Investing in *our* Future

Louisiana State Employees' Retirement System

2008-2009 Comprehensive Annual Financial Report

For fiscal year ended June 30, 2009

LASERS

Louisiana State Employees'
Retirement System

A component unit of the State of Louisiana

Investing in *our* Future

Louisiana State Employees' Retirement System

2008-2009 Comprehensive Annual Financial Report

For fiscal year ended June 30, 2009

Prepared by the Fiscal, Investments, and Public Information Divisions of the Louisiana State Employees' Retirement System

LASERS

Louisiana State Employees' Retirement System

A component unit of the State of Louisiana

Table of Contents

Actuarial Section

Statistical Section

Introductory Section

Contents

Entergy Corp - New Orleans

Based in New Orleans, Entergy Corporation and its subsidiaries are involved in electric power production and retail electric distribution operations in the United States, particularly in Louisiana, Texas, Arkansas, and Mississippi. The company, known for its ethics and commitment to the community, was named to the 2008 Forbes list of America's Most Trustworthy Companies for its corporate governance practices and accounting transparency. In addition, it operates a charitable foundation which awarded $15.9 million in grants in 2008, and is involved in low-income assistance initiatives to help needy families with their utility bills. As of June 30, 2009, LASERS had a market value of $2,286,840 invested in the company.

(**Source:** http://finance.yahoo.com/q?s=ETR and http://www.entergy.com/)

LASERS
Louisiana State Employees' Retirement System
8401 United Plaza Blvd. • Baton Rouge, LA 70809 Web: www.lasersonline.org
Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213 Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

October 9, 2009

Dear Board Members:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Louisiana State Employees' Retirement System (LASERS or the System) for the fiscal year ended June 30, 2009. This fiscal year the economic environment and global recession have impacted our investment returns. However, LASERS has remained strong as a defined benefit plan constructed to withstand the ups and downs of the market. LASERS is a long-term investor, relying on a broad actuarial analysis, which takes into account the prior three years of market returns. This smoothing effect prevents extreme swings in our bottom-line returns. Furthermore, the day-to-day management of investments is the job of seasoned LASERS professionals who are guided by asset allocation targets and ranges set according to a long-term plan established by the Board. Allocations ensure our investments are maximized. We trust that you and the other members will find this CAFR helpful in understanding your public employees' retirement system, which is dedicated to protecting your contributions and maximizing your return.

Management Responsibility

This report consists of management's representation concerning LASERS finances. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets from loss, theft, or misuse, and to compile sufficient, reliable information for the preparation of LASERS financial statements in conformity with generally accepted accounting principles. The internal control framework has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Our independent external auditors, Postlethwaite & Netterville, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and adequacy of internal control systems.

Financial Information

The basic financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis as promulgated by the Governmental Accounting Standards Board. The Management's Discussion and Analysis (MD&A) includes a narrative introduction, overview, and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A, and should be read in conjunction with it. LASERS MD&A can be found immediately following the reports of the independent auditors in the Financial Section of this report.

Profile of LASERS

LASERS is a single employer defined benefit plan, established by the state legislature in 1946 with the first members joining the System on July 1, 1947. The System is a public trust fund created to provide retirement allowances and other benefits for state officers and employees and their beneficiaries. All invested funds, cash, and property are held in the name of LASERS for the sole benefit of the membership. A twelve-member Board of Trustees (comprised of six active members, three retired members, and three ex-officio members) governs the System. The Board administers the programs and appoints key management personnel including the Executive Director, Deputy Director, Assistant Director, and the Chief Investment Officer.

The Board of Trustees annually approves an operating budget for administrative expenses that is prepared by staff to address member and employer needs while keeping costs reasonable. The Board must also approve any changes in the budget during the year. In addition to the Trustees' approval, the budget is approved by the Louisiana Joint Legislative Committee on the Budget.

Investments

For the fiscal year, LASERS had a total market value return on investment assets of -19.1% for the one-year period, and a five-year return of 2.7%. These returns rank LASERS in the top 63% and 32% of public pension systems for the one-year and five-year returns, respectively. An integral part of the overall investment policy is the strategic asset allocation guidelines. They are designed to provide an optimal mix of asset classes or allocations with return expectations that will reduce the LASERS unfunded accrued liability, and fund cost-of-living adjustments (COLAs) for our retirees. Investment risks are diversified over a broad range of market sectors and securities. This strategy reduces portfolio risk to adverse developments in sectors and issuers experiencing unusual difficulties, and offers opportunity to benefit from future markets. A more detailed exhibit of investment performance and a summarization of the LASERS Investment Policy can be found in the Investment Section of this report.

Funding

Annually, the LASERS actuary determines the annual funding requirements needed to meet current and future benefit obligations. Actuarial contributions are based on normal cost and amortization of the unfunded accrued liability which has existed since the System's inception. Employers are required to pay the percentage of total payroll equal to the normal cost plus an amount sufficient to amortize the unfunded accrued liability as outlined in Louisiana Revised Statute 11:102 as it pertains to LASERS. This year the LASERS actuary is recommending that the Public Retirement Systems' Actuarial Committee (PRSAC) approve an employer contribution rate of 22.0% for the fiscal year ending June 30, 2011.

The actuarial value of member benefit liabilities exceeds the value of actuarial assets. At year end, the ratio of the value of actuarial assets to actuarial accrued liabilities decreased to 60.8% and the System's unfunded actuarial accrued liability increased to $5.5 billion which includes the initial unfunded accrued liability account (IUAL) and the Employer Credit Account that are not used in determining the projected employer contribution rate.[1] The investment yield on the actuarial value of assets for ten years decreased to 4.89% which is below the net actuarial rate of return of 8.25% assumed in the valuation. Additional information regarding the financial condition of the pension trust fund can be found in the Actuarial Section of this report.

Major Initiatives

Part of our mission is to provide exceptional customer service to our members and contributing agencies as well as improve the financial security of our members. Key accomplishments for the past year are summarized below:

System Governance

LASERS has positioned itself for the future with significant objectives and performance indicators. The Board of Trustees approved and implemented a new strategic plan with a revised mission statement, vision, goals, and core values.

Technology Application Improvements

Over the past year, LASERS deployed all components of the new pension administration system, State of Louisiana Retirement Information System (SOLARIS), including the Active Membership component and Internet self-service for active members, retirees, and employers. In addition, LASERS has upgraded JD Edwards financial applications to the latest releases, and implemented Spreadsheet Server functionality for the Fiscal Division.

LASERS next strategic applications projects will involve the upgrade or replacement of the IBM Content Manager, document imaging, and workflow system, and the upgrade or replacement of the JD Edwards Financial/Enterprise Resource Planning system.

[1] The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 59.3% at June 30, 2009.

Technology Infrastructure Improvements

LASERS has continued to build upon the infrastructure changes that began with the SOLARIS project. The use of virtual server management, blade servers, and storage area network (SAN) technology has been very successful for the agency. Over the past year, LASERS has addressed specific infrastructure improvements in several areas including:

- Encryption of all LASERS backup tapes
- Implementation of CrisisLink emergency phone system allowing calls to be rerouted in a disaster situation
- Execution of the annual third-party Network Vulnerability Assessment to test LASERS network security

Investment Program Enhanced

LASERS prides itself for having a forward-thinking, yet disciplined and efficient investment program with approximately $6.9 billion under management as of June 30, 2009.

LASERS Investment Program continues to explore new asset allocation strategies to improve long-term consistent returns. This includes expanding its alternative investments portfolio which consists of private equity, absolute return strategies, and global tactical asset allocation. The plan also explores unique investment strategies and asset classes on an ongoing basis to help improve its overall risk/return profile. In spring 2009, the Board of Trustees changed the plan's asset allocation. The changes included decreasing international large cap equity exposure by 3%, and increasing exposure to emerging market equity by the same amount. Despite recent market volatility, LASERS believes its investment portfolio is well positioned for the future, and will continue to make adjustments when necessary.

Other initiatives underway include working with the custodial bank to enhance reporting capabilities, assessing new cost management options, exploring ways to improve the trade affirmation process, and utilizing the newly implemented risk management evaluation tool. Also, the system strives to lower investment costs by utilizing the internally managed program which consists of just more than one-fourth of the plan's assets along with other cost measures which include monitoring investment manager trade execution costs and negotiating favorable investment management fees.

Budget Process Enhanced

The LASERS Fiscal Division implemented a new budget process which utilizes Excel based Spreadsheet Server and Budget Manager for budget development through the utilization of trend graphs, and for integration with the J.D. Edwards financial accounting system.

Online Access Expanded

Utilization of technology to improve overall agency performance, communication, and education also continues to be a major initiative of LASERS. Technological advances in imaging, bar coding, and online fillable forms continued to enable LASERS to enhance customer service to its member agencies. The LASERS Internet website offers agency and member user access to current System information, educational programs, forms, publications, and legislation. A revamp of our website is scheduled for completion this fiscal year and will include the addition of video summaries of key aspects of the LASERS plans, supplementing printed materials that are available to download.

Member Outreach Expanded

Our Member Services Division is focused on improved customer service through enhanced communications and educational services for members, employers, and other interested groups. The Retirement Education Section continued its pre-retirement seminars to agencies and individual members across the state. These seminars allowed LASERS the opportunity to help improve members' understanding of laws which impact LASERS. Individual counseling sessions were expanded and offered by appointment in major cities statewide, allowing members to receive one-on-one attention without the need to travel to Baton Rouge. Also, we improved in-house training with a more defined training structure and enhanced follow-up.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to LASERS for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. This was the twelfth consecutive year that the System has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

LASERS also received the GFOA award for its Popular Annual Financial Report (PAFR) entitled LASERS Summary Annual Report, for the fiscal year ended 2008. This was the tenth consecutive year LASERS has received this award. The Popular Annual Financial Report presents, in a less technical manner, some of the major financial, actuarial, and other interesting information for the reporting year.

In addition, LASERS received the 2008 Public Pension Standards Award. The Public Pension Coordinating Council presents this award to public employee retirement systems in recognition of their achievement of high professional standards in the areas of plan design and administration, benefits, actuarial valuations, financial reporting, investments and membership communications. This is the fifth consecutive year that LASERS has received this prestigious award.

Conclusion

This report is a product of the combined efforts of the System's staff and advisors functioning under your leadership. It is intended to provide extensive and reliable information that will facilitate management decisions, serve as a means for determining compliance with legal provisions, and allow for the evaluation of responsible stewardship of the funds of the System.

We would like to recognize the teamwork and contributions of our experienced and dedicated staff. They continue to keep the best interests of our members as their top priority. As we look toward the future, we are encouraging staff to envision ways that LASERS may accomplish its mission "to provide a sound retirement plan for our members through prudent management and exceptional service."

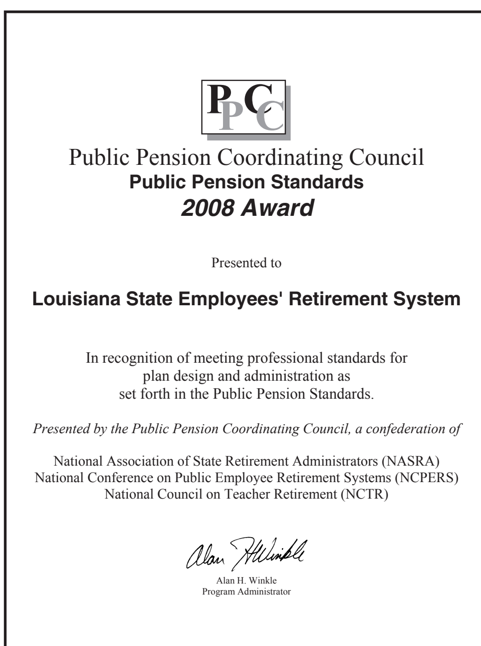
Respectfully submitted,

Cindy Rougeou
Executive Director

Arthur P. Fillastre, IV CPA
Chief Financial Officer

Certificate of Acheivement for Excellence in Fniancial Reporting 2008

Public Pension Standards Award 2008



PPCC

Public Pension Coordinating Council
Public Pension Standards
2008 Award

Presented to

Louisiana State Employees' Retirement System

In recognition of meeting professional standards for
plan design and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

Administrative Organization

Standing, left to right:
Ryan Babin, *Audit Division Director*
Arthur P. Fillastre, IV, *Chief Financial Officer*
Sheila Metoyer, *Human Resources Division Director*
Robert W. Beale, *Chief Investment Officer*
Lance Armstrong, *Information Technology Division Director*
Robyn Ekings, *Public Information Division Director*
Suzanne Adams, *Member Services Division Director*
Tina Grant, *Executive Counsel*

Seated, left to right:
Bernard E. "Trey" Boudreaux, III, *Assistant Director*
Cindy Rougeou, *Executive Director*
Maris E. LeBlanc, *Deputy Director*

Board of Trustees

Standing, left to right:

Representative Joel Robideaux, *Chair, House Committee on Retirement*
Virginia Burton, *Elected Active Member*
Barbara McManus, *Elected Retired Member*
Charles Castille, *Elected Active Member*
Louis Quinn, *Elected Retired Member*

Seated, left to right:

Lorry Trotter, *Elected Active Member*
Cynthia Bridges, *Elected Active Member*
Sheryl Ranatza, *Board Chair*, *Elected Active Member*
Connie Carlton, *Elected Retired Member*

Not pictured:

Susan Pappan, *Elected Active Member*
Senator D.A. "Butch" Gautreaux, *Chair, Senate Committee on Retirement*
Honorable John Kennedy, *State Treasurer*

Professional Consultants

June 30, 2009

Actuary
Hall Actuarial Associates
SJ Actuarial Associates, LLC

Auditor
Postlethwaite & Netterville, APAC

Custodian Banks and Security Agents
Great-West Retirement Services, Inc.
JPMorgan Chase
BNY Mellon Asset Servicing

Legal Consultants
Avant & Falcon
Beus Gilbert, PLLC
Roedel, Parsons, Koch, Balhoff & McCollister
Tarcza & Associates, LLC

Medical Examiners
Dr. Michael Catenacci
Dr. Raymond Cush
Dr. Michael W. Dole
Dr. Jeanne Estes
Dr. Larry G. Ferachi
Dr. Sheldon Hersh
Dr. Jonathan Joseph
Dr. Wayne T. Lindemann
Dr. Warren D Long
Dr. Richard W. Williams
Dr. JoAnn Winn
Dr. Charles Woodard

Investment Consultant
NEPC, LLC

Information Technology & Other Consultants
Deloitte Consulting, LLP (Formerly Bearing Point, Inc.)
DMS Mail Management
Sign Language Services International
Sparkhound
SSA Consultants
Syscom Inc.
The iConsortium, Inc.

Investment Advisors
Acadian Asset Management, Inc.
Adams Street Partners LLC
Apollo Management, L.P.
Aronson+Johnson+Ortiz, L.P.
Brandywine Asset Management, Inc.
Bridgewater Associates, Inc.
Capital Guardian Trust Company
Energy Spectrum Partners, L.P.
Erasmus Advisors
GAM USA, Inc.
Goldman Sachs & Co.
Goldman Sachs Private Equity Partners, L.P.
Harbourvest Partners, LLC
JMB Group Trust
J.P. Morgan Investment Management Inc.
K2 Advisors, LLC
Loomis, Sayles & Company, L.P.
LSV Asset Management
Mesirow Financial Private Equity Partnership
Mondrian Investments Partners Limited
Newport Cypress, LLC
Nomura Corporate Research and Asset Management, Inc.
Orleans Capital Management
Pantheon USA, L.P.
Parish Capital, L.P.
Quellos Private Capital Markets, L.P.
Rice Hall James & Associates, LLC
Siguler Guff & Company
Smith Asset Management Group, L.P.
Standish Mellon Asset Management, LLC
Stark Investments Limited Partnership
State Street Global Advisors
TCW Asset Management Company
The Brinson Partnership Fund Trust
Thompson, Horstmann & Bryant, Inc.
Williams Capital Partners Advisors, L.P.
Wells Capital Management
WRH Partners II, LLC

Financial Section

Contents

Stone Energy Corporation - Lafayette

As of June 30, 2009, LASERS had a market value of $170,660 invested in Stone Energy Corporation, which specializes in oil and natural gas exploration and production. With its headquarters in Lafayette, the company is home to 291 full time employees. Its strategy is "to increase shareholder value through the acquisition, exploration and development of oil and natural gas in mature and emerging fields." The company's explorations in the Gulf of Mexico and offshore in Louisiana help make good use of our state's natural resources.

(**Source:** http://finance.yahoo.com/q?s=SGY and http://www.stoneenergy.com/)

P&N Postlethwaite & Netterville
A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the years ended June 30, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of LASERS management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding LASERS net assets as of June 30, 2009 and 2008, and the changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2009, on our consideration of LASERS internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

The Management Discussion and Analysis and the other required supplemental information as listed in the table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supporting schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 16, 2009

P&N

P&N Postlethwaite & Netterville
A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

We have audited the financial statements of Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, and have issued our report thereon dated September 16, 2009. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LASERS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide an opinion on internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LASERS's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record or process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

8550 United Plaza Blvd, Suite 1001 • Baton Rouge, LA 70809 • Tel: 225.922.4600 • Fax: 225.922.4611

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LASERS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees and management of LASERS and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 16, 2009

P&N

LASERS
Louisiana State Employees' Retirement System
8401 United Plaza Blvd. • Baton Rouge, LA 70809 Web: www.lasersonline.org
Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213 Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

Management's Discussion and Analysis

The following is management's discussion and analysis of the financial performance of the Louisiana State Employees' Retirement System (LASERS or the System). This narrative overview and analysis helps to interpret the key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year. Readers are encouraged to consider the information presented here in conjunction with additional information provided in the Transmittal Letter of LASERS Comprehensive Annual Financial Report (CAFR).

Financial Highlights

- The net assets held in trust decreased by $1.86 billion, or 20.7%.
- The actuarial rate of return on the market value of the System's investments was -7.64% for 2009 compared to 8.49% for 2008.
- Net investment income experienced a loss of $1.7 billion compared to a loss of $358 million for 2008.
- The System's funded ratio decreased from 67.6% at June 30, 2008, to 60.8% as of June 30, 2009.[2]
- The unfunded actuarial accrued liability increased $1.1 billion to $5.5 billion as of June 30, 2009.
- Total contributions decreased by $28.5 million or 4.0% from 2008 to $690 million in 2009.
- Benefit payments increased by $53.1 million or 7.4% to $771 million in 2009.
- The Experience Account used to finance cost-of-living adjustments (COLAs) for retirees has a balance of $0 as of June 30, 2009, because Act 497 of the Louisiana 2009 Regular Legislative Session dedicated the funds to the payment of minimum benefits (pursuant to Act 144 of the 2009 Regular Legislative Session), and the reduction of the initial unfunded accrued liability (IUAL).

Overview of the Financial Statements

The System's basic financial statements include the following: (1) statements of plan net assets, (2) statements of changes in plan net assets, (3) notes to the financial statements, and (4) required supplementary information.

[2] The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 66.8% at June 30, 2007, 67.0% at June 30, 2008 and 59.3% at June 30, 2009.

The Statements of Plan Net Assets report the System's assets, liabilities, and resultant net assets held in trust for pension benefits. They disclose the financial position of the System as of June 30, 2009, and 2008, respectively.

The Statements of Changes in Plan Net Assets report the results of the System's fund's operations during years 2009 and 2008 disclosing the additions to and deductions from the plan net assets. They support the change that has occurred to the prior year's net asset value on the statement of plan net assets.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the financial statements.

- Note A provides a general description of LASERS, information regarding employer and membership participation, funding status, and actuarial assumptions.
- Note B provides information regarding LASERS members' pension benefits for the Defined Benefit Plan.
- Note C provides information regarding LASERS members' pension benefits for the Defined Contribution Component.
- Note D provides a summary of significant accounting policies and plan asset matters including the basis of accounting, estimates, methods used to value investments, property and equipment, accumulated leave, and reclassifications.
- Note E provides information regarding member and employer contribution requirements.
- Note F describes LASERS deposits and risk disclosures which include custodial credit risk, concentration of credit risk, credit risk, interest rate risk, and foreign currency risk.
- Note G describes the System's investments, and includes information regarding bank balances, derivatives, real estate, and alternative investments.
- Note H provides information regarding securities lending transactions.
- Note I provides information on expenditures for the Capital Outlay Project.
- Note J provides information on other postemployment benefits.
- Note K provides information on subsequent events.

Required Supplementary Information provides additional information and detail concerning LASERS progress in funding its pension obligations and other post employment benefits, the history of employer contributions, and schedules of trend data.

The ***Supporting Schedules*** section includes the schedules of administrative expenses, investment expenses, Board compensation, and payments to consultants.

Financial Analysis

LASERS financial position is measured in several ways. One way is to determine the plan net assets (difference between total assets and total liabilities) available to pay benefits. Over time, increases and decreases in the LASERS plan net assets indicate whether its financial health is improving or deteriorating. Other factors, such as financial market conditions, should also be taken into consideration when measuring LASERS overall health.

The following table illustrates a condensed version of LASERS Statements of Plan Net Assets for fiscal years ending 2009, 2008, and 2007. LASERS plan net assets as of June 30, 2009, and 2008, totaled $7,100,333,387 and $8,957,887,792, respectively. All of the plan net assets are available to meet LASERS ongoing obligations to members, retirees, and beneficiaries.

Condensed Comparative Statements of Plan Net Assets

	2009	2008	2007
Cash and Cash Equivalents	$ 93,768,308	$ 90,020,187	$ 67,611,116
Receivables	164,801,135	105,237,613	96,251,325
Investments	6,985,993,117	8,784,261,024	9,230,537,180
Securities Lending Cash Collateral Held	869,609,079	1,786,521,801	1,166,777,371
Capital Assets	13,110,842	14,839,316	13,579,901
Total Assets	**$ 8,127,282,481**	**$ 10,780,879,941**	**$ 10,574,756,893**
Accounts Payable & Other Liabilities	65,630,959	36,470,348	56,831,952
Securities Lending Obligation Held	961,318,135	1,786,521,801	1,166,777,371
Total Liabilities	**$ 1,026,949,094**	**$ 1,822,992,149**	**$ 1,223,609,323**
Net Assets Held in Trust For Pension Benefits	**$ 7,100,333,387**	**$ 8,957,887,792**	**$ 9,351,147,570**

For the fiscal year ending June 30, 2009, plan net assets exceeded $7.1 billion. This reflected a decrease of approximately 21% or $1,857,554,405 from the previous fiscal year end. In the one-year period from June 30, 2007, to June 30, 2008, LASERS plan net assets decreased approximately 4% or $393,259,778. These losses were a direct result of the unprecedented market volatility and strain that occurred in the financial markets during those time periods.

LASERS maintains its commitment to a broadly diversified portfolio. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk/return trade-off. This is done in part by reviewing the Plan's asset allocation. LASERS continues to believe that it is well positioned to meet its long-term goals.

Condensed Comparative Statements of Changes in Plan Net Assets

	2009	2008	2007
Additions (Reductions)			
Employer Contributions	$ 486,583,512	$ 505,678,953	$ 416,329,361
Member Contributions	203,050,933	192,412,444	167,957,870
Legislative Appropriations	-	20,000,000	-
Net Investment Income (Loss)	(1,739,762,198)	(357,912,195)	1,472,840,599
Other Income	13,919,576	16,507,453	12,285,284
Total Additions (Reductions)	(1,036,208,177)	376,686,655	2,069,413,114
Deductions			
Retirement Benefits	771,408,255	718,303,319	673,617,033
Refunds and Transfers of Contributions	30,314,007	32,149,383	38,030,600
Administrative Expenses	17,593,089	18,251,681	14,505,724
Depreciation Expense	2,030,877	1,242,050	619,733
Total Deductions	821,346,228	769,946,433	726,773,090
Net Increase (Decrease)	**(1,857,554,405)**	**(393,259,778)**	**1,342,640,024**
Net Assets Beginning of Year	**8,957,887,792**	**9,351,147,570**	**8,008,507,546**
Net Assets End of Year	**$ 7,100,333,387**	**$ 8,957,887,792**	**$ 9,351,147,570**

Additions (Reductions) to Plan Assets

The revenues needed to finance retirement benefits are accumulated primarily through the collection of employer and employee contributions and earnings on investments. Revenue losses for the fiscal year ended June 30, 2009, totaled $1,036,208,177. The revenue consisted of employer and employee contributions totaling $689,634,445, a net investment loss of $1,739,762,198, and other income of $13,919,576. A net investment loss was the primary reason for the fluctuations in additions (reductions) to plan assets for the fiscal years presented. Fiscal year 2009 was another volatile year for the financial markets because of the credit crisis and global recession. Our investment portfolio completed the current year with a negative market rate of return on investment assets of 19.1%, falling below the target of 8.25%. The net result was a loss of 386% or $1,381,850,003 in investment earnings over 2008.

At June 30, 2008, total reductions decreased by 82% or $1,692,726,459 over fiscal year 2007. The decreased revenue was due primarily to net investment income decreasing 124% from 2007. Combined contributions and other income increased 22.9% and 34.4% respectively. Our investment portfolio completed the fiscal year with a negative market rate of return of 3.8%, which was below the 8.25% target rate of return.

During 2009, combined employer and employee contribution income decreased from 2008 by $28,456,952. Employer Contributions based on payroll paid decreased $19,095,441, primarily because of a reduction in the employer percentage match from 20.4% for the year ended June 2008 to 18.5% for the year ended June 2009. Also, there were no Legislative Appropriations for 2009 compared to $20 million in 2008 contributing to the remainder of the decrease. Member contributions increased 5.5% as a result of a higher contribution rate for members hired after June 30, 2006, and higher average wages. For employees hired after June 30, 2006, the contribution rate is 8% compared to the 7.5% contributed by members with credited service prior to July 1, 2006.

Deductions from Plan Assets

LASERS was created to provide lifetime retirement, survivor, and disability benefits to qualified LASERS members. The cost of such programs includes recurring benefit payments, refund of contributions to employees who left the System, and the cost of administering LASERS.

Deductions for the fiscal year ending June 30, 2009, totaled $821,346,228, an increase of approximately 7% over June 30, 2008. For the fiscal year ending June 30, 2008, deductions were $769,946,433, an increase of about 6% over June 30, 2007. The increase in deductions for fiscal years ended 2009 and 2008 were due to increases in benefits paid. Benefits paid in 2009, as in 2008, increased because of the increase in the number of retirees and the average benefit resulting from the higher average salary history of the newer retirees. Also, the System began paying qualifying retirees a 3% COLA at the beginning of each of the years presented.

Administrative expenses decreased 4% for the fiscal year ended June 30, 2009. This is primarily attributable to the reduction in professional services with the completion of the capital outlay project (SOLARIS). In 2008, administrative expenses increased $3,745,957 or 26% over fiscal year ended 2007. The increase was primarily attributable to the implementation of GASB 45 which required the recording of the annual liability for other postemployment benefits. Detail of administrative expense activity can be found in the *Schedules of Administrative Expenses* located under Supporting Schedules.

Depreciation expense has increased 64% for the fiscal year ended June 30, 2009, compared to a 100% increase for 2008 over 2007. These increases can be attributed to the capitalization of the new pension administration system which is discussed in *Note I Capital Outlay Project*.

Total additions less total deductions resulted in a net decrease in plan net assets of $1,857,554,405 in 2009, compared to a decrease of $393,259,778 in 2008. The net result is a 21% decrease and a 4% decrease in plan net assets held in trust for pension benefits for 2009 and 2008, respectively.

Funded Status

An actuarial valuation of assets and liabilities is performed annually. The System's funded ratio decreased to 60.8% at June 30, 2009, compared to 67.6% as of June 30, 2008, and 67.2% as of June 30, 2007.[3] The reduced funding in 2009 can be attributed to not receiving a legislative appropriation, a lower employer contribution rate, and poor investment returns. The amount by which LASERS actuarial liabilities exceeded the actuarial assets was $5.5 billion at June 30, 2009, compared to $4.40 billion at June 30, 2008, and $4.08 billion at June 30, 2007, thereby increasing the unfunded actuarial accrued liability by $1.4 billion since 2007. The Louisiana Legislature provided a one-time appropriation of $20 million in 2008 to accelerate the payoff of the initial unfunded accrued liability. The investment yield on the actuarial value of assets has averaged over five and ten years 7.63% and 4.89%, respectively. For the year ending June 30, 2009, the net realized actuarial rate of return was -7.64%, which was less than the System's assumed actuarial rate of return of 8.25%. This resulted in a net investment

[3] The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 66.8% at June 30, 2007, 67.0% at June 30, 2008 and 59.3% at June 30, 2009.

experience loss of $1.4 billion which is the funding mechanism for future cost-of-living adjustments. For the fiscal years ending June 30, 2008, and 2007, the net realized actuarial rate of return was 8.49% and 14.21%, respectively.

Requests for Information

This Financial Report is designed to provide a general overview of the System's finances. For questions concerning any information in this report or the CAFR, or for additional information contact the Louisiana State Employees' Retirement System, Attention: Fiscal Division, P. O. Box 44213, Baton Rouge, LA 70804-4213.

