

MINUTES

Louisiana Deferred Compensation Commission Meeting May 15, 2012

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, May 15, 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
Whit Kling, Vice-Chairman, Designee of the State Treasurer
Len Riviere, Designee of Commissioner of Financial Institutions

Members Absent

Troy Searles, Participant Member

Others Present

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 10:06 a.m.

Approval of Commission Meeting Minutes of April 17, 2012

The minutes of April 17, 2012 were reviewed. Mr. Kling motioned for acceptance of the minutes. Mr. Riviere seconded the motion. The Commission unanimously approved the minutes.

Minutes
Louisiana Deferred Compensation Meeting
May 15, 2012
Page 2 of 3

Acceptance of Hardship Committee Report of May 4, 2012

Mr. Kling motioned for acceptance of the Hardship Committee Report of May 4, 2012. Ms. Burton 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 April 30, 2012 was presented by Ms. Stevens. Assets as of April 30, 2012: \$1.164 Billion. Asset change YTD: \$71.82 Million. Contributions YTD: \$34.29 Million. Distributions YTD: \$29.44 Million. Distributions remain heavy due to termination of participants and purchase-of-service credit/air time requests. Net Investment gain YTD: \$66.93 Million.

Participation by Asset Class and Investment Option: Phase I of the fund changes recommended by Wilshire will be implemented on June 4, 2012. These changes are adding the BlackRock LifePath Index 2055 and mapping the assets in the Ariel Appreciation Retail shares to the Ariel Appreciation Institutional shares. Phase II should occur in late August/early September. These fund changes include mapping the assets of American Funds Growth Fund of America to a new fund lineup addition, T. Rowe Price Growth Fund, and mapping the assets of Legg Mason Capital Management Value Trust to the Black Rock Target Date Fund by participant date of birth. A fund change letter will be included in the second quarter statements so that participants have the 30-day required fund change notification.

Plan Review for the State of Louisiana Public Employees DCP (April 1, 2011-March 31, 2012): The First Quarter Plan Review was presented by Ms. Stevens noting details on assets, contributions, distributions and Reality Investing.

Commission Activity Fund (CAF)-April, 2012: For the month of April, activity included interest, investment fees, participant recoveries and payments to Crain Communications, Inc., Wilshire Associates and NAGDCA. The closing balance as of April 30, 2012: \$3.5 Million.

2012 Quarterly Fee Reconciliation: Ms. Stevens reviewed the fees for the First Quarter of 2012 with an itemized report and compared to the trailing four quarters. Revenue sharing has decreased due to reduction in operating expenses on investments with ~\$16k credited to the CAF account in 1Q12 vs. ~\$227k in 1Q11.

Minutes

Louisiana Deferred Compensation Meeting

May 15, 2012

Page 3 of 3

Stable Value Fixed Income Fund – Quarterly Statement as of March 31, 2012: Ms. Stevens reviewed the First Quarter Stable Value report. The Second Quarter credited rate to participants was 3.30%.

Economic Capital Markets Review-2012 Mid 1Q Update: Ms. Stevens reviewed various reports on the economy including: GDP, the unemployment rate, personal savings rate and housing starts. All data was provided by the Advised Asset Group (AAG).

Marketing Report and Website Update: There were 95 new applications received during the month of April averaging \$3,117 per application. There were 122 increases and restarts at an average of \$3,259. There was significant activity with sheriff's departments in April primarily due to most of departments being on a fiscal June 30 year-end and offering benefits fairs to employees. There was significant turn-over in political subdivisions (clerks, assessors, and sheriffs) this past election period. In an effort to encourage more participation in the Plan, attempts are being made to reduce the amount of paperwork required to enroll. Ms. Stevens' presented a recently developed, one-page "Quick Enrollment Form" that should be available for use within one month. Participants using this form will be defaulted into target date funds. If the participant wishes to choose investment allocations, the longer form is needed. A separate beneficiary form will be required with the new form.

Website Update: Once the website is available, a postcard will be mailed to all participants with a balance (approximately 36,000 participants). Compliance is making a final review of the site at this time. The "go-live" date is still expected to be in June. Even after the new website is active, updates can be made as needed.

Other Business: The NAGDCA Conference will be held in San Diego, CA from September 29-October 3, 2012. A letter from Charles Nelson, President, Great-West Retirement Services was reviewed noting 2011 enhancements that were completed and 2012 enhancements that are in progress.

RFP Discussion: The Commission discussed RFP progress. 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 11:04 a.m.

Virginia Burton, Secretary