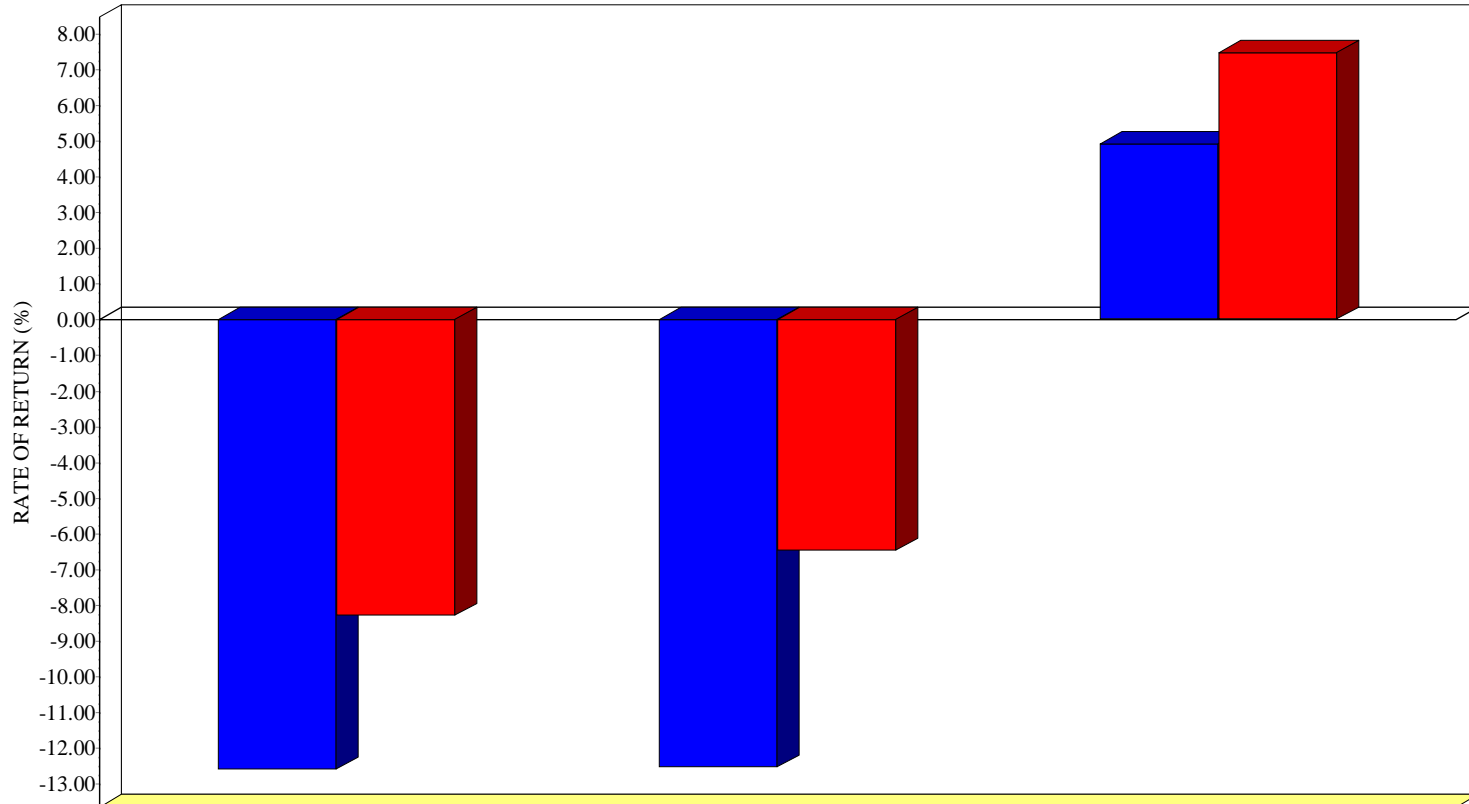
	VALUE	PERCENT
PRUDENTIAL PRISA	48,044,793	49.91
PRINCIPAL	48,210,118	50.09

