

**LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM**

Investment Performance Analysis
through September 30, 2008

November 2008



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November 26, 2008

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 September 30, 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,

Richard E. Ranallo, CFA

Brett W. Hazen

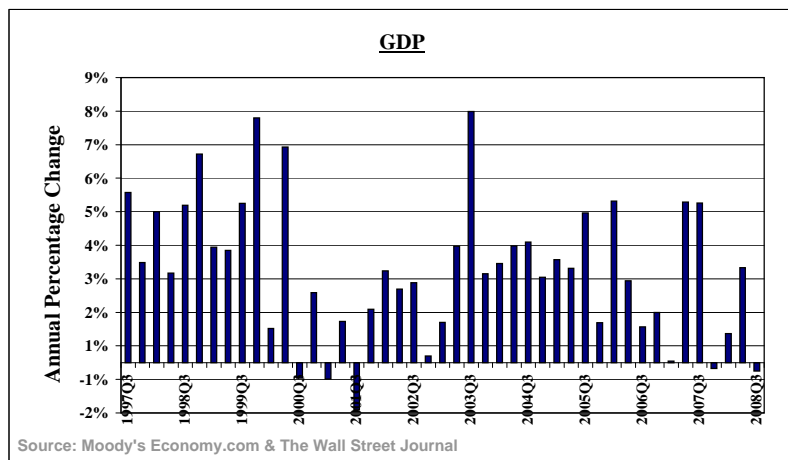
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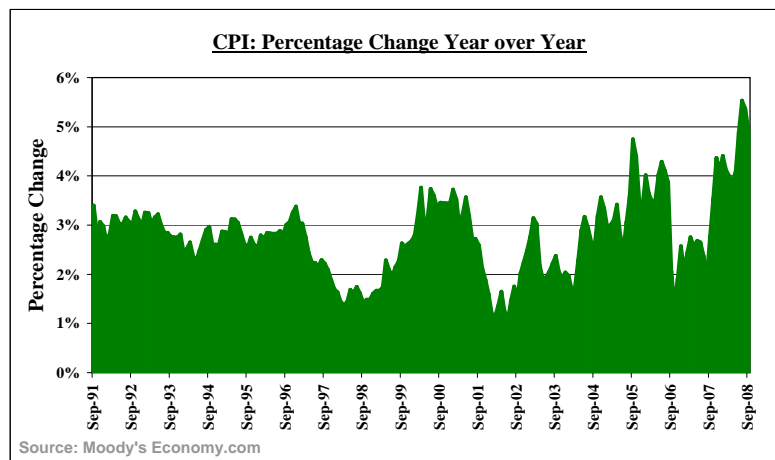
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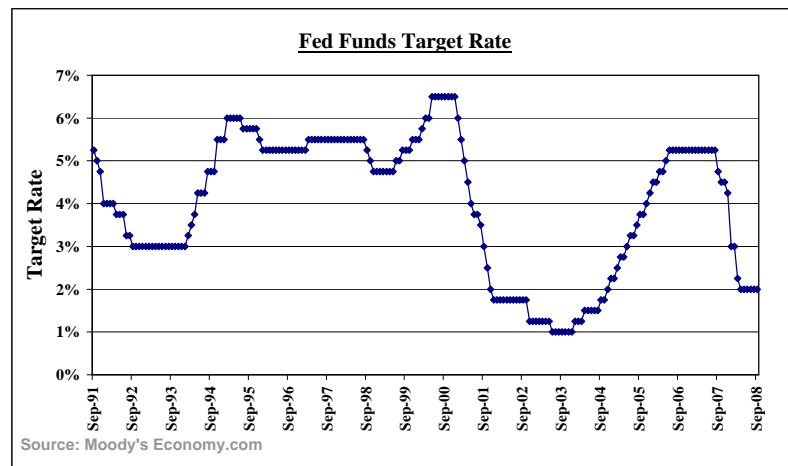
Macroeconomic Themes



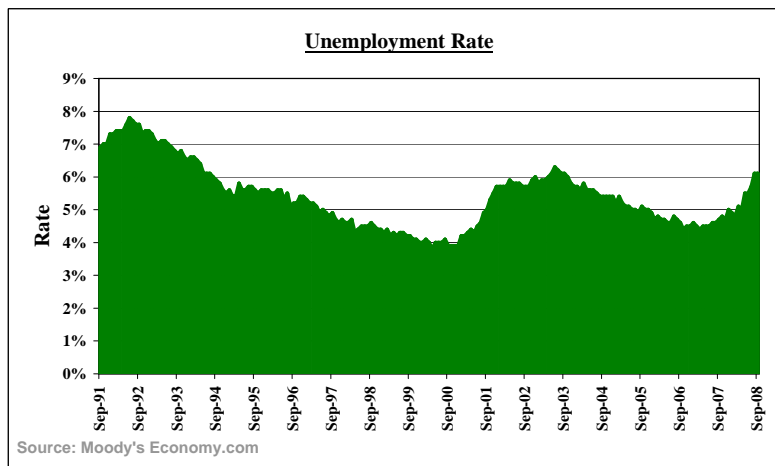
- Q3 2008 GDP declined at a 0.3% annualized rate, which was slightly better than the consensus expectation of a 0.5% drop. Over the past year, real GDP increased 0.8%. Both consumer spending and investments in business and housing fell from Q2, significantly impacting the decline in GDP. Outputs of goods and services fell for the first time since Q4 of 2007.



- Headline CPI in September remained flat compared to August, while the year-ago percentage change was 4.9% as of September 30, 2008. The core index, which excludes food and energy prices, increased 0.1% from the previous month and 2.5% on a year-over-year basis during Q3. The flat headline CPI number shows that consumer demand has fallen in all sectors in response to the current economic situation.



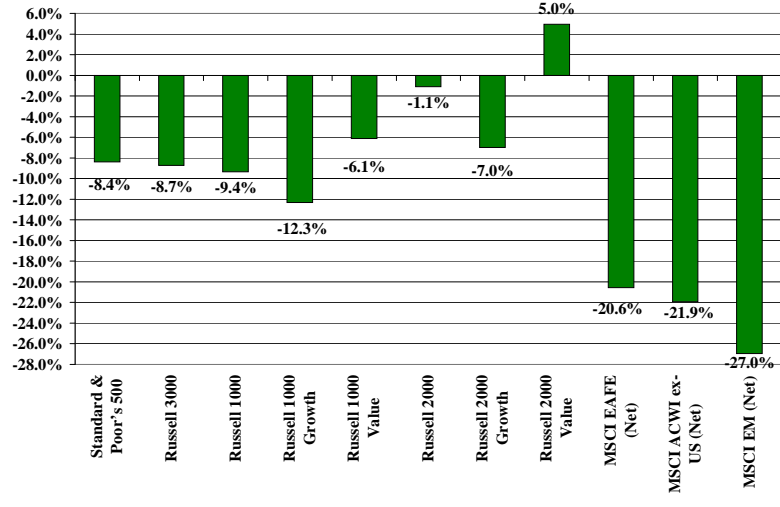
- In response to prospects for lower inflation, the deteriorating economy, and intensifying financial stress, the FOMC decided to keep the fed funds target rate unchanged at 2% at the August 5 and September 16 meeting. In the weeks preceding the meeting, the Treasury Department took over Fannie Mae and Freddie Mac, Lehman Brothers declared bankruptcy, Bank of America purchased Merrill Lynch, and the US government provided AIG an emergency loan. Therefore, going into the meeting, there were significant concerns that economic conditions would further deteriorate.



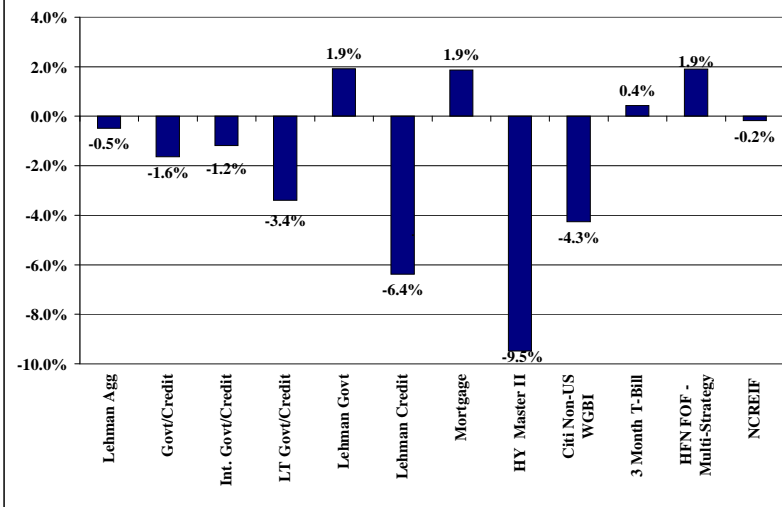
- The unemployment rate remained unchanged at 6.1% in September. Payroll employment fell for the ninth straight month by 159,000, with losses spread across all industries. Among service industries, the greatest losses were in retail (-40,000), temporary help (-24,000), financial activities (-17,000), leisure/hospitality (-17,000), and transportation/warehousing (-16,000). Education, healthcare, and mining were the only sectors that continued to expand throughout Q3.

Selected Equity and Fixed Income Index Rates of Return for Periods Ended September 30, 2008

Equity Index Returns: Quarter Ending 9/30/08



Fixed Income and Other Index Returns: Quarter Ending 9/30/08



Equity Indices

	Quarter	YTD	1-year	3-year	5-year	10-year
Standard & Poor's 500	-8.4%	-19.3	-22.0	0.2	5.2	3.1
Russell 3000	-8.7%	-18.8	-21.5	0.3	5.7	3.8
Russell 1000	-9.4%	-19.5	-22.1	0.1	5.5	3.5
Russell 1000 Growth	-12.3%	-20.3	-20.9	0.0	3.7	0.6
Russell 1000 Value	-6.1%	-18.9	-23.6	0.1	7.1	5.6
Russell 2000	-1.1%	-10.4	-14.5	1.8	8.2	7.8
Russell 2000 Growth	-7.0%	-15.3	-17.1	1.5	6.6	4.7
Russell 2000 Value	5.0%	-5.4	-12.3	2.0	9.5	10.1
MSCI EAFE (Net)	-20.6%	-29.3	-30.5	1.1	9.7	5.0
MSCI ACWI ex-US (Net)	-21.9%	-29.9	-30.3	2.6	11.3	6.9*
MSCI EM (Net)	-27.0%	-35.5	-33.2	8.4	18.7	14.8*

*For 10-year performance, Gross returns are provided.

Fixed Income Indices

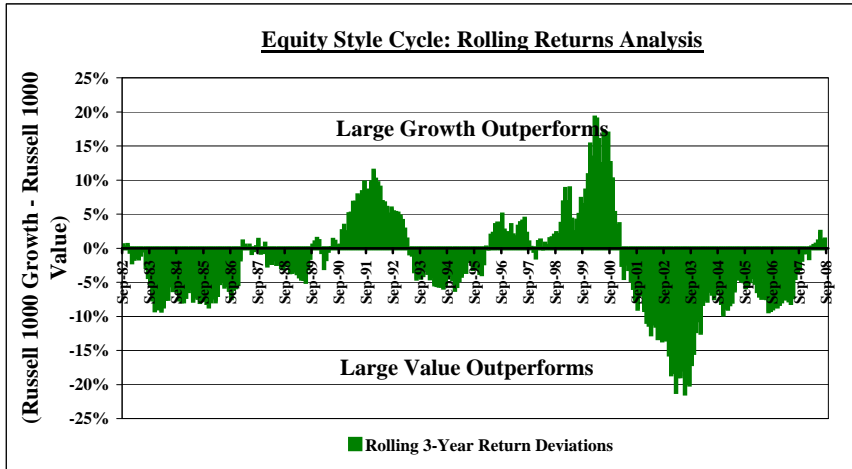
	Quarter	YTD	1-year	3-year	5-year	10-year
Lehman Aggregate	-0.5%	0.6	3.7	4.2	3.8	5.2
Lehman Govt/Credit	-1.6%	-0.7	2.4	3.6	3.3	5.0
Lehman Int. Govt/Credit	-1.2%	0.2	3.1	4.0	3.3	5.0
Lehman Long Govt/Credit	-3.4%	-4.1	-0.4	2.0	3.7	5.3
Lehman Govt	1.9%	4.0	7.9	5.6	4.3	5.3
Lehman Credit	-6.4%	-6.8	-4.8	0.9	1.9	4.5
Lehman Mortgage	1.9%	3.8	7.0	5.5	4.8	5.7
ML High Yield Master II	-9.5%	-10.6	-11.7	0.9	4.3	4.3
Citigroup Non-US WGBI (Un)	-4.3%	1.2	5.2	5.5	5.6	5.2
Citigroup 3 Month T-Bill	0.4%	1.5	2.6	4.0	3.1	3.4

Other Indices

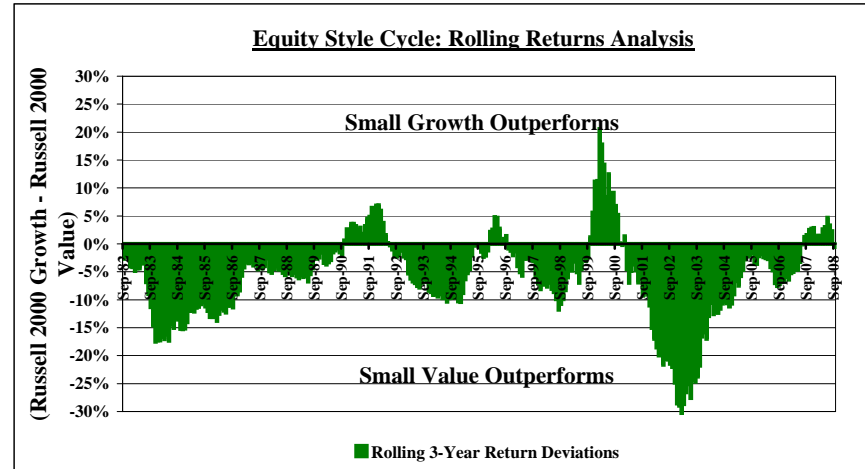
HFN HFOF Multi-Strategy*	1.9%	-2.0	0.2	7.9	7.4	8.6
NCREIF Property Index	-0.2%	2.0	5.3	13.2	14.2	11.8

*As of 6/30/2008

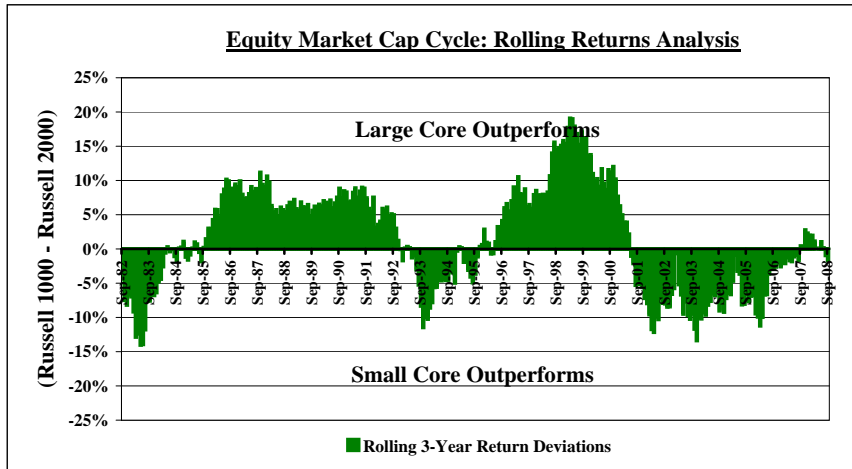
Equity Themes



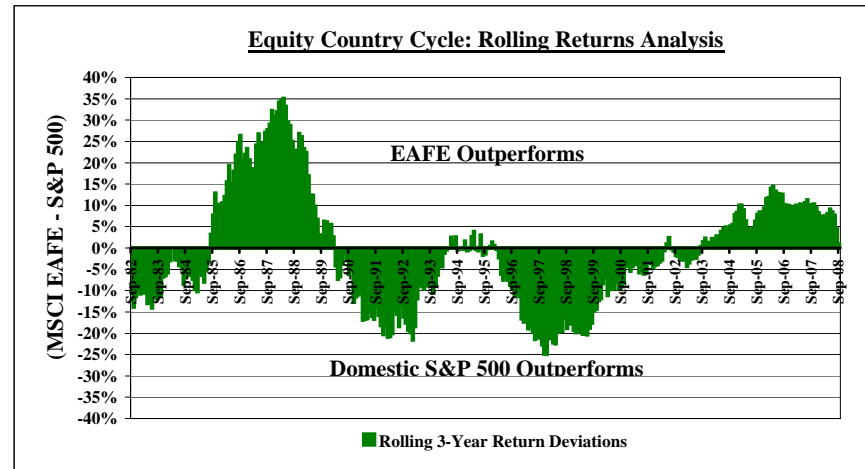
- Index Inception (i.e., January 1979): R1000V: **12.9%**; R1000G: **10.7%** (+215 bps)
- After 7 consecutive calendar years of outperformance by the R1000V relative to the R1000G, the R1000G was ahead of the R1000V on a trailing 1-year (+270 bps) and flat on a trailing 3-year basis. Recent volatility in the equity asset class has resulted in sharp growth vs. value reversals in monthly 3-year rolling returns.



- Index Inception (i.e., January 1979): R2000V: **14.3%**; R2000G: **9.3%** (+498 bps)
- After experiencing an "inflection point," whereby the R2000G outperformed the R2000V on a rolling 3-year basis for 13 months, recent performance and volatile swings have prevented a long-term trend from emerging.

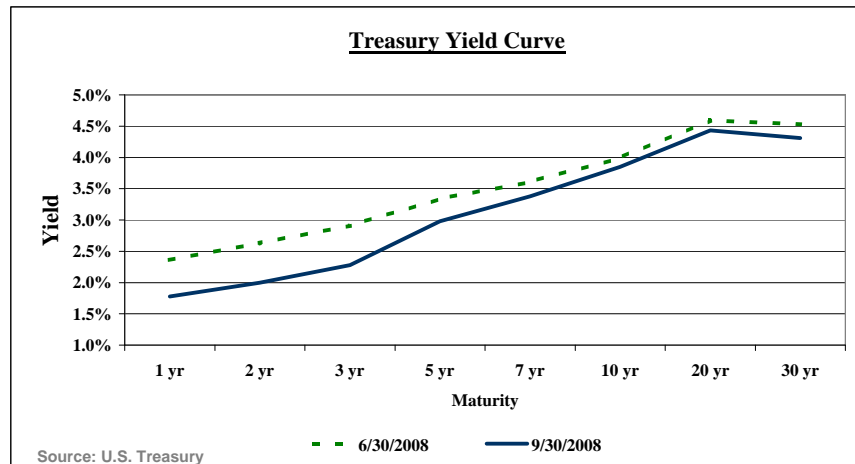


- Index Inception (i.e., January 1979): R1000: **12.0%**; R2000: **12.0%** (+01 bps)
- Similar to the "theme volatility" evidenced in the large and small growth vs. value equity themes, the same reversals are evident in the large vs. small capitalization theme. Over the long-term, there appears to be multiple short-term periods in which there are month by month reversals prior to the emergence of a long-term trend. These short-term periods tend to occur in and around recessions within the domestic economy.

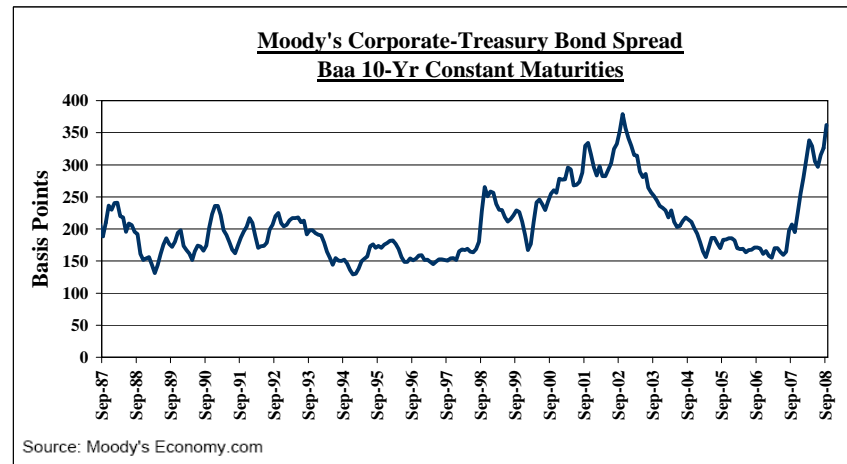


- Index Inception (i.e., January 1979): S&P 500: **12.5%**; EAFE: **10.7%** (+173 bps)
- The EAFE outperformed the S&P 500 in 7 of last 10 calendar years, including the last 6 in a row. For the trailing 1-year, the EAFE is behind of the S&P 500 by 854 bps.

Fixed Income Themes



- Inflation concerns forced the Fed to maintain its target for the fed funds rate at 2% at both of its meetings, dated August 5 and September 16.
- Towards the end of Q3, trading in some sectors of the market virtually halted and Treasury yields flailed wildly day-to-day with the 2-year T-note yield ranging 73 bps (for September) from a high of 2.37% on September 1 to a low of 1.64% on September 17. Treasury yields ended Q3 14-98 bps lower as compared to Q2 with the largest declines within short-term issues.



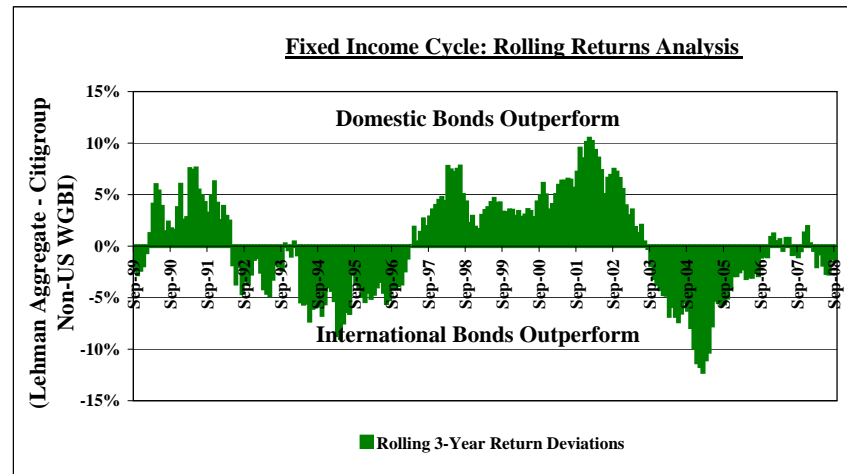
- Spreads widened during Q3 by 65 bps to 362 bps.
- Corporate defaults are on the rise, as corporate fundamentals continue to deteriorate. The Moody's twelve month speculative-grade default rate rose to 2.8% at the end of Q3 from 2.3% at the end of Q2.

