

**Louisiana State Employees' Retirement System  
Regular Board Meeting  
June 23 & 24, 2011**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, June 23, 2011, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Connie Carlton, Board Chair, called the meeting to order at 10:30 a.m. Roll call was conducted by Caye Weaver, recording secretary.

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Members present: Ms. Connie Carlton, Ms. Beverly Hodges, Ms. Amy Mathews, (designee for the Treasurer), Ms. Janice Lansing, Ms. Barbara McManus, Ms. Susan Pappan, Ms. Lori Pierce, Ms. Sheryl Ranatza, Ms. Kathy Singleton

Members absent: Mr. Charles Castille, Senator Butch Gautreaux, Representative Kevin Pearson

Staff present: Ms. Cynthia Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director; Mr. Trey Boudreaux, Assistant Director; Mr. Bobby Beale, Chief Investment Officer; Mr. Troy Searles, Deputy Chief Investment Officer; Ms. Tina Vicari Grant, Executive Counsel; Investment Staff: Ms. Celeste Funderburk, Mr. Darren Fournierat, Mr. Chris Hill, Ms. Alisa Lacombe, Mr. Mac Owens, Ms. Laney Sanders, and Ms. Katy Askew

Also present: Mr. Rhett Humphreys and Mr. Jeff Roberts, - NEPC, LLC

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A quorum was declared present and the meeting opened for business.

**Public Comment**

No one appeared before the Board to offer public comments.

**New Business**

**Monthly Performance Review**

Mr. Beale reviewed the Plan performance for May, 2011, and stated that Fiscal-Year-to-Date the Plan return is 25.1%. He cautioned that June has been volatile, and stated that once final Fiscal Year numbers are available he will e-mail the Board. Mr. Humphreys reviewed the May Flash Report with the Board.

### **Private Equity – Growth Equity Search Review**

Mr. Owens and Mr. Roberts reviewed the due diligence trips and reminded the Board that the total commitment will be approximately \$100 million. Mr. Owens stated that the recommendation is to hire up to three (3) managers for the mandate.

### **Private Equity – Growth Equity Finalists Interviews**

#### **Lightyear Capital, LLC**

Mr. Chris Casciato, Mr. Michael Doppelt, and Mr. Stewart Gross appeared before the Board on behalf of Lightyear Capital.

#### **Private Advisors**

Mr. Chip Moelchert, Mr. Chris Stringer, and Ms. Kee Rabb appeared before the Board on behalf of Private Advisors.

*\*break for lunch 12:00 p.m. – 12:30 p.m.*

#### **RCP Advisors**

Mr. Jeff Gehl and Mr. Charlie Huebner appeared before the Board on behalf of RCP Advisors.

#### **Sterling Fund Management**

Mr. Steven Taslitz and Mr. Rick Elfman appeared before the Board on behalf of Sterling Fund Management.

#### **Summit Partners**

Mr. Joseph Trustey appeared before the Board on behalf of Summit Partners.

#### **Vista Equity**

Before the presenters for Vista Equity joined the meeting, Mr. Humphreys disclosed that NEPC has an employee who is related to the president of Vista Equity. The employee is not a partner, and is employed in a different sector at NEPC. Mr. Robert Smith and Mr. Brian Sheth appeared before the Board on behalf of Vista Equity.

### **Discussion and Mandate Selection of Private Equity – Growth Equity Manager**

Mr. Owens and Mr. Roberts reviewed their impressions of the managers, then presented their recommendations. Mr. Owens stated his recommendation is Vista Equity, Sterling Fund and Private Advisors. Mr. Roberts stated NEPC's recommendation is the same three managers. Mr. Beale agreed with the recommendations. The Chair called for Ms. Rougeou's opinion. Ms. Rougeou stated she has no disagreement with the recommendations. **Ms. McManus moved, seconded by Ms. Mathews, to hire three managers for the mandate. With no further discussion, and no objections, the motion carried.**

The Chair called for ballots, which were distributed, retrieved and tallied. Mr. Beale read the results as follows:

