

# Board of Trustees



# Handout Book

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**INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EMPLOYER  
ALLOCATIONS AND THE SPECIFIED COLUMN TOTALS INCLUDED IN  
THE SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

To the Board of Trustees  
Louisiana State Employees' Retirement System  
Baton Rouge, Louisiana

We have audited the accompanying schedule of employer allocations of the Louisiana State Employees' Retirement System (the System) as of and for the year ended June 30, 2020, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of the System as of and for the year ended June 30, 2020 and the related notes to the schedules.

**Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of the schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of schedules that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the employer schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the System, as of and for the year ended June 30, 2020 in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As disclosed in Note F to the employer schedules, the total pension liability for the System was \$19,691,378,799 as of June 30, 2020. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuations, there is a risk that the total pension liability at June 30, 2020 could be materially different from the estimate. Our opinions are not modified with respect to this matter.

As disclosed in Note I to the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, the deferred inflow or deferred outflow of resources resulting from differences in contributions remitted to the System and the employer's proportionate share and its resulting amortization is not reported in the employer pension schedules. As a result, the employer pension schedules do not reflect all activity to be reported in the total deferred outflows of resources and total deferred inflows of resources. Our opinions are not modified with respect to this matter.

As disclosed in Note I to the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, the deferred inflow or deferred outflow of resources resulting from changes in the employer's proportionate share of the net pension liability since the prior measurement date and its resulting amortization is not reported in the employer pension schedules. As a result, the employer pension schedules do not reflect all activity to be reported in the total deferred outflows of resources and total deferred inflows of resources. Our opinions are not modified with respect to this matter.

## Other Matters

### *Financial Statement Audit*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the System as of and for the year ended June 30, 2020, and our report thereon, dated September 21, 2020, expressed an unmodified opinion on those financial statements.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer of the System (employer schedules). The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not part of the employer schedules. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer.



The information has been subjected to the auditing procedures applied in the audit of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer or to the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer taken as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

#### **Restriction on Use**

Our report is intended solely for the information and use of the System's management, the Board of Trustees, the System's participating employers and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
November 30, 2020

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE SCHEDULE OF EMPLOYER ALLOCATIONS  
AND THE SPECIFIED COLUMN TOTALS INCLUDED IN THE SCHEDULE OF  
PENSION AMOUNTS BY EMPLOYER PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees  
Louisiana State Employees' Retirement System  
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer of the Louisiana State Employees' Retirement System (the System), as of June 30, 2020, and the related notes to the schedules and have issued our report thereon dated November 30, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, we considered the System's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's schedules will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the System's schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the amounts of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
November 30, 2020

# Performance Update

December 10, 2020



# November Market Commentary



November was a strong month. Both Domestic and International Equities posted double-digit or near double-digit returns.

- Small Cap and Value stocks performed best

Markets responded well to the Presidential election clarity, and even more so, to positive vaccine news during the month.

As COVID cases continue to rise, economic uncertainty and volatility across capital markets is expected to continue.

# World Stock Market Returns



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Nov '20
MSCI EM 79.0%	MSCI Asia ex Japan 19.9%	US S&P 500 2.1%	MSCI Asia ex Japan 22.7%	Japan TOPIX 54.4%	US S&P 500 13.7%	Japan TOPIX 12.1%	UK FTSE All-Share 16.8%	MSCI Asia ex Japan 42.1%	US S&P 500 -4.4%	US S&P 500 31.5%	MSCI Asia ex-Japan 17.3%	MSCI Europe ex-UK 14.2%
MSCI Asia ex Japan 72.5%	MSCI EM 19.2%	UK FTSE All-Share -3.5%	Japan TOPIX 20.9%	US S&P 500 32.4%	Japan TOPIX 10.3%	MSCI Europe ex UK 9.1%	US S&P 500 12.0%	MSCI EM 37.8%	UK FTSE All-Share -9.5%	MSCI Europe ex-UK 27.5%	US S&P 500 14.0%	UK FTSE All-Share 12.7%
UK FTSE All-Share 30.1%	US S&P 500 15.1%	MSCI Europe ex UK -12.1%	MSCI Europe ex UK 20.0%	MSCI Europe ex UK 24.2%	MSCI Europe ex UK 7.4%	US S&P 500 1.4%	MSCI EM 11.6%	Japan TOPIX 22.2%	MSCI Europe ex UK -10.6%	UK FTSE All-Share 19.2%	MSCI EM 10.5%	Japan TOPIX 11.1%
MSCI Europe ex UK 29.0%	UK FTSE All-Share 14.5%	Japan TOPIX -17.0%	MSCI EM 18.6%	UK FTSE All-Share 20.8%	MSCI Asia ex Japan 5.1%	UK FTSE All-Share 1.0%	MSCI Asia ex Japan 5.8%	US S&P 500 21.8%	MSCI Asia ex Japan -14.1%	MSCI EM 18.9%	Japan TOPIX 4.3%	US S&P 500 11.0%
US S&P 500 26.5%	MSCI Europe ex UK 5.1%	MSCI Asia ex Japan -17.1%	US S&P 500 16.0%	MSCI Asia ex Japan 3.3%	UK FTSE All-Share 1.2%	MSCI Asia ex Japan -8.9%	MSCI Europe ex UK 3.2%	MSCI Europe ex UK 14.5%	MSCI EM -14.2%	MSCI Asia ex-Japan 18.5%	MSCI Europe ex-UK 0.1%	MSCI EM 9.3%
Japan TOPIX 7.6%	Japan TOPIX 1.0%	MSCI EM -18.2%	UK FTSE All-Share 12.3%	MSCI EM -2.3%	MSCI EM -1.8%	MSCI EM -14.6%	Japan TOPIX 0.3%	UK FTSE All-Share 13.1%	Japan TOPIX -16.0%	Japan TOPIX 18.1%	UK FTSE All-Share -13.2%	MSCI Asia ex-Japan 8.0%

Source: FTSE, MSCI, Refinitiv Datastream, Standard & Poor's, TOPIX, J.P. Morgan Asset Management. All indices are total return in local currency, except for MSCI Asia ex-Japan and MSCI EM, which are in US dollars. Past performance is not a reliable indicator of current and future results. Data as of 30 November 2020.

# Asset Class and Style Returns



2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	Nov '20
MSCI EM 79.0%	Small cap 26.6%	Global Agg 5.6%	Global REITS 23.0%	Small cap 32.9%	Global REITS 22.9%	Growth 3.5%	Small cap 13.3%	MSCI EM 37.8%	Global Agg -1.2%	Growth 34.1%	Growth 27.9%	Small cap 15.4%
Small cap 44.8%	Global REITS 22.8%	Global REITS 2.3%	MSCI EM 18.6%	Value 27.5%	Growth 6.6%	Global REITS 0.6%	Value 13.2%	Growth 28.5%	Global REITS -4.9%	DM Equities 28.4%	DM Equities 11.7%	Value 15.1%
Growth 33.9%	MSCI EM 19.2%	Value -4.9%	Small cap 18.1%	DM Equities 27.4%	DM Equities 5.5%	Small cap 0.1%	Cmdty 11.8%	Small cap 23.2%	Growth -6.4%	Small cap 26.8%	MSCI EM 10.5%	Global REITS 13.1%
Global REITS 32.6%	Cmdty 16.8%	DM Equities -5.0%	Growth 16.6%	Growth 27.2%	Value 4.4%	DM Equities -0.3%	MSCI EM 11.6%	DM Equities 23.1%	DM Equities -8.2%	Global REITS 24.4%	Small cap 8.4%	DM Equities 12.8%
DM Equities 30.8%	Growth 14.9%	Growth -5.1%	DM Equities 16.5%	Global REITS 2.3%	Small cap 2.3%	Global Agg -3.2%	DM Equities 8.2%	Value 18.0%	Value -10.1%	Value 22.7%	Global Agg 7.8%	Growth 10.9%
Value 27.7%	DM Equities 12.3%	Small cap -8.7%	Value 16.4%	MSCI EM -2.3%	Global Agg 0.6%	Value -4.1%	Global REITS 6.5%	Global REITS 8.0%	Cmdty -11.3%	MSCI EM 18.9%	Value -3.9%	MSCI EM 9.3%
Cmdty 18.9%	Value 9.8%	Cmdty -13.3%	Global Agg 4.3%	Global Agg -2.6%	MSCI EM -1.8%	MSCI EM -14.6%	Growth 3.2%	Global Agg 7.4%	Small cap -13.5%	Cmdty 7.7%	Cmdty -7.7%	Cmdty 3.5%
Global Agg 6.9%	Global Agg 5.5%	MSCI EM -18.2%	Cmdty -1.1%	Cmdty -9.5%	Cmdty -17.0%	Cmdty -24.7%	Global Agg 2.1%	Cmdty 1.7%	MSCI EM -14.2%	Global Agg 6.8%	Global REITS -13.8%	Global Agg 1.8%

Source: Bloomberg Barclays, FTSE, MSCI, Refinitiv Datastream, J.P. Morgan Asset Management. DM Equities: MSCI World; REITS: FTSE NAREIT Global Real Estate Investment Trusts; Cmdty: Bloomberg Commodity Index; Global Agg: Barclays Global Aggregate; Growth: MSCI World Growth; Value: MSCI World Value; Small cap: MSCI World Small Cap. All indices are total return in US dollars. Past performance is not a reliable indicator of current and future results. Data as of 30 November 2020.