OAS and Excess Returns (in bps)

	<u>Option Adjusted Spreads</u>			<u>Excess Returns vs U.S. Treasuries</u>		
	<u>6/30/2008</u>	<u>8/31/2008</u>	<u>9/30/2008</u>	<u>September</u>	<u>3rd Quarter</u>	<u>YTD</u>
U.S. Aggregate Index	129	151	176	-190	-263	-383
U.S. Agency (non-mortgage) Sector	67	87	115	-49	-83	-147
Mortgage and ABS Sectors						
Mortgage-Backed Securities	127	147	135	26	-5	-29
Asset-Backed Securities	353	451	584	-325	-569	-1072
CMBS	288	362	480	-504	-809	-1306
Credit Sectors						
U.S. Investment Grade	238	271	385	-718	-884	-1169
Industrial	226	250	325	-448	-574	-838
Utility	232	252	335	-546	-642	-849
Financial Institutions	315	377	613	-1345	-1616	-2060
U.S. High Yield	708	794	1020	-855	-1111	-1488

Source: Lehman Brothers

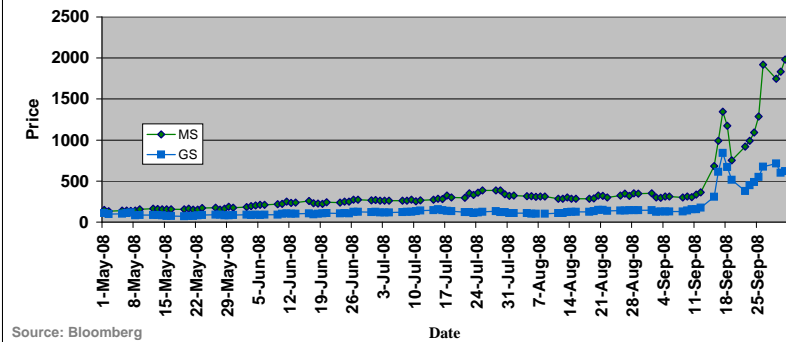
- Credit spreads exploded to new all-time highs in September. Yield spreads in the finance sector jumped 236 bps in September (613 bps vs. 377 bps in August) leading to 1,345 bps of underperformance compared to Treasuries for the month. Investment grade bonds lagged Treasuries by 718 bps on spread widening of 114 bps. The relative underperformance of several sectors for the month of September surpassed prior annual records on file. The MBS sector (all FNMA, FHLMC and GNMA guaranteed) was the lone sector that outperformed Treasuries (by 26 bps) on spread tightening of 12 bps (135 bps vs. 147 bps in August) for the month.



- International bonds underperformed domestic bonds during Q3 (-4.3% vs. -0.5%) for the second consecutive quarter.
- Despite outperforming international bonds during Q3, domestic bonds continue to trail international bonds across all annualized periods studied. In addition, international bonds outpaced domestic bonds by 1.5% and 1.4% over the 1- and 3-year rolling periods ended September 30.

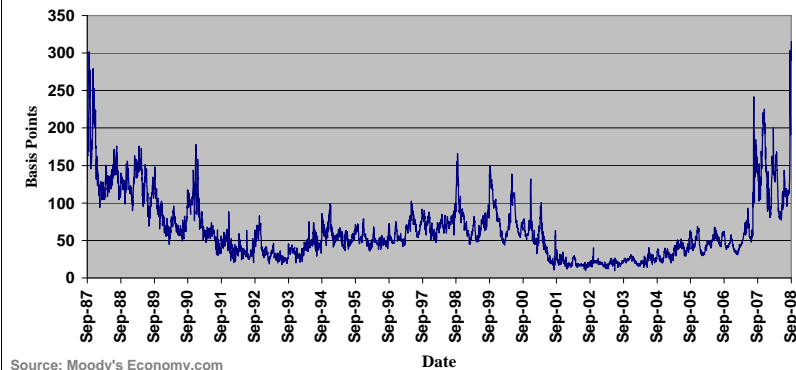
Themes of the Third Quarter

Morgan Stanley and Goldman Sachs 1 Year CDS Spread (May-Sept 2008)



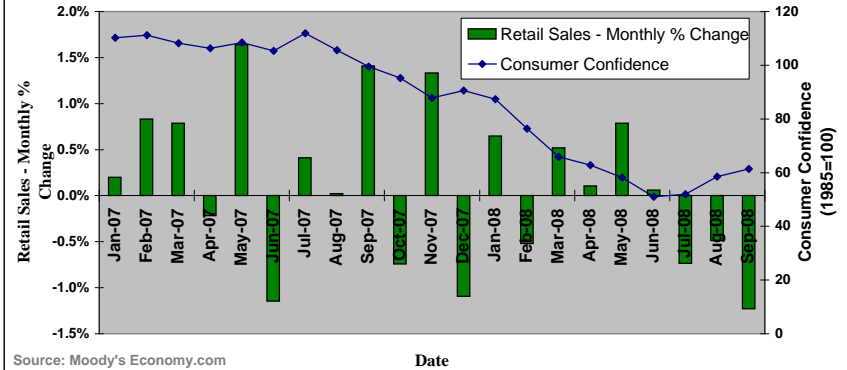
- The failure of Lehman Brothers and the rescue of AIG during Q3 2008 heightened concerns regarding counterparty risk, especially the possible risks associated with credit default swap contracts.
- Morgan Stanley and Goldman Sachs are notable examples of the significant CDS spread widening of financial institutions during Q3. The 1 Year CDS spreads for both of these institutions started to soar following the acquisition of Merrill Lynch by Bank of America and Lehman's bankruptcy. On September 21, both institutions filed to become commercial banks. While this alleviated concerns for a bit, uncertainty and risk aversion continued into October.

TED spread - 3-Month US T-Bill vs. 3-Month LIBOR



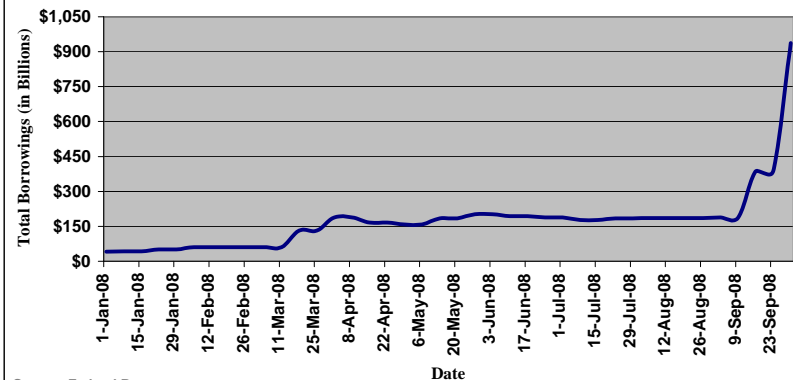
- Short-term credit markets have become "dysfunctional" as a lack of confidence among counterparties and insatiable demand for liquidity pushed lending rates higher. Restrictions within the availability of credit, caused by the lack of confidence, combined with higher borrowing costs, triggered additional strain on business and consumer balance sheets.
- During the span dating from April 2001 until August 2007, the TED Spread did not surpass 1.00%. After closing at 1.12%, on August 29, 2008, just one month before, the TED spread ended Q3 on September 30, 2008 at 3.15%, an all-time high, before surging over 100 bps higher in October.

Retail Sales - Monthly % Change vs. Monthly Consumer Confidence



- Retail sales fell by 1.2% in September, somewhat more than expected. Sales were negative for all three months of Q3 and six out of the last twelve months. The negative trend highlights that the \$106.7 billion in economic stimulus checks distributed between April and mid-July 2008 did not have a lasting effect on consumer spending.
- Consumer confidence inched up further in September from its 16-year low in June. However, because many of the responses were received before the recent financial market turmoil, the report will likely be subject to downward revision and the gains are unlikely to be sustained.

Total Borrowings of Depository Institutions from the Fed



- As the credit crisis intensified, financial institutions flocked to the Fed's various liquidity facilities.
- Borrowing from the Primary Dealer and other Broker Dealer Lending Facility went up from \$0 in August to \$140.9 billion at the end of Q3; borrowing from the Asset-backed Commercial Paper Money Market Fund Liquidity Facility, instituted during Q3, stood at \$140 billion; and Discount Window Credit of Depository Institutions ballooned from \$18.8 billion at the start of Q3 to \$394 billion at the end of Q3.
- The AIG loan had \$59.6 billion outstanding at the end of Q3, which was 70.1% of the total loan capacity.

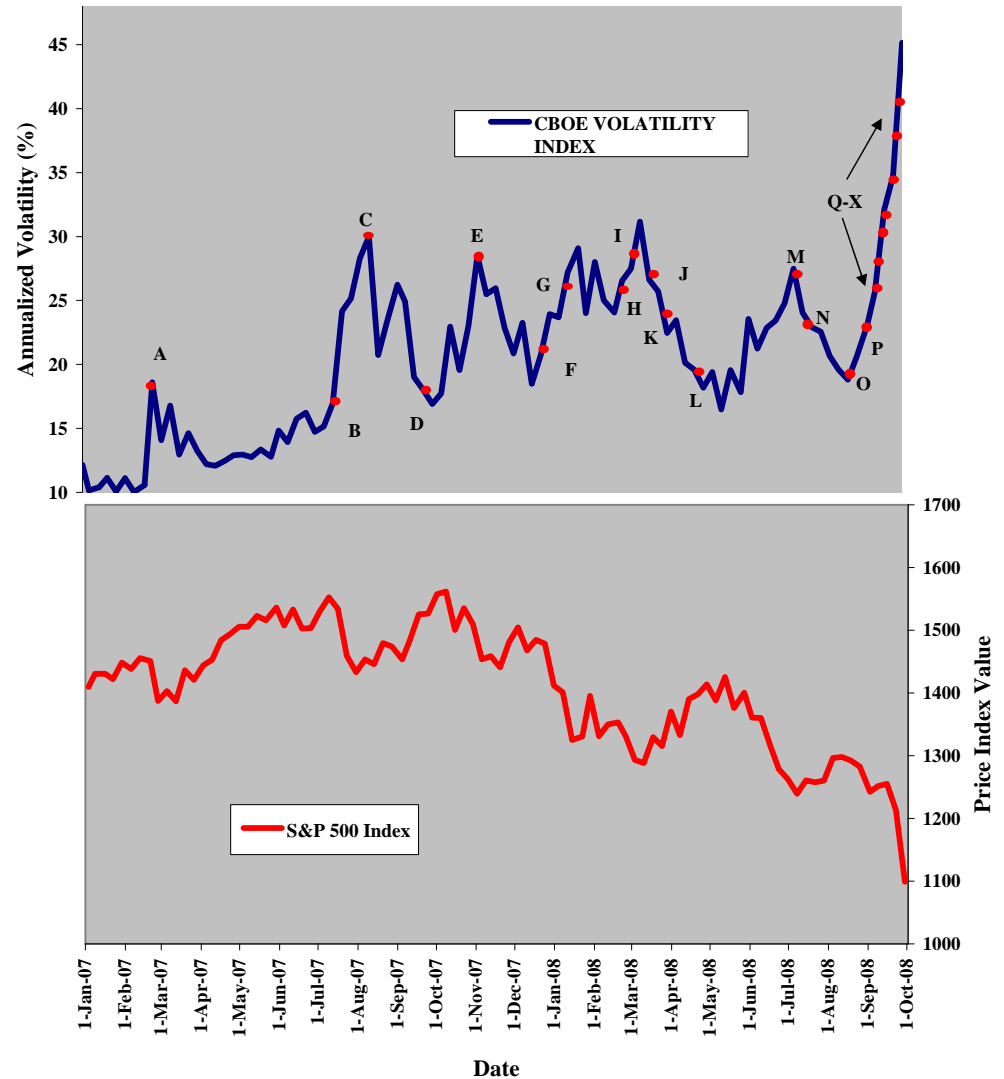
Timeline of the Financial Crisis

2007

- A. February-March:** Subprime mortgage spreads widen due to defaults in the subprime space.
- B. July:** Investment-grade corporate spreads widen; SEC eliminates uptick rule.
- C. August:** Quant liquidity crunch.
- D. October 11:** Dow Jones Industrial Average hits record high of 14,279.96.
- E. November:** Bank write-downs due to subprime mortgages (over \$15 billion).

2008

- F. January:** Banks announce substantial Q4 2007 losses.
- G. January 11:** Bank of America pays \$4 billion for Countrywide Financial.
- H. January 22:** Fed cuts rates by $\frac{3}{4}$ of a point, the biggest rate cut in nearly 24 years.
- I. February 13:** U.K. bank Northern Rock is nationalized.
- J. March:** Hedge funds Peloton Partners (U.K.) and Carlyle Capital (U.S.) fail.
- K. March 16:** Bear Stearns, U.S.'s fifth largest investment bank, collapses and is taken over by JPMorgan. Fed establishes lending facility.
- L. April-May:** Major credit losses and write downs continue.
- M. July:** Concerns over Fannie Mae and Freddie Mac collapsing; SEC bans naked shorting of 19 financial companies.
- N. July 22:** Washington Mutual reports \$3.3 billion loss for second quarter.
- O. August 31:** German Commerzbank AG takes over Dresdner Kleinwort investment bank.
- P. September 7:** Fannie Mae and Freddie Mac effectively nationalized by the U.S. Treasury, placing them into "conservatorship".
- Q. September 14-15:** Lehman Brothers files for bankruptcy, marking the largest bankruptcy in U.S. history. Bank of America agrees to buy Merrill Lynch. Central banks inject billions of dollars into money markets. American International Group (AIG) downgraded.
- R. September 16:** AIG share price falls due to news of valuation of subprime MBS. The U.S. Government agrees to provide an \$85 billion emergency loan to rescue insurer AIG. Barclays plc agrees to acquire portions of Lehman Brothers Holdings.
- S. September 17:** Halifax Bank of Scotland (HBOS) to merge with U.K. bank Lloyds TSB in an emergency rescue plan. Reserve Primary Fund (nation's oldest money market fund) falls below \$1 net asset value (NAV).
- T. September 18:** U.S. Federal Bank and other central banks inject hundreds of billions into global markets to help ease the crunch.
- U. September 19-21:** U.S. Treasury announces intention to sponsor a proposed \$700 billion "bailout" program designed to mitigate the financial crisis. Additional short selling bans implemented in Canada, Australia, and Taiwan. Goldman Sachs and Morgan Stanley become bank holding companies.
- V. September 23:** Warren Buffett's Berkshire Hathaway announces a \$5 billion investment in Goldman Sachs.
- W. September 25:** Washington Mutual fails after a \$16 billion loss in deposits, becoming the largest ever bank failure in the U.S.; JPMorgan announces plans to acquire Washington Mutual.
- X. September 29-30:** U.S. Congress rejects proposed \$700 billion plan to bail out the U.S. financial system. U.K.'s Bradford & Bingley nationalized. Santander to buy deposits for \$38.2 billion. German bank Hypo Real Estate Holdings AG fails. Citigroup, the world's largest bank, agrees to buy Wachovia. Belgian giant Fortis is bailed out by Netherlands, Belgium, and Luxembourg. Iceland nationalizes Glitnir, one of its 3 largest banks. Belgian Bank Dexia is bailed out by France, Belgium, and Luxembourg. Irish government guarantees safety of bonds, debts, and deposits.



EXECUTIVE SUMMARY

The Louisiana School Employees' Retirement System ended the third quarter of 2008 with a market value totaling \$1,357.5 million. The System's assets decreased by \$120.7 million during the three-month reporting period. The decrease consisted of \$108.2 million in investment losses combined with \$12.5 million in net withdrawals. As of September 30, 2008, 47% of the System's assets were allocated to domestic equities, 11% to foreign equities, 31% to fixed income, 7% to real estate, 3% to cash, and 1% 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.

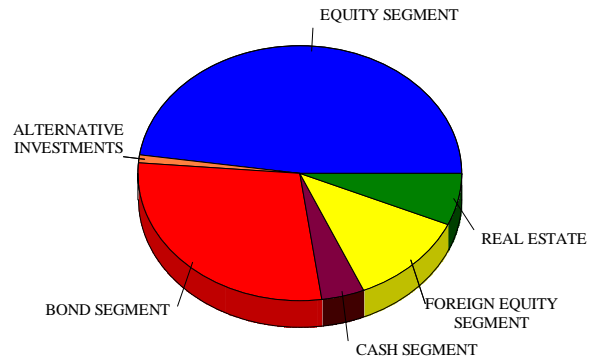
The Fisher small cap value portfolio was funded on August 13, 2008, with \$70.5 million in proceeds from the terminated Brandywine portfolio. Fisher will be benchmarked versus the Russell 2000 Value Index and next quarter's investment report will include their first full quarter of performance.

The Total Composite returned negative 7.4% during the third quarter of 2008, lagging the negative 7.0% return of the Policy Index. During the third quarter, international equity managers Walter Scott and Thornburg, fixed income manager Schroder, and real estate manager Prudential all exceeded their respective benchmarks. Large cap managers Ark, Analytic, AXA, C.S. McKee, small cap manager J&W Seligman, fixed income managers Orleans, Evergreen, and real estate manager Principal all lagged their respective benchmarks over the third quarter. Ark Asset has underperformed over all measured periods, including the since inception period of 4.75 years. The Consumer Price Index plus 330 basis points annually posted a 0.8% return during the third quarter of 2008. Dating back to the since inception period beginning with the first quarter of 1990, the annualized Retirement System return is 7.7%, matching the Policy Index return.

The System had \$2.4 million in securities lending losses during the third quarter of 2008.

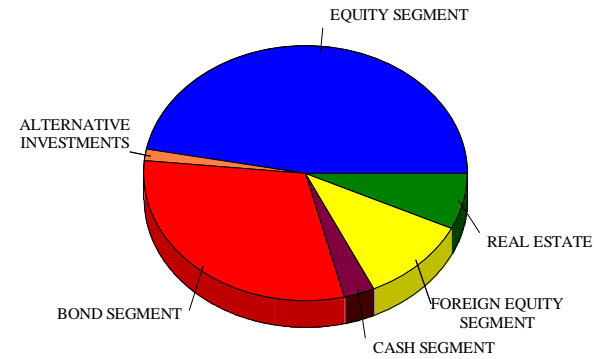
LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
ASSET ALLOCATION

TOTAL MARKET VALUE
AS OF JUNE 30, 2008
\$1,478,154,509



	VALUE	PERCENT
EQUITY SEGMENT	704,653,891	47.67
BOND SEGMENT	421,383,639	28.51
FOREIGN EQUITY SEGMENT	176,789,569	11.96
REAL ESTATE	97,136,854	6.57
CASH SEGMENT	63,170,870	4.27
ALTERNATIVE INVESTMENTS	15,019,686	1.02

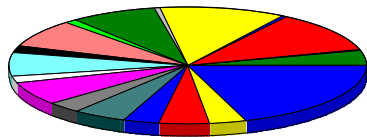
TOTAL MARKET VALUE
AS OF SEPTEMBER 30, 2008
\$1,357,457,396



	VALUE	PERCENT
EQUITY SEGMENT	637,259,124	46.95
BOND SEGMENT	413,838,629	30.49
FOREIGN EQUITY SEGMENT	148,551,075	10.94
REAL ESTATE	96,254,911	7.09
CASH SEGMENT	42,033,971	3.10
ALTERNATIVE INVESTMENTS	19,519,686	1.43

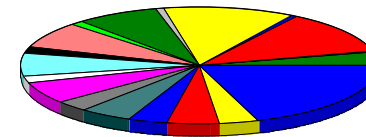
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
MANAGER ALLOCATION
TOTAL FUND**

TOTAL MARKET VALUE
ON JUNE 30, 2008
\$1,478,154,509



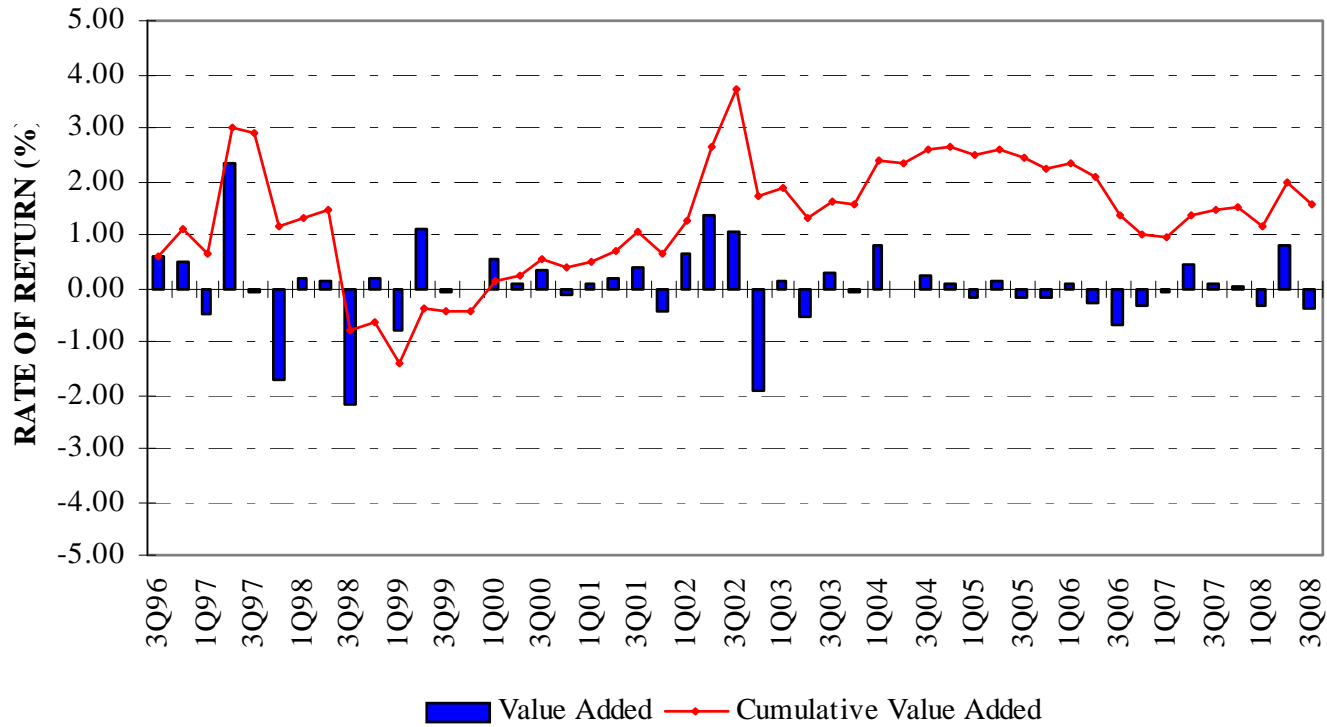
	VALUE	PERCENT
NORTHERN TRUST	290,680,978	19.67
SCHRODER	169,125,190	11.44
ORLEANS FI	168,403,118	11.39
WALTER SCOTT	115,420,351	7.81
EVERGREEN	112,967,794	7.64
C.S. MCKEE	95,828,921	6.48
ARK ASSET	95,034,717	6.43
J&W SELIGMAN	71,975,766	4.87
BRANDYWINE	68,053,117	4.60
THORNBURG	61,369,218	4.15
PRINCIPAL	49,283,150	3.33
PRUDENTIAL PRISA	47,853,704	3.24
RHUMBLINE	44,927,985	3.04
AXA ROSENBERG	28,408,700	1.92
ANALYTIC INVESTORS	27,292,397	1.85
CASH	16,509,717	1.12
HAMILTON LANE	7,796,310	0.53
PANTHEON VII	5,812,216	0.39
PANTHEON ASIA	1,411,160	0.10

