

LASERS

LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

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

For the Period July 1 to September 30, 2022

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, 2022. 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 7.25% effective July 1, 2022.

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, 2022, LASERS 30-year actuarial return was 7.46%.

3rd Qtr 2022

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
U.S. EQUITY				
INDEX FUNDS				
LASERS S&P 400 Index Fund	516.6	-15.3	n/a	-
LASERS S&P 500 Index Fund	1949.7	-15.4	n/a	-
LASERS S&P 600 Index Fund	406.0	-18.7	n/a	-
LASERS NASDAQ 100 Index Fund	553.0	-24.7	n/a	-
SMALL CAP VALUE				
LSV Asset Management	170.8	-14.0	56.7	263,411
NON-U.S. EQUITY				
LARGE CAP VALUE				
Mondrian Investment Partners	214.8	-21.0	28.5	164,278
LARGE CAP CORE				
LASERS MSCI World Ex-USA Index Fund	667.0	-23.8	n/a	-
LASERS Terror-Free International Fund	28.8	-21.3	n/a	-
INT'L SMALL CAP				
Mondrian Investment Partners	187.8	-35.0	71.7	371,468
Goldman Sachs	333.5	-27.8	51.2	460,174
EMERGING MARKETS				
City of London Investment Management	324.6	-31.3	88.0	810,041
Westwood Global Emerging Markets	238.1	-14.5	86.0	583,618
LSV Custom Emerging Markets	281.9	-21.6	50.0	384,631
TOTAL EQUITY	\$5,872.8			3,037,622
US FIXED INCOME				
INVESTMENT GRADE				
Loomis Sayles & Co.	167.1	-14.1	18.0	77,712
Orleans Capital Mgt	118.1	-14.7	12.0	36,893
HIGH YIELD				
JP Morgan	2.0	-0.9	50.0	1,360
Nomura	139.8	-10.9	45.0	162,964
EMERGING MARKET DEBT				
Stone Harbor	107.0	-15.2	52.5	388,256
Gramercy	380.7	4.8	55.0	-
Global Multi-Sector				
Doubleline	228.2	-9.9	55.0	331,133
Goldentree	289.6	-5.8	60.0	490,209
Pimco	398.5	-0.6	95.0	761,396
Blackstone	306.4	6.9	78.1	301,864
Zais Group	119.4	-7.0	62.5	230,133
Arrowmark Partners ¹	127.4	4.9	n/a	-
TOTAL FIXED INCOME	\$2,384.2			2,781,920

3rd Qtr 2022

Manager	Net Asset Value \$ (Millions)	Annual Return	Management Fees	
			Annual Basis Points	Quarterly Dollar Amount
ALTERNATIVE ASSETS				
PRIVATE MARKETS				
Adams Street 2005 Non-US ²	0.6	-31.2	0.0	-
Adams Street Partnership 2002 US ²	0.3	-55.8	0.0	-
Adams Street Partnership 2005 US ²	1.7	-27.8	0.0	-
Adams Street 2007 US Fund	5.8	-6.3	7.5	5,729
Adams Street 2007 Non-US	3.4	-26.5	7.5	3,646
Adams Street 2007 Direct ²	1.5	-20.5	0.0	-
Adams Street 2009 US Fund	16.8	0.3	25.0	15,625
Adams Street 2009 Non-US Developed	6.7	-11.9	25.0	9,375
Adams Street 2009 Non-US Emerging	4.4	-9.2	25.0	3,125
Adams Street 2009 Direct	1.7	-17.8	40.0	5,000
AEA Investors Fund VI	37.5	4.9	150.0	-
AEA Investors Fund VII	82.8	3.4	175.0	428,060
Atlas Partner Holdings II	84.2	11.2	100.0	250,000
Baring Asia VII	93.8	15.2	150.0	375,000
BCP Energy Services Fund A	28.5	-5.7	200.0	250,000
BCP Fund II A	46.9	26.9	200.0	375,000
BCP Infrastructure Fund A	2.9	28.9	150.0	281,250
Brinson ^{2,3}	1.3	-10.3	0.0	-
Brookfield Capital IV	47.9	3.4	150.0	118,449
Brookfield Infrastructure IV	74.7	17.5	140.0	297,500
Brookfield Capital V	103.7	8.4	150.0	376,875
Adams Street V ²	0.4	-10.6	0.0	-
Apollo Inv Fund VII ²	0.7	121.8	0.0	-
Apollo Inv Fund VIII	29.5	-17.2	75.0	36,663
Apollo European Fund II	6.7	4.2	150.0	11,881
Apollo Inv Fund IX	71.0	30.0	150.0	319,158
ArcLight Energy Ptr Fund VI	33.2	20.2	150.0	79,404
CCMP Capital III	21.0	-37.2	100.0	68,681
Cerberus VI	149.0	17.8	150.0	371,964
Coller International Partners VI	19.2	16.0	59.1	125,000
Coller International Partners VII	46.0	19.0	90.0	168,750
Coller International Partners VIII	69.7	49.3	150.0	378,082
Double Line Mortgage	54.7	17.4	100.0	139,793
EIG Energy Fund XIV ²	1.9	-19.5	0.0	-
EIG Energy Fund XV	6.7	40.3	125.0	1,144
EIG Energy Fund XVI	45.8	31.4	125.0	89,574
Energy Spectrum Fund VI ²	2.1	30.1	0.0	-
GTCR Fund XI	88.9	-15.8	91.8	124,313
GTCR Fund XII	64.7	22.8	150.0	225,000
GTCR Fund XIII	32.8	67.3	150.0	281,250
KPS SS Mid Cap	13.0	45.1	125.0	62,500
KPS Special Sit. Fund V	37.5	59.0	125.0	156,250
Gamut Fund I	56.9	19.1	200.0	54,250
Glendower SOF V	27.6	399.8	115.0	287,500
Goldman Sachs PEP IX ²	11.3	12.5	0.0	-
Goldentree Distressed Fund III	44.8	11.7	125.0	234,375
Goldentree Distressed Fund IV ⁴	9.8	n/a	100.0	45,840
HIPEP Partnership III ²	0.1	-6.2	0.0	-
Harbourvest VI - Direct ²	0.2	-35.1	0.0	-
Harbourvest VI - Partnership ²	0.4	-14.2	0.0	-
Huff Alternative Fund ²	0.9	-4.5	0.0	-
Insight Venture Partner XII	37.5	-17.0	175.0	328,125
Insight Venture Partner XI	133.8	11.0	175.0	371,875
Insight Venture Partner X	101.8	-10.6	175.0	218,750
KKR Asian Fund III	58.2	19.6	125.0	156,250
KKR Asian Fund IV	28.7	-3.7	150.0	375,000
KKR North American Fund XIII ⁵	19.1	n/a	150.0	-
Mesirow III	2.1	9.7	26.2	15,100
Mesirow IV	13.4	-17.2	27.1	40,680
Mesirow V	42.1	-2.6	33.5	50,235
Newstone Mezzanine II	3.9	-22.3	100.0	15,554
OHA Strategic Credit Fund II	32.7	2.4	138.0	117,513
Oaktree European Fund III	21.7	-15.5	175.0	118,470

