

# LASERS

---

LOUISIANA STATE EMPLOYEES'  
RETIREMENT SYSTEM

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

For the Period July 1 to September 30, 2021

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 July 1 to September 30, 2021. 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 7.40% effective July 1, 2021.

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, 2021, LASERS 30-year actuarial return was 7.57%.

## 3rd Qtr 2021

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
<b>U.S. EQUITY</b>				
<b>INDEX FUNDS</b>				
LASERS S&P 400 Index Fund	605.3	43.6	n/a	-
LASERS S&P 500 Index Fund	2302.0	29.9	n/a	-
LASERS S&P 600 Index Fund	507.7	57.5	n/a	-
LASERS NASDAQ 100 Index Fund	734.5	0.0	n/a	-
<b>SMALL CAP VALUE</b>				
LSV Asset Management	198.5	66.0	56.3	304,624
<b>NON-U.S. EQUITY</b>				
<b>LARGE CAP VALUE</b>				
Mondrian Investment Partners	271.8	31.1	27.8	189,218
<b>LARGE CAP CORE</b>				
LASERS MSCI World Ex-USA Index Fund	1108.4	29.1	n/a	-
LASERS Terror-Free International Fund	36.5	26.4	n/a	-
<b>INT'L SMALL CAP</b>				
Mondrian Investment Partners	288.8	28.5	69.3	512,181
Goldman Sachs	461.7	31.3	50.0	596,933
<b>EMERGING MARKETS</b>				
City of London Investment Management	476.8	26.7	88.0	1,100,485
Westwood Global Emerging Markets	280.7	28.3	88.9	636,932
LSV Custom Emerging Markets	359.4	41.9	50.0	446,338
BlackRock Emerging Markets <sup>1</sup>	96.3	n/a	8.5	7,043
<b>TOTAL EQUITY</b>	<b>\$7,728.3</b>			<b>3,793,755</b>
<b>US FIXED INCOME</b>				
<b>INVESTMENT GRADE</b>				
Loomis Sayles & Co.	194.7	1.6	17.6	86,052
Orleans Capital Mgt	138.4	0.4	12.0	41,771
<b>HIGH YIELD</b>				
JP Morgan	70.8	15.5	47.1	76,259
Nomura	156.9	16.8	45.0	177,668
<b>EMERGING MARKET DEBT</b>				
Stone Harbor	185.8	4.2	52.5	257,774
Gramercy	277.2	5.5	70.0	614,615
<b>Global Multi-Sector</b>				
Doubleline	253.2	11.7	60.0	346,354
Goldentree	311.2	20.3	60.0	512,399
Pimco	401.0	18.6	95.0	671,640
Blackstone	355.6	10.7	78.1	82,149
Zais Group	113.1	20.7	62.5	146,593
Arrowmark Partners <sup>2</sup>	66.8	n/a	n/a	-
<b>TOTAL FIXED INCOME</b>	<b>\$2,524.8</b>			<b>3,013,273</b>