TOTAL MARKET VALUE
ON SEPTEMBER 30, 2008
\$1,357,457,396

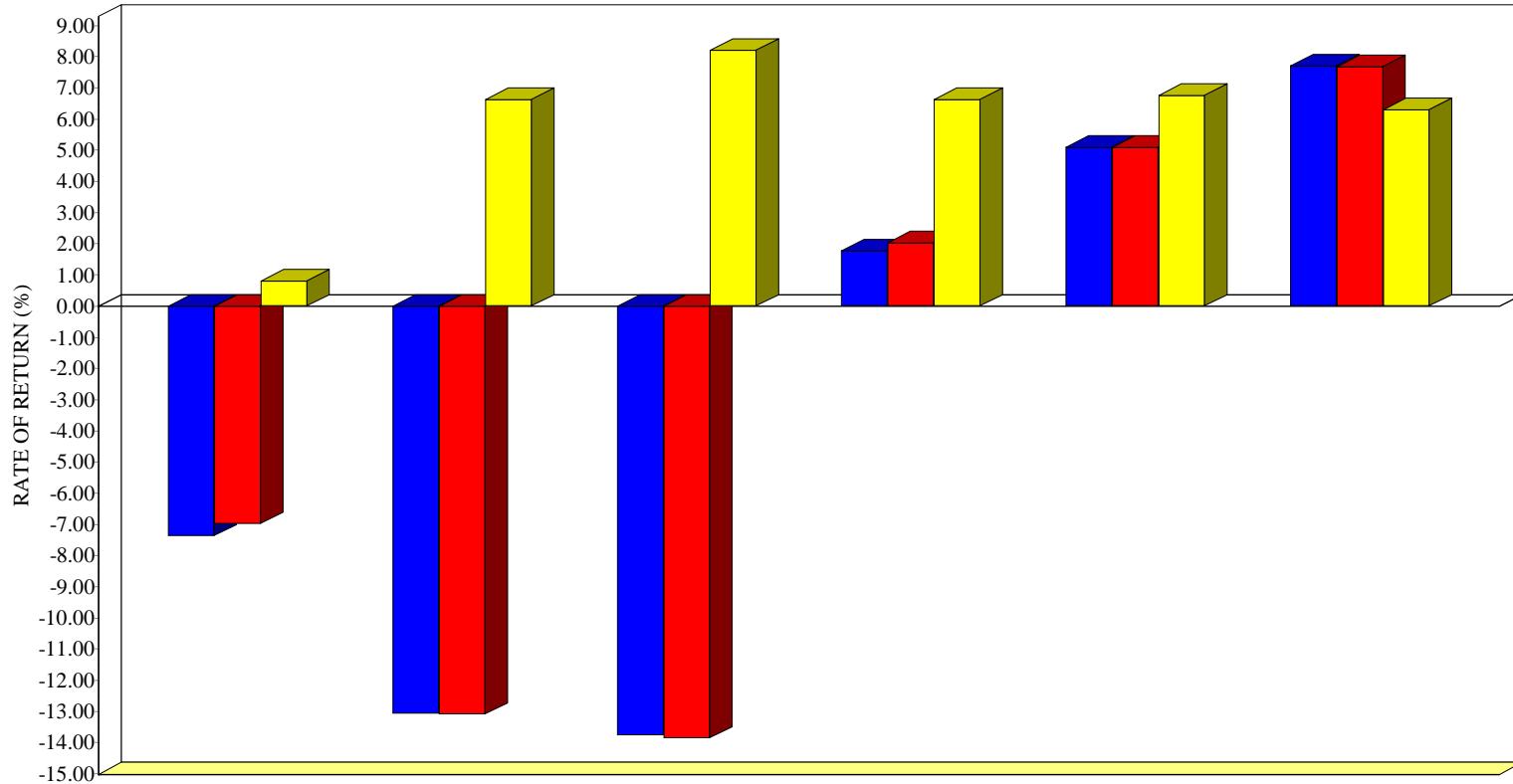


	VALUE	PERCENT
NORTHERN TRUST	266,336,509	19.62
ORLEANS FI	162,242,656	11.95
SCHRODER	160,684,650	11.84
EVERGREEN	101,947,104	7.51
WALTER SCOTT	97,984,372	7.22
C.S. MCKEE	86,056,245	6.34
ARK ASSET	81,570,786	6.01
J&W SELIGMAN	64,943,869	4.78
FISHER	64,608,728	4.76
THORNBURG	50,566,703	3.73
PRINCIPAL	48,210,118	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	10,196,310	0.75
PANTHEON VII	7,012,216	0.52
PANTHEON ASIA	2,311,160	0.17

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



LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 TOTAL COMPOSITE
 DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
COMPOSITE	-7.38	-13.08	-13.78	1.76	5.09	7.70
POLICY INDEX	-6.99	-13.10	-13.86	2.03	5.09	7.67
CPI + 330 BP	0.81	6.63	8.20	6.64	6.76	6.30

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
INVESTMENT PERFORMANCE
DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008

	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
TOTAL FUND						
ARK ASSET	-14.17	-23.74	-25.34	N/A	N/A	N/A
NORTHERN TRUST	-8.37	-19.28	-21.95	5.22	3.08	N/A
AXA ROSENBERG	-11.48	-19.85	N/A	N/A	N/A	N/A
ANALYTIC INVESTORS	-12.28	-20.78	N/A	N/A	N/A	N/A
C.S. MCKEE	-9.16	-18.05	-20.43	N/A	N/A	N/A
RHUMBLINE	-10.82	-14.29	-16.61	N/A	N/A	N/A
J&W SELIGMAN	-9.77	-20.77	-24.80	5.95	5.13	N/A
WALTER SCOTT	-15.11	-19.48	-18.13	11.41	8.76	N/A
THORNBURG	-17.60	-28.18	-28.16	N/A	N/A	N/A
PANTHEON VII	0.00	-8.02	-8.30	N/A	N/A	N/A
HAMILTON LANE	0.00	7.75	5.86	N/A	N/A	N/A
PANTHEON ASIA	0.00	N/A	N/A	N/A	N/A	N/A
ORLEANS FI	-1.02	0.57	3.14	3.88	5.24	N/A
SCHRODER	-0.28	0.80	3.56	4.30	5.75	N/A
EVERGREEN	-7.55	-10.24	-8.31	1.66	N/A	N/A
PRINCIPAL	-1.93	-1.61	-0.03	N/A	N/A	N/A
PRUDENTIAL PRISA	0.40	1.75	3.73	N/A	N/A	N/A
CASH	-18.28	-17.04	-16.02	-0.95	1.36	4.19
COMPOSITE	-7.38	-13.08	-13.78	5.09	5.12	7.70
POLICY INDEX	-6.99	-13.10	-13.86	5.09	4.84	7.67
CPI + 330 BP	0.81	6.63	8.20	6.76	6.28	6.30

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

TOTAL FUND BENCHMARK

09/30/2006 - Present

54% RUSSELL 3000
30% LB AGGREGATE BOND
10% MSCI EAFE
6% NCREIF

03/31/2006 - 09/30/2006

51% RUSSELL 3000
39% LB AGGREGATE BOND
7% MSCI EAFE
3% NCREIF

06/30/2004 - 03/31/2006

51% RUSSELL 3000
42% LB AGGREGATE BOND
7% MSCI EAFE

12/31/2001 - 06/30/2004

48% LB AGGREGATE BOND
45% RUSSELL 3000
7% MSCI EAFE

06/30/1997 - 12/31/2001

50% LB AGGREGATE BOND
45% RUSSELL 3000
5% MSCI EAFE

10/31/1995 - 06/30/1997

65% LB AGGREGATE BOND
35% RUSSELL 3000

12/31/1989 - 10/31/1995

60% LB AGGREGATE BOND
35% RUSSELL 3000
5% 90 DAY U.S. TREASURY BILL

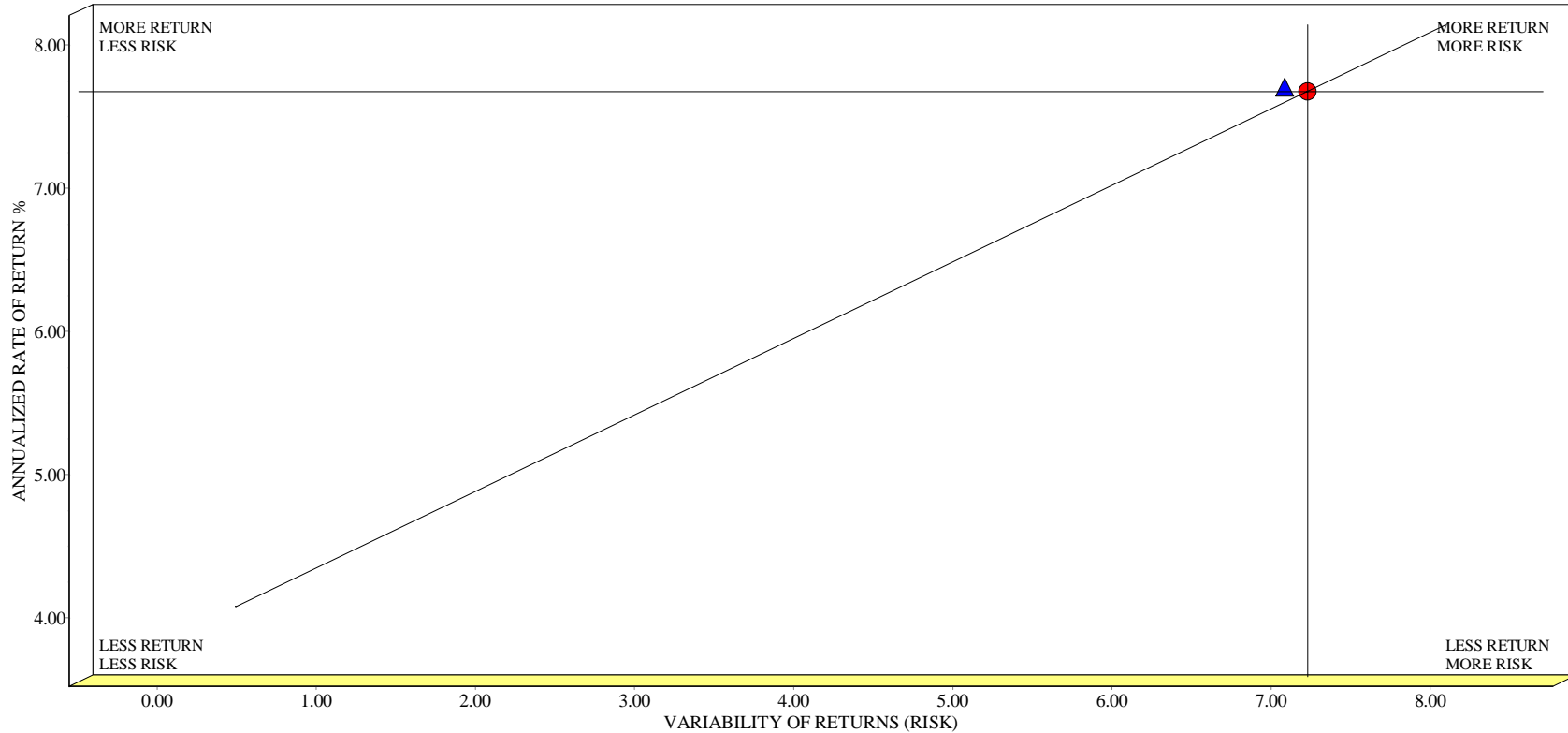
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
INVESTMENT EARNINGS
JUNE 30, 2008 THROUGH SEPTEMBER 30, 2008**

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	27,292,397	-86,298	0	-3,341,608	23,864,491	-3,341,608	-12.28
EQUITY SEGMENT	27,292,397	-86,298	0	-3,341,608	23,864,491	-3,341,608	-12.28
NORTHERN TRUST (INDEX FUND)	290,680,978	0	1,620,237	-25,964,706	266,336,509	-24,344,469	-8.37
EQUITY SEGMENT	286,843,834	2,313,835	1,600,502	-25,964,706	264,793,465	-24,364,204	-8.46
CASH SEGMENT	3,837,144	-2,313,835	19,735	0	1,543,044	19,735	0.55
ARK ASSET MANAGEMENT (LC GROWTH)	95,034,717	0	225,764	-13,689,695	81,570,786	-13,463,931	-14.17
EQUITY SEGMENT	91,603,631	-4,137,785	201,698	-13,689,695	73,977,849	-13,487,997	-15.07
CASH SEGMENT	3,431,086	4,137,785	24,066	0	7,592,937	24,066	0.67
PANTHEON ASIA	1,411,160	900,000	0	0	2,311,160	0	0.00
ALTERNATIVE INVESTMENTS	1,411,160	900,000	0	0	2,311,160	0	0.00
AXA ROSENBERG	28,408,700	0	0	-3,260,485	25,148,215	-3,260,485	-11.48
EQUITY SEGMENT	28,408,700	0	0	-3,260,485	25,148,215	-3,260,485	-11.48
BRANDYWINE (SC VALUE)	68,053,117	-72,460,881	159,972	4,247,792	N/A	4,407,764	N/A
EQUITY SEGMENT	66,167,317	-70,569,135	154,026	4,247,792	N/A	4,401,818	N/A
CASH SEGMENT	1,885,800	-1,891,746	5,946	0	N/A	5,946	N/A
IN-HOUSE ACCOUNT	16,509,717	1,093,415	488,734	-2,431,244	15,660,622	-1,942,510	-18.28
CASH SEGMENT	16,509,717	1,093,415	488,734	-2,431,244	15,660,622	-1,942,510	-18.28
C.S. MCKEE (LC VALUE)	95,828,921	-1,000,000	618,596	-9,391,272	86,056,245	-8,772,676	-9.16
EQUITY SEGMENT	90,512,035	2,346,164	590,840	-9,391,272	84,057,767	-8,800,432	-9.55
CASH SEGMENT	5,316,886	-3,346,164	27,756	0	1,998,478	27,756	0.65
FISHER INVESTMENTS	N/A	70,460,881	98,417	-5,950,570	64,608,728	-5,852,153	N/A
EQUITY SEGMENT	N/A	69,673,562	95,536	-5,950,570	63,818,528	-5,855,034	N/A
CASH SEGMENT	N/A	787,319	2,881	0	790,200	2,881	N/A
HAMILTON LANE	7,796,310	2,400,000	0	0	10,196,310	0	0.00
ALTERNATIVE INVESTMENTS	7,796,310	2,400,000	0	0	10,196,310	0	0.00
J&W SELIGMAN (SC GROWTH)	71,975,766	0	75,452	-7,107,349	64,943,869	-7,031,897	-9.77
EQUITY SEGMENT	68,897,992	-314,506	54,823	-7,107,349	61,530,960	-7,052,526	-10.29
CASH SEGMENT	3,077,774	314,506	20,629	0	3,412,909	20,629	0.61

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
INVESTMENT EARNINGS
JUNE 30, 2008 THROUGH SEPTEMBER 30, 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
ORLEANS CAPITAL MANAGEMENT	168,403,118	-4,500,000	2,544,961	-4,205,423	162,242,656	-1,660,462	-1.02
BOND SEGMENT	168,095,215	-5,215,131	2,533,360	-4,205,423	161,208,021	-1,672,063	-1.03
CASH SEGMENT	307,903	715,131	11,601	0	1,034,635	11,601	0.43
PRINCIPAL	49,283,150	0	0	-1,073,032	48,210,118	-1,073,032	-1.93
REAL ESTATE	49,283,150	0	0	-1,073,032	48,210,118	-1,073,032	-1.93
PRUDENTIAL PRISA	47,853,704	0	0	191,089	48,044,793	191,089	0.40
REAL ESTATE	47,853,704	0	0	191,089	48,044,793	191,089	0.40
PANTHEON VII	5,812,216	1,200,000	0	0	7,012,216	0	0.00
ALTERNATIVE INVESTMENTS	5,812,216	1,200,000	0	0	7,012,216	0	0.00
RHUMBLINE	44,927,985	0	0	-4,860,136	40,067,849	-4,860,136	-10.82
EQUITY SEGMENT	44,927,985	0	0	-4,860,136	40,067,849	-4,860,136	-10.82
EVERGREEN	112,967,794	-2,500,000	1,563,235	-10,083,925	101,947,104	-8,520,690	-7.55
BOND SEGMENT	102,891,898	-87,072	1,494,784	-10,083,925	94,215,685	-8,589,141	-8.16
CASH SEGMENT	10,075,896	-2,412,928	68,451	0	7,731,419	68,451	1.15
THORNBURG	61,369,218	0	218,801	-11,021,316	50,566,703	-10,802,515	-17.60
FOREIGN EQUITY SEGMENT	61,369,218	0	218,801	-11,021,316	50,566,703	-10,802,515	-17.60
SCHRODER INVESTMENT MANAGEMENT	169,125,190	-8,000,000	1,779,529	-2,220,069	160,684,650	-440,540	-0.28
BOND SEGMENT	150,396,526	8,642,435	1,596,031	-2,220,069	158,414,923	-624,038	-0.37
CASH SEGMENT	18,728,664	-16,642,435	183,498	0	2,269,727	183,498	0.55
WALTER SCOTT INTERNATIONAL	115,420,351	0	571,092	-18,007,071	97,984,372	-17,435,979	-15.11
FOREIGN EQUITY SEGMENT	115,420,351	0	571,092	-18,007,071	97,984,372	-17,435,979	-15.11
COMPOSITE	1,478,154,509	-12,492,883	9,964,790	-118,169,020	1,357,457,396	-108,204,230	-7.38
BOND SEGMENT	421,383,639	3,340,232	5,624,175	-16,509,417	413,838,629	-10,885,242	-2.55
EQUITY SEGMENT	704,653,891	-774,163	2,697,425	-69,318,029	637,259,124	-66,620,604	-9.40
ALTERNATIVE INVESTMENTS	15,019,686	4,500,000	0	0	19,519,686	0	0.00
FOREIGN EQUITY SEGMENT	176,789,569	0	789,893	-29,028,387	148,551,075	-28,238,494	-15.97
CASH SEGMENT	63,170,870	-19,558,952	853,297	-2,431,244	42,033,971	-1,577,947	-1.76
REAL ESTATE	97,136,854	0	0	-881,943	96,254,911	-881,943	-0.78

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 TOTAL COMPOSITE
 CAPITAL MARKET LINE
 DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.70	7.08	0.96	0.18	95.09
● POLICY INDEX	7.67	7.23	1.00	0.00	100.00

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

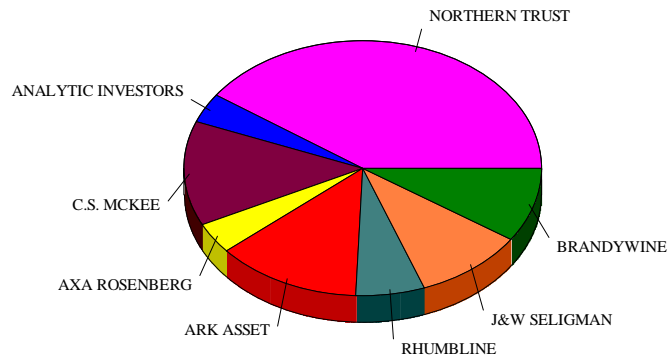
DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	EQUITY SEGMENT	PERCENT	ALTERNATIVE INVESTMENTS	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	-21,023,862	603,704,868	44.83	593,256,837	44.06	0	0.00	1,346,533,980	2.37	313.60
12/2003	-15,930,599	604,229,935	42.52	653,473,505	45.98	0	0.00	1,421,172,055	6.77	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	-12,492,883	413,838,629	30.49	637,259,124	46.95	19,519,686	1.44	1,357,457,396	-7.38	401.96

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
TOTAL COMPOSITE
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	FOREIGN EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	REAL ESTATE	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	-21,023,862	91,240,282	6.78	58,331,993	4.33	0	0.00	1,346,533,980	2.37	313.60
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	-12,492,883	148,551,075	10.94	42,033,971	3.10	96,254,911	7.09	1,357,457,396	-7.38	401.96

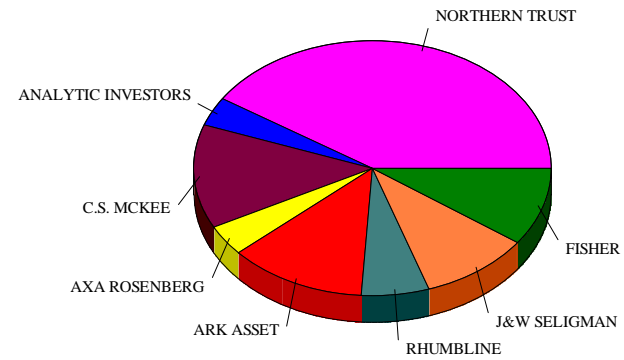
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
US EQUITY COMPOSITE
MANAGER ALLOCATION
TOTAL FUND**

