

Louisiana School Employees' Retirement System Special Board Meeting

*Monday, September 18, 2006
1:45 p.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. Wilmer called the meeting to order at 1:45 p.m. The Roll was called by Mrs. Stark.

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Members Present: Ms. Betty Jacobs, Ms. Kathy Landry, Ms. Betty Crain, Mrs. Judith McKee, Mr. Larry Wilmer - Chairman, Mr. Jeffrey Faulk, Sr., Mr. Earl Richard, Jr., Ms. Lori Pierce - Treasurer's Office and Ms. Stacy Sharpe - Secretary of State's Office.

Members Absent: Senator D.A. "Butch" Gautreaux - Chairman - Senate Retirement Committee and Representative Pete Schneider, Chairman - House Retirement Committee.

Staff Present: Mr. Charles Bujol - Executive Director, Mrs. Debra Dudley - Assistant Director, Mr. Warren Ponder - Executive Counsel, Mrs. Julia LeBlanc - Chief Investment Officer, Mrs. Josie Meche - Investment Manager I, Ms. Judy Wright - Public Information Director I and Mrs. Laurie Stark - Administrative Assistant 5.

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RECOMMENDATIONS FROM INVESTMENT COMMITTEE

Mrs. LeBlanc was asked to review the recommendations of the Investment Committee. The first recommendation was to hire Thornburg Investment Management as the new International Equity Manager.

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ON MOTION OF MS. PIERCE, SECONDED BY MR. RICHARD AND CARRIED, the board agreed that Thornburg Investment Management, Inc. would be LSERS' new International Equity Manager.

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The second recommendation was to change the Investment Policy to reflect the following benchmarks: 50% Russell 3000, 10% MSCI EAFE, 30% Lehman Brothers Aggregate, 6% NCREIF and 4% S&P 500 plus three percentage points.

ON MOTION OF MS. JACOBS, SECONDED BY MR. RICHARD AND CARRIED, the board agreed to change the investment policy to reflect that the benchmark totals for the portfolio will read: 50% Russell 3000, 10% MSCI EAFE, 30% Lehman Brothers Aggregate, 6% NCREIF and 4% S&P 500 plus three percentage points.

The third recommendation was to change the investment policy to allow Thornburg Investment Management, Inc. to invest up to 20% in emerging markets.

ON MOTION OF MS. JACOBS, SECONDED BY MRS. LANDRY AND CARRIED, the board agreed to allow Thornburg Investment Management, Inc. to invest up to 20% in emerging markets.

The fourth recommendation concerned the budget for 2006-2007. It would allow the investment department the authority to pay expenses normally funded through commission recapture from 2006-2007 excess in investment management fees and to submit a BA-7 if needed.


ON MOTION OF MS. JACOBS, SECONDED BY MR. RICHARD AND CARRIED, the board agreed to give investment staff the authority to do what was necessary to pay investment expenses by submitting a BA 7 if needed.

OTHER BUSINESS

Mr. Faulk recommended that Mr. Ranallo be given an increase in salary because he has attended more than the 9 agreed upon meetings. A discussion was held and no action was taken.

ON MOTION OF MR. FAULK, SECONDED BY MR. RICHARD AND CARRIED, the board agreed to adjourn.

The meeting adjourned at 2:17 p.m.


Charles P. Bujol, Director


Larry Wilmer, Chairman