TOTAL MARKET VALUE  
ON DECEMBER 31, 2008  
\$84,005,975



	VALUE	PERCENT
PRUDENTIAL PRISA	41,090,877	48.91
PRINCIPAL	42,915,098	51.09

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
REAL ESTATE COMPOSITE  
MARCH 31, 2006 THROUGH DECEMBER 31, 2008**

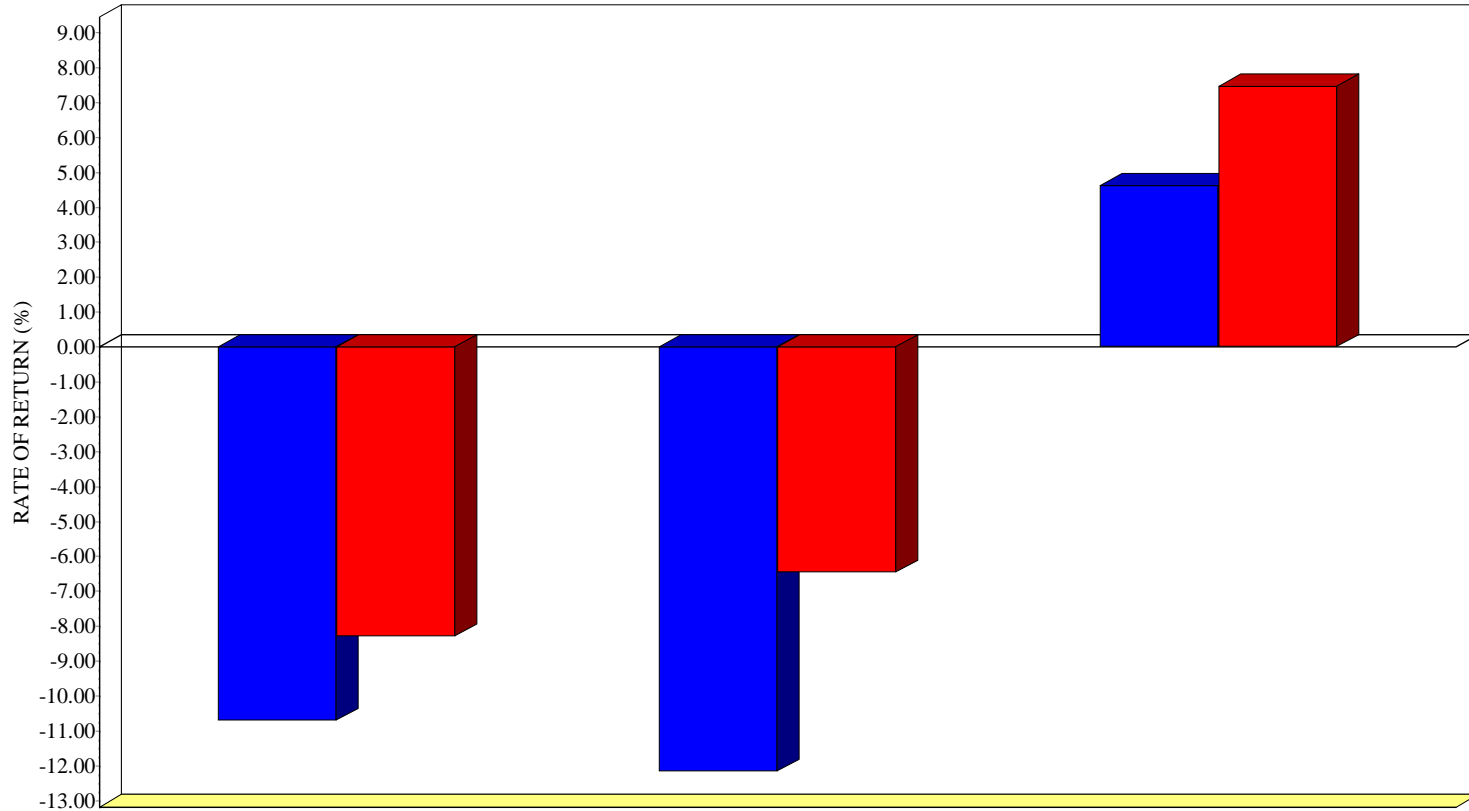


	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
RE COMPOSITE	-12.59	-12.53	4.93
NCREIF NATIONAL	-8.29	-6.46	7.47