TOTAL MARKET VALUE
ON JUNE 30, 2008
\$722,202,581



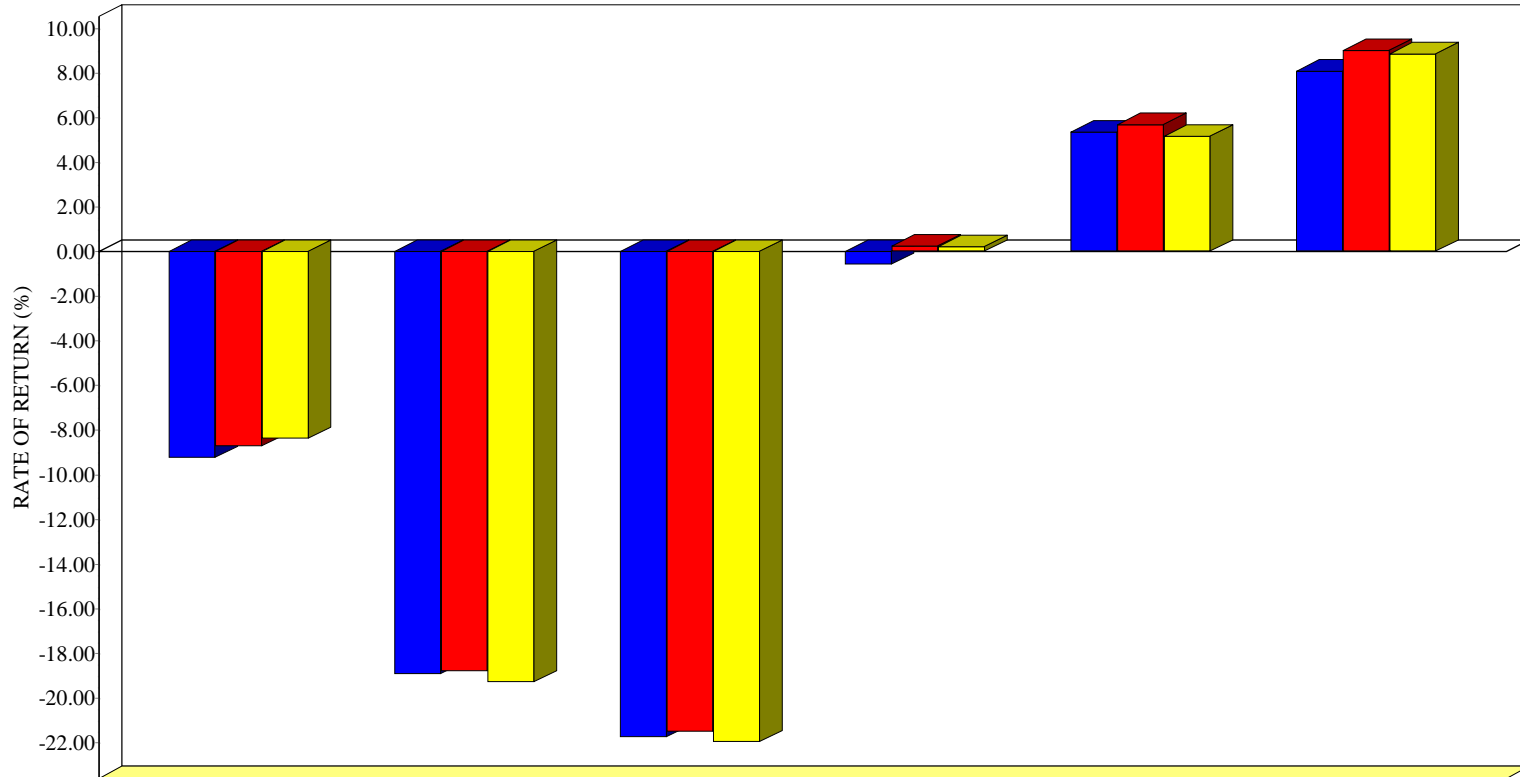
	VALUE	PERCENT
ANALYTIC INVESTORS	27,292,397	3.78
ARK ASSET	95,034,717	13.16
AXA ROSENBERG	28,408,700	3.93
BRANDYWINE	68,053,117	9.42
C.S. MCKEE	95,828,921	13.27
J&W SELIGMAN	71,975,766	9.97
NORTHERN TRUST	290,680,978	40.25
RHUMBLINE	44,927,985	6.22

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



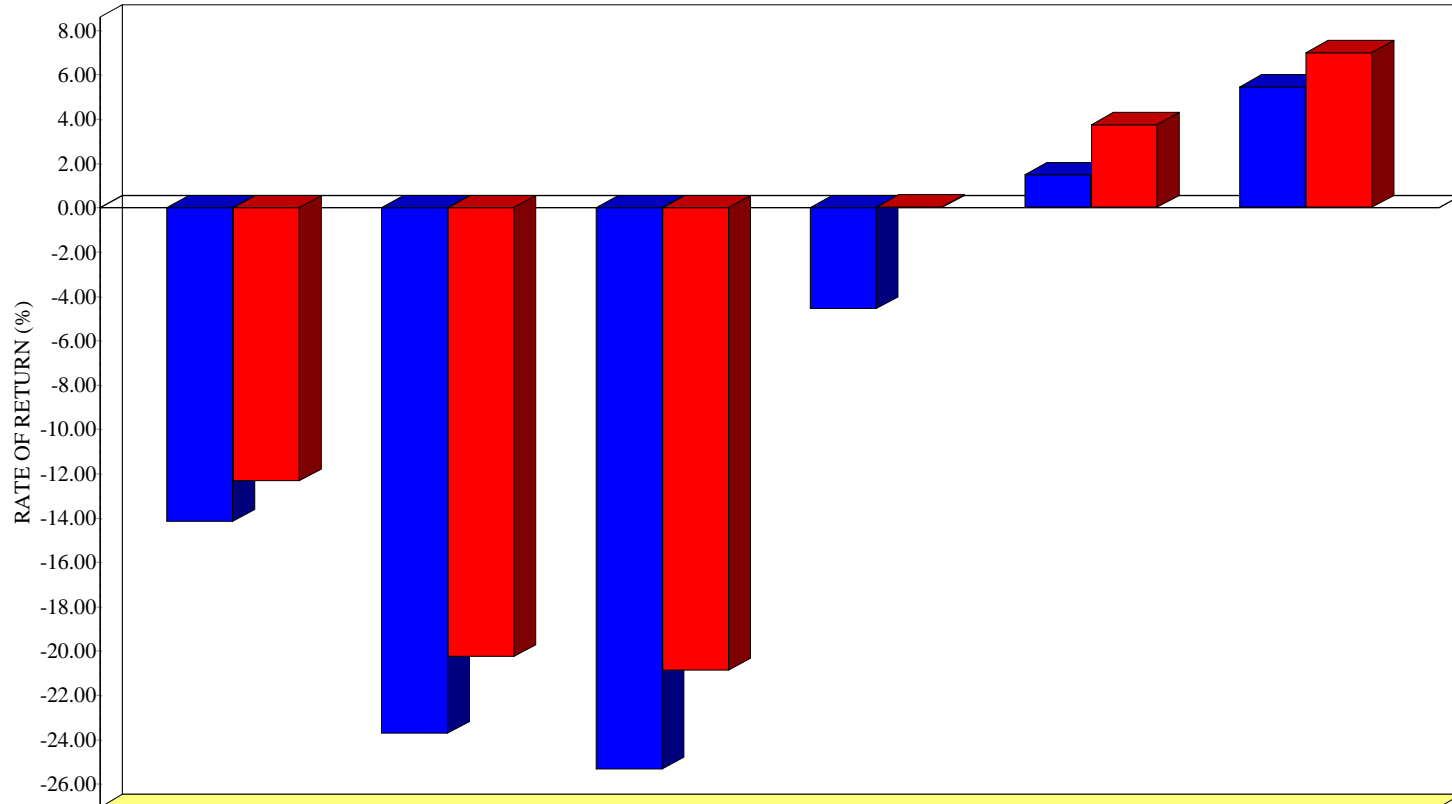
	VALUE	PERCENT
ANALYTIC INVESTORS	23,864,491	3.66
ARK ASSET	81,570,786	12.50
AXA ROSENBERG	25,148,215	3.85
C.S. MCKEE	86,056,245	13.19
FISHER	64,608,728	9.90
J&W SELIGMAN	64,943,869	9.95
NORTHERN TRUST	266,336,509	40.81
RHUMBLINE	40,067,849	6.14

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 US EQUITY COMPOSITE
 DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008



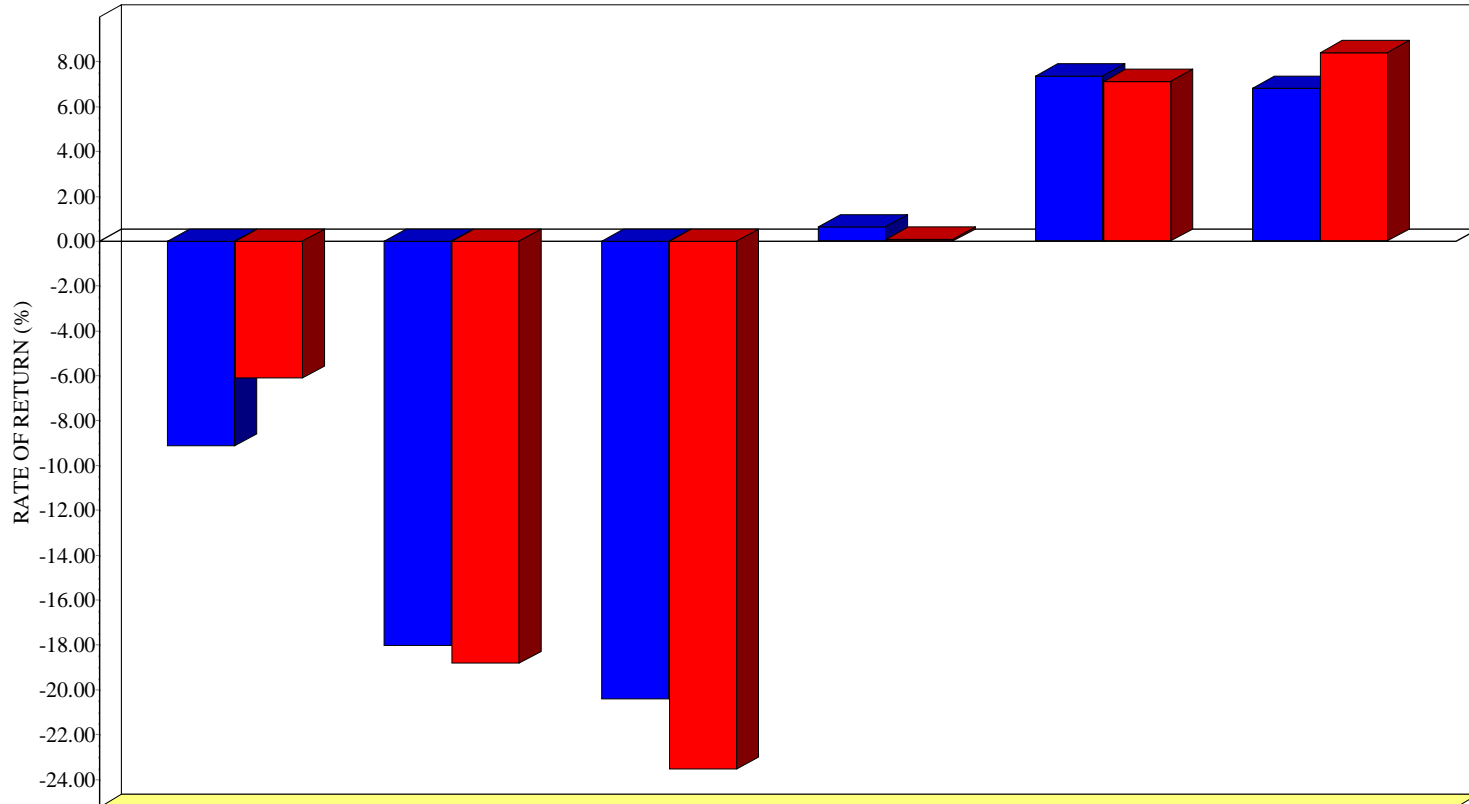
	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
EQ COMPOSITE	-9.24	-18.94	-21.76	-0.56	5.34	8.09
RUSSELL 3000	-8.73	-18.81	-21.52	0.26	5.70	9.01
S&P 500	-8.37	-19.29	-21.98	0.22	5.17	8.85

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



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
■ GROWTH COMPOSITE	-14.17	-23.74	-25.34	-4.57	1.49	5.46
■ RUSSELL 1000 GROWTH	-12.33	-20.27	-20.88	0.04	3.74	7.00

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
VALUE COMPOSITE
DECEMBER 31, 1995 THROUGH SEPTEMBER 30, 2008**

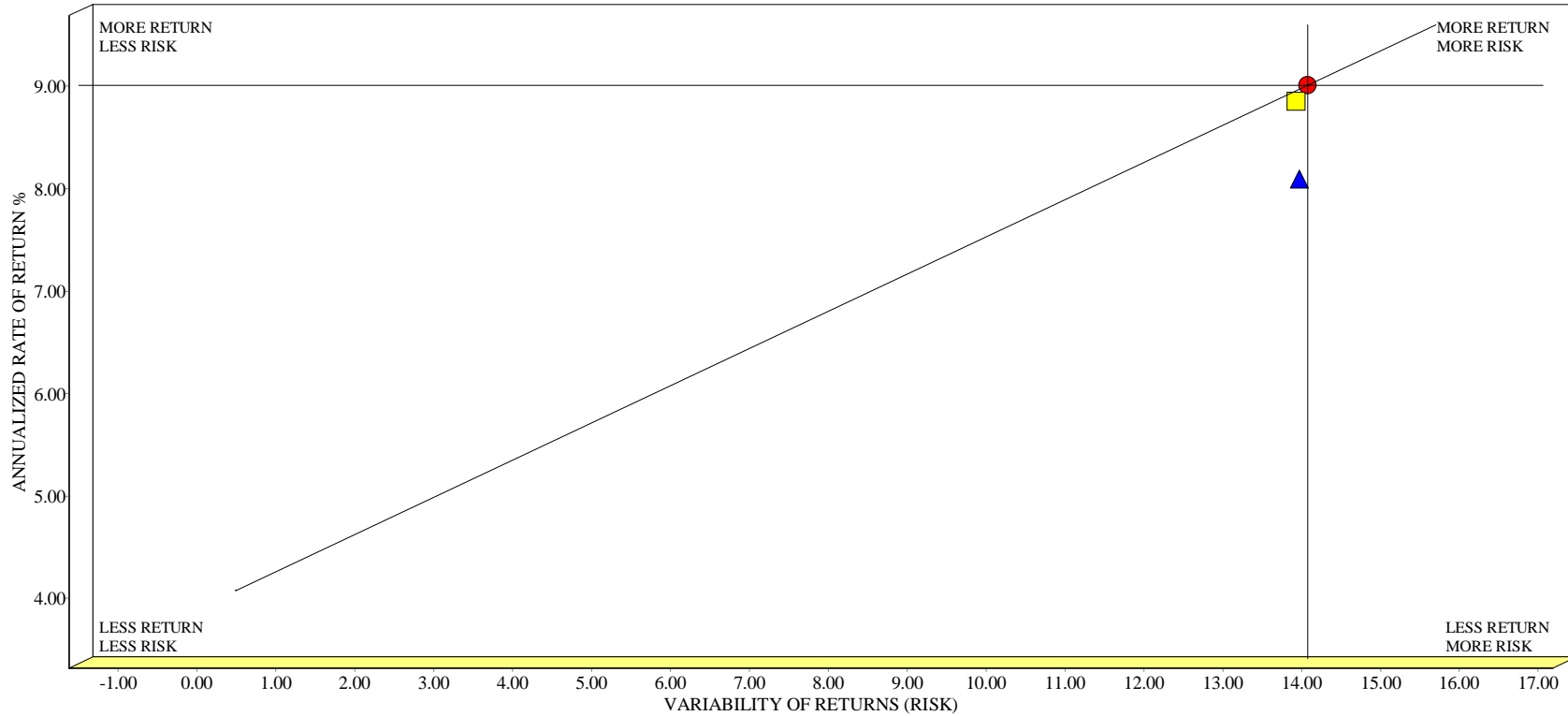


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
VALUE COMPOSITE	-9.16	-18.05	-20.43	0.63	7.35	6.81
RUSSELL 1000 VALUE	-6.11	-18.85	-23.56	0.09	7.11	8.40

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
US EQUITY COMPOSITE
INVESTMENT PERFORMANCE
DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008**

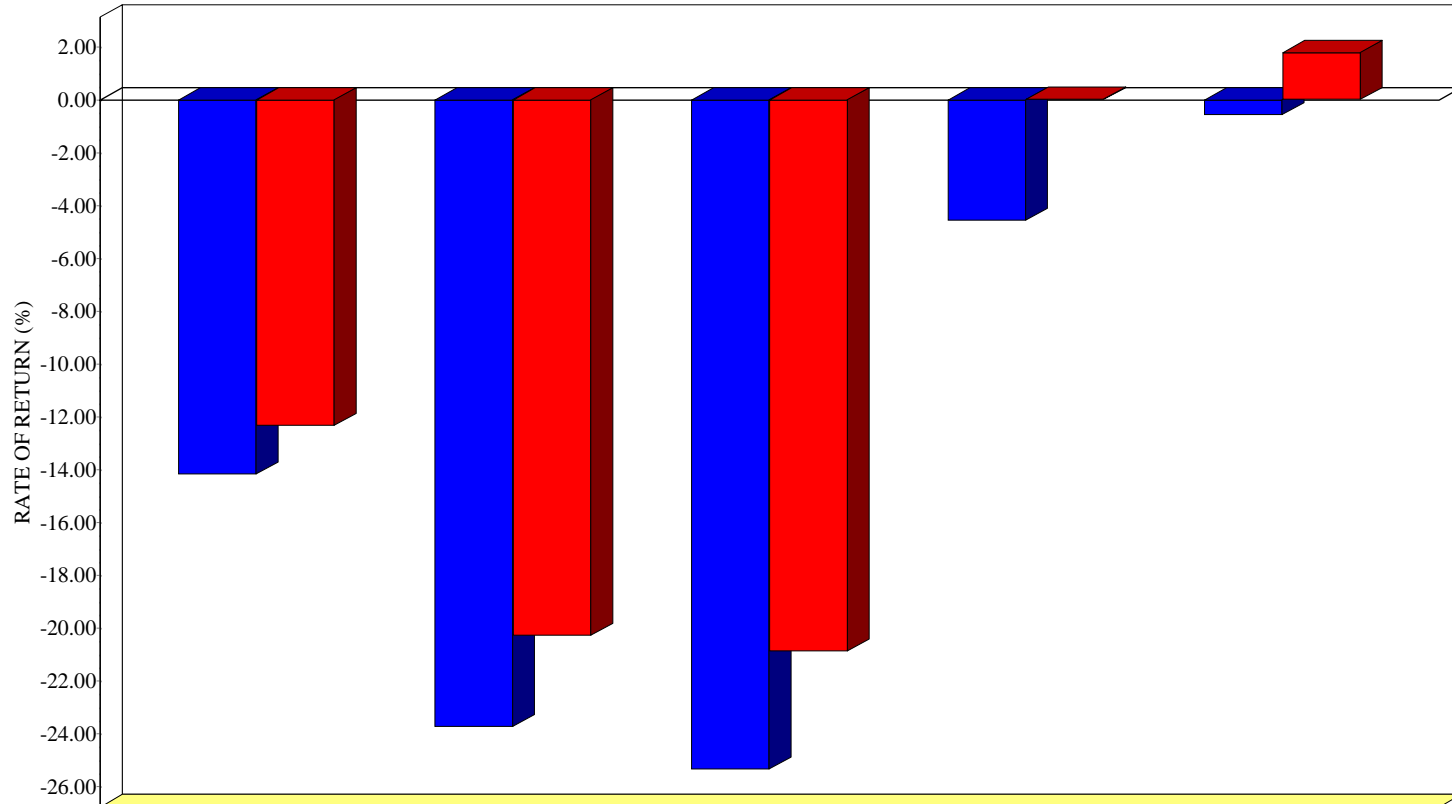
	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
TOTAL FUND							
ANALYTIC INVESTORS	-12.28	-20.78	N/A	N/A	N/A	N/A	N/A
AXA ROSENBERG	-11.48	-19.85	N/A	N/A	N/A	N/A	N/A
ARK ASSET MANAGEMENT (LC GROWTH)	-14.17	-23.74	-25.34	-4.57	N/A	N/A	N/A
NORTHERN TRUST (INDEX FUND)	-8.37	-19.28	-21.95	0.27	5.22	3.08	N/A
J&W SELIGMAN (SC GROWTH)	-9.77	-20.77	-24.80	1.50	5.95	5.13	N/A
C.S. MCKEE (LC VALUE)	-9.16	-18.05	-20.43	N/A	N/A	N/A	N/A
RHUMBLINE	-10.82	-14.29	-16.61	N/A	N/A	N/A	N/A
US EQUITY COMPOSITE	-9.24	-18.94	-21.76	-0.56	5.34	3.54	8.09
S&P 500	-8.37	-19.29	-21.98	0.22	5.17	3.06	8.85
RUSSELL 3000	-8.73	-18.81	-21.52	0.26	5.70	3.80	9.01
RUSSELL 1000	-9.35	-19.50	-22.10	0.13	5.49	3.49	9.03
RUSSELL 1000 GROWTH	-12.33	-20.27	-20.88	0.04	3.74	0.59	7.67
RUSSELL 1000 VALUE	-6.11	-18.85	-23.56	0.09	7.11	5.54	9.87
RUSSELL 2000 GROWTH	-6.99	-15.29	-17.07	1.46	6.64	4.67	6.34
RUSSELL 2000 VALUE	4.96	-5.37	-12.25	2.00	9.45	10.14	11.66
S&P MID CAP 400	-10.87	-14.34	-16.68	1.78	8.65	10.30	12.40

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 US EQUITY COMPOSITE
 CAPITAL MARKET LINE
 DECEMBER 31, 1989 THROUGH SEPTEMBER 30, 2008



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	8.09	13.97	0.98	-0.72	96.53
● RUSSELL 3000	9.01	14.07	1.00	0.00	100.00
■ S&P 500	8.85	13.93	1.00	0.00	100.00

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 ARK ASSET MANAGEMENT (LC GROWTH)
 DECEMBER 31, 2003 THROUGH SEPTEMBER 30, 2008

