

**Louisiana State Employees' Retirement System
Regular Board Meeting
August 26 & 27, 2010**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, August 26, 2010, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Charles Castille, Board Chair, called the meeting to order at 1:08 p.m. Roll call was conducted by Caye Weaver, recording secretary.

Members present: Ms. Connie Carlton, Mr. Charles Castille, Ms. Beverly Hodges, Ms. Amy Mathews (designee for the Treasurer), Ms. Janice Lansing, Ms. Lori Pierce, Ms. Sheryl Ranatza, Ms. Kathy Singleton

Members absent: Senator Butch Gautreaux, Ms. Barbara McManus, Ms. Susan Pappan, Representative Pearson

Staff present: Ms. Maris LeBlanc, Deputy Director; Mr. Bobby Beale, Chief Investment Officer; Mr. Troy Searles, Deputy Chief Investment Officer; Ms. Tina Vicari Grant, Executive Counsel; Investment Staff: Celeste Funderburk, Alisa Lacombe, Darren Fournerat, Chris Hill, Laney Sanders, and Will Hardee

Also present: Mr. Rhett Humphreys and Mr. Joel Paula, - NEPC, LLC

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

New Business

Opportunistic Mortgage Backed Securities Preview

Mr. Searles and Mr. Paula reviewed the background necessitating the Opportunistic Mortgage Backed Securities search.

Opportunistic Mortgage Backed Securities Finalist Interviews –

a. AllianceBernstein, L.P.

Mr. Jeffrey S. Phlegar and Mr. Joe Lawrence appeared before the Board for AllianceBernstein.

b. Angelo Gordon & Company

Ms. Colleen Casey and Mr. Jonathan Lieberman appeared before the Board for Angelo Gordon and Company.

c. Marathon Asset Management, L.P.

Mr. Andrew Rabinowitz, Mr. Stuart Goldberg, and Ms. Marianna Bracco appeared before the Board for Marathon Asset Management.

d. ZAIS Group, LLC

Mr. Christopher Kelly, Ms. Denise Crowley, and Mr. Lee Giannone appeared before the Board for ZAIS Group.

Discussion and Mandate Selection of Opportunistic Mortgage Backed Securities Manager

Mr. Paula reviewed the interviews and performance of each manager. He stated NEPC recommends Angelo Gordon & Company, followed by Marathon Asset Management, AllianceBernstein, and ZAIS Group. Mr. Searles then reviewed his choice, which is Marathon Asset Management, with Angelo Gordon & Company, AllianceBernstein, and ZAIS Group following. The Chair then asked for the opinions of Mr. Beale and Mr. Humphreys. Mr. Beale stated that Mr. Searles and Mr. Paula have done a tremendous amount of due diligence for this mandate, and that this asset class is esoteric. He stated he recommends Marathon and stated his reasons. Mr. Humphreys compared Angelo Gordon and Marathon, and stated that both funds participate in the PPIP program, which is an endorsement from the Federal Government. Ms. LeBlanc stated she recommends Marathon Asset Management. The Board held a discussion concerning fees, then the Chair called for the ballots. The recording secretary passed out and collected the ballots. Mr. Beale tallied and read the votes, which are as follows:

Ms. Carlton	Marathon Asset Management, L.P.
Mr. Castille, Chair	Votes in a tie only
Senator Gautreaux	Absent
Ms. Hodges	Marathon Asset Management, L.P.
Ms. Mathews	Angelo Gordon & Company
Ms. Lansing	Marathon Asset Management, L.P.
Ms. McManus	Absent
Ms. Pappan	Absent
Representative Pearson	Absent
Ms. Pierce	Marathon Asset Management, L.P.
Ms. Ranatza	Marathon Asset Management, L.P.
Ms. Singleton	Marathon Asset Management, L.P.

Upon receiving the majority of the votes, the mandate was awarded to Marathon Asset Management, L.P.

The Board then recessed at 4:29 p.m.

The Board of Trustees of the Louisiana State Employees' Retirement System reconvened on Friday, August 27, 2010, in the fourth floor Board Room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Charles Castille, Board Chair, called the meeting to order at 10:28 a.m. Roll call was conducted by Kai Ranallo, recording secretary.

Members present: Ms. Connie Carlton, Mr. Charles Castille, Ms. Beverly Hodges, Ms. Janice Lansing, Ms. Amy Mathews (designee for the Treasurer), Ms. Lori Pierce, Ms. Sheryl Ranatza, Ms. Kathy Singleton

Members absent: Senator Butch Gautreaux, Ms. Barbara McManus, Ms. Susan Pappan, Representative J. Kevin Pearson

Staff present: Ms. Maris LeBlanc, Deputy Director; Ms. Tina Grant, Executive Counsel; Mr. Bobby Beale, Chief Investment Officer; Ms. Kai Ranallo, recording secretary. Other LASERS staff: Mr. Artie Fillastre, Ms. Suzanne Adams, Ms. Katreena Moses, Mr. Ryan Babin

Also present: Ms. Shelley Johnson, SJ Actuarial

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

Regular Business

Mr. Castille called for approval of the minutes of the June and July 2010, Board Meetings. Ms. Ranatza moved, seconded by Ms. Lansing, to approve the minutes. With no objection or discussion, the motion passed.

Ms. Carlton reported that the Investment Committee met on Thursday, August 26, 2010, and had the following to report:

The Investment Committee recommended and Ms. Carlton so moved, seconded by Ms. Ranatza, to approve the updated Investment Policy, with revisions. With no objection or discussion, the motion carried.

Ms. Ranatza reported that the Management Committee met on Friday, August 27, 2010, and had the following to report:

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the ratification of the

approvals from the July 2010 Disability Retirement report. With no discussion or objection, the motion carried.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Hodges, to approve the July 2010 Disability Denials and the August 2010 Disability Retirement report. With no discussion or objection, the motion carried.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the proposed 2011 Board Meeting dates as presented. With no discussion or objection, the motion carried.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the revised Delegation of Authority to the Executive Director. With no discussion or objection, the motion carried.

The Management Committee recommended and Ms. Ranatza so moved, seconded by Ms. Carlton, to approve the ratification for travel for Ms. Singleton to attend the LATEC/Omni Conference in August 2010. With no objection or discussion, the motion carried.

The Management Committee reviewed the administrative errors report, located in the Board book behind the Management Committee tab.

New Business

Ms. LeBlanc announced that there were no new employees to introduce to the Board.

Other Business

No other business was discussed and the meeting adjourned at 10:33 a.m.