# Fixed Income - Sector Returns



2013	2014	2015	2016	2017	2018	2019	YTD	Nov '20
Euro HY 8.8%	Euro Gov. 13.1%	Euro Gov. 1.6%	US HY 17.5%	EM Debt 9.3%	Euro Gov. 1.0%	EM Debt 14.4%	Global IL 10.3%	Euro HY 4.4%
US HY 7.4%	EM Debt 5.5%	EM Debt 1.2%	EM Debt 10.2%	Global IG 9.1%	US Treas. 0.9%	US HY 14.4%	Global IG 9.0%	US HY 4.0%
Euro Gov. 2.2%	Euro HY 5.5%	US Treas. 0.8%	Euro HY 10.1%	Global IL 8.7%	US HY -2.3%	Global IG 11.5%	US Treas. 8.3%	EM Debt 3.7%
Global IG 0.3%	US Treas. 5.1%	Euro HY 0.5%	Global IG 4.3%	US HY 7.5%	Global IG -3.6%	Euro HY 10.7%	Euro Gov. 4.8%	Global IG 3.1%
US Treas. -2.7%	Global IL 3.4%	Global IG -3.6%	Global IL 3.9%	Euro HY 6.1%	Euro HY -3.6%	Global IL 8.0%	US HY 4.1%	Global IL 2.6%
Global IL -3.2%	Global IG 3.1%	US HY -4.6%	Euro Gov. 3.2%	US Treas. 2.3%	Global IL -4.1%	US Treas. 6.9%	EM Debt 4.0%	US Treas. 0.3%
EM Debt -6.6%	US HY 2.5%	Global IL -5.0%	US Treas. 1.0%	Euro Gov. 0.2%	EM Debt -4.6%	Euro Gov. 6.8%	Euro HY 1.9%	Euro Gov. 0.1%

Source: Bloomberg Barclays, BofA/Merrill Lynch, J.P. Morgan Economic Research, Refinitiv Datastream, J.P. Morgan Asset Management. Global IL: Barclays Global Inflation-Linked; Euro Gov.: Barclays Euro Aggregate Government; US Treas: Barclays US Aggregate Government - Treasury; Global IG: Barclays Global Aggregate - Corporates; US HY: BofA/Merrill Lynch US HY Constrained; Euro HY: BofA/Merrill Lynch Euro Non-Financial HY Constrained; EM Debt: J.P. Morgan EMBIG. All indices are total return in local currency, except for EM and global indices, which are in US dollars. Past performance is not a reliable indicator of current and future results. Data as of 30 November 2020.



# Fixed Income – Government Bond Returns



2013	2014	2015	2016	2017	2018	2019	YTD	Nov '20
Spain 11.1%	Spain 15.9%	Italy 4.8%	UK 10.7%	Global 7.5%	Spain 2.5%	Italy 10.6%	US 8.3%	Global 1.7%
Italy 7.2%	Italy 15.2%	Spain 1.7%	Spain 4.1%	US 2.3%	Germany 1.9%	Spain 8.3%	Global 8.0%	Italy 0.9%
Japan 2.1%	UK 14.6%	Japan 1.2%	Germany 3.4%	UK 2.0%	Japan 1.0%	UK 7.1%	Italy 7.4%	Spain 0.4%
Germany -1.7%	Germany 9.0%	US 0.8%	Japan 3.2%	Spain 1.1%	US 0.9%	US 6.9%	UK 7.1%	US 0.3%
US -2.7%	US 5.1%	UK 0.5%	Global 1.7%	Italy 0.8%	UK 0.5%	Global 5.6%	Spain 4.1%	Japan 0.1%
UK -4.2%	Japan 4.5%	Germany 0.4%	US 1.0%	Japan 0.2%	Global -0.7%	Germany 3.1%	Germany 3.0%	Germany -0.4%
Global -4.3%	Global -1.0%	Global -3.7%	Italy 0.8%	Germany -1.0%	Italy -1.3%	Japan 1.7%	Japan -0.9%	UK -0.5%

Source: Bloomberg Barclays, Refinitiv Datatsream, J.P. Morgan Asset Management. All indices are Bloomberg Barclays benchmark government indices. All indices are total return in local currency, except for global, which is in US dollars. Past performance is not a reliable indicator of current and future results. Data as of 30 November 2020.

# Calendar Year-to-Date Performance

Thru November 30, 2020

# LASERS



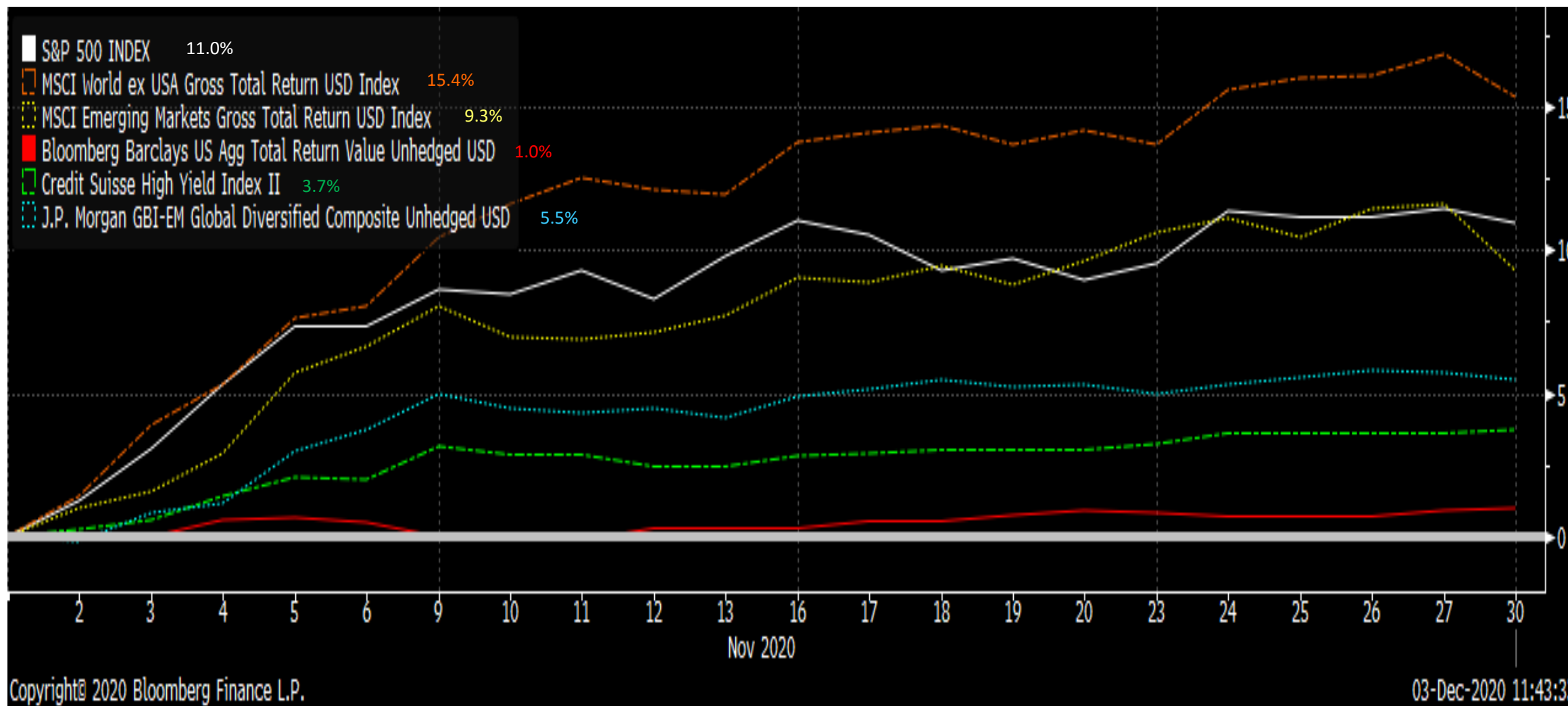
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# November Performance

**Preliminary** Total Plan Return 7.8%

# LASERS





# Preliminary November Performance Summary



	Nov Prelim
U.S. Large Cap Equity	10.3
<i>S&amp;P 500 Index</i>	<i>10.9</i>
U.S. Mid Cap Equity	14.3
<i>S&amp;P 400 Index</i>	<i>14.3</i>
U.S. Small Cap Equity	18.4
<i>S&amp;P 600 Index</i>	<i>18.2</i>
<b>LASERS U.S. Equity</b>	<b>12.5</b>
Int'l Large Cap Equity	16.1
<i>MSCI World Ex-USA</i>	<i>15.4</i>
Int'l Small Cap Equity	12.8
<i>MSCI World Ex-USA Small Cap</i>	<i>13.8</i>
Int'l Emerging Markets Equity	12.9
<i>MSCI Emerging Markets</i>	<i>9.3</i>
<b>LASERS Non-U.S. Equity</b>	<b>12.9</b>

	Nov Prelim
U.S. Investment Grade	1.6
<i>BB BC Barclay's Aggregate</i>	<i>1.0</i>
U.S. High Yield	4.4
<i>Credit Suisse High Yield</i>	<i>3.7</i>
<b>LASERS U.S. Fixed Income</b>	<b>2.9</b>
Emerging Market Debt	5.0
<i>J.P. Morgan GBI-EM Global Diversified</i>	<i>5.5</i>
Global Multi-Sector	1.9
<i>50/50 Barclay's Agg/CS HY</i>	<i>2.8</i>
Alternatives	2.7
<b>LASERS Total Plan</b>	<b>7.8%</b>

# Then & Now – U.S. Equity

## Size & Style Returns



Month-to-Date			(as of 03/27/20)	Year-to-Date		
Value	Core	Growth		Value	Core	Growth
-17.85%	-14.58%	-11.73%	Large	-27.40%	-21.48%	-15.91%
-22.59%	-19.72%	-15.64%	Medium	-31.61%	-27.28%	-20.72%
-25.77%	-23.20%	-20.91%	Small	-36.60%	-31.92%	-27.43%