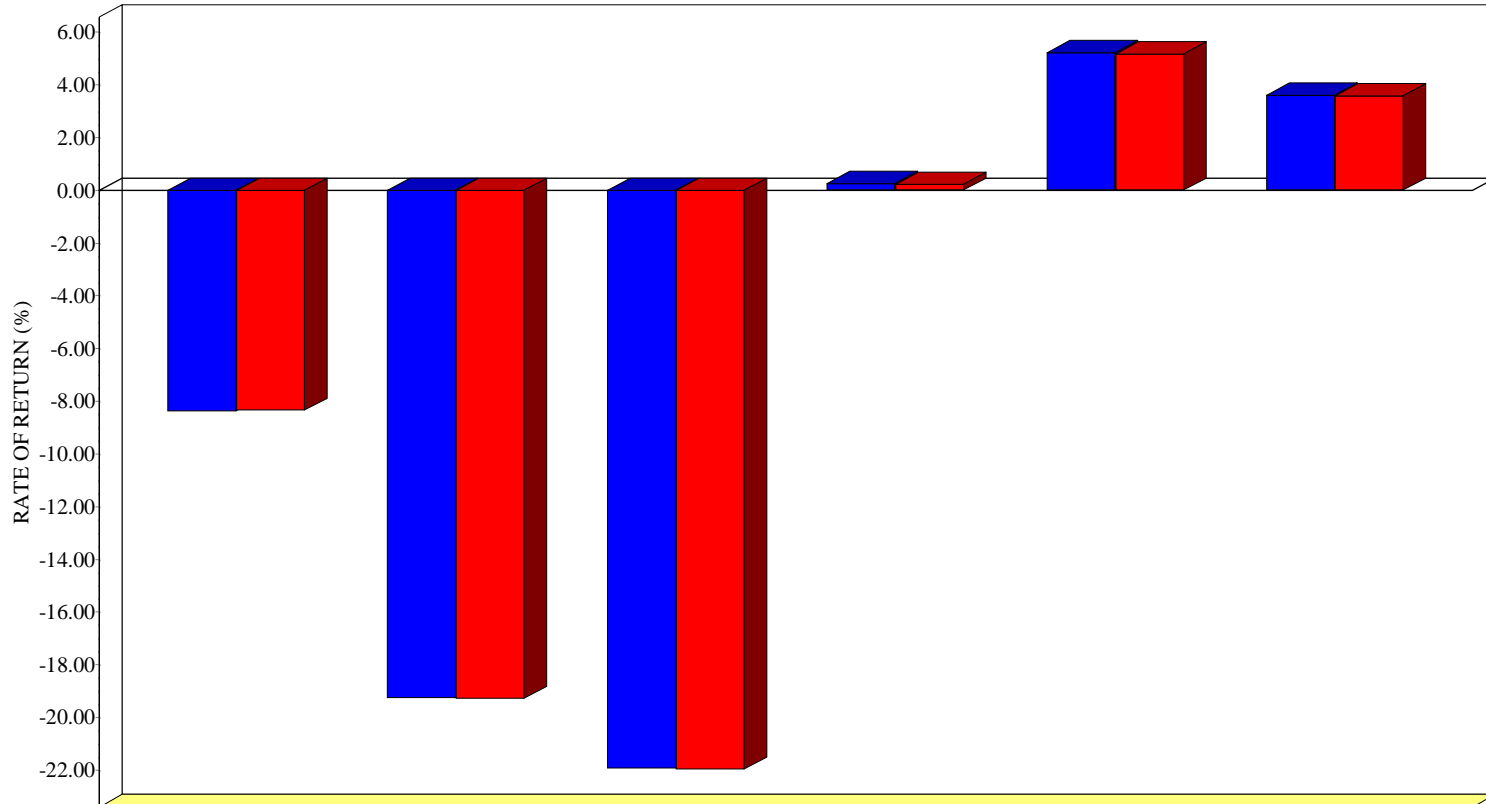


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	SINCE INCEPTION
ARK ASSET	-14.17	-23.74	-25.34	-4.57	-0.57
RUSSELL 1000 GROWTH	-12.33	-20.27	-20.88	0.04	1.79

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
ARK ASSET MANAGEMENT (LC GROWTH)
ALLOCATION OF ASSETS
DECEMBER 31, 2003 THROUGH SEPTEMBER 30, 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	N/A	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

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

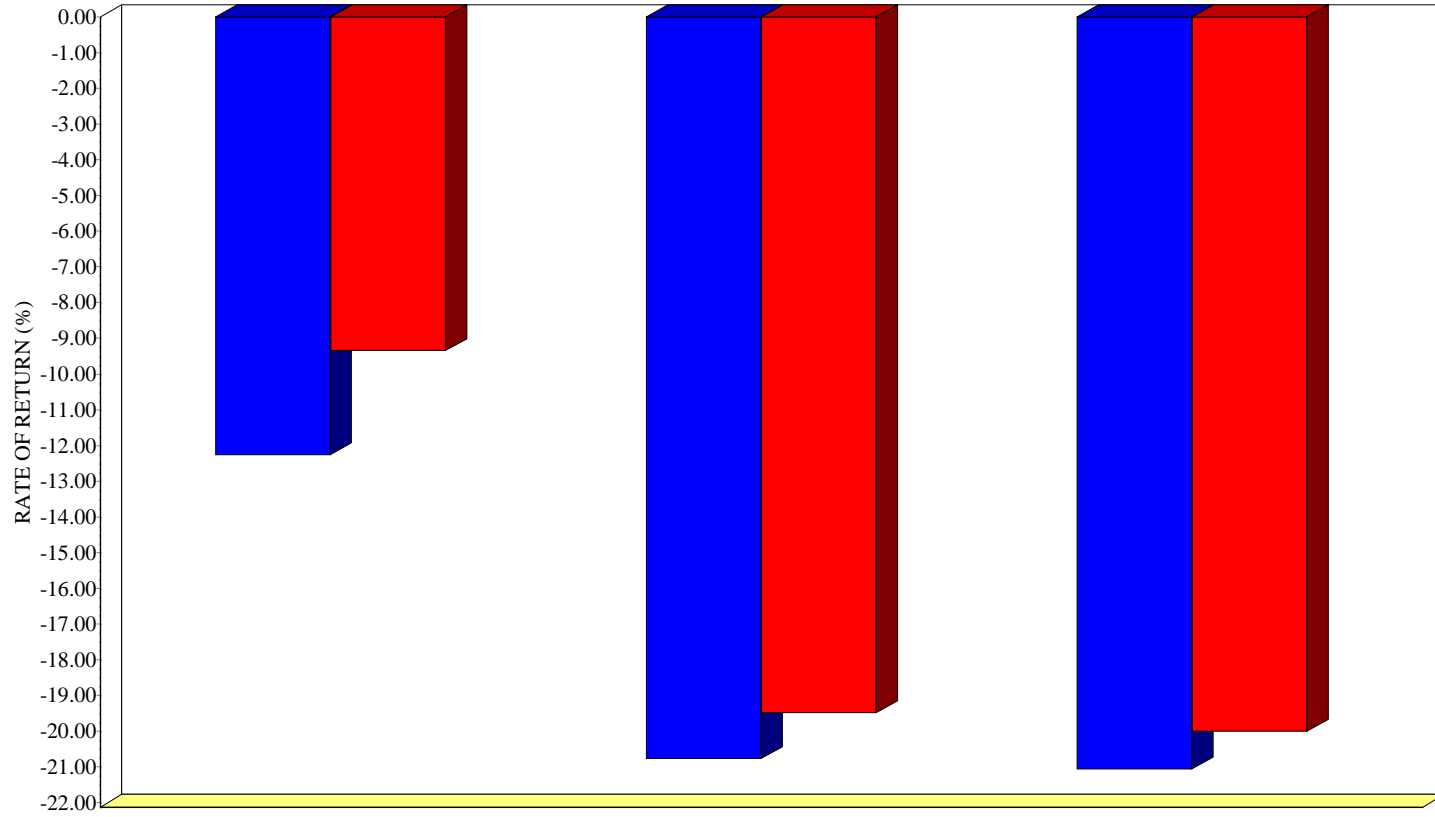


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
NORTHERN TRUST	-8.37	-19.28	-21.95	0.27	5.22	3.62
S&P 500	-8.37	-19.29	-21.98	0.22	5.17	3.59

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
NORTHERN TRUST (INDEX FUND)
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	-20,000,000	233,565,199	99.64	841,294	0.36	234,406,493	2.64	114.18
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

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

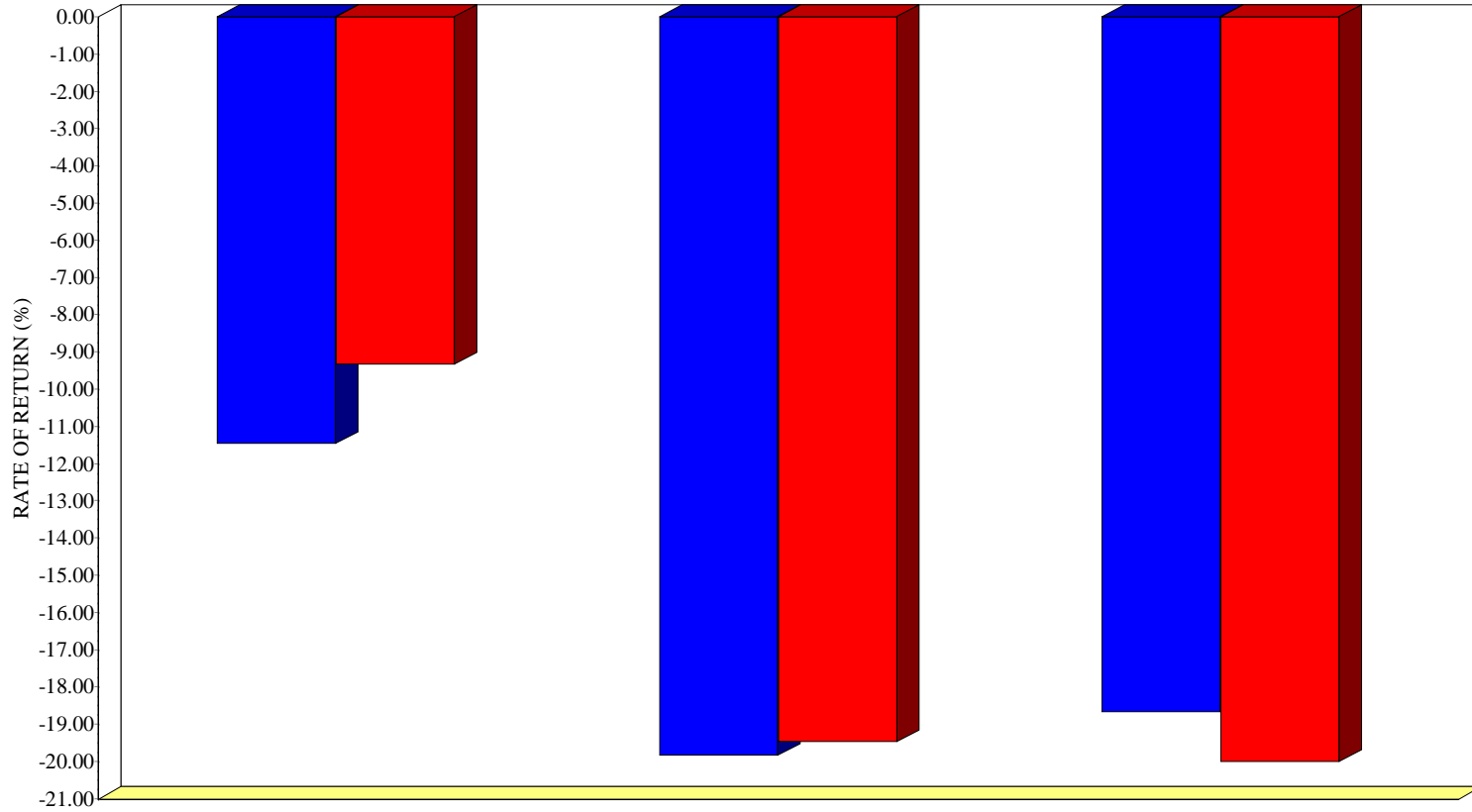


	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
ANALYTIC INVESTORS	-12.28	-20.78	-21.08
RUSSELL 1000	-9.35	-19.50	-20.02

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

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

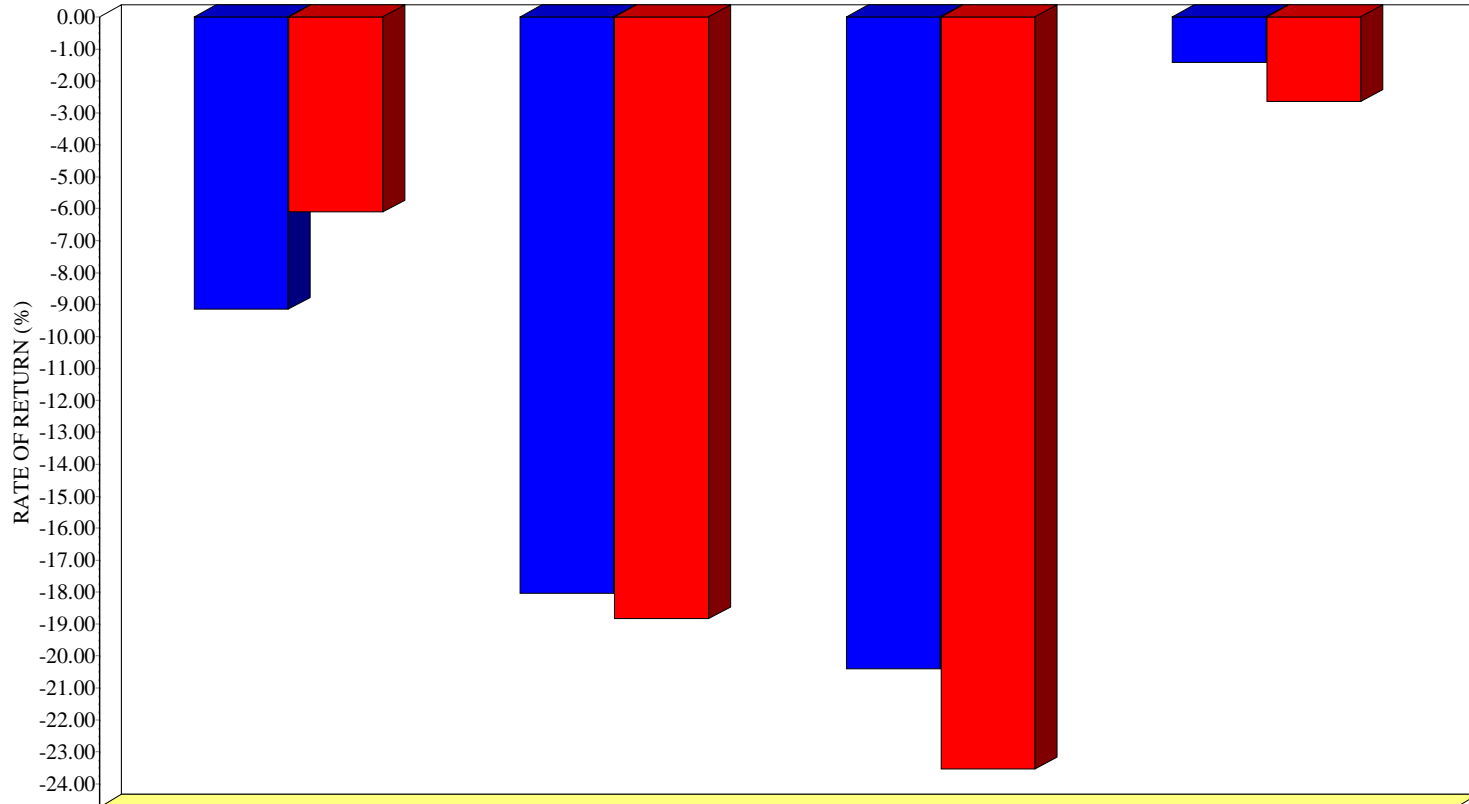


	LATEST QUARTER	CALENDAR YTD	SINCE INCEPTION
AXA ROSENBERG	-11.48	-19.85	-18.68
RUSSELL 1000	-9.35	-19.50	-20.02

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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 C.S. MCKEE (LC VALUE)
 MARCH 31, 2006 THROUGH SEPTEMBER 30, 2008

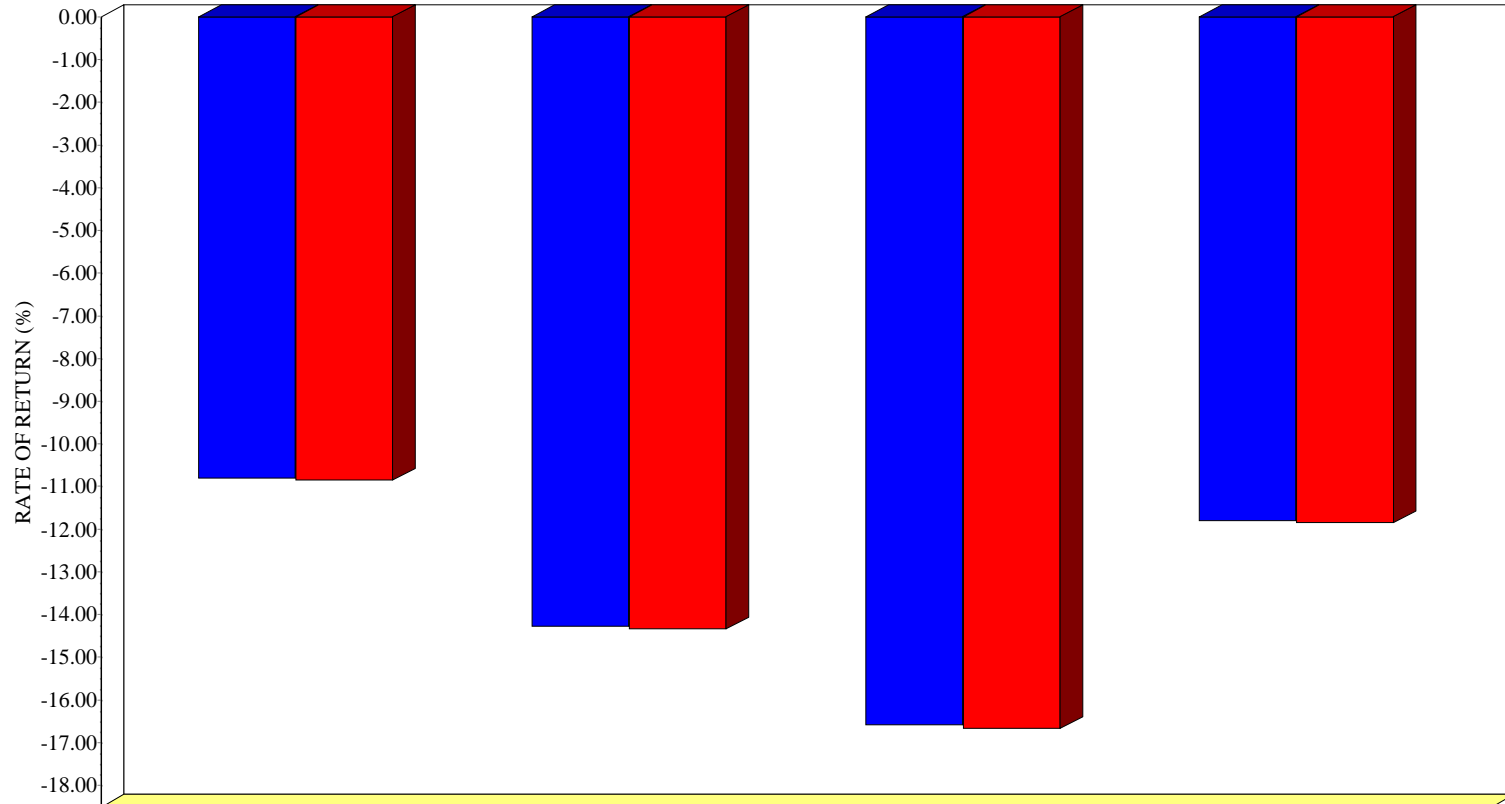


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
C.S. MCKEE	-9.16	-18.05	-20.43	-1.44
RUSSELL 1000 VALUE	-6.11	-18.85	-23.56	-2.66

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
C.S. MCKEE (LC VALUE)
ALLOCATION OF ASSETS
MARCH 31, 2006 THROUGH SEPTEMBER 30, 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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 RHUMLINE
 JULY 31, 2007 THROUGH SEPTEMBER 30, 2008

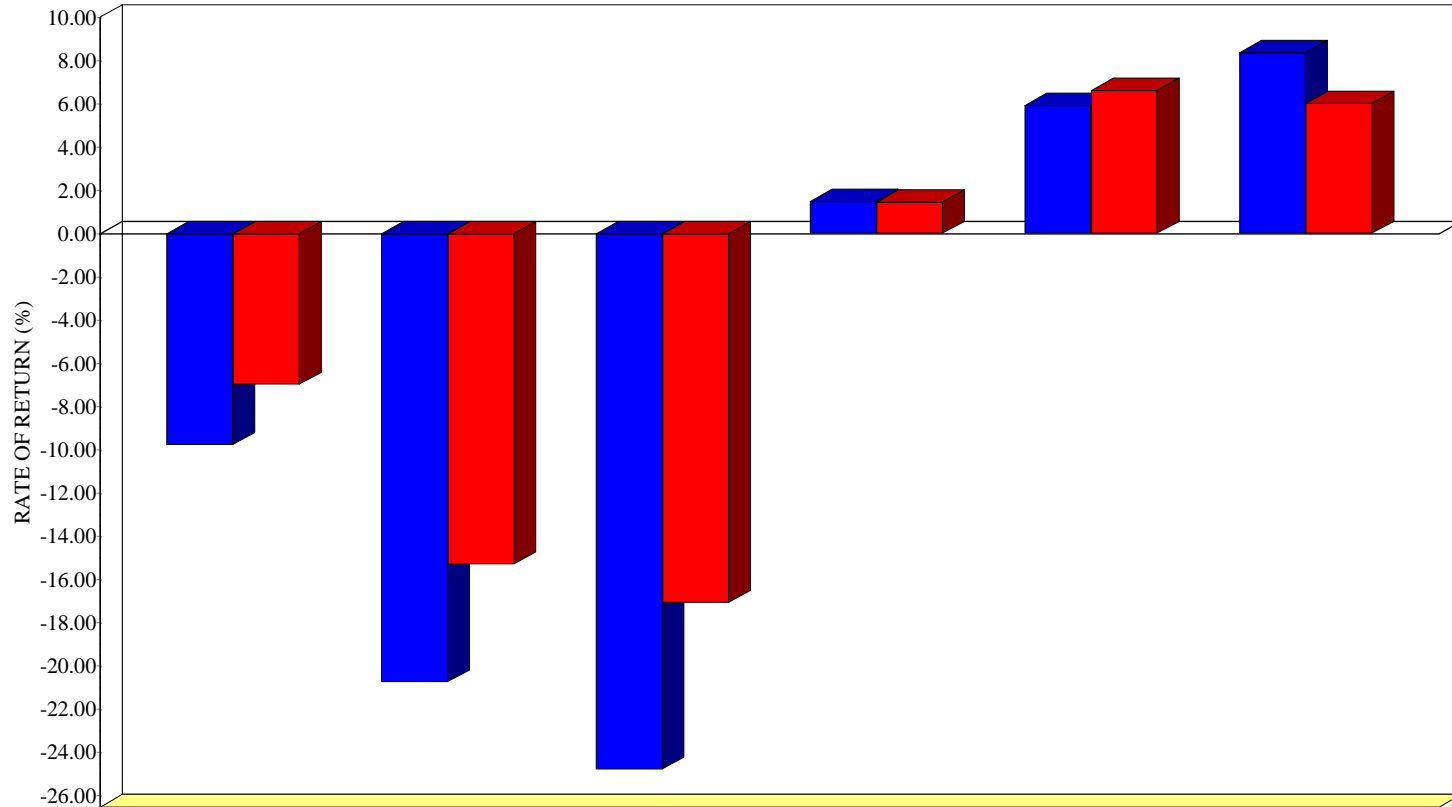


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
RHUMLINE	-10.82	-14.29	-16.61	-11.81
S&P MID CAP 400	-10.87	-14.34	-16.68	-11.85

