

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

**Tuesday, February 14, 2006
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's Building located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Larry Wilmer - Chairman of the Board, opened the meeting at 8:32 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called.

Members Present: Mr. Larry Wilmer – Chairman, Ms. Betty Jacobs, Ms. Betty Crain, Mr. Earl Richard, Jr., Ms. Judith McKee, Mr. Jeffrey Faulk, Sr., Ms. Lori Pierce, designee for Mr. John Kennedy – State Treasurer, Ms. Stacy Sharpe, designee for Mr. Al Ater - Secretary of State.

Members Absent: Ms. Sylvia Myers, Representative Pete Schneider, Senator D.A. “Butch” Gautreaux

Staff Present: Mr. Charles P. Bujol - Director, Ms. Debra Dudley – Assistant Director, Ms. Julia LeBlanc – Chief Investment Officer, Ms. Josie Meche – Investment Manager 1, Mr. Warren Ponder – General Counsel, Ms. Judy Wright – Public Informations Director 1, Ms. Jennifer Champagne – Administrative Assistant 5

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

MANAGER PERFORMANCE REVIEW

Mr. Ranallo presented the manager performance review, which included a review of performance over the last three months and calendar year 2005. He noted that for the fourth quarter ending December 31, 2005 there was approximately \$21 million dollars in investment gains and approximately \$17.5 million dollars in withdrawals to pay benefits, which gave a net gain of approximately \$3.5 million dollars.

Mr. Ranallo continued his report and provided a detailed review on each manager's performance. Discussion was held on the performance of Trinity, J. & W. Seligman, and Brandywine. Consensus of the Board was that administrative staff and Mr. Ranallo present information on all money managers at the next Investment Committee Meeting scheduled for March 13, 2006.

ON MOTION BY MS. JACOBS, SECONDED BY MS. MCKEE AND CARRIED, the Board accepted the Manager Performance Review.

INVESTMENT MANAGER REPORTS

ORLEANS CAPITAL MANAGEMENT

Louis F. Crane, Sr. – President and Chief Investment Officer
L. Farrell Crane, Jr. – Director of Research and Chief Compliance Officer

Mr. Louis Crane began the presentation by providing an update on the firm. He noted that from a business standpoint Orleans Capital had a good outcome from Hurricane Katrina, in that the company had a disaster recovery plan. Since all of the company's information was contained on a server they were able to relocate and set up an office in Houston, where most of the firm was operating, and a temporary office in Baton Rouge. This allowed them to start trading almost immediately after the storm.

Mr. Crane then provided a brief summary of the company's plans on reopening their offices and opening new offices. He noted that Orleans Capital Management's business was never affected by the problems incurred with Hurricane Katrina.

Mr. Crane then provided information on other aspects of the firm, which included assets under management, firm wide fixed income performance, firm investment product update on energy and strategic dividend, and updates relative to offices and personnel.

Mr. Farrell Crane continued the presentation and provided information on the fixed income sector performance relative to corporate bonds, treasuries, and mortgages, factors impacting performance, treasury yield curve and how it affects performance. He reviewed performance returns versus the benchmark through January 31, 2006, the Mobius Fixed Income Grade (Median), quality relative to AAA, AA, A, and BBB rated bonds, and the Lehman Aggregate Corporate Allocation. He then provided highlights of the portfolio, including the firm's strategies and goals, performance perspective, current allocations and characteristics of the portfolio, and a market outlook.

ON MOTION BY MS. JACOBS, SECONDED BY MS. CRAIN AND CARRIED, the Board accepted the Orleans Capital Management Investment Manager Report.

J. & W. SELIGMAN AND COMPANY, INC.

Dorothy Buckley – Managing Director, Institutional Client Service
Rick Ruvkun – Managing Director, Portfolio Manager
Michael Alpert – Senior Vice President, Portfolio Manager

Mr. Ruvkun began the presentation by noting that although J. & W. Seligman and Company was disappointed in their performance last year they were up 7% for the year to date, ahead of the benchmark, and expressed confidence that they were turning the performance around with the right team and investment discipline to do that on a consistent basis. He then provided an overview of what impacted the performance of the portfolio over the last three years and answered questions from the Board, which included a review of the company's performance relative to personnel changes within the team and a brief review of each member of the team, their years with Seligman, and their role within the team.