Louisiana State Employees' Retirement System

Statements of Plan Net Assets
June 30, 2009 and 2008

	2009	2008
Assets		
Cash and Cash Equivalents	$ 93,768,308	$ 90,020,187
Receivables:		
Employer Contributions	38,631,781	41,643,070
Member Contributions	16,259,139	15,846,090
Interest and Dividends	29,258,769	32,311,678
Investment Proceeds	78,560,002	13,143,155
Other	2,091,444	2,293,620
Total Receivables	164,801,135	105,237,613
Investments (at fair value):		
Short-Term Investments-Domestic/International	104,413,791	434,203,918
Bonds/Fixed Income - Domestic	1,472,432,260	1,332,828,250
Bonds/Fixed Income-International	359,642,061	468,671,657
Equity Securities - Domestic	1,866,127,503	2,602,246,396
Equity Securities - International	1,462,055,663	1,872,528,977
Real Estate Investments	37,254,628	51,832,798
Alternative Investments	1,684,067,211	2,021,949,028
Total Investments	6,985,993,117	8,784,261,024
Securities Lending Cash Collateral Held	869,609,079	1,786,521,801
Property and Equipment (at cost) - Net	13,110,842	14,839,316
Total Assets	**8,127,282,481**	**10,780,879,941**
Liabilities		
Payables:		
Investment Commitments	48,800,823	20,293,710
Trade Payables and Other Accrued Liabilities	16,830,136	16,176,638
Total Payables	65,630,959	36,470,348
Security Lending Obligations Held	961,318,135	1,786,521,801
Total Liabilities	**1,026,949,094**	**1,822,992,149**
Net Assets Held in Trust for Pension Benefits	**$ 7,100,333,387**	**$ 8,957,887,792**

(The Schedules of Funding Progress for the Plan are presented in the first schedule of the Required Supplementary Information.)

The accompanying notes are an integral part of these statements.

Louisiana State Employees' Retirement System

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2009 and 2008

	2009	2008
Additions (Reductions)		
Contributions:		
Employer Contributions	$ 486,583,512	$ 505,678,953
Member Contributions	203,050,933	192,412,444
Legislative Appropriation	-	20,000,000
Total Contributions	689,634,445	718,091,397
Investment Income (Loss):		
Net Appreciation (Depreciation) in Fair Value of Investments	(1,501,101,588)	(667,843,323)
Interest & Dividends	201,088,041	220,095,667
Alternative Investment Income (Loss)	(347,900,031)	124,149,765
Less Alternative Investment Expenses	(26,339,140)	(28,350,727)
Net Appreciation (Depreciation) Securities Lending	(38,684,730)	78,510,328
Less Securities Lending Expenses	(14,500,742)	(68,015,017)
Other Income (Loss)	1,103,728	(52,386)
Less Investment Expense Other than Alternative Investments and Securities Lending	(13,427,736)	(16,406,502)
Net Investment Income (Loss)	(1,739,762,198)	(357,912,195)
Other Income	13,919,576	16,507,453
Total Additions (Reductions)	(1,036,208,177)	376,686,655
Deductions		
Retirement Benefits	771,408,255	718,303,319
Refunds and Transfers of Member Contributions	30,314,007	32,149,383
Administrative Expenses	17,593,089	18,251,681
Depreciation Expense	2,030,877	1,242,050
Total Deductions	821,346,228	769,946,433
Net Increase (Decrease)	**(1,857,554,405)**	**(393,259,778)**
Net Assets Held in Trust For Pension Benefits		
Beginning of Period	**8,957,887,792**	**9,351,147,570**
End of Period	**$ 7,100,333,387**	**$ 8,957,887,792**

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

A. Plan Description

1. General Organization

The Louisiana State Employees' Retirement System (LASERS or the System) is the administrator of a single-employer defined benefit pension plan, and is a component unit of the State of Louisiana included in the State's Comprehensive Annual Financial Report (CAFR) as a pension trust fund. The System was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401).

In accordance with Louisiana Revised Statutes, the System is subject to certain elements of oversight:

- The Commission on Public Retirement reviews administration, benefits, investments, and funding of the public retirement systems.
- The operating budget of the System is subject to budgetary review and approval by the Joint Legislative Committee on the Budget.
- The Legislative Auditor is responsible for the procurement of audits for the public retirement systems and is authorized to contract with a licensed Certified Public Accountant (CPA) for each audit.

In May 2002, the Governmental Accounting Standards Board issued Statement No. 39, *Determining Whether Certain Organizations Are Component Units* which amended Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the System considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or if there is a potential for the organization to provide specific financial burdens to or to impose specific financial burdens on the System. The System also determined whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the System.

2. Plan Membership

The System is one of several public retirement systems in Louisiana. Each system has specific membership requirements established by legislation, with LASERS established for state officers, employees, and their beneficiaries. Other public employers report members who retained membership in LASERS upon transfer to other public systems or as provided by specific legislation. A summary of government employers and members participating in LASERS at June 30, 2009, and 2008, follows:

Type of Employer	2009 Number of Employers	2009 Number of Members	2008 Number of Employers	2008 Number of Members
State Agencies	220	61,550	223	61,430
Other Public Employers	138	441	139	350
Total Employers	**358**	**61,991**	**362**	**61,780**

Type of Active Members	2009 Number of Members	2008 Number of Members
Regular State Employees (Before July 2006)	38,188	41,320
Regular State Employees (After July 2006)	15,449	12,213
Corrections Primary Employees (Before 1986)	97	114
Corrections Primary Employees (After 1986)	781	867
Corrections Secondary	4,338	4,331
Wildlife Agents (Before 2003)	143	149
Wildlife Agents (After 2003)	80	73
Judges	333	309
Peace Officers	114	112
Legislators	18	20
Alcohol Tobacco Control	48	43
Active After DROP	2,402	2,229
Total Active Members	**61,991**	**61,780**

At June 30, 2009, and 2008, membership consisted of:

	2009	2008
Active Members	61,991	61,780
Regular Retirees*	30,062	29,416
Disability Retirees*	2,631	2,669
Survivors	5,560	5,490
Vested & Reciprocals	1,947	1,824
Inactive Members Due Refunds	49,701	47,828
DROP Participants	2,683	2,643
Total Membership	**154,575**	**151,650**

* For actuarial purposes "Disability Retirees" includes members that LASERS considers "Regular Retirees" because they have reached the normal retirement eligibility requirements.

3. Funded Status and Funding Progress

Contributions to the System are determined through annual actuarial valuations. Administration of LASERS is financed through contributions to the plan from members, the state of Louisiana, and cumulative investment earnings. The schedule below reflects the funded status and progress of the System for the fiscal year ended June 30, 2009.[4] Dollars are presented in thousands.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	$ 8,499,662	$ 13,986,847	$ 5,487,185	60.8%	$ 2,562,576	214.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedule of Funding Progress located in required supplementary information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information on the actuarial methods and assumptions used as of the June 30, 2009, actuarial valuation follows:

Valuation Date	June 30, 2009
Actuarial Cost Method	Projected Unit Credit
Amortization Method –Closed by Statute	For unfunded accrued liability prior to 1993: 4.5% increasing payment schedule to 2029 For unfunded accrued liability changes occurring between 1993-1998: Level dollar payment to 2029 For unfunded accrued liability changes occurring 1999-2003: 4.5% increasing payment schedule over 30 years, from date of occurrence For unfunded accrued liability changes occurring 2004 or later: Level dollar payment over 30 years, from date of occurrence

[4] The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate. The System's funded ratio used for funding purposes was 59.3% at June 30, 2009.

Remaining Amortization Period	20 to 30 years, dependent upon the amortization method as described above
Asset Valuation Method	Utilizes a four-year weighted average of the unrealized gain or loss in the value of all assets at market
Actuarial Assumptions:	
Investment Rate of Return	8.25% per annum, net expenses
Inflation Rate	3.0% per annum
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table for fiscal year 2009 and on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with females set at attained age plus one for fiscal year 2008.
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2003-2008) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2003-2008 experience study of the System's members. The salary increase ranges for specific types of members are: • Regular: 4.3% to 14.0% • Judges: 3.0% to 5.5% • Corrections: 4.0% to 15.0% • Wildlife: 6.0% to 17.0%
Cost-of-Living Adjustments	Liability for raises already granted is included in the retiree reserve.

B. Defined Benefit Plan

1. Eligibility Requirements

All state employees, except those specifically excluded by statute, become members of the System's Defined Benefit Plan (DBP) as a condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the Governor may, at their option, become members of LASERS.

2. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing 30 years of creditable service to age 60 upon completing ten years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for substantially all members is equal to 2.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life with certain benefits being paid to their designated beneficiary after their death.

Act 75 of the 2005 Louisiana Regular Legislative Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member’s average annual earned compensation for the highest 60 consecutive months of employment.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

3. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who select the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

4. Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

5. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

6. Supplemental Benefit Adjustments

Previous statutes allowed the Board of Trustees to make annual supplemental cost-of-living adjustments (COLAs) each year when the System's Actuary and the State Legislative Actuary certified that LASERS was systematically approaching actuarial soundness, if such COLAs had not already been enacted by the Legislature. The COLAs could not be greater than 3% in any year. These adjustments were computed on the base retirement or survivors' benefits. Benefit increases occurred under the statutes in various years since 1970 and were limited to the 3% amount. In addition, several other COLAs or supplemental benefit payments have occurred in the past as a result of legislation, some being paid from investment income, and others being paid from funds appropriated by the State Legislature. COLAs were granted in 1980, 1981, 1984, 1986 and 1991.

In 1992, Act 1031 created an Employee Experience Account to accumulate one-half of any returns above the target return rate of 8.25%. Such accumulations are offset when returns did not meet the target rate. In 1999, additional legislation was added to provide a permanent mechanism and guidelines for COLAs.

Act 900 of the 2001 Regular Session provided legislation for a minimum retirement benefit funded by the Employee Experience Account. The minimum retirement benefit was designed to increase benefits for those members who had been retired the longest and were receiving a relatively small benefit. The Employee Experience Account provided COLAs in 1996 and 1998 through 2002.

In 2001, Act 1016 provided for an additional 1% COLA when the actuarial return exceeded 8.25%. Beginning with the 2002 fiscal year, Act 1016 legislation limited the COLA to the first $70,000 of a member's benefit and provided for the $70,000 to be increased each year in an amount equal to any increase in the consumer price index (U.S. city average for all urban consumers [CPI-U]) for the preceding year. In addition, the legislation provided that any COLA increase shall begin on July 1st following legislative approval.

Act 588 of the 2004 Regular Session made significant changes to prospective funding for COLAs. The outstanding balance of changes in liabilities from 1993–1998 were re-amortized as a level dollar amount through 2029. The amortization period for changes in liabilities beginning with 1999 were extended to a thirty-year period from the date of occurrence, in accordance with GASB. A minimum employer contribution rate of 15.5% and an Employer Credit Account were established for excess contributions. Act 588 also reset the Employee Experience Account to zero and thereafter limited the account balance to no more than the reserve for two COLAs. The Employer Credit Account's purpose was to accumulate the excess of the minimum rate of 15.5% over the actuarially required employer contribution for the fiscal year and accumulate interest at the actuarial rate of return earned annually by the System.

The process for granting COLAs was also changed by Act 588. Under Act 588, the Board of Trustees could not grant a COLA increase unless it has been approved by the Legislature by a concurrent resolution adopted by the favorable vote of a majority of the elected members of each house. LASERS Board of Trustees could recommend to the Legislature that a COLA increase be granted if the Employee Experience Account is sufficient to fund such a benefit fully on an actuarial basis, as determined by the System's Actuary. Pursuant to this revised system, COLAs were granted and funded by the Employee Experience Account in 2006, 2007, and 2008.

Act 144 of the 2009 Regular Session granted a minimum benefit COLA to qualifying retirees, beneficiaries, and survivors with a monthly benefit below $1,200. These benefits were funded by the Employee Experience Account.

Note K. Subsequent Events provides information on Act 497 of the 2009 Regular Session which establishes new requirements for granting a COLA or Permanent Benefit Increase.

C. Defined Contribution Component

Optional Retirement Plan

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of LASERS. The ORP provides retirement and death benefits to eligible participants while affording the maximum portability of these benefits to the participants. Investment options for participants are established by the third party ORP provider and selected by the participant. ORP balances are held by the ORP provider in each participant's name. These balances are included in LASERS total investments on the Statements of Plan Net Assets. Participants are vested in all funds submitted to the ORP provider by LASERS. The ORP does not contain special provisions for disability benefits. Death benefits are paid by the provider in accordance with Internal Revenue Code provisions. All other benefit obligations are the sole obligation of the ORP. The ORP was closed to new members on December 7, 2007. At June 30, 2009, and 2008, membership consisted of:

	2009	2008
Number of Members	124	132
Fair Value of Assets	$ 4,517,369	$ 5,057,442

D. Summary of Significant Accounting Policies

1. Basis of Accounting

LASERS financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Investment purchases and sales are recorded as of their trade date. State General Fund appropriations are recognized in the period when they are appropriated. Employer and member contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Administrative expenses are funded through contributions to the plan from members, the State of Louisiana, and cumulative investment earnings and are subject to budgetary control of the Board of Trustees and the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

2. Securities Lending

The System records collateral received under its securities lending agreement where the system has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. For the fiscal year ended June 30, 2009, the security lending cash collateral pool is reported at the market value of the underlying securities. In prior years, LASERS belonged to a commingled cash collateral pool which governmental accounting standards allowed underlying securities to be carried at cost. Security lending income and expenses are reported as investment income and expenses in the accompanying financial statements. The statement of net assets does not include detailed holdings of securities lending collateral by investment classification.

3. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from plan net assets during the reporting period. Actual results could differ from those estimates. The retirement system utilizes various investment instruments, which, by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the Statements of Plan Net Assets.

4. Method Used to Value Investments

As required by GASB No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, investments are reported at fair value. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Mortgage securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity, real estate, and tangible assets) has been determined by management based on the individual investment's capital account balance, reported at fair value, at the closest available reporting period, adjusted for subsequent contributions, distributions, and management fees. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near-term. Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Net Assets.

5. Property and Equipment

Property and equipment are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 40 years for building, and 3 to 15 years for equipment and furniture. The capitalization thresholds of property and equipment for the year ended June 2009 were:

- Computer Software Developed or Modified Internally: $1,000,000
- Movable Property and Equipment: $1,000

A capital outlay project was initiated in 2004 to fund the acquisitions and development of a new pension administration system, State of Louisiana Retirement Information System or SOLARIS, consisting of computer hardware, software, and supporting applications and networks. This project was completed and the software is operational. Remaining expenses associated with the project are for vendor provided support. Additional information on the Capital Outlay Project is provided in *Note I Capital Outlay Project*.

LASERS is a 50% co-owner of the Louisiana Retirement Systems building and related land with Teachers' Retirement System of Louisiana. LASERS interest in the building and land is reflected in the following schedules.

Changes in Property and Equipment

For Period Ending June 30, 2009

	June 30, 2008	Additions	Deletions/ Transfers	June 30, 2009
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	5,476,157	38,195	-	5,514,352
Storage	24,104	-	(24,104)	-
Furniture and Equipment	10,231,776	5,921,743	(2,517,781)	13,635,738
Capital Outlay Project - WIP*	5,632,338	-	(5,632,338)	-
Total Property and Equipment	**22,222,765**	**5,959,938**	**(8,174,223)**	**20,008,480**
Accumulated Depreciation				
Building and Storage	(2,554,905)	(138,393)	24,104	(2,669,194)
Furniture and Equipment	(4,828,544)	(1,892,484)	2,492,584	(4,228,444)
Total Accumulated Depreciation	**(7,383,449)**	**(2,030,877)**	**2,516,688**	**(6,897,638)**
Total Property and Equipment - Net	**$ 14,839,316**	**$ 3,929,061**	**$ (5,657,535)**	**$ 13,110,842**

Changes in Property and Equipment

For Period Ending June 30, 2008

	June 30, 2007	Additions	Deletions/ Transfers	June 30, 2008
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	5,283,493	192,664	-	5,476,157
Storage	24,104	-	-	24,104
Furniture and Equipment	5,189,787	5,295,394	(253,405)	10,231,776
Capital Outlay Project - WIP*	8,616,908	2,210,634	(5,195,204)	5,632,338
Total Property and Equipment	**19,972,682**	**7,698,692**	**(5,448,609)**	**22,222,765**
Accumulated Depreciation				
Building and Storage	(2,418,636)	(136,269)	-	(2,554,905)
Furniture and Equipment	(3,974,145)	(1,105,781)	251,382	(4,828,544)
Total Accumulated Depreciation	**(6,392,781)**	**(1,242,050)**	**251,382**	**(7,383,449)**
Total Property and Equipment - Net	**$ 13,579,901**	**$ 6,456,642**	**$ (5,197,227)**	**$ 14,839,316**

(Note: For 2008, $5,195,204 was transferred from Capital Outlay Project Work in Progress to Furniture and Equipment.)

* WIP - work in process

6. Accumulated Leave

The employees of the System accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to an employee at the employee's current rate of pay. Upon retirement, unused annual leave in excess of 300 hours and sick leave are credited at the current pay rate as earned service in computing retirement benefits. The liability for accrued annual leave of up to 300 hours is included in other liabilities in the Statements of Plan Net Assets.

7. Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on net assets held in trust for pension benefits or the net decrease in plan net assets.

E. Contributions

1. Member Contributions

Member contribution rates for the System are established by La. R.S. 11:62. Member contributions are deducted from a member's salary and remitted to the System by participating employers. The rates in effect during the years ended June 30, 2009, and 2008, for the various types of members are as follows:

	Percent of Earned Compensation	
Type of Member	**2009**	**2008**
Alcohol, Tobacco, and Control Employees	9.0%	9.0%
Appellate Law Clerks (hired July 1, 2006, or later)	7.5%	7.5%
Appellate Law Clerks II (hired prior to July 1, 2006)	8.0%	8.0%
Bridge Police Employees for the Crescent City Connection	8.5%	8.5%
Clerk of the House of Representatives and Secretary of the Senate	9.5%	9.5%
Correctional Officers, Security Personnel, and Probation Officers	9.0%	9.0%
Legislature, Governor, Lieutenant Governor, Judges, and Court Officers	11.5%	11.5%
Peace Officers	9.0%	9.0%

Type of Member	Percent of Earned Compensation 2009	Percent of Earned Compensation 2008
Regular Members (hired July 1, 2006, or later)	8.0%	8.0%
Regular Members (hired prior to July 1, 2006)	7.5%	7.5%
Special Legislative Employees	9.5%	9.5%
State Treasurer	7.5%	7.5%
Wildlife Agents	9.5%	9.5%

A member's claim is established for member contributions less amounts transferred to reserves for retirement and amounts refunded to terminated members. If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to a member or their survivors are refunded to the member's beneficiary or their estate upon cessation of any survivor's benefits.

2. Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Rates for the years ended June 30, 2009, and 2008, are as follows:

	2009	2008
Percent of Member's Earned Compensation	18.5%	20.4%

F. Deposits and Investment Risk Disclosures

1. Deposit and Investment Risk Disclosures

The tables presented on the following pages include disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40, and are designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. These tables classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual asset classes on the financial statements.

2. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. All noninvestment-related bank balances at year end were insured or collateralized by the pledge of government securities held by the agents in the entity's name. Deposits held in investment related bank accounts were neither insured nor collateralized for amounts in excess of FDIC insurance limits. As of June 30, 2009, the System's cash deposits in investment related bank accounts in the U.S. were less than FDIC insurance limits; however, LASERS had uninsured cash in non-U.S. banks in the amount of $6,377,820 for investments pending settlement.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investments, or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. LASERS had no custodial credit risk for investments as of June 30, 2009.

3. Concentration of Credit Risk

Concentration of credit risk is the "risk of loss attributed to the magnitude of investments in a single issuer." The risk occurs "when investments are concentrated in any one issuer that represents 5% or more of plan net assets." Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The System has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represent 5% or more of the System's net plan assets, nor does the System hold more than 5% of any corporation's stock.

4. Credit Risk

Credit risk is the risk that a borrower will be unable to meet its obligation. The overall average quality of each core fixed income portfolio shall be rated AA by Standard and Poor's or higher. Non-rated issues or issues below investment grade (below BBB) may be purchased up to a maximum of 15% of each core fixed income portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage dedicated high-yield fixed income portfolios. The average duration shall not differ from the passive benchmark's duration by more than two years.

In preparing this report, credit risk associated with all fixed income holdings including collateral for repurchase agreements and securities lending collateral has been included. The System's exposure to credit risk as of June 30, 2009, and 2008, is as follows:

Rating	Fair Value 2009	Percent 2009	Fair Value 2008	Percent 2008
A	$ 9,892,762	0.4%	$ 998,750	0.0%
A-	815,713	0.0%	-	0.0%
A+	1,103,170	0.0%	-	0.0%
A1	113,117,746	4.0%	156,770,308	3.9%
A2	244,819,297	8.7%	37,211,021	0.9%
A3	43,790,762	1.6%	18,948,910	0.5%
AA1	25,807,790	0.9%	9,630,916	0.2%
AA2	217,556,648	7.8%	96,960,220	2.4%
AA3	108,829,186	3.9%	10,637,018	0.3%
AA	1,157,342	0.0%	6,160,117	0.2%
AA-	1,303,192	0.0%	-	0.0%
AA+	5,687,094	0.2%	-	0.0%
AAA	841,723,101	30.0%	1,120,110,524	27.8%
B1	91,484,754	3.3%	86,642,517	2.2%
B2	68,764,021	2.5%	64,718,794	1.6%
B3	88,478,753	3.2%	93,798,178	2.3%
B	24,417,263	0.9%	-	0.0%
B-	6,488,912	0.2%	-	0.0%
BB	868,101	0.0%	-	0.0%
BB-	296,931	0.0%	-	0.0%
BA1	40,063,673	1.4%	30,887,540	0.8%
BA2	51,537,352	1.8%	27,845,957	0.7%
BA3	84,207,025	3.0%	83,514,809	2.1%
BAA1	82,649,164	2.9%	44,094,385	1.1%
BAA2	34,304,979	1.2%	31,423,163	0.8%
BAA3	49,353,605	1.8%	35,488,578	0.9%
BBB	2,320,805	0.1%	-	0.0%
BBB+	736,704	0.0%	-	0.0%
C	3,970,230	0.1%	165,585	0.0%
CA	21,786,249	0.8%	1,108,891	0.0%
CAA1	106,079,609	3.8%	65,947,968	1.6%
CAA2	54,723,585	2.0%	14,971,831	0.4%
CAA3	16,477,259	0.6%	4,037,563	0.1%
CCC	7,540,506	0.3%	-	0.0%
CCC+	447,500	0.0%	-	0.0%
D	95,091	0.0%	-	0.0%
P-1	32,922,890	1.2%	144,004,914	3.6%
Non-rated	302,592,505	10.8%	49,625,368	1.2%
Securities Lending Commingled Collateral Pool	17,885,922	0.6%	1,786,521,801	44.4%
Total Fixed Income	**$ 2,806,097,191**	**100.0%**	**$ 4,022,225,626**	**100.0%**

5. Interest Rate Risk

Interest rate risk is the risk from changes in interest rates adversely affecting the fair value of an investment. LASERS has no formal interest rate risk policy. LASERS, as expressed in its Investment Policy, expects its fixed income managers to approximate the portfolio's duration (a measure of a debt investment's exposure to fair value changes arising from interest rates) to within two years of its respective benchmark. Investments with fair values that are highly sensitive to interest rate changes may contain terms that increase the sensitivity of their fair values.

As of June 30, 2009, and 2008, the System had the following domestic and foreign debt investments and maturities:

		Investment Maturities (in Years)			
Type	Fair Value 2009	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 108,212,273	$ 1,343,020	$ 23,708,076	$ 56,235,522	$ 26,925,655
U.S. Agency Obligations	410,637,537	-	25,992,020	53,181,570	331,463,947
Mortgages	541,773,205	290,813,655	1,681,249	3,699,576	245,578,725
Corporate Bonds	1,292,535,408	554,805,047	347,561,811	326,142,535	64,026,015
Other Bonds	296,400,750	30,584,134	88,537,776	101,501,620	75,777,220
Commercial Paper and Other Short-term Investments	104,413,791	103,711,947	701,844	-	-
Securities Lending Commingled Collateral Pool	17,885,922	17,885,922	-	-	-
Repurchase Agreements	32,621,244	32,621,244	-	-	-
Bond Mutual Funds	1,617,061	-	-	-	-
Total Debt Investments	**$ 2,806,097,191**	**$ 1,031,764,969**	**$ 488,182,776**	**$ 540,760,823**	**$ 743,771,562**

		Investment Maturities (in Years)			
Type	Fair Value 2008	Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government Obligations	$ 82,158,489	$ -	$ 6,457,534	$ 19,788,194	$ 55,912,761
U.S. Agency Obligations	442,952,742	15,117,184	20,975,297	44,274,218	362,586,043
Mortgages	169,599,603	7,712,578	-	2,277,281	159,609,744
Corporate Bonds	622,298,234	24,320,504	224,473,968	315,500,663	58,003,099
Other Bonds	478,923,750	2,269,318	249,836,446	169,472,198	57,345,788
Commercial Paper and Other Short-term Investments	434,203,918	366,292,459	67,911,459	-	-
Securities Lending Commingled Collateral Pools	1,786,521,801	1,786,521,801	-	-	-
Bond Mutual Funds	5,567,089		-	-	-
Total Debt Investments	**$ 4,022,225,626**	**$ 2,202,233,844**	**$ 569,654,704**	**$ 551,312,554**	**$ 693,457,435**

6. Foreign Currency Risk

Foreign currency risk is the potential risk for loss due to changes in exchange rates. Cash held by the manager may be in U.S. dollar or foreign currencies of the manager's choice. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions.

Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions.

The fair value of securities held in a foreign currency at June 30, 2009, and 2008, is as follows:

Currency	Global Bonds 2009	Global Stock 2009	Cash 2009	Private Equity 2009	Total Fair Value 2009
Australian Dollar	$ 26,186,438	$ 73,919,913	$ 402,672	$ -	$ 100,509,023
Brazilian Real	-	3,937,064	78,106	-	4,015,170
British Pound Sterling	-	171,707,691	102,055	-	171,809,746
Canadian Dollar	-	80,004,368	206,020	-	80,210,388
Czech Koruna	-	-	62,386	-	62,386
Danish Krone	-	10,027,584	48,461	-	10,076,045
Euro	96,580,445	287,755,963	1,674,169	6,361,382	392,371,959
Hong Kong Dollar	-	25,032,641	47,038	-	25,079,679
Hungarian Forint	-	-	1,080	-	1,080
Israeli Shekel	-	-	1,842	-	1,842
Japanese Yen	95,504,050	257,948,130	2,153,787	-	355,605,967
Malaysian Ringlet	-	786,463	111,219	-	897,682
Mexican Peso	15,058,077	325,303	2,850	-	15,386,230
New Zealand Dollar	-	488,363	11,844	-	500,207
Norwegian Krone	-	6,479,114	55,885	-	6,534,999
Polish Zloty	25,318,169	35,503	177,493	-	25,531,165
Singapore Dollar	497,378	32,192,811	96,920	-	32,787,109
South African Rand	-	367,995	483	-	368,478
South Korean Won	-	10,280,448	78,978	-	10,359,426
Swedish Krona	-	17,638,151	734,219	-	18,372,370
Swiss Franc	-	71,882,309	291,821	-	72,174,130
Thailand Baht	-	885,231	38,492	-	923,723
Total	**$ 259,144,557**	**$ 1,051,695,045**	**$ 6,377,820**	**$ 6,361,382**	**$ 1,323,578,804**

Currency	Global Bonds 2008	Global Stock 2008	Cash 2008	Total Fair Value 2008
Australian Dollar	$ -	$ 95,049,823	$ 56,574	$ 95,106,397
Brazilian Real	-	172,516	17,814	190,330
British Pound Sterling	42,443,319	230,856,062	1,059,257	274,358,638
Canadian Dollar	-	83,039,323	91,752	83,131,075
Danish Krone	-	11,024,329	224,553	11,248,882
Euro	184,233,606	477,684,604	1,027,359	662,945,569
Hong Kong Dollar	-	19,614,832	137,030	19,751,862
Hungarian Forint	-	-	24,383	24,383
Iceland Krona	-	-	-	-
Israeli Shekel	-	230,829	2,156	232,985
Japanese Yen	175,028,336	259,080,352	1,953,045	436,061,733
Malaysian Ringlet	-	-	3,056	3,056
Mexican Peso	20,275,708	1,834,062	895,020	23,004,790
New Zealand Dollar	-	475,111	10,352	485,463
Norwegian Krone	-	10,483,235	38,928	10,522,163
Polish Zloty	-	-	2,011	2,011
Singapore Dollar	-	17,029,691	136,586	17,166,277
South Korean Won	-	1,179,545	-	1,179,545
Swedish Krona	-	17,722,933	119,870	17,842,803
Swiss Franc	-	91,857,246	40,323	91,897,569
Thailand Baht	-	-	33,511	33,511
Total	**$ 421,980,969**	**$ 1,317,334,493**	**$ 5,873,580**	**$ 1,745,189,042**

Foreign investments denominated in U.S. currency such as American Depository Receipts (ADRs) and Yankee bonds do not carry foreign currency risk; therefore, are not included in the tables above. LASERS Investment Guidelines, some of which are noted in *Note G. Cash and Investments*, are designed to mitigate the risks discussed above.