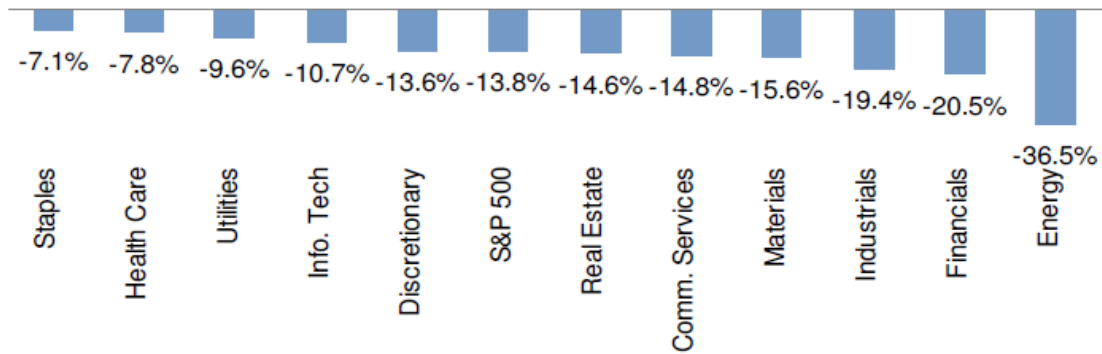
Month-to-Date			(as of 11/27/20)	Year-to-Date		
Value	Core	Growth		Value	Core	Growth
14.72%	12.30%	10.07%	Large	0.11%	16.60%	32.20%
15.69%	14.54%	12.51%	Medium	1.77%	12.57%	28.33%
22.81%	20.72%	18.78%	Small	-0.19%	12.54%	24.33%

# Then & Now – U.S. Equity

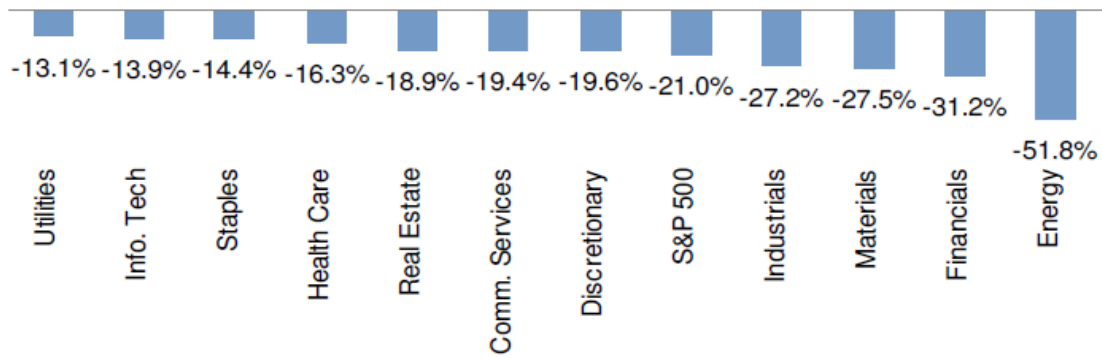
## S&P 500 Index Sector Returns



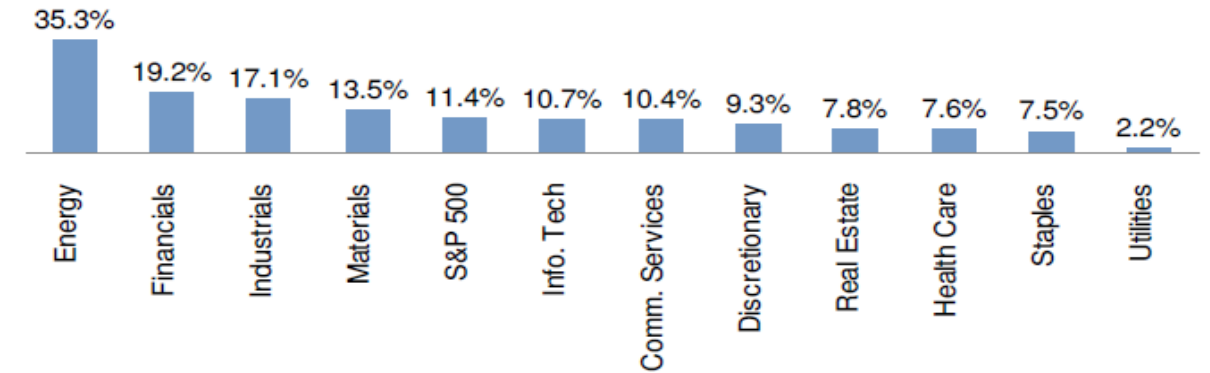
Month-to-Date, As of 03/27/20



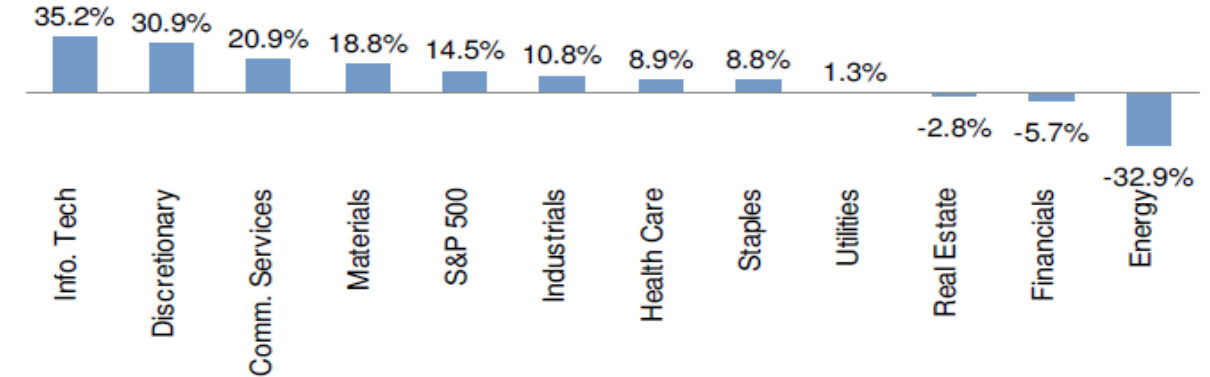
Year-to-Date, As of 03/27/20



Month-to-Date, As of 11/27/20



Year-to-Date, As of 11/27/20



# Then & Now – International Developed Equity

## Size & Style Returns



Month-to-Date			(as of 03/27/20)	Year-to-Date		
Value	Core	Growth		Value	Core	Growth
-16.86%	-13.78%	-10.84%	Large	-26.99%	-21.35%	-15.52%
-22.86%	-18.26%	-14.78%	Medium	-32.60%	-26.56%	-21.75%
-25.02%	-21.76%	-18.69%	Small	-35.36%	-30.92%	-26.56%

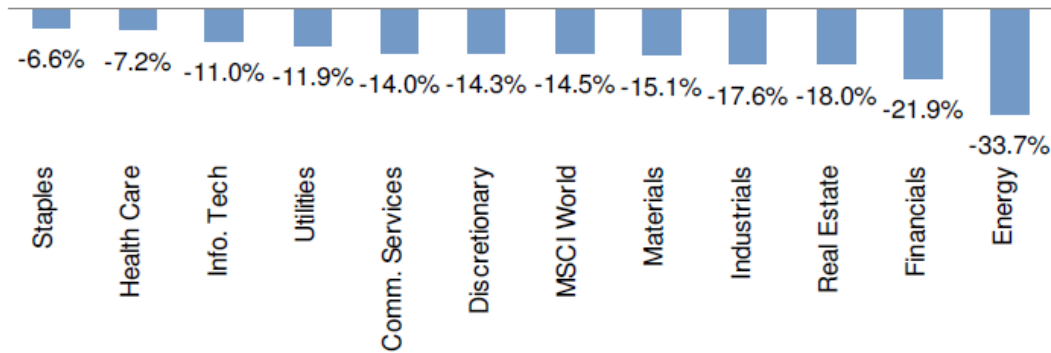
Month-to-Date			(as of 11/27/20)	Year-to-Date		
Value	Core	Growth		Value	Core	Growth
16.22%*	12.80%*	9.97%*	Large	-3.59%*	11.71%*	28.01%*
17.49%*	14.47%*	11.37%*	Medium	-3.43%*	10.26%*	21.03%*
20.09%*	16.31%*	12.78%*	Small	-1.75%*	8.88%*	19.15%*

