

Louisiana School Employees' Retirement System
Quarterly Board Meeting
Monday, May 19, 2014
9:00 a.m.

The Board of Trustees of the Louisiana School Employees' Retirement System convened in the Board Room (Room 100) of the Louisiana School Employees' Retirement System Building located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Jeffrey Faulk, Sr., Chairman of the Board, called the meeting to order at 9:01 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Stark.

Members Present: Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Mr. Philip B. Walther, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., Mr. Henry Yearby, Mr. Joe Salter – designee for Mr. Tom Schedler – Secretary of State, Mr. Paul Holmes - designee for Ms. Kristy Nichols - Commissioner of Administration

Members Absent: Mr. John Kennedy – State Treasurer, Representative J. Kevin Pearson - Chairman of the House Committee on Retirement, Senator Elbert L. Guillory - Chairman of the Senate Committee on Retirement

Staff Present: Mr. Charles P. Bujol - Executive Director, Ms. Carolyn Forbes - Assistant Director, Ms. Lauren Bailey - Executive Counsel, Ms. Laurie Stark - Administrative Assistant, Ms. Alison Kessler - Executive Staff Officer, Mr. Christopher Saik - Interim Chief Investment Officer, Ms. Larisa Ellard – Internal Auditor

Others Present: Mr. Jeffrey C. Boucek and Mr. Keith Reynolds – Segal Rogerscasey, *Mr. Lawton Thompson and Mrs. Pam Thompson - LSERS Member and Spouse

*Mr. and Mrs. Thompson arrived at 10:02 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- Announced and congratulated Mr. Saik on the birth of his daughter, Abigail Claire "Abby" Saik
- Ms. Jacob's daughter expressed her appreciation to the Board for the kind article in the April newsletter regarding her mother

- The dates for the 2014 LAPERS Seminar are September 7 - 9, 2014
- The 2014-15 LSERS Operating Budget was approved by the Joint Legislative Committee on the Budget on May 14, 2014
- A letter received from Mr. Lawton Thompson regarding DROP will be discussed during today's meeting (Mr. Thompson will be in attendance)

APPROVAL OF AGENDA

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

PUBLIC COMMENT ON ANY ITEM ON THE AGENDA

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

MANAGER PERFORMANCE REVIEW

Mr. Boucek, Mr. Reynolds and Mr. Saik provided a review of manager performance, which included a handout titled *Analysis of Investment Performance* for period ending March 31, 2014, then addressed questions from the Board and LSERS administrative staff.

ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board approved the Manager Performance Review.

PRESENTATION RELATIVE TO INTERNATIONAL SMALL CAP MANAGER CANDIDATES

Mr. Boucek and Mr. Reynolds presented five international small cap manager candidates for the Board to consider for an approximately fifty million dollar (\$50,000,000) investment. Their presentation included a handout titled *International Small Cap Equity Search*. The candidates up for consideration were:

*Dimensional Fund Advisors
Harris Associates, L.P.
Lord, Abbott & Co., LLC
LSV Asset Management
Wellington Management Co., LLP*

ON MOTION BY MS. McKEE, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Board agreed to invite LSV Asset Management, Dimensional Fund Advisors, and Lord, Abbott & Co., LLP to be interviewed for the International Small Cap Manager Search.

CONSIDERATION OF INTERNATIONAL SMALL CAP MANAGER INTERVIEWS

Mr. Saik reported his agreement with our consultant's recommendation to invite the three candidates to be interviewed.

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted this report.

INVESTMENT MANAGER REPORTS

The following Investment Manager provided their presentation and then addressed questions from the Board, its Investment Consultant, and LSERS administrative staff:

FLAG Energy & Resources Partners

Geoff LeMieux - Director

Jim Gasperoni - Partner

ON MOTION BY MS. McKEE, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board approved the *FLAG Energy & Resources Partners* report.

INVESTMENT REPORTS**Investment Transactions & Securities Lending**

Mr. Saik provided the Investment Transactions and Securities Lending reports and then addressed questions from the Board.

ON MOTION BY MS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Investment Transaction and Securities Lending Reports.

OTHER BUSINESS

Mr. Lawton Thompson and his wife, Mrs. Pam Thompson, were in attendance and made a presentation on the effects of his decision to enter into DROP per his understanding of the information allegedly provided to him. It was explained to Mr. Thompson that the decision to enter DROP is irrevocable in accordance with Louisiana law.

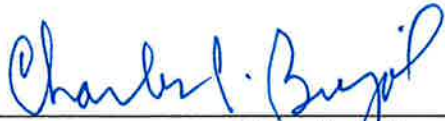
There was no other business to discuss.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

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



Charles P. Bujol – Executive Director



Jeffrey Faulk, Sr. - Chairman