



Response to  
Senate Resolution No.175  
(2005 Regular Session)

For the Period January 1 to March 31, 2019

Pursuant to SR 175 of the 2005 Regular Louisiana Legislative Session, each retirement system is to provide a quarterly report of their investments commencing with the quarter beginning July 1, 2005. The following is the quarterly report for LASERS portfolio for the period January 1 to March 31, 2019. The report provides a listing of LASERS investments by asset class, amount of funds invested and with whom, annual returns on the investments and the management fees.

While market returns provide a snapshot view of investment performance, readers should keep in mind that actuarial returns, which are smoothed over five years to offset market volatility, are a better indicator of the system's ability to consistently achieve the assumed annual actuarial return of 7.65%. The Board adopted a plan to reduce the discount rate to 7.5% in 0.05% increments beginning July 1, 2017.

Therefore, in addition to the data presented in the quarterly SR 175 - Senate Resolution No. 175 Report, the following information is given to further illustrate the System's status.

As of June 30, 2018, LASERS 30-year actuarial return was 7.95%.

## 1st Quarter 2019

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
<b>U.S. EQUITY</b>				
<b>LARGE CAP VALUE</b>				
Aronson Johnson & Ortiz <sup>1</sup>	230.1	1.9	3.0	-
<b>SMALL CAP GROWTH</b>				
Rice Hall James <sup>1</sup>	206.2	-0.7	0.0	-
<b>SMALL CAP VALUE</b>				
LSV Asset Management	201.1	-5.1	55.8	312,771
<b>INDEX FUNDS</b>				
LASERS S&P 400 Index Fund	464.2	2.6	n/a	-
LASERS S&P 500 Index Fund	1269.8	9.5	n/a	-
LASERS S&P 600 Index Fund	280.3	1.6	n/a	-
<b>NON-U.S. EQUITY</b>				
<b>LARGE CAP VALUE</b>				
Mondrian Investment Partners	233.1	-0.1	28.2	171,113
<b>LARGE CAP CORE</b>				
LASERS MSCI World Ex-USA Index Fund	1459.3	-2.8	n/a	-
LASERS Terror-Free International Fund	27.9	-2.5	n/a	-
<b>INT'L SMALL CAP</b>				
Mondrian Investment Partners	228.1	-3.7	70.5	412,984
Goldman Sachs	357.9	-8.6	50.9	480,994
<b>EMERGING MARKETS</b>				
City of London Investment Management	409.0	-4.6	93.0	965,023
Westwood Global Emerging Markets	282.3	-12.9	88.9	674,927
LSV Custom Emerging Markets	706.5	-5.2	50.0	822,682
<b>TOTAL EQUITY</b>	<b>\$6,355.9</b>			<b>3,840,495</b>
<b>US FIXED INCOME</b>				
<b>INVESTMENT GRADE</b>				
Loomis Sayles & Co.	204.0	4.1	17.5	90,546
Orleans Capital Mgt	160.3	4.6	11.5	49,744
<b>HIGH YIELD</b>				
JP Morgan	175.7	5.8	27.0	123,706
Nomura	171.9	4.1	45.0	203,064
<b>EMERGING MARKET DEBT</b>				
Stone Harbor	195.4	-10.8	52.5	138,632
Gramercy <sup>2</sup>	66.6	0.0	100.0	250,306
<b>Global Multi-Sector</b>				
Doubleline	241.7	4.9	60.0	293,817
Blackstone <sup>3</sup>	17.2	0.0	78.1	9,975
Goldentree	244.3	5.2	75.0	338,431
Pimco <sup>2</sup>	124.7	0.0	95.0	350,446
<b>TOTAL FIXED INCOME</b>	<b>\$1,601.9</b>			<b>1,848,666</b>

