

**Louisiana State Employees' Retirement System
Regular Board Meeting
May 24 & 25, 2012**

The Board of Trustees of the Louisiana State Employees' Retirement System met on Thursday, May 24, 2012, 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 12:30 p.m. Roll call was conducted by Caye Weaver, recording secretary.

Members Present: Mr. Thomas Bickham, Ms. Connie Carlton, Ms. Beverly Hodges, Ms. Amy Mathews (designee for the Treasurer), Ms. Janice Lansing, Ms. Barbara McManus, Ms. Lori Pierce, Ms. Kathy Singleton,

Members Absent: Senator Elbert Guillory, Judge William Kleinpeter, Representative Kevin Pearson, Ms. Shannon Templet

Staff Present: Ms. Cindy 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 Grant, Executive Counsel; Investment Staff: Mr. Darren Fournerat, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Chris Hill, Ms. Laney Sanders, Mr. Duc Vu

Also present: Mr. Rhett Humphreys, Mr. Jeff Roberts, and Mr. Kamal Suppal with NEPC, LLC

A quorum was declared present and the meeting opened for business. Ms. Carlton called for public comment. No public comments were made.

New Business

First Quarter 2012 Performance Report

The Chair took the agenda out of order and called for the First Quarter 2012 Performance Report. Mr. Beale reviewed the Plan performance for the Quarter, and May month-to-date. He stated that April performance was relatively flat. Mr. Beale and Mr. Humphreys reviewed the Flash Report.

The Chair then moved the agenda back to order.

Private Equity – Secondary Markets Finalists Selection

Ms. Sanders and Mr. Roberts reviewed the Private Equity – Secondary Market search criteria and qualified managers. Ms. Sanders stated that staff and NEPC recommend hiring up to two managers for the mandate. The Chair asked Ms. Rougeou for her recommendation and she stated she recommends hiring up to two managers. **Ms. Hodges moved, seconded by Ms. McManus, to hire up to two (2) managers for the Private Equity – Secondary Markets mandate. With no further discussion, and no objections, the motion carried.**

Ms. Sanders then stated that staff and NEPC recommend interviewing four finalists. Ms. Rougeou also recommended interviewing four finalists. **Ms. Hodges moved, seconded by Ms. McManus, to interview four (4) finalists. With no further discussion, and no objections, the motion carried.**

Ms. Sanders stated that staff and NEPC recommend interviewing Axa Investment Managers, Collier Investment Management, Paul Capital Advisors, W Capital Advisors. The Chair asked for Mr. Beale and Ms. Rougeou’s recommendations. They both agreed with the recommendations of staff and NEPC. After further discussion, **Ms. Hodges moved, seconded by Ms. Lansing, to interview Axa Investment Managers, Collier Investment Management, Paul Capital Advisors, W Capital Advisors. With no further discussion, and no objections, the motion carried.**

Mr. Beale advised the Board that due diligence trips will be conducted before the June Board meeting, and that finalist interviews will be held at Thursday, June 21, 2012, at the Board meeting.

Hedge Fund Mandate Finalists Interviews

Before the finalist interviews, Mr. Searles reviewed the search process. The Chair and Ms. McManus asked that one-pagers be done for finalists going forward. The Chair then asked Mr. Searles to review each manager presenting.

a. Blackstone Alternative Asset Management, L.P.

Mr. John McCormick, Mr. Ian Morris and Ms. Trina Spear appeared on behalf of Blackstone Alternative Asset Management, L.P.

b. EnTrust Capital, Inc.

Mr. Gregg Hymowitz, Mr. Amar Patel, and Ms. Jill Zelenko appeared on behalf of EnTrust Capital, Inc.

c. Permal Group Ltd.

Mr. Shane Clifford, Mr. Isaac Souede and Mr. Robert Kaplan appeared on behalf of Permal Group Ltd.

d. Prisma Capital Partners, L.P.

Ms. Helen-Marie Rogers, Mr. Girish Reddy, and Mr. Eric Wolfe appeared on behalf of Prisma Capital Partners, L.P.