# Then & Now – International Developed Equity

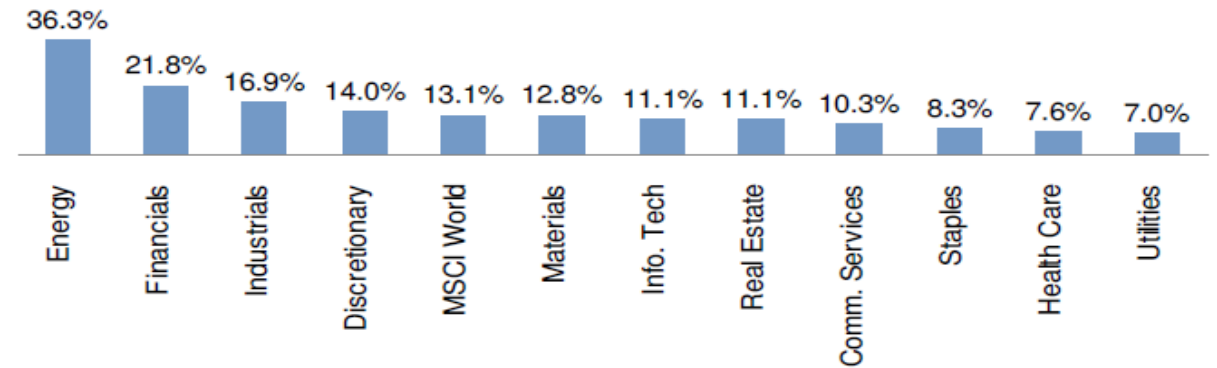
## MSCI World Index Sector Returns



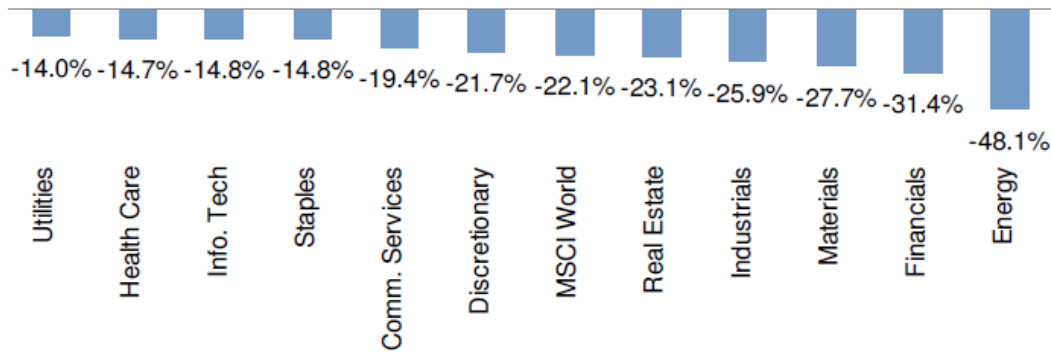
Month-to-Date, As of 03/27/20



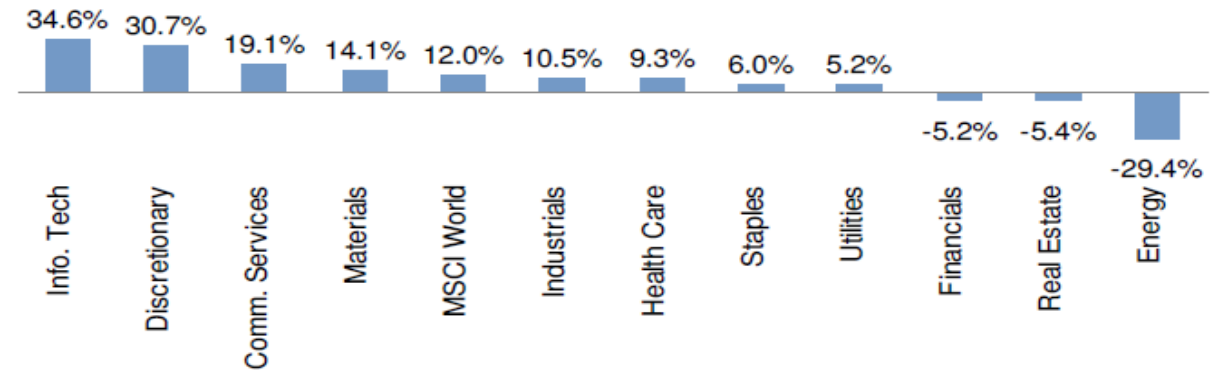
Month-to-Date, As of 11/27/20



Year-to-Date, As of 03/27/20



Year-to-Date, As of 11/27/20



# Then & Now – Domestic Fixed Income



Month-to-Date			(as of 03/27/20)	Year-to-Date		
Short	Intermed.	Long		Short	Intermed.	Long
1.53%	1.88%	6.52%	Government	3.70%	5.05%	21.44%
-4.68%	-6.65%	-11.77%	Corporate	-3.12%	-4.36%	-6.48%
-12.71%	-12.54%	-16.06%	High Yield	-13.73%	-13.86%	-15.22%

Month-to-Date			(as of 11/27/20)	Year-to-Date		
Short	Intermed.	Long		Short	Intermed.	Long
0.03%	0.09%	1.16%	Government	4.26%	5.71%	19.06%
0.49%	1.09%	4.99%	Corporate	4.92%	6.81%	13.16%
3.49%	3.66%	6.46%	High Yield	2.62%	3.94%	20.67%

# 2020 - Major Indices Performance

Calendar Year to Date thru December 8, 2020

LASERS



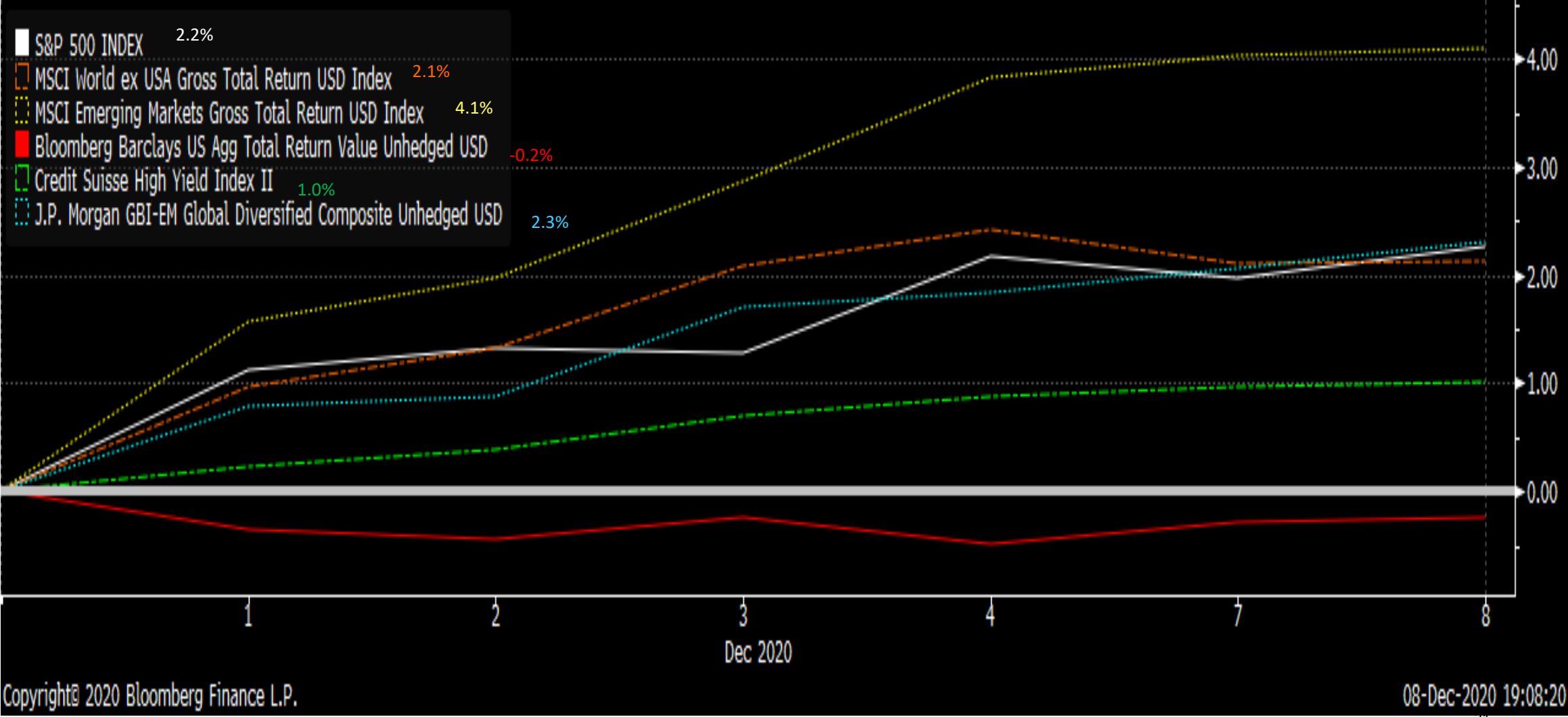
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# December MTD Indices Performance

Thru December 8, 2020



# December MTD Performance Summary

As of December 8



	Dec MTD
U.S. Large Cap Equity	2.3
<i>S&amp;P 500 Index</i>	<i>2.2</i>
U.S. Mid Cap Equity	3.8
<i>S&amp;P 400 Index</i>	<i>3.7</i>
U.S. Small Cap Equity	5.3
<i>S&amp;P 600 Index</i>	<i>5.5</i>
<b>LASERS U.S. Equity</b>	<b>3.1</b>
Int'l Large Cap Equity	2.5
<i>MSCI World Ex-USA</i>	<i>2.1</i>
Int'l Small Cap Equity	2.1
<i>MSCI World Ex-USA Small Cap</i>	<i>2.1</i>
Int'l Emerging Markets Equity (thru 12/4)	4.4
<i>MSCI Emerging Markets (thru 12/4)</i>	<i>3.8</i>
<b>LASERS Non-U.S. Equity</b>	<b>2.1</b>

	Dec MTD
U.S. Investment Grade	-0.2
<i>BB BC Barclay's Aggregate</i>	<i>-0.2</i>
U.S. High Yield	2.6
<i>Credit Suisse High Yield</i>	<i>1.0</i>
<b>LASERS U.S. Fixed Income</b>	<b>1.1</b>
Emerging Market Debt	2.0
<i>J.P. Morgan GBI-EM Global Diversified</i>	<i>2.3</i>
Global Multi-Sector	0.2
<i>50/50 Barclay's Agg/CS HY</i>	<i>0.4</i>
Alternatives	.02
<b>LASERS Total Plan</b>	<b>1.9%</b>

# Mondrian Investment Partners

International Large Cap Value

December 2020

## Overview

- **Mondrian Investment Partners manages approximately \$420 million of LASERS assets across 2 portfolios as of 10/31/2020:**
  - **International Large Cap Value Equity ~ \$201.3 million or 1.8% of LASERS entire portfolio**
  - International Small Cap Equity ~ \$219.2 million or 2.0% of LASERS entire portfolio
- **Managing Large Cap Value assets for LASERS since March, 1997; current contract expires December, 2020**
- Managing International Small Cap portfolio since February, 2011; current contract expires February, 2021
- Benchmarks
  - **International Large Cap Value Portfolio - MSCI World Ex-U.S. Value Index**
  - International Small Cap Portfolio - MSCI World Ex-U.S. Small Cap Index

## Team

- Elizabeth Desmond – CIO International Equities
- Nigel Bliss – Senior Portfolio Manager
- Todd Rittenhouse – Executive Client Service

## Investment Process

Mondrian's international equity investment philosophy is cash flow oriented. Through their discounted cash flow analysis, they identify securities that are expected to offer value through a long-term flow of dividends. This flow of dividends will represent a significant portion of expected returns because of the role that dividend yield and future real growth play in their decision-making.

