

LOUISIANA CLERKS OF COURT RETIREMENT AND RELIEF FUND  
BOARD OF TRUSTEES MEETING  
MONDAY, APRIL 14, 2008  
LAFAYETTE, LOUISIANA

A meeting of the Retirement Board of Trustees was held on Monday, April 14, 2008, at 9:00 AM in Lafayette, Louisiana.

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

**Members Present:** President Jim Martin, Michael Thibodeaux, Robby Barousse, Mark Graffeo, Hart Bourque, Cliff Dressel and Ann Ardoin were all present. Also in attendance: Executive Secretary, Debbie Hudnall; Actuary, Gary Curran; Attorney, Randy Zinna; and Consultant, Kari Creighton. Members absent: Gary Loftin, Rep. Joel Robideaux and Sen. Butch Gautreaux.

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

**COMMENTS BY PRESIDENT:** President Martin told the Board that he was very happy to be able to be in attendance and thanked the Board for their prayers.

**FINANCIAL REPORTS: (Attachment 1)** Treasurer Mark Graffeo presented the financial reports as of February 29, 2008, reporting total assets of \$391,591,335, total investments of \$333,302,467 and a total fund balance of \$356,552,314. He reported a profit for February of \$382,859 and year to date profit of \$8,103,511. He reported there was \$95,417 in the Administrative checking account with \$77,716 in payables. Motion by Cliff Dressel and seconded by Ann Ardoin to receive the financial reports. **Motion carried.**

**(Attachment 2)** Mark then presented a proposed Budget for 2008-2009 informing the Board that a budget had never been adopted for the retirement system. After discussion, Mark moved that the Budget for 2008-2009 be adopted. Motion seconded by Cliff Dressel. **Motion carried.**

Debbie then presented the audit proposal from Duplantier, Hrapmann, Hogan & Maher for the year ending 2008 in the amount of \$14,600 to \$15,200 **(on file in office)**. Mark Graffeo moved to accept the audit proposal by Duplantier. Motion seconded by Hart Bourque. **Motion carried.**

**COMMENTS BY INVESTMENT CONSULTANT: (Report on file in office)** Kari Creighton gave a Capital Markets update advising the Board that the Feds continue to add significant monetary stimulus by dropping fed fund rates to 2.25% which did boost the market for several days. Also, there will be the one time tax rebate that will help boost consumer spending on a short term basis. She reported that Feds continue trying several different activities to help the market, but the market volatility has been all over the board. It has been a very difficult market for the money managers and they have been underperforming their bench marks. There have been extreme negative numbers in the equity markets. Treasury bonds and agency bonds are doing very well. Kari reported that emerging markets are still expensive in comparison to developed markets, and for the next meeting she would like to look for an emerging market manager and a small cap manager to be prepared when the timing is right.

Kari reported that Summit is looking at some very attractive opportunities now in the distressed market and would allow their clients to take advantage of those opportunities **(Report on file in office)**.

Kari distributed a preliminary performance report for the quarter **(Report on file in office)** She reported the fund was down 6.1% for the quarter, although ING Clarion had not reported yet. Their preliminary fund report was up 2.5% which would bring the negative 6.1% to 5.5%. The internal cash at LAMP had not been calculated into the rate of return and would also help the rate of return for the quarter. She also reviewed the performance of the money managers since inception.

**Capital Guardian:** For the quarter, Capital Guardian was down 9.6% and the market was down 9.4%.

**Quantitative Management Associates (QMA):** For the quarter, QMA was down about 9.8% in comparison to their bench mark of 9.4%.

**Lotsoff:** Lotsoff was the big story; they were the worst performing managers within the portfolio. They were down 14.2%, under performing their bench mark by 480 basis points. She reminded the Board that Randy was working on the contract with Iron Bridge so that funds could be removed from Lotsoff.

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**Brandywine:** Brandywine finished the quarter down 10.1% and under performed the bench mark by 120 basis points. Kari told the Board she was sure that Brandywine would come back

**UBP:** UPB – Hedge Funds, the newest edition to the portfolio, did struggle a little bit; they were down almost 2%, under performing the bench mark by 270 basis points. The good news is that convertible bonds were down 5% for the quarter and that is where the funds were pulled to go to UPB.

**Northern Trust:** Kari reported that fixed income had been the only saving grace; they were up 2.2% for the quarter matching their bench mark.

Kari related that she thought the opportunity was presenting itself to move forward with Core Plus. Randy will be reviewing the Pyramis contract so the Board could move forward with this money manager by June.

**ING Clarion:** The Real Estate Managers should be up about 2.5% for the quarter.

**Plan Review: (Attachment 3)** Kari then presented the Board with a Rebalancing Plan for the fund to adjust the asset allocation as indicated in Attachment 3. She recommended slowly withdrawing some funds from Capital Guardian to move to QMA and Brandywine and to also invest some of the funds in the LAMP General Fund. After discussion, Hart Bourque moved that the Board accept Kari's recommendations. Motion seconded by Cliff Dressel. **Motion carried.**

Kari informed the Board there would be a new client representative from Cap Guardian, Suzanne Schechter, who would be replacing Regina Burden. Also, Brandywine will now be a subsidiary under Legg Mason.

**APPLICATION FOR BENEFITS:** After reviewing the applications for benefits, Ann Ardoin moved that the applications be approved. Motion seconded by Mark Graffeo. **Motion carried.**

**REFUNDS:** Debbie reported that \$529,377 had been refunded to members from July through March.

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**COMMENT BY ACTUARY:** Gary Curran gave his perspective of what the Board can expect with the asset returns at an estimated negative 6% as far as contributions to the fund. He informed the Board that for the last 4 years, there was an over performance of about 14%. With about a 6% negative rate of return along with the 8% target ratio, it would equal to a 13% to 14% under performance. With the 5 year smoothing of capital gains rather than 3 years, the fund may have an actuarial rate of return of 6% to 8%. Gary informed the Board that every 1% of underperformance equals about .5% increase in contribution rate, so it could have a slightly adverse affect this year, but the affect would be there for four more years.

**COMMENTS BY ATTORNEY:** Randy reviewed the 2008 Board sponsored retirement legislation on behalf of the clerks:

|                |                                   |
|----------------|-----------------------------------|
| SB 78 Hebert   | DROP Age 55                       |
| SB 181 Cassidy | Additional Employer Contributions |
| SB 195 Hebert  | Disability Retirement             |
| HB 797 Pope    | Retirement Board – Term of Office |

Randy informed the Board that he and Gary Curran were working on obtaining information on 2004 and 2005 and he would then proceed to pursue a compromise with the City of New Orleans.

He reported that he had taken no further action on the overpayments of deceased members at this time.

Randy also reported that the statewide retirement systems were still pursuing the Terror-Free Index Fund as mandated by law.

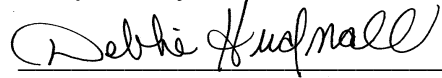
**EXECUTIVE DIRECTOR'S REPORT:** Debbie reported that she had learned that the City of New Orleans was withholding FICA and paying FICA on the employees of the Criminal Clerk of Court of New Orleans. She informed the Board that Randy had written a letter saying they should not be paying FICA and she had sent it to Mr. Morrell and the City of New Orleans.

Debbie also reported that the imaging of the retirement records had been completed and she was pursuing off-site backup.

**OTHER BUSINESS:** President Martin announced that Ann Ardoin would be celebrating her 50<sup>th</sup> wedding anniversary next week.

Cliff Dressel moved that the meeting be adjourned.

Respectfully submitted:

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

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Debbie D. Hudnall  
Executive Director