## 1st Quarter 2019

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
<b>ALTERNATIVE ASSETS</b>				
<b>PRIVATE MARKETS</b>				
Adams Street 2005 Non-US	3.2	-4.5	18.6	6,985
Adams Street Partnership 2002 US <sup>4</sup>	1.4	0.4	0.0	-
Adams Street Partnership 2005 US	8.0	3.7	18.6	16,299
Adams Street 2007 US Fund	12.9	8.0	30.0	22,917
Adams Street 2007 Non-US	7.9	6.0	30.0	14,583
Adams Street 2007 Direct	2.5	21.9	60.0	7,293
Adams Street 2009 US Fund	20.5	14.7	50.0	31,250
Adams Street 2009 Non-US Developed	10.1	15.4	50.0	18,750
Adams Street 2009 Non-US Emerging	5.5	3.6	50.0	6,250
Adams Street 2009 Direct	3.0	10.8	100.0	12,153
AEA Investors Fund VI	40.6	18.0	175.0	95,944
BCP Energy Services Fund A	50.0	9.2	200.0	250,000
BCP Fund II A	3.6	0.0	200.0	289,009
Brinson <sup>4,5</sup>	3.3	4.2	0.0	-
Brookfield Capital IV	46.6	27.0	175.0	218,750
Adams Street V <sup>4</sup>	4.2	5.9	0.0	-
Apollo Inv Fund VII	10.3	-13.9	0.0	14,941
Apollo Inv Fund VIII	57.7	-8.9	150.0	42,668
Apollo European Fund II	31.6	-0.2	175.0	81,580
Apollo Inv Fund IX <sup>6</sup>	4.5	0.0	130.0	637,500
ArcLight Energy Ptr Fund VI	72.1	25.6	150.0	168,539
CCMP Capital III	55.3	7.7	150.0	219,706
Cerberus VI	111.0	-21.6	150.0	430,904
Coller International Partners VI	35.1	24.3	81.0	210,410
Coller International Partners VII	52.7	13.0	150.0	280,480
Double Line Mortgage <sup>7</sup>	80.9	0.0	100.0	390,625
Drug Royalty Fund III <sup>8</sup>	7.6	n/a	150.0	-
EIG Energy Fund XIV <sup>4</sup>	5.6	10.9	0.0	(5,331)
EIG Energy Fund XV <sup>9</sup>	19.5	0.5	125.0	73,220
EIG Energy Fund XVI <sup>9</sup>	49.1	9.0	125.0	115,898
Energy Spectrum Fund V <sup>9</sup>	0.1	-83.3	0.0	-
Energy Spectrum Fund VI <sup>9</sup>	9.4	93.4	175.0	58,123
GTCR Fund XI	39.4	36.0	135.0	114,143
GTCR Fund XII <sup>10</sup>	8.1	0.0	150.0	223,613
Louisiana Growth Fund	0.1	34.3	50.0	35,979
Louisiana Growth Fund II	11.0	63.3	50.0	76,742
Gamut Fund I	13.2	10.5	200.0	235,838
Goldman Sachs PEP IX	25.5	14.9	10.7	26,334
Goldentree Distressed Fund III <sup>2</sup>	8.4	0.0	125.0	27,599
John Hancock <sup>4</sup>	0.2	-36.5	0.0	-
HIPEP Partnership III <sup>4</sup>	0.1	-7.0	0.0	-
Harbourvest VI - Buyout <sup>4</sup>	0.0	-7.4	0.0	-
Harbourvest VI - Direct <sup>4</sup>	1.5	-16.5	0.0	-
Harbourvest VI - Partnership <sup>4</sup>	1.5	16.0	0.0	-
HIPEP Direct IV <sup>4</sup>	0.3	35.7	0.0	-
Huff Alternative Fund <sup>4</sup>	10.2	-3.1	0.0	-
Insight Venture Partner <sup>11</sup>	25.3	-4.1	175.0	176,876
KKR Asian Fund III	13.9	-7.8	125.0	115,241
Marathon European Credit Opp Fund <sup>4</sup>	9.7	29.2	0.0	-
Mesirow III	4.8	5.6	40.0	23,023
Mesirow IV	27.8	10.6	37.2	55,815
Mesirow V	47.1	18.2	45.9	68,895
Newstone Mezzanine II <sup>9</sup>	5.8	19.3	100.0	25,037
OHA Strategic Credit Fund II	8.4	20.7	175.0	28,474
Oaktree European Fund III	31.2	0.6	175.0	56,343
Pantheon Europe VI	18.0	14.5	60.8	61,409
Pantheon VI	11.3	6.2	38.4	47,987
Pantheon VII	21.3	10.6	54.7	66,071
Stepstone Fund II	31.3	36.9	37.5	36,037
Stepstone Europe Fund II	16.6	-1.6	50.0	17,768
Private Advisors IV	19.3	33.1	60.8	53,156
Private Advisors V	34.7	26.5	81.0	81,000
Private Advisors VI	25.1	15.6	90.0	90,000
Q-BLK II	15.2	17.7	45.9	45,863
Q-BLK III <sup>4</sup>	25.9	24.0	0.0	-

1st Quarter 2019

Manager	Net Asset Value		Management Fees	
	\$ (Millions)	Annual Return	Annual Basis Points	Quarterly Dollar Amount
<b>ALTERNATIVE ASSETS</b>				
<b>PRIVATE MARKETS cont'd</b>				
Siguler Guff DOF III	33.6	8.9	16.0	77,988
Siguler Guff Fund IV	16.6	4.6	45.4	45,440
Siguler Guff Pelican Gem	57.6	2.1	75.0	187,500
Sterling Partners	17.9	-15.6	200.0	90,156
Vista Equity Partners IV	26.2	9.7	150.0	64,160
Vista Equity Partners V	82.2	52.3	150.0	207,485
Vista Equity Partners VI	106.0	31.5	150.0	285,212
Vista Equity Partners VII	9.5	0.0	150.0	-
Warburg Pincus <sup>12</sup>	1.2	0.0	140.0	-
Williams Capital <sup>4</sup>	1.3	178.3	0.0	-
<b>ABSOLUTE RETURN STRATEGIES</b>				
Bridgewater Pure Alpha	229.7	2.5	182.7	1,055,147
Prisma Capital Partners	264.0	1.2	65.0	418,835
Entrust Capital Partners	272.3	2.4	113.0	702,917
<b>RISK PARITY</b>				
Bridgewater Custom <sup>13</sup>	418.2	4.0	63.5	644,805
AQR Capital Management	385.8	0.5	110.0	1,049,222
<b>TOTAL ALTERNATIVE ASSETS<sup>14</sup></b>	<b>\$3,271.4</b>			<b>10,327,558</b>
<b>TOTAL PLAN<sup>15</sup></b>	<b>\$11,297.9</b>			<b>16,016,720</b>