## Investment Returns (as of 10/31/2020):

	1 Mo	3 Mos.	YTD	Fiscal YTD	1 Year	3 Years	5 Years
<b>Mondrian International Large Cap Value</b>	-2.8%	-3.0%	-18.3%	-0.7%	-14.5%	-3.3%	1.8%
<b>MSCI World Ex-US Value Index</b>	-3.8%	-2.8%	-21.5%	-2.3%	-18.2%	-6.7%	-0.2%



# 2021 TRUSTEE WORKSHOP

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January 20, 2021

January 21, 2021

# AGENDA – WEDNESDAY, JANUARY 20, 2021

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8:15 am                      Breakfast – Abell Board Room, Lod Cook Alumni Center

9:00 am                      MANAGEMENT COMMITTEE: Call to Order, Roll Call

Ethics Education

Actuarial Science Education

Fiduciary Duty

Management Committee Minutes, Calendar Items

12:15 – 1:00 pm              Lunch – Abell Board Room, Lod Cook Alumni Center

Immediately                      INVESTMENT COMMITTEE: Call to Order, Roll Call,  
Following                      Minutes

Investment Education: Investment Division

2:30 pm                      Investment Committee Recesses

# AGENDA – THURSDAY, JANUARY 21, 2021

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8:15 am                      Breakfast – Abell Board Room, Lod Cook Alumni Center

9:00 am                      INVESTMENT COMMITTEE: Calendar Items

Investment Education: NEPC/Investment Division

11:30 – 12:15 pm           Lunch – Abell Board Room, Lod Cook Alumni Center

Investment Education: NEPC/Investment Division

Immediately Following: REGULAR BOARD MEETING

Board meeting adjourns/Workshop Wrap-up

\*breaks will be scheduled in between presentations

6 hours of education

1 hour	Actuarial Science
1 hour	Ethics
1 hour	Fiduciary Duty
3 hours	Investment Education

\*MCLE/CE credit available

# LUNCHEON CHOICES

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Please make one choice for each day you will attend and email your choice(s) to Jennifer by Wednesday, January 6, 2021 at [jadams@lasersonline.org](mailto:jadams@lasersonline.org).

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**GOURMET SANDWICHES** (all sandwiches come complete in a labeled Unique Cuisine box with sandwich, napkin, mint, a bag of Zapp's Chips and a fudge brownie. (Any additional items may be added)

Smoked Turkey on Wheat berry: premium smoked turkey dressed with mayo, cranberry mustard, lettuce, tomato & white cheddar cheese on hearty wheat berry bread

Club Sandwich: premium smoked turkey, slow roasted ham, crisp smoky bacon, dressed with Creole mayo, lettuce, tomato & Havarti Cheese on an onion roll

Chicken Club Sandwich: Char-grilled chicken breast topped with crisp, smoky bacon, dressed with Creole mayo, lettuce, tomato & Harvarti cheese on an onion Kaiser roll

Muffaletta Sandwich: Genoa Salami, slow roasted ham, New Orleans olive salad, Creole mayo & provolone cheese on toasted ciabatta bread

Cajun Roast Beef Po-Boy: Slow cooked inside round roast beef, horseradish mayo, provolone cheese, lettuce & tomato on French bread

Chicken Salad Croissant: Our Famous Chicken Salad with lettuce & tomato on a buttery croissant

Shrimp Salad Croissant: Our unique Shrimp Salad with lettuce & tomato on a buttery croissant

Caprese Baguette: Seven grain baguette, fresh mozzarella, tomato & basil with olive oil

Half Sandwich and Salad: Choice of any half sandwich or wrap & our house salad (baby greens, oven dried tomatoes, candied pecans, feta & mustard vinaigrette, no chips)



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***WRAPS*** (served with chips and a cookie)

Smoked Turkey Wrap: Smoked turkey, bacon, shredded mozzarella, pesto mayo, with lettuce & tomato in a wheat wrap

Tex-Mex Wrap: Grilled chicken, black beans, lettuce, tomato, salsa & sour cream in a jalapeno cheddar wrap

Grilled Veggie Wrap: Marinated grilled vegetables with olive tapenade & feta cheese in a tomato basil wrap (can be made vegan without the feta)

Grilled Chicken Wrap: Char-grilled chicken breast, honey mustard, red onion, lettuce & tomato, topped with Gouda cheese in a wheat wrap

---

***SALADS*** (all salads are served with crackers and a lemon square)

Chicken Caesar Salad: Romaine lettuce, grilled chicken, Kalamata olives, mozzarella & sun-dried tomatoes with shredded parmesan

Shrimp Remoulade Salad: Spicy boiled gulf shrimp, baby greens, roma tomatoes & a red pepper Remoulade with caper berries and grilled French baguette

Shrimp or Chicken Cobb Salad: Romaine lettuce topped with tomatoes, crumbled bacon, bleu cheese, boiled eggs & topped with diced chicken breast or boiled shrimp. Served with a spicy avocado ranch dressing

Summer Salad: Mixed baby greens with grilled chicken, golden raisins, blueberries, strawberries, blue cheese, pecans, cucumbers and champagne vinaigrette

Side Sensation Salad

Side Vegetable Pasta Salad

Side Potato Salad

Fresh Cut Fruit Salad



8401 United Plaza Blvd. • Baton Rouge, LA 70809

LOUISIANA STATE EMPLOYEES'  
RETIREMENT SYSTEM

Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213

Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

## Fiscal Division

### OPERATING BUDGET REPORT

November 30, 2020

(Unaudited)

Category	2019-2020 Actual	2020-2021 Budget	Monthly Expenses	2020-2021 YTD Actual	Remaining Balance	2020-21 % of Budget	2019-20 % of Actual
Personnel	\$ 15,575,610	\$ 16,426,300	\$ 1,774,485	\$ 6,438,425	\$ 9,987,875	39%	37%
Travel Expenses	83,172	181,000	250	1,123	179,877	1%	40%
Operating Services	2,989,077	3,178,800	35,217	1,940,167	1,238,633	61%	54%
Professional Services	500,733	577,000	23,343	170,943	406,057	30%	29%
Acquisitions	279,215	247,000	2,106	29,805	217,195	12%	14%
<b>TOTAL</b>	<b>19,427,807</b>	<b>20,610,100</b>	<b>1,835,401</b>	<b>8,580,463</b>	<b>12,029,637</b>	<b>42%</b>	<b>39%</b>
Investment Fees	25,608,912	36,000,000	2,420,049	11,191,937	24,808,063	31%	32%
<b>GRAND TOTAL</b>	<b>\$ 45,036,720</b>	<b>\$ 56,610,100</b>	<b>\$ 4,255,450</b>	<b>\$ 19,772,400</b>	<b>\$ 36,837,700</b>	<b>35%</b>	<b>34%</b>

### CAPITAL OUTLAY BUDGET REPORT

November 30, 2020

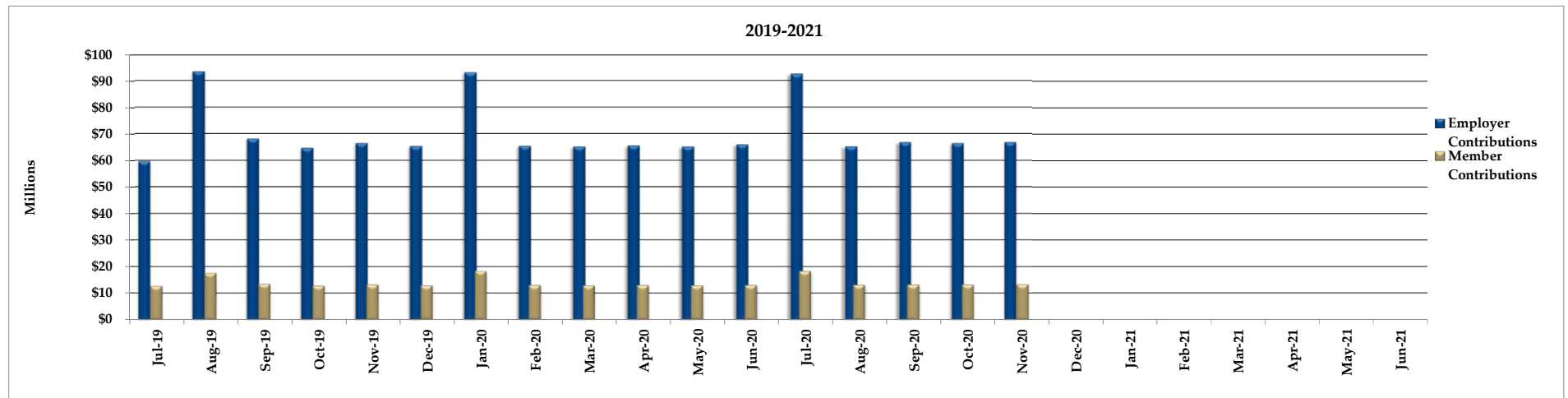
(Unaudited)

Category	Total Project Budget	2014-2020 LTD Actual	2020-2021 YTD Actual	Total Project Expenses	Remaining Balance	% of Budget Used
Operating Services	\$ 474,278	\$ 142,278	\$ 91,850	\$ 234,128	\$ 240,150	49%
Professional Services	4,869,120	4,201,452	3,380	4,204,832	664,288	86%
Acquisitions	692,304	669,944	22,360	692,304	-	100%
<b>GRAND TOTAL</b>	<b>\$ 6,035,702</b>	<b>\$ 5,013,674</b>	<b>\$ 117,590</b>	<b>\$ 5,131,264</b>	<b>\$ 904,438</b>	<b>85%</b>

