

# LSPRS || LOUISIANA STATE POLICE RETIREMENT SYSTEM

9224 Jefferson Highway | Baton Rouge, Louisiana 70809  
(225) 295-8400 or (800) 256-5210  
Fax: (225) 295-8408 | Email info@lsprs.org

## Board Meeting Minutes

<b>Meeting Title</b>	LSPRS Board Meeting
<b>Date of Meeting</b>	August 23, 2023 (Wednesday)
<b>Where</b>	9224 Jefferson Hwy, Baton Rouge, LA (Dr. Bobby E. Smith Boardroom)
<b>Start Time</b>	Upon Adjournment of Investment Committee

---

- 1) Vice-Chairman, Kevin Marcel, called the meeting to order.
- 2) Kevin Marcel led the Pledge of Allegiance followed by a prayer led by Alan Verhoef, LSPRS Board member.
- 3) Gretchen Marquez, Executive Staff Officer, called roll as follows:

Colonel Lamar Davis, Superintendent, Office of State Police, Appearing Through Frank Besson, Designee for Superintendent, NOT PRESENT  
Commissioner Jay Dardenne, Division of Administration, Appearing Through Andrea Hubbard, Designee for DOA Commissioner, PRESENT  
Representative Vanessa LaFleur, Representing the House Committee on Retirement, PRESENT (Arrived after roll call)  
Chris LeDay, President, Central State Troopers Coalition, NOT PRESENT  
Kevin Marcel, Retired/Active Representative, Vice-Chairman, PRESENT  
Senator Ed Price, Chairman, Senate Retirement Committee, Appearing Through Representative Cleo Fields, Designee for Senator, NOT PRESENT  
Doris Prudhomme, Surviving Spouse Representative, PRESENT  
Treasurer John Schroder, Appearing Through Amy Mathews, Designee for State Treasurer, PRESENT  
Hackley Willis, Jr., LSTA President, NOT PRESENT  
Alan Verhoef, Active Representative, PRESENT  
Bryan Zeringue, Retiree Representative, PRESENT

The record reflect that the following persons were also present:

Robert Bickham, UBS Institutional Consulting (Via ZOOM)  
Racheal Alvey, Griffin & Furman, LLC  
Margaret Corley Michel, LSPRS Executive Director  
Laura Gail Sullivan, General Counsel  
Gretchen Marquez, LSPRS Executive Staff Officer  
Doug Hanly, LSPRS Chief Investment Officer  
Joey David, House Retirement Staffer

- 4) A **MOTION** was made by Amy Mathews to approve the Board Minutes from the June 21, 2023, Board Meeting. The motion was seconded by Alan Verhoef. No opposition. The motion passed. **(See Exhibit A - attached)**

A **MOTION** was made by Amy Mathews to approve the Investment Committee Minutes from the July 26, 2023, Investment Committee Meeting. The motion was seconded by Bryan Zeringue. No opposition. The motion passed. **(See Exhibit B - attached)**

A **MOTION** was made by Amy Mathews to move to ratify the Investment Committees motion to terminate Vontobel and engage GQG as the replacement emerging markets manager. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.

- 5) Robert Bickham, UBS/PaineWebber, presented the Board with the Asset Allocation and Markets Value and Returns Summary as of July 31, 2023. **(See Exhibit C - Attached)** The total equities had a market value of \$611,470,663 equating to 57.3% of the portfolio, the total fixed income equated to 21.4% of the portfolio at \$228,858,767, which is well within the minimum and maximum target allocation. The total alternative investments were 17.0% of the portfolio at \$181,607,301, which is slightly below the 19.5% target, and total cash of 4.3% at \$45,848,333. The month ended with a total fund value of \$1,067,785,063.

Mr. Bickham directed the Board to view the Market Value and Returns Summary as of July 31, 2023. **(See Exhibit D - Attached)** Mr. Bickham noted that it has been a strong calendar year for markets overall with the S&P 500, T. Rowe Large Cap Fund, and Russell 1000 Value at 20.62%, 35.39%, and 33.36%, respectively. Focusing on the Year-To-Date column, total domestic equities were 18.93%, total equity managers were 17.42%, total international equities were 14.82% and total fixed income managers were 3.15%. Overall, the total fund was 9.84% for the calendar year-to-date and 7.42% manager analyzed return since inception.

Mr. Hanly added that our initial target is 3.5% with GQG. The funding source for GQG will be a combination of the sellout of Vontobel and the S&P 400.

Mr. Bickham presented the committee with the UBS House View Presentation – Chief Investment Office GWM, August 2023. He started by focusing on the years 2022 and 2023 of the “Quilt chart” of select asset classes’ calendar year performance. **(See Exhibit E - Attached)** He mentioned how assets classes in 2022 were opposite images of assets in 2023. The best asset class in 2022, commodities, was the worst performing in 2023. US large-cap equities were down -19.1% in 2022 and were up 19.2% in 2023. Mr. Bickham stated that markets are difficult to predict year after year, but the 60/40 portfolio has held up.