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
RHUMBLINE
ALLOCATION OF ASSETS
JULY 31, 2007 THROUGH SEPTEMBER 30, 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

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



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
J&W SELIGMAN	-9.77	-20.77	-24.80	1.50	5.95	8.38
RUSSELL 2000 GROWTH	-6.99	-15.29	-17.07	1.46	6.64	6.05

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
J&W SELIGMAN (SC GROWTH)
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

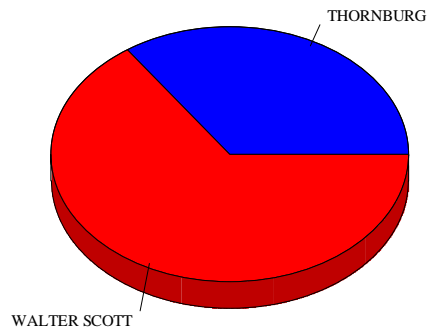
DATE	NET CONTRIBUTION	EQUITY SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	0	52,407,064	94.84	2,853,221	5.16	55,260,285	6.42	235.88
12/2003	0	61,527,478	97.07	1,859,303	2.93	63,386,781	14.71	270.57
3/2004	0	65,600,683	96.44	2,420,311	3.56	68,020,994	7.31	290.36
6/2004	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

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
US STOCK CHARACTERISTICS
AS OF SEPTEMBER 30, 2008**

	<u>S&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&W Seligman</u>	<u>Fisher</u>
P/E RATIO	15.1	14.5	18.3	15.1	14.2	11.2	12.3	18.4	19.9	14.1
P/B RATIO	3.4	2.8	3.2	3.4	2.8	1.8	2.0	2.0	2.7	1.8
DIVIDEND YIELD	2.4	1.9	1.2	2.4	1.7	2.4	2.8	1.6	0.5	1.4
MEDIAN MARKET VALUE	\$41,930	--	\$27,582	\$41,930	\$7,074	\$7,213	\$29,153	\$2,288	\$1,286	\$1,361
NUMBER OF STOCKS	500	1,778	51	500	233 Long/ 103 Short	164 Long/ 103 Short	45	402	95	82
TURNOVER RATIO (%)	1.4	--	65.2	1.4	63.5	54.6	12.5	8.0	38.6	15.0

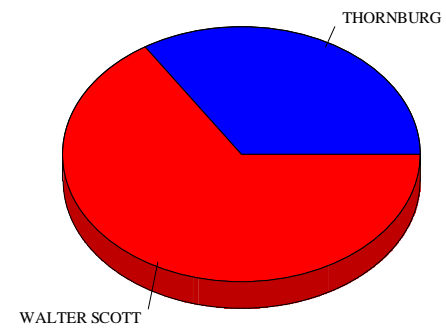
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
INTERNATIONAL EQUITY COMPOSITE
MANAGER ALLOCATION
TOTAL FUND**

TOTAL MARKET VALUE
ON JUNE 30, 2008
\$176,789,569



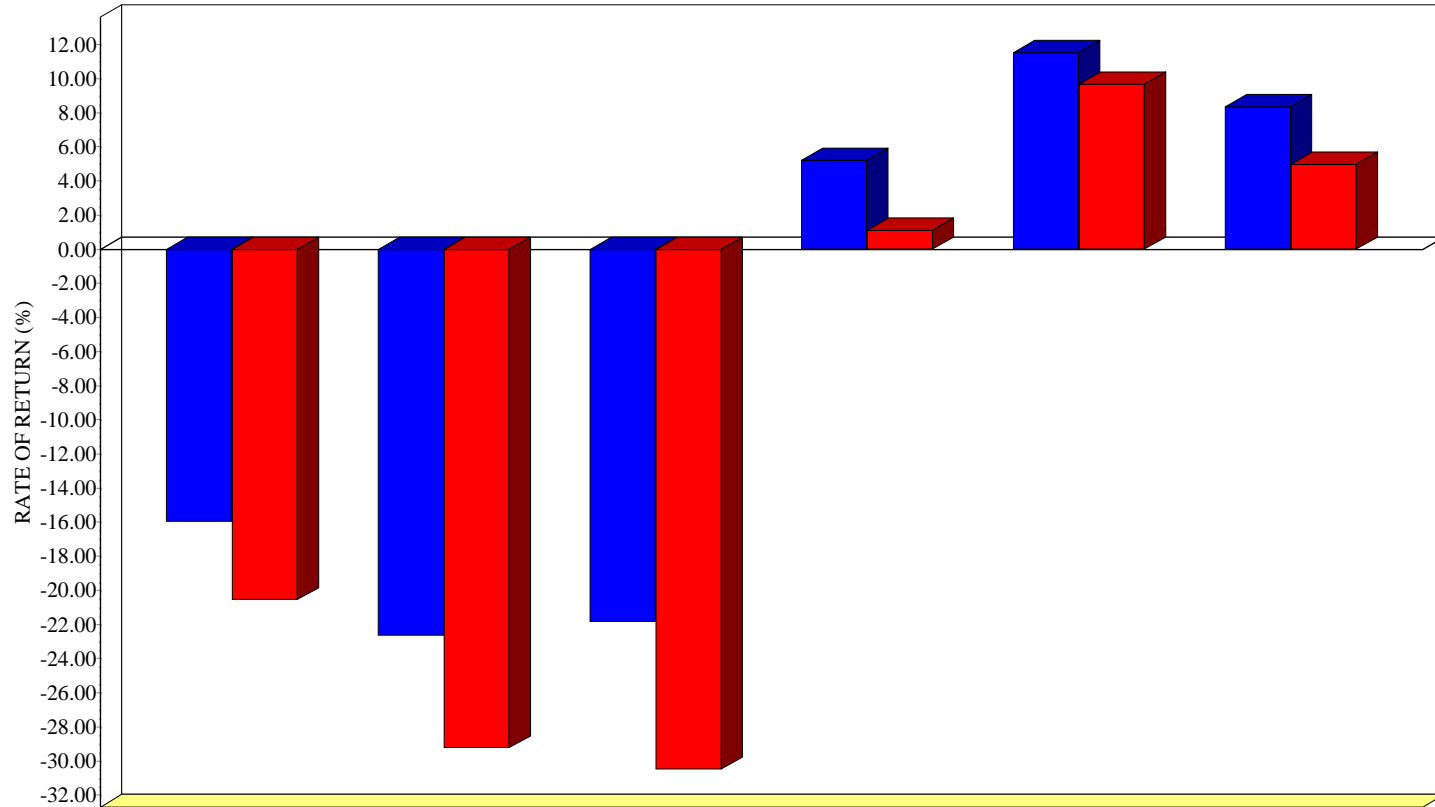
	VALUE	PERCENT
THORNBURG	61,369,218	34.71
WALTER SCOTT	115,420,351	65.29

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

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

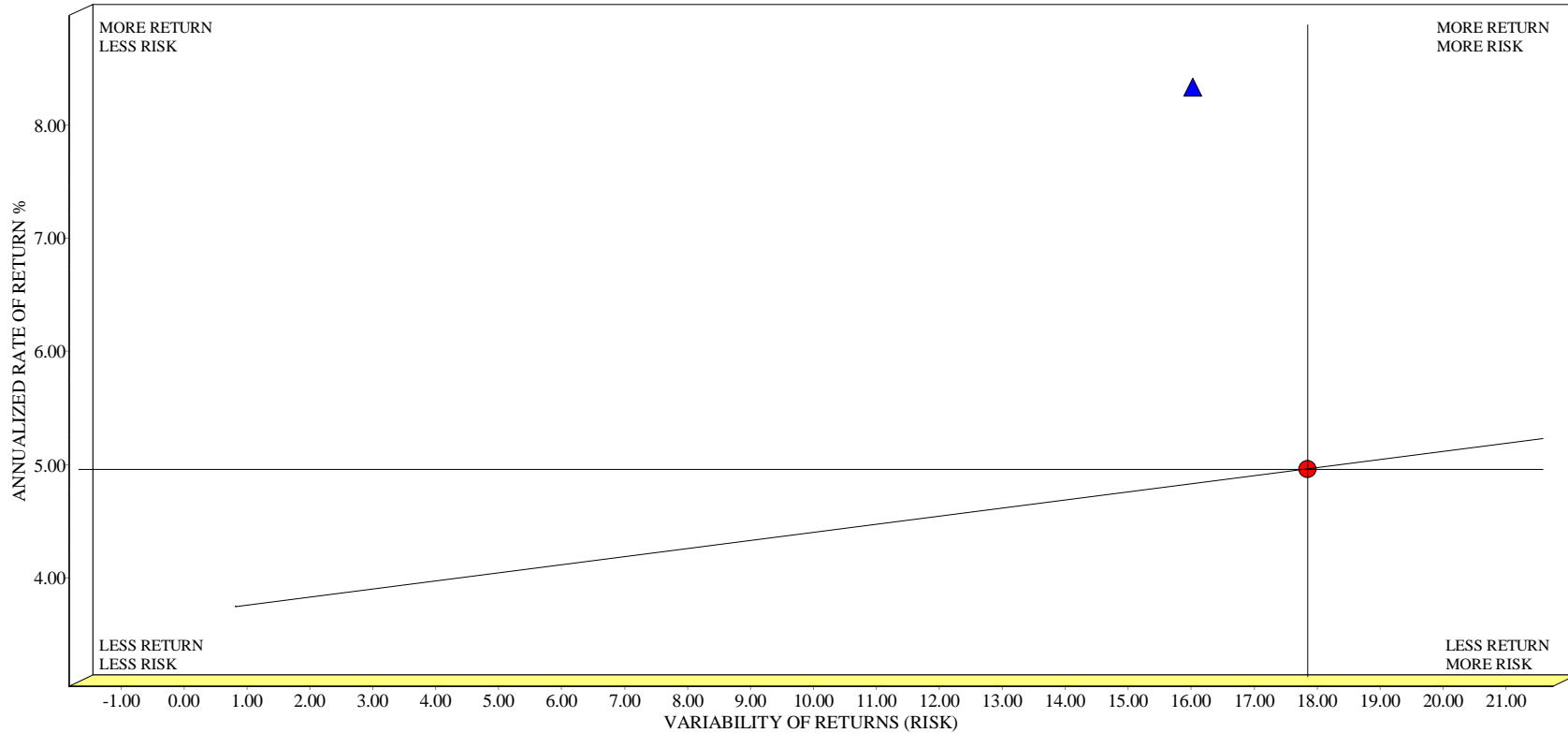


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
INT EQUITY COMPOSITE	-15.97	-22.67	-21.84	5.20	11.51	8.34
MSCI EAFE	-20.56	-29.26	-30.50	1.12	9.69	4.96

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

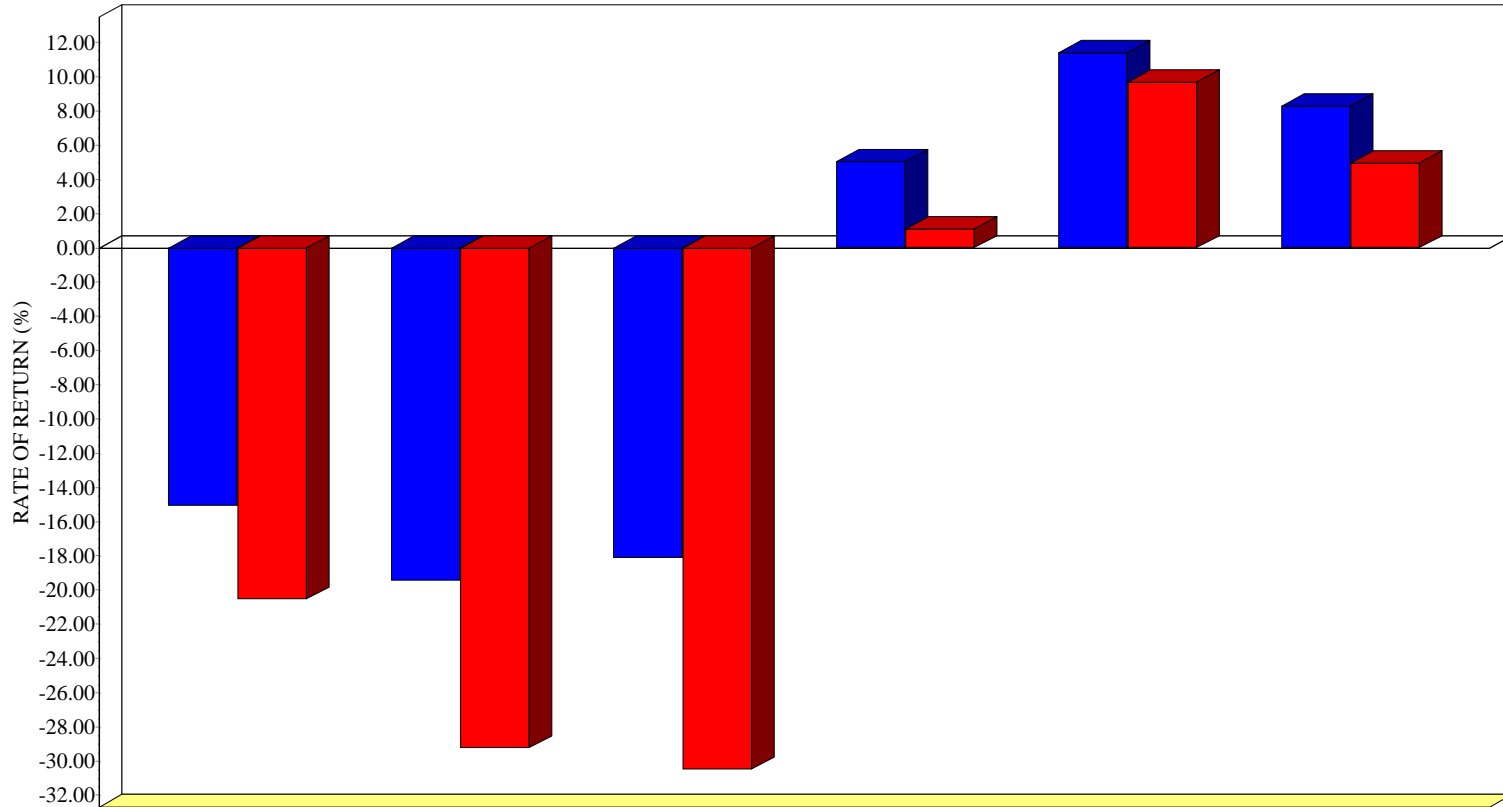
	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>						
THORNBURG	-17.60	-28.18	-28.16	N/A	N/A	N/A
WALTER SCOTT INTERNATIONAL	-15.11	-19.48	-18.13	5.02	11.41	8.30
INTERNATIONAL EQUITY COMPOSITE	-15.97	-22.67	-21.84	5.20	11.51	8.34
MSCI EAFE	-20.56	-29.26	-30.50	1.12	9.69	4.96

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



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	8.34	16.02	0.83	3.36	86.12
● MSCI EAFE	4.96	17.85	1.00	0.00	100.00

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

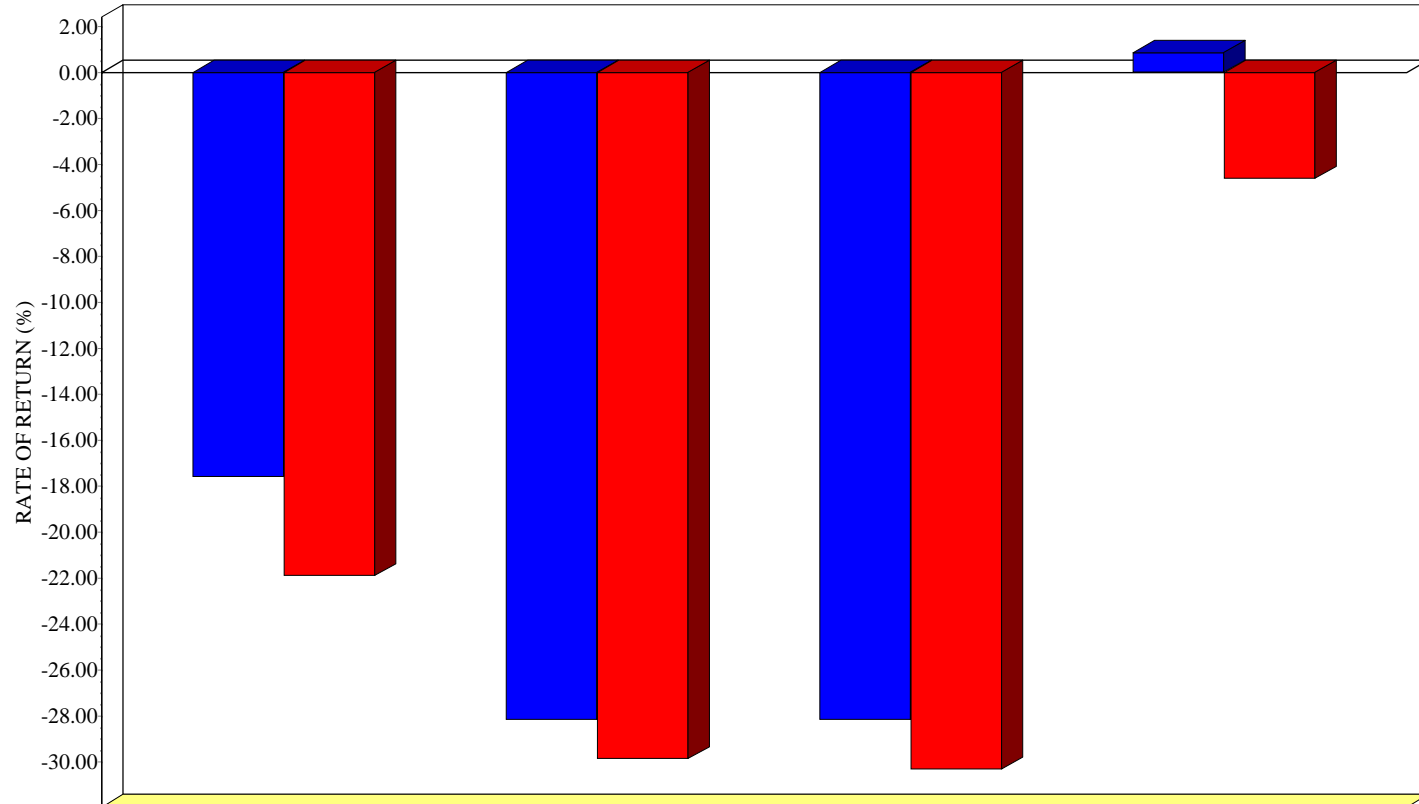


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
WALTER SCOTT	-15.11	-19.48	-18.13	5.02	11.41	8.30
MSCI EAFE	-20.56	-29.26	-30.50	1.12	9.69	4.96

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
WALTER SCOTT INTERNATIONAL
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	FOREIGN EQUITY SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	0	91,240,282	100.00	91,240,282	11.72	167.52
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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 THORNBURG
 OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2008

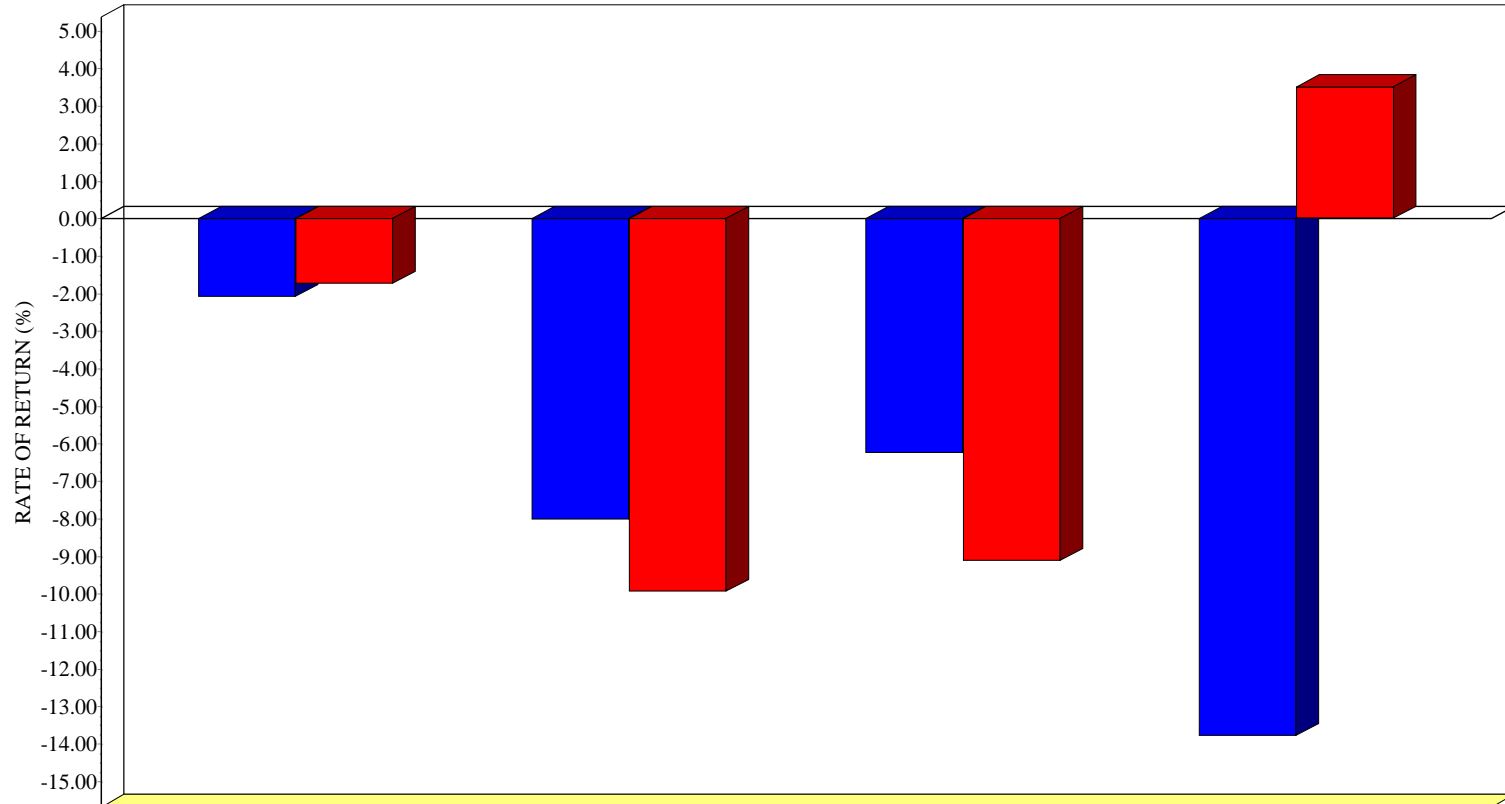


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
THORNBURG	-17.60	-28.18	-28.16	0.87
MSCI ACWI EX US	-21.91	-29.86	-30.32	-4.63