**Pension Contributions**  
Fiscal Years 2019-2020 and 2020-2021 thru November 30, 2020

FYE 2019-2020					FYE 2020-2021				
Month	Members	Employer Contributions	Member Contributions	Total	Month	Members	Employer Contributions	Member Contributions	Total
Jul-19	39,248	\$59,563,412	\$12,564,327	\$72,127,739	Jul-20	39,197	\$92,476,941	\$18,146,415	\$110,623,356
Aug-19	39,706	\$93,393,627	\$17,490,255	\$110,883,882	Aug-20	38,992	\$65,151,527	\$12,955,878	\$78,107,405
Sep-19	39,119	\$68,028,441	\$13,372,503	\$81,400,944	Sep-20	38,702	\$66,712,179	\$13,133,635	\$79,845,814
Oct-19	39,280	\$64,554,220	\$12,650,421	\$77,204,641	Oct-20	39,085	\$66,353,069	\$13,129,985	\$79,483,054
Nov-19	39,707	\$66,385,304	\$13,072,850	\$79,458,154	Nov-20	39,085 *	\$66,737,322	\$13,209,325	\$79,946,647
Dec-19	39,255	\$65,203,709	\$12,830,815	\$78,034,524	Dec-20				\$0
Jan-20	39,715	\$93,067,280	\$18,256,030	\$111,323,310	Jan-21				\$0
Feb-20	39,099	\$65,368,620	\$12,922,594	\$78,291,214	Feb-21				\$0
Mar-20	39,350	\$65,021,016	\$12,778,318	\$77,799,334	Mar-21				\$0
Apr-20	40,018	\$65,456,867	\$12,917,021	\$78,373,888	Apr-21				\$0
May-20	39,797	\$65,084,444	\$12,823,966	\$77,908,410	May-21				\$0
Jun-20	39,487 *	\$65,805,845	\$12,896,919	\$78,702,764	Jun-21				\$0

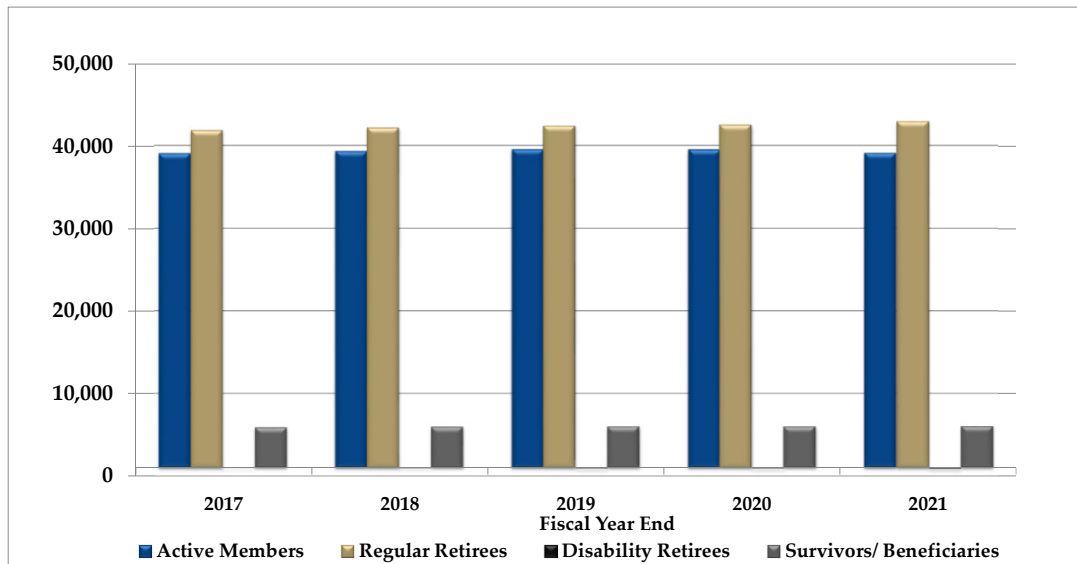
NOTE: Contributions based on estimates (November 2020 based on October 2020).



**LASERS Membership**  
For Five Years as of November 30, 2020

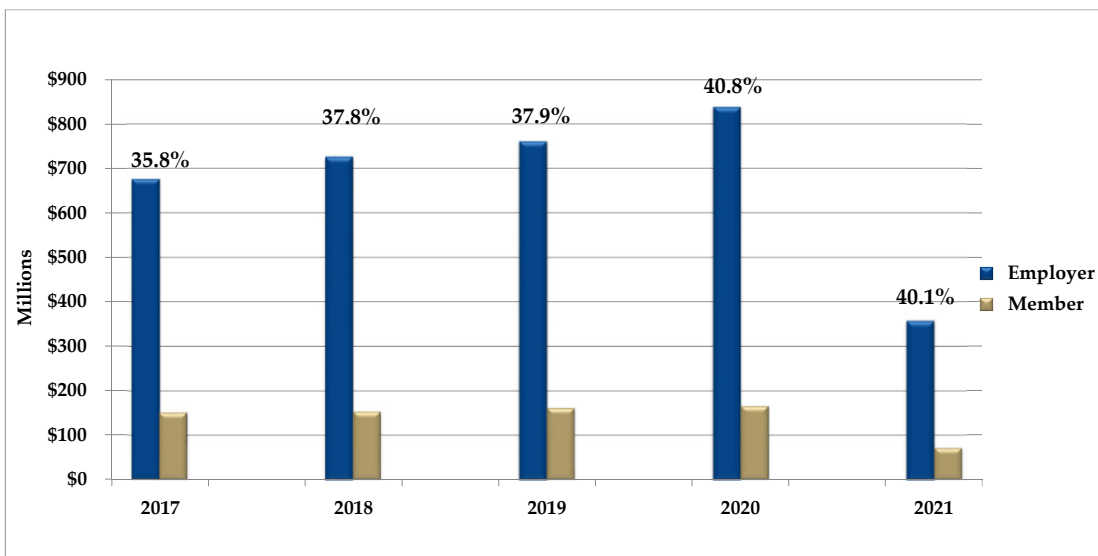
Fiscal Year	Active Members	Regular Retirees	Disability Retirees	Survivors/ Beneficiaries	Total Members**
2017	39,055	41,818	989	5,872	87,734
2018	39,293	42,136	930	5,940	88,299
2019	39,533	42,393	899	5,977	88,802
2020	39,487	42,481	881	5,979	88,828
2021	39,085	42,929	865	6,012	88,891

Note: \*Counts for FY2020 - FY2021 are an approx. not based on actuarial data. \*\*Total Members does not include DROP, Terminated Vested/Non-Vested



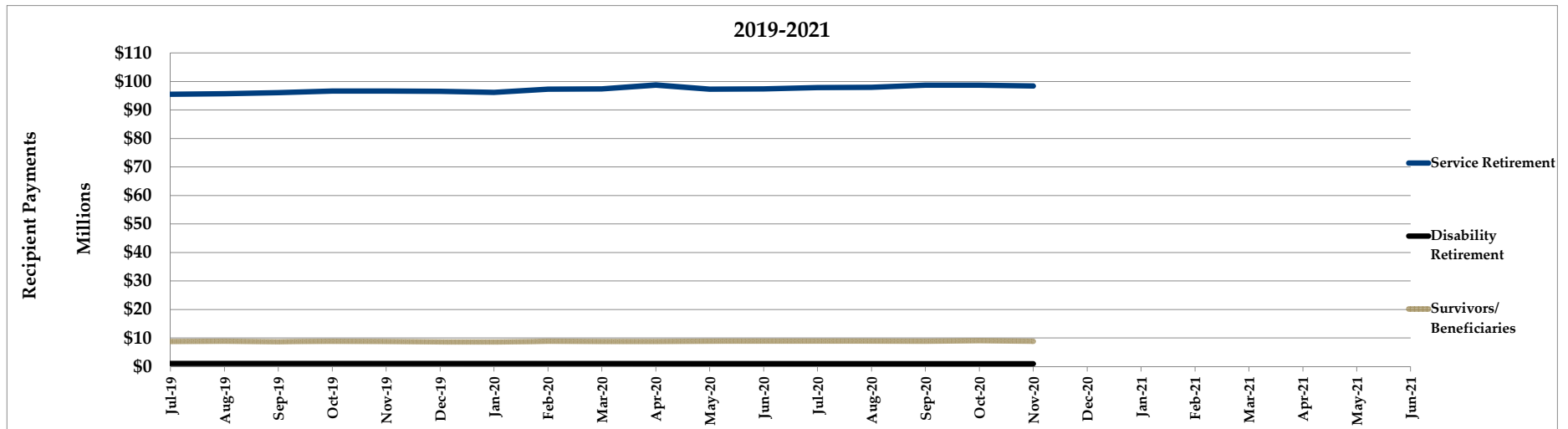
**Pension Contributions**  
For Five Years as of November 30, 2020

	2017	2018	2019	2020	2021
Employer	\$675,583,750	\$725,802,871	\$760,150,449	\$837,449,602	\$357,431,038
Member	\$149,931,242	\$152,189,709	\$160,338,556	\$164,576,018	\$70,575,238
Total	\$825,514,992	\$877,992,580	\$920,489,005	\$1,002,025,620	\$428,006,276