<sup>1</sup> The fund's fee structure is performance based.

<sup>2</sup> The portfolio was funded 11/2018.

<sup>3</sup> The portfolio was funded 12/2018.

<sup>4</sup> The fund no longer charges fees.

<sup>5</sup> This is a composite of six limited partnerships.

<sup>6</sup> The portfolio was funded 03/2019.

<sup>7</sup> The portfolio was funded 10/2018.

<sup>8</sup> LASERS is awaiting final escrow distribution from this fund, so one year return is not listed.

<sup>9</sup> Annual Basis Points are based on historical cost or net asset value.

<sup>10</sup> The portfolio was funded 05/2018.

<sup>11</sup> The portfolio was funded 04/2018.

<sup>12</sup> The portfolio was funded 03/2019.

<sup>13</sup> Bridgewater Major Market and Bridgewater All Weather were merged to form this new fund 01/2018.

<sup>14</sup> The net asset values and returns are reflected net of fees for all Alternatives, and includes \$8.6 million for Paamco and \$2.3 million for Stark, which are being liquidated.

<sup>15</sup> The Total Plan Market Value includes \$68.7 million in cash/cash equivalents.

The Total Quarterly Dollar Amount does not include \$251,091 for Self-Directed Plan and Optional Retirement Plan.

The Total Quarterly Dollar Amount does not include \$17,356 in fees for liquidating funds.

The Total Quarterly Dollar Amount includes fee adjustments from prior periods.

## Comments

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For the majority of LASERS investment managers, management fees are paid quarterly in arrears, based upon the market value of assets under its management, excluding any cash balance, as reported by LASERS custodian bank, and are calculated as follows:

The fee is calculated at the end of each calendar quarter as follows: (Average of market value of assets under management on last business day of each of the four preceding calendar months, which shall not include funds that are managed by LASERS custodian bank) times the annual percentage fee schedule (basis points) divided by four. Fees on invested contributions and withdrawals during each calendar quarter will be computed separately on a pro-rata basis. It is not necessary to pro-rate contributions and withdrawals for Month 1 of the calculation period. Contributions and withdrawals are to be calculated as such:

Contributions: (month end market value for the month in which the contribution was made less any cash balance) minus the amount of the contribution, and then multiplied by the number of days the funds were not in the account, divided by the total number of days for the month.

Withdrawals: (month end market value for the month in which the withdrawal was made less any cash balance) plus the amount of the withdrawal, and then multiplied by the number of days the funds were in the account, divided by the total number of days for the month.

The managers shall provide a monthly reconciliation of their records to LASERS custodian bank. Should the manager fail to reconcile LASERS portfolio on a timely basis, LASERS maintains the right to withhold payment of the management fee until the portfolio has been reconciled to LASERS satisfaction.

Private Equity earns fees as a percentage of LASERS capital commitment to each fund. The fees are deducted from the portfolios on a quarterly basis and verified with the receipt of each manager's annual audited financials. The one exception is for Adams Street Secondary 1998 Fund and Adams Street Primary 1997 and 1999 Funds, for which billing is handled by UBS Global Asset Management. For these funds an invoice is received, verified, and paid on a quarterly basis.

## Investment Terminology

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<b>Annual Return</b>	Annualized returns express the rate of return over a given time period on an annual basis, or as a return per year. An annualized return can be calculated over any period one year or longer and is useful for comparing two or more portfolios over similar time periods.
<b>Basis Point</b>	One gradation on a 100-point scale which is used in expressing variations on the yield of bonds. A basis point is equal to one-hundredth of a percentage point.
<b>Concentrated Portfolio</b>	A portfolio that generally has fewer securities than traditional portfolios.
<b>Index Fund</b>	A fund (or account) comprised of securities, the characteristics of which will produce a return which will replicate (or substantially replicate) a designated securities index.
<b>Management Fee</b>	The fee charged by the investment manager for supervision of an investment. Generally quoted in terms of a percent of assets.
<b>Market Value</b>	The current or prevailing price of a security or commodity as indicated by current market quotations, and therefore the price at which additional amounts can presumably be purchased or sold.
<b>Universe</b>	The list of all assets eligible for inclusion in a portfolio.

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