



## Louisiana State Police Retirement System (LSPRS)

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### Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	January 27, 2021
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:30 a.m.

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- 1) Chairman Amy Mathews called the meeting to order.
  - 2) Wendy Ingram, Administrative Assistant, called roll as follows:  
Frank Besson Jr., Designee for Superintendent – PRESENT  
Andrea Hubbard, Designee for Commissioner of Administration – PRESENT  
Amy Mathews, Designee for Treasurer – Chairperson – PRESENT  
Kevin Marcel, Active Representative, Committee Vice-Chairman – PRESENT  
Jay O'Quinn, President LSTA – PRESENT

The records reflect that the following persons were also present:

Rob Bickham, UBS Institutional Consulting	Zachary Gaitz, UBS Institutional Consulting
Kimberly A. Gann, Assistant Director	Claire Guidry, Retirement Benefits Analyst
Wendy Ingram, Administrative Assistant	Kevin P. Reed, Executive Director

- 3) The Pledge of Allegiance was led by Kevin Marcel and the prayer was led by Kevin P. Reed. No public comments.
- 4) Rob Bickham directed the Committee to a discussion of the Asset Allocation Report ending December 31, 2020 (**See Exhibit A Attached**). Mr. Bickham noted how, although the financial markets were greatly affected during the pandemic, LSPRS finished the calendar year strong with total assets of \$1,052,019,991 which was a high-water mark for LSPRS. The total equities for the period ending December 31, 2021 were 68.3% of the portfolio, which was above both our target ratio of 62.5% and the maximum equity allocation of 65.0%. The total for real estate alternatives was 6.5% and the total for hedge funds was at 1.9%. Timber ended at 0.2% and private equity ended at 3.3%, with alternatives totaling 11.9%, thus slightly below their 15.5% target weighting. The total cash in Money Market Funds is \$18,887,647 or 1.8% of the portfolio.

Rob Bickham then directed the Committee to review the Market Flash Returns Summary ending December 31, 2020. Mr. Bickham stated this was one of the best quarters he has seen in history noting that the Total Domestic Equity was up 17.94% for the end of the quarter and 27.68% for the fiscal year to date period. The return of the total equity managers for the quarter was 17.89% and 27.19% for the fiscal year to date period. Rob commented on the Fixed Income Managers

are up 3.44% for the month and for the fiscal year end period returning 6.19%. Mr. Bickham ended by noting the total fund for the quarter to date period was up 12.76%, which was one of the highest quarterly returns he has seen in 30 years, while the fiscal year to date return was 19.13%.

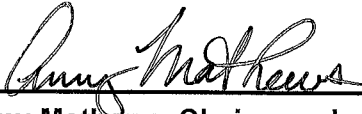
- 5) Kevin P. Reed presented information regarding the Portfolio Rebalancing for LSPRS (**See Exhibit B Attached**) stating the current outstanding goal is to trim an additional 5% or \$5 million from the portfolio's large capitalization position. All initial reallocation objectives have been completed with the exception of 1) the aforementioned which we anticipate completing in March 2) in Alternatives/Real Estate, we have committed to adding \$5M to PRISA and \$5M to JPMCB, they are able to accept the funds near the end of March. Kevin also noted that he would be discussing additional rebalancing with Rob, as the continuing appreciation in some of our segments provides the potential opportunity to redeploy assets.
- 6) Rob Bickham directed the Committee to view the Annual Manager Review for fiscal year ending June 30, 2020 (**See Exhibit C Attached**). Kimberly A. Gann reminded that committee that every year the money managers, custodial bank and attorneys are evaluated, and color coded according to performance. This year's summary is coded using Green for Outstanding Performance, Purple for High Alarm/Watch and Yellow for Concern. Mrs. Gann noted on the Annual Performance Evaluation Summary that the three managers with outstanding performance were graded on response, customer service and performance. Mrs. Gann stated the average rating for UBS was 8.74 and thanked Christine Dugas and Robin Landa for the behind the scenes work they do at UBS and for always being quick to respond. Mrs. Gann also noted that US Bank has an average rating of 9.88 and is very quick to respond. Mr. Reed agreed, stating how responsive they have been through the quarantine working from home. Mrs. Gann added that Akers & Wisbar has an average rating of 9.34 stating that the decrease was most likely due to the remote working environment, but they are still reasonably responsive. Mr. Reed agreed stating that the remote environment was a factor.

Rob added, that AJO was terminated, shuttering their doors in December, and we transferred the assets to SSGA. Ivy, aka Wadell & Reed is on watch due to pending organizational changes with them being acquired by Macquarie Asset Management. Brandes has been on and off watch for various reasons over the years, but most recently due to performance. He recommended the committee hear from them at the next meeting to receive an investment update. Brandywine, which is on watch due to performance, will most likely take care of itself with recent performance being quite strong. Loomis is on watch for organizational reasons and is likely to come off. Campbell has not performed as initially anticipated, which is why they are on watch, although we have very few assets with them and it is a depleting position, we will probably keep it on watch.

- 7) Rob Bickham provided information on the UBS House View (**See Exhibit D Attached**) stating that the GDP contracted by -3.5% for the year, which is a large number, typically equating to a recession. Mr. Bickham stated that during the pandemic the performance of technology was strong while consumer services such as restaurants, airlines and hospitality were devastated. Rob believes that we are in the early stages of a recovery, with future GDP growth being strong in 2021, along with a 4 to 5 year run of positive growth after the pandemic ends. Mr. Bickham

feels the economic outlook is very good looking forward with the GDP reaching pre-pandemic levels by 2022.

- 8) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.



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Amy Mathews, Chairman, Investment Committee  
Louisiana State Police Retirement System