

LASERS

LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

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

For the Period April 1 to June 30, 2023 (Final)

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 April 1 to June 30, 2023. 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%.

2nd Qtr 2023

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	684.0	17.5	n/a	-
LASERS S&P 500 Index Fund	2333.0	19.5	n/a	-
LASERS S&P 600 Index Fund	553.8	9.9	n/a	-
LASERS NASDAQ 100 Index Fund	955.6	33.5	n/a	-
SMALL CAP VALUE				
LSV Asset Management	154.5	16.6	56.8	247,256
NON-U.S. EQUITY				
LARGE CAP VALUE				
Mondrian Investment Partners	284.5	14.6	27.6	186,447
LARGE CAP CORE				
LASERS MSCI World Ex-USA Index Fund	704.1	19.0	n/a	-
LASERS Terror-Free International Fund	32.6	15.7	n/a	-
INT'L SMALL CAP				
Mondrian Investment Partners	227.1	6.9	70.5	385,648
Goldman Sachs	315.7	11.7	51.4	429,188
EMERGING MARKETS				
City of London Investment Management	266.7	4.9	88.0	669,544
Westwood Global Emerging Markets	285.6	12.8	88.8	618,801
LSV Custom Emerging Markets	264.0	11.3	50.0	349,934
TOTAL EQUITY	\$7,061.2			2,886,818
US FIXED INCOME				
INVESTMENT GRADE				
Loomis Sayles & Co.	177.2	1.6	17.8	76,258
Orleans Capital Mgt	123.7	0.0	12.0	36,598
HIGH YIELD				
JP Morgan	1.0	-7.7	50.0	1,114
Nomura	0.8	8.3	45.0	67,348
EMERGING MARKET DEBT				
Stone Harbor	1.8	-19.9	52.5	(6,045)
Gramercy	395.3	9.6	55.0	2,837,908
Global Multi-Sector				
Doubleline	326.4	3.0	55.0	285,545
Goldentree	360.8	11.4	60.0	281,228
Pimco	463.0	10.5	95.0	788,617
Blackstone	268.4	6.4	78.1	68,366
Zais Group	119.4	5.2	62.5	224,516
Arrowmark Partners ¹	139.8	10.4	n/a	-
TOTAL FIXED INCOME	\$2,377.6			4,661,453

2nd Qtr 2023

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ALTERNATIVE ASSETS				
PRIVATE MARKETS				
Adams Street 2005 Non-US ²	0.6	-2.5	0.0	-
Adams Street Partnership 2002 US ²	0.2	-16.1	0.0	-
Adams Street Partnership 2005 US ²	1.0	-18.0	0.0	-
Adams Street 2007 US Fund ²	4.7	-20.9	0.0	-
Adams Street 2007 Non-US ²	2.8	-8.0	0.0	-
Adams Street 2007 Direct ²	1.2	-26.0	0.0	-
Adams Street 2009 US Fund	13.7	-18.5	17.0	10,417
Adams Street 2009 Non-US Developed	6.3	-6.0	17.0	6,250
Adams Street 2009 Non-US Emerging	3.7	-6.5	17.0	2,083
Adams Street 2009 Direct	1.4	-26.9	20.0	2,166
AEA Investors Fund VI	39.9	6.1	150.0	64,783
AEA Investors Fund VII	104.3	8.2	175.0	437,500
Atlas Partner Holdings II	101.8	12.0	100.0	320,581
Audax Fund VII ³	0.2	n/a	175.0	291,667
Baring Asia VII	100.8	11.1	150.0	10,496
Baring Asia VIII ⁴	14.8	n/a	175.0	(3,329,587)
BCP Energy Services Fund A	31.2	4.3	200.0	39,712
BCP Fund II A	77.4	19.0	200.0	(32,435)
BCP Infrastructure Fund A	7.6	-9.9	150.0	31,419
Brinson ^{2,5}	1.1	-1.8	0.0	-
Brookfield Capital IV	48.8	4.1	150.0	(90,284)
Brookfield Infrastructure IV -B	85.6	14.4	140.0	293,153
Brookfield Capital V	125.7	18.6	150.0	376,494
Brookfield Infrastructure V ³	11.7	n/a	126.0	991,315
Brookfield Capital VI ⁶	25.7	n/a	142.0	430,214
Adams Street V ²	0.0	-93.8	0.0	-
Apax Digital II ⁷	0.4	n/a	185.0	346,875
Apollo Inv Fund VII ²	0.6	-3.7	0.0	-
Apollo Inv Fund VIII	24.9	-3.6	75.0	23,510
Apollo European Fund II	4.9	-20.5	150.0	7,242
Apollo Inv Fund IX	81.3	15.8	150.0	166,823
ArcLight Energy Ptr Fund VI	30.3	15.3	150.0	109,691
CCMP Capital III	3.4	-12.6	100.0	21,319
Cerberus VI	123.7	6.8	150.0	405,118
Coller International Partners VI	14.0	-12.6	50.0	123,630
Coller International Partners VII	38.3	-0.5	81.0	144,036
Coller International Partners VIII	76.3	-4.4	150.0	368,494
Double Line Mortgage	54.6	13.9	100.0	125,410
EIG Energy Fund XIV ²	1.8	-4.3	0.0	-
EIG Energy Fund XV ²	4.7	-22.2	0.0	-
EIG Energy Fund XVI	39.0	-8.3	125.0	93,437
Energy Spectrum Fund VI ²	0.9	-22.8	0.0	-
GTCR Fund XI	55.3	-21.9	91.8	52,385
GTCR Fund XII	64.4	-0.5	150.0	(7,328)
GTCR Fund XIII	37.4	-0.7	150.0	(11,758)
KPS SS Mid Cap	16.4	19.3	125.0	(63,576)
KPS Special Sit. Fund V	38.8	15.5	125.0	(312,500)
Gamut Fund I	59.5	5.4	200.0	(8,903)
Glendower SOF V	40.6	9.1	115.0	283,562
Goldman Sachs PEP IX ²	10.1	-8.4	0.0	-
Goldentree Distressed Fund III	34.4	13.8	125.0	140,714
Goldentree Distressed Fund IV	19.7	12.1	100.0	79,942
HIPEP Partnership III ²	0.1	-7.7	0.0	-
Harbourvest VI - Direct ²	0.1	-77.9	0.0	-
Harbourvest VI - Partnership ²	0.3	-32.0	0.0	-
Huff Alternative Fund ²	0.1	-9.5	0.0	-
Insight Venture Partner XII	48.9	4.5	175.0	296,820
Insight Venture Partner XI	121.6	-9.0	175.0	297,532
Insight Venture Partner X	106.3	5.9	175.0	177,800
KKR Asian Fund III	58.8	0.7	100.0	57,459
KKR Asian Fund IV	48.3	19.1	150.0	123,292
KKR North American Fund XIII	33.4	12.0	135.0	221,840
Mesirow III	1.3	-23.6	26.2	10,577
Mesirow IV	10.6	-15.9	24.4	36,603

