

**Louisiana School Employees' Retirement System
Regular Board Meeting**

**Tuesday, August 12, 2008
8:30 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. Larry Wilmer, Chairman of the Board, called the meeting to order at 8:34 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

Members Present: Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, Mr. Jeffrey Faulk, Sr., *Ms. Lori Pierce - designee for Mr. John Kennedy – State Treasurer, Ms. Lauren Bailey - non-voting designee for Senator D. A. "Butch" Gautreaux – Chairman of the Senate Retirement Committee

Members Absent: Mr. Jay Dardenne – Secretary of State, Representative Joel C. Robideaux – Chairman of the House Retirement Committee

Staff Present: Mr. Charles P. Bujol – Executive Director, Ms. Debra H. Dudley – Assistant Director, Mr. Warren D. Ponder – Executive Counsel, Mr. Brendan Brosnan – Chief Investment Officer, Mr. Stephen Harris – Investment Officer 1, Ms. Jennifer Champagne – Administrative Assistant 6

Also Present: Mr. Richard Ranallo and Mr. Brett Hazen – Segal Advisors, Inc.

*Ms. Lori Pierce arrived at 9:50 a.m.

MANAGER PERFORMANCE REVIEW (SEGAL ADVISORS)

Richard E. Ranallo, CFA

Brett W. Hazen

Mr. Ranallo provided an overview of past, present, and future strategies within LSERS' portfolio. It was noted that diversification allows for potentially higher expected investment returns at a given risk level for an optimal portfolio.

Mr. Hazen provided information on financial market conditions and the economy. Composite reports were highlighted and a detailed review of portfolio performance through June 30, 2008 followed.

Mr. Ranallo and Mr. Hazen then addressed questions from the Board, which led to a review of fiscal year performance, future strategies, and long term goals, specifically on managers who are underperforming.

ON MOTION BY MR. RESTER, SECONDED BY MS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the Board accepted the Manager Performance Review.

INVESTMENT MANAGER REPORTS

WALTER SCOTT & PARTNERS, LTD.

Jane Henderson – Director

Ms. Henderson provided an overview of the firm, its investment philosophy, and investment process in terms of decisions, purchases, and sales. This was followed by a review of the portfolio's development, performance, asset allocation, top ten holdings, and characteristics.

Ms. Henderson then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

THORNBURG INVESTMENT MANAGEMENT

Peter Trevisani, CFA – Managing Director, Institutional Group

Christa Choat – Senior Account Executive, Institutional Group

Dana Dean – Senior Account Executive, Institutional Group

Ms. Choat provided an update on the firm, which included a review of the firm's assets, holdings, management team, investment process, organizational structure, and anticipated move to a new location in January 2009. A brief review of performance for the last quarter, year to date, twelve months, and since inception followed.

Ms. Dean provided a detailed report on year-to-date and last quarter performance. This led to a review of stocks, positive and negative impacts on the portfolio, and long term versus short term performance.

Mr. Trevisani continued with a review of acquisitions, sales, type of stocks, top ten holdings, valuation, positioning within the portfolio, market outlook, potential impact on the portfolio, and future strategies.

Mr. Trevisani, Ms. Choat, and Ms. Dean then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

EVERGREEN INVESTMENTS

Celia Anderson, CFA – Director, Client Management

Thomas B. Burton, CFA – Senior Portfolio Specialist & Chief Compliance Officer

Ms. Anderson began the presentation by noting that the updated information in a handout reflects changes that have occurred in the market since submission of their report ending June 30, 2008. She also noted that the firm has hired David Germany, a new Chief Investment Officer with 21 years of significant experience.

Mr. Burton provided a detailed report on the handout, which provided up to date information on the fixed income market and performance of the portfolio. This included a review of what occurred in the market, its impact on the portfolio, and anticipated returns over the next 18 months based on projected factors.

Ms. Anderson and Mr. Burton then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

PUBLIC COMMENT

There were no public comments.

OTHER BUSINESS

Letter from J & W Seligman – For Information Only

Mr. Brosnan noted that he had received a letter from J & W Seligman regarding change in ownership of the firm. A copy of the letter was provided to all Board members. Mr. Brosnan also noted that an amendment to the original contract would be sent to the new owner for signature.

Travel Policy

Mr. Wilmer presented the travel policy as an item for discussion. It was noted that the current travel policy, which requires that Board members submit a request for official travel to the Chairman of the Board for approval on all in-state and out-of-state travel, may need to be revised to include conferences that will be attended. It was also noted that the budget needs to reflect the anticipated cost of expenditures associated with this travel.

Discussion was held on conferences and money budgeted for staff and board member travel. Ms. Landry requested additional information regarding the budget, specifically on the total amount budgeted for travel and a breakdown of the allotted amounts for staff and board travel. It was noted that this information would be provided to the Board prior to the September 2008 meeting.

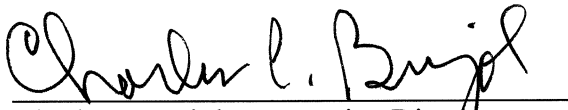
Ms. Landry went on record stating that she was withdrawing her request to attend the 2008 Forum for Institutional Investors in New York, as she plans to attend the 2009 NCPERS Legislative Conference in Washington, DC and the Annual Conference and Exhibition in May 2009. Mr. Rester, Ms. Crain, Mr. Walther, and Ms. McKee also withdrew their requests for official travel for the 2008 Forum for Institutional Investors.

Discussion was held on whether LSERS' travel budget should include designees for the Secretary of State and State Treasurer, as other state retirement systems do not pay for their travel. Mr. Faulk requested that the estimated costs for attending both NCPERS conferences each year be included in the report to be presented at the September meeting.


Mr. Wilmer called for a Special Board meeting to be held on September 8, 2008, upon adjournment of the Investment Committee, to review the information requested and discuss the travel policy and budget.

There was no other business to discuss.

ON MOTION BY MR. FAULK, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the Board adjourned at 12:04 p.m.



Charles P. Bujol – Executive Director



Larry Wilmer – Chairman