G. Cash and Investments

1. Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in banks and short-term repurchase agreements. Cash is insured by the Federal Deposit Insurance Corporation up to $250,000, and cash equivalents are collateralized by the pledge of government securities held by the agents in the entity's name.

2. Short-Term Investments

Short–term funds may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by U.S. Treasury issues. Excess cash may also be invested in the LASERS Active Reserve Account and LASERS Late Money Deposit Account or negotiable certificates of deposit, or other short-term investment vehicles designated by the Board.

3. Investments

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. La. R.S. 11:263 states that the prudent man rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances prevailing that a prudent institutional investor would use in the conduct of an enterprise of a like character with like aims.

La. R.S. 11:267(C) provides that the System may invest up to 65% of its total assets in equities. This is modified by the directive that the System invest an amount equal to at least 10% of its total equity portfolio in one or more index funds in accordance with La. R.S. 11:267(B)(1)(a). In addition, LASERS Board of Trustees has adopted certain investment policies, objectives, rules, and guidelines that are intended to protect and preserve LASERS assets while targeting a 8.25% nominal rate of return.

The following table presents the System's depreciation in investments at June 30, 2009, and 2008:

	2009	2008
Unrealized gains/(losses) on investments during the year	$ (1,383,128,940)	$ (1,064,807,622)
Realized gains/(losses) on investments including currency sold during the year	(538,393,070)	517,826,277
Total	**$ (1,921,522,010)**	**$ (546,981,345)**

4. Domestic Equity

Domestic equity purchases are limited to publicly traded common stocks. Exceptions shall be approved by the Board in advance. No single holding shall account for more than 6% of the allowable equity portion of the portfolio at market value.

LASERS domestic equity portfolios are expected to be fully invested. No single holding in LASERS portfolio shall account for more than 5% of the outstanding common stock of any one corporation. No more than 10% of a manager's domestic equity portfolio may consist of cash or cash equivalents. Additionally, no single holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation.

The purchase of stocks or convertibles in foreign companies which are publicly traded securities may be held by each domestic stock manager in proportions which each manager shall deem appropriate, up to 10% of the portfolio at market value. Convertible bonds, convertible preferred stocks, warrants and rights may be purchased as equity substitutes so long as they meet the equity guidelines listed above.

5. **International Equity**

Short-term reserves may be held in U.S. dollar-denominated, local currency securities, or investment vehicles available through the System's custodian. Managers may purchase or sell currency on a spot basis to accommodate security settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of security transactions.

LASERS international equity portfolios are expected to be fully invested. No more than 10% of a manager’s international equity portfolio may consist of cash or cash equivalents. Equity securities should be issued by non-U.S. corporations, although the manager has latitude to hold U.S. securities provided that such investment is consistent with attainment of the portfolio's investment objectives and does not exceed 10% of the portfolio's market value. American Depository Receipts (ADRs) do not count toward this 10% limitation.

The number of issues held and their geographic or industry distribution shall be left to the investment manager provided that equity holdings in any one company (including common stock and convertible securities) do not exceed 6% of the market value of the manager's portion of LASERS portfolio. Additionally, bonds of the companies in question would be included in LASERS exposure calculation if held in the manager's portfolio.

Managers with established international equity mandates may invest up to 10% of their portfolio(s) in the emerging markets, as defined by the MSCI EM Index. Managers with an emerging markets equity mandate are expected to invest in the emerging (non-established) markets, subject to the guidelines listed above.

6. **Domestic Fixed Income**

Domestic fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage-backed securities, and senior secured debt and other instruments deemed prudent by the investment managers. No more than 6% of the market value of LASERS domestic fixed income assets may be invested in the debt securities of any one issuer. No limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies.

The overall average quality of each fixed income portfolio shall be rated AA by Standard and Poor’s or higher. Split-rated securities will be measured using Standard and Poor’s ratings. Non-rated issues or issues below investment grade (below BBB) may be purchased up to a maximum of 15% of the portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage dedicated high-yield fixed income portfolios.

The diversification of securities by maturity, quality, sector, coupon and geography is the responsibility of the manager. Active bond management is encouraged, as deemed appropriate by the investment managers. The average duration (interest rate sensitivity) of an actively managed portfolio shall not differ from the passive benchmark’s duration by more than two years.

Investments in mortgage-backed securities shall have the characteristics of fixed income securities and be responsive to changes in domestic interest rate changes, as well as other factors that affect the credit markets and mortgage investments. The investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments for the

Plan, and shall adhere to the specific investment, security, diversification limits and administrative guidelines established in the investment management agreement(s).

High-yield fixed income managers may invest up to 20% of their portfolios in non-U.S. fixed income securities. They shall perform careful credit analysis to mitigate losses from defaults. Investments should be diversified across sector, industry, sub-industry and market to mitigate losses. No more than 6% of market value of the system's high yield assets may be invested in the debt securities of any one issuer.

7. Global Fixed Income

The global bond portfolio may hold no more than 30% of its assets, at market value, in the debt securities of any single foreign government or non-U.S. government entity. No single non-government debt security shall constitute more than 6% of the global bond portfolio, at market value. Securities issued by AAA rated supranational organizations (such as the World Bank) shall be considered to be government equivalents.

Short-term reserves may be held in U.S. dollar-denominated or local currency securities or investment vehicles available through LASERS custodian.

Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Decisions as to the number of issues held and their geographic distribution shall be the responsibility of the investment manager.

The overall average quality of each global fixed income portfolio shall be AA or higher. Non-rated issues may be purchased, provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of AA or higher. Issues below investment grade (below BBB) and/or mortgage backed securities may be purchased up to a maximum of 15% of the portfolio. The average duration (interest rate sensitivity) of a global fixed income portfolio shall not differ from the passive benchmark by more than two years.

8. Derivatives

During the fiscal years 2009 and 2008, the System invested in collateralized mortgage obligations (forms of mortgage-backed securities) and forward foreign exchange contracts. The System reviews market value of all securities on a monthly basis. Derivative securities are held in part to maximize yields and in part to hedge against a rise in interest rates.

a. **Collateralized mortgage obligations** (CMOs) are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMOs established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates than others that can be significantly sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. Reductions in interest payments cause a decline in cash flows and, thus, a decline in market value of the CMO security. Rising interest rates may cause an increase in interest payments, thus an increase in the value of the security.

b. A **currency forward** is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized, and carry counterparty risk. Forwards are usually transacted in the over-the-counter market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation. They are entered into with the foreign exchange department of a bank located in a major money market. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the System records the unrealized translation gain or loss.

Investments in limited partnerships and commingled funds may include derivatives that are not shown in the derivative totals. The following tables represent the fair value of all open currency forwards at June 30, 2009, and 2008:

2009 Currency

Sold	Purchased	US Dollar Value at Trade Date	Payable Base Market Value	Receivable Base Market Value	Unrealized Gain (Loss)
Euro Currency	British Pound Sterling	$ 41,298,519	$ (44,416,501)	$ 46,395,646	$ 1,979,145
British Pound Sterling	Euro Currency	3,386,141	(3,376,789)	3,323,323	(53,466)
South Korean Won	U.S. Dollars	540,875	(541,406)	540,875	(531)
U.S. Dollars	Hong Kong Dollars	89,336	(89,336)	89,336	-
U.S. Dollars	Japanese Yen	257,250	(257,250)	254,721	(2,529)
U.S. Dollars	South Korean Won	748,157	(748,157)	748,891	734
U.S. Dollars	Norwegian Krone	61,041	(61,041)	60,742	(299)
U.S. Dollars	Thailand Baht	155,480	(155,480)	155,084	(396)
Total		**$ 46,536,799**	**$ (49,645,960)**	**$ 51,568,618**	**$ 1,922,658**

2008 Currency

Sold	Purchased	US Dollar Value at Trade Date	Payable Base Market Value	Receivable Base Market Value	Unrealized Gain (Loss)
U.S. Dollars	Euro Currency	$ 1,474,569	$ (1,474,569)	$ 1,490,298	$ 15,729
British Pound Sterling	U.S. Dollars	52,717,121	(52,972,418)	52,717,121	(255,297)
Euro Currency	U.S. Dollars	80,595,237	(81,291,490)	80,595,237	(696,253)
U.S. Dollars	British Pound Sterling	1,813,570	(1,813,570)	1,841,906	28,336
Total		**$ 136,600,497**	**$ (137,552,047)**	**$ 136,644,562**	**$ (907,485)**

9. Real Estate

Real estate investments are limited to a direct investment in the property located at the intersection of Essen Lane and United Plaza Boulevard in Baton Rouge, Louisiana. Stock and stock funds comprised of real estate investments trusts (REITS) are also allowed.

10. Alternative Investments

Investments in alternatives include, but are not limited to private equity, absolute return (hedge funds) and global tactical asset allocation which have a target allocation of 25% of total fund assets. Investment strategies may include buyouts or corporate restructuring, venture capital, secondary investments, distressed securities, mezzanine, and energy and natural resources. The total commitments and total amount invested for alternative investments on a cost basis as of June 30, 2009, and 2008, respectively:

Alternatives Investments	2009	2008
Commitments		
Private Equity	$ 1,893,400,789	$ 1,633,400,789
Absolute Return	671,000,000	746,000,000
Risk Parity	370,000,000	450,000,000
Total Commitments	**$ 2,934,400,789**	**$ 2,829,400,789**
Amount Invested (cost basis)		
Private Equity	$ 838,911,850	$ 664,112,420
Absolute Return	667,706,673	696,266,698
Risk Parity	347,991,010	450,000,000
Total Invested (cost basis)	**$ 1,854,609,533**	**$ 1,810,379,118**

LASERS shall endeavor to systematically commit additional funds to this asset class over time as it becomes under-represented relative to the LASERS target asset allocation. LASERS shall attempt to commit up to 200% of its target weighting to private equity investments to help ensure that the funded portion of the investments approximates the target allocation.

LASERS shall only invest in alternative assets when there is complete transparency and policy compliance reporting. The Board of LASERS recognizes that alternative assets are potentially more risky than other investments of the Fund. As such, extra care shall be taken in evaluating and fully understanding all aspects on an alternative investment opportunity.

LASERS initial investment in a partnership/fund shall not exceed 25% of the committed capital of that partnership/fund. All investments must have a mechanism for exit.

No more than 25% of the alternative asset investment allocation may be invested with a single manager, general partner, or single fund, with the exception of a fund-of-funds. Preference will be given to those funds where the general partner is contributing at least 1% of the total fund. References on a general partner must be checked prior to investing in a fund.

H. Securities Lending Program

State Statutes and the Board's policies permit the system to make short-term collateralized loans of its securities to broker-dealers and other entities in order to earn incremental income. LASERS has contracted with its custodian, BNY Mellon, to lend domestic and international equity and debt securities. The majority of security loans can be terminated on demand by either LASERS or the borrower. Collateral in the form of cash or other securities is required for 102% of the fair value of domestic or sovereign debt, and 105% of the fair value of international securities excluding sovereign debt loaned. Since the majority of the loans are terminable at will, their duration does not generally match the duration of the investments made with the cash collateral.

Due to the disruptions in the credit markets beginning in the fall of 2008, prices of several securities experienced declines. LASERS realized a loss for its prorated share of Lehman and Sigma Bonds which approximated $27 million, and owes this amount to the custodian. This obligation is planned to be paid back through future securities lending income. At June 30, 2009, the cash collateral pools had an unrealized loss of approximately $64 million.

As of June 30, 2009, the securities lending collateral invested by Mellon had weighted average maturities of 392 days for the LASERS separately managed fund, and 114 days for the commingled pool, and durations of 31 and 30 days, respectively.

LASERS is not permitted to pledge or sell collateral securities unless a borrower defaults. The System did not impose any restrictions during the fiscal year on the amount of the loans that BNY Mellon made on its behalf and BNY Mellon indemnified the System by agreeing to purchase replacement securities, or return cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year.

On June 30, 2009, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amounts the borrowers owed the System. At June 30, 2009, the market value of securities on loan totaled $908,466,929.

I. Capital Outlay Project

In 2004, LASERS began a capital project for the design, development and implementation of computer software for a new pension administration system. The new system is named the State of Louisiana Retirement Information System, or SOLARIS. SOLARIS replaced the previous pension administration system with applications that offer enhanced core pension administration functions. The objective of the SOLARIS project is to improve service and reporting levels for member agencies, members, and retirees while improving internal system work flows and increasing the efficiency of the LASERS staff. The SOLARIS project was fully implemented within its approved budget of $28,839,672 with $311,488 budget remaining at June 30, 2009. The remaining budgeted funds are expected to be used during the next fiscal year to enhance system functionality and report capabilities.

J. Other Postemployment Benefits (OPEB)

1. Plan Description

The Office of Group Benefits (OGB) is an agent multiple-employer post-employment healthcare plan that covers retired employees of the state, as well as school boards and various other non-state employers. OGB provides health and life insurance benefits to eligible retirees, their spouses, and their dependents. La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. OGB does not issue a publicly available financial report of the OPEB Plan; however, it is included in the Louisiana Comprehensive Annual Financial Report (CAFR). A copy of the CAFR may be obtained on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

2. Funding Policy

La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums.

The state is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 34.32% of annual covered payroll.

3. Annual OPEB Cost

For fiscal year 2009, LASERS annual OPEB cost (expense) was $2,279,986. The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2009 and 2008 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	$ 2,350,000	12.50%	$ 2,057,060
6/30/2009	$ 2,279,986	13.93%	$ 1,966,299

Funded Status and Funding Progress. The funding status of the plan as of June 30, 2009, was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2008	$ -	$ 23,055,800	$ 23,055,800	0.0%	$ 6,633,000	347.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedules of Funding Progress, presented as required supplementary information following the *Notes to the Financial Statements*, presents the current year's funding status and in the future will present multiyear trend information that will show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Fiscal year 2008 was the implementation year of OPEB for LASERS.

4. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities, and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008, actuarial valuation, a projected unit credit cost method was used. The actuarial assumptions included a 4.0% discount rate (net of expenses) and an annual healthcare cost trend rate of 9.0% for pre-Medicare and 10.1% for Medicare-eligible participants initially, reduced by decrements to an ultimate rate of 5% after fifteen years. The valuation utilized participant data supplied by OGB, the State Payroll System, and the various state retirement systems. Projected claim costs were determined by combining trended claims data, actual capitation rates and actual vendor fees. LASERS unfunded actuarial accrued liability is being amortized using both a level dollar amount and a level percent of pay over an open amortization period of 30 years, the maximum amortization period allowed by GASB 45.

K. Subsequent Events

Act 497 of the 2009 Regular Session provided legislation for the re-amortization and refinancing of the payment of LASERS unfunded accrued liability (UAL) that existed on June 30, 2009, and establishes new requirements for granting a Permanent Benefit Increase, formerly, Cost-of-Living adjustment or COLA.

Effective for the June 30, 2009, actuarial valuation and beginning July 1, 2010, the outstanding balance of the UAL will be consolidated with other amortization bases and credits as provided in La. R.S. 11:102.1. Two consolidated amortization bases will be calculated and amortized, the Original Amortization Base (OAB) and Experience Account Amortization Base (EAAB).

The OAB is a single amortization base effective for the June 30, 2009, system valuation consisting of the consolidated remaining balances of outstanding amortization bases in excess of twenty years for the years 1993 through 1995, 1997, and 1998, and 2005 through 2007, excluding the amortization base for liability created by Act 414 of the 2007 Regular Session. The consolidated total will be amortized over the remaining constitutionally-mandated period with annual payments beginning in Fiscal Year 2010-2011, with the final payment to be made in Fiscal Year 2028-2029.

The EAAB is an additional single amortization base which is a consolidation of the remaining balances of the outstanding amortization bases for the years 1996, 1999 through 2004, and 2008, effective for the June 30, 2009, system valuation. Amortization of the EAAB will be over a thirty-year period with annual payments beginning in Fiscal Year 2010-2011 and ending in Fiscal Year 2039-2040.

Act 497 also provides:

- For an increase of $100 million in the amount of excess earnings (earnings that exceed the amount necessary to earn the actuarial valuation interest rate, currently, 8.25%) that must occur before a portion of such excess is deposited in the Employee Experience Account.
- That LASERS will retain the amount that can be accumulated in the Experience Account to two times the actuarial present value for a Permanent Benefit Increase.
- For any year in which the actuarial rate of return is less than the valuation interest rate of 8.25%, any Permanent Benefit Increase will be limited to 2%.
- That no Permanent Benefit Increase will be granted if LASERS fails to both earn the actuarial rate of return, and is less than 80% funded.
- Limits on the eligibility requirements for the receipt of Permanent Benefit Increases payable to retirees to those who are at least age 60 and have been collecting a benefit for at least one year. Disability and beneficiary recipients must also have been collecting a retirement benefit for one year before a Permanent Benefit Increase will be granted.

Required Supplementary Information

Schedules of Funding Progress for LASERS

For the Six Years Ended June 30, 2009
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio[5] (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2004	$ 6,097,815	$ 10,237,574	$ 4,139,759	59.6%	$ 2,017,726	205.2%
2005	$ 6,673,500	$ 10,847,062	$ 4,173,562	61.5%	$ 2,100,043	198.7%
2006	$ 7,430,784	$ 11,548,680	$ 4,117,896	64.3%	$ 1,979,705	208.0%
2007	$ 8,345,495	$ 12,421,907	$ 4,076,411	67.2%	$ 2,175,367	187.4%
2008	$ 9,167,170	$ 13,562,214	$ 4,395,044	67.6%	$ 2,436,956	180.3%
2009	$ 8,499,662	$ 13,986,847	$ 5,487,185	60.8%	$ 2,562,576	214.1%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by $424,633,787 from June 30, 2008, to June 30, 2009. There was a net experience loss of $1,381,087,874. The assumption changes resulting from the 2008 Experience Study resulted in a decrease in liability of $221,451,744.

Schedules of Employer Contributions

For the Six Years Ended June 30, 2009

Date	Annual Required Contribution	Percentage Contributed
2004	$ 367,881,226	95.4%
2005	$ 411,727,561	99.2%
2006	$ 423,502,813	93.1%
2007	$ 434,796,738	97.0%
2008	$ 456,741,202	115.4%
2009	$ 492,402,961	102.8%

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Louisiana State Employees' Retirement System.

[5] The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate.

Schedules of Funding Progress for OGB OPEB Trust

For the Year Ended June 30, 2009*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2007	$ -	$ 19,690,300	$ 19,690,300	0.0%	$ 5,822,128	338.2%
7/1/2008	$ -	$ 23,055,800	$ 23,055,800	0.0%	$ 6,633,000	347.6%

*Fiscal year 2008 was the implementation year of OPEB for the State of Louisiana; therefore, six years of trend data is not available.

Supporting Schedules

Schedules of Administrative Expenses
For the Years Ended June 30, 2009 and 2008

		2009	2008
Administrative Expenses:			
Salaries and Related Benefits		$ 12,837,084	$ 12,501,056
Travel Expenses		145,315	136,352
Operating Services		2,599,284	2,273,082
Professional Services		1,951,319	5,356,201
Acquistions	(1)	340,651	261,046
Total Operating Expenses		**$ 17,873,653**	**$ 20,527,737**
Capitalized Expenditures:			
SOLARIS Software Project - Personnel Costs	(1)	$ -	$ (578,983)
SOLARIS Software Project - Professional Services	(1)	(58,959)	(1,631,651)
Other Acquisitions		(221,605)	(65,422)
Total Capitalized Expenditures		**$ (280,564)**	**$ (2,276,056)**
Total Administrative Expenses		**$ 17,593,089**	**$ 18,251,681**

(1) LASERS capitalizes the internal and external costs incurred to develop internal-use computer software that exceeds a $1 million threshold and depreciates it over seven years once operational, following GASB 51 and the AICPA's Statement of Position No. 98-1.

Schedules of Investment Expenses

For the Years Ended June 30, 2009 and 2008

	2009	2008
Investment Activities Expenses:		
Alternative Investment Expenses	$ 26,339,140	$ 28,350,727
Global Custodian Fees	139,428	136,700
Investment Consultant Fees	550,000	277,221
Research and Data Services	339,660	335,735
Investment Performance Management	91,592	99,268
Investment Manager Fees	12,307,056	15,557,578
Total Investment Activities Expenses	**$ 39,766,876**	**$ 44,757,229**

	2009	2008
Securities Lending Activities Expenses:		
Securities Lending Activities Expenses	$ 14,500,742	$ 68,015,017
Total Securities Lending Activities Expenses	**$ 14,500,742**	**$ 68,015,017**

Schedules of Board Compensation
For The Years Ended June 30, 2009 and 2008

Board of Trustees	2009 Number of Meetings	2009 Amount	2008 Number of Meetings	2008 Amount
Cynthia Bridges	12	$ 900	16	$ 1,200
Virginia Burton	21	1,575	23	1,725
Connie Carlton	24	1,800	24	1,800
Charles Castille[1]	18	1,350	9	-
Barbara McManus	21	1,575	25	1,875
Susan Pappan[2]	2	-	0	-
Louis Quinn	23	1,725	21	1,575
Sheryl Ranatza[3]	20	-	21	-
Kathy Singleton[4]	0	-	10	750
Lorry Trotter	23	1,725	25	1,875
Trudy White[5]	3	225	18	1,350
Total Compensation		**$ 10,875**		**$ 12,150**

[1]Charles Castille chose not to receive the Board per diem during 2008.

[2]Susan Pappan assumed Trudy White's position in June 2009 and chose not to receive the Board per diem.

[3]Sheryl Ranatza chose not to receive the Board per diem beginning June 2007.

[4]Kathy Singleton's term ended in December 2007.

[5]Trudy White resigned from the Board in May 2009.

Schedules of Professional/Consultant Fees

For the Years Ended June 30, 2009 and 2008

	2009	2008
Accounting and Auditing		
Postlethwaite and Netterville, APAC	$ 47,500	$ 42,500
Actuary		
Hall Actuarial Associates	34,000	37,480
S J Actuarial Associates, LLC	132,894	111,440
Legal Fees		
Tarcza & Associates, LLC	25,178	22,770
Roedel, Parsons, Koch, Balhoff & McCollister	5,703	11,305
Avant & Falcon	4,594	3,237
Beus Gilbert, PLLC	40,386	-
Disability Program		
Physician and Other Reviews	80,836	62,780
Information Technology Consultants		
Deloitte Consulting, LLP (Formerly Bearing Point, Inc.)	1,118,151	4,584,141
Syscom, Inc.	-	19,710
SunGard Availability Services, LP	50,028	47,650
Provaliant Retirement, LLC	(25,000)	233,450
Sparkhound	345,348	76,975
Cherbonnier, Mayer & Associates, Inc.	7,386	4,723
The iConsortium, Inc.	2,695	-
Dell Marketing, LP	399	10,900
Other Information Technology Fees	19,212	3,488
Other Professional Services		
Election Service Corporation	19,115	57,982
SSA Consultants, Inc.	17,659	-
DMS Mail Management	20,617	-
Temporary Employment Services	13	8,401
Pinson & Associates	-	12,500
Other Non-Consultant Professionals	4,606	4,770
Professional Service/Consultant Fees	**$ 1,951,320**	**$ 5,356,202**

Investment
Section

Contents

Lamar Advertising Company - Baton Rouge

Lamar Advertising Company and its subsidiaries provide outdoor advertising services in the United States, Canada, and Puerto Rico. The company, which is based in Baton Rouge, Louisiana, has been in business since 1902. Lamar specializes in advertising to public transit users through billboards, digital billboards, bus shelters, benches, and bus graphics and provides advertising services to many industries in Louisiana. Employing 3,100 people throughout the United States, Canada, and Puerto Rico, Lamar Advertising Company is dedicated to integrity and innovation, while still maintaining the character of a family business. It has grown to the largest outdoor advertising company in the United States (measured by number of displays). LASERS has equities and bonds invested in Lamar Advertising Company with a market value totaling $1,792,848.

(**Source:** http://finance.yahoo.com/q?s=LAMR and http://www.lamar.com/)

LASERS
Louisiana State Employees' Retirement System
8401 United Plaza Blvd. • Baton Rouge, LA 70809
Web: www.lasersonline.org
Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213
Phone: (toll-free) 1.800.256.3000 • (local) 225.922.0600

August 25, 2009

Dear Members,

This was a challenging fiscal year, full of unprecedented market volatility and strain in the financial markets, which brought with it negative returns. For the fiscal year ending June 30, 2009, LASERS investment portfolio realized a market rate of return on investment assets of -19.1%. The actuarial rate of return was -7.64%.

Based on the fiscal year market return, LASERS ranked in the top sixty-three percent of all public pension plans with market values greater than $1 billion in the Trust Universe Comparison Service (TUCS)[1]. For all extended time periods, LASERS maintained rankings above the median, ranking in the forty-sixth percentile in the two- and three-year time periods, the thirty-second percentile in the four- and five-year time periods, the twenty-fifth percentile for the seven-year time period, and the thirty-seventh percentile for the ten-year time period.

As the economy moves out of recession, LASERS maintains its commitment to a broadly diversified portfolio and achieving its actuarial target rate of return of 8.25% with the least possible amount of risk. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk/return trade-off.

During the fiscal year, LASERS continued to work toward its ongoing goals of comprehensive monitoring of the Plan's investments, further development of both risk management and private equity programs, as well as exploring new asset allocation strategies to improve long-term returns.

The Investment Division continuously seeks to be a premier pension plan by creating, implementing, and evaluating its strategic goals and objectives. We strive to be a plan that is forward thinking, disciplined, and efficient. This includes continuously looking to lower overall investment costs while maintaining a high degree of expertise.

Going forward, we are committed to improving upon what we have already achieved and diligently working toward the future. We continue to believe that LASERS is well positioned to meet its long-term goals and objectives.

Sincerely,

Robert W. Beale, CFA, CAIA
Chief Investment Officer

---

[1] Trust Universe Comparison Services (TUCS) provides a universe comparison of market values for the larger public pension plans in the United States. At June 30, 2009, there were 55 constituents making up the public funds with market values greater than $1 billion universe.

Statement of Investment Objectives

I. Introduction

The Louisiana State Employees' Retirement System (LASERS) was created to provide retirement benefits for employees of the State of Louisiana. A pension trust fund was created to help finance the costs associated with funding retirement benefits.

Because of LASERS obligation to the plan participants and their beneficiaries, the disposition of LASERS assets shall be made solely in the interest of providing benefits to the participants. Investments shall be made in a cost efficient manner, and reflect industry best practices.

The *Statement of Investment Policy and Objectives* is designed to clearly communicate the directives of the Trustees of LASERS to all interested parties. It shall be revised from time to time, as deemed necessary. Any resulting material changes will be communicated to all affected parties.

II. Relevant Legislation and Regulation

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. La. R.S. 11:263 states that the "Prudent Man" rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances prevailing that a prudent institutional investor would use in the conduct of an enterprise of a like character with like aims.

Investments of the Louisiana State Employees' Retirement System shall be made in full accordance with Louisiana Revised Statutes, as well as any other applicable legislation or regulation. LASERS shall adhere to the policies and procedures outlined in the *Board Governance Policy, the Statement of Investment Policy for In-State Private Equity, Emerging Businesses, and Money Managers, as well as Vendor Selection Policies*.

LASERS is subject to a legislative limit restricting the Fund so that no more than 65% of its total assets are invested in publicly traded equities. Alternative assets are not considered to be equities when calculating the LASERS equity exposure. LASERS will take steps to rebalance if, at the end of its fiscal year, its exposure to publicly traded equities is above 65%. LASERS is aware that markets will fluctuate, and any rebalancing will appropriately consider market conditions and any other relevant factors.

Should LASERS have more than 55% of its total assets invested in publicly traded equities, at least 10% of those equities must be invested passively through index funds.

III. Roles and Responsibilities

1. The Board of Trustees

The Board of Trustees is responsible for the total investment program. The Board shall approve the investment policy and provide overall direction to the administrative staff in the execution of the investment policy. Additionally, the Board will conduct formal annual evaluations of both the investment consultant and custodian.

2. The Investment Committee

The Investment Committee was established by the Board to assist in oversight of the investment program. It will consist of not less than seven members of the Board. The Committee reviews and makes recommendations to the Board on investment actions including, but not limited to the asset allocation, asset management, risk control, and monitoring. The Committee also shall make recommendations to the full Board concerning contracts of a financial nature, when performed by other than LASERS staff, such as, although not limited to, those for investment management, custodial arrangements, and securities lending.

3. Chief Investment Officer

The Chief Investment Officer (CIO) shall assist the Board in developing and modifying policy objectives and guidelines, including the development of liability-driven asset allocation strategies and recommendations on long-term asset allocation and the appropriate mix of investment manager styles and strategies. Choosing appropriate manager styles and strategies will include assisting the Board in evaluating the use of index funds as an alternative to active management. Additionally, the CIO shall provide assistance in manager searches and selection, and investment performance calculation, evaluation, and any other analysis associated with the proper execution of the Board's directives.

The CIO shall also communicate the decisions of the Investment Committee to investment managers, custodian bank(s), actuary, and consultant. The CIO provides oversight of the investment consultant, investment service providers and personnel of LASERS investment division.