2nd Qtr 2023

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ALTERNATIVE ASSETS				
Mesirow V	31.8	-11.8	30.1	45,171
Newstone Mezzanine II ²	4.2	9.3	0.0	-
OHA Strategic Credit Fund II	26.8	15.7	138.0	108,360
Oaktree European Fund III ²	14.0	-9.0	0.0	(138,265)
Pantheon Europe VI	8.1	-0.1	39.9	37,053
Pantheon VI ²	0.5	-16.0	0.0	-
Pantheon VII ²	6.9	-8.3	0.0	-
Stepstone Europe Fund II	10.0	9.7	50.0	6,032
Private Advisors IV	9.5	-8.4	39.9	34,873
Private Advisors V	21.8	-8.2	53.2	53,138
Private Advisors VI	28.1	1.6	65.6	65,610
Q-BLK II ²	0.0	-1.2	0.0	-
Q-BLK III ²	6.2	-53.4	0.0	-
Siguler Guff Fund IV	8.5	-5.3	14.9	14,654
Siguler Guff Pelican Gem	118.3	1.3	75.0	171,027
Siguler Guff Pelican Emg Mkt Opp II	69.7	8.0	75.0	270,847
Sterling Partners	7.6	-34.4	200.0	53,615
Vista Equity Partners IV	25.5	10.8	150.0	54,024
Vista Equity Partners V	102.1	9.6	150.0	151,746
Vista Equity Partners VI	143.7	15.6	150.0	280,346
Vista Equity Partners VII	132.4	-0.5	150.0	468,750
Vista Equity Partners VIII ³	12.3	0.0	150.0	588,398
Warburg Pincus	125.6	8.1	140.0	276,136
Warburg Pincus XIV	20.7	3.0	140.0	350,001
Williams Capital ²	0.2	-42.5	0.0	-
ABSOLUTE RETURN STRATEGIES				
Prisma Capital Partners	296.5	0.7	65.0	478,681
Entrust Capital Partners	331.1	10.2	112.3	944,889
TOTAL ALTERNATIVE ASSETS ⁸	\$3,679.1			7,481,074
TOTAL PLAN ⁹	\$13,269.1			15,029,345

¹ The fund has performance based fee structure.

² The fund no longer charges fees.

³ The fund was funded 12/2022.

⁴ The fund was funded 04/2023.

⁵ This is a composite of six limited partnerships.

⁶ The fund was funded 10/2022.

⁷ The fund was funded 11/2022.

⁸ The net asset values and returns are reflected net of fees for all Alternatives, and includes \$0.1 million for Stark, which is being liquidated.

⁹ The Total Plan Market Value includes \$151.2 million in cash/cash equivalents.

The Total Quarterly Dollar Amount does not include \$353,620 for Self-Directed Plan and Optional Retirement Plan.

The Total Quarterly Dollar Amount does not include \$1,089,877 related to fees for liquidating funds or initial fees for new 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

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.

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