

## MINUTES

The Board of Trustees of the Municipal Police Employees' Retirement System held a Regular Meeting on Wednesday, September 21, 2011, at Ritz Carlton Hotel, Algiers Room 1<sup>st</sup> floor, 921 Canal Street, New Orleans, Louisiana.

The meeting was called to order by Chairman Kelly Gibson at 10:00 a.m.

### Pledge of Allegiance:

Chairman Kelly Gibson led the pledge of allegiance.

### Members Present:

Capt. Kelly Gibson, Chairman  
Sgt. (Ret.) Larry Reech, Vice Chairman  
Mayor Barney Arceneaux  
Chief Stephen Caraway  
Capt. Henry Dean  
Chief Christopher Elg  
Chief K.P. Gibson  
Capt. (Ret.) Willie Joe Greene  
Ms. Amy Mathews, designee for State Treasurer  
Cpl. Mark Huggins  
Mayor Tim Matte  
Chief Dwayne Munch

### Members Absent:

Dr. Steve Procopio, designee for DOA Commissioner  
Senator D.A. "Butch" Gautreaux  
Representative Kevin Pearson

### Others Present:

Ms. Kathy Bourque, Director  
Mr. Randy Roche, General Counsel  
Mr. Brett Hazen, Segal Advisors  
Mr. Gary Curran, GS Curran & Company, Ltd  
Mr. Richard Hartzell, JPMorgan  
Mr. Keith Bruch, LSV Asset Management  
Mr. Stephen Mailnowski, Global Transition Solutions  
Mr. David Bergman, Global Transition Solutions  
Mr. John Aldean Meade, BBLG  
Ms. LA Tucker, Monroe Police Department  
Mr. Bill Wilson, Shreveport PD Retiree

### Public Comment:

Chairman Gibson called for public comment. There was no comment from the public in attendance.

### Approval of minutes:

Motion by Mr. Greene seconded by Mr. Arceneaux to approve the minutes of the meeting held August 24, 2011 as presented. Without objection the motion carried.

### Approval of retirement applications:

Motion by Mr. Huggins seconded by Mr. Greene to approve the applications for regular retirement. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Chris Abrahams	Sulphur	09/01/11	28.17	Max
Cynthia Barfield	Lake Charles	09/07/11	13.35	Max
Harry Brown	Shreveport	09/01/11	15.07	02
Brett Faulkner	Eunice	09/01/11	29.27	2a
Keith Ferguson	Arcadia	09/01/11	12.15	02
Darrell Johnson	Baton Rouge	09/29/11	23.62	2a
Dennis Lee	New Orleans	09/30/11	12.16	3a

Motion by Mr. Reech seconded by Mr. Caraway to approve the applications for DROP. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Newmon Bob	Alexandria	08/01/11	25.00	Mx
James Drickamer	Baton Rouge	08/01/11	28.03	2a
Sidney Garaudy	New Orleans	07/04/11	23.57	2a
Chris Lea	New Orleans	07/31/11	28.94	2a
Marliam Lee	Walker	08/01/11	30.18	2a
Donald May	Shreveport	08/01/11	24.06	Mx
Byron Mitchell	New Orleans	07/04/11	27.09	2a
Leo Peters, Jr.	New Orleans	07/07/11	28.32	2a
Wayne Petterway	Shreveport	08/01/11	20.75	03
Evelyn Robinson	Monroe	07/08/11	29.39	Mx
Bennie Samuel	Shreveport	07/30/11	14.29	2a
Alonzo Scott, Jr.	Baton Rouge	07/04/11	25.14	3a
David Shultz, Jr.	Baton Rouge	07/18/11	28.21	Mx

Motion by Mr. Reech seconded by Mr. Munch to approve the applications for DROP to regular retirement. Without objection the motion carried.

