

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

*Monday, October 11, 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 9:00 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, Mr. Philip B. Walther, Mr. Matt Tessier, observer for Rep. J. Kevin Pearson – Chairman of the House Committee on Retirement, Ms. Lauren Bailey, observer for Sen. D.A. “Butch” Gautreaux – Chairman of the Senate Committee on Retirement and Mr. Randy Davis, designee for Mr. Jay Dardenne – Secretary of State.

**Members Absent:** Mr. Larry Wilmer, Mr. John Kennedy – State Treasurer, Rep. J. Kevin Pearson – Chairman of the House Committee on Retirement and Sen. 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:** None.

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## **ANNOUNCEMENTS**

Mr. Bujol made the following announcements:

A letter regarding the Certification of Compliance with Trustee Educational Requirements was submitted to the Speaker of the House of Representatives, President of the Louisiana Senate, Chairman of the House Committee on Retirement and the Chairman of the Senate Committee on Retirement.

A copy of the Certification letter has also been placed in the board member's folders.

A handout has been provided regarding the Social Security Administration's update on Windfall Elimination Provision (WEP) and Government Pension Offset (GPO).

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### **APPROVAL OF AGENDA**

The agenda was presented to the committee for approval.

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

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### **PUBLIC COMMENTS ON ANY ITEM ON THE AGENDA**

The chairman made the 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.

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### **PORTFOLIO PERFORMANCE REVIEW**

Mr. Brosnan provided an update on the current status of the market and performance numbers for the portfolios. Mr. Brosnan then entertained questions from the committee.

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**ON MOTION OF MR. RESTER, SECONDED BY MRS. McKEE AND CARRIED BY UNANIMOUS CONSENT**, the committee accepted the Portfolio Performance Review.

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### **STAFF REPORTS**

#### **Commission Recapture**

Mr. Rhodus reported that for the period January 1, 2010 through July 31, 2010 none of the fixed income managers met their targeted commitment to Lynch Jones & Ryan. All of the equity managers, except C.S. McKee, Russell and Wasatch met or exceeded their 25% targets. The total funds available for disbursement as of July 31, 2010 were \$53,952.15. Disbursements totaling \$31,700.00 were made, leaving a balance of \$22,252.15. Mr. Rhodus then entertained questions from the committee.

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

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**Northern Trust Securities Lending Report**

Mr. Brosnan reported that for the period of January 1, 2010 through July 31, 2010 the gross income on securities lending was \$380,189.04. Northern Trust received a fee of \$113,970.59. Since inception the fund earned \$8,521,713.64 or an average net monthly income of \$42,396.59. Mr. Brosnan then entertained questions from the committee.

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

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**Louisiana Broker Report**

Mr. Rhodus reported that for the reporting period of January 1, 2010 through July 31, 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 July 31, 2010. No par value was collected. Mr. Rhodus then entertained questions from the committee.

**Louisiana Incorporated & Domiciled Broker Report**

Mr. Rhodus reported that for the reporting period of January 1, 2010 through July 31, 2010 none of the fixed income managers met their 10% target. All of the equity managers met or exceeded their 10% minimum target. Equity commissions totaling \$23,837.34 were directed during the period ending July 31, 2010. No par value was collected. Mr. Rhodus then entertained questions from the committee.

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**ON MOTION OF MS. CRAIN, SECONDED BY MRS. LANDRY AND CARRIED BY UNANIMOUS CONSENT,** the committee accepted the Louisiana Broker and the Louisiana Incorporated and Domiciled Broker Reports.

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**Legal Update**  
**Investment Staff Report of Receipts**

Mr. Brosnan reported that as of July 2010 LSERS received a total of \$4,712,490.78 in cash, \$578 in par value and 8,965 shares of stock/warrants for settlements from securities litigations. Mr. Brosnan then entertained questions from the committee.

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

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**Current Case Review**

Mr. Ponder provided an update regarding the East Baton Rouge Parish vs. LSERS case. McGlinchy and Associates has been hired to handle this case. Mr. Ponder then entertained questions from the committee.

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**OTHER BUSINESS**

There was no other business.

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**PUBLIC COMMENTS**

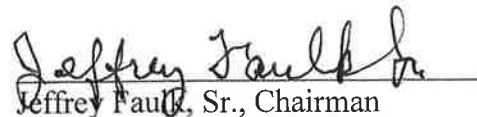
There were no public comments.

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**ON MOTION OF MR. RESTER, SECONDED BY MRS. LANDRY AND CARRIED BY UNANIMOUS CONSENT**, the committee adjourned at 9:25 a.m.

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Charles P. Bujol, Director

  
Jeffrey Faulk, Sr., Chairman