4. Investment Consultant

The Investment Consultant works under direction of the Board, offering a third party perspective and providing an additional level of oversight to the System's investment program. The Consultant's normal functions shall include assisting the Board and the CIO in developing and modifying policy objectives and guidelines, including the development of a liability-driven asset allocation strategy and recommendations on the appropriate mix of investment manager styles and strategies.

Additionally, the Consultant shall provide education and training and assist in manager searches and selection, investment performance evaluation, and assist both the Board and CIO in the use of index funds as an alternative to active management. The consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Board, the Investment Committee, or the CIO.

5. Investment Managers

The duties and responsibilities of each of the investment managers retained by the Board include, but may not be limited to, the following:

- Investing the assets under its management in accordance with the policy guidelines and objectives expressed herein.
- Meeting or exceeding the manager-specific benchmarks, net of all fees and expenses, expressed herein over various and appropriately measured time periods.
- Exercising investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the manager's current investment strategy and compatible with the investment objectives.
- Complying with all provisions pertaining to the investment manager's duties and responsibilities as a fiduciary.
- Complying with the CFA Institute's Code of Ethics and Performance Presentation Standards (PPS™).
- Disclosing all conflicts and potential conflicts of interest.
- Ensuring that all portfolio transactions are made on a "best execution" basis.
- Exercising ownership rights, where applicable.
- Meeting with the Board as needed upon request of the Board, and timely submitting all required quarterly reports.
- Promptly informing the Board regarding all significant matters pertaining to the investment of the Fund assets.
- Initiating written communication with the Board when the manager believes that this Investment Policy is inhibiting performance and/or should be altered for any valid reason. No deviation from the guidelines and objectives established in the policy is permitted until after such communication has occurred, and the Board has approved such deviation in writing.
- Reconciling performance, holdings and security pricing data with the Fund's custodian bank. If the Fund's custodian bank shows a significantly different price for a given security, the manager shall submit to the custodian bank's price reconciliation process. Managers shall provide to LASERS staff a summary of reconciled holdings both in hard copy and the electronic format of LASERS choosing.

6. Custodian Bank

The Custodian is responsible for the safekeeping of System assets and serves as the official book of record. It is understood that investments that are held in partnerships, commingled accounts or unique asset classes are unable to be held by the System's custodian bank. The Custodian(s) will be responsible for performing the following functions:

- Accept daily instructions from designated investment staff.
- Holding System assets directly, through its agents, its sub-custodians, or designated clearing systems.
- Registration of System assets in good delivery form, collection of income generated by those assets, and any corporate action notification.
- Notifying appropriate entities of proxies.
- Resolving any problems that staff may have relating to the custodial account.
- Providing daily cash sweep of idle principal and income cash balances. Dividends, interest proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.
- Delivery and receipt of securities.
- Providing online records and reports.
- Disbursement of all income or principal cash balances as directed.
- Providing monthly statements by investment managers' accounts and a consolidated statement of all assets.
- Providing monthly performance reports and quarterly performance analysis reports.
- Providing a dedicated account representative and back up to assist the LASERS staff in all needs relating to the custody and accountability of the Fund's assets.
- Managing the securities lending program (if applicable).
- Overseeing securities class actions on behalf of the System.
- Providing a compliance monitoring system.
- Any other duties and services included in the contract.

IV. Investment Objectives

1. Nominal Return Requirements

The investment program shall be structured to preserve and enhance principal over the long term, in both real and nominal terms. For this purpose, short-term fluctuations in values will be considered secondary to long-term investment results. Moreover, the investments of the Fund shall be diversified to minimize the risk of significant losses. Total return, which includes realized and unrealized gains, plus income less expenses, is the primary goal of LASERS.

The actuarially required total rate of return for the Fund is 8.25% annually. The system seeks to achieve returns greater than 8.25% to pay expenses, and potentially provide cost-of-living adjustments for retirees.

2. Relative Return Requirements

LASERS seeks to have total returns rank in the top half of the appropriate public fund universe, reflecting similar circumstances to the Fund. The total fund return should, over time, exceed the Policy and Allocation Indices. Returns for LASERS managers should exceed their respective benchmarks, as well as rank in the top half of the appropriate universe of managers adhering to the same investment strategy.

The Board further recognizes that the return targets described herein may not be achieved in any single year. A longer-term horizon of five to seven years shall be used in measuring the long-term success of the Fund. While the Board expects that returns will vary over time, LASERS has a risk tolerance consistent with that of other funds created for similar purposes, and the assets of the Fund shall be invested accordingly.

V. Asset Allocation

The foundation of the System's strength and stability rests upon the diversification of plan assets. The following section outlines the current asset allocation, which was designed to achieve the required return objectives of the System, given certain risk considerations. This is pursued by LASERS on a long-term basis, but will be revised if significant changes occur within the economic and/or capital market environments. A change in liability structure, funded status, or long-term investment prospects may trigger a revision of the asset allocation.

1. Permitted Asset Classes

Traditional Assets

- U.S. Large Cap Equity
- U.S. Mid Cap Equity
- U.S. Small Cap Equity

- U.S. Fixed Income
- International Equity
- Emerging Markets Equity
- Global Fixed Income

Non-Traditional Assets

- Private Equity Fund of Funds - Domestic and International
- Private Equity Direct Funds – Domestic and International
- Absolute Return – Fund of Funds
- Absolute Return – Direct Funds
- Global Tactical Asset Allocation

2. Target Asset Mix

Asset Class	Market Value Target (%)	Minimum Exposure (%)	Maximum Exposure (%)
Equities	**52**	**42**	**62**
Domestic Large Cap	15	15	21
Domestic Mid Cap	4	1	7
Domestic Small Cap	8	5	11
Established International (Lg Cap)	15	12	18
Established International (Sm Cap)	2	0	5
Emerging International Equity	8	2	8
Fixed Income	**23**	**13**	**33**
Core Fixed Income	4	1	7
Mortgage Backed Securities	4	1	7
Domestic High Yield	8	5	11
Global Bonds	5	2	8
Opportunistic Credit	2	0	5
Cash	0	0	5
Alternative Assets	**25**	**15**	**35**
Private Equity	10	7	13
Absolute Return	10	7	13
Global Asset Allocation	5	2	8

3. Implementation

LASERS recognizes that special expertise is required to properly invest the majority of the assets described above. However, certain highly efficient passively managed investment strategies lend themselves to internal management, potentially resulting in lower management fees for the Fund as a whole. Where appropriate, LASERS will manage these assets internally, so long as the same level of care, prudence and oversight is maintained that an outside professional investment advisor would typically provide.

4. Style Allocation

LASERS shall strive to maintain a neutral bias with respect to Style Allocation (Growth versus Value) in its equity investments. LASERS recognizes that over the long run, returns from Growth and Value investing tend to approximate each other; over shorter periods, however, differences in returns can be significant. The CIO, as part of the normal rebalancing responsibilities, shall use appropriate judgment and care when rebalancing for style-biased portfolios.

5. Active Passive Mix

LASERS shall make use of passive strategies only where passive management, after all fees and expenses, can effectively compete with actively managed portfolios in terms of returns and variability of returns.

6. Rebalancing

The CIO will review LASERS asset allocation at least quarterly to determine if it is consistent with the exposure ranges established for LASERS described herein. The CIO will direct staff and investment managers to transfer funds to rebalance the asset allocation as necessary. The CIO will consider market conditions and transaction costs, as well as any other relevant factors when rebalancing.

VI. Risk Management

It is recognized that risk issues permeate the entire investment process, and risk is considered throughout the investment process from asset allocation to performance evaluation. Ongoing monitoring will be accomplished through a “mosaic” approach, in which various forms of analysis and reporting contribute to the total picture. Inspection of levels of diversification, nominal risk exposures, risk/return plots, value at risk, tracking error, and worst case scenarios modeling from the core of the monitoring process.

VII. Manager Selection

1. Public Markets

LASERS will not consider the selection of any manager without first setting a target allocation to a particular asset class, and determining that a manager is needed to implement that allocation strategy. Once LASERS has determined that a manager search is warranted, it will establish certain minimum criteria for a manager to be considered eligible to participate in the search.

LASERS intends that any qualified candidate receive fair consideration. Therefore, the manager selection process will typically take place via an open Request for Proposal (RFP), except for certain private equity opportunities, which are described below. All searches shall be publicly advertised for a predetermined amount of time, and prospective candidates shall be required to submit a proposal based on a predetermined RFP. The RFP shall be designed to ensure that managers are fairly and completely evaluated using industry best practices. LASERS will adhere to the vendor selection criteria in *LASERS Board Governance Policy*. LASERS shall strive to hire investment managers that offer the greatest incremental benefit to the Fund, net of fees and expenses, in accordance with, but not limited to, the criteria listed below:

- Length of firm history.
- Length of key professionals' tenures.
- Appropriateness of investment philosophy and process.
- Fit between product and existing plan assets, liabilities and objectives.
- Absolute and relative returns, and variability of returns.
- Stability of the firm's client base and assets under management.
- Ownership structure.
- Compensation structure.
- Fee structure.
- References and professional qualifications.

2. Private Markets

From time to time LASERS may be approached by private equity managers raising assets for new funds. As private equity does not lend itself to traditional manager searches, LASERS shall seek to perform the same level of due diligence on these opportunities as it would in a typical manager search. (Most private equity products have only brief, discrete time periods during which they are raising assets.) LASERS will consider an additional investment with an existing manager only if the investment philosophy, process, people, performance and fees are materially similar to previous investments. LASERS may invest with a new manager only after the appropriate due diligence is performed.

VIII. Investment Manager Guidelines and Monitoring

1. Introduction

Full discretion, within the parameters of the guidelines described herein, is granted to the investment managers regarding the selection of securities, and the timing of transactions.

Compliance with all guidelines must be monitored by the investment managers on a regular basis (monthly or more frequently when market conditions warrant), and based on then current market values. Securities that, at purchase, would move the portfolio out of compliance with these guidelines, based on the investment manager's most recent valuation, may not be purchased.

In the event that a portfolio moves out of compliance with these guidelines (as identified in the investment manager's regular review of the portfolio), through market conditions or other changes outside the control of the manager, the manager must bring the portfolio composition back into compliance within 45 days, or make a written request to LASERS Investment Committee for a compliance waiver.

2. General Guidelines

LASERS shall monitor and evaluate manager performance using the following resources:

- Monthly performance reports.
- Quarterly Investment Performance and Portfolio Analysis.
- Comprehensive Manager Reviews at the end of a manager's contract with LASERS.
- Other analyses as needed.

3. Monitoring and Verification

Certain guidelines lend themselves to straightforward manager compliance monitoring. These guidelines will be monitored using daily holdings and transaction information provided by the Fund's Custodian Bank. The Custodian will monitor manager compliance by way of their investment policy reporting software and shall be responsible for alerting the Staff if a manager is out of compliance.

Guidelines which do not lend themselves to straightforward manager compliance monitoring shall rely on manager supplied attestations of compliance. A guideline compliance checklist shall be reviewed every quarter to ensure that all managers have reported guideline compliance, and note instances where managers claim to be out of compliance.

4. Manager Evaluation

- LASERS portfolios shall be measured over various and appropriate time periods.
- A horizon of three to seven years shall be used in measuring the long-term success of the Fund.
- Shorter time periods shall be evaluated as appropriate and necessary. LASERS shall make every effort to look at all factors influencing manager performance, and attempt to discern market cyclicality from manager over/underperformance.
- On a timely basis, at least quarterly, the Board will review actual investment results achieved by each manager (with a perspective toward a three- to five-year time horizon or a peak-to-peak or trough-to-trough market cycle) to determine whether the investment managers performed satisfactorily when compared with the objectives set, and in relation to other similarly managed funds.
- Investment managers will periodically, upon request, present to the Board a portfolio review. This should include an update of the firm, current investments, their investment process, performance and their outlook for the market.
- The Board will periodically assess the continued appropriateness of (1) the manager structure, (2) the allocation of assets among the managers, and (3) the investment objectives for LASERS assets.
- The Board may appoint investment consultants to assist in the ongoing evaluation process. The consultant(s) selected by the Board are expected to be familiar with the investment practices of similar retirement plans, and will be responsible for suggesting appropriate changes in LASERS investment program over time.

5. Performance Benchmarks

Total Fund Return: The Total Fund return shall be compared against other public pension plans. LASERS will compare its returns against other funds of similar size and circumstances. LASERS Total Fund return should meet or exceed the Allocation Index return and the Policy Index return, which are each described below.

Allocation Index: The Allocation Index return shall measure the success of the Fund's current allocation. It shall be calculated by using index rates of return for each asset class invested in by the Fund multiplied by the actual percent allocated to each asset class. The difference between the Allocation Index return and the Total Fund return measures the effect of active management. If the Total Fund return is greater than the Allocation Index return, then active management has in aggregate added value. If the Total Fund return is less than the Allocation Index return, then active management has not added value.

Policy Index: The Policy Index return shall measure the success of the Fund's target allocation. It shall be calculated by using index rates of return for each asset class invested in by the Fund multiplied by the percent targeted to each asset class. The difference between the Allocation Index return and the Policy Index return measures the effects of deviating from the target allocation. If the Allocation Index return is greater than the Policy Index return, then deviating from the target allocation has added value. If the Allocation Index return is less than the Policy Index return, then active management has not added value.

Manager Benchmarks: LASERS investment managers shall be compared to a combination of passively managed index returns matching the managers' specific investment styles, as well as the median manager in their appropriate peer group universe. Specific benchmarks and peer groups are established for each manager.

Security Holdings Summary Report

June 30, 2009

Securities	Cost	Market Value	Percent of Market
Bonds			
Fixed Income-Domestic	$ 1,557,535,993	$ 1,472,432,260	21.2%
Fixed Income-International	349,236,514	359,642,061	5.1%
Total Fixed Income	**1,906,772,507**	**1,832,074,321**	**26.3%**
Equity			
Securities-Domestic	2,241,008,163	1,866,127,503	26.7%
Securities-International	1,544,000,465	1,462,055,663	20.9%
Total Equity	**3,785,008,628**	**3,328,183,166**	**47.6%**
Real Estate Investment Pools	**58,735,259**	**37,254,628**	**0.5%**
Alternative Investments			
Absolute Return	667,706,673	699,013,985	10.0%
Private Placements	838,911,850	713,025,097	10.2%
Risk Parity	347,991,010	272,028,129	3.9%
Total Alternative Investments	**1,854,609,533**	**1,684,067,211**	**24.1%**
Short-Term Investments			
Domestic/International Short-Term	104,412,560	104,413,791	1.5%
Total Short-Term Investments	**104,412,560**	**104,413,791**	**1.5%**
Grand Total Investments	**$ 7,709,538,487**	**$ 6,985,993,117**	**100%**

Largest Equity Holdings

June 30, 2009

(Excludes Commingled Funds)

	Shares	Stock Description	Fair Value
1)	532,700	EXXON MOBIL CORP	$ 37,241,057
2)	1,184,930	MICROSOFT CORP COM	$ 28,165,786
3)	891,500	AT&T INC COM	$ 22,144,860
4)	1,169,388	GLAXOSMITHKLINE ORD GBP0.25	$ 20,577,244
5)	135,590	APPLE INC	$ 19,312,084
6)	472,175	NOVARTIS AG CHFO.50 (REGD)	$ 19,120,580
7)	843,997	TELEFONICA SA EUR1	$ 19,083,378
8)	370,700	PROCTER & GAMBLE CO COM	$ 18,942,770
9)	545,450	JPMORGAN CHASE & CO COM	$ 18,605,300
10)	173,220	IBM CORP COM	$ 18,087,632
11)	332,973	TOTAL SA EURO2.5	$ 17,971,875
12)	295,900	JOHNSON & JOHNSON COM	$ 16,807,120
13)	671,908	ROYAL DUTCH SHELL A SHS	$ 16,775,641
14)	1,104,300	PFIZER INC COM STK USD0.05	$ 16,564,500
15)	408,037	HEWLETT PACKARD CO COM	$ 15,770,630
16)	1,288,419	BANCO SANTANDER SA EURO0.50	$ 15,469,640
17)	627,500	WELLS FARGO & CO NEW COM	$ 15,223,150
18)	226,600	CHEVRON CORPORATION COM	$ 15,012,250
19)	1,133,320	BANK OF AMERICA CORP	$ 14,959,824
20)	801,435	CISCO SYS INC COM	$ 14,946,763
21)	387,700	NESTLE SA CHF0.1 (REGD)	$ 14,587,544
22)	301,070	WAL MART STORES INC COM	$ 14,583,831
23)	620,631	UNILEVER PLC ORD GBP0.031111	$ 14,554,507
24)	1,236,800	GENERAL ELECTRIC CO COM	$ 14,495,296
25)	33,320	GOOGLE IN CL A	$ 14,047,379

Largest Commingled Equity Funds

June 30, 2009

	Shares	Fund Description	Fair Value
1)	17,065,717	REXITOR CAPITAL	$ 349,625,351
3)	122,975	ISHARES TR S&P 500 INDEX FD	$ 11,356,741
2)	158,067	ISHARES TR S&P MIDCAP 400	$ 9,134,692
4)	21,965	ISHARES TR S&P SMALL CAP 600	$ 975,905

Largest Debt Holdings

June 30, 2009

(Includes Commingled Funds)

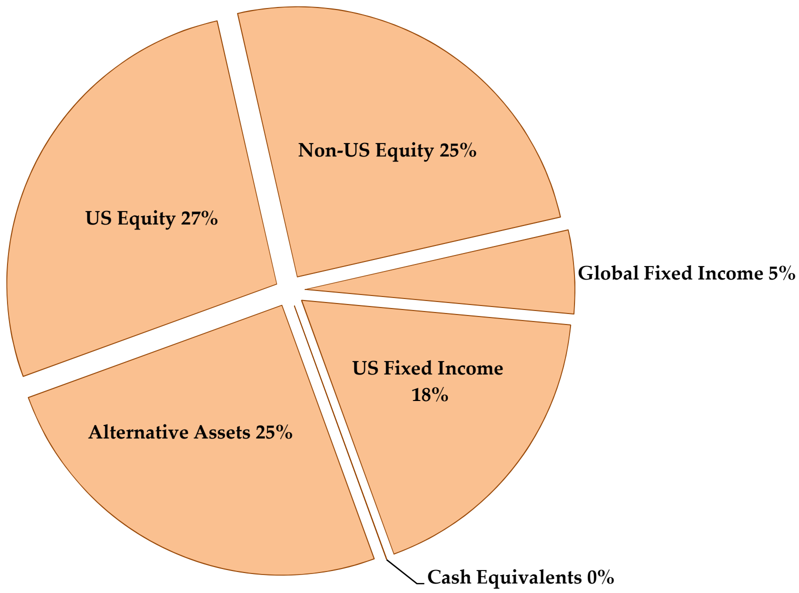
	Par Value	Bond Description	Fair Value
1)	25,715,000	US TREASURY NOTE 3.2% 15-MAY-2019	$24,865,119
2)	1,800,000,000	JAPAN GOVERNMENT OF 1.9% 22-MAR-2021	$19,413,919
3)	1,700,000,000	JAPAN FIN CORP ME NTS 1.6% 21-FEB-2012	$18,018,396
4)	11,800,000	ITALY (REP OF) BDS EUR1000 4.8% 01-FEB-2013	$17,653,088
5)	50,500,000	POLAND (REPUBLIC OF) 5.3% 25-OCT-2017	$15,022,840
6)	12,900,000	US TREASURY NOTE 3.8% 15-NOV-2018	$13,121,750
7)	1,200,000,000	EKSPORTFINANS (A/S) 1.8% 21-JUN-2010	$12,412,914
8)	10,200,000	ITALY (REP OF) 4.0% 01-FEB-2037	$11,843,646
9)	11,178,291	FNMA GTD REMIC P/T 07-74 A 5.0% 25-APR-2034	$11,615,698
10)	11,000,000	FHLMC MULTICLASS MTG 2649 GP 4.5% 15-OCT-2030	$11,047,630
11)	7,200,000	GERMANY FED REP 4.8% 04-JUL-2034	$10,774,304
12)	10,000,000	FNMA GTD REMIC P/T 09-47 MT 7.0% 25-JUL-2039	$10,652,700
13)	10,760,000	US TREASURY NOTE 1.8% 31-JAN-2014	$10,457,213
14)	9,800,000	US TREASURY NOTE 4.1% 15-MAY-2015	$10,456,992
15)	900,000,000	JAPAN BDS 1.5% 20-MAR-2015	$9,691,755
16)	6,800,000	ITALY (REP OF) 2.8% 15-JUN-2010	$9,687,672
17)	870,000,000	JAPAN (GOVT OF) 1.3% 20-MAR-2015	$9,263,108
18)	8,222,139	FNMA GTD REMIC P/T 07-W9 AC 7.2% 25-AUG-2037	$8,874,771
19)	6,000,000	IRELAND (REP OF) TREAS 5.0% 18-APR-2013	$8,797,477
20)	8,584,624	FHLMC MULTICLASS MTG 3377 A 4.5% 15-JUL-2034	$8,748,933
21)	8,216,019	FNMA POOL #0708498 5.0% 01-APR-2033	$8,378,203
22)	8,108,319	FHLMC POOL #G1-1678 4.5% 01-APR-2020	$8,357,390
23)	8,167,208	FHLMC MULTICLASS MTG 3071 JZ 5.8% 15-NOV-2034	$8,212,128
24)	8,000,000	FNMA GTD REMIC P/T 2005-39 GL 5.0% 25-MAY-2025	$8,209,440
25)	7,839,000	FHLMC MULTICLASS CTFS 2812 AC 4.5% 15-JUN-2019	$8,099,412

A complete list of LASERS portfolio holdings is available upon request.

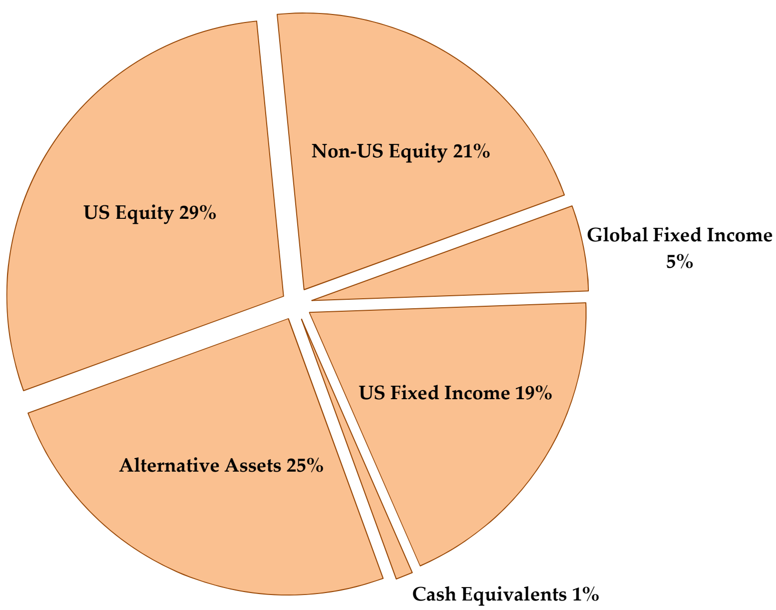
Total Plan Asset Allocation

By Major Components
June 30, 2009
$6.9 Billion*

LASERS Target Allocation



LASERS Actual Allocation



Allocation weights prepared on the basis of manager strategy although as specified in Manager Guidelines, at any given point in time, a money manager may have securities not specifically within their defined investment manager type due to market conditions.

* This total includes asset allocations for the Optional Retirement Plan and Self-Directed DROP funds which totaled $196.4 million at June 30, 2009.

Summary of Manager Performance

Rates of Return [1]

Total Gross of Fees

(For Period Ending June 30, 2009)

	Contract	Mgt.	Curr. Mkt.		Fiscal	Years				
	Exp. Date	Fees	Value ($M)	YTD	YTD	1	2	3	4	5
U.S. EQUITY										
LARGE CAP GROWTH										
WELLS CAPITAL MGMT	08/24/13	46.5 bps	$ 153.5	9.2						
S&P 500 / CITIGROUP GROWTH INDEX				**7.5**	**-23.9**	**-23.9**	**-15.3**	**-5.1**	**-3.2**	**-2.2**
S&P 500 INDEX				**3.2**	**-26.2**	**-26.2**	**-19.9**	**-8.2**	**-4.3**	**-2.2**
TOTAL LARGE GROWTH		46.5 bps	$ 153.5	9.2	-33.2	-33.2	-20.3	-8.5	-4.6	-3.1
LARGE CAP VALUE										
ARONSON & PARTNERS	05/14/12	30.0 bps	$ 153.1	-1.7	-27.4	-27.4	-23.6	-10.7	-5.0	-1.2
S&P 500 / CITIGROUP VALUE				**-1.4**	**-28.6**	**-28.6**	**-24.6**	**-11.5**	**-5.5**	**-2.4**
S&P 500				**3.2**	**-26.2**	**-26.2**	**-19.9**	**-8.2**	**-4.3**	**-2.2**
TOTAL LARGE VALUE		30.0 bps	$ 153.1	-1.7	-27.4	-27.4	-23.6	-10.7	-5.0	-1.2
LARGE CAP INDEX FUNDS										
LASERS S&P 500 INDEX FUND		0.1 bps	$ 874.9	3.2	-26.1	-26.1	-19.8	-8.2	-4.2	-2.2
S&P 500 INDEX				**3.2**	**-26.2**	**-26.2**	**-19.9**	**-8.2**	**-4.3**	**-2.2**
TOTAL LARGE INDEX FUNDS		0.1 bps	$ 874.9	3.2	-26.1	-26.1	-19.7	-8.0	-4.2	
TOTAL DOMESTIC LARGE CAP		10.0 bps	$ 1,181.5	3.1	-27.6	-27.6	-20.4	-8.5	-4.4	-2.2
MID CAP INDEX FUNDS										
LASERS S&P 400 INDEX FUND		0.5 bps	$ 248.5	8.5	-28.0	-28.0	-18.3	-7.5	-2.8	0.4
S&P 400				**8.5**	**-28.0**	**-28.0**	**-18.3**	**-7.5**	**-2.8**	**0.4**
TOTAL DOMESTIC MID CAP INDEX		0.5 bps	$ 248.5	8.5	-28.0	-28.0	-18.3	-7.5	-2.8	0.4
SMALL CAP GROWTH										
SMITH ASSET MGMT	10/31/10	35.0 bps	$ 77.2	-2.4	-35.5	-35.5	-26.7	-15.4		
RICE HALL JAMES	10/31/10	55.0 bps	$ 102.7	16.7	-16.4	-16.4	-15.1	-5.2		
S&P 600 / CITIGROUP GROWTH				**3.5**	**-26.7**	**-26.7**	**-18.7**	**-8.5**	**-4.1**	**-0.5**
S&P 600				**0.7**	**-25.3**	**-25.3**	**-20.2**	**-9.6**	**-4.2**	**-0.9**
TOTAL SMALL GROWTH		46.4 bps	$ 179.9	7.6	-25.9	-25.9	-20.8	-10.1	-6.0	-4.3
SMALL CAP VALUE										
BRANDYWINE	08/31/11	48.0 bps	$ 50.6	-5.5	-27.6	-27.6	-25.8	-13.4	-8.7	-4.2
THB	09/30/11	50.0 bps	$ 56.5	11.2	-31.6	-31.6	-21.6	-11.0	-4.2	-0.9
LSV	08/31/11	70.2 bps	$ 54.4	6.7	-18.8	-18.8	-23.1	-10.8	-5.1	-0.8
S&P 600 / CITIGROUP VALUE				**-2.0**	**-24.3**	**-24.3**	**-21.7**	**-10.7**	**-4.4**	**-1.3**
S&P 600				**0.7**	**-25.3**	**-25.3**	**-20.2**	**-9.6**	**-4.2**	**-0.9**
TOTAL SMALL VALUE		56.2 bps	$ 161.5	4.0	-26.5	-26.5	-23.3	-11.6	-5.9	-1.9
SMALL CAP INDEX FUNDS										
LASERS S&P 600 INDEX FUND		0.7 bps	$ 182.6	0.7	-25.3	-25.3	-20.1	-9.5	-4.2	-0.9
S&P 600				**0.7**	**-25.3**	**-25.3**	**-20.2**	**-9.6**	**-4.2**	**-0.9**
TOTAL SMALL INDEX FUNDS		0.7 bps	$ 182.6	0.7	-25.3	-25.3	-20.1	-9.5	-4.1	-1.5
TOTAL DOMESTIC SMALL CAP		34.3 bps	$ 524.0	4.0	-25.9	-25.9	-21.3	-10.3	-5.1	-2.1
TOTAL U.S. EQUITY		**15.3 bps**	$ 1,954.0	4.0	-27.2	-27.2	-20.4	-8.9	-4.4	-1.8

Summary of Manager Performance (continued)

Rates of Return [1]

Total Gross of Fees

(For Period Ending June 30, 2009)

