

LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND
BOARD OF TRUSTEES MEETING
MONDAY, JULY 28, 2008
SHREVEPORT, LOUISIANA

A meeting of the Retirement Board of Trustees was held on Monday, July 28, 2008, at 9:00 AM in Shreveport, Louisiana.

The meeting was called to order by President Michael Thibodeaux, who then called on Robby Barousse to give the invocation. Cliff Dressel led the Pledge of Allegiance.

Members Present: President Michael Thibodeaux, Robby Barousse, Louie Bernard, Hart Bourque, Cliff Dressel, Gary Loftin and Jim Martin were all present. Also in attendance: Executive Secretary, Debbie Hudnall; Actuary, Gary Curran; Attorney, Randy Zinna; and Consultant, Kari Creighton. Members absent: Bill Hodge, Ann Ardoin, Rep. Joel Robideaux and Sen. Butch Gautreaux. Guest in attendance: Carol Jones, Orres LeBlanc, Diane Broussard, and Ed Kinler.

APPROVAL OF MINUTES: Robby Barousse moved to accept the minutes of the previous Board meeting as written, motion seconded by Cliff Dressel. **Motion carried.**

COMMENTS BY PRESIDENT: President Thibodeaux gave the Board an update on the Board meeting that will be held in New Iberia in September, and stated that he looked forward to welcoming everyone to his parish.

FINANCIAL REPORTS: (Attachment 1) Debbie Hudnall presented the financial reports as of May 31, 2008, reporting total assets of \$392,626,931, total investments of \$333,131,750 and a total fund balance of \$357,588,818. She reported total revenue year to date through May was \$26,559,269 and total expenditures of \$18,341,782. She reported a net loss for May of \$116,354 and that gains and losses of investments would not be included in the financials until after the audit. She reported a balance of \$16,700 in the Administrative checking account. Motion by Robby Barousse and seconded by Jim Martin to receive the financial reports. **Motion carried.**

COMMENTS BY INVESTMENT CONSULTANT: (Report on file in office) Kari Creighton gave a report on the Economic and Capital Market Highlights reporting that a second quarter GDP growth is expected in the rate of 1.5% to 2% reflecting higher spending due to tax rebate checks. She reported unemployment rate jumped to 5.5% in May, rising the most in over 20 years and is expected to continue to rise. She further reported that the Fed has lowered fed fund rates 225 bps so far in 2008. Consumer confidence is down to 49.2% and should be in the 80% range. Historically, this is a signal the equity markets have hit bottom. She reported equity markets began the quarter strongly, but finished disastrously in June. Financials were hit the hardest and energy was the best. Growth significantly outperformed value for the quarter and international equity outperformed domestic large cap equity. The real estate market had a positive return, but has come down some.

Kari reported as of June 30th the fund was down 6.5% or \$21,545,000 which was mainly from the capital markets. The message is to continue to diversify the Fund even more. The allocation to equities was 53.6% at quarter end which was 6.4% under the policy target. The Fund ranked in the bottom quartile at years end.

Capital Guardian: For the quarter, Capital Guardian outperformed the index, but trailed the index by 50 bps for the year. Performance concerns continue.

Quantitative Management Associates (QMA): For the quarter, QMA finished 30 bps ahead of the index, although down 2.4%.

Lotsoff: Lotsoff outperformed the index by 90 bps for the quarter, but for the year trailed the index by 650 bps. Recent underperformance, strategy changes and client withdrawals a continuing concern and will be replaced with IronBridge.

Brandywine: Brandywine finished the quarter 30 bps behind the index and trailed the index by 220 bps for the year ranking 75th in the peer sample. Continue to monitor closely due to poor recent performance.

Northern Trust: Kari reported that fixed income is performing as expected just ahead of the index in all periods. The passive approach will be replaced with core plus fixed income late 2008.

UBP: The performance for quarter was up 1% ahead of the 90-Day T-Bill. No issues here

ING CLARION: Clarion earned .8% for the quarter, ranking near top quartile and finished 400 bps ahead of peers for the year. For the full 4-year period, the fund earned 15.5% annualized.

Kari informed the Board that Brandywine is forming a new organization under Legg Mason and they are creating a new subsidiary, Global Currents Investment Management. She reported that Summit has no concerns whatsoever and that the fee structure would remain the same.

Kari reported that she would like to postpone moving forward with Pyramis until the beginning of the fourth quarter.