Mr. Bickham directed the Board to view page 17 of the House View. The graph showed a comparison of real GDP growth expectations for 2023 compared to 2022. In 2022, the US had a GDP growth rate of 2.1%. This year, the estimate for the US is 1.4% but may be slightly higher. The economy is slowing, and it is believed that the US GDP will be even further down by 0.5%. **(See Exhibit F - attached)**

In summary, Mr. Bickham noted that it is believed for the central scenario that the US economy will slow further and near zero growth by early 2024. Inflation will continue to slow in the US and Europe but will end the year above central bank targets. The central banks will keep interest rates at elevated levels for the rest of the year before rate cuts become more likely toward the second half of 2024. **(See Exhibit G - attached)**

- 6) Racheal Alvey, Griffin & Co., LLC, presented the Cash Disbursements for the months of May, June, and July 2023. May’s total disbursement amounted to \$95,976.87 due to the first installment of new office furniture, a moving expense reimbursement, and some awards that were issued. June’s total

disbursement amounted to \$113,624.76 due to some investment management software. Ms. Alvey also noted that it was a 3-pay-period payroll month. July's total disbursement amounted to \$147,167.07 due to a UBS fee and quarterly Loomis fee. **(See Exhibit H - attached)**

Ms. Alvey then reviewed the Statement of Fiduciary Net Position/Balance Sheet for the month ending July 31, 2023. She pointed out that the bank held \$39,656 in cash, with Total Investments standing at \$1,066,748,495. Total Liabilities were \$2,847,062, resulting in a Net Position of \$1,066,265,531. Next, she discussed the Statement of Changes in Fiduciary Net Position/Income Statement, focusing on the Fiscal Year-To-Date for July 2023. Total Revenues were reported at \$30,611,622.51. Total Expenses were \$7,534,725.28, bringing Net Income to \$23,076,897.23. **(See Exhibit I - Attached)**

Ms. Alvey reviewed the Budget Summary for the month ending July 31, 2023, focusing on the Over/Under Budget in last column. Ms. Alvey stated that we were under in all categories except for the dues and subscriptions due to the annual State civil service fee. Ms. Alvey stated that we were under budget with a Total Operating Budget of \$315,737. **(See Exhibit J - Attached)**

A **MOTION** was made by Bryan Zeringue to accept the financial reports. The motion was seconded by Alan Verhoef. No opposition. The motion passed.

- 7) Ms. Michel presented the Board with the Audit Compliance Questionnaire. The questionnaire has not changed since last year and LSPRS maintained Ericksen Krentel as the auditor. Every document has been given to the lead auditor, Michael Caparotta, that he has requested. The questionnaire will be one of the last pieces once it is approved. **(See Exhibit K -Attached)**

A **MOTION** was made by Amy Mathews to approve the Audit Compliance Questionnaire. The motion was seconded by Doris Prudhomme. No opposition. The motion passed.

- 8) Ms. Michel presented the Board with the 2024 Board and Committee Meeting Schedule. The months of August and December will be joint meetings just as it was for 2023. There will be no September or November meetings. January's meeting will be the last week of the month. **(See Exhibit L - Attached)**

A **MOTION** was made by Bryan Zeringue to approve the 2024 Board and Committee Meeting Schedule. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.

- 9) A **MOTION** was made by Amy Mathews to approve the Benefits Change Report, in globo. The motion was seconded by Alan Verhoef. No opposition. The motion passed. **(See Exhibit M - Attached)**

- 10) In other business, Ms. Michel introduced and welcomed Ms. Sullivan as the LSPRS General Counsel.

Ms. Michel mentioned that LSPRS is working on our valuation and has completed all the questions from G.S. Curran and Company's office.

The retirement system is working on selecting a firm who can scan documents for the scanning project. PaperVision is a contender and is used by the Louisiana School Employees Retirement System, the Parochial Employees Retirement System, and the Assessor's Retirement System. Ms. Michel stressed that our biggest focus is to be able to have an audit trail within the document retention system.

In the future, Ms. Michel added that LSPRS may move to electronic board binders to provide trustees with individual login capabilities, electronic markups, and retention of their meeting documents.

Finally, Ms. Michel added that newsletters will be reduced from quarterly to semi-annually. Some retirees have expressed that it would still be valuable to keep the newsletter but just reduce the frequency of mailouts. A future goal is to also have email addresses of retirees to move to an electronic mailout of the newsletter. The semiannual mailout will be around January to wrap up the calendar year in order to give DROP interest rate and beginning of Legislative session information, as well as a July mailout to wrap up the end of the Fiscal year and bookends of Legislative session.

Kevin Marcel commented that it would be beneficial to have a strategic goal within a certain period over the next several years to get to the next steps of reducing paper newsletters and electronic mailouts.

The LAPERS conference is September 10<sup>th</sup>-12<sup>th</sup>. Ms. Michel mentioned that Board members will get their room information a week before the conference. There will be a dinner on Sunday night with Fisher Investments.

Ms. Michel directed the Board to view the educational training sheet that showed the current hours of each board member. All training hours should be completed by August 31, 2023.

- 15) A **MOTION** was made by Vanessa LaFleur to adjourn the meeting. The motion was seconded by Bryan Zeringue. No opposition. The motion passed.



---

**Kevin Marcel, Vice-Chairman**  
**Louisiana State Police Retirement System**  
**Board of Trustees**