	Contract Exp. Date	Mgt. Fees	Curr. Mkt. Value ($M)	YTD	Fiscal YTD	Years 1	2	3	4	5
NON-U.S. EQUITY										
LARGE CAP VALUE										
MONDRIAN INV	03/31/11	27.0 bps	$ 251.1	0.4	-27.2	-27.2	-20.3	-6.2	0.9	4.4
ACADIAN	03/08/11	46.0 bps	$ 202.8	9.2	-37.9	-37.9	-27.9	-11.8		
MSCI WORLD EX-US VALUE				**11.7**	**-28.2**	**-28.2**	**-21.9**	**-7.6**	**0.2**	**3.4**
MSCI WORLD EX-US				**9.8**	**-31.2**	**-31.2**	**-20.6**	**-7.0**	**0.6**	**3.4**
TOTAL INT'L LARGE VALUE		35.5 bps	$ 453.9	4.2	-32.5	-32.5	-23.8	-8.8	-1.6	2.0
LARGE CAP GROWTH										
LASERS MSCI INDEX FUND		2.0 bps	$ 478.9	7.8	-33.9	-33.9	-19.0	-6.2	1.1	
MSCI WORLD EX-US GROWTH				**8.0**	**-34.1**	**-34.1**	**-19.4**	**-6.4**	**1.0**	**3.2**
MSCI WORLD EX-US				**9.8**	**-31.2**	**-31.2**	**-20.6**	**-7.0**	**0.6**	**3.4**
TOTAL INT'L LARGE GROWTH		2.0 bps	$ 478.9	7.8	-33.9	-33.9	-19.0	-6.2	1.1	4.0
LASERS TERROR-FREE INT'L FUND		2.0 bps	$ 18.7	10.9	-31.1	-31.1				
MSCI WORLD EX-US				**9.8**	**-31.2**	**-31.2**	**-20.6**	**-7.0**	**0.6**	**3.4**
TOTAL INT'L LARGE CAP		14.0 bps	$ 951.5	5.8	-33.3	-33.3	-21.4	-7.5	-0.3	2.6
INT'L SMALL CAP										
CAPITAL GUARDIAN	06/08/13	73.6 bps	$ 122.5	27.3						
MSCI WORLD EX-US SMALL CAP				**22.5**	**-29.3**	**-29.3**	**-23.4**	**-9.5**	**-1.2**	**2.9**
TOTAL INT'L SMALL CAP		70.7 bps	$ 122.5	27.3	-27.6	-27.6	-22.2	-7.9	2.4	6.4
EMERGING MARKETS										
REXITER	09/21/09	55.1 bps	$ 349.6	36.0	-32.0	-32.0	-16.8	1.4	8.9	
MSCI EMERGING MARKETS FREE				**36.2**	**-27.8**	**-27.8**	**-13.0**	**3.3**	**10.6**	**15.1**
TOTAL EMERGING MARKETS		52.9 bps	$ 349.6	36.0	-32.0	-32.0	-16.8	1.4	8.9	13.1
TOTAL NON-U.S. EQUITY		28.3 bps	$ 1,423.6	13.3	-32.4	-32.4	-20.6	-5.7	2.4	5.7
TOTAL EQUITY		20.8 bps	$ 3,377.6	7.7	-29.3	-29.3	-20.4	-7.8	-2.4	0.3
US FIXED INCOME										
INVESTMENT GRADE										
LOOMIS SAYLES & CO	12/31/09	18.0 bps	$ 165.0	9.1	9.9	9.9	8.0	7.6	5.7	5.9
ORLEANS CAPITAL MGT	12/31/09	12.0 bps	$ 122.8	8.1	8.8	8.8	8.0	7.4	5.4	5.9
LB AGGREGATE				**1.9**	**6.0**	**6.0**	**6.6**	**6.4**	**4.6**	**5.0**
TOTAL INVESTMENT GRADE		15.5 bps	$ 287.8	8.7	9.6	9.6	8.2	7.6	5.7	6.0
HIGH YIELD										
J.P. MORGAN	06/30/12	27.0 bps	$ 317.7	25.3	1.3	1.3				
NOMURA	06/30/12	45.0 bps	$ 301.8	29.6	-2.3	-2.3				
FIRST BOSTON HIGH YIELD				**27.2**	**-5.0**	**-5.0**	**-3.6**	**1.4**	**2.3**	**3.8**
TOTAL HIGH YIELD		35.8 bps	$ 619.5	27.4	-0.8	-0.8	-0.8	3.1	3.1	4.3
MORTGAGE										
TCW OPP MTG FUND	05/13/13	78.2 bps	$ 180.6	13.0	-5.9	-5.9				
TCW	12/31/09	22.4 bps	$ 272.6	4.1	5.0	5.0	5.8	6.0	4.5	4.9
BC MORTGAGE INDEX				**2.9**	**9.4**	**9.4**	**8.6**	**7.9**	**5.9**	**6.0**
TOTAL MORTGAGE		45.0 bps	$ 453.2	7.6	0.3	0.3	3.6	4.5	3.4	4.0
TOTAL U.S. FIXED INCOME		**34.6 bps**	$ 1,360.5	16.1	2.8	2.8	3.2	5.0	4.0	4.8

Summary of Manager Performance (continued)

Rates of Return [1]

Total Gross of Fees

(For Period Ending June 30, 2009)

	Contract Exp. Date	Mgt. Fees	Curr. Mkt. Value ($M)	YTD	Fiscal YTD	Years 1	2	3	4	5
GLOBAL FIXED INCOME										
MONDRIAN INV PTNRS	09/30/14	15.9 bps	$ 326.3	1.4	8.6	8.6	12.9	9.5	7.2	7.8
CITIGROUP WORLD GOVT BOND				**-1.5**	**4.0**	**4.0**	**10.3**	**7.8**	**5.7**	**6.1**
TOTAL GLOBAL FIXED INCOME		15.9 bps	$ 326.3	1.4	8.6	8.6	12.9	9.5	7.2	7.8
TOTAL FIXED INCOME		**31.0 bps**	$ 1,686.8	12.8	4.6	4.6	6.1	6.4	5.1	5.8
ALTERNATIVE ASSETS										
PRIVATE EQUITY										
ADAMS STREET 2005 NON-US	12/31/15	93.1 bps	$ 8.5	-22.6	-23.4	-23.4	-6.0	0.5		
ADAMS STREET PTNRS 2002	12/31/14	100.0 bps	$ 10.8	-10.9	-12.2	-12.2	-3.2	4.6	10.6	
ADAMS STREET PTNRS 2005	12/31/15	93.1 bps	$ 19.1	-11.3	-12.5	-12.5	-5.1	-1.9	-1.8	
ADAMS STREET 2007 US FUND	12/27/18	95.0 bps	$ 9.6	1.3	2.7	2.7	-1.8			
ADAMS STREET 2007 NON-US	12/27/18	95.0 bps	$ 3.7	-16.3	-17.2	-17.2	-13.5			
ADAMS STREET 2007 DIRECT	12/27/18	95.0 bps	$ 3.2	-8.9	-11.8	-11.8	-1.7			
ADAMS STREET 2009 US FUND	12/31/20	83.0 bps	$ 0.7	-20.3						
ADAMS STREET 2009 NON-US DEVELOPED	12/31/20	83.0 bps	$ 0.1							
ADAMS STREET 2009 NON-US EMERGING	12/31/20	83.0 bps	$ -							
ADAMS STREET 2009 DIRECT	12/31/20	200.0 bps	$ 0.6	-7.2						
BRINSON [2]	12/31/12	32.1 bps	$ 70.4	-12.7	-14.0	-14.0	-0.1	9.5	8.1	
ADAMS STREET V	08/08/13	139.1 bps	$ 10.4	-22.2	-21.7	-21.7	-6.7	-4.7	-0.8	-2.6
APOLLO INV FUND VII	02/08/20	125.0 bps	$ 7.7	-36.4	-37.9	-37.9				
BRINSON SECONDARY	12/31/13	38.1 bps	$ 0.1	-21.3	-21.9	-21.9	-15.7	-13.8	-19.3	-23.6
ENERGY SPECTRUM FUND V	04/28/17	200.0 bps	$ 13.6	9.5	0.2	0.2				
ERASMUS	11/12/13	200.0 bps	$ 42.0	0.3	-24.9	-24.9	-11.4	13.9	10.1	7.4
ERASMUS II	06/30/18	100.0 bps	$ 54.9	-10.0	-12.6	-12.6	-8.3			
GOLDMAN SACHS PEP IX	12/31/16	80.0 bps	$ 23.5	-16.1	-27.3	-27.3				
JOHN HANCOCK*	OPEN	0.0 bps	$ 1.4	5.0	9.3	9.3	31.6	39.7	44.0	46.1
HIPEP DIRECT III	12/31/09	0.0 bps	$ 1.0	-19.3	-23.2	-23.2	-16.5	-18.3	-17.0	-17.6
HIPEP PARTNERSHIP III	12/31/11	59.1 bps	$ 19.1	-17.8	-33.7	-33.7	-8.8	7.1	10.4	12.4
HARBOURVEST VI - BUYOUT	06/30/13	90.0 bps	$ 12.7	-20.6	-27.4	-27.4	-8.5	3.9	11.6	14.5
HARBOURVEST VI - DIRECT	06/30/10	202.5 bps	$ 6.5	-27.3	-39.4	-39.4	-22.0	-11.1	0.6	-3.6
HARBOURVEST VI - PTNR	06/30/13	90.0 bps	$ 80.4	-17.0	-21.2	-21.2	-2.4	3.6	6.7	6.9
HIPEP DIRECT IV	12/31/10	250.0 bps	$ 3.5	-31.7	-56.0	-56.0	-24.6	-5.1	0.7	5.2
HIPEP PARTNERSHIP IV	12/31/14	100.0 bps	$ 20.1	-25.7	-34.6	-34.6	-5.8	8.0	13.9	13.8
HUFF ALTERNATIVE FUND	01/11/11	100.0 bps	$ 17.4	-46.2	-46.2	-46.2	-25.0	-10.3	1.3	1.7
MESIROW III	04/06/17	83.7 bps	$ 10.3	-16.8	-23.6	-23.6	-12.6	-11.0		
MESIROW IV	11/14/18	70.0 bps	$ 8.9	-18.2	-24.5	-24.5	-17.4			
MESIROW V	10/31/20	70.0 bps	$ 2.8							
PANTHEON EUROPE VI	09/30/21	75.0 bps	$ 6.4	-17.4						
PANTHEON VI	07/12/17	65.0 bps	$ 29.3	-16.8	-17.7	-17.7	-6.8	-3.9		
PANTHEON VII	04/28/19	75.0 bps	$ 11.7	-15.9	-19.2	-19.2	-10.0			
PARISH CAPITAL II	01/19/20	100.0 bps	$ 20.5	-25.7	-25.7	-25.7	-14.6			
PATHWAY CAPITAL MGT*	OPEN	0.0 bps	$ 0.4	12.4	14.5	14.5	17.0	24.4	26.9	22.4
QUELLOS II	07/12/17	70.0 bps	$ 28.2	-19.7	-19.0	-19.0	-6.6	-1.5		
QUELLOS III	11/28/18	67.0 bps	$ 15.1	-14.7	-19.7	-19.7	-11.6			
SIGULER GUFF DOF III	12/31/19	75.3 bps	$ 93.6	9.2	4.7	4.7				
TCW ENERGY FUND XIV	11/06/17	125.0 bps	$ 26.4	6.2	9.6	9.6				
WILLIAMS CAPITAL	01/09/14	175.0 bps	$ 18.4	-20.9	-20.5	-20.5	-9.0	-6.9		
TOTAL PRIVATE EQUITY		**85.8 bps**	**$ 713.0**	**-13.8**	**-18.8**	**-18.8**	**-4.5**	**5.0**	**9.1**	**9.3**

Summary of Manager Performance (continued)

Rates of Return [1]

Total Gross of Fees

(For Period Ending June 30, 2009)

	Contract Exp. Date	Mgt. Fees	Curr. Mkt. Value ($M)	YTD	Fiscal YTD	Years 1	2	3	4	5
ABSOLUTE RETURN STRATEGIES										
BRIDGEWATER ASSOCIATES		200.0 bps	$ 155.5	-4.6	-8.3	-8.3				
GAM		95.0 bps	$ 81.9	1.3	-6.9	-6.9				
K2 ADVISORS LLC		125.0 bps	$ 207.3	4.6	-10.3	-10.3	-4.9	1.3	2.9	3.8
PAAMCO		100.0 bps	$ 181.1	8.2	-16.7	-16.7	-4.4	1.4	3.8	3.6
STARK INVESTMENTS		125.0 bps	$ 73.3	-3.3	-26.9	-26.9				
HFRI FUND OF FUNDS COMPOSITE				**5.2**	**-13.9**	**-13.9**	**-7.3**	**-0.6**	**2.0**	**2.9**
TOTAL ABSOLUTE RETURN STRATEGIES		131.7 bps	$ 699.1	2.1	-13.1	-13.1	-4.6	1.4	3.3	3.5
GLOBAL ASSET ALLOCATION STRATEGIES										
BRIDGEWATER ALL WEATHER		37.0 bps	$ 272.0	1.1	-21.7	-21.7				
LASERS 8% NOMINAL BENCHMARK				**3.9**	**8.0**	**8.0**				
TOTAL ALTERNATIVE ASSETS		**97.0 bps**	$ 1,684.1	-4.8	-17.4	-17.4	-5.6	2.5	5.6	5.9
CASH EQUIVALENTS										
HOLDING ACCOUNT			$ 41.1	16.7	20.0	20.0	13.2	11.0	9.8	8.2
182 DAY T-BILL INDEX				**0.3**	**2.2**	**2.2**	**3.4**	**4.1**	**4.0**	**3.6**
TOTAL CASH EQUIVALENTS		**15.0 bps**	$ 41.1	16.7	20.0	20.0	13.2	11.0	9.8	8.2
TOTAL PLAN										
FINANCIAL COMPOSITE [3]		**23.9 bps**	$ 5,105.5	9.4	-19.2	-19.2	-12.9	-3.4	0.1	2.1
FINANCIAL ALLOCATION INDEX				9.0	-17.8	-17.8	-12.1	-3.0	0.4	2.3
FINANCIAL POLICY INDEX				9.5	-18.5	-18.5	-12.4	-3.3	0.1	2.0
TOTAL PLAN [4]		**42.1 bps**	$ 6,789.6	**5.5**	**-19.1**	**-19.1**	**-11.8**	**-2.5**	**0.9**	**2.7**
TOTAL PLAN ALLOCATION INDEX				5.6	-16.4	-16.4	-10.5	-1.6	1.5	3.2
TOTAL PLAN POLICY INDEX [5]				6.5	-16.4	-16.4	-10.3	-1.7	1.4	3.0

	6 Years	7 Years	8 Years	9 Years	10 Years
Long Term Returns For Total Plan	5.1	5.0	3.6	2.5	3.3

* Returns available one quarter in arrears on a quarterly basis.

(1) Investment performance is calculated using a "time-weighted" rate of return based on the market rate of return in accordance with industry standards.

(2) Brinson consists of seven limited partnerships.

(3) Financial Composite excludes alternative investments asset class.

(4) This amount does not include Self-Directed Plan and Optional Retirement Plan funds of $196.4 million.

(5) Policy index refers to returns based on target allocations.

Schedule of Brokerage Commissions Paid

June 30, 2009

Brokerage Firm	Commission	Brokerage Firm	Commission
Johnson Rice & Co.	$ 180,855	Lehman Brothers	$ 26,220
Credit Suisse	151,841	Bloomberg Tradebook	25,739
J.P. Morgan Securities	118,446	Cormark Securities	25,300
Liquidnet Inc.	113,019	Clearview Correspondent	25,203
Citigroup	101,423	Robert W Baird & Co	24,129
Instinet	95,648	Macquarie Securities	22,554
Knight Securities	93,671	B Trade Services	21,011
Deutsche Bank	89,516	Keybanc Capital Markets	20,899
Goldman Sachs & Co.	82,897	Sterne Agee & Leach	20,045
Hibernia Southcoast Capital	73,657	Benchmark Company	19,732
Morgan Stanley & Co.	61,955	Cuttone & Co.	19,544
Pritchard Capital Partners	59,651	Davidson & Co	19,403
BZW Securities	57,005	RBC Dominion	19,221
Jonestrading	53,937	Stephens Inc	17,413
Investment Technology Group	53,075	Wells Fargo Securities	16,827
Merrill Lynch	47,451	Piper Jaffray & Co	16,504
Sisk Investment Co.	46,891	Canaccord Cap	15,932
SG Securities	45,129	BNY Convergex	15,931
Pershing	42,835	Howard Weil Inc	15,652
Jefferies & Co.	42,388	Fidelity Capital Markets	15,486
Weeden & Co.	40,153	Oppenheimer & Co	15,206
First Clearing	37,070	Citation Group	13,160
UBS	36,354	Sidoti & Co.	12,991
Craig Hallum	35,589	Keefe Bruyette & Woods	12,932
Pacific Crest	35,088	Daiwa Securities	12,500
Avondale Partners	34,165	Friedman Billings	12,277
Scotia Mcleod	34,087	National Bank	10,937
Barclays Capital	33,709	Sandler O'Neil & Partners	11,350
Nesbitt Burns	31,476	Morgan Keegan & Co.	11,117
CIBC World Markets	30,049	BNP Paribas	10,825
Raymond James	29,894	Credit Agricole	10,793
Stifel Nicolaus	29,703	Wedbush Morgan Securities	10,273
Cantor Fitzgerald	28,728	Compass Point	10,113
Calyon Securities	28,193	Midwest Research Securities	10,096
CAP Instl Services	26,738	Credit Lyonnais Securities	9,821
Brockhouse and Cooper	26,450	All Others	379,306
	$ 2,128,736		$ 956,442
		Total	**$ 3,085,178**

Schedule of External Management Fees

By Investment Manager Classification[1]
For Year Ended June 30, 2009

Investment Manager Type		Assets Under Management		Annual Fees
Fixed Income Managers				
U.S. Fixed Income	$	1,556,853,895	$	4,448,165
Global Fixed Income		326,356,495		613,089
Total Fixed Income		**1,883,210,390**		**5,061,254**
Equity				
U.S. Equity		1,953,958,841		2,971,002
Global Equity		1,423,670,711		4,081,686
Total Equity		**3,377,629,552**		**7,052,688**
Real Estate		**10,832**		**-**
Alternative Investments		**1,684,067,211**		**26,339,140**
Cash		**41,075,132**		**193,114**
Total	**$**	**6,985,993,117**	**$**	**38,646,196**

NOTES:

[1]Financial Statements are prepared on the basis of security class. As specified in Manager Guidelines, at any given point in time, a money manager may have securities not specifically within their defined investment manager type due to market conditions.

Actuarial Section

Contents

Amedisys Inc. - Baton Rouge

Headquartered in Baton Rouge, Amedisys provides home health and hospice services to aging Americans, and those with chronic conditions. Its vision, "to be the premier home health care company in the communities we serve," attests to its commitment to bettering American lives. Amedisys has 14,800 full time employees. It owns and operates 480 Medicare-certified home health agencies and 48 Medicare-certified hospice agencies, and manages the operations of four Medicare-certified home health and two Medicare-certified hospice agencies in 37 states within the United States and Puerto Rico. As of June 30, 2009, LASERS had a market value of $2,780,284 invested in the company.

(**Source:** http://finance.yahoo.com/q?s=AMED and http://www.amedisys.com/)

ACTUARIAL ASSOCIATES

Shelley R. Johnson
M.A.A.A, A.S.A, F.C.A.
P.O Box 1157
Prairieville, LA 70769-1157
(225) 272-7339

September 10, 2009

Board of Trustees
Louisiana State Employees' Retirement System
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Ladies and Gentlemen:

Pursuant to your request, I have completed the annual actuarial valuation for the Louisiana State Employees' Retirement System as of June 30, 2009. The valuation was prepared relying on the data submitted by the Retirement System, the actuarial assumptions adopted by the Board of Trustees, and reflects the current benefit structure on the valuation date.

Notable changes in recent prior legislative sessions include the following Acts: Act 497 of 2009 made significant changes to prospective funding. Effective July 1, 2010, the outstanding balance of all amortization schedules established on or before July 1, 2008, except those established due to an increase in benefits for Peace Officers and Alcohol Tobacco Control employees or from the increase in liability resulting from Act 262 of 2008, will be consolidated into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account Amortization Base (EAAB). The outstanding balance of the new schedules will be credited with funds from the Initial Unfunded Accrued Liability Fund and Employee Experience Account, and will be re-amortized as described in the General Actuarial Method section of the Summary of Assumptions below. The OAB, which includes the initial unfunded accrued liability, will be paid off in plan year 2028/2029, as required by the Louisiana Constitution. Act 497 changes the amortization of contribution variance credits, also described in the General Actuarial Method section of the Summary of Assumptions below, and changes the provisions for crediting the Employee Experience Account and for granting future permanent benefit increases. The first $50,000,000 of investment gain above the actuarially assumed investment rate will be used to reduce and re-amortize the OAB. The next $50,000,000 of excess investment return will be used to reduce and re-amortize the EAAB. Fifty percent of any excess return above $100,000,000 will be credited to the Employee Experience Account to fund future permanent benefit increases.

Significant historical legislative Acts are as follows (some provisions of these Acts have been amended by Act 497 of 2009): Act 588 of 2004 made significant changes to prospective funding. The outstanding balances of changes in liabilities from 1993 – 1998 were re-amortized as a level dollar amount to 2029. The amortization periods for changes in liabilities beginning with 1999 through 2003 were extended to a 30 year period from the date of occurrence, with a 4.5% increasing payment schedule. Changes in liabilities beginning in 2004 or later will be amortized for 30 years from data of occurrence with level payments. A minimum employer rate of 15.5% and Employer Credit Account were established for excess contributions. The negative Experience Account Balance was removed from the valuation assets. Act 572 of 1992 established the Experience Account which provides for the pre-funding of retiree cost-of-

Board of Trustees
LASERS
September 10, 2009

living adjustments by accumulating 50% of the excess investment income. The Initial UAL Fund was established July 1, 1995, to dedicate allocated assets to reduce the initial unfunded actuarial liability established by Act 81. Act 75 of 2005 changed retirement eligibility to 10 years at age 60, Final Average Compensation to 60 months and increased employee contributions one-half percent for new hires in the regular plan after June 30, 2006.

The funding objective of the Retirement System was established by Constitutional Amendment Number 3 during the 1987 Legislative Session and requires the following:

a) fully fund all current normal costs determined in accordance with the prescribed statutory funding method; and

b) liquidate the unfunded liability as of June 30, 1988, over a forty year period with subsequent changes in unfunded liabilities amortized over period(s) specified by statute.

The results of the current valuation indicate that the employer contribution rate for the plan year commencing July 1, 2009, should have been set at 21.3% of payroll. When compared to the 18.6% projected rate set by the Public Retirement Systems' Actuarial Committee, the current rate of 21.3% reflects an increase resulting primarily from investment losses. The current employer contribution rate, together with the contributions payable by the members, is sufficient to achieve the funding objective set forth above.

The methodology for determining the actuarial value of assets was adopted by the Board of Trustees effective July 1, 1999. The method values all assets at market value, adjusted for a four-year weighted average of the incremental change between market value and cost value. The objective of this asset valuation method is to smooth the volatility which might otherwise occur due to market conditions on the measurement date. The Actuarial Value of Assets for the plan year ending on June 30, 2009, is $8,499,662,444. The Actuarial Value of Assets, when adjusted for the Initial UAL Fund (including the subaccount of this fund), which is $206,813,005, yields assets for funding purposes of $8,292,849,439.

In performing the June 30, 2009, valuation, I have relied upon the employee data and financial information provided by the administrative staff of the Louisiana State Employees' Retirement System. Participant data was edited for reasonableness, and consistency to prior plan year data. However, the validity of the information submitted was not compared to actual source documents. Plan assets were reviewed for consistency and balance tested with information furnished from the prior year's valuation.

The present values shown in the June 30, 2009, actuarial valuation and supporting statistical schedules of this certification, which have been reformatted and comprise all the schedules of the Actuarial Section in the annual Financial Report, have been prepared in accordance with the actuarial methods specified in Louisiana Revised Statutes Title 11 Section 22(6) and assumptions which are appropriate for the purposes of this valuation.

SJ Actuarial Associates

Board of Trustees
LASERS
September 10, 2009

The following supporting schedules were prepared by the system's actuary for the Comprehensive Annual Financial Report:

Actuarial Section

- Summary of Actuarial Assumptions
- Actuarial Valuation Balance Sheet
- Summary of Unfunded Actuarial Liabilities
- Summary of Actuarial and Unfunded Actuarial Liabilities
- Reconciliation of Unfunded Actuarial Liabilities
- Amortization of Unfunded Actuarial Accrued Liability
- Membership Data

Financial Section

- Schedules of Funding Progress
- Schedules of Employer Contributions

The funding method prescribed is the Projected Unit Credit Cost Method. The actuarial assumptions and methods used for funding purposes comply and are within the parameters set forth by the Government Accounting Standards Board (GASB) Statement No. 25. The same actuarial assumptions and methods were employed in the development of the supporting schedules listed above for the Financial Section of this report. The System typically conducts an experience study every five years. The most recent study was adopted effective June 30, 2009, and covers the five-year observation period of 2003-2008.

I certify to the best of my knowledge, the methods and assumptions comply with generally recognized and accepted actuarial principals and practices set forth by the American Academy of Actuaries, are reasonable in the aggregate and when applied in combination represent my best estimate of the funding requirement to achieve the Retirement System's Funding Objective.

Respectfully submitted,

Shelley R. Johnson

Shelley R. Johnson, FCA, MAAA, ASA
Consulting Actuary

Summary of Assumptions

The following assumptions were adopted by the Board of Trustees of The Louisiana State Employees' Retirement System of Louisiana (LASERS) on the dates indicated, and are based on the 2003-2008 actuarial experience study in effect as of June 30, 2009.

I. General Actuarial Method

1. Actuarial Funding Method (Projected Unit Credit)

The unfunded accrued liability on June 30, 1988, also referred to as the initial unfunded accrued liability, or initial UAL, is amortized over a 40 period commencing in 1989. The amortization payment initially reflected a 4% increase for the first five years, reducing by 0.5% at the end of each quinquennial period, but has subsequently been revised by Acts of the Louisiana Legislature as described below. Changes in unfunded accrued liabilities occurring after June 30, 1988, are amortized as a level dollar amount as follows:

	Act 81 Effective 6/30/88	As Amended Act 257 Effective 6/30/92
Experience Gains/Losses	15 years	Later of 2029 or 15 years
Actuarial Assumptions	30 years	Later of 2029 or 30 years
Actuarial Methods	30 years	Later of 2029 or 30 years
Benefit Changes	Determined by enabling statute	

Act 257 of 1992 further amended the amortization schedule to reflect a 0.5% payment increase over the remaining amortization period.

Act 588 of 2004 re-amortized changes in liabilities occurring from 1993 thru 1998 as a level dollar payment to 2029. Amortization periods for changes in liabilities beginning with 1999 were extended to a 30-year period from the date of occurrence, with a 4.5% increasing payment schedule. Amortization periods for changes in liabilities beginning with 2004 are extended to a 30-year period from the date of occurrence, paid as a level dollar amount.

Act 484 of 2007 and resulting Constitutional Amendment requires increases in UAL due to altered benefit provisions by legislative enactment to be amortized over a ten year period with level payments.

Act 497 of 2009 consolidates the outstanding balance of all amortization schedules established on or before July 1, 2008, except those established due to an increase in benefits for Peace Officers and Alcohol Tobacco Control employees or from the increase in liability resulting from Act 262 of 2008, into two amortization schedules, the Original Amortization Base (OAB) and the Experience Account

Amortization Base (EAAB). The consolidation is effective July 1, 2010. The outstanding balance of the OAB will be credited with funds from the Initial UAL fund, excluding the subaccount of this fund. The OAB will be paid off in plan year 2028/2029. The EAAB will be credited with funds from the Initial UAL subaccount, which were transferred from the Employee Experience Account on June 30, 2009. The EAAB will be paid off in plan year 2039/2040. The payment schedule for each of these bases will increase each plan year as follows:

Plan Year	Original Amortization Base	Experience Account Amortization Base
2011/2012	6.5%	6.5%
2012/2013 – 2015/2016	5.5%	5.5%
2016/2017 – 2017/2018	5.0%	5.0%
2018/2019 +	2.0%	Level Payments

Employer contribution requirements for normal costs and amortization of the unfunded accrued liabilities are determined as a percentage of payroll. The discrepancy between dollars generated by percent of payroll versus the required dollar amount is treated as a shortfall credit/debit. The five year level amortization payment of the debit/credit is applied to the following year's contribution requirement.

Act 497 changes the amortization of contribution variance credits. Any overpayment through plan year 2016/2017 will be credited to the OAB. The OAB will then be re-amortized according to the new payment schedule.

2. Asset Valuation Method

Assets are valued on a basis, which reflects a four-year moving weighted average value between market value and cost value. This value is subject to corridor limits of 80% to 120% of the market value of assets. Prior to July 1, 1999, fixed income securities were valued at amortized cost.

3. Valuation Data

The administrative staff of LASERS furnishes the actuary with demographic data relating to the active life membership and retired life members. Retired life members included inactive members who are entitled to a deferred reciprocal or vested benefit. The administrative staff of LASERS provides the book value and market value of system assets. All data is reviewed for reasonableness and consistency from year to year, but is not audited by the actuary.

II. Economic Assumptions

1. Investment Return

8.25% per annum, compounded annually.