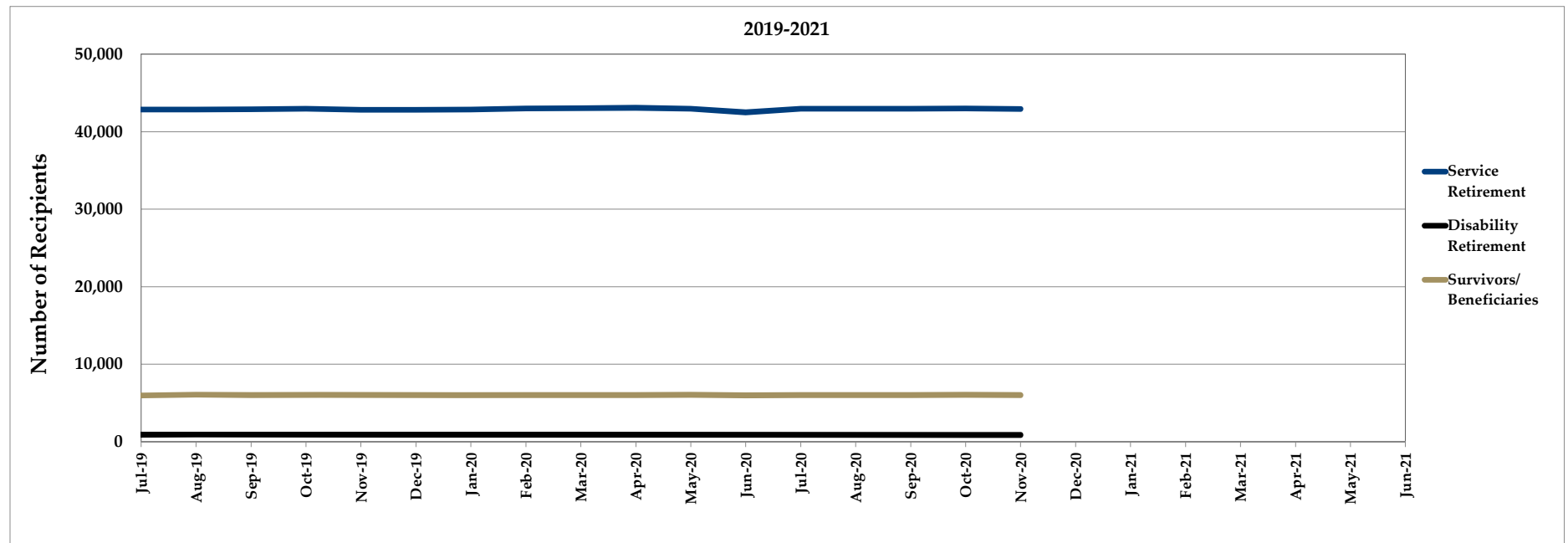
**Service/Disability/Survivor/Beneficiary Payments**  
**Fiscal Years 2019-2020 and 2020-2021 through November 30, 2020**

FYE 2019-2020					FYE 2020-2021				
Month	Service Retirement	Disability Retirement	Survivors/ Beneficiaries	Total	Month	Service Retirement	Disability Retirement	Survivors/ Beneficiaries	Total
Jul-19	\$95,548,476	\$996,959	\$8,763,441	\$105,308,876	Jul-20	\$97,777,934	\$964,016	\$8,779,449	\$107,521,399
Aug-19	\$95,699,115	\$999,560	\$8,780,065	\$105,478,740	Aug-20	\$97,912,005	\$1,002,068	\$8,946,290	\$107,860,363
Sep-19	\$96,036,089	\$1,005,085	\$8,605,850	\$105,647,024	Sep-20	\$98,696,685	\$964,633	\$8,832,170	\$108,493,488
Oct-19	\$96,621,994	\$1,008,067	\$8,779,680	\$106,409,741	Oct-20	\$98,681,561	\$962,470	\$9,010,973	\$108,655,004
Nov-19	\$96,629,826	\$993,419	\$8,696,785	\$106,320,030	Nov-20	\$98,350,851	\$960,036	\$8,839,624	\$108,150,511
Dec-19	\$96,476,557	\$988,873	\$8,567,177	\$106,032,607	Dec-20				\$0
Jan-20	\$96,169,117	\$996,105	\$8,602,404	\$105,767,626	Jan-21				\$0
Feb-20	\$97,274,533	\$997,406	\$8,816,333	\$107,088,272	Feb-21				\$0
Mar-20	\$97,370,892	\$975,652	\$8,723,730	\$107,070,274	Mar-21				\$0
Apr-20	\$98,756,353	\$968,126	\$8,710,507	\$108,434,986	Apr-21				\$0
May-20	\$97,232,648	\$984,367	\$8,808,061	\$107,025,076	May-21				\$0
Jun-20	\$97,397,437	\$981,843	\$8,878,049	\$107,257,329	Jun-21				\$0



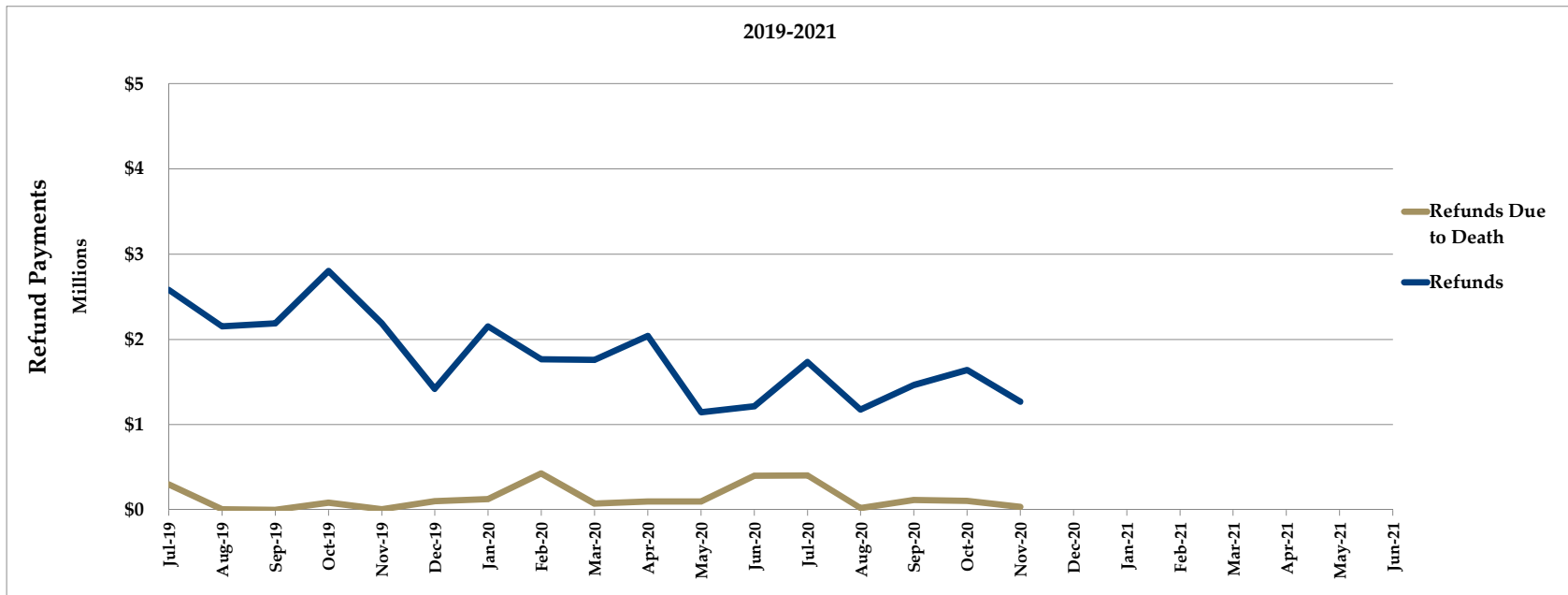
**Service/Disability/Survivor/Beneficiary Recipients**  
**Fiscal Years 2019-2020 and 2020-2021 through November 30, 2020**

FYE 2019-2020					FYE 2020-2021				
Month	Service Retirement	Disability Retirement	Survivors/Beneficiaries	Total	Month	Service Retirement	Disability Retirement	Survivors/Beneficiaries	Total
Jul-19	42,847	903	5,964	49,714	Jul-20	42,942	873	5,993	49,808
Aug-19	42,857	908	6,066	49,831	Aug-20	42,944	869	6,001	49,814
Sep-19	42,892	907	6,003	49,802	Sep-20	42,968	859	6,011	49,838
Oct-19	42,943	904	6,024	49,871	Oct-20	42,980	862	6,045	49,887
Nov-19	42,832	900	6,005	49,737	Nov-20	42,929	865	6,012	49,806
Dec-19	42,821	897	5,987	49,705	Dec-20				0
Jan-20	42,856	896	5,987	49,739	Jan-21				0
Feb-20	43,004	892	6,003	49,899	Feb-21				0
Mar-20	43,008	889	6,000	49,897	Mar-21				0
Apr-20	43,069	885	6,013	49,967	Apr-21				0
May-20	42,966	883	6,020	49,869	May-21				0
Jun-20	42,481	881	5,979	49,341	Jun-21				0



