

Louisiana School Employees' Retirement System Board Investment Committee Meeting

Monday, July 12, 2010
9:00 a.m.

The Louisiana School Employees' Retirement System's Board Investment Committee convened in the boardroom (Room 100) of the Louisiana School Employees' Retirement System Building, located at 8660 United Plaza Blvd., Baton Rouge, Louisiana. Mr. Faulk, Chairman of the committee, called the meeting to order at 9:02 a.m. Roll was called by Mrs. Stark.

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Members Present: Mr. Jeffrey Faulk, Sr., Mr. Eugene Rester, Jr., Mrs. Kathy Landry, Ms. Betty Crain, Mrs. Judith McKee, and Mr. Philip B. Walther.

Members Absent: Mr. Larry Wilmer, Mr. Jay Dardenne – Secretary of State, Mr. John Kennedy - State Treasurer, Representative J. Kevin Pearson – Chairman of the House Committee on Retirement, and Senator D.A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement

Staff Present: Mr. Charles Bujol – Executive Director, Mrs. Carolyn Forbes - Assistant Director, Mr. Warren Ponder - Executive Counsel, Mr. Brendan Brosnan - Chief Investment Officer, Mr. Jerry Rhodus – Investment Officer II, and Mrs. Laurie Stark - Administrative Assistant 5

Others Present: Mr. Brett Hazen – Segal Advisors, Inc.

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ANNOUNCEMENTS

Mr. Bujol made the following announcements:

The proposal for the 2011 Board Meeting schedule and calendar, which will be discussed at the August board meeting, has been placed in folders for review.

An update on the chiller was provided.

The 2010 LAPERS Seminar is scheduled for September 19 - 22, 2010 at the Marriot Convention Center in New Orleans. Request for Official Travel forms will need to be reviewed and signed before hotel reservations can be made. Please meet with Mrs. Stark to sign forms.

APPROVAL OF AGENDA

The agenda was presented to the committee for approval.

ON MOTION OF MS. CRAIN, SECONDED BY MRS. McKEE, Mrs. McKee, Ms. Crain, Mrs. Landry, Mr. Faulk, Mr. Rester, and Mr. Walther **voted affirmatively** to approve the agenda.

PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA

The chairman made a request for any members of the public who would like to comment on any agenda item. There were no members of the public present at the meeting.

DISCUSSION WITH CONSULTANT

Mr. Brosnan informed the committee that the termination process with AXA Rosenberg has been completed. The contract with Wasatch has been signed and trading will begin today, July 12, 2010. Mr. Hazen provided an update on the current status of the market and performance numbers for the portfolios. Mr. Hazen then entertained questions from the committee.

STAFF REPORTS

Commission Recapture

Mr. Rhodus reported that for the period January 1, 2010 through April 30, 2010 none of the fixed income managers met their targeted commitment to Lynch Jones & Ryan. All of the equity managers, except C.S. McKee and RiverSource, met or exceeded their 25% targets. The total funds available for disbursement as of April 30, 2010 were \$53,067.00. Disbursements totaling \$16,700.00 were made, leaving a balance of \$36,367.00.

ON MOTION OF MRS. McKEE, SECONDED BY MS. CRAIN AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Commission Recapture Report.

Northern Trust Securities Lending Report

Mr. Brosnan reported that for the period of January 1, 2010 through April 30, 2010 the gross income on securities lending was \$219,140.64. Northern Trust received a fee of \$65,698.96. Since inception the fund earned \$8,408,936.87 or an average net monthly income of \$42,469.38.

ON MOTION OF MRS. McKEE, SECONDED BY MRS. LANDRY AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Securities Lending Report.

Louisiana Broker Report

Mr. Rhodus reported that for the reporting period of January 1, 2010 through April 30, 2010 NTGI and Walter Scott were the only managers that met or exceeded their 10% target. None of the fixed income managers met their target for the period. Equity commissions totaling \$7,076.83 were collected during the period ending April 30, 2010. No par value was collected.

Louisiana Incorporated & Domiciled Broker Report

Mr. Rhodus reported that for the reporting period of January 1, 2010 through April 30, 2010 none of the fixed income managers met their 10% target. All of the equity managers, except RiverSource, met or exceeded their 10% minimum target. Equity commissions totaling \$13,944.16 were directed during the period ending April 30, 2010. No par value was collected.

ON MOTION OF MR. RESTER, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Louisiana Broker and the Louisiana Incorporated and Domiciled Broker Reports.

**Legal Update
Investment Staff Report of Receipts**

Mr. Brosnan reported that as of April 2010 LSERS received a total of \$4,651,285.78 in cash, \$578 in par value and 8,965 shares of stock/warrants for settlements from securities litigations. Mr. Brosnan entertained questions from the committee.

ON MOTION OF MRS. LANDRY, SECONDED BY MRS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Report of Receipts.

Current Case Review

Mr. Ponder provided an update regarding the F.A. Richard case.

Legislative Update

Mr. Ponder and Mr. Bujol presented an overview of the bills affecting LSERS and its members that were passed by the legislature and signed by the governor, and then entertained questions from the committee.

ON MOTION OF MRS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the Legislative Update.

DISCUSSION OF POSSIBLE INVESTMENT VEHICLE FOR OPPORTUNISTIC ASSET CLASS

Mr. Brosnan reported on the possibility of investing in the Resource Conservation Fund, which would involve an initial investment of \$10 million. He then entertained questions from the committee members. Discussion was held and the committee agreed to have Resource Conservation Fund present their fund at the August Board Meeting.

ON MOTION OF MR. WALTHER, SECONDED BY MRS. McKEE AND CARRIED BY UNANIMOUS CONSENT, the committee agreed to have the Resource Conservation Fund attend the August Board Meeting for a presentation.

EDUCATIONAL PRESENTATION: INFLATION HEDGE STRATEGIES

Highland Capital Management, L.P.

Mr. Lane Britain – Partner

Mr. Britain presented an hour-long educational component regarding the different oil and natural gas opportunities that are available.

ON MOTION OF MRS. LANDRY, SECONDED BY MR. WALTHER AND CARRIED BY UNANIMOUS CONSENT, the committee accepted the hour-long investment education presentation regarding Oil and Natural Gas Opportunities.

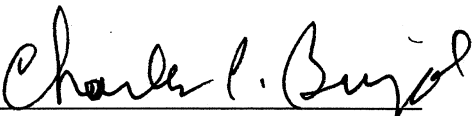
OTHER BUSINESS

There was no other business.

PUBLIC COMMENTS

There were no public comments.

ON MOTION OF MRS. LANDRY, SECONDED BY MR. RESTER AND CARRIED BY UNANIMOUS CONSENT, the committee adjourned at 11:24 a.m.



Charles P. Bujol, Director



Jeffrey Faulk, Sr., Chairman