Mr. Alpert continued the presentation by providing an overview of the portfolio, including a review of the top ten equity holdings, the sector weights versus the benchmark, and a list of stocks in the portfolio. Specific stocks were reviewed and discussed.

Mr. Ruvkun and Mr. Alpert then answered questions from the Board, specifically on the outlook of the portfolio going forward.

ON MOTION BY MS. JACOBS, SECONDED BY MS. CRAIN AND SECONDED, the Board accepted the J. & W. Seligman Investment Manager Report.

SELECTION OF DOMESTIC LARGE CAP VALUE FINALISTS TO BE INTERVIEWED ON MARCH 13, 2006

Mr. Ranallo noted that he and Ms. LeBlanc reviewed all of the applications received and compiled a list of 15 firms out of 40 applications received for selection of finalists for interviews on March 13, 2006. Mr. Ranallo thoroughly reviewed the proposal summary spreadsheet, provided an information ratio on each firm, and explained how this ratio was calculated. Discussion was held on each firm.

The Preliminary Selection Form that would be used by Board members in selecting finalists for interviewing Domestic Large Cap Value Managers on March 13, 2006 was reviewed prior to selection.

Selection forms were collected and announced by Mr. Ponder as Ms. LeBlanc posted a tally of the selections for viewing by all present. Ms. Meche also kept a separate tally and confirmed the selection.

SELECTION OF FINALISTS

FIRM	TOTAL NUMBER OF VOTES
American Century – Value	2
C.S. McKee	4
Harris Investment Management	5
Quantitative Management	6
UBS Global Asset Management	8

ON MOTION BY MR. RICHARD, SECONDED BY MR. FAULK AND CARRIED, the Board approved interviewing the top four firms, which included UBS Global Asset Management, Quantitative Management, Harris Investment Management, and C.S. McKee.

OTHER BUSINESS

Mr. Ponder brought back for review the revised Election Policy, which was discussed and corrected per Board's direction at the February 13, 2006 Board meeting. Each page, which reflected corrections by strikeout of deleted wording and underlining of added wording, was reviewed and discussed.

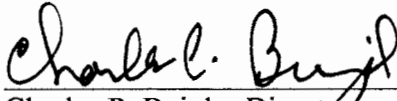
ON MOTION BY MR. RICHARD, SECONDED BY MS. MCKEE AND CARRIED, the Board accepted the changes in the Proposed Election Policy.

Ms. Wright was recognized by the Chairman to address an item on page 78 in reference to members who do not receive a ballot. It was noted that in some cases ballots are sent to members who had not received a ballot, even though their address had not changed. Mr. Ponder made the correction and restated the item in the policy.

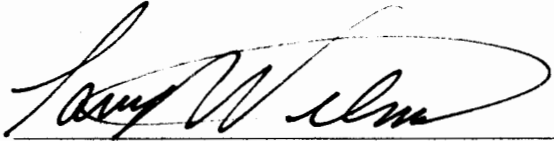
ON MOTION BY MS. JACOBS, SECONDED BY MR. FAULK AND CARRIED, the Board approved making the additional correction to the Board of Trustees Election Policy found on page 78 of the board booklet to read "members who do not receive a ballot or lose their ballot may request a new ballot, provided that the address on file at the System's office is proper".

Mr. Ponder brought up for consideration reapportionment of retirement districts within the State due to changes in member population within the districts. He noted that this issue was brought up to the Board in the past for consideration, but action was deferred. Discussion was held on this issue and consensus of the Board was to defer discussion and action on reapportionment to allow General Counsel time to research reapportionment and report back to the Board.

ON MOTION BY MR. RICHARD, SECONDED BY MR. FAULK AND CARRIED, the Board adjourned at 11:37 a.m.



Charles P. Bujol – Director



Larry Wilmer – Chairman