

# Louisiana School Employees' Retirement System Investment Committee Meeting

*Monday, January 7, 2013*  
9:00 a.m.

The Louisiana School Employees' Retirement System's Investment Committee Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Eugene Rester, Jr., Chairman of the Investment Committee, called the meeting to order at 9:00 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

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**Members Present:** Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Henry Yearby, Mr. Philip B. Walther, \*Ms. Anna Dearmon – designee for Ms. Kristy Nichols – Commissioner of Administration, Mr. Joe R. Salter – designee for Mr. Tom Schedler – Secretary of State, \*Senator Elbert L. Guillory – Chairman of the Senate Committee on Retirement and \*Mr. Ron Henson - designee for Mr. John Kennedy – State Treasurer

**Members Absent:** Representative J. Kevin Pearson – Chairman of the House Committee on Retirement

**Staff Present:** Mr. Charles Bujol – Executive Director, Ms. Carolyn Forbes – Assistant Director, Mr. George W. Meyer, III – Chief Investment Officer, and Ms. Laurie Stark – Administrative Assistant 5

**Others Present:** Mr. Jeffrey C. Boucek and Mr. John Dickson – Segal Rogerscasey

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\*Mr. Henson arrived at 9:10 a.m.  
Ms. Dearmon arrived at 9:25 a.m.  
Senator Guillory arrived at 10:10 a.m.

## **DIRECTOR'S ANNOUNCEMENTS**

Mr. Bujol introduced Mr. Henry Yearby as President of the Louisiana School Bus Operators Association (LSBOA).

An update on LSERS Executive Counsel position was provided.

**APPROVAL OF AGENDA**

The agenda was presented to the Board for approval.

**ON MOTION OF MS. McKEE, SECONDED BY MR. WALTHER**, Ms. Crain, Ms. Landry, Mr. Faulk, Mr. Rester, Ms. McKee, Mr. Salter and Mr. Walther **voted affirmatively** to approve the agenda.

**PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA**

Mr. Rester called for public comment on any item on the agenda. There were no comments.

**SWEARING IN OF HENRY YEARBY**

Mr. Henry J. Yearby was sworn in by Ms. Carolyn Forbes as an Ex-officio member of the Board.

\*Mr. Henson arrived at 9:10 a.m.  
Ms. Dearmon arrived at 9:25 a.m.

**EDUCATIONAL PRESENTATION: LAWS, RULES & REGULATIONS**

*Ms. Toni Hackett-Antrum – The Hackett Group*

A half-hour educational presentation was provided regarding laws, rules and regulations governing investments. The PowerPoint presentation was titled *Defined Benefit vs. Defined Contribution Plans - The Basics*.

**PORTFOLIO PERFORMANCE REVIEW**

Before beginning his review Mr. Boucek noted that representatives from Easterly Partners Real Estate Advisors would be presenting an investment opportunity to the committee members for their consideration. Mr. Boucek and Mr. Meyer provided an overview of market conditions and a review of asset changes from January 2012 through October 2012. This included a handout titled *Preliminary Investment Performance Review for Period Ending November 30, 2012*. Mr. Boucek and Mr. Meyer then addressed questions from the committee.

**ON MOTION OF MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Portfolio Performance Review.

**ON MOTION OF MS. CRAIN, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the committee added Easterly Partners Real Estate Advisors to the agenda.

\*Senator Guillory arrived at 10:10 a.m.

### **EASTERLY PARTNERS REAL ESTATE ADVISORS**

*Mr. William C. Trimble, III – Chief Executive Officer/ Managing Partner*

*Mr. Darrell W. Crate - Partner*

*Mr. F. Joseph Moravec - Partner*

A handout titled *U.S. Government Properties Income & Growth Fund II, L.P.* was distributed. Mr. Trimble, Mr. Crate and Mr. Moravec provided an overview of an investment opportunity with a commitment of approximately \$20 to \$25 million in the U.S. Government Properties Income and Growth Fund II, L.P. and then addressed questions from the committee. It was noted that the fee would be negotiated.

**ON MOTION OF MR. FAULK, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the committee agreed to a \$20 million dollar investment in the U.S. Government Properties Income Growth Fund II, L.P. and to allow staff to negotiate the fee with Easterly Partners Real Estate Advisors.

### **STAFF REPORTS**

#### **Securities Lending, Louisiana**

Mr. Meyer provided the Securities Lending report and then addressed questions from the committee.

**ON MOTION OF MS. LANDRY, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Securities Lending report.

#### **Louisiana Domiciled Broker and Louisiana Incorporated & Domiciled Broker Reports**

Mr. Meyer provided the Louisiana Domiciled Broker and Louisiana Incorporated and Domiciled Broker reports and then addressed questions from the committee.

**ON MOTION OF MS. McKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Securities Lending report.

#### **Legal Update**

#### **Investment Staff Report of Receipts**

Mr. Meyer provided the Investment Staff Report of Receipts and then addressed questions from the committee.

**ON MOTION OF MR. FAULK, SECONDED BY MS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Investment Staff Report of Receipts.

**Current Case Review**

Mr. Bujol provided an overview of current litigation and then addressed questions from the committee.

**OTHER BUSINESS**

Mr. Faulk requested that staff work on a plan to provide a cost-of-living adjustment for retirees. Senator Guillory addressed questions concerning current legislation regarding cost-of-living adjustments for retirees.

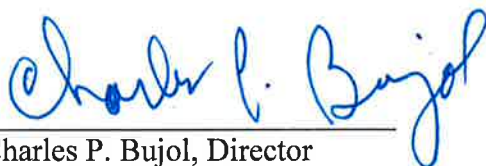
There was no other business to discuss.

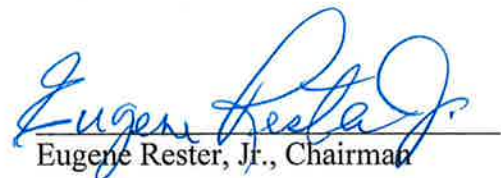
**PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

**ON MOTION OF MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT**, the Board adjourned at 11:13 a.m.

  
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Charles P. Bujol, Director

  
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Eugene Rester, Jr., Chairman