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
THORNBURG
ALLOCATION OF ASSETS
OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 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

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

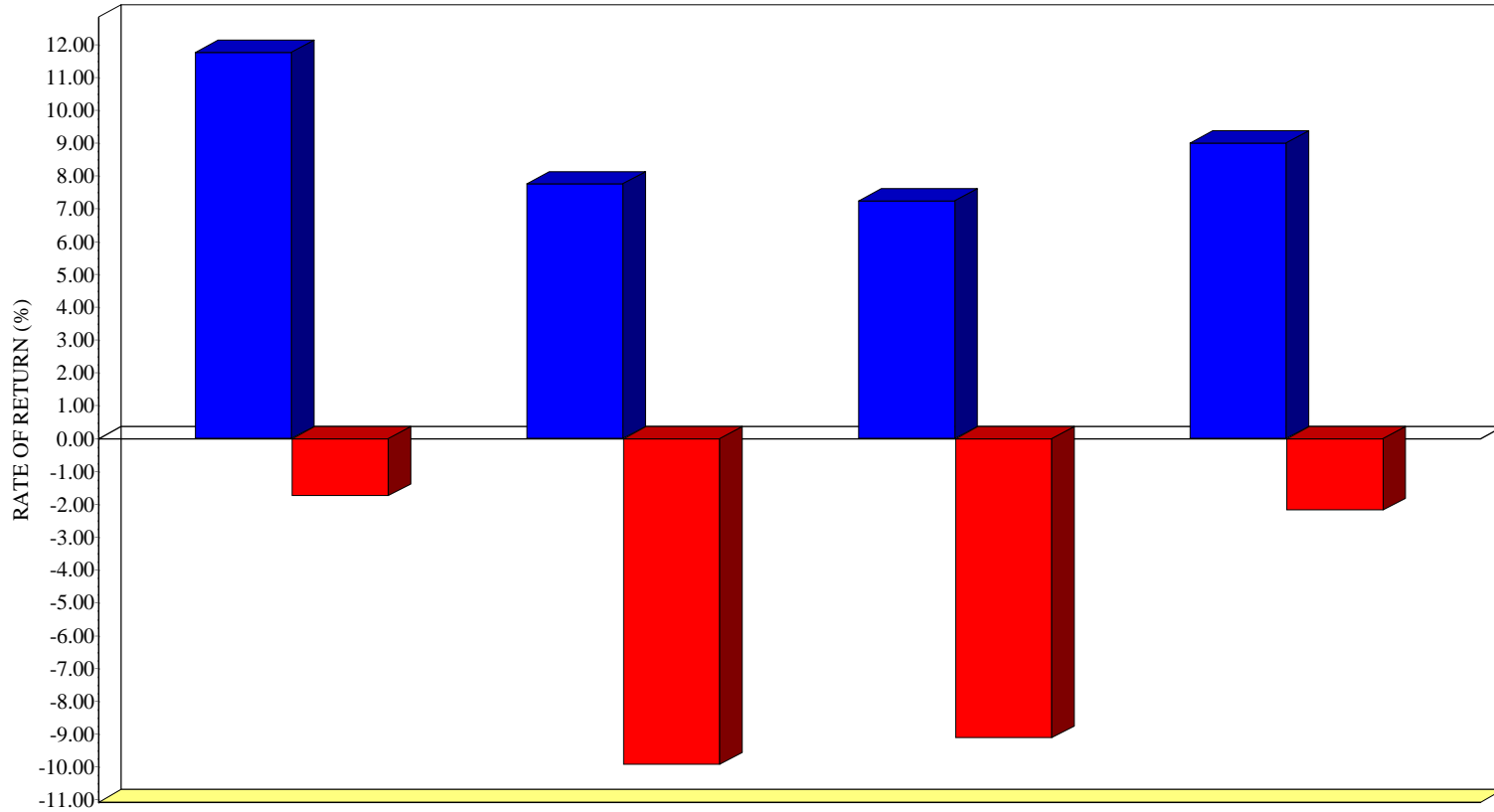


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
■ PANTHEON VII	-2.08	-8.02	-6.26	-13.77
■ S&P 500 + 400 BPS	-1.74	-9.93	-9.12	3.51

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

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



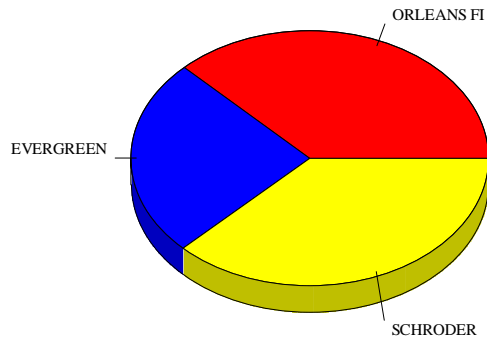
	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
■ HAMILTON LANE	11.76	7.75	7.24	9.00
■ S&P 500 + 400 BPS	-1.74	-9.93	-9.12	-2.18

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

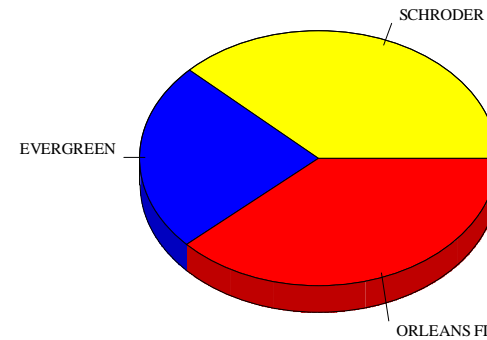
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FIXED INCOME COMPOSITE
MANAGER ALLOCATION
TOTAL FUND**

TOTAL MARKET VALUE
ON JUNE 30, 2008
\$450,496,102



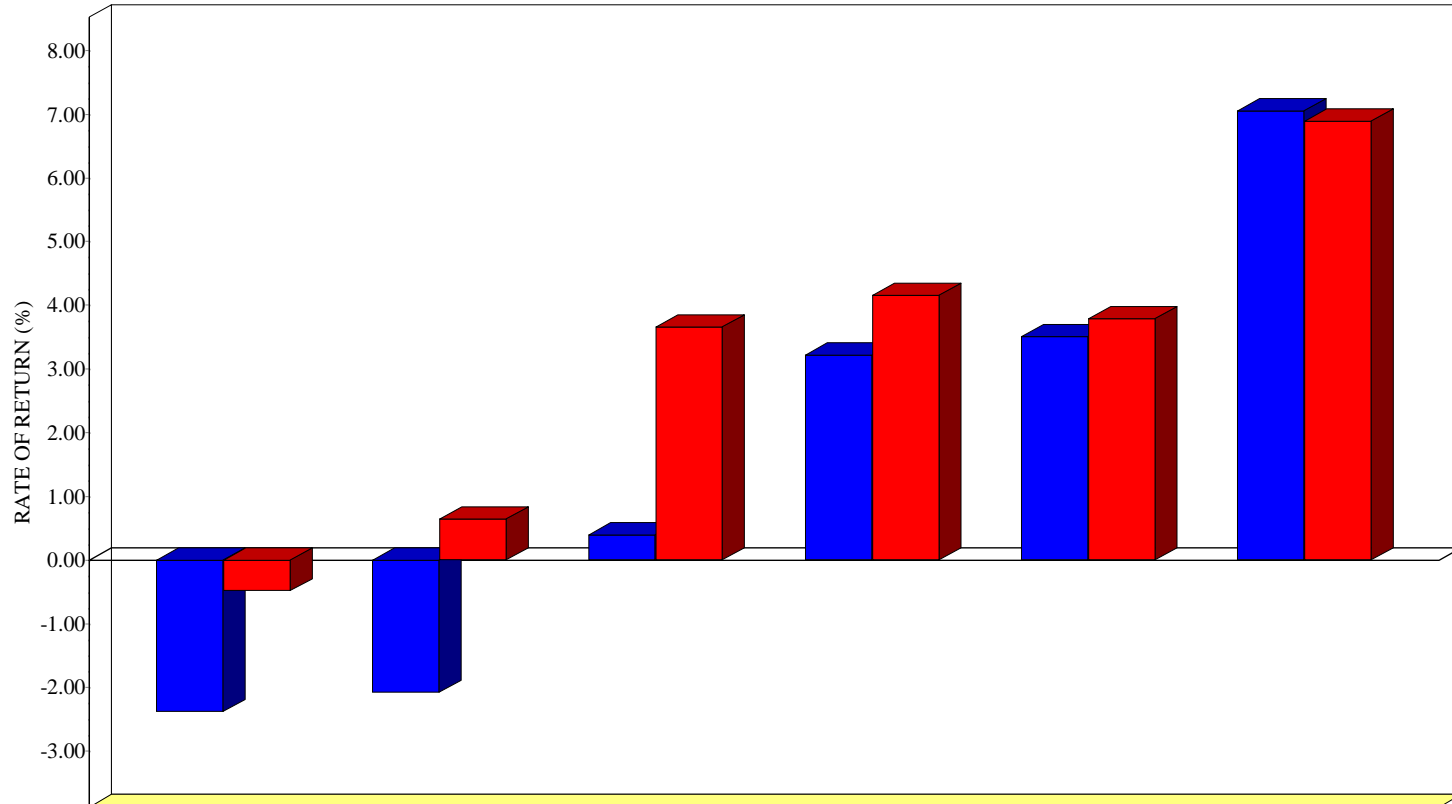
	VALUE	PERCENT
EVERGREEN	112,967,794	25.08
ORLEANS FI	168,403,118	37.38
SCHRODER	169,125,190	37.54

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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 FIXED INCOME COMPOSITE
 NOVEMBER 30, 1989 THROUGH SEPTEMBER 30, 2008

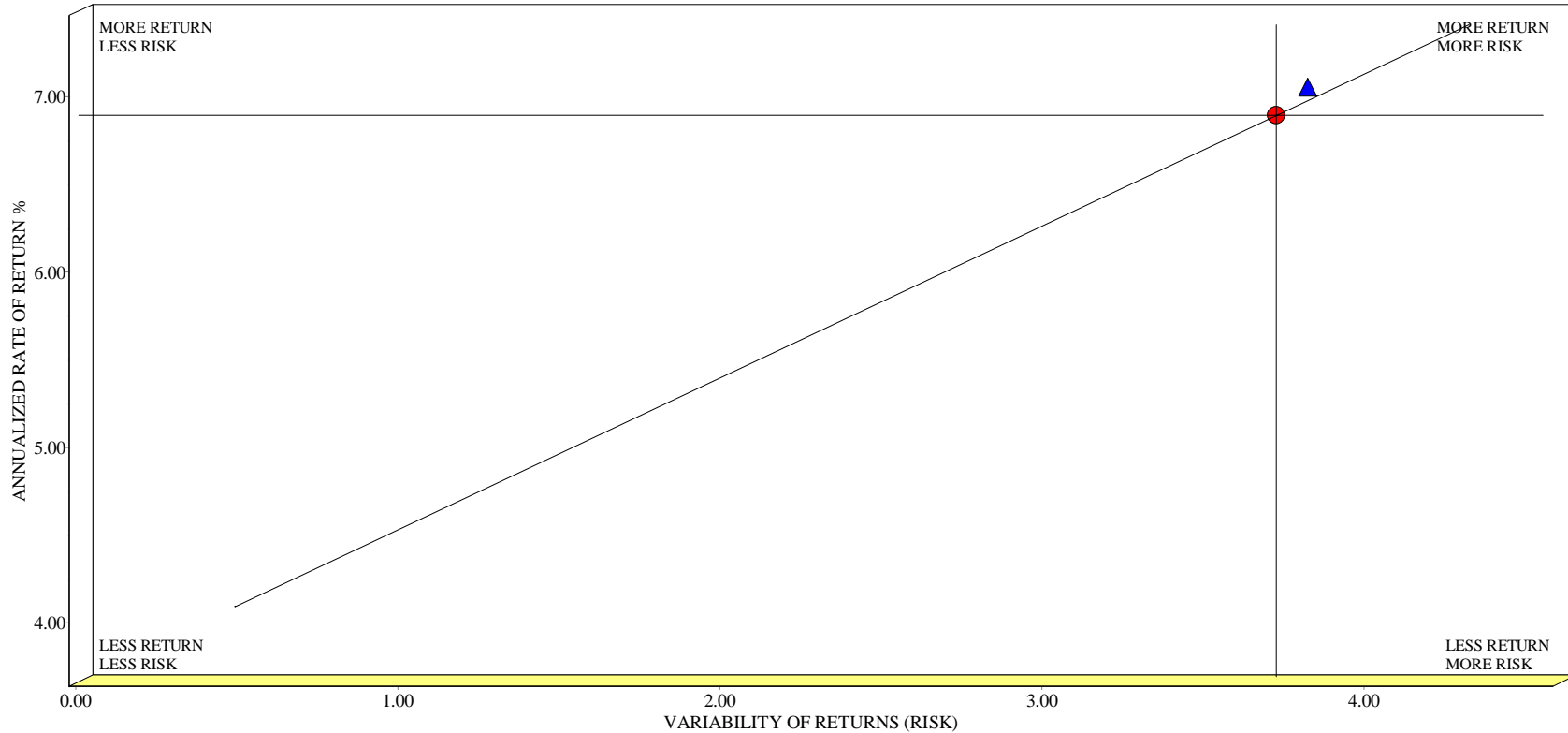


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
FI COMPOSITE	-2.38	-2.08	0.39	3.21	3.51	7.06
LB AGGREGATE BOND	-0.48	0.64	3.66	4.15	3.79	6.89

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

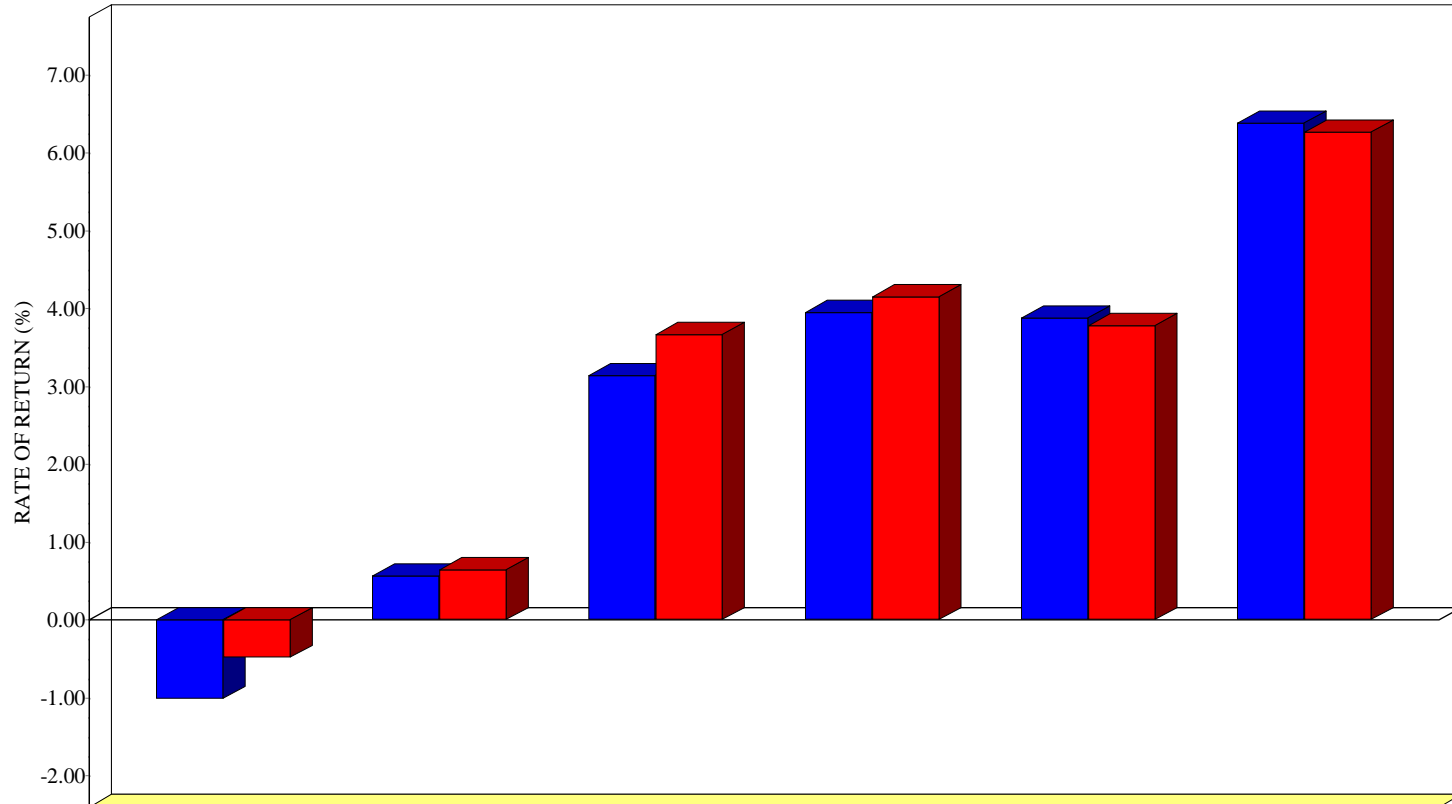
	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	THREE YEARS ROR	FIVE YEARS ROR	TEN YEARS ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>							
EVERGREEN	-7.55	-10.24	-8.31	0.32	1.66	N/A	N/A
ORLEANS CAPITAL MANAGEMENT	-1.02	0.57	3.14	3.95	3.88	5.24	N/A
SCHRODER INVESTMENT MANAGEMENT	-0.28	0.80	3.56	4.36	4.30	5.75	N/A
FIXED INCOME COMPOSITE	-2.38	-2.08	0.39	3.21	3.51	5.16	7.06
LB AGGREGATE BOND	-0.48	0.64	3.66	4.15	3.79	5.20	6.89

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



	RETURN	STD DEV	BETA	ALPHA	R-SQUARED
▲ TOTAL FUND	7.06	3.82	0.95	0.29	86.80
● LB AGGREGATE BOND	6.89	3.73	1.00	0.00	100.00

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 ORLEANS CAPITAL MANAGEMENT
 DECEMBER 31, 1991 THROUGH SEPTEMBER 30, 2008

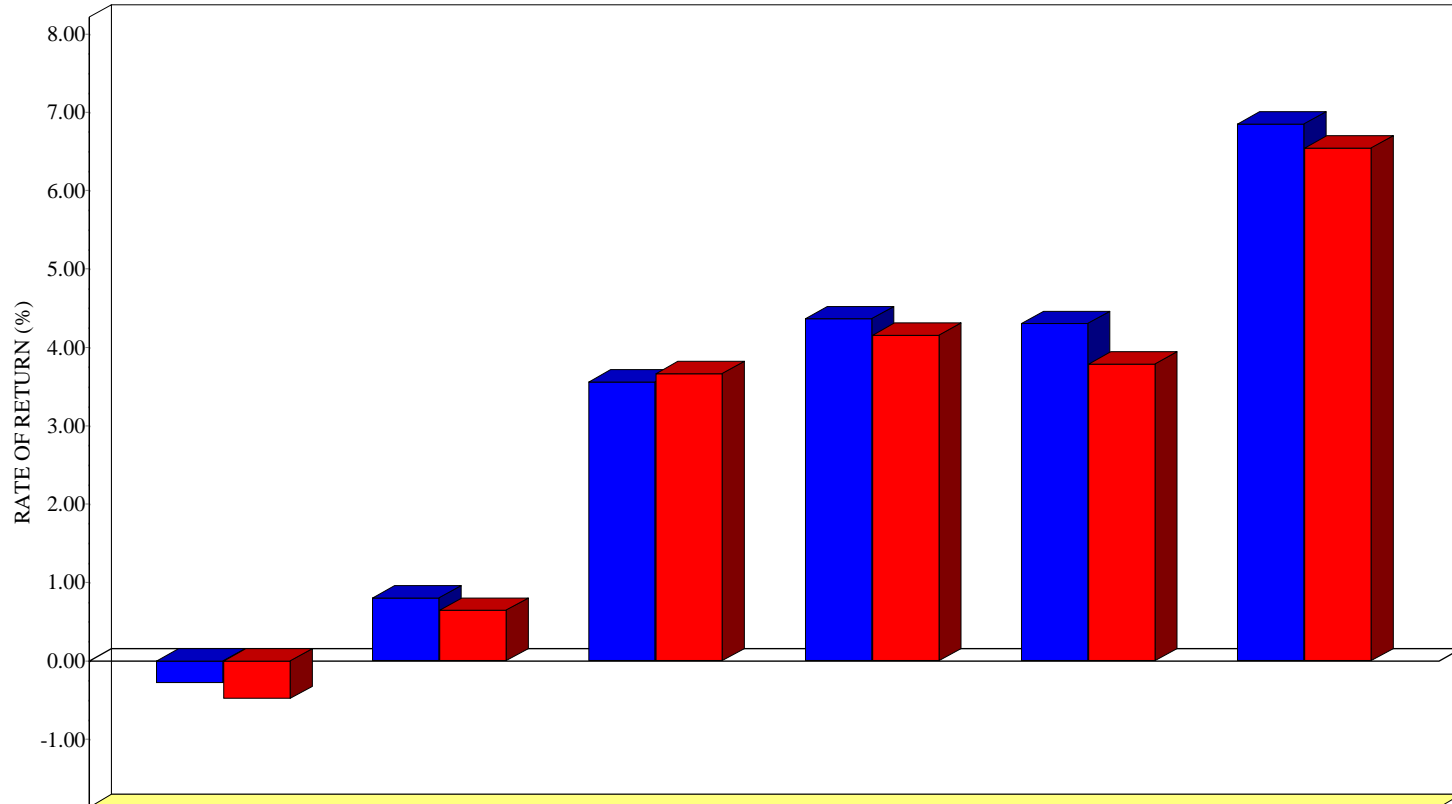


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
ORLEANS FI	-1.02	0.57	3.14	3.95	3.88	6.38
LB AGGREGATE BOND	-0.48	0.64	3.66	4.15	3.79	6.27