<u>NAME</u>	<u>CITY/TOWN</u>	<u>EFF. DATE</u>	<u>YEARS OF SERVICE</u>	<u>PLAN</u>
Irvin Bellanger, Jr.	Kenner	09/01/11	33.25	Mx
Lloyd Clark	New Orleans	08/10/11	31.31	2a
Sarah DeJournett	Bastrop	08/13/11	26.47	03
Billy Kemp	Monroe	09/01/11	34.00	2a
Wilfred Matherne	French Settlement	10/01/11	12.58	2a
Frank Rizzuto	New Orleans	08/28/11	25.23	2a

Investment Managers Presentation:

LSV Asset Management

Mr. Keith Bruch represented LSV Asset Management to present the annual report. Mr. Bruch acknowledged that LSV has been managing money for MPERS for 10 years and hopes to continue for another 10 years. The market value of the portfolio was \$31,448,883 as of August 31, 2011.

Performance as of August 31, 2011:

<u>Performance:</u>	<u>MPERS</u>	<u>Russell 2000 Value</u>
YTD 1/1 – 8/31	-7.2%	-8.5%
1 Year	18.9%	16.9%
3 Years	4.1%	-0.6%
Since inception 9/01	8.8%	6.5%

JPMorgan Securities Lending:

Ms. Beth Andrews with JPMorgan Securities Lending was unable to attend the meeting. Mr. Brett Hazen spoke with Ms. Andrews regarding the language in the contract. Ms. Andrews will be present at the October 19, 2011 meeting to present the annual report.

Custodian Report by JPMorgan:

Mr. Richard Hartzell represented JPMorgan at the meeting. Total market value as of August 2011 was \$1,319,612,705.26.

Global Transition Solutions:

Mr. Dave Bergmen and Mr. Steve Malinowski represented Global Transition Solutions (GTS) at the meeting. GTS has performed a transaction cost analysis (TCA) and review of MPERS' external U.S. equity managers' brokerage activity for the calendar year June 2010 – June 2011. The total equity trade value of the managers in the MPERS universe was \$261,781,466. The analysis covered a total of 5,033 individual trades by 7 managers who utilized a universe of 69 brokerage firms. Total transaction costs (Commissions +/- Execution Differential) for MPERS were approximately - \$137,605. In aggregate, the average cost for each MPERS trade was -5.25 basis points. This outperforms the GTS' Peer Group industry average by +25.55 basis points and is an excellent result. Additionally, the managers' individually outperformed GTS' Peer Group industry average. GTS' Peer Group industry average is the average execution cost of a block trade in GTS' proprietary performance database which includes a universe of approximately 3,000 brokers and \$8 trillion of empirical trade data.

Investment Consultant's Report:

Mr. Brett Hazen represented Segal Advisors at the meeting and presented the analysis of performance ending August 31, 2011. Market value as of August 31, 2011 was \$1,318,762,044. Performance for the month of August 2011 was -5.39%.

Mr. Hazen addressed Global Tactical Asset Allocation (GTAA) investing during the presentation of the Asset Liability Study. GTAA is a satellite investment strategy that can quickly implement investment ideas to help tilt a portfolio for near-term opportunities or to preserve capital during market declines. The objective to GTAA investing is the absolute return focus or combination of absolute return and target volatility. GTAA returns are very similar to hedge fund of fund returns due to enhanced transparency and use of publicly traded instruments along with lower fees and higher liquidity. GTAA areas of investing depends on strategy, investment approaches may diversity across asset classes, sectors, countries, currencies, commodities, instruments, and capital structure.

Motion by Mr. Dean seconded by Mr. Huggins to direct Segal Advisors to provide a list of candidates to conduct an Invitation to Bid for a Global Tactical Asset Allocation (GTAA). Without objections the motion carried.

Other Business:

Securities Litigation Update:

Mr. John Aldean Meade represented Bernstein Litowitz Berger & Grossmann LLP (BLBG), securities litigation attorneys. Mr. Meade gave a brief update on litigation BLBG filed purported shareholder derivative action brought on behalf of nominal defendant BP to recover damages and other relief from various current and former officers and directors of BP and BP's United States subsidiary for alleged breaches of their fiduciary duties.

Motion by Mr. Dean seconded by Mr. Caraway to adjourn the meeting at 11:49 a.m.  
Without objection the motion carried.

To the best of my knowledge, the foregoing minutes accurately represent the actions  
taken at the meeting held September 21, 2011.

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Kelly Gibson, Chairman

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Kathy Bourque, Director