

Proposed: August 21, 2014
Approved: August 21, 2014

Louisiana State Employees' Retirement System
Investment Committee Meeting

July 24, 2014

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, July 24, 2014, in the fourth floor conference room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Ms. Janice Lansing, Chair, called the meeting to order at 1:00 p.m. Roll call was conducted by Abby Roshto, recording secretary.

ROLL CALL

Members present: Mr. Thomas Bickham; Ms. Connie Carlton; Ms. Beverly Hodges; Ms. Janice Lansing; Ms. Amy Mathews, (designee for State Treasurer); Ms. Barbara McManus; Ms. Kathy Singleton; Ms. Shannon Templet

Members absent: Senator Elbert Guillory; Mr. Ben Huxen, (designee for Commissioner of Administration); Judge William Kleinpeter; Representative Kevin Pearson; Ms. Lori Pierce

Staff present: Ms. Cynthia Rougeou, Executive Director; Mr. Trey Boudreaux, Assistant Director; Mr. Bobby Beale, Chief Investment Officer; Investment Staff: Mr. Jacques Brousseau, Mr. Darren Fournerat, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Ms. Laney Sanders

Also present: Mr. Rhett Humphreys – NEPC; Daniel Arbid – Legislative Auditor; Stephanie Little – House Retirement Committee; Ashlee Neely – Division of Administration

A quorum was declared present and the meeting opened for business. The Chair called for Public Comment. No one appeared before the Committee for public comment.

REGULAR BUSINESS

The committee considered the minutes of the June 26, 2014, Investment Committee meeting. **Mr. Bickham moved, seconded by Ms. McManus, to approve the minutes of the June 26, 2014, Investment Committee meeting. With no further discussion, and no objections, the motion carried.**

NEW BUSINESS

Fixed Income Contract Review and Recommendation (Action Item)

The Chair took the agenda out of order due to a quorum issue, and called for the second agenda item. Mr. Beale reminded the committee of the portfolio reviews performed last month by Orleans Capital and Loomis Sayles & Company and that their contracts will expire at the end of the year. Mr. Humphreys reviewed the managers in each of the representative manager universes – Core Plus Fixed Income (Loomis Sayles and Company) and Traditional Core Fixed Income (Orleans Capital Management). Mr. Beale stated LASERS has no issues with either manager, they both have good performance and he recommends renewing the contracts of each. Mr. Humphreys stated that NEPC also recommends renewing the contracts of each manager. **After discussion, Ms. Carlton moved, seconded by Ms. McManus, to extend the Loomis Sayles and Company and Orleans Capital Management contracts for five years. With no further discussion, and no objections, the motion carried.**

**Ms. Templet left the meeting at 1:37 p.m.*

Private Equity Portfolio Reviews:

Apollo Global Management

Ms. Holly McMullan, Mr. Sanjay Patel, and Mr. Fred Khedouri appeared before the committee to present reviews of the portfolios LASERS is invested in with them.

Newstone Investment Partners

Mr. Timothy Costello appeared before the committee to present a review of LASERS portfolio with Newstone Investment Partners.

Fiscal-Year-End and Monthly Performance Review

Mr. Beale presented a preliminary review of the Fiscal-Year-End numbers for the Plan. He stated that as of June 30, 2014, the preliminary Fiscal Year return is 18.6%. Mr. Beale stated this is the third highest Fiscal Year returns ever. He stated the final numbers will be available around the middle of August. He then reviewed the June performance. Mr. Humphreys reviewed the flash report with the committee.

OTHER BUSINESS

There was no other business to bring before the committee.

With no further business to discuss, the meeting adjourned at 4:05 p.m.