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
REAL ESTATE COMPOSITE  
INVESTMENT PERFORMANCE  
MARCH 31, 2006 THROUGH DECEMBER 31, 2008**

	LATEST QUARTER ROR	ONE YEAR ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>			
PRINCIPAL	-10.71	-12.15	4.63
PRUDENTIAL PRISA	-14.47	-12.98	N/A
REAL ESTATE COMPOSITE	-12.59	-12.53	4.93
NCREIF NATIONAL	-8.29	-6.46	7.47

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 PRINCIPAL  
 MARCH 31, 2006 THROUGH DECEMBER 31, 2008

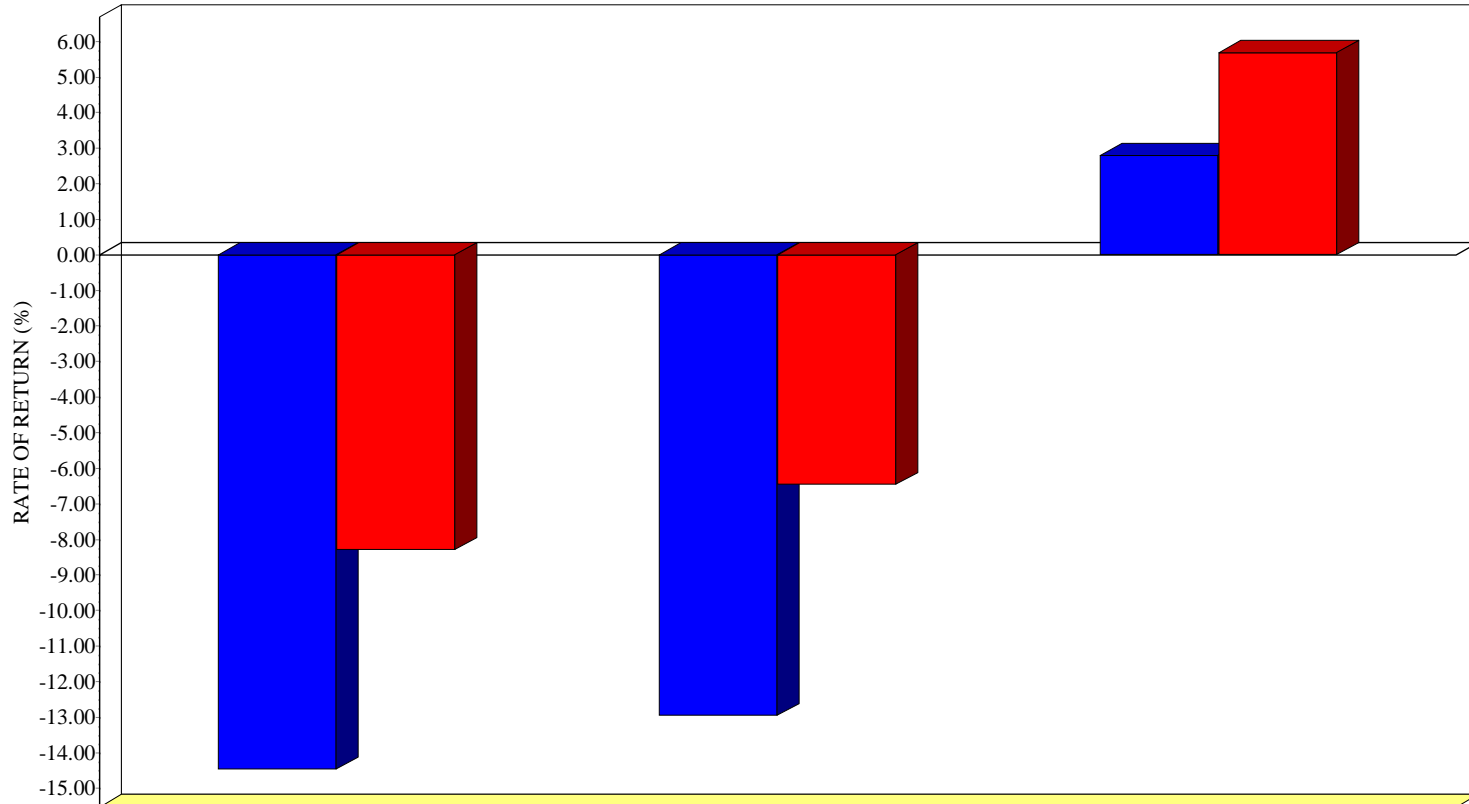


	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
PRINCIPAL	-10.71	-12.15	4.63
NCREIF NATIONAL	-8.29	-6.46	7.47