3rd Qtr 2022

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ALTERNATIVE ASSETS				
Pantheon Europe VI	8.7	-37.2	44.3	38,793
Pantheon VI ²	0.5	-26.8	0.0	-
Pantheon VII	8.6	10.0	39.9	49,825
Stepstone Europe Fund II	8.8	-5.1	50.0	11,682
Private Advisors IV	13.1	21.4	44.3	38,754
Private Advisors V	22.1	-8.0	53.2	53,150
Private Advisors VI	30.5	27.0	65.6	65,610
Q-BLK II ²	1.5	-13.2	0.0	-
Q-BLK III ²	14.0	2.9	0.0	-
Siguler Guff Fund IV	11.8	12.2	18.6	18,610
Siguler Guff Pelican Gem	116.8	-5.2	75.0	168,159
Siguler Guff Pelican Emg Mkt Opp II	50.9	-4.6	75.0	45,899
Sterling Partners	11.7	-38.9	200.0	-
Vista Equity Partners IV	24.1	-5.5	150.0	54,024
Vista Equity Partners V	93.0	6.2	150.0	166,247
Vista Equity Partners VI	139.7	11.1	150.0	248,767
Vista Equity Partners VII	132.8	23.0	150.0	468,750
Warburg Pincus	114.9	14.2	140.0	351,711
Warburg Pincus XIV ⁶	9.7	n/a	140.0	348,402
Williams Capital ²	0.3	0.0	0.0	-
ABSOLUTE RETURN STRATEGIES				
Prisma Capital Partners	290.4	-0.4	65.0	480,752
Entrust Capital Partners	261.6	-8.9	110.5	692,477
TOTAL ALTERNATIVE ASSETS ⁷	\$3,457.6			11,165,168
TOTAL PLAN ⁸	\$11,813.8			16,984,709

¹ The fund has performance based fee structure.

² The fund no longer charges fees.

³ This is a composite of six limited partnerships.

⁴ The fund was funded 11/2021

⁵ The fund was funded 5/2022

⁶ The fund was funded 3/2022

⁷ The net asset values and returns are reflected net of fees for all Alternatives, and includes \$0.5 million for Paamco and \$2.5 million for Stark, which are being liquidated.

⁸ The Total Plan Market Value includes \$99.2 million in cash/cash equivalents.

The Total Quarterly Dollar Amount does not include \$357,781 or Self-Directed Plan and Optional Retirement Plan.

The Total Quarterly Dollar Amount does not include a credit of 23,826 related to fees for liquidating funds, prior period adjustments, and initial fees for new funds.

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

Annual Return	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.
Basis Point	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.
Concentrated Portfolio	A portfolio that generally has fewer securities than traditional portfolios.
Index Fund	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.
Management Fee	The fee charged by the investment manager for supervision of an investment. Generally quoted in terms of a percent of assets.
Market Value	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.
Universe	The list of all assets eligible for inclusion in a portfolio.

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