2. Employee Salary Increases

Incorporated in the following salary scales (shown for periodic durations, but representing full range of assumptions) is an explicit 3.0% inflation assumption. The following salary scale is based upon years of service:

Duration (Years)	Regular State Employees	Judges & Legislators	Department of Corrections	Wildlife and Fisheries
1	14.00%	5.50%	15.00%	15.00%
5	6.50%	3.00%	6.50%	11.00%
10	5.50%	3.00%	7.00%	9.00%
15	5.00%	3.00%	6.50%	6.50%
20	4.50%	3.00%	6.00%	6.50%
25	4.25%	3.00%	6.00%	6.00%
30	4.25%	3.00%	5.00%	6.00%

The active member population is assumed to remain constant.

III. Decrement Assumptions

1. Mortality Assumption

Pre-retirement deaths and post-retirement life expectancies are projected in accordance with the experience of the RP-2000 mortality table, effective June 30, 2009.

2. Disability Assumption

Rates of total and permanent disability were projected by age in accordance with the 2003-2008 disability experience of the Retirement System. Rates are illustrated by employment classification. Mortality after disability is based on the RP-2000 table for disabled lives, effective June 30, 2009.

Age (Years)	State Employees	Judges	Corrections	Wildlife
25	0.00%	0.00%	0.00%	0.00%
30	0.01%	0.02%	0.02%	0.01%
35	0.02%	0.02%	0.05%	0.30%
40	0.13%	0.02%	0.13%	0.50%
45	0.22%	0.02%	0.17%	0.50%
50	0.41%	0.02%	0.20%	0.50%

3. Termination Assumptions

Voluntary withdrawal rates are derived from the 2003-2008 termination experience study.

Age (Years)	State Employees	Judges	Corrections	Wildlife
25	20%	0.0%	26%	7%
30	15%	0.5%	18%	9%
35	14%	0.5%	18%	3%
40	8%	0.5%	9%	6%
45	5%	0.9%	7%	1%
50	4%	0.9%	7%	1%

Furthermore, termination rates shown are increased 30% for state employees, 50% for corrections and 50% for wildlife in the first year of service. For members terminating with ten or more years of service, it is assumed that 80% will not withdraw their accumulated employee contributions.

4. Retirement/DROP Assumptions

Retirement rates and DROP probabilities were projected based upon the 2003-2008 experience study.

	Regular - Hired Prior to 7/1/06		Regular - Hired on or After 7/1/06		Judges		Corrections		Wildlife	
	RET	DROP	RET	DROP	RET	DROP	RET	DROP	RET	DROP
50	26%	33%	0%	0%	50%	0%	70%	50%	50%	10%
51	30%	28%	0%	0%	50%	0%	70%	20%	50%	10%
52	35%	28%	0%	0%	50%	50%	70%	15%	50%	10%
53	34%	28%	0%	0%	50%	50%	75%	10%	50%	10%
54	30%	19%	0%	0%	35%	50%	75%	7%	50%	10%
55	26%	45%	0%	0%	35%	50%	88%	3%	50%	10%
56	33%	10%	0%	0%	35%	20%	70%	5%	50%	10%
57	31%	5%	0%	0%	10%	20%	60%	10%	50%	10%
58	60%	5%	0%	0%	10%	20%	70%	5%	50%	10%
59	30%	5%	0%	0%	10%	10%	70%	3%	50%	10%
60	26%	25%	50%	30%	10%	7%	25%	3%	50%	10%
61	24%	4%	15%	40%	10%	5%	25%	1%	50%	10%
62	27%	1%	15%	50%	10%	5%	25%	1%	50%	10%
63	51%	1%	50%	50%	10%	10%	25%	1%	50%	10%
64	28%	1%	33%	50%	10%	10%	25%	1%	50%	10%
65	30%	1%	33%	50%	10%	5%	25%	1%	99%	0%
66	31%	1%	33%	50%	10%	5%	25%	1%	99%	0%
67	23%	1%	33%	50%	10%	5%	25%	1%	99%	0%
68	23%	1%	33%	50%	10%	5%	25%	0%	99%	0%
69	25%	1%	33%	50%	50%	0%	50%	0%	99%	0%
70	25%	1%	33%	50%	99%	0%	99%	0%	99%	0%

Actuarial Valuation Balance Sheet

June 30, 2009 and 2008

	2009	2008
Assets		
Present Assets Creditable To		
Members' Savings Account	$ 1,464,865,685	$ 1,394,132,656
Annuity Reserve Account	8,785,392,339	8,398,350,316
Total Present Assets	**10,250,258,024**	**9,792,482,972**
Present Value Of Prospective Contributions Payable To		
Members' Savings Account	1,358,967,722	1,476,547,964
Annuity Reserve Account		
Normal	1,271,811,099	1,529,872,489
Accrued Liability	3,646,657,584	3,636,355,297
Total Prospective Contributions	**6,277,436,405**	**6,642,775,750**
Total Assets	**$ 16,527,694,429**	**$ 16,435,258,722**
Liabilities		
Present Value Of Prospective Benefits Payable On Account Of		
Current Retiree Members	$ 8,583,088,135	$ 8,213,226,644
Current Active Members	7,742,302,090	8,036,908,406
Deferred Vested & Reciprocal Members	202,304,204	185,123,672
Total Liabilities	**$ 16,527,694,429**	**$ 16,435,258,722**

Summary of Unfunded Actuarial Liabilities/Salary Test

(Dollar Amounts in Millions)

Valuation Date	(1) Active Member Contribution	(2) Retirees Term. Vested Inactive	(3) Active Members Employer Fin. Portion	Actuarial Valuation Assets	Portion of Actuarial Accrued Liabilities Covered By Assets (1)	(2)	(3)
2000	$ 1,079.2	$ 4,567.2	$ 2,610.9	$ 6,171.0	100%	100%	20%
2001	$ 1,088.5	$ 4,887.8	$ 2,676.3	$ 6,418.3	100%	100%	17%
2002	$ 1,116.7	$ 5,306.0	$ 2,784.1	$ 6,460.6	100%	100%	1%
2003	$ 1,156.3	$ 5,257.8	$ 3,007.8	$ 6,487.5	100%	100%	2%
2004	$ 1,217.0	$ 5,961.6	$ 2,959.0	$ 6,097.8	100%	82%	0%
2005	$ 1,318.8	$ 6,322.6	$ 3,205.6	$ 6,673.5	100%	85%	0%
2006	$ 1,290.3	$ 7,109.8	$ 3,148.5	$ 7,430.8	100%	83%	0%
2007	$ 1,331.6	$ 7,793.3	$ 3,297.0	$ 8,345.5	100%	90%	0%
2008	$ 1,394.1	$ 8,398.4	$ 3,769.7	$ 9,167.2	100%	93%	0%
2009	$ 1,464.9	$ 8,785.4	$ 3,736.5	$ 8,499.7	100%	80%	0%

Summary of Actuarial and Unfunded Actuarial Liabilities

(Dollar Amounts in Millions)

Valuation Date	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Ratio Of Assets To AAL	Unfunded AAL (UAAL)	Active Member Payroll	UAAL As A Percent of Active Payroll
2000	$ 8,257.3	$ 6,170.9	74.73	$ 2,086.4	$ 1,820.1	114.6
2001	$ 8,652.6	$ 6,418.3	74.18	$ 2,234.3	$ 1,782.8	125.3
2002	$ 9,206.7	$ 6,460.6	70.17	$ 2,746.1	$ 1,861.9	147.5
2003	$ 9,796.3	$ 6,487.5	66.22	$ 3,308.8	$ 1,924.6	171.9
2004	$ 10,237.6	$ 6,097.8	59.56	$ 4,139.8	$ 2,017.7	205.2
2005	$ 10,847.1	$ 6,673.5	61.52	$ 4,173.6	$ 2,100.0	198.7
2006	$ 11,548.7	$ 7,430.8	64.34	$ 4,117.9	$ 1,979.7	208.0
2007	$ 12,421.9	$ 8,345.5	67.18	$ 4,076.4	$ 2,175.4	187.4
2008	$ 13,562.2	$ 9,167.2	67.59	$ 4,395.0	$ 2,437.0	180.3
2009	$ 13,986.8	$ 8,499.7	60.77	$ 5,487.1	$ 2,562.6	214.1

Reconciliation of Unfunded Actuarial Liabilities
(Dollar Amounts in Thousands)

	Fiscal Year Ending			
	2009	2008	2007	2006
Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1)	**$ 4,473,115**	**$ 4,129,688**	**$ 4,164,544**	**$ 4,202,816**
Interest on Unfunded Liability	369,032	340,699	343,575	346,732
Investment Experience (gains) decreases UAL	1,443,942	(18,122)	(487,095)	(311,664)
Plan Experience (gains) decreases UAL	(62,213)	361,954	111,778	(2,452)
Employer Amortization Payments (payments) decreases UAL	(294,565)	(268,963)	(264,962)	(257,816)
Employer Contribution Variance (excess contributions) decreases UAL	(13,861)	(70,222)	12,897	29,394
Experience Account Allocation (allocations) decreases UAL	-	9,061	243,547	155,832
Other - Miscellaneous gains and losses from transfers, assumption changes, or Acts of the Legislature	(221,452)	(10,980)	5,404	1,702
Unfunded Actuarial Liability at End of Fiscal Year (6/30)	**$ 5,693,998**	**$ 4,473,115**	**$ 4,129,688**	**$ 4,164,544**

Amortization of Unfunded Actuarial Accrued Liability

June 30, 2009

Date	Description	Amtz. Method	Amtz. Period	Initial Liability	Years Remain	Remaining Balance	Mid-Year Payment
1993	Initial Liability	I	36	$ 2,086,424,058	20	$ 2,969,440,250	$ 211,534,489
1993	Change in Liability	L	25	(176,172,713)	20	(162,475,041)	(16,202,391)
1994	Change in Liability	L	25	(62,475,258)	20	(57,617,720)	(5,745,774)
1995	Change in Liability	L	25	(72,078,533)	20	(66,474,327)	(6,628,975)
1996	Change in Liability	L	25	85,912,731	20	79,232,897	7,901,290
1997	Change in Liability	L	25	(281,911,688)	20	(259,992,665)	(25,927,077)
1998	Change in Liability	L	25	(105,825,000)	20	(97,596,960)	(9,732,597)
1999	Change in Liability	I	25	103,608,120	20	111,515,767	7,944,066
2000	Change in Liability	I	26	46,867,925	21	50,904,534	3,507,642
2001	Change in Liability	I	27	109,177,843	22	119,566,949	7,986,644
2002	Change in Liability	I	28	468,578,945	23	517,075,388	33,547,178
2003	Change in Liability	I	29	1,142,857,936	24	1,269,962,869	80,171,552
2004	Change in Liability	L	30	113,159,407	25	107,534,487	9,889,817
2005	Change in Liability	L	30	(60,625,273)	26	(58,313,559)	(5,298,480)
2006	Change in Liability	L	30	(156,583,505)	27	(152,287,361)	(13,684,962)
2007	Act 353 - Chg in Lia [1]	L	10	1,004,350	0	0	0
2007	Act 414 - Chg in Lia	L	30	3,631,308	28	3,567,552	317,366
2007	Change in Liability	L	30	(131,000,739)	28	(128,700,711)	(11,449,099)
2008	Act 262 - Chg in Lia	L	10	1,999,338	9	1,862,955	289,619
2008	Act 740 - Chg in Lia	L	10	565,160	9	526,608	81,868
2008	Change in Liability	L	30	339,348,435	29	336,487,419	29,658,107
2009	Change in Assumptions	L	30	(221,451,744)	30	(221,451,744)	(19,354,265)
2009	Change in Liability	L	30	1,381,087,874	30	1,381,087,874	120,703,230
	Total Outstanding Balance					**$ 5,743,855,461**	**$ 399,509,248**
Employers Credit Balance							
2005	Contribution Variance	L	5	3,452,173	1	$ 803,994	$ 836,502
2006	Contribution Variance	L	5	29,394,615	2	13,169,982	7,122,657
2007	Contribution Variance	L	5	12,897,054	3	8,341,678	3,125,106
2008	Contribution Variance	L	5	(70,222,054)	4	(58,311,767)	(17,015,620)
2009	Contribution Variance	L	5	(13,861,476)	5	(13,861,476)	(3,358,797)
	Total Credit Balance					**$ (49,857,589)**	**$ (9,290,152)**
	Total Unfunded Actuarial Accrued Liability					**$ 5,693,997,872**	

[1] The outstanding balance of the increase in liability resulting from Act 353 of 2007 was paid in full, October 2008.

Membership Data

Data regarding the membership of the System for valuation were furnished by the System.

	2009		2008	
Active Members	**Census**	**Avg. Sal.**	**Census**	**Avg. Sal.**
Regular Members	53,637	$ 40,067	53,533	$ 38,314
Legislators	18	49,593	20	45,437
Judges	333	117,968	309	113,891
Wildlife Agents	223	52,521	222	50,553
Corrections	5,216	39,138	5,312	37,385
Peace Officers	114	45,718	112	42,615
Alcohol Tobacco Control	48	42,731	43	39,897
Active After DROP	2,402	56,011	2,229	53,598
Total	**61,991**	**$ 41,085**	**61,780**	**$ 39,219**

	2009	2008
Valuation Salaries	**$2,562,575,942**	**$2,436,955,566**

	2009	2008
Inactive Members	**Census**	**Census**
Due Refunds	49,701	47,828
Vested & Reciprocals	1,947	1,824

	2009		2008	
Annuitants and Survivors	**Census**	**Avg. Ben.**	**Census**	**Avg. Ben.**
Retirees *	30,062	$ 20,739	29,416	$ 20,206
Disabilities *	2,631	12,258	2,669	12,112
Survivors	5,560	13,333	5,490	13,835
DROP	2,683	27,816	2,643	27,448
Total	**40,936**	**$ 19,652**	**40,218**	**$ 19,275**

* Beginning in 2008, disability retirees who have reached normal retirement eligibility requirements will be classified as disability retirees and liabilities will be calculated accordingly. The reclassification is for purposes of the Actuarial Valuation only. These retirees are considered regular retirees by LASERS. In 2008, there was a shift of 1,582 members from regular retirement status to disability status.

Historical Membership Data

(Dollar Amounts in Thousands)

History of Active Membership Data for Last 10 Years

Year Ended 6/30	Number of Active Members	Pecentage Change In Membership	Annual Active Member Payroll	Annual Active Member Average Payroll	Percentage Change In Payroll
2000	66,642	-1.53%	$ 1,820,132	$ 27,139	4.80%
2001	64,519	-3.19%	$ 1,782,884	$ 27,400	-2.00%
2002	64,692	0.27%	$ 1,861,887	$ 28,612	4.40%
2003	65,441	1.16%	$ 1,924,680	$ 29,479	3.40%
2004	64,149	-1.97%	$ 2,017,726	$ 31,451	4.80%
2005	64,168	0.03%	$ 2,100,043	$ 32,522	4.10%
2006	57,811	-9.91%	$ 1,979,705	$ 33,231	-5.70%
2007	60,444	4.55%	$ 2,175,367	$ 35,799	7.73%
2008	61,780	2.21%	$ 2,436,956	$ 39,218	9.55%
2009	61,991	0.34%	$ 2,562,576	$ 41,085	4.76%

History of Annuitants and Survivor Annuitant Membership for Last 10 Years

Year Ending 6/30	Total Members		Members Added		Members Removed		Average Annuity	Percent Change in Annuity
	No.	Amount	No.	Amount	No.	Amount		
2000	32,618	$ 454,356	2,629	$ 42,466	1,608	$ 11,156	$ 13,930	4.0%
2001	33,357	$ 486,712	2,582	$ 47,162	1,843	$ 14,806	$ 14,591	4.7%
2002	34,522	$ 524,748	2,959	$ 56,237	1,794	$ 18,201	$ 15,200	4.2%
2003	35,525	$ 555,503	2,789	$ 56,647	1,786	$ 25,892	$ 15,637	2.9%
2004	36,291	$ 582,121	2,613	$ 55,655	1,847	$ 29,037	$ 16,040	2.6%
2005	37,015	$ 609,764	2,775	$ 61,985	2,051	$ 34,342	$ 16,473	2.7%
2006	38,132	$ 654,574	3,096	$ 77,503	1,979	$ 32,693	$ 17,166	4.2%
2007	39,366	$ 721,333	2,839	$ 68,972	1,605	$ 2,213	$ 18,324	6.7%
2008	40,218	$ 775,214	2,518	$ 65,411	1,666	$ 11,530	$ 19,275	5.2%
2009	40,936	$ 804,455	2,418	$ 65,127	1,700	$ 35,886	$ 19,652	2.0%

Principle Provisions of the Plan

The Louisiana State Employees' Retirement System (LASERS) was enacted in 1950. Initially, the plan covered regular State Employees (Regular Plan), but membership has expanded to participating agencies, and the merger of Louisiana State University Administration Employees and the Judges Retirement System.

The purpose of the plan is to provide benefits to members and their dependents at retirement or in the event of death, disability or termination of employment. LASERS is a defined benefit plan and is funded on an actuarial reserve basis to fund benefits as prescribed by law.

I. Administration

The plan is governed by Title 11 Sections 401-699 of the Louisiana Revised Statutes. The Board of Trustees is composed of twelve members; six elected from the active membership, three elected retired members, and three ex-officio members. Elected members serve staggered four-year terms. The Treasurer, Chairman of the House Retirement Committee, and the Chairman of the Senate Retirement Committee serve as voting, ex-officio members.

The Board of Trustees appoints an Executive Director who is responsible for the operation of the system. The Board also retains other consultants as deemed necessary. Administrative expenses are paid entirely from investment earnings.

II. Member Contributions

Members contribute a percentage of their gross compensation, depending on plan participation:

	Historical Contribution	Current Contribution
Regular Employees, hired before 7/1/06	7.0% of Compensation	7.5% eff. 7/1/89
Regular Employees, hired after 6/30/06	N/A	8.0%
Agents of Department of Corrections	8.5% of Compensation	9.0%, 7.5% after DROP
Wildlife Agents	8.0% of Compensation	8.5%, 9.5% eff. 7/1/03
Legislators, Judges	11.0% of Compensation	11.5% eff. 7/1/89
Peace Officers/Alcohol Tobacco Control	Same as Regular Employees	9.0% eff. 7/1/06

Member contributions have been tax-deferred for federal income tax purposes since January 1, 1990. Therefore, contributions after the effective date are not considered as income for federal income tax purposes until withdrawn through refund or through payment of benefits.

III. Employer Contributions

All participating employers, regardless of plan participation, contribute a percentage of their total gross payroll to the system. The employer percentage is actuarially determined and is sufficient to pay annual accruals plus an amortization charge which liquidates the system's unfunded liability as required by law. The rate is determined annually and recommended by the Public Retirement Systems' Actuarial Committee to the State Legislature.

IV. Termination

A member who terminates covered employment, regardless of plan membership, may request a refund of the member's contributions without interest. Upon re-employment, a member may reinstate the credit forfeited through termination of previous membership by repaying the refunded contributions plus interest. A member who terminates covered employment with 10 years of service may, in lieu of a refund of contributions, elect to receive a monthly annuity upon attainment of age 60.

V. Retirement Benefits

Service retirement benefits are payable to members who have terminated covered employment and met both age and service eligibility requirements.

1. Normal Retirement

Regular Plan – Members hired prior to July 1, 2006, may retire with a 2.5% annual accrual rate, at age 55 with 25 years, age 60 with 10 years or at any age with 30 years of service. Members hired on or after July 1, 2006, are eligible for retirement at age 60 with 10 years.

Note: *Members may retire with a 2.5% annual accrual rate at any age with 20 years or age 50 with 10 years of service (provision sunsets 12/31/08 per Act 672 of 2006) with benefits actuarially reduced.*

Correction Officers - A member may retire with a 2.5% annual accrual rate at age 50 with 20 years or 20 years of service regardless of age if employed prior to August 15, 1986. Effective January 1, 2002, new members accrue 3.33% per year and are eligible for retirement at 25 years of service regardless of age or age 60 with 10 years of service.

Judges - A member may retire with a 3.5% annual accrual rate with 18 years, age 55 with 12 years, age 50 with 20 years (minimum 12 years judicial), age 65 with 10 years of service, or 70 without regard to creditable service.

Legislators, Governor, Lieutenant Governor and State Treasurer - May retire with a 3.5% annual accrual rate with 16 years of legislative service; age 50 with 20 years (minimum 12 years legislative service) or age 55 with 12 years.

Peace Officers– Annual accrual rate is 3.33%. Eligibility is the same as regular members hired prior to July 1, 2006.

Alcohol Tobacco Control – Annual accrual rate is 3.33%. Members are eligible to retire with 25 years of service at any age, age 60 with 10 years, and 20 years at any age with benefits actuarially reduced.

2. Benefit Formula

For all plans, monthly retirement benefits are based on a formula, which multiplies the final average compensation, by the applicable accrual rate, and by the years of creditable service, plus a $25 per month supplemental benefit for members hired prior to July 1, 1986. Final average compensation is determined as the highest successive thirty-six months for all but regular members hired on or after July 1, 2006. For these members final average compensation is determined as the highest successive sixty months.

3. Payment Options

A retiring member is entitled to receive the maximum benefit payable until member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a reduced benefit with a lump-sum payment which cannot exceed 36 monthly benefit payments. In addition, beginning July 1, 2009, members may elect to receive a reduced benefit that will increase at two and one-half percent annually once the retiree attains age 55. This option is not available to recipients of disability retirement benefits.

Judges receive the maximum benefit payable without reduction for a 50% Joint and Survivor Option. Wildlife members receive the maximum benefit payable without reduction for a 75% Joint and Survivor Option.

VI. Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member may begin participation on the first retirement eligibility date or within 60 days thereafter, for a period not to exceed 36 months. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP, the member may continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit plus post-DROP accruals, plus the individual DROP account balance, which can be paid in a lump sum, or an additional annuity based upon the account balance.

VII. Disability Retirement Benefits

Active members with ten or more years of service credit are eligible for disability retirement benefits if determined to be disabled from performing the duties of their job.

Regular Plan - Members receive a service retirement benefit at 2.5% per year of service of average compensation.

Judges - A service retirement benefit, but not less than 50% of current salary.

Wildlife Agents - A service retirement benefit of the Regular Plan. Total disability in-line-of-duty service not less than 60% average compensation.

Peace Officers and Alcohol Tobacco Control - A service retirement benefit similar to regular members hired before July 1, 2006.

VIII. Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of 1) $300 per month, or 2) 75% of the member's benefit calculated at the 2.5% accrual rate for all creditable service.

Surviving minor child, with no surviving spouse shall receive an amount equal to the greater of 75 percent of compensation or $300. Benefits to minors cease at attainment of age 18, marriage or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of 1) $300 per month, or 2) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service.

IX. Post-Retirement Increases

Post-retirement increases, previously referred to as cost of living adjustments, are permitted provided there are sufficient funds in the Employee Experience Account to fund the increase in the retiree reserves if approved by concurrent resolution of both houses as provided by law. Beginning July 1, 2009, the Employee Experience Account is credited with 50% of excess investment income above $100,000,000. Excess investment income is investment income over the actuarial valuation rate of 8.25%. The Employee Experience Account balance is limited to the funds necessary to fund two such increases. The Experience Account is debited for the increase in actuarial accrued liability resulting from the increase. Balances in the Employee Experience Account accrue interest at the average actuarial yield for the System portfolio.

Statistical
Section

Contents

Whitney Holding Corp - New Orleans

Whitney Holding Corporation has operated out of New Orleans since 1883. It serves the state by providing banking services to commercial, small business, and retail customers in Louisiana and other southern states. The company is also dedicated to giving back to the community; it allocates a portion of its revenues each year as cash contributions for various community-oriented organizations. As Whitney continues to grow, local bankers stay dedicated to serving and supporting the community. As of June 30, 2009, LASERS had a market value of $625,536 invested in the company.

(**Source:** http://finance.yahoo.com/q?s=WTNY and http://www.whitneybank.com/)

Summary

The Statistical Section presents detailed information that assists readers in utilizing the financial statements, notes to the financial statements, and required supplementary information to assess the economic condition of LASERS. All non-accounting data is taken from LASERS internal sources except for that information which is derived from actuarial valuations.

Net Assets vs. Liabilities
LASERS funding progress is illustrated graphically for the ten years ended June, 30, 2009. The existence of the unfunded actuarial accrued liabilities is not necessarily an indication of financial problems; however, fluctuations are important and must be monitored and controlled. LASERS plans to fund its long-term benefit obligations through contributions and investment income. The unfunded accrued liability (UAL) is required by the state constitution to be substantially funded by 2029. Act 497 of the 2009 Regular Session provides for the re-amortization and refinancing of LASERS UAL that existed on June 30, 2009. The outstanding balance of the UAL, effective for the June 30, 2009 actuarial valuation and beginning July 1, 2010, will be consolidated with other amortization bases and credits as provided in La. R.S. 11:102.1. For additional information on Act 497 refer to the *Financial Section, Notes to the Financial Statements, Note K, Subsequent Events.*

Plan Membership
Membership in LASERS increased by 2,925 as of June 30, 2009. Active members increased by 211, retirees (includes Regular, Disability, Survivor, and DROP) increased by 718, and terminated vested members increased by 123. Membership data for the ten years ended June 30, 2009, can be found in the LASERS Membership Chart and Graph. The majority of LASERS retirees reside in Louisiana as illustrated in the Location of LASERS Retirees Chart.

The remainder of this section contains various statistical and historical data considered useful in evaluating the condition of the System.