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
PRINCIPAL  
ALLOCATION OF ASSETS  
MARCH 31, 2006 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	REAL ESTATE	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
3/2006	45,000,000	46,027,487	100.00	46,027,487	N/A	100.00
6/2006	0	48,148,814	100.00	48,148,814	4.85	104.85
9/2006	0	49,644,547	100.00	49,644,547	3.35	108.36
12/2006	0	51,491,620	100.00	51,491,620	3.96	112.65
3/2007	-1,500,000	51,717,906	100.00	51,717,906	3.58	116.69
6/2007	0	53,526,625	100.00	53,526,625	3.50	120.77
9/2007	0	56,107,935	100.00	56,107,935	5.06	126.88
12/2007	-5,000,000	51,841,621	100.00	51,841,621	1.60	128.92
3/2008	-2,500,000	49,774,766	100.00	49,774,766	1.08	130.31
6/2008	0	49,283,150	100.00	49,283,150	-0.75	129.33
9/2008	0	48,210,118	100.00	48,210,118	-1.93	126.84
12/2008	0	42,915,098	100.00	42,915,098	-10.71	113.25

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 PRUDENTIAL PRISA  
 SEPTEMBER 30, 2006 THROUGH DECEMBER 31, 2008



	LATEST QUARTER	ONE YEAR	SINCE INCEPTION
PRUDENTIAL PRISA	-14.47	-12.98	2.80
NCREIF NATIONAL	-8.29	-6.46	5.68

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
PRUDENTIAL PRISA  
ALLOCATION OF ASSETS  
SEPTEMBER 30, 2006 THROUGH DECEMBER 31, 2008**

DATE	NET CONTRIBUTION	REAL ESTATE	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2006	45,000,000	45,000,000	100.00	45,000,000	N/A	100.00
12/2006	0	46,617,858	100.00	46,617,858	3.81	103.81
3/2007	-98,299	48,404,198	100.00	48,404,198	4.04	108.01
6/2007	-107,706	51,359,438	100.00	51,359,438	6.34	114.86
9/2007	-109,903	53,409,192	100.00	53,409,192	4.42	119.94
12/2007	-107,685	54,337,949	100.00	54,337,949	1.94	122.27
3/2008	-108,017	54,602,323	100.00	54,602,323	0.69	123.10
6/2008	-7,106,272	47,853,704	100.00	47,853,704	0.66	123.91
9/2008	0	48,044,793	100.00	48,044,793	0.40	124.41
12/2008	0	41,090,877	100.00	41,090,877	-14.47	106.40



**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT MANAGEMENT FEES  
AS OF DECEMBER 31, 2008**

<u>MANAGER:</u>	<u>AMOUNT</u> <sup>1</sup>	<u>ANNUAL PERCENT OF MARKET VALUE</u>
Ark Asset	\$ 303,683	0.42%
Northern Trust	70,574	0.03
Analytic Investors	125,716	0.59
AXA Rosenberg	167,702	0.75
C.S. McKee	269,699	0.35
RhumbLine	20,127	0.06
J&W Seligman	281,356	0.50
Fisher	414,721	0.74
Walter Scott	455,801	0.50
Thornburg	282,715	0.62
Pantheon VII <sup>2</sup>	281,197	3.80
Pantheon Asia V <sup>2</sup>	25,596	1.29
Pantheon Europe VI <sup>2</sup>	7,787	1.12
Hamilton Lane <sup>3</sup>	142,500	1.46
Orleans Capital	175,806	0.11
Schroder Capital	257,740	0.16
Evergreen	155,157	0.16
Principal	432,845	0.95
Prudential	<u>369,913</u>	<u>0.83</u>
Total	\$4,240,643	0.34%

<sup>1</sup> Estimated annual fee based on actual fee schedules and average assets.

