

**Investment Committee Meeting
Board of Trustees
of the Employees' Retirement System
of the City of New Orleans
1100 Poydras Street, Suite 3250
Morgan Stanley Conference Room
March 12, 2012
1:30 p.m.**

Trustees Present:

Ms. Lynne Schackai, Chairperson
Dr. Edgar L. Chase, III
Ms. Lisa M. Hudson
Ms. Courtney B. Bagneris

Absent Trustees:

Mr. Norman S. Foster

Others Present:

Jesse Evans, Jr., Director
Janet H. Easterling, Administrative Support Supervisor
Harby Kreeger, Morgan Stanley
Michael Kreeger, Morgan Stanley
Ed Shanklin, Equitas Capital
Rich Bouchner, Equitas Capital
David Livingston, Entrust Capital

The chairperson called the meeting to order 1:30 p.m.

Mr. Kreeger discussed the Daily Barometer, dated March 9, 2012. Michael Kreeger summarized the NOMERS monthly worksheets on manager changes since the last quarter of 2011. He discussed the managers' performances as of March 9, 2012. Michael Kreeger handed out an updated PSN reports and discussed the Hedge Fund-of-Fund review for the managers on the list. He briefly summarized the drawdown and recover periods of the managers on the list. The Board and investment consultants discussed termination of Societe Generale, Hatteras and other fund-of-fund managers. No action was taken.

Ms. Schackai acknowledged David Livingston from Entrust Capital. Mr. Kreeger informed the Board that he has been in conversation with Mr. Livingston regarding being added to the Morgan Stanley Platform. He requested that Mr. Livingston provide an update on the status of being added to the platform. Mr. Livingston addressed the Board regarding his firm, Entrust Capital a hedge fund-of-fund manager and gave a brief overview. He informed the Board that they are not on the Morgan Stanley platform yet but is working on it.

Ed Shanklin from Equitas Capital introduced his investment consulting firm which is located in New Orleans. Rich Bouchner from Equitas Capital introduced himself as co-worker of Mr. Shanklin.

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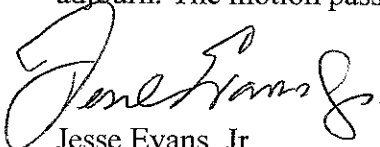
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Mr. Kreeger talked about the managers that are not on the Morgan Stanley platform regarding investment searches. Michael Kreeger said that the issue of managers not being on the Morgan Stanley platform was related to the last year's response to the Legislative Auditor stating that the Board will no longer select managers that were not on the platform. He informed the Board that they would have to notify the Legislative Auditor of the change in selecting managers that are not the platform. Dr. Chase said that the Board made a decision that the managers must be on platform to participate in the investment search. Mr. Kreeger talked about the emerging markets performance and increasing the weighting. He asked how much is in emerging markets. Michael Kreeger said that the fund has approximately 6.79% in emerging markets. Mr. Kreeger said that is about \$20 million and he would like to see the emerging markets increase to about 9% of the fund. He said that Dr. Chase had another recommendation on an equity manager (Hancock). Dr. Chase recommended terminating Hancock for a number of years and placing the funds in the LAMP account, so that the Board would not have to determine where to take money from every three or six months to cover payrolls. Mr. Evans said that the first installment of the \$2.6 million was done and now the next installment is due. Dr. Chase said that he suggests taking the money from Hancock. He also suggested moving out of domestic equity into more emerging or international equity markets; however, but be cautious about investing.

The Board discussed the hedge fund-of-fund index managers on the monthly worksheet provided by Morgan Stanley. Mr. Kreeger said that he will forward updated information on the hedge fund-of-fund managers and meet with the individual Board members.

Michael Kreeger briefly discussed Millennium Alternative Investment and their multi-strategy approach to investing. Mr. Kreeger informed the Board that he spoke with Millennium representative last week and there are 50 teams in the equity portion long/short. He said that the teams are traders who buy and hold stocks for one day and no longer than a few weeks. Mr. Kreeger said that Millennium's returns were down in 2008 by -3.07% since 1990. He said that in 2011 they were up by 8.45%. Mr. Kreeger informed the Board that Millennium will be closing shortly for investment. Michael Kreeger summarized Millennium's different types of share classes; lock up periods and minimum investment amounts. The Board agreed to place Millennium on the regular meeting agenda. Mr. Evans suggested that a conference call to Millennium at the next regular meeting. The Board agreed.

There being no further business, a motion was made by Dr. Chase and seconded by Ms. Schackai to adjourn. The motion passed.



Jesse Evans, Jr.

Director

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