Schedules of Revenues by Source and Expenses by Type

For the Ten Years Ended June 30, 2009

	2000	2001	2002	2003	2004
Revenues By Source:					
Employer Contributions	$ 236,104,720	$ 245,213,071	$ 256,079,880	$ 292,290,126	$ 335,991,617
Member Contributions	147,090,812	144,603,488	151,350,321	159,469,854	163,277,178
Legislative Appropriations	-	-	-	-	-
Net Investment Income (Loss)	664,556,035	(408,921,855)	(342,821,109)	212,771,376	996,067,481
Other Income	8,658,621	12,102,647	14,658,709	15,137,037	9,325,388
Total Additions (Reductions) to Plan Net Assets	**$ 1,056,410,188**	**$ (7,002,649)**	**$ 79,267,801**	**$ 679,668,393**	**$ 1,504,661,664**
Expenses By Type:					
Benefits	$ 424,142,312	$ 452,637,691	$ 498,392,717	$ 544,009,581	$ 573,152,747
Refunds and Transfers	32,300,258	36,147,087	31,391,355	25,043,817	28,760,064
Administrative	8,679,761	13,176,189	12,821,861	11,171,799	12,624,215
Depreciation	1,562,452	696,447	437,711	657,638	800,103
Total Deductions to Plan Net Assets	**$ 466,684,783**	**$ 502,657,414**	**$ 543,043,644**	**$ 580,882,835**	**$ 615,337,129**
Total Change in Net Assets	**$ 589,725,405**	**$ (509,660,063)**	**$ (463,775,843)**	**$ 98,785,558**	**$ 889,324,535**

Schedules of Revenues by Source and Expenses by Type (continued)

For the Ten Years Ended June 30, 2009

	2005	2006	2007	2008	2009
Revenues By Source:					
Employer Contributions	$ 391,870,045	$ 411,250,496	$ 416,329,361	$ 505,678,953	$ 486,583,512
Member Contributions	169,143,849	165,509,666	167,957,870	192,412,444	203,050,933
Legislative Appropriations	-	13,600,000	-	20,000,000	-
Net Investment Income (Loss)	650,345,827	833,207,981	1,472,840,599	(357,912,195)	(1,739,762,198)
Other Income	37,363,680	33,115,285	12,285,284	16,507,453	13,919,576
Total Additions (Reductions) to Plan Net Assets	**$ 1,248,723,401**	**$ 1,456,683,428**	**$ 2,069,413,114**	**$ 376,686,655**	**$ (1,036,208,177)**
Expenses By Type:					
Benefits	$ 581,665,163	$ 620,367,483	$ 673,617,033	$ 718,303,319	$ 771,408,255
Refunds and Transfers	30,357,532	37,821,549	38,030,600	32,149,383	30,314,007
Administrative	17,873,386	15,291,109	14,505,724	18,251,681	17,593,089
Depreciation	760,927	750,463	619,733	1,242,050	2,030,877
Total Deductions to Plan Net Assets	**$ 630,657,008**	**$ 674,230,604**	**$ 726,773,090**	**$ 769,946,433**	**$ 821,346,228**
Total Change in Net Assets	**$ 618,066,393**	**$ 782,452,824**	**$ 1,342,640,024**	**$ (393,259,778)**	**$ (1,857,554,405)**

Benefit Expenses By Type
For the Ten Years Ended June 30, 2009

Type	2000	2001	2002	2003	2004
Regular	$ 334,551,818	$ 358,790,569	$ 385,341,420	$ 411,933,100	$ 433,175,565
Disability	11,538,277	12,278,188	13,026,215	13,859,977	13,818,110
Survivors	50,137,810	52,613,450	55,186,446	56,972,676	58,207,404
Refunds Regular	27,035,830	31,134,875	25,033,086	20,830,178	24,094,719
Refunds Due to Death	883,629	1,209,218	882,911	1,038,409	1,014,179
Transfers to Other Systems	4,380,799	3,802,994	5,475,358	3,175,230	3,651,166
Deferred Retirement Option	23,113,392	23,694,027	36,609,129	53,322,395	59,048,131
Initial Benefit Option	4,801,015	5,261,457	8,229,507	7,921,433	8,903,537
Total	**$ 456,442,570**	**$ 488,784,778**	**$ 529,784,072**	**$ 569,053,398**	**$ 601,912,811**

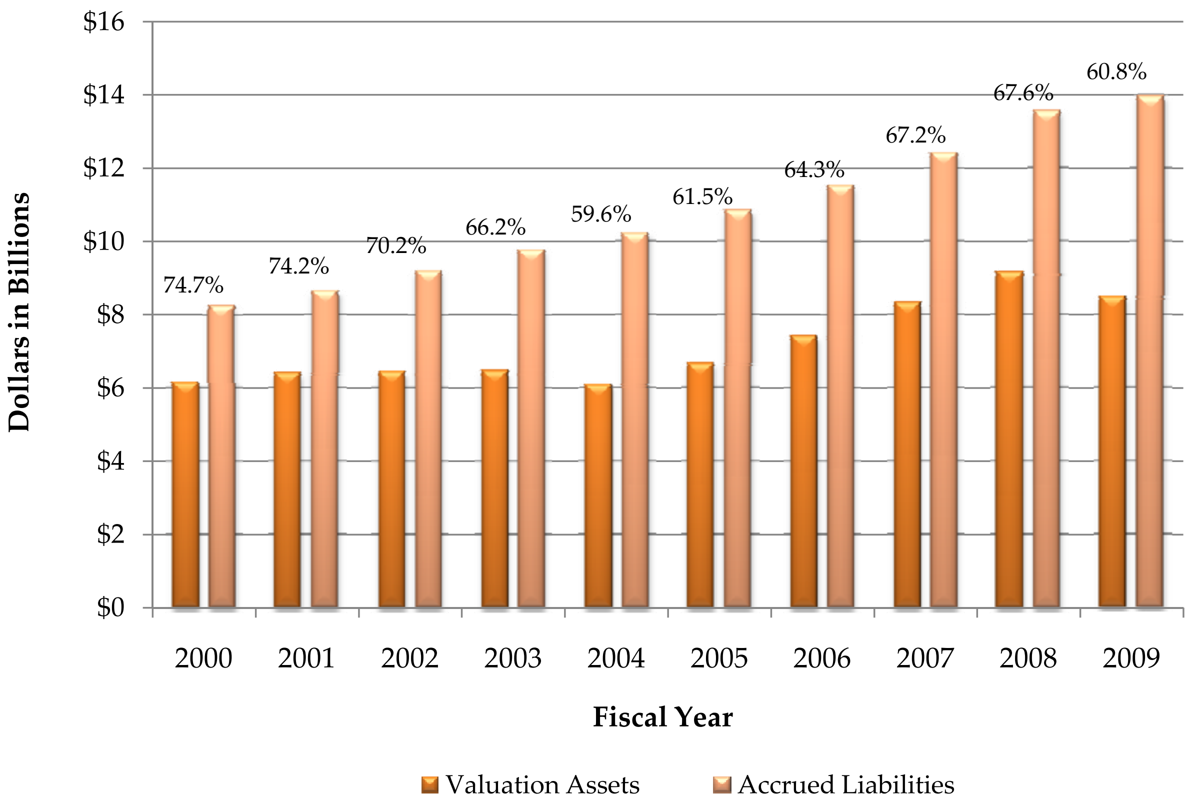
Benefit Expenses By Type (continued)
For the Ten Years Ended June 30, 2009

Type	2005	2006	2007	2008	2009
Regular	$ 457,521,300	$ 493,538,491	$ 543,463,746	$ 585,239,344	$ 631,155,812
Disability	14,051,770	14,451,268	15,127,212	14,991,539	14,656,678
Survivors	59,662,090	61,151,906	64,756,893	67,792,994	71,126,808
Refunds Regular	23,661,815	32,356,236	32,468,626	22,951,994	23,078,248
Refunds Due to Death	1,402,913	969,090	1,558,358	966,460	903,986
Transfers to Other Systems	5,292,804	4,496,223	4,003,617	8,230,929	6,331,773
Deferred Retirement Option	47,091,359	48,744,710	49,038,361	49,321,773	53,226,087
Initial Benefit Option	3,338,644	2,481,107	1,230,820	957,668	1,242,870
Total	**$ 612,022,695**	**$ 658,189,031**	**$ 711,647,633**	**$ 750,452,701**	**$ 801,722,262**

Valuation Assets vs. Pension Liabilities

Ten Years Ended June 30, 2009

	Dollars in Billions			
Fiscal Year	Valuation Assets	Unfunded Liabilities	Accrued Liabilities	Funded Ratios*
2000	$ 6.1710	$ 2.0863	$ 8.2573	74.7%
2001	$ 6.4183	$ 2.2343	$ 8.6526	74.2%
2002	$ 6.4606	$ 2.7461	$ 9.2067	70.2%
2003	$ 6.4875	$ 3.3088	$ 9.7963	66.2%
2004	$ 6.0978	$ 4.1398	$ 10.2376	59.6%
2005	$ 6.6735	$ 4.1736	$ 10.8471	61.5%
2006	$ 7.4308	$ 4.1179	$ 11.5487	64.3%
2007	$ 8.3455	$ 4.0764	$ 12.4219	67.2%
2008	$ 9.1672	$ 4.3950	$ 13.5622	67.6%
2009	$ 8.4997	$ 5.4872	$ 13.9868	60.8%

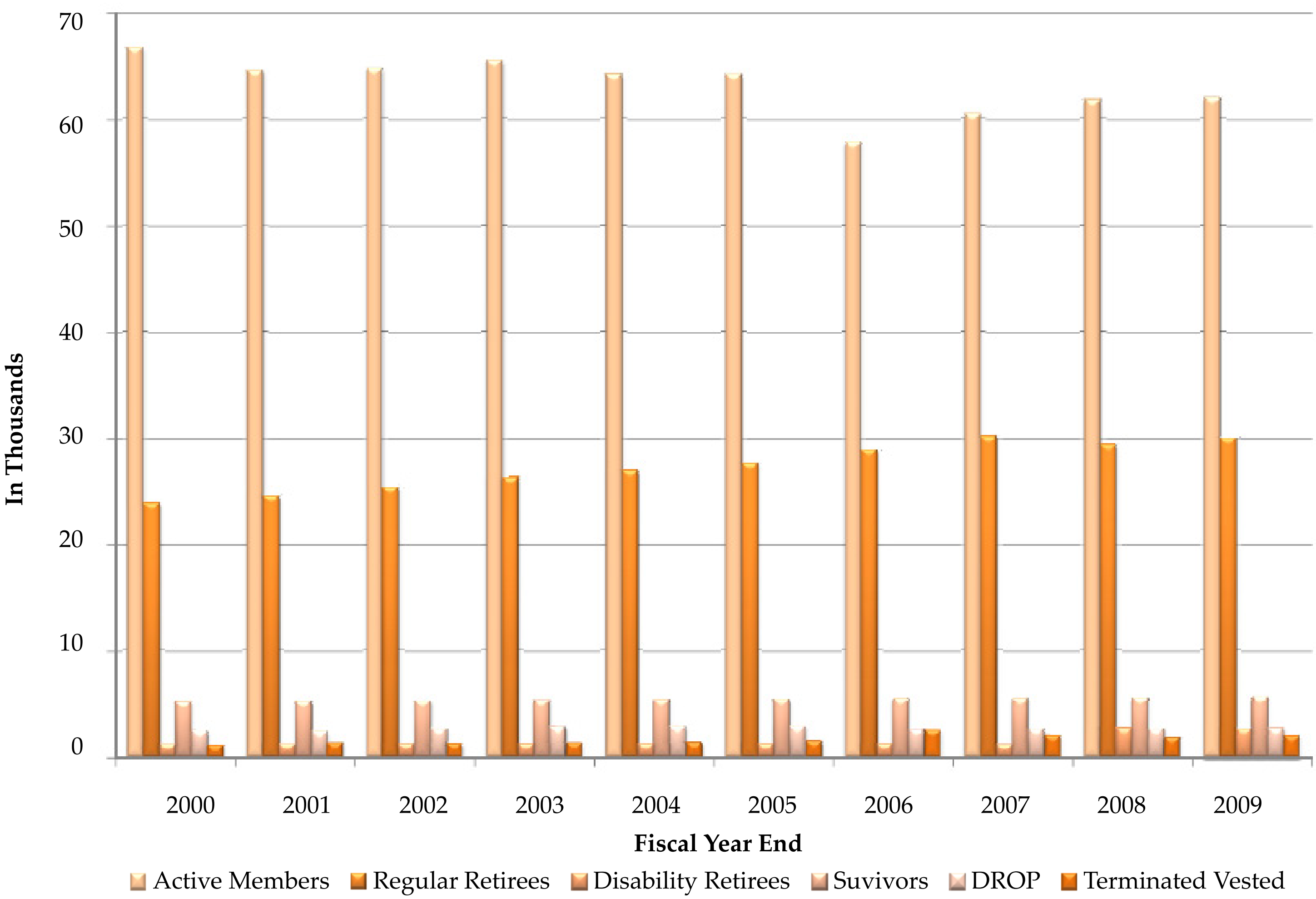


*The funded ratio referenced takes into account the initial unfunded accrued liability account (IUAL) and the Employer Credit Account which is not the same funded ratio used in determining the projected employer contribution rate.

LASERS Membership

Fiscal Year	Active Members	Regular Retirees	Disability Retirees	Suvivors	DROP	Terminated Vested	Terminated Nonvested**	Total Members
2000	66,642	23,900	1,150	5,147	2,421	1,055	26,469	126,784
2001	64,519	24,606	1,184	5,202	2,365	1,300	28,223	127,399
2002	64,692	25,436	1,208	5,243	2,635	1,245	29,579	130,038
2003	65,441	26,275	1,220	5,262	2,768	1,317	30,940	133,223
2004	64,149	26,945	1,203	5,308	2,835	1,324	35,955	137,719
2005	64,168	27,646	1,199	5,360	2,810	1,486	34,379	137,048
2006	57,811	28,944	1,202	5,409	2,577	2,492	43,382	141,817
2007	60,444	30,190	1,134	5,418	2,624	1,980	43,797	145,587
2008	61,780	29,416	2,669	5,490	2,643	1,824	47,828	151,650
2009	61,991	30,062	2,631	5,560	2,683	1,947	49,701	154,575

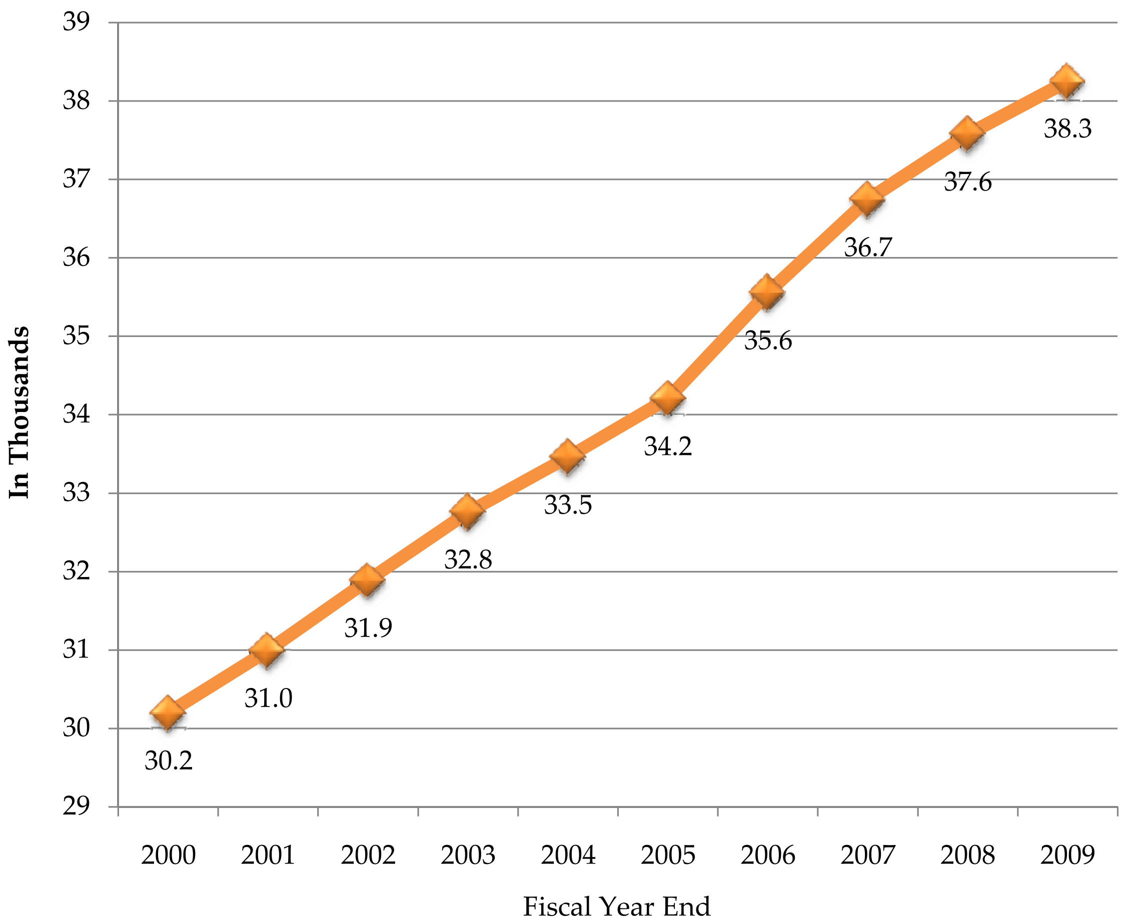
LASERS Changes In Membership**



** Chart does not include Terminated Nonvested

Number of Benefit Recipients

Fiscal Year End	Recipients*	Net Change
2000	30,197	3.1%
2001	30,992	2.6%
2002	31,887	2.9%
2003	32,757	2.7%
2004	33,456	2.1%
2005	34,205	2.2%
2006	35,555	3.9%
2007	36,742	3.3%
2008	37,575	2.3%
2009	38,253	1.8%



*Recipients include Regular, Disability and Survivor retirees.

Average Monthly Benefit Amounts

Ten Years Ended June 30, 2009

Summary of All Retirees

Year		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
		Years of Service Credit									
2009	Average Benefit Received	$ 622	$ 813	$ 722	$1,059	$1,348	$1,840	$2,365	$2,760	$3,053	$ 1,592
	Average Final Average Compensation	$1,956	$1,875	$2,199	$2,268	$2,527	$2,723	$2,992	$3,148	$3,236	$ 2,593
	Number of Retirees	144	242	6,413	5,488	7,478	8,431	8,457	1,281	319	38,253
2008	Average Benefit Received	$ 624	$ 761	$ 729	$1,058	$1,358	$1,850	$2,340	$2,753	$2,866	$ 1,566
	Average Final Average Compensation	$2,077	$2,057	$2,178	$2,219	$2,482	$2,698	$2,905	$3,115	$3,000	$ 2,545
	Number of Retirees	141	448	6,244	5,643	7,510	8,504	7,524	1,291	270	37,575
2007	Average Benefit Received	$ 775	$ 930	$ 700	$1,024	$1,283	$1,767	$2,337	$2,801	$3,002	$ 1,543
	Average Final Average Compensation	$2,344	$2,087	$2,368	$2,472	$2,662	$2,899	$3,198	$3,453	$3,388	$ 2,781
	Number of Retirees	101	237	6,223	5,423	7,262	7,947	7,918	1,308	323	36,742
2006	Average Benefit Received	$ 716	$ 875	$ 661	$ 959	$1,207	$1,672	$2,216	$2,638	$2,860	$ 1,450
	Average Final Average Compensation	$2,318	$2,020	$2,374	$2,447	$2,622	$2,861	$3,134	$3,340	$3,310	$ 2,739
	Number of Retirees	97	230	6,080	5,364	7,130	7,569	7,517	1,254	314	35,555
2005	Average Benefit Received	$ 718	$ 867	$ 656	$ 940	$1,178	$1,600	$2,113	$2,486	$2,685	$ 1,389
	Average Final Average Compensation	$1,876	$1,966	$2,371	$2,425	$2,600	$2,843	$3,077	$3,225	$3,277	$ 2,704
	Number of Retirees	117	229	5,891	5,335	6,917	7,090	7,112	1,194	320	34,205
2004	Average Benefit Received	$ 699	$ 856	$ 651	$ 922	$1,160	$1,566	$2,060	$2,417	$2,625	$ 1,353
	Average Final Average Compensation	$1,826	$1,966	$2,377	$2,426	$2,599	$2,834	$3,044	$3,175	$3,251	$ 2,690
	Number of Retirees	130	239	5,754	5,386	6,863	6,834	6,757	1,170	323	33,456
2003	Average Benefit Received	$ 588	$ 837	$ 620	$ 875	$1,119	$1,459	$1,869	$2,174	$2,465	$ 1,253
	Average Final Average Compensation	$2,685	$2,204	$2,457	$2,555	$2,598	$2,759	$2,889	$2,939	$3,175	$ 2,671
	Number of Retirees	138	250	5,726	5,432	6,716	6,620	6,390	1,166	319	32,757
2002	Average Benefit Received	$ 628	$ 887	$ 624	$ 893	$1,135	$1,502	$1,974	$2,301	$2,497	$ 1,290
	Average Final Average Compensation	$1,705	$1,912	$2,448	$2,446	$2,624	$2,852	$2,984	$3,065	$3,092	$ 2,688
	Number of Retirees	140	266	5,624	5,402	6,458	6,400	6,137	1,138	322	31,887
2001	Average Benefit Received	$ 570	$ 816	$ 587	$ 839	$1,064	$1,385	$1,766	$2,086	$2,371	$ 1,179
	Average Final Average Compensation	$2,726	$2,190	$2,543	$2,604	$2,621	$2,785	$2,873	$2,881	$3,125	$ 2,695
	Number of Retirees	150	276	5,579	5,464	6,158	6,113	5,821	1,106	325	30,992
2000	Average Benefit Received	$ 633	$ 843	$ 582	$ 831	$1,043	$1,363	$1,800	$2,135	$2,401	$ 1,173
	Average Final Average Compensation	$1,314	$1,937	$2,569	$2,538	$2,688	$2,919	$3,030	$3,106	$3,096	$ 2,752
	Number of Retirees	179	280	5,524	5,469	5,854	5,860	5,592	1,114	325	30,197

	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Ten Years Ended June 30, 2009										
Average Benefit Received	**$ 649**	**$ 841**	**$ 656**	**$ 940**	**$ 1,197**	**$ 1,621**	**$ 2,111**	**$ 2,470**	**$ 2,678**	**$ 1,390**
Average Final Average Compensation	**$ 2,054**	**$ 2,025**	**$ 2,383**	**$ 2,439**	**$ 2,599**	**$ 2,813**	**$ 3,018**	**$ 3,151**	**$ 3,198**	**$ 2,683**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Regular State Employees

Year		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ 500	$ 719	$ 698	$1,001	$1,279	$1,780	$2,338	$2,738	$2,951	$ 1,553
	Average Final Average Compensation	$1,777	$1,732	$2,163	$2,193	$2,428	$2,658	$2,965	$3,129	$3,133	$ 2,546
	Number of Retirees	137	219	6,261	5,269	6,340	8,030	8,311	1,266	310	36,143
2008	Average Benefit Received	$ 512	$ 701	$ 707	$1,002	$1,289	$1,798	$2,310	$2,731	$2,803	$ 1,528
	Average Final Average Compensation	$1,898	$1,989	$2,149	$2,147	$2,396	$2,645	$2,876	$3,098	$2,935	$ 2,496
	Number of Retirees	133	422	6,113	5,323	6,520	8,138	7,388	1,275	264	35,576
2007	Average Benefit Received	$ 544	$ 757	$ 668	$ 938	$1,192	$1,636	$2,151	$2,557	$2,727	$ 1,433
	Average Final Average Compensation	$2,463	$2,135	$2,381	$2,501	$2,583	$2,783	$3,051	$3,237	$3,314	$ 2,711
	Number of Retirees	93	211	6,108	5,250	6,192	7,586	7,780	1,294	314	34,828
2006	Average Benefit Received	$ 524	$ 754	$ 627	$ 877	$1,115	$1,533	$2,024	$2,381	$2,581	$ 1,337
	Average Final Average Compensation	$2,516	$2,084	$2,387	$2,495	$2,558	$2,752	$2,992	$3,132	$3,259	$ 2,679
	Number of Retirees	90	205	5,965	5,197	6,107	7,228	7,385	1,241	305	33,723
2005	Average Benefit Received	$ 543	$ 748	$ 618	$ 857	$1,090	$1,464	$1,934	$2,259	$2,464	$ 1,280
	Average Final Average Compensation	$2,534	$2,038	$2,398	$2,488	$2,543	$2,736	$2,939	$3,035	$3,196	$ 2,655
	Number of Retirees	110	206	5,778	5,175	5,944	6,775	6,990	1,181	311	32,470
2004	Average Benefit Received	$ 528	$ 738	$ 613	$ 845	$1,072	$1,431	$1,887	$2,207	$2,409	$ 1,248
	Average Final Average Compensation	$2,616	$2,060	$2,405	$2,492	$2,543	$2,725	$2,907	$2,993	$3,173	$ 2,643
	Number of Retirees	122	215	5,647	5,231	5,887	6,530	6,643	1,156	315	31,746
2003	Average Benefit Received	$ 501	$ 766	$ 602	$ 834	$1,053	$1,399	$1,840	$2,150	$2,374	$ 1,213
	Average Final Average Compensation	$2,593	$2,079	$2,438	$2,518	$2,559	$2,709	$2,869	$2,924	$3,107	$ 2,639
	Number of Retirees	131	226	5,620	5,278	5,813	6,325	6,281	1,150	310	31,134
2002	Average Benefit Received	$ 494	$ 764	$ 586	$ 823	$1,046	$1,378	$1,805	$2,123	$2,328	$ 1,190
	Average Final Average Compensation	$2,606	$2,011	$2,472	$2,534	$2,577	$2,723	$2,852	$2,885	$3,063	$ 2,647
	Number of Retirees	133	243	5,524	5,258	5,663	6,138	6,041	1,124	313	30,437
2001	Average Benefit Received	$ 490	$ 734	$ 570	$ 803	$1,007	$1,334	$1,738	$2,064	$2,294	$ 1,143
	Average Final Average Compensation	$2,643	$2,048	$2,526	$2,574	$2,600	$2,752	$2,857	$2,870	$3,061	$ 2,672
	Number of Retirees	142	251	5,489	5,320	5,498	5,895	5,731	1,091	317	29,734
2000	Average Benefit Received	$ 459	$ 715	$ 555	$ 773	$ 977	$1,279	$1,674	$1,996	$2,258	$ 1,099
	Average Final Average Compensation	$2,726	$2,012	$2,585	$2,627	$2,649	$2,769	$2,874	$2,897	$3,095	$ 2,708
	Number of Retirees	171	257	5,445	5,331	5,296	5,663	5,514	1,100	318	29,095

Ten Years Ended June 30, 2009										
Average Benefit Received	**$ 505**	**$ 736**	**$ 627**	**$ 875**	**$ 1,118**	**$ 1,524**	**$ 1,996**	**$ 2,335**	**$ 2,513**	**$ 1,313**
Average Final Average Compensation	**$ 2,438**	**$ 2,016**	**$ 2,385**	**$ 2,457**	**$ 2,540**	**$ 2,722**	**$ 2,924**	**$ 3,027**	**$ 3,136**	**$ 2,637**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Corrections Employees Primary

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ -	$1,423	$1,042	$1,367	$1,466	$2,183	$2,843	$3,640	$4,542	$ 1,608
	Average Final Average Compensation	$ -	$1,986	$2,372	$2,864	$2,788	$3,496	$3,867	$4,455	$5,577	$ 2,918
	Number of Retirees	0	11	62	73	916	187	48	2	4	1,303
2008	Average Benefit Received	$ -	$1,416	$1,168	$1,297	$1,472	$2,216	$3,043	$4,014	$4,468	$ 1,607
	Average Final Average Compensation	$ -	$1,974	$2,310	$2,658	$2,765	$3,474	$3,944	$5,215	$5,192	$ 2,877
	Number of Retirees	0	12	58	177	792	181	46	3	3	1,272
2007	Average Benefit Received	$ -	$1,440	$1,123	$1,296	$1,411	$2,113	$2,696	$3,534	$4,410	$ 1,559
	Average Final Average Compensation	$ -	$1,935	$2,246	$2,634	$2,717	$3,463	$3,872	$4,455	$5,577	$ 2,850
	Number of Retirees	0	13	54	57	882	185	46	2	4	1,243
2006	Average Benefit Received	$ -	$1,356	$ 999	$1,233	$1,368	$2,024	$2,657	$3,399	$4,210	$ 1,502
	Average Final Average Compensation	$ -	$1,935	$2,229	$2,555	$2,672	$3,373	$3,867	$4,455	$5,577	$ 2,799
	Number of Retirees	0	13	54	52	838	171	45	2	4	1,179
2005	Average Benefit Received	$ -	$1,335	$1,246	$1,212	$1,333	$2,007	$2,541	$2,637	$4,210	$ 1,475
	Average Final Average Compensation	$ -	$1,918	$2,209	$2,498	$2,628	$3,341	$3,809	$2,805	$5,577	$ 2,749
	Number of Retirees	0	12	53	48	794	154	42	1	4	1,108
2004	Average Benefit Received	$ -	$1,300	$ 898	$1,245	$1,311	$1,997	$2,516	$2,637	$3,920	$ 1,434
	Average Final Average Compensation	$ -	$1,917	$2,135	$2,440	$2,599	$3,327	$3,750	$2,805	$5,582	$ 2,711
	Number of Retirees	-	13	50	46	792	148	39	1	3	1,092
2003	Average Benefit Received	$ -	$1,377	$ 895	$1,242	$1,296	$1,980	$2,473	$2,637	$3,920	$ 1,425
	Average Final Average Compensation	$ -	$1,917	$2,106	$2,436	$2,561	$3,337	$3,689	$2,805	$5,582	$ 2,687
	Number of Retirees	-	13	47	45	718	143	37	1	3	1,007
2002	Average Benefit Received	$ -	$1,322	$ 900	$1,298	$1,315	$1,931	$2,343	$2,637	$3,920	$ 1,424
	Average Final Average Compensation	$ -	$1,857	$2,050	$2,412	$2,511	$3,239	$3,451	$2,805	$5,582	$ 2,618
	Number of Retirees	-	12	42	41	613	120	28	1	3	860
2001	Average Benefit Received	$ -	$1,245	$ 887	$1,231	$1,238	$1,916	$2,271	$2,596	$3,714	$ 1,347
	Average Final Average Compensation	$ -	$1,745	$2,024	$2,384	$2,414	$3,115	$3,254	$2,805	$5,582	$ 2,505
	Number of Retirees	-	12	36	41	480	79	23	1	3	675
2000	Average Benefit Received	$ -	$1,302	$ 899	$1,196	$1,224	$1,920	$2,055	$2,545	$2,880	$ 1,313
	Average Final Average Compensation	$ -	$1,738	$2,011	$2,356	$2,369	$2,950	$2,830	$2,805	$4,203	$ 2,420
	Number of Retirees	-	10	29	35	389	62	14	1	1	541

Ten Years Ended June 30, 2009	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ 1,352**	**$ 1,022**	**$ 1,275**	**$ 1,359**	**$ 2,053**	**$ 2,617**	**$ 3,258**	**$ 4,131**	**$ 1,491**
Average Final Average Compensation	**$ -**	**$ 1,895**	**$ 2,191**	**$ 2,575**	**$ 2,631**	**$ 3,358**	**$ 3,731**	**$ 3,947**	**$ 5,500**	**$ 2,750**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Corrections Employees Secondary