<sup>2</sup> Fund level fee % applied to average assets.

<sup>3</sup> Fee based on total commitment level of \$30 million.

## NOTES

- Orleans Capital Management received approximately \$837,000 in proceeds from the Enron litigation on December 31, 2008.
- On September 24, 2008, the System invested \$500,000 in the Pantheon Europe VI private equity fund. Through December 31, 2008 the System has contributed \$1.0 million. The Benefit System's target commitment is \$10 million.
- The Fisher small cap value portfolio was funded on August 13, 2008, with \$70.5 million in proceeds from the terminated Brandywine portfolio.
- The System had \$2.4 million in securities lending losses during the third quarter of 2008.
- On May 20, 2008, the System invested \$1.7 million in the Pantheon Asia private equity fund. Through December 31, 2008 the System has contributed \$2.4 million. The Benefit System's target commitment is \$15 million.
- The AXA Rosenberg 130/30 equity portfolio funded on November 13, 2007, with \$30 million. The Analytic Investors 130/30 equity portfolio funded on November 28, 2007, with \$30 million.
- Schroder Investment Management received approximately \$52,000 in proceeds from the WorldCom litigation during the first quarter of 2008.
- On July 16, 2007, \$50 million was invested in the RhumbLine Mid-Cap 400 Index portfolio. Ark Asset, Northern Trust and C.S. McKee each contributed \$16.7 million to the funding.
- During the first quarter of 2007, the Retirement System funded the Hamilton Lane private equity portfolio with \$1.5 million (\$0.6 million on 1/8 and \$0.9 million on 1/23). Through December 31, 2008, the System has contributed \$10.8 million, and received \$1.2 million in distributions. The Benefit System's targeted commitment is \$30 million.

- On October 2, 2006, the Thornburg International Equity portfolio was funded with \$50 million. The funding was accomplished by reallocating \$20 million from C.S. McKee, \$20 million from Walter Scott and \$10 million from Brandywine.
- During the third quarter of 2006, the Retirement System funded the Prudential PRISA real estate portfolio with \$45.0 million. Orleans and Schroder each contributed \$22.5 million on September 29, 2006.
- The Retirement System funded the Pantheon USA VII private equity investment with \$0.3 million on September 28, 2006. Through December 31, 2008, the System has contributed \$8.6 million. The Benefit System's targeted commitment is \$30 million.
- The Growth Composite (pg. 25) includes the historical Gobalt and Harbor Capital performance returns, combined with the current large cap growth manager, Ark Asset.
- The Value Composite (pg. 26) includes the historical Loomis, Sayles and Trinity performance returns, combined with the current large cap value manager, C.S. McKee.
- During the first quarter of 2006, the Board of Trustees approved a broadening of the fixed income investment policy guidelines, permitting the tactical constrained use of asset class sectors (i.e., non-dollar, emerging market, high yield) not currently represented in the Lehman Brothers Aggregate Index.
- Principal was funded during the first quarter of 2006, with \$25 million in cash from Orleans and \$20 million in cash from Schroder.
- C.S. McKee replaced Trinity during the first quarter of 2006, transferring assets and cash valued at \$157.5 million.
- Evergreen was added to further diversify the fixed income holdings during the second quarter of 2003. A custodial error during the initial transfer from Orleans to Evergreen required an operational adjustment to Evergreen's July 2003 performance, to accurately reflect Evergreen's performance for the period.

- Asset replaced Harbor Capital during the first quarter of 2003, transferring assets and cash valued at \$126.3 million.
- Brandywine replaced the Oppenheimer Small Value Fund during the third quarter of 1998, transferring assets and cash valued at \$50.4 million.
- Trinity replaced Loomis, Sayles during the second quarter of 1998, transferring assets and cash valued at 162.5 million.
- The performance inception for Orleans Capital is the first quarter of 1992, and Orleans received an additional \$204.2 million in assets and cash from the terminated Alliance Capital portfolio during the second quarter of 1998.
- Segal Advisors has provided investment consulting services to the Louisiana School Employees' Retirement System since the third quarter of 1996.