Discussion and Mandate Selection of Hedge Fund Manager

Mr. Searles, Mr. Kamal Suppal, and Ms. Mathews reviewed the due diligence trips. After discussion, Mr. Searles stated that staff and NEPC recommend hiring Prisma Capital Partners for the significant part of the mandate, or \$200 million, and hiring EnTrust Capital to allocate \$100 million for opportunistic investments. There was discussion on the terms for EnTrust which Mr. Beale indicated he will clarify with EnTrust. The Chair called for ballots and the recording secretary distributed and collected the ballots. Mr. Beale and Ms. Rougeou tallied the ballots, then Mr. Beale read the results aloud, as follows:

	Blackstone Alternative Asset Management	EnTrust Capital Inc.	Permal Group Ltd.	Prisma Capital Partners, L.P.
Trustee				
Thomas Bickham		X		X
Connie Carlton		X		X

Amy Mathews		X		X
Janice Lansing		X		X
Barbara McManus		X		X
Lori Pierce		X		X
Kathy Singleton		X		X

With EnTrust Capital and Prisma Capital Partners receiving the majority of the votes the mandate will be awarded to them. **Ms. Mathews moved, seconded by Ms. McManus, to hire EnTrust Capital Inc., and allot \$100 million under fee Option A, contingent upon staff negotiation; and to hire Prisma Capital Partners, L.P., for a \$200 million commitment. With no further discussion, and no objections, the motion carried.**

Ms. Sanders reported that, upon notifying Axa Investment Managers of their finalist status, she was informed that the fund is over-subscribed, and that staff and NEPC recommend just interviewing the other three finalists, (Coller, Paul Captial, and W Captial), in the Private Equity Secondary Markets search. After discussion, **Ms. Hodges moved, seconded by Ms. McManus, to remove Axa Investment Managers from the finalist list. With no further discussion, and no objections, the motion carried.**

With no further business to discuss, the Board then recessed at 3:00 p.m.

The Board of Trustees of the Louisiana State Employees' Retirement System reconvened on Friday, May 25, 2012, 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 11:47 a.m. Roll call was conducted by Ms. Kai Ranallo, recording secretary.

Members Present: Mr. Thomas Bickham, Ms. Connie Carlton, Ms. Beverly Hodges, Ms. Janice Lansing, Ms. Barbara McManus, Ms. Lori Pierce, Ms. Kathy Singleton

Members Absent: Judge William Kleinpeter, Mr. Whit Kling (designee for the Treasurer), Senator Elbert Guillory, Representative Kevin Pearson, Ms. Shannon Templet

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 and Ms. Nell Dixon.

A quorum was declared present and the meeting opened for business. Ms. Carlton called for public comment. No public comments were made.

Regular Business

Ms. Carlton called for approval of the minutes of the April 26 & 27, 2012, Board Meeting. Ms. Hodges moved, seconded by Ms. McManus, to approve the minutes. With no objection or discussion, the motion passed.

Ms. McManus reported that the Legislative Committee met on Friday, May 25, 2012, and had the following items to report:

The Legislative Committee recommended and Ms. McManus so moved, seconded by Ms. Hodges, to ratify a position change to 'oppose' on HB 61. With no objection or discussion, the motion carried.

The Legislative Committee recommended and Ms. McManus so moved, seconded by Ms. Pierce, to authorize a veto request, upon consultation with the Chair, on any bills the board opposed that make it through the process. With no objection or discussion, the motion carried.

Ms. Pierce reported that the Management Committee met on Friday, May 25, 2012, and had the following items to report:

The Management Committee recommended and Ms. Pierce so moved, seconded by Ms. Lansing, to approve the May 2012 Retirement Disability Report. With no objection or discussion, the motion carried.

The Management Committee recommended and Ms. Pierce so moved, seconded by Ms. Hodges, to approve the salary of Jacques Brousseau, Manager of Alternatives, for \$100,000. With no objection or discussion, the motion carried.

The Management Committee recommended and Ms. Pierce so moved, seconded by Ms. Lansing, to approve the ratification of the budget as presented. With no objection or discussion, the motion carried.

The Management Committee recommended and Ms. Pierce so moved, seconded by Ms. Hodges, to approve travel for any trustee interested in attending the LAPERS Conference, in New Orleans, in September. With no objection or discussion, the motion carried.

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

New Business

There were no new employees to introduce to the Board.

Adjournment

With no other business to discuss the meeting adjourned at 11:50 a.m.



Cindy Rougeou, Executive Director