**Refund Payments**  
**Fiscal Years 2019-2020 and 2020-2021 through November 30, 2020**

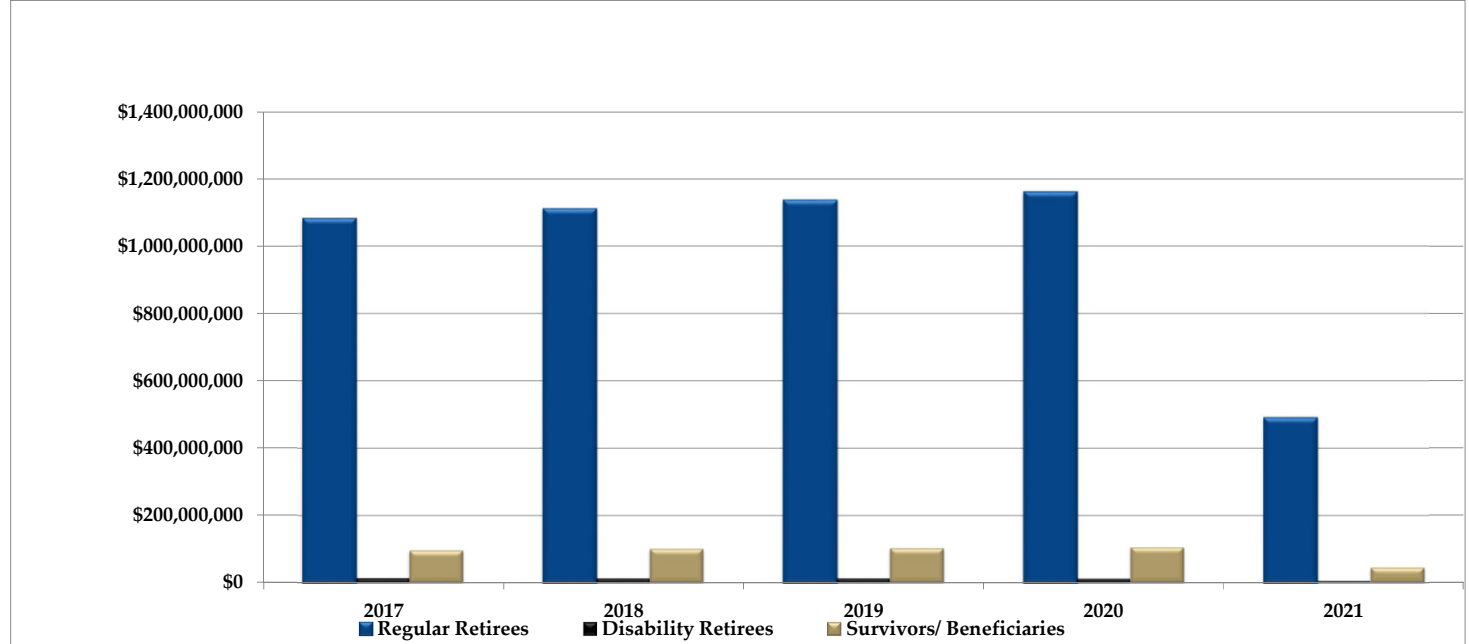
FYE 2019-2020 Refunds Due to				FYE 2020-2021 Refunds Due to			
Month	Refunds	Death	Total	Month	Refunds	Death	Total
Jul-19	\$2,582,594	\$298,148	\$2,880,742	Jul-20	\$1,735,515	\$404,691	\$2,140,206
Aug-19	\$2,154,839	\$6,973	\$2,161,812	Aug-20	\$1,176,517	\$21,316	\$1,197,833
Sep-19	\$2,189,961	\$0	\$2,189,961	Sep-20	\$1,464,054	\$116,200	\$1,580,254
Oct-19	\$2,803,073	\$85,644	\$2,888,717	Oct-20	\$1,641,859	\$104,953	\$1,746,812
Nov-19	\$2,187,958	\$6,940	\$2,194,898	Nov-20	\$1,266,798	\$35,645	\$1,302,443
Dec-19	\$1,418,484	\$101,862	\$1,520,346	Dec-20			\$0
Jan-20	\$2,154,790	\$126,722	\$2,281,512	Jan-21			\$0
Feb-20	\$1,767,191	\$428,180	\$2,195,371	Feb-21			\$0
Mar-20	\$1,761,632	\$74,299	\$1,835,931	Mar-21			\$0
Apr-20	\$2,040,391	\$99,557	\$2,139,948	Apr-21			\$0
May-20	\$1,146,262	\$100,296	\$1,246,558	May-21			\$0
Jun-20	\$1,216,301	\$400,483	\$1,616,784	Jun-21			\$0





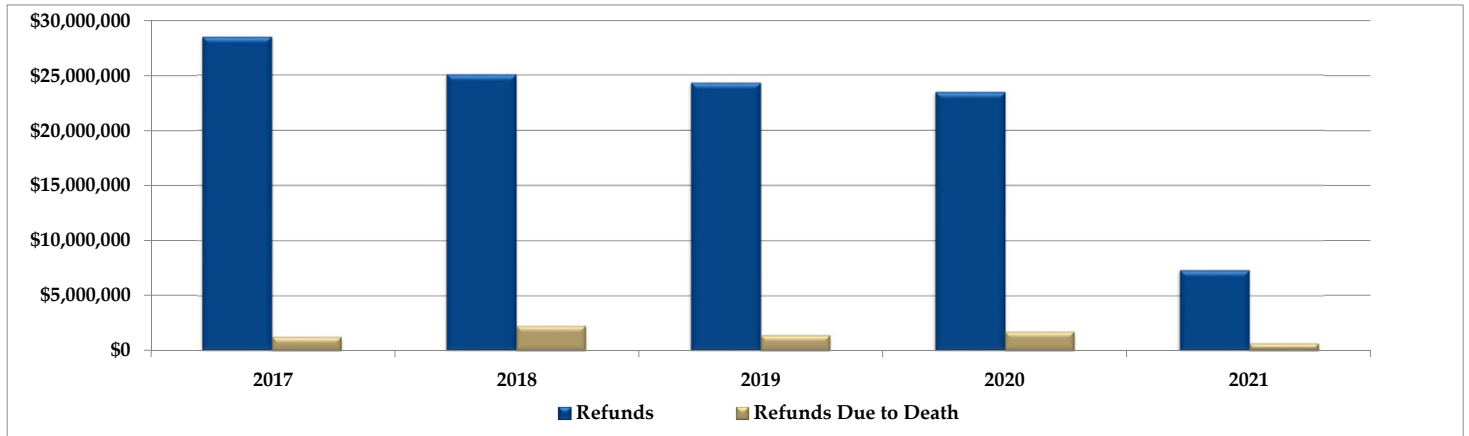
**Benefit Payments for 5 years**  
**For Five Years as of November 30, 2020**

Fiscal Year	Regular Retirees	Disability Retirees	Survivors/ Beneficiaries	Total Payments
2017	\$1,082,137,367	\$13,651,348	\$95,582,244	\$1,191,370,959
2018	\$1,111,041,778	\$12,898,071	\$99,820,473	\$1,223,760,322
2019	\$1,136,354,915	\$12,304,622	\$102,089,676	\$1,250,749,213
2020	\$1,161,213,037	\$11,895,462	\$104,732,082	\$1,277,840,581
2021	\$491,419,036	\$4,853,223	\$44,408,506	\$540,680,765



**Refund Payments for 5 years**  
**For Five Years as of November 30, 2020**

Fiscal Year	Refunds	Refunds Due to Death	Total Payments
2017	\$28,443,202	\$1,266,083	\$29,709,285
2018	\$25,031,640	\$2,245,581	\$27,277,221
2019	\$24,286,619	\$1,397,220	\$25,683,839
2020	\$23,423,477	\$1,729,104	\$25,152,581
2021	\$7,284,743	\$682,805	\$7,967,548





**DROP and ORP Report  
As of November 30, 2020**

DROP	Current Month		Quarter Ending 9/30/2020		Quarter Ending 6/30/2020	
	Count	Balance	Count	Balance	Count	Balance
<b>Traditional (At LASERS)</b>						
Accruing HARP	4	\$457,569	4	\$422,659	3	\$337,508
Working After DROP	80	\$18,535,758	83	\$19,027,144	88	\$19,787,708
Retired After DROP	2,621	\$342,496,039	2,648	\$345,338,714	2,677	\$349,500,670
Retired-IBO	151	\$19,529,194	153	\$19,894,092	155	\$20,148,804
<b>Total Traditional</b>	<b>2,856</b>	<b>\$381,018,560</b>	<b>2,888</b>	<b>\$384,682,609</b>	<b>2,923</b>	<b>\$389,774,690</b>
<b>Self-Directed</b>						
Accruing (At LASERS)	1,294	\$66,831,402	1,300	\$66,687,177	1,348	\$67,588,738
Working After DROP, Retired & IBO (Empower)	7,650	\$621,464,834	7,575	\$609,859,116	7,500	\$600,677,956
<b>Total Self-Directed</b>	<b>8,944</b>	<b>\$688,296,237</b>	<b>8,875</b>	<b>\$676,546,293</b>	<b>8,848</b>	<b>\$668,266,694</b>
<b>TOTALS</b>	<b>11,800</b>	<b>\$1,069,314,797</b>	<b>11,763</b>	<b>\$1,061,228,902</b>	<b>11,771</b>	<b>\$1,058,041,384</b>
<b>ORP</b>						
Working & Inactive (Empower)	44	\$6,064,719	44	\$5,730,665	44	\$5,398,828



**Board of Trustees**  
**Benefit Payees Added During Period**  
**11/1/2020 - 11/30/2020**

**Regular**

Under Age 55 at Retirement	17
Age 55-59 at Retirement	16
Age 60+ at Retirement	59
Total	92
Minimum Benefit	\$84
Maximum Benefit	\$14,457
Minimum Age	42
Maximum Age	70
Minimum Years Service	5
Maximum Years Service	41
Average Age	60
Average Service	22
Average Gross Benefit	\$2,827

**Disability**

Total	2
Minimum Benefit	\$522
Maximum Benefit	\$1,011
Minimum Age	55
Maximum Age	55
Minimum Years Service	10
Maximum Years Service	20
Average Age	55
Average Service	15
Average Gross Benefit	\$766

**Survivor**

Total	2
Minimum Benefit	\$1,874
Maximum Benefit	\$3,650
Minimum Age	43
Maximum Age	49
Minimum Years Service	11
Maximum Years Service	22
Average Age	46
Average Service	17
Average Gross Benefit	\$2,762

**Beneficiary**

Total	28
Minimum Benefit	\$247
Maximum Benefit	\$4,784
Minimum Age	46
Maximum Age	73
Minimum Years Service	13
Maximum Years Service	38
Average Age	58
Average Service	25
Average Gross Benefit	\$1,683

**Drop Accruals**

Total	36
Average Age	56
Average Service	25
Average Gross Benefit	\$3,491