NEW MANAGERS: (Report on File in Office) At the February meeting, the Board approved the recommendation to increase the international weight of the portfolio from 11% to 28%, subsequently reducing the policy targets for large cap and small cap to 24% and 9% respectively. As part of this decision, the Board approved the following new mandates: International Small Cap Equity – 5% allocation (approximately \$15M) and Emerging Market Equity – 5% allocation (approximately \$15M). Summit recommended the Board consider specialist managers for both emerging market equities and international small cap equity.

She made the presentation to the Board on International Small Cap Managers – DFA (Dimensional Fund Advisors); Mondrian Investment Partner Limited; and William Blair & Co., LLC. Although American Century was included in their report, she asked that the Board not consider them because of a significant team member leaving the firm. After discussion, Jim Martin moved that Kari arrange for Mondrian and William Blair to make presentations at the September Board meeting. Motion seconded by Gary Loftin.

Motion carried.

Kari then made a presentation to the Board on International emerging markets managers – Aberdeen, Batterymarch, DFA (Dimensional Fund Advisors) and EMI-EMM (Emerging Markets Investors Corp-Emerging Markets Mgmt., LLC. After discussion, it was agreed that this would be re-visited at the September Board meeting to decide when to bring two of these managers in for presentations.

APPLICATION FOR BENEFITS: After reviewing the applications for benefits, Gary Loftin moved that the applications be approved. Motion seconded by Hart Bourque.

Motion carried.

REFUNDS: Debbie reported that a total of \$737,084 had been refunded to members from July through June, which is down from last years refunds of \$1,086,398.

COMMENT BY ACTUARY: Gary Curran informed the Board because of the 5 year smoothing; the 6.5% loss won't be too bad. He stated that the largest impact would be the liabilities rather than the assets.

(On file in office) Gary presented his contract proposal for 2008-2009 with his monthly retainer remaining the same, but hourly services rendered beyond those fees were modified. Cliff Dressel moved that the Board approve the contract. Motion seconded by Jim Martin. **Motion carried.**

COMMENTS BY ATTORNEY: Randy reported on pending contracts with money managers. He advised the Board that they need to approve substituting Global Currents for Brandywine; it is a transition in name only. Cliff Dressel moved that Global Currents be substituted for Brandywine. Motion seconded by Hart Bourque. **Motion carried.**

He reported that he was reviewing that contract and would have it ready for Debbie to sign. He was on the final stages of the contract for IronBridge and looked for the monies to be able to be transferred between August 10th and 15th. He reported that Pyramis was on hold until he heard from Kari.

Randy also gave an update on retirement legislation informing the Board that the term of the Board members had been increased from 3 years to 5 years, but that it would not apply to the current term of office. He reported that all of the retirement legislation introduced on behalf of the clerks had become law. He further reported that the Board members would fall under the ethics reporting requirement, but they would not have to file two reports and the retired member would fall under Tier 2.1.

EXECUTIVE DIRECTOR'S REPORT:

DROP/SELF- DIRECTED PLAN: (Attachment 2) Debbie presented a proposal from Great-West to administer a Self-Directed Plan for DROP investments. These funds would be set up after the contribution period. This would be at no costs to the Fund or members and would allow the members to be state tax exempt upon distribution. After discussion, it was moved by Cliff Dressel to enter into a contract with Great-West to administer a Self-Directed Plan for DROP effective October 1, 2008. Motion seconded by Jim Martin. **Motion carried.**

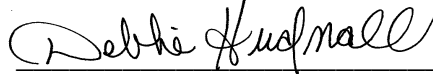
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(On file in office) Debbie presented to the Board a proposal from Southwest Computer Bureau, Inc. for converting the Clerks of Court Retirement & Relief Fund to the SCBI Pension Accounting System (PAS). Jim Martin moved to authorize Debbie to discuss proposal with other vendors and to bring back recommendations to go forward with this one or something else. Motion seconded by Gary Loftin. **Motion carried.**

OTHER BUSINESS: Debbie informed the Board of the LAPERS meeting on September 21st through September 24th and encouraged all of the Board members to attend.

Hart Bourque moved that the meeting be adjourned.

Respectfully submitted:

A handwritten signature in cursive script, reading "Debbie Hudnall", written in dark ink. The signature is positioned above a horizontal line.

Debbie D. Hudnall
Executive Director