Trustee	Lightyear Capital, LLC	Private Advisors	RCP Advisors	Sterling Fund Mgmt.	Summit Partners	Vista Equity
Beverly Hodges			X	X		X
Amy Mathews, designee – Treasurer		X		X		X
Janice Lansing		X		X		X
Barbara McManus		X		X		X
Susan Pappan		X		X		X
Lori Pierce		X		X		X
Sheryl Ranatza		X		X		X
Kathy Singleton		X		X		X

**With Private Advisors, Sterling Fund Management and Vista Equity receiving majority votes, the mandate will be awarded to those managers. After discussion about the commitment amount, Ms. Mathews moved, seconded by Ms. McManus, to commit \$35 million to each manager, for a total of \$105 million. With no further discussion, and no objections, the motion carried.**

With no further business to discuss, the Board then recessed at 3:35 p.m.

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The Board of Trustees of the Louisiana State Employees' Retirement System reconvened on Friday, June 24, 2011, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana.

Ms. Connie Carlton, Board Chair, called the meeting to order at 12:21 p.m. Roll call was conducted by Kai Ranallo, recording secretary.

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**Members Present:** Ms. Connie Carlton, Mr. Charles Castille, Ms. Beverly Hodges, Ms. Amy Mathews (designee for the Treasurer), Ms. Janice Lansing, Ms. Barbara McManus, Ms. Susan Pappan, Ms. Lori Pierce, Ms. Sheryl Ranatza, and Ms. Kathy Singleton

**Members Absent:** Senator Butch Gautreaux, Representative Kevin Pearson

**Staff Present:** Ms. Cindy Rougeou, Executive Director; Ms. Maris LeBlanc, Deputy Director; Mr. Trey Boudreaux, Assistant Director; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Kai Ranallo, recording secretary. Other LASERS staff: Mr. Artie Fillastre, Mr. Lance Armstrong, Ms. Cindy Taylor, Mr. Ryan Babin, Mr. Steve Stark, Mr. Christopher Walters

**Also Present:** Ms. Shelley Johnson, SJ Actuarial

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A quorum was declared present and the meeting opened for business.

**Regular Business**

**Ms. Carlton called for approval of the minutes of the May 26 & 27, 2011, Board Meetings. Ms. Mathews moved, seconded by Ms. McManus, to approve the minutes. With no objection or discussion, the motion passed.**

Ms. Hodges reported that the Audit Committee met on Friday, June 24, 2011, and had the following items to report:

**The Audit Committee recommended and Ms. Hodges moved, seconded by Ms. Ranatza, to approve the Louisiana Compliance Questionnaire, as presented. With no objection or discussion, the motion carried.**

**The Audit Committee recommended and Ms. Hodges moved, seconded by Ms. McManus, to approve the Fiscal Year Ending 2012 Audit Plan. With no objection or discussion, the motion carried.**

**The Audit Committee recommended and Ms. Hodges moved, seconded by Ms. Mathews to approve the Audit Committee Charter, as presented. With no objection or discussion, the motion carried.**

Mr. Castille reported that the Legislative Committee met on Friday, June 24, 2011, and had no recommendations to report.

Ms. Hodges reported that the Management Committee met on Friday, June 24, 2011, and had the following to report:

**The Management Committee recommended and Ms. Hodges so moved, seconded by Ms. McManus, to approve the June 2011 Retirement Disability Report. With no objection or discussion, the motion carried.**

The Management Committee recommended and Ms. Hodges so moved, seconded by Ms. Singleton, to approve the appointment of Dr. Venkata Gadi, Dr. Jose Santiago, Jr., and Dr. Amit Patel as alternate physicians on the State Medical Board. With no objection or discussion, the motion carried.

**New Business**

Ms. Rougeou introduced Mr. Christopher Walters as the Legal Division's new Law Clerk.

**Other Business**

No other business was discussed and the meeting adjourned at 12:25 p.m.



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Cindy Rougeou, Executive Director