

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

**Tuesday, February 10, 2009  
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 8:32 a.m. The Lord's Prayer and Pledge of Allegiance were recited. Roll was called by Ms. Champagne.

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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, \*Mr. Randy Davis - designee for Mr. Jay Dardenne – Secretary of State

Members Absent: Senator D. A. "Butch" Gautreaux - Chairman of the Senate Committee on Retirement, Representative Joel C. Robideaux – Chairman of the House Committee on Retirement

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, Ms. Jennifer Champagne – Administrative Assistant 6

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

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\*Ms. Lori Pierce and Mr. Randy Davis arrived at 8:37 a.m.

The agenda was presented to the Board for approval.

**ON MOTION BY MR. FAULK, SECONDED BY MS. LANDRY,** Mr. Larry Wilmer, Mr. Philip B. Walther, Mr. Eugene Rester, Jr., Ms. Judith Ann McKee, Ms. Kathy B. Landry, Ms. Betty Crain, and Mr. Jeffrey Faulk, Sr. **voted affirmatively** to approve the agenda.

## **MANAGER PERFORMANCE REVIEW**

*Segal Advisors*

*Richard Ranallo – Richard E. Ranallo, CFA*

*Brett W. Hazen – Vice President*

Mr. Brosnan provided a review of the portfolio performance as of December 31, 2008. It was noted that the asset allocation for domestic equities is 43.9%, which is below the lower limit of the 45% to 55% target area outlined in the investment policy. Two alternatives were recommended: 1) take no action, but monitor closely, or 2) rebalance the portfolio to above the 45% minimum target area.

Mr. Ranallo provided these alternatives: 1) take no action, 2) rebalance to the minimum, 3) rebalance halfway to the target, or 4) rebalance all the way to the target. A review of each alternative, followed by a review of pros and cons, was provided. Mr. Ranallo and Mr. Hazen then addressed questions from the Board and staff.

Mr. Ranallo and Mr. Hazen recommended rebalancing to the minimum.

**ON MOTION BY MR. FAULK, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT,** the Board approved rebalancing to the minimum.

Mr. Wilmer announced that Ms. Lauren Bailey, with the Senate Retirement Committee, called to inform the Board that she was in training and not able to attend today's meeting.

A review of market performance was provided, followed by a detailed review of LSERS' portfolio. Mr. Ranallo and Mr. Hazen addressed questions from the Board and staff.

## **REPORT ON INDEPENDENT REVIEW OF TATTERSALL PORTFOLIO**

Mr. Hazen provided a detailed review of a handout on "Investment Manager Candidates for Tattersall Portfolio", which was a report from Segal Advisors on three candidates that have reviewed the Tattersall portfolio, and their findings on each candidate. Mr. Ranallo and Mr. Hazen recommended that the board take time to seek more candidates in order to find a suitable manager for the portfolio.

**ON MOTION BY MR. RESTER, SECONDED BY MR. FAULK AND CARRIED BY UNANIMOUS CONSENT**, the Board accepted the Manager Performance Review and Report on Independent Review of Tattersall Portfolio.

## **INVESTMENT MANAGER REPORTS**

The following Investment Manager provided the first presentation:

### J. & W. SELIGMAN & CO.

*Ed Urban – Vice President, Consultant Relations*  
*Michael J. Alpert – Managing Director*

Mr. Urban and Mr. Alpert then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

While waiting on the next scheduled presentation the Board proceeded with Other Business.

## **OTHER BUSINESS**

### Mr. Ranallo - Segal Advisors

Mr. Ranallo noted that he has been in charge of an initiative at Segal Advisors for the last two years to strengthen their capabilities in alternative investments through their research team. It was noted that although he is not physically present at the Board meetings he is working on initiatives that are helping LSERS. This item was for information only - no action needed.

### Mr. Wilmer – Travel

Mr. Wilmer brought up travel, specifically out-of-state travel, for discussion. This was in conjunction with the revised 2009-2010 budget that will be presented to the Board on March 9, 2009, reflecting a reduction in LSERS' overall budget. He noted that the board should consider reducing travel to stay within the budgeted amount for out-of-state travel or possibly placing a moratorium on all out-of-state travel until further notice.

A review of the current budgeted amount and estimated expenditures for out-of-state travel through June 30, 2009 was provided. Mr. Wilmer noted that the board should vote on whether they should attend the 2009 NCPERS Annual Conference & Exhibition, as this conference would cause out-of-state travel to be over budget. Mr. Wilmer yielded the floor for comments and/or discussion.

Ms. Landry noted for the record that several meetings ago, during a budget discussion, she opted to give up the 2009 NCPERS Legislative Conference in order to attend the 2009 NCPERS Annual Conference and Exhibition. Ms. Landry noted that she plans to attend the annual conference.

A question arose as to whether money could be moved within the budget to accommodate attendance at this conference. Mr. Wilmer noted that even though money is moved, money is still being spent on out-of-state travel. In reference to educational requirements he noted that this could be obtained through in-state travel to New Orleans for the LAPERS Seminar or through the audio and video tapes provided each year for members who are unable to attend.

A question arose as to the dollar amount that would be saved if they only attended the conference. Upon review the estimated savings was approximately \$2,600, which is the estimated cost for the two members requesting attendance at the two day workshop.

Further discussion on this matter was postponed due to the arrival of the second investment manager.

The following Investment Manager provided the second presentation:

**FISHER INVESTMENTS INSTITUTIONAL GROUP**

*Leon P. Stamps – Vice President*  
*Roman Knysh – Vice President, Portfolio Specialist*

Mr. Stamps and Mr. Knysh then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

Other Business was continued while waiting on the next scheduled presentation.

**OTHER BUSINESS**

**Scheduling Index Managers**

Mr. Ranallo provided a comment regarding the need for scheduling Index Managers for quarterly presentations and then proceeded with his reasons for excluding them from the schedule. A schedule of every four or five years was suggested. Consensus of the Board was to schedule the index managers as suggested.

**Travel**

Mr. Wilmer noted the need for a combined effort by the Board to trim the budget. Ms. Pierce and Mr. Davis were asked to share information regarding possible budget cuts within their agencies. No further discussion was held on this matter and no action taken.

**PUBLIC COMMENT**

There were no public comments.

The Board continued with the third presentation:

**RHUMBLINE ADVISERS**

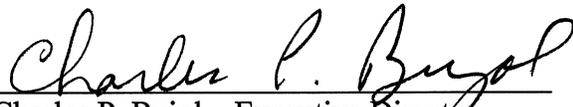
*Wayne T. Owen – Chief Executive Officer  
Julie Carman Lind – Portfolio Manager*

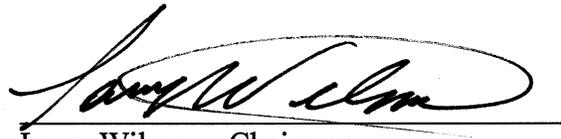
Mr. Owen and Ms. Lind then addressed questions from the Board, its Investment Consultants, and LSERS' administrative staff.

**OTHER BUSINESS**

There was no other business to discuss.

**ON MOTION BY MR. FAULK, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT**, the Board adjourned at 11:22 a.m.

  
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Charles P. Bujol – Executive Director

  
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Larry Wilmer – Chairman