

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

Monday, June 20, 2016

9:00 a.m.

The Louisiana School Employees' Retirement System's Investment Committee Meeting convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Eugene Rester, Jr., Chairman of the Investment Committee, called the meeting to order at 9:04 a.m. The Committee recited the Lord's Prayer and the Pledge of Allegiance. Roll was then called by Ms. Stark.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Ms. Kathy B. Landry, Ms. Colleen Barber, Mr. Henry Yearby, Mr. Philip B. Walther, Ms. Lori Pierce – designee for Mr. John Kennedy – State Treasurer, *Mr. Randy Davis – designee for Mr. Jay Dardenne – Commissioner of Administration, Ms. Annie Smith – representative for Representative J. Kevin Pearson – Chairman, House Committee on Retirement, *Senator Barrow Peacock – Chairman, Senate Committee on Retirement

Members Absent: Mr. Tom Schedler – Secretary of State, Ms. Judith Ann McKee

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

Others Present: Mr. Jeffrey Boucek and Mr. Keith Reynolds - Segal Rogerscasey, *Ms. Margaret Corley – Senate Committee on Retirement, Ms. Elizabeth Thornton – Legislative Auditor's Office, Mr. David Livingston – EnTrust Capital

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*Mr. Davis arrived at 9:12 a.m.
Ms. Corley and Senator Peacock arrived at 9:24 a.m.

DIRECTOR'S ANNOUNCEMENTS

Mr. Bujol made the following announcements:

- The Joint Legislative Committee on the Budget met June 13, 2016 and approved the LSERS 2016-17 Fiscal Year Budget. The agenda was extensive resulting in an announcement that LSERS will be invited back at the next meeting of JLCB.
- The State Civil Service Commission approved the suspension of the merit increases for Fiscal Year 2016-17 at its meeting on June 16, 2016.
- The California Treasurer sent a check to LSERS in the amount of \$18,444.00 which represented unclaimed property held in LSERS name.

APPROVAL OF AGENDA

The agenda was presented to the Committee for approval.

ON MOTION BY MR. YEARBY, SECONDED BY MS. BARBER AND CARRIED BY UNANIMOUS CONSENT the Committee approved the agenda.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

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

PORTFOLIO PERFORMANCE REVIEW

Mr. Boucek and Mr. Reynolds provided an overview of market conditions and performance during May 2016. This included an audio/visual presentation and a handout titled: *Preliminary Investment Performance Review for Period Ending May 31, 2016*. They then addressed questions from the committee.

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the performance report by Segal.

DISCUSS REAL ESTATE STRUCTURE/CONSOLIDATION

Mr. Boucek and Mr. Reynolds provided an overview of alternative investments opportunities. These included investments in Master Limited Partnerships (MLP). The presentation included a handout entitled *Real Assets...Alternative Approaches to Investing*. Mr. Boucek recommended that the Committee consider bringing in Orleans Capital Management for a presentation of their

Energy Opportunities fund and Kleinwort Benson Investors for a presentation on investing in their water strategy.

ON MOTION BY MR. FAULK, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Committee approved Segal's recommendation to invite Orleans Capital Management and Kleinwort Benson Investors to attend the July Investment Committee meeting to present their individual alternative investment plans.

DISCUSSION OF OPPORTUNISTIC FIXED INCOME

Mr. Boucek provided an overview of opportunistic fixed income. The presentation included a handout entitled *Opportunistic Credit Presentation*.

STAFF REPORTS

Mr. Saik provided the following reports:

- Securities Lending
- Securities Litigation
- Louisiana Broker

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

Current Case Review

Ms. Bailey provided an overview of current litigation which included a handout titled: *Litigation Report: As of June 15, 2016*. She then addressed questions from the Committee.

ON MOTION BY MR. YEARBY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Committee approved the current case review.

OTHER BUSINESS

There was no other business to discuss.

PUBLIC COMMENTS


There were no public comments.

ADJOURNMENT

ON MOTION OF MR. FAULK, SECONDED BY MR. YEARBY AND CARRIED BY UNANIMOUS CONSENT, the Committee adjourned at 10:09 a.m.



Charles P. Bujol, Executive Director



Eugene Rester, Jr., Chairman