

# MINUTES

## **Louisiana Deferred Compensation Commission Meeting April 17, 2012**

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, April 17, 2012, in the offices of the Plan Administrator, 2237 South Acadian Thruway, Suite 702, Baton Rouge, Louisiana 70808.

### **Members Present**

Emery Bares, Chairman, Designee of the Commissioner of Insurance  
Virginia Burton, Secretary, Participant Member  
Robert Henderson, Participant Member  
Andrea Hubbard, Designee of the Commissioner of Administration  
Len Riviere, Designee of Commissioner of Financial Institutions

### **Members Absent**

Whit Kling, Vice-Chairman, Designee of the State Treasurer  
Troy Searles, Participant Member

### **Others Present**

David Lindberg, Consultant, Wilshire Associates, Inc. *By Conference Call*  
Felicia Bennett, Consultant, Wilshire Associates, Inc. *By Conference Call*  
Lindsey Hunter, Louisiana Attorney General's Office  
Connie Stevens, Director, Client Relations and Plan Consultants, Baton Rouge GWRS  
Jo Ann Carrigan, Lead Office Coordinator, Baton Rouge GWRS

### **Call to Order**

Chairman Bares called the meeting to order at 10:08 a.m.

### **Approval of Commission Meeting Minutes of March 20, 2012**

The minutes of March 20, 2012 were reviewed. Ms. Hubbard motioned for acceptance of the minutes. Mr. Henderson seconded the motion. The Commission unanimously approved the minutes.

**Minutes**

**Louisiana Deferred Compensation Meeting**  
**April 17, 2012**  
**Page 2 of 3**

**Acceptance of Hardship Committee Report of April 13, 2012**

Mr. Riviere motioned for acceptance of the Hardship Committee Report of April 13, 2012. Ms. Hubbard seconded the motion. The Commission unanimously approved the report.

**Public Comments:** There was no one from the public in attendance.

**Administrator's Report**

**Plan Summary** as of March 31, 2012 was presented by Ms. Stevens. Assets as of March 31, 2012: \$1.163 Billion. Asset change YTD: \$70.74 Million (6.5% increase YTD). Contributions YTD: \$25.88 Million. Distributions YTD: \$21.43 Million. There has been a significant increase in distribution requests due in part to layoffs, tax season and purchase-of-service requests. Net Investment gain YTD: \$66.29 Million.

**Participation by Asset Class and Investment Option:** Fund changes currently in the works as recommended by Wilshire include: The LifePath Index 2055 will be added some time in May. The Ariel Institutional Fund must be added to the Great-West platform which should occur this week. Once this happens, the Ariel retail money will be moved to Ariel Institutional shares. This move should affect approximately 7700 participants representing 1.83% of the assets in the Plan. The recommendation to remove Legg Mason Capital Management Value Trust and map assets to the Target Date Funds, represents .31% in assets of the Plan (approximately 2900 participants). Wilshire will recommend a replacement for the American Funds Growth Fund of America. When this takes place, all the money and participants in the American Funds Growth Fund of America will be mapped to the new fund representing approximately 11,000 participants and 3.71% of the assets. The Fund is number one in participants and percentage of assets outside of the Stable Value. This mapping will require massive communication as it affects so many participants.

**Securities Sold in the Month of March for LA Stable Value Portfolio:** Two corporate holdings funds were sold: The Boeing Company and Allstate.

**Commission Activity Fund (CAF)-March, 2012:** For the month of March, the activity included interest, gains on contribution corrections and payment of the Wells Fargo annual custodial fee. The closing balance as of March 31, 2012: \$2.9 Million.

**Minutes**

**Louisiana Deferred Compensation Meeting**  
**April 17, 2012**  
**Page 3 of 3**

**Marketing Report and Website Update:** There were 135 new applications received during the month of March averaging \$3,454 per application. There were 213 increases and restarts at an average of \$4,048. Ms. Stevens and a representative from the Baton Rouge office visited with multiple agencies (Insurance, DCFS, OFI, GOHSEP, DPS) providing information from the ISIS system reflecting the number of participants per personnel area that were actually contributing to the Plan. The visits were well received with offers of assistance in setting up group and individual meetings for employees. There is a plan to visit with political subdivisions to discuss participation rates as well. The quarterly Great-West representative meeting was held in the Baton Rouge office on Monday, April 16<sup>th</sup>. The topics covered included how to strategize/position Deferred Comp in this uncertain marketplace.

**Website Update:** The progress of the updated website launch has slowed down as it currently is being reviewed by Compliance. The best estimate for launching the updated website is early June, 2012. Once the website is available, a postcard will be mailed to all participants with a balance (approximately 36,000 participants). A “launch kit” will be mailed to each payroll department (approximately 500) that includes a poster and cover letter with a possible CD for transmitting the new website message by e-mail.

**Fund Change Recommendations:** Wilshire presented a quantitative research report to replace the American Funds Growth Fund of America with a new large cap growth choice. Wilshire recommended the Commission replace the American Funds Growth Fund of America with the T. Rowe Price Growth Stock Fund. Ms. Burton motioned to accept the recommendation from Wilshire. Mr. Riviere seconded the motion. There was no discussion and the motion carried. Ms. Burton motioned to accept the recommendation from Wilshire to remove Legg Mason Capital Management Value Trust and map assets to the Target Date Funds based on participants’ date of birth. Mr. Riviere seconded the motion. There was no discussion and the motion carried.

**RFP Discussion:** The Commission discussed RFP progress with Mr. Lindberg. Great-West personnel were not present during this portion of the meeting.

**Adjournment**

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 11:35 a.m.

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Virginia Burton, Secretary