



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	March 22, 2017
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:00 a.m.

- 1) Chairman, Kevin Marcel called the meeting to order.
- 2) Shelley Sebastian, Administrative Assistant, called roll as follows:

Frank Besson Jr., President, LSTA – ARRIVED AFTER ROLL CALL
Jay Dardenne, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
Ron Henson, Treasurer, Appearing Thru
Amy Mathews - PRESENT
Kevin Marcel, Active Representative – PRESENT
Jay O'Quinn, President, LSTA – ARRIVED AFTER ROLL CAL

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber
Irwin L. Felps, Jr., Executive Director
Kimberly Gann, Assistant Director
Rep. Sam Jones, House of Representatives
Shelley Sebastian, Administrative Assistant

The pledge was led by Kevin Marcel and the prayer was led by Irwin Felps.

Let the records reflect the following committee members joined the meeting;

- Jay O'Quinn joined the meeting at 9:10 a.m.
- Frank Besson joined the meeting at 9:25 a.m.
- Rep. Sam Jones joined the meeting at 10:00 a.m.

- 3) Rob Bickham advised the committee that the main purposes of today's meeting were as follows:
 - a. Presentation from two of LSPRS equity managers, T. Rowe Price and Wellington Trust Company.
 - b. Asset Allocation Study – Capital Market projections
 - c. Asset Allocation
 - d. Manager Analysis
 - e. Watch List
- 4) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of February 28, 2017. The system's breakdown of assets are as follows; Total equities are \$467M make up 63.1% of the portfolio. Fixed income is at \$136M, which is 18.5% of the portfolio and Alternatives were at \$102M making up 13.8% of the portfolio. The total portfolio was up to \$741M, which is a new high for the system.

Value and Returns summary, total Domestic equity managers are up 6.17% year to date and 18.04% fiscal year to date. The total International equity managers are up 6.03% year to date and up 7.18% fiscal year to date; The total for the Equity Managers are up 6.13% year to date and up 14.58% fiscal year to date and the total for the Fixed Income managers are up 2.26% year to date and 1.37% fiscal year to date. The total fund is up 4.47% year to date and up 9.44% fiscal year to date.

Mr. Felps pointed out the “Manager Analyzed from Inception” performance is at 7.49%. The inception date is November 30, 1990. (Exhibit A on file at the LSPRS office)

- 5) T. Rowe Price presentation given by Bradley Meeker, Institutional Client Service Executive, Ronald Taylor, Portfolio Specialist and Edward Burke, Institutional Sales Executive (Exhibit B on file at the LSPRS office)
- 6) Wellington presentation given by Joshua Berger, CFA, CMT Investment Director and Randall Mayer, Relationship Manager (Exhibit C on file at the LSPRS office)
- 7) Rob Bickham presented the UBS Asset Allocation study with Capital Market projections. Mr. Bickham’s presentation included the LSPRS’ present asset allocation and the resulting return of 6.86% with a standard deviation of 11.20%. In addition to the current allocation for the system, Mr. Bickham discussed two other options for the system to consider. The first option reduced the core fixed income allocation by 2.50% and increased the real estate allocation by 2.50%. The resulting return for option 1 was 7.05% with a standard deviation of 11.35%. The second option reduced the core fixed income allocation by 2.50% and reduced cash by 2.50%. These reductions were to use the fund to increase International Equities by 2.50% and to increase private equity by 2%. In addition, the real estate would be at 7.50% and the timber would be reduced to 1.50%. These changes would result in a return of 7.15% with an increased risk to 11.70%. The committee requested that Mr. Bickham prepare a third option that would be presented to the Investment Committee in May and include increasing the International Equities and Private Equity. (Exhibit D on file at the LSPRS office)

Mr. Felps recommended having a couple of private equity presentations at the May 24, 2017 Investment Committee meeting.

- 8) Irwin L. Felps, Jr., updated the committee on the transfer of LSPRS’ timber interest with respect to CALPERS, would be completed on March 30, 2017. The approximately \$529K will be transferred into the cash account.
- 9) A **MOTION** was made by Jay O’Quinn to adjourn. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed.

APPROVED FOR DISTRIBUTION

Kevin Marcel, Chairperson
Louisiana State Police Retirement System
Investment Committee