## 3rd Qtr 2021

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 <sup>3</sup>	2.1	17.0	0.0	-
Adams Street Partnership 2002 US <sup>3</sup>	1.0	26.1	0.0	-
Adams Street Partnership 2005 US <sup>3</sup>	6.0	54.8	0.0	-
Adams Street 2007 US Fund	9.9	80.0	15.0	11,458
Adams Street 2007 Non-US	7.7	53.0	15.0	7,292
Adams Street 2007 Direct	2.8	24.9	20.0	2,500
Adams Street 2009 US Fund	20.8	109.7	33.0	20,833
Adams Street 2009 Non-US Developed	10.8	66.5	33.0	12,500
Adams Street 2009 Non-US Emerging	6.1	46.6	33.0	4,167
Adams Street 2009 Direct	3.0	26.9	60.0	7,500
AEA Investors Fund VI	59.6	49.4	150.0	-
AEA Investors Fund VII	34.7	15.4	175.0	437,500
Atlas Partner Holdings II	72.7	28.5	100.0	250,000
Baring Asia VII	90.0	108.5	175.0	437,500
BCP Energy Services Fund A	45.7	20.7	200.0	250,000
BCP Fund II A	16.7	80.7	200.0	375,000
BCP Infrastructure Fund A <sup>4</sup>	7.0	n/a	150.0	281,250
Brinson <sup>3,5</sup>	3.6	9.3	0.0	-
Brookfield Capital IV	51.4	67.1	150.0	187,500
Brookfield Infrastructure IV	49.5	23.6	140.0	297,500
Brookfield Capital V	64.3	48.9	150.0	376,875
Adams Street V <sup>3</sup>	0.4	57.1	0.0	-
Apollo Inv Fund VII <sup>3</sup>	0.8	192.1	0.0	-
Apollo Inv Fund VIII	43.6	43.6	75.0	48,335
Apollo European Fund II	9.0	-2.8	150.0	35,795
Apollo Inv Fund IX	51.2	62.9	150.0	318,749
ArLight Energy Ptr Fund VI	46.3	-4.2	150.0	168,320
CCMP Capital III	64.4	101.3	100.0	90,026
Cerberus VI	146.0	28.0	150.0	425,692
Coller International Partners VI	28.1	62.0	65.6	164,921
Coller International Partners VII	54.5	46.7	100.0	184,016
Coller International Partners VIII	33.7	106.8	150.0	378,082
Double Line Mortgage	91.9	18.8	100.0	257,698
EIG Energy Fund XIV <sup>3</sup>	2.3	-8.6	0.0	-
EIG Energy Fund XV	6.8	12.5	125.0	47,322
EIG Energy Fund XVI	41.8	8.4	125.0	118,550
Energy Spectrum Fund VI <sup>3</sup>	8.4	1.5	175.0	-
GTCR Fund XI	106.9	432.4	114.8	151,875
GTCR Fund XII	64.9	64.7	150.0	225,000
GTCR Fund XIII <sup>6</sup>	6.4	n/a	150.0	281,250
KPS SS Mid Cap	8.2	13.4	125.0	47,800
KPS Special Sit. Fund V	16.9	11.7	125.0	156,250
Gamut Fund I	37.5	40.1	200.0	250,000
Glendower SOF V <sup>7</sup>	3.1	n/a	115.0	340,274
Goldman Sachs PEP IX	17.3	31.0	6.0	13,916
Goldentree Distressed Fund III	68.1	46.6	125.0	234,375
HIPEP Partnership III <sup>3</sup>	0.1	0.6	0.0	-
Harbourvest VI - Direct <sup>3</sup>	0.8	-13.6	0.0	-
Harbourvest VI - Partnership <sup>3</sup>	0.5	-27.5	0.0	-
HIPEP Direct IV <sup>3</sup>	0.2	0.4	0.0	-
Huff Alternative Fund <sup>3</sup>	4.2	13.0	0.0	-
Insight Venture Partner XI <sup>8</sup>	18.8	n/a	175.0	-
Insight Venture Partner XI	113.3	79.4	175.0	371,875
Insight Venture Partner X	121.1	115.8	175.0	218,750
KKR Asian Fund III	58.1	46.9	125.0	129,182
KKR Asian Fund IV <sup>1</sup>	14.5	n/a	150.0	331,687
Mesirow III	2.3	39.6	29.2	16,790
Mesirow IV	22.1	76.1	30.1	45,210
Mesirow V	56.3	90.6	37.2	55,815
Newstone Mezzanine II	5.0	7.9	100.0	15,943
OHA Strategic Credit Fund II	43.2	31.7	138.0	128,473
Oaktree European Fund III	28.0	1.8	175.0	124,186
Pantheon Europe VI	16.6	79.4	49.2	42,615
Pantheon VI <sup>3</sup>	1.4	5.4	0.0	-
Pantheon VII	12.1	54.0	44.3	55,363
Stepstone Europe Fund II	11.2	17.6	50.0	12,380
Private Advisors IV	16.7	106.8	49.2	43,059
Private Advisors V	34.8	56.5	59.1	59,050

## 3rd Qtr 2021

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
<b>ALTERNATIVE ASSETS</b>				
Private Advisors VI	34.9	75.0	72.9	72,900
Q-BLK II	1.8	-14.8	30.1	38,144
Q-BLK III <sup>3</sup>	17.6	51.5	0.0	-
Siguler Guff DOF III	35.3	3.6	10.0	49,912
Siguler Guff Fund IV	13.0	5.1	23.3	23,260
Siguler Guff Pelican Gem	120.1	37.7	75.0	176,220
Siguler Guff Pelican Emg Mkt Opp II	44.4	34.5	75.0	55,879
Sterling Partners	19.1	59.1	200.0	42,170
Vista Equity Partners IV	25.5	15.6	150.0	54,024
Vista Equity Partners V	106.4	31.2	150.0	183,023
Vista Equity Partners VI	138.6	35.4	150.0	358,174
Vista Equity Partners VII	102.2	21.0	150.0	466,185
Warburg Pincus	87.4	34.1	140.0	350,000
Williams Capital <sup>3</sup>	0.3	-2.8	0.0	-
<b>ABSOLUTE RETURN STRATEGIES</b>				
Prisma Capital Partners	291.7	9.8	65.0	471,569
Entrust Capital Partners	241.7	11.0	103.7	584,368
<b>TOTAL ALTERNATIVE ASSETS <sup>9</sup></b>	<b>\$3,388.3</b>			<b>11,473,827</b>
<b>TOTAL PLAN <sup>10</sup></b>	<b>\$13,867.7</b>			<b>18,280,855</b>

<sup>1</sup> The portfolio was funded 5/2021.

<sup>2</sup> The fund was funded 6/2021 and the fee structure is performance based.

<sup>3</sup> The fund no longer charges fees.

<sup>4</sup> The portfolio was funded 12/2020.

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

<sup>6</sup> This fund's first value was a June 21 estimated statement.

<sup>7</sup> The fund was funded 6/2021

<sup>8</sup> The fund was funded 8/2021

<sup>9</sup> The net asset values and returns are reflected net of fees for all Alternatives, and includes \$0.7 million for Paamco and \$2.2 million for Stark, which are being liquidated.

<sup>10</sup> The Total Plan Market Value includes \$226.3 million in cash/cash equivalents.

The Total Quarterly Dollar Amount does not include \$358,998 for Self-Directed Plan and Optional Retirement Plan.

The Total Quarterly Dollar Amount does not include \$2,026 in fees for liquidating funds.

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

Annual Basis Points for fees vary and may be based on historical cost, net asset value, invested capital or other similar items.

## Comments

---

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.

## Investment Terminology

---

<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.

Louisiana State Employees' Retirement System  
8401 United Plaza Boulevard - Baton Rouge, LA 70809  
P.O. Box 44213 - Baton Rouge, LA 70804