Year		Years of Service Credit: <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ -	$1,897	$1,101	$1,420	$2,057	$2,835	$4,447	$4,661	$ -	$ 2,394
	Average Final Average Compensation	$ -	$2,528	$3,103	$3,496	$3,752	$4,287	$5,439	$5,058	$ -	$ 3,997
	Number of Retirees	0	2	12	19	23	36	12	1	0	105
2008	Average Benefit Received	$ -	$1,441	$1,195	$2,126	$2,773	$3,398	$4,281	$4,661	$ -	$ 2,838
	Average Final Average Compensation	$ -	$2,576	$3,073	$3,546	$4,278	$4,495	$5,408	$5,058	$ -	$ 4,154
	Number of Retirees	0	4	6	10	10	16	9	1	0	56
2007	Average Benefit Received	$ -	$1,897	$1,203	$2,291	$2,153	$2,953	$4,492	$4,661	$4,504	$ 3,198
	Average Final Average Compensation	$ -	$2,528	$2,812	$3,290	$3,348	$4,415	$5,658	$5,058	$4,945	$ 4,398
	Number of Retirees	0	2	3	4	1	10	10	1	1	32
2006	Average Benefit Received	$ -	$1,911	$1,015	$1,644	$2,153	$4,011	$4,590	$ -	$4,271	$ 3,482
	Average Final Average Compensation	$ -	$2,548	$2,724	$3,165	$3,348	$4,654	$5,872	$ -	$4,945	$ 4,580
	Number of Retirees	0	1	2	3	1	7	8	0	1	23
2005	Average Benefit Received	$ -	$ -	$ 884	$1,796	$ -	$3,418	$5,464	$ -	$4,270	$ 3,797
	Average Final Average Compensation	$ -	$ -	$2,578	$3,075	$ -	$4,739	$6,182	$ -	$4,945	$ 4,877
	Number of Retirees	0	0	1	2	0	5	5	0	1	14
2004	Average Benefit Received	$ -	$ -	$ -	$1,224	$ -	$3,917	$4,244	$ -	$4,270	$ 3,706
	Average Final Average Compensation	$ -	$ -	$ -	$2,993	$ -	$5,344	$5,369	$ -	$4,945	$ 5,007
	Number of Retirees	0	0	0	1	0	4	2	0	1	8
2003	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$4,775	$4,001	$2,124	$4,270	$ 3,834
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$6,089	$5,369	$5,058	$4,945	$ 5,366
	Number of Retirees	0	0	0	0	0	1	2	1	1	5
2002	Average Benefit Received	$ -	$ -	$ -	$ -	$ -	$3,497	$ -	$ -	$4,270	$ 3,884
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$ -	$6,089	$ -	$ -	$4,945	$ 5,517
	Number of Retirees	0	0	0	0	0	1	0	0	1	2
2000-2001	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2009	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ 1,696**	**$ 1,121**	**$ 1,722**	**$ 2,267**	**$ 3,188**	**$ 4,528**	**$ 4,027**	**$ 4,309**	**$ 2,867**
Average Final Average Compensation	**$ -**	**$ 2,552**	**$ 3,006**	**$ 3,428**	**$ 3,879**	**$ 4,503**	**$ 5,623**	**$ 5,058**	**$ 4,945**	**$ 4,264**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Peace Officers

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ -	$ -	$ 1,343	$ 2,127	$ 1,727	$ 1,608	$ 3,485	$ -	$ -	$ 2,202
	Average Final Average Compensation	$ -	$ -	$ 3,853	$ 3,808	$ 3,986	$ 3,114	$ 3,996	$ -	$ -	$ 3,854
	Number of Retirees	0	0	4	2	2	1	4	0	0	13
2008	Average Benefit Received	$ -	$ -	$ 1,359	$ 2,127	$ 2,102	$ 1,608	$ 3,115	$ -	$ -	$ 1,894
	Average Final Average Compensation	$ -	$ -	$ 3,959	$ 3,808	$ 4,528	$ 3,114	$ 3,987	$ -	$ -	$ 3,890
	Number of Retirees	0	0	3	2	1	1	1	0	0	8
2007	Average Benefit Received	$ -	$ -	$ -	$ 2,065	$ 2,041	$ -	$ 3,024	$ -	$ -	$ 2,299
	Average Final Average Compensation	$ -	$ -	$ -	$ 3,808	$ 4,528	$ -	$ 3,987	$ -	$ -	$ 4,033
	Number of Retirees	0	0	0	2	1	0	1	0	0	4
2000-2006	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									

Ten Years Ended June 30, 2009										
Average Benefit Received	**$ -**	**$ -**	**$ 1,350**	**$ 2,106**	**$ 1,899**	**$ 1,608**	**$ 3,347**	**$ -**	**$ -**	**$ 2,119**
Average Final Average Compensation	**$ -**	**$ -**	**$ 3,898**	**$ 3,808**	**$ 4,257**	**$ 3,114**	**$ 3,993**	**$ -**	**$ -**	**$ 3,894**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Wildlife Agents (Before 2003)

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$1,262	$ 995	$1,288	$1,230	$1,552	$1,982	$2,199	$1,874	$2,434	$ 1,708
	Average Final Average Compensation	$1,628	$1,546	$2,559	$1,899	$2,488	$2,653	$2,756	$2,467	$4,024	$ 2,508
	Number of Retirees	2	2	15	20	79	77	17	3	1	216
2008	Average Benefit Received	$ 718	$1,232	$1,333	$1,277	$1,596	$1,973	$2,203	$1,874	$2,434	$ 1,716
	Average Final Average Compensation	$1,628	$1,890	$2,558	$2,012	$2,615	$2,617	$2,646	$2,467	$4,024	$ 2,529
	Number of Retirees	2	3	14	26	80	79	17	3	1	225
2007	Average Benefit Received	$ 718	$ 966	$1,320	$1,168	$1,514	$1,875	$2,149	$1,819	$ -	$ 1,639
	Average Final Average Compensation	$1,628	$1,546	$2,559	$2,198	$2,763	$2,901	$2,946	$3,335	$ -	$ 2,745
	Number of Retirees	2	2	15	23	88	81	20	3	0	234
2006	Average Benefit Received	$ 989	$ 916	$1,290	$1,108	$1,429	$1,771	$1,917	$1,755	$ -	$ 1,545
	Average Final Average Compensation	$1,628	$1,546	$2,586	$2,198	$2,796	$2,946	$2,858	$3,335	$ -	$ 2,768
	Number of Retirees	2	2	16	23	91	82	21	3	0	240
2005	Average Benefit Received	$ 988	$ 915	$1,290	$1,107	$1,406	$1,760	$1,785	$1,754	$ -	$ 1,521
	Average Final Average Compensation	$1,628	$1,546	$2,586	$2,198	$2,738	$2,912	$2,712	$3,335	$ -	$ 2,723
	Number of Retirees	2	2	16	23	92	84	20	3	0	242
2004	Average Benefit Received	$ 988	$ 915	$1,290	$1,107	$1,386	$1,760	$1,662	$1,667	$ -	$ 1,501
	Average Final Average Compensation	$1,628	$1,546	$2,586	$2,198	$2,717	$2,912	$2,671	$3,643	$ -	$ 2,720
	Number of Retirees	2	2	16	23	95	84	19	4	0	245
2003	Average Benefit Received	$ 988	$ 915	$1,255	$1,125	$1,388	$1,744	$1,501	$1,507	$ -	$ 1,475
	Average Final Average Compensation	$1,628	$1,546	$2,456	$2,152	$2,700	$2,978	$2,421	$3,050	$ -	$ 2,689
	Number of Retirees	2	2	17	25	96	83	19	5	0	249
2002	Average Benefit Received	$ 988	$ 915	$1,206	$1,125	$1,356	$1,725	$1,520	$1,507	$ -	$ 1,449
	Average Final Average Compensation	$1,628	$1,546	$2,562	$2,152	$2,638	$2,916	$2,421	$3,050	$ -	$ 2,647
	Number of Retirees	2	2	18	25	97	79	19	5	0	247
2001	Average Benefit Received	$ 988	$ 901	$1,207	$1,074	$1,313	$1,649	$1,516	$1,496	$ -	$ 1,404
	Average Final Average Compensation	$1,628	$1,546	$2,431	$2,104	$2,653	$2,800	$2,325	$3,050	$ -	$ 2,596
	Number of Retirees	2	2	16	24	96	78	19	5	0	242
2000	Average Benefit Received	$ 988	$ 883	$1,078	$1,070	$1,262	$1,601	$1,418	$1,268	$ -	$ 1,352
	Average Final Average Compensation	$1,628	$1,546	$2,353	$2,104	$2,620	$2,926	$2,292	$3,059	$ -	$ 2,618
	Number of Retirees	2	2	13	25	88	78	17	4	0	229
	Ten Years Ended June 30, 2009										
	Average Benefit Received	**$ 961**	**$ 968**	**$ 1,257**	**$ 1,139**	**$ 1,415**	**$ 1,784**	**$ 1,785**	**$ 1,619**	**$ 2,434**	**$ 1,528**
	Average Final Average Compensation	**$ 1,628**	**$ 1,595**	**$ 2,526**	**$ 2,123**	**$ 2,676**	**$ 2,858**	**$ 2,611**	**$ 3,089**	**$ 4,024**	**$ 2,657**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Wildlife Agents (After 2003)

		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ -	$ -	$ -	$2,473	$3,215	$4,508	$4,934	$ -	$ -	$ 4,152
	Average Final Average Compensation	$ -	$ -	$ -	$3,840	$4,540	$5,171	$4,941	$ -	$ -	$ 4,863
	Number of Retirees	0	0	0	4	10	21	11	0	0	46
2008	Average Benefit Received	$ -	$ -	$ -	$2,490	$3,384	$4,527	$5,044	$ -	$ -	$ 4,194
	Average Final Average Compensation	$ -	$ -	$ -	$3,865	$4,660	$5,083	$4,941	$ -	$ -	$ 4,814
	Number of Retirees	0	0	0	5	8	17	11	0	0	41
2007	Average Benefit Received	$ -	$ -	$ -	$2,401	$3,039	$4,419	$4,936	$ -	$ -	$ 4,079
	Average Final Average Compensation	$ -	$ -	$ -	$3,840	$4,415	$5,097	$4,921	$ -	$ -	$ 4,785
	Number of Retirees	0	0	0	4	7	16	10	0	0	37
2006	Average Benefit Received	$ -	$ -	$ -	$2,281	$3,477	$5,006	$5,267	$ -	$ -	$ 4,469
	Average Final Average Compensation	$ -	$ -	$ -	$3,840	$4,388	$4,899	$4,948	$ -	$ -	$ 4,691
	Number of Retirees	0	0	0	4	6	14	9	0	0	33
2005	Average Benefit Received	$ -	$ -	$ -	$2,180	$2,649	$3,805	$5,331	$ -	$ -	$ 3,715
	Average Final Average Compensation	$ -	$ -	$ -	$3,685	$4,022	$4,831	$5,433	$ -	$ -	$ 4,610
	Number of Retirees	0	0	0	3	2	3	4	0	0	12
2004	Average Monthly Benefit	$ -	$ -	$ -	$ -	$2,497	$4,213	$4,432	$ -	$ -	$ 3,714
	Average Final Average Compensation	$ -	$ -	$ -	$ -	$3,910	$5,245	$4,432	$ -	$ -	$ 4,529
	Number of Retirees	0	0	0	0	1	1	1	0	0	3
2000-2003	Average Benefit Received	No Activity									
	Average Final Average Compensation	No Activity									
	Number of Retirees	No Activity									
	Ten Years Ended June 30, 2009										
	Average Benefit Received	**$ -**	**$ -**	**$ -**	**$ 2,381**	**$ 3,210**	**$ 4,556**	**$ 5,050**	**$ -**	**$ -**	**$ 4,169**
	Average Final Average Compensation	**$ -**	**$ -**	**$ -**	**$ 3,823**	**$ 4,467**	**$ 5,068**	**$ 4,970**	**$ -**	**$ -**	**$ 4,778**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Judges

Year		Years of Service Credit									
		<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$3,010	$2,320	$3,238	$8,564	$5,174	$6,681	$5,965	$6,552	$9,568	$ 5,959
	Average Final Average Compensation	$6,119	$5,531	$6,442	$6,980	$6,717	$6,928	$6,305	$6,080	$8,666	$ 6,693
	Number of Retirees	6	8	43	67	74	63	41	7	4	313
2008	Average Benefit Received	$3,010	$2,320	$3,164	$4,626	$5,477	$6,490	$6,035	$7,215	$8,915	$ 5,185
	Average Final Average Compensation	$6,119	$5,531	$6,001	$6,609	$6,409	$6,484	$5,972	$5,459	$7,679	$ 6,309
	Number of Retirees	6	8	37	60	68	55	39	6	2	281
2007	Average Benefit Received	$3,147	$2,218	$2,956	$4,500	$4,972	$6,288	$5,598	$6,713	$8,308	$ 4,956
	Average Final Average Compensation	$6,101	$5,939	$6,161	$6,534	$6,470	$6,465	$5,531	$5,575	$7,325	$ 6,277
	Number of Retirees	6	8	33	54	63	58	38	6	3	269
2006	Average Benefit Received	$2,752	$2,104	$2,802	$4,218	$4,578	$6,020	$5,264	$6,379	$7,934	$ 4,660
	Average Final Average Compensation	$5,574	$5,939	$6,127	$6,520	$6,387	$6,487	$5,531	$5,575	$7,325	$ 6,244
	Number of Retirees	5	8	33	55	60	57	38	6	3	265
2005	Average Benefit Received	$2,752	$2,103	$2,839	$4,216	$4,631	$6,047	$5,519	$5,808	$7,934	$ 4,721
	Average Final Average Compensation	$5,574	$5,939	$6,127	$6,471	$6,398	$6,507	$5,462	$5,222	$7,325	$ 6,215
	Number of Retirees	5	8	33	55	60	58	40	7	3	269
2004	Average Benefit Received	$2,445	$2,103	$2,870	$4,145	$4,608	$6,029	$5,698	$5,808	$7,934	$ 4,713
	Average Final Average Compensation	$5,481	$5,939	$5,989	$6,326	$6,344	$6,444	$5,462	$5,222	$7,325	$ 6,136
	Number of Retirees	6	8	32	54	60	56	40	7	3	266
2003	Average Benefit Received	$2,071	$2,103	$2,896	$4,173	$4,602	$6,163	$5,761	$6,537	$7,348	$ 4,781
	Average Final Average Compensation	$4,851	$5,939	$5,989	$6,326	$6,280	$6,354	$5,462	$5,222	$5,846	$ 6,076
	Number of Retirees	5	8	32	54	61	56	40	7	4	267
2002	Average Benefit Received	$2,071	$2,103	$2,916	$4,170	$4,615	$6,128	$5,711	$6,510	$6,869	$ 4,741
	Average Final Average Compensation	$4,851	$5,939	$5,926	$6,181	$6,174	$6,135	$5,399	$4,776	$5,846	$ 5,939
	Number of Retirees	5	8	31	47	56	49	39	6	4	245
2001	Average Benefit Received	$2,038	$2,521	$2,893	$4,114	$4,565	$6,039	$5,640	$6,427	$6,801	$ 4,676
	Average Final Average Compensation	$4,851	$6,110	$5,960	$6,182	$6,122	$6,082	$5,399	$4,776	$5,846	$ 5,917
	Number of Retirees	6	10	30	48	54	48	39	7	4	246
2000	Average Benefit Received	$1,998	$2,151	$2,824	$4,005	$4,367	$5,769	$5,460	$6,184	$6,356	$ 4,498
	Average Final Average Compensation	$4,851	$5,421	$5,855	$6,116	$6,071	$5,924	$5,415	$4,776	$5,999	$ 5,823
	Number of Retirees	6	10	28	46	52	45	38	7	5	237
	Ten Years Ended June 30, 2009										
	Average Benefit Received	**$ 2,538**	**$ 2,211**	**$ 2,954**	**$ 4,787**	**$ 4,787**	**$ 6,182**	**$ 5,668**	**$ 6,396**	**$ 7,665**	**$ 4,917**
	Average Final Average Compensation	**$ 5,453**	**$ 5,820**	**$ 6,074**	**$ 6,451**	**$ 6,354**	**$ 6,406**	**$ 5,597**	**$ 5,264**	**$ 6,802**	**$ 6,181**

Average Monthly Benefit Amounts (continued)

Ten Years Ended June 30, 2009

Legislators

Year		Years of Service Credit <5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
2009	Average Benefit Received	$ -	$ -	$1,100	$1,565	$2,117	$3,219	$2,413	$3,152	$ -	$ 2,025
	Average Final Average Compensation	$ -	$ -	$2,763	$2,752	$3,301	$3,759	$2,903	$3,624	$ -	$ 3,091
	Number of Retirees	0	0	15	34	34	16	13	2	0	114
2008	Average Benefit Received	$ -	$ -	$1,107	$1,604	$2,166	$3,197	$3,027	$3,152	$ -	$ 2,136
	Average Final Average Compensation	$ -	$ -	$2,898	$2,776	$3,340	$3,605	$2,797	$3,624	$ -	$ 3,089
	Number of Retirees	0	0	14	38	31	18	13	2	0	116
2007	Average Benefit Received	$ -	$ 197	$1,085	$1,437	$2,037	$3,062	$2,943	$2,152	$5,140	$ 2,012
	Average Final Average Compensation	$ -	$8,374	$3,032	$2,908	$3,480	$3,561	$2,748	$2,440	$4,466	$ 3,207
	Number of Retirees	0	1	10	29	28	11	13	2	1	95
2006	Average Benefit Received	$ -	$ 193	$1,220	$1,350	$1,617	$2,815	$2,646	$2,041	$4,874	$ 1,769
	Average Final Average Compensation	$ -	$8,374	$2,986	$2,831	$3,113	$3,604	$2,239	$2,440	$4,466	$ 3,013
	Number of Retirees	0	1	10	30	27	10	11	2	1	92
2005	Average Benefit Received	$ -	$ 192	$1,002	$1,331	$1,632	$2,639	$2,645	$2,040	$4,873	$ 1,741
	Average Final Average Compensation	$ -	$8,374	$2,986	$2,941	$2,870	$3,342	$2,239	$2,440	$4,466	$ 2,956
	Number of Retirees	0	1	10	29	25	11	11	2	1	90
2004	Average Benefit Received	$ -	$ 192	$1,042	$1,293	$1,627	$2,639	$2,691	$2,040	$4,873	$ 1,752
	Average Final Average Compensation	$ -	$8,374	$3,034	$2,832	$3,175	$3,342	$2,774	$2,440	$4,466	$ 3,068
	Number of Retirees	0	1	9	31	28	11	13	2	1	96
2003	Average Benefit Received	$ -	$ 192	$ 965	$1,302	$1,647	$2,593	$2,334	$2,040	$4,873	$ 1,692
	Average Final Average Compensation	$ -	$8,374	$3,469	$2,830	$3,106	$3,255	$2,512	$2,440	$4,466	$ 3,063
	Number of Retirees	0	1	10	30	28	12	11	2	1	95
2002	Average Benefit Received	$ -	$ 192	$1,010	$1,290	$1,581	$2,486	$2,418	$2,040	$4,873	$ 1,673
	Average Final Average Compensation	$ -	$8,374	$3,734	$2,930	$3,160	$3,126	$2,421	$2,440	$4,466	$ 3,111
	Number of Retirees	0	1	9	31	29	13	10	2	1	96
2001	Average Benefit Received	$ -	$ 189	$ 822	$1,291	$1,572	$2,447	$2,136	$2,008	$4,324	$ 1,614
	Average Final Average Compensation	$ -	$8,374	$3,191	$2,932	$3,312	$3,126	$2,242	$2,440	$4,466	$ 3,098
	Number of Retirees	0	1	8	31	30	13	9	2	1	95
2000	Average Benefit Received	$ -	$ 185	$ 791	$1,213	$1,485	$2,324	$2,095	$1,969	$4,240	$ 1,517
	Average Final Average Compensation	$ -	$8,374	$3,749	$2,986	$3,267	$3,135	$2,242	$2,440	$4,466	$ 3,153
	Number of Retirees	0	1	9	32	29	12	9	2	1	95

Ten Years Ended June 30, 2009	<5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30 - 35	35 - 40	40+	All Members
Average Benefit Received	**$ -**	**$ 192**	**$ 1,028**	**$ 1,374**	**$ 1,759**	**$ 2,772**	**$ 2,567**	**$ 2,263**	**$ 4,759**	**$ 1,805**
Average Final Average Compensation	**$ -**	**$ 8,374**	**$ 3,144**	**$ 2,868**	**$ 3,220**	**$ 3,399**	**$ 2,543**	**$ 2,677**	**$ 4,466**	**$ 3,086**

Retired Members By Recipient Type and Plan

Retirement Plan	Benefit Recipient Type	Fiscal Year 2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Regular Employees	Regular Retiree	23,028	23,603	24,259	24,939	25,540	26,230	27,453	28,625	27,804	28,359
	Survivor	4,964	5,006	5,031	5,042	5,074	5,114	5,149	5,146	5,201	5,256
	Disability Retiree	1,103	1,125	1,147	1,153	1,132	1,126	1,121	1,057	2,571	2,528
	DROP Accrual	2,143	2,108	2,443	2,605	2,666	2,652	2,438	2,516	2,543	2,576
Regular State Employees-Total		**31,238**	**31,842**	**32,880**	**33,739**	**34,412**	**35,122**	**36,161**	**37,344**	**38,119**	**38,719**
Corrections Employees Primary (Before 1986)	Regular Retiree	464	580	753	890	965	968	1,021	1,082	1,099	1,117
	Survivor	45	54	63	66	72	83	96	103	114	126
	Disability Retiree	32	41	44	51	55	57	62	58	59	60
	DROP Accrual	221	216	159	138	132	121	100	74	59	61
Corrections Employees Primary (Before 1986)-Total		**762**	**891**	**1,019**	**1,145**	**1,224**	**1,229**	**1,279**	**1,317**	**1,331**	**1,364**
Corrections Employees Secondary (After 1986)	Regular Retiree	--	--	2	5	7	11	17	24	42	83
	Survivor	--	--	--	--	--	1	2	5	7	10
	Disability Retiree	--	--	--	--	1	2	4	3	7	12
	DROP Accrual	--	--	5	6	13	9	11	5	8	18
Corrections Employees Secondary (After 1986)-Total		**--**	**--**	**7**	**11**	**21**	**23**	**34**	**37**	**64**	**123**
Wildlife Agents (Before 2003)	Regular Retiree	151	159	158	161	160	158	158	156	138	133
	Survivor	66	69	75	75	73	73	71	68	66	63
	Disability Retiree	12	14	14	13	12	11	11	10	21	20
	DROP Accrual	12	5	2	--	--	--	--	--	--	-
Wildlife Agents (Before 2003)-Total		**241**	**247**	**249**	**249**	**245**	**242**	**240**	**234**	**225**	**216**
Wildlife Agents (After 2003)	Regular Retiree	--	--	--	--	3	10	30	33	37	41
	Survivor	--	--	--	--	--	--	--	1	1	2
	Disability Retiree	--	--	--	--	--	2	3	3	3	3
	DROP Accrual	--	--	--	--	--	--	--	3	5	4
Wildlife Agents (After 2003)-Total		**-**	**-**	**-**	**-**	**3**	**12**	**33**	**40**	**46**	**50**
Judges	Regular Retiree	179	186	186	203	193	197	192	194	195	226
	Survivor	55	56	56	61	70	71	72	73	79	80
	Disability Retiree	3	4	3	3	3	1	1	2	7	7
	DROP Accrual	41	34	24	17	23	23	23	20	18	16
Judges-Total		**278**	**280**	**269**	**284**	**289**	**292**	**288**	**289**	**299**	**329**
Peace Officers	Regular Retiree	--	--	--	--	--	--	--	3	7	12
	Disability Retiree	--	--	--	--	--	--	--	1	1	1
	DROP Accrual	--	--	--	--	--	--	--	1	10	8
Peace Officers-Total		**--**	**--**	**--**	**--**	**--**	**--**	**--**	**5**	**18**	**21**
Legislators	Regular Retiree	78	78	78	77	77	72	73	73	94	91
	Survivor	17	17	18	18	19	18	19	22	22	23
	DROP Accrual	4	2	2	2	1	5	5	5	--	-
Legislators-Total		**99**	**97**	**98**	**97**	**97**	**95**	**97**	**100**	**116**	**114**
Grand Total Benefit Recipients		**32,618**	**33,357**	**34,522**	**35,525**	**36,291**	**37,015**	**38,132**	**39,366**	**40,218**	**40,936**

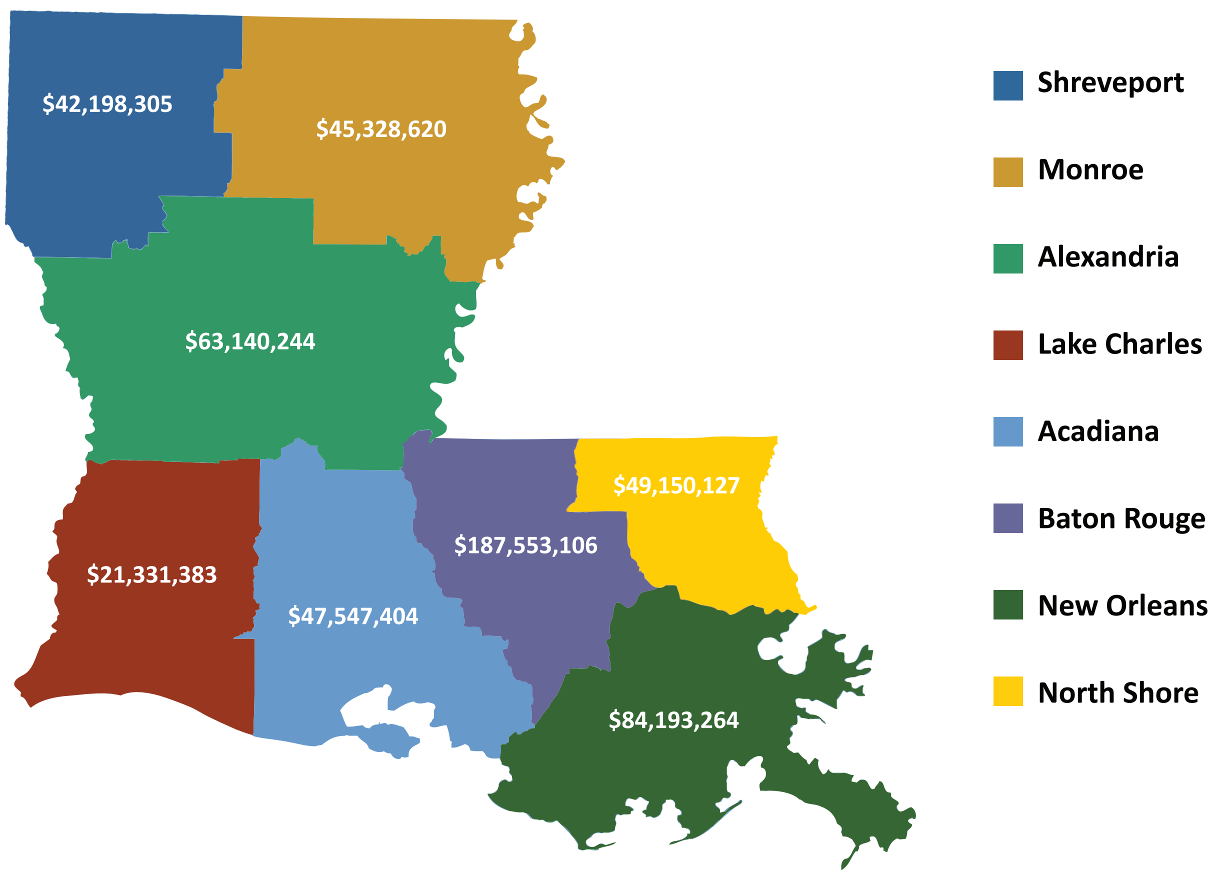
Location of LASERS Retirees

Foreign Countries

Australia	1
Canada	1
Colombia	1
Great Britain	1
France	1
Germany	1
Ireland	1
Korea	1
Mexico	2
Netherlands	1
Panama	1
Philippines	2
Singapore	1
Thailand	1
Turkey	1
US Virgin Islands	1
Total	**18**

Fiscal Year 2009 Gross Benefits Paid By Region

This chart provides a regional snapshot of benefits paid to retirees during the 2008-2009 fiscal year. The parishes are separated into eight regions: Shreveport, Monroe, Alexandria, Lake Charles, Acadiana, Baton Rouge, New Orleans, and North Shore.



Shreveport	Monroe	Alexandria	Lake Charles	Acadiana	Baton Rouge	New Orleans	North Shore
Bienville	Caldwell	Avoyelles	Allen	Acadia	Ascension	Jefferson	St. Helena
Bossier	East Carroll	Catahoula	Beauregard	Evangeline	Assumption	Lafourche	St. Tammany
Caddo	Franklin	Concordia	Calcasieu	Iberia	East Baton Rouge	Orleans	Tangipahoa
Claiborne	Lincoln	Grant	Cameron	Lafayette	East Feliciana	Plaquemines	Washington
De Soto	Jackson	La Salle	Jefferson Davis	St. Landry	Iberville	St. Bernard	
Red River	Madison	Natchitoches		St. Martin	Livingston	St. Charles	
Webster	Morehouse	Sabine		St. Mary	Pointe Coupee	St. John the Baptist	
	Ouachita	Rapides		Vermilion	St. James	Terrebonne	
	Richland	Vernon			West Baton Rouge		
	Tensas	Winn			West Feliciana		
	Union						
	West Carroll						

LASERS Contact Information

Location: 8401 United Plaza Blvd. • Baton Rouge, LA 70809

Mail: P.O. Box 44213 • Baton Rouge, LA 70804-4213

Phone: (toll-free) 800.256.3000 • (local) 225.922.0600

Web: www.lasersonline.org

The LASERS Vision

Confidence in our service, assuring financial security for your future

The LASERS Mission

To provide a sound retirement plan for our members through prudent management and exceptional service

LASERS Core Values

Highest Ethical Standards
Integrity
Prudent Management

This public document was published at a total cost of $780. Seventy copies of this public document were published in this first printing at a cost of $780. The total cost of all printings of this document, including reprints is $780. This document was published by the Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, LA 70804-4213, to disseminate plan benefit information to its members and to Louisiana policymakers under authority of La. R.S. 11:511 et seq. This material was printed in accordance with the standards for printing by state agencies established pursuant to La. R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.