



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	March 28, 2018
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:00 a.m.

- 1) Treasurer Designee, Amy Matthews called the meeting to order.
- 2) Shelley Sebastian, Administrative Assistant, called roll as follows:

Frank Besson Jr., President – PRESENT (Arrived after roll call)
Jay Dardenne, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
John Schroder, Treasurer, Appearing Thru
Amy Matthews – PRESENT
Kevin Marcel, Active Representative – NOT PRESENT
Jay O'Quinn, President, LSTA – PRESENT

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber Doris Prudhomme, Surviving Spouse Representative
Irwin L. Felps, Jr., Executive Director Shelley Sebastian, Administrative Assistant
Kimberly Gann, Assistant Director

The pledge was led by Jay O'Quinn and the prayer led by Irwin Felps, Jr.

- 3) Rob Bickham advised the committee that the main purposes of today's meeting are as follows:
 - a. Presentations by 4 International managers; Templeton, Vontobel, Wellington and Brandes
 - b. Monthly reports, Asset Allocation and Market Value and Returns Summary as of 2/28/18.
 - c. Reallocation update
 - d. Watch List update
- 4) Templeton presentation by Brian Kahley, Relationship Manager and Andrew Burkly, Institutional Portfolio Manager (Exhibit A on file at the LSPRS office)
 - Jay O'Quinn left the meeting at 9:45
- 5) Vontobel presentation by Amit Mukadam, Executive Director, Institutional Clients and Cheryl Gedvila, Director, Senior Portfolio Adviser (Exhibit B on file at the LSPRS office)
 - Jay O'Quinn returned to the meeting at 10:15
 - Frank Besson joined the meeting at 10:25

- 6) Wellington presentation by Lee Cohen, CFA, Regional Director, Americas Institutional Group and Laura Howenstine, CFA, Investment Director (Exhibit C on file at the LSPRS office)
- 7) Brandes presentation by Doug Edman, CFA, Director, Investments Group (Exhibit D on file at the LSPRS office)
- 8) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of February 28, 2018. The system's breakdown of assets are as follows; Equities make up 66.7% of the portfolio. Of the 66.7%, US Large Cap is 27.1%, US Small Cap 12.9%, US Mid Cap makes up 5.3%, Foreign Developed at 13.8% and Foreign Emerging Market making up 7.6%. The fund is overweight in equities at this time but should be within portfolio target when the reallocation is completed.

Fixed income is at \$142,439,252 which is 16.6% of the portfolio; The Core Fixed Income is 6.9% of the total Fixed Income and Fixed Income (Full Discretion) is 9.7% of the Asset Class.

Alternatives were at \$107,518,722 making up 12.5% total exposure; Real Estate making up 6.6%; Hedge Funds making up 3.4%, Timber 0.8% and Private Equity making up 1.8%.

The total portfolio value was \$858,999,603. Total Domestic equity managers are up 2.07% year to date and up 13.70% fiscal year to date; the total International equity managers are up 1.18% year to date and up 12.10% fiscal year to date. The Fixed Income managers are down -0.69% year to date and up 1.37% fiscal year to date. The total fund performance is down -2.60% current month but still up 1.26% year to date and up 9.27% fiscal year to date. (Exhibit E on file at the LSPRS office)

- 9) Rob Bickham reviewed the "watch list":

AJO – remains on the watch list but starting to improve

Iridian – improving but will remain on watch

Wellington – strong numbers but will wait for the March numbers to decide whether to remove from watch or remain on watch

Brandes – Mr. Bickham stated he is comfortable with Brandes but will remain on watch

Vontobel – will remain on watch for now

Campbell – will remain on watch

- 10) Kimberly Gann gave the committee members a Reallocation Details and Timeline update report as of March 2018. The objectives are as follows: (Exhibit F on file at the LSPRS office)
 - 2.5% from Equities – 1% from US Large Cap and 1.5% from US Small Cap, divided equally between managers
 - Allocate 1% to LBAB (Lehman Ag) Core Fixed Income, ½% to Brandywine Full Discretion Fixed Income and 1% to PRISA and JPMCB (Real Estate) divided equally between the two; the Real Estate Allocation is questionable at this point considering the 6 to 9 months que for the JPMCB Fund
 - Open Carlyle account – Direct Private Equity allocation to the Carlyle Global Infrastructure Opportunity Fund. This fund subject to cash call, total allocation is \$5M.

Rob Bickham recommended having the Hedge Fund Managers in at the May Investment Committee meeting.

Mr. Felps stated he has received the documents from the Carlyle Group and Denise Akers, attorney, has reviewed the documents. The commitment documents should be completed around mid- April.

11) A **MOTION** was made by Jay O'Quinn to adjourn. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.



Amy Mathews, Treasurer Designee
Louisiana State Police Retirement System
Investment Committee