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
ORLEANS CAPITAL MANAGEMENT
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	0	220,338,256	95.80	9,650,993	4.20	229,989,249	0.18	232.86
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

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

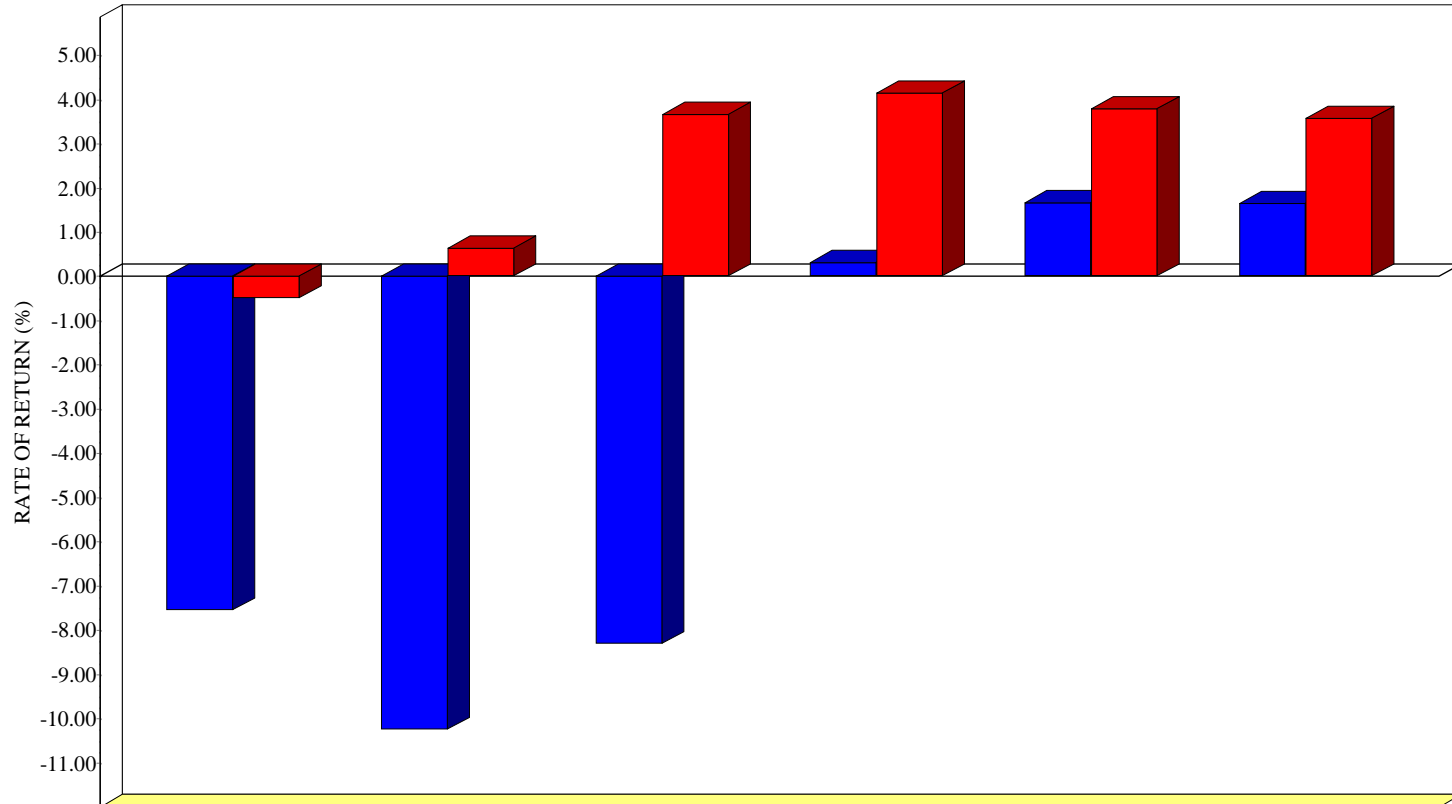


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
SCHRODER	-0.28	0.80	3.56	4.36	4.30	6.85
LB AGGREGATE BOND	-0.48	0.64	3.66	4.15	3.79	6.55

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
SCHRODER INVESTMENT MANAGEMENT
ALLOCATION OF ASSETS
SEPTEMBER 30, 2003 THROUGH SEPTEMBER 30, 2008**

DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
9/2003	0	292,502,328	99.11	2,618,153	0.89	295,120,481	0.09	204.76
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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 EVERGREEN
 JUNE 30, 2003 THROUGH SEPTEMBER 30, 2008



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	THREE YEARS	FIVE YEARS	SINCE INCEPTION
EVERGREEN	-7.55	-10.24	-8.31	0.32	1.66	1.65
LB AGGREGATE BOND	-0.48	0.64	3.66	4.15	3.79	3.57

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

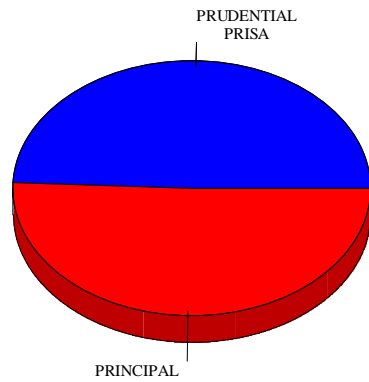
DATE	NET CONTRIBUTION	BOND SEGMENT	PERCENT	CASH SEGMENT	PERCENT	TOTAL MARKET VALUE	ROI	INDEX VALUE
6/2003	100,747,162	63,178,693	63.13	36,905,352	36.87	100,084,045	N/A	100.00
9/2003	0	90,864,284	91.18	8,785,862	8.82	99,650,146	0.34	100.34
12/2003	0	93,860,486	93.81	6,189,731	6.19	100,050,217	0.40	100.75
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

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
FIXED INCOME CHARACTERISTICS
AS OF SEPTEMBER 30, 2008**

	<u>Lehman Brothers Aggregate Index</u>	<u>Fixed Income Composite</u>	<u>Orleans Capital</u>	<u>Schroder Capital</u>	<u>Evergreen Investment</u>
AVERAGE MATURITY (YEARS)	7.1	6.1	6.1	5.8	7.7
YIELD TO MATURITY (%)	5.3	6.7	6.2	5.3	9.5
AVERAGE DURATION (YEARS)	4.5	4.5	4.5	4.5	4.4
AVERAGE QUALITY	AA1/AA2	AA2	AA3	AAA/AA1	AA2
TURNOVER RATIO (%)	--	--	4.0	182.1	50.2

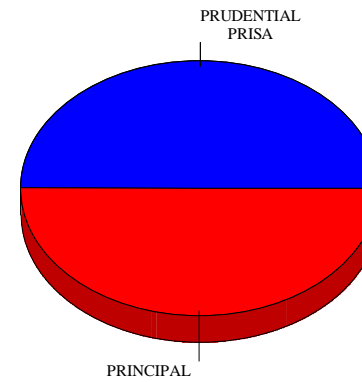
**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
REAL ESTATE COMPOSITE
MANAGER ALLOCATION
TOTAL FUND**

TOTAL MARKET VALUE
ON JUNE 30, 2008
\$97,136,854



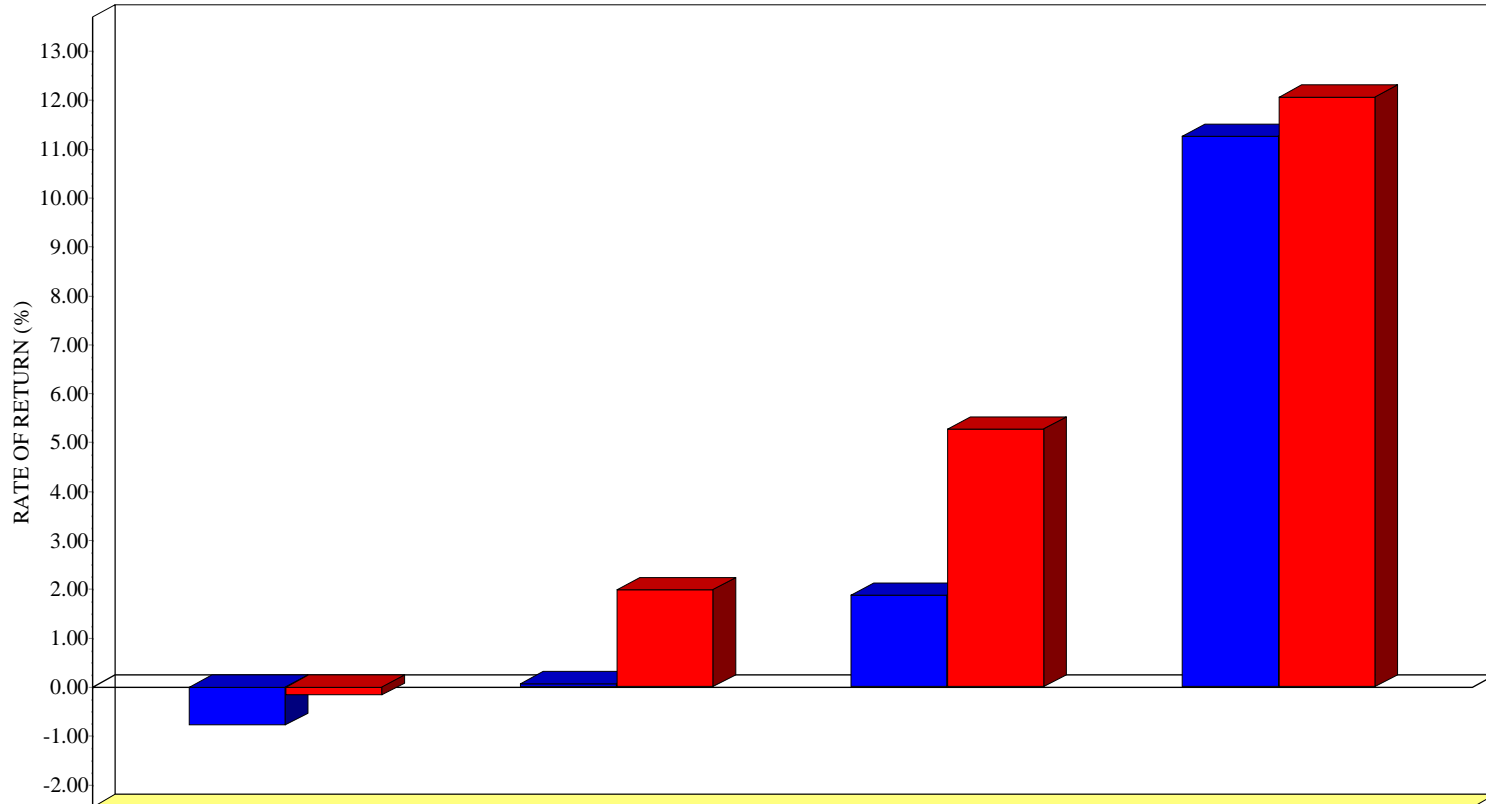
	VALUE	PERCENT
PRUDENTIAL PRISA	47,853,704	49.26
PRINCIPAL	49,283,150	50.74

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

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 REAL ESTATE COMPOSITE
 MARCH 31, 2006 THROUGH SEPTEMBER 30, 2008

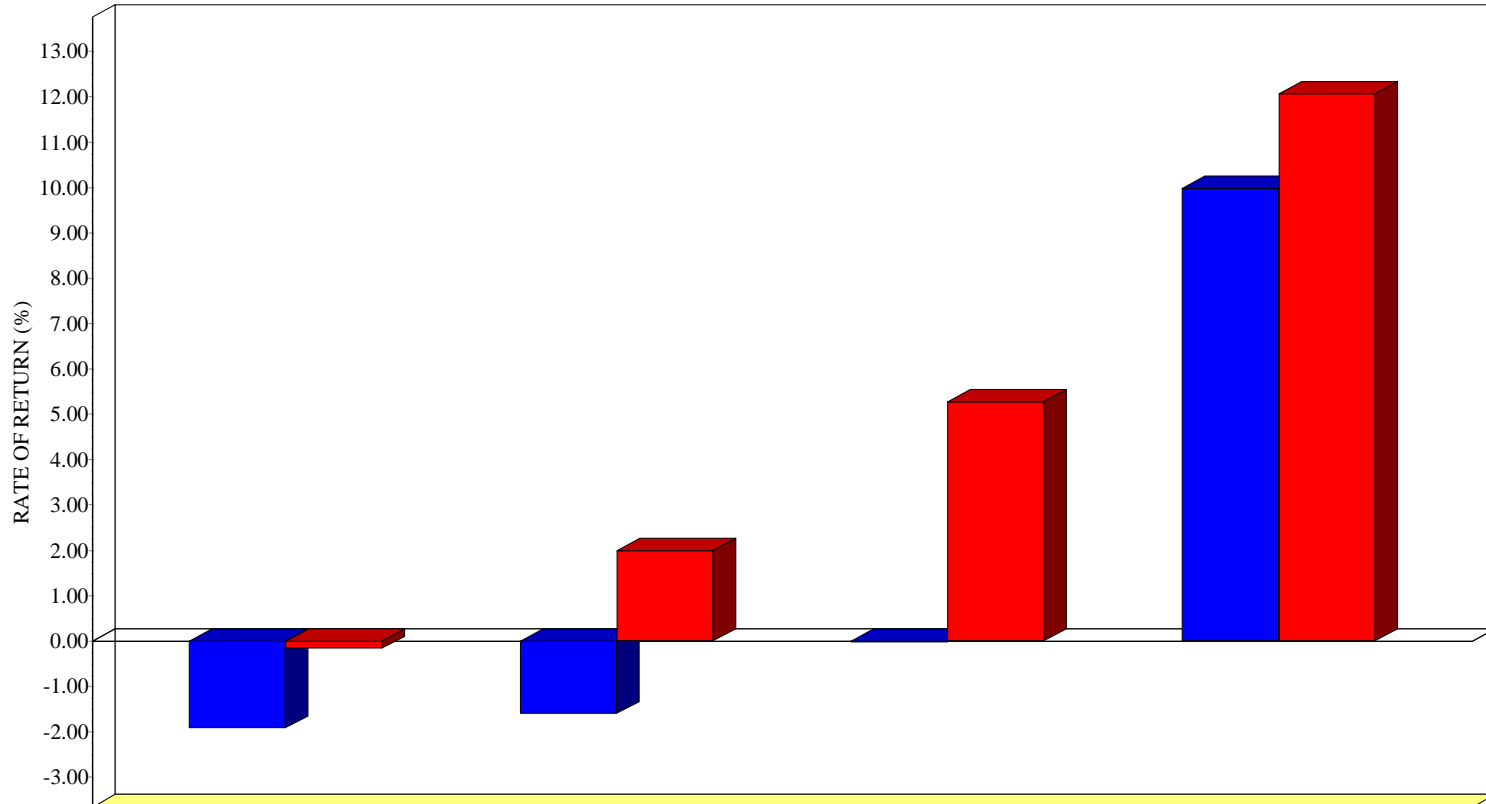


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
RE COMPOSITE	-0.78	0.07	1.88	11.27
NCREIF NATIONAL	-0.17	2.00	5.27	12.06

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
REAL ESTATE COMPOSITE
INVESTMENT PERFORMANCE
MARCH 31, 2006 THROUGH SEPTEMBER 30, 2008**

	LATEST QUARTER ROR	CALENDAR YTD ROR	ONE YEAR ROR	SINCE INCEPTION ROR
<u>TOTAL FUND</u>				
PRINCIPAL	-1.93	-1.61	-0.03	9.98
PRUDENTIAL PRISA	0.40	1.75	3.73	N/A
REAL ESTATE COMPOSITE	-0.78	0.07	1.88	11.27
NCREIF NATIONAL	-0.17	2.00	5.27	12.06

LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
 PRINCIPAL
 MARCH 31, 2006 THROUGH SEPTEMBER 30, 2008

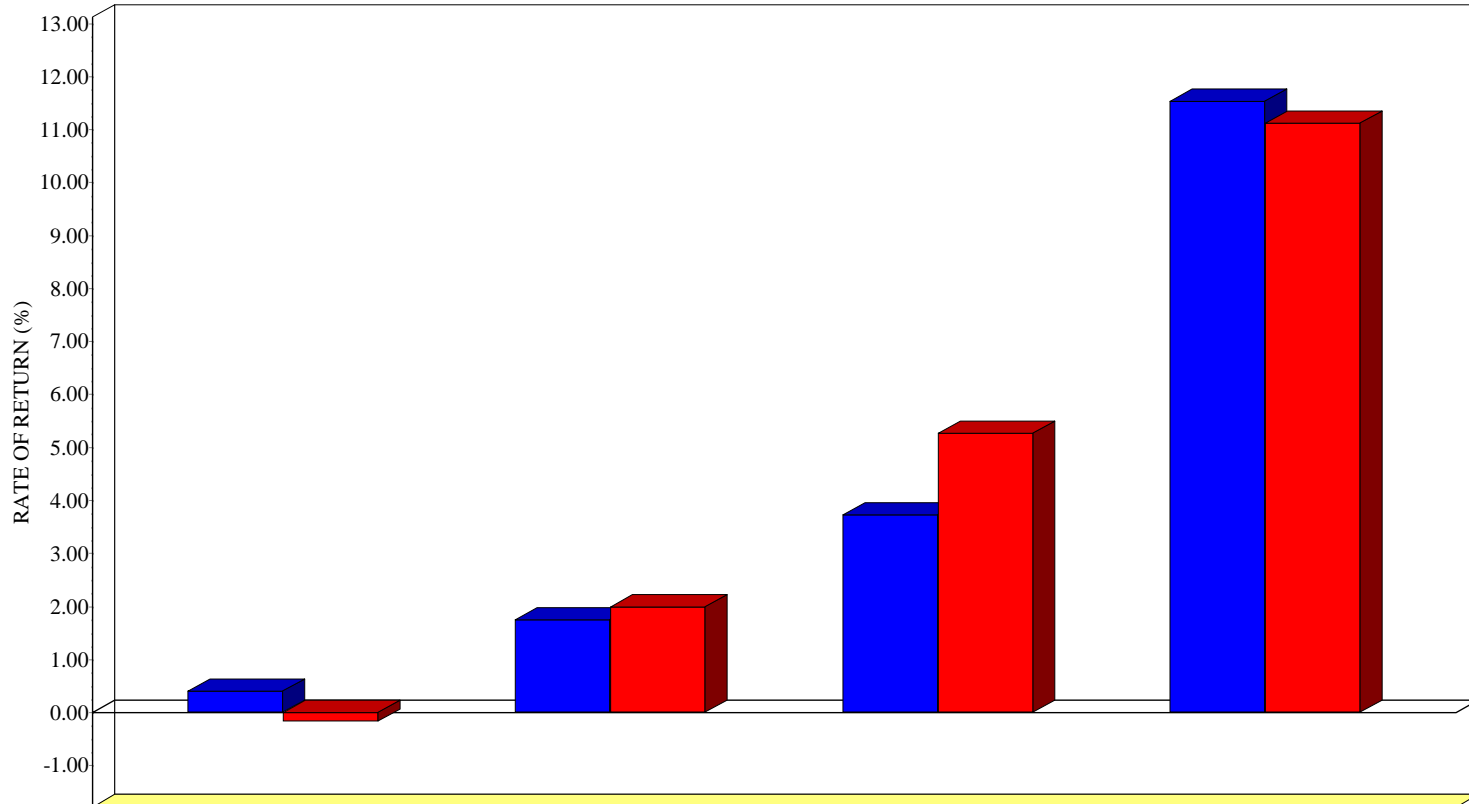


	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
PRINCIPAL	-1.93	-1.61	-0.03	9.98
NCREIF NATIONAL	-0.17	2.00	5.27	12.06

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
PRINCIPAL
ALLOCATION OF ASSETS
MARCH 31, 2006 THROUGH SEPTEMBER 30, 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

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



	LATEST QUARTER	CALENDAR YTD	ONE YEAR	SINCE INCEPTION
PRUDENTIAL PRISA	0.40	1.75	3.73	11.54
NCREIF NATIONAL	-0.17	2.00	5.27	11.12

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

**LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT MANAGEMENT FEES
AS OF SEPTEMBER 30, 2008**

<u>MANAGER:</u>	<u>AMOUNT</u> ¹	<u>ANNUAL PERCENT OF MARKET VALUE</u>
Ark Asset	\$ 370,872	0.42%
Northern Trust	76,776	0.03
Analytic Investors	147,892	0.58
AXA Rosenberg	200,838	0.75
C.S. McKee	318,299	0.35
RhumbLine	24,436	0.06
J&W Seligman	338,607	0.49
Brandywine ²	0	0.00
Fisher ³	237,811	0.74
Walter Scott	523,458	0.49
Thornburg	347,001	0.62
Pantheon VII ⁴	224,174	3.50
Pantheon Asia V ⁴	34,028	1.83
Hamilton Lane ⁵	142,500	1.58
Orleans Capital	181,855	0.11
Schroder Capital	263,848	0.16
Evergreen	167,457	0.16
Principal	463,093	0.95
Prudential	<u>388,389</u>	<u>0.81</u>
Total	\$4,647,219	0.32%

¹ Estimated annual fee based on actual fee schedules and average assets.

² Effective 1/1/2007 Brandywine is subject to a performance based fee schedule.

³ Fisher was funded on August 13, 2008, with \$70.5 million in proceeds from the terminated Brandywine portfolio. Fee is based on partial quarter of management.

⁴ Fund level fee % applied to average assets.

⁵ Fee based on total commitment level of \$30 million.

NOTES

- On May 20, 2008, the System invested \$1.7 million in the Pantheon Asia private equity fund. Through September 30, 2008 the System has contributed \$1.7 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 September 30, 2008, the System has contributed \$9.9 million, and received \$1.2 million in distributions. The Benefit System's targeted commitment is \$30 million.
- Effective January 1, 2007, small cap value manager Brandywine is subject to a performance based fee schedule. The Retirement System will not be assessed any fees until at least the fourth quarter of 2007, and any such fee will be based on Brandywine's rolling three-year performance as compared to the Russell 2000 Value Index.
- 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 September 30, 2008, the System has contributed \$7.4 million. The Benefit System's targeted commitment is \$30 million.
- The Growth Composite (pg. 21) includes the historical Gobalt and Harbor Capital performance returns, combined with the current large cap growth manager, Ark Asset.
- The Value Composite (pg. 22) 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.
- Ark 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.