



## 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>	Wednesday, March 24, 2021
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:30 a.m.

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

The records reflect that the following persons were also present:

Rob Bickham, UBS Institutional Consulting    Tausha Facundus, Retirement Benefits Specialist  
Kimberly A. Gann, Assistant Director        Chris J. Garrett, CFA, Emerging Markets Equity  
Claire Guidry, Retirement Benefits Analyst    Jerry Pascucci, UBS Institutional Consulting  
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 look at the flash report including the Asset Allocation and the Market Value and Returns Summary as of February 28, 2021 (**See Exhibit A Attached**). Mr. Bickham noted how although the global pandemic continues LSPRS' portfolio remains strong with total funds of \$1,081,331,862. Total equities comprised 68.2% of the portfolio, which was above both the target weighting of 62.5% and the maximum equity allocation of 65.0%. Mr. Bickham noted that we continue to rebalance the portfolio, and this will be discussed in more detail later in the meeting. Fixed income is well within guidelines at 18.1% of the portfolio along with alternatives at 12.1%, noting that there is no intention to add funds to timber or hedge fund allocations at this time. The money market fund position represented \$18,269,259, or 1.7%.

Rob Bickham focused the committee on to the returns of the portfolio for the periods ending February 28, 2021, noting that the equity segment has had outstanding growth. For the fiscal year to date period ending February, total domestic equity managers were up 34.71% while total international equity was up 29.59%. Total equity managers were up 33.16% for fiscal year to

date ending February. The total fixed income managers were up 4.07%. The total fund for the fiscal year to date was up 23.01%.

- 5) A **MOTION** was made by Jay O'Quinn to remove Brandywine Global from the watchlist. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed. A **MOTION** was made by Amy Mathews to remove Loomis Sayles Com Trust from the watchlist. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed. Ivy Investments, Fisher and Brandes remain on the watchlist.
- 6) Rob Bickham directed the Committee to view the UBS House View Strategy Guide April 2021 edition (**See Exhibit B Attached**). Mr. Bickham noted that the base case scenario shows strong yet stable growth. The Guide reflects that inflation is estimated to be relatively stable and peak in April 2021 then fall back to below 2%. GDP will return to pre-pandemic levels by the end of the year. It was also noted that interest rates remain low at this time and will only gradually move higher over the next year.
- 7) Chris Garrett with Brandes Investment Partners gave a presentation on the firm and the equity style they manage for LSPRS, being Emerging Markets Equity with a value bias. His presentation focused on the core distractors resulting in recent under performance, how the portfolio has been adversely impacted by the pandemic and is being restructured to capitalize on a global economic recovery - (**See Exhibit C Attached**).
- 8) UBS, Jerry Pascucci, Managing Director, Head of Global Alternative Investment Solutions, gave an overview of UBS' perspective on alternative investments (**See Exhibit A as noted above for Mr. Pascucci's reference to the Flash Report; See Exhibit D for Mr. Pascucci's bio**).
- 9) Rob Bickham and Kevin Reed gave an overview of their discussions with and presentations made by EnTrust regarding the Blue Ocean and the Global Recovery strategies. Kevin Reed expressed that he does not believe investing with EnTrust Blue Ocean Onshore Fund would be a good fit for LSPRS in that directly investing in shipbuilding is too concentrated and he would rather see more diversified investments in the portfolio. Addressing EnTrust's Global Recovery Fund, Mr. Reed explained that 60%-80% of the fund is invested in public equities that can be purchased without locking up money for multiple years nor being subjected to the higher fee structure of EnTrust (**see Exhibits E and F**).
- 10) Kevin Reed discussed portfolio rebalancing with the committee (**See Exhibit G**). Noting that the pending reallocation to AI Real Estate will settle by April 9<sup>th</sup>, completing our current rebalancing program. Given the strong equity market returns, he proposed allocating approximately \$10 million to State Street Aggregate Bonds, \$3 million to Loomis Sayles Com Trust, \$7 million to Brandywine and \$6.5 million to Alternatives, totaling \$26.5 million. The source of funds will be from Ivy Investments (\$13,250,000) and Fisher Investments (\$13,250,000). A **MOTION** was made by Jay O'Quinn to accept the redistribution of \$26.5 million to rebalance the LSPRS portfolio. The **MOTION** was seconded by Amy Mathews. No opposition. The motion passed. Kevin Reed conveyed to the Committee that after the completion of the aforementioned portfolio realignment, he anticipates another tranche to move the portfolio closer toward our target weightings.

- 11) A **MOTION** was made by Frank Besson to adjourn the meeting. The **MOTION** was se~~c~~onded by Amy Mathews. No opposition. The motion passed.



Kevin Marcel, Chairman, Investment Committee  
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