



## 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 23, 2022
<b>Where</b>	LA State Police Retirement System Building, 9224 Jefferson Highway
<b>Start Time</b>	9:30 a.m.

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- 1) Investment Committee Chairman, Kevin Marcel called the meeting to order.
  - 2) Wendy Ingram, Administrative Assistant, called roll as follows:  
Frank Besson Jr., Designee for Superintendent – Vice-Chairman – NOT PRESENT  
Andrea Hubbard, Designee for Commissioner of Administration – PRESENT  
Kevin Marcel, Chairman – PRESENT  
Vacant, President LSTA – NOT PRESENT  
Philip Qualls, Designee for Treasurer – PRESENT  
  
The records reflect that the following persons were also present:  
  
Rob Bickham, UBS Institutional Consulting (via ZOOM)  
Claire Guidry, Retirement Benefits Analyst  
Margaret C. Michel, Assistant Director  
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, 2022, noting total investment assets of \$1,116,892,642. Total Equities were just below the allocation target at 61.7% (or \$689.4M) of the portfolio. Fixed income was just above target at 21.3% (or \$237.5M) of the portfolio, and Alternatives were above the allocation target at 15.8% (or \$176.8M). The Money Market fund position represented \$13.2M, or 1.2% of the portfolio. **(See Exhibit A - attached)**

Rob Bickham focused the committee on the Fiscal Year To Date period of the Returns Summary for the period ending February 28, 2022. In the fiscal year to date column, total equity managers returned -5.09%, while domestic equity managers returned -2.75%, international equity managers returned -9.94%. The total fixed income managers were down -4.26%. The total fund for the fiscal year to date period had a total rate of return of -2.18%. Mr. Bickham stated given the geopolitical unrest, this was a negative month with the portfolio being down -0.96%. **(See Exhibit B - attached)**

- 5) Rob Bickham presented the committee with the UBS House View Presentation – Chief Investment Officer GWM, March 2022. Mr. Bickham started by focusing on Page 3 and the Economic Forecasts, noting that real GDP for the US is estimated to be 5.7% for 2021, which is one of the highest growth rates over the past 50 years. On page 19, Mr. Bickham focused on the Central Scenario. **(See Exhibit C - attached)**
- 6) Kevin P. Reed, Executive Director, discussed the LSPRS Portfolio Exposure to Russia, China, and Ukraine **(See Exhibit D – attached)** as well as a letter dated March 16, 2022, from Louisiana State Treasurer, John M. Schroder **(See Exhibit E - attached)**. Mr. Reed noted that LSPRS' exposure, as of December 31, 2021, to early January 2022, is very low, with the total investment portfolio's exposure of 0.26% for Russia, 3.16% for China, and 0% for Ukraine.
- 7) Rob Bickham reviewed the Investment Portfolio Asset Allocation Studies, beginning with the Revised Equilibrium CMAs covering Long-Term Multiple business Cycles, 20-30 years **(See Exhibit F - attached)**. Mr. Bickham focused on Page 4 where Returns for US Cash was projected to be 2.16%, US Corporate High Yield 6.01%, US Equity – Core being 8.30%, Private Equity being 8.30%, and Commodities was at 3.35%. He also discussed the standard deviation, a measure of volatility, of the various asset classes.

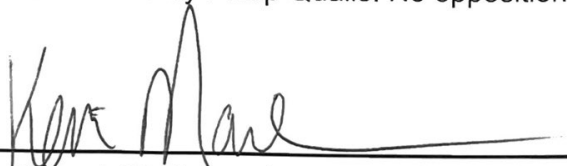
Mr. Bickham then directed the committee to view the Revised Strategic CMAs covering Business Cycle, 5-7 years **(See Exhibit G - attached)**. On Page 3, Mr. Bickham noted that the Returns for US Cash was at 1.40%.

Mr. Bickham recommended a change in the investment portfolio's asset allocation, as to decrease the weighting in Fixed Income by 4%, decrease the weighting in Commodities by 1%, and increase the weighting in Alternative Investments by 5%, with this allocation predominantly going toward Private Equity and Private Credit.

A **MOTION** was made by Philip Qualls for the Investment Committee to approve the proposal, as reflected in the UBS March 21, 2022 Investment Solutions Portfolio Analysis, Equilibrium Study, Proposal 2, (allocation summary reflected on page 9 of the analysis) and stated by Rob Bickham, and to adopt the new asset allocation as proposed. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

- 8) Kevin P. Reed spoke about the prospective scheduling of asset manager presentations. He also presented a letter from J.P. Morgan regarding a minor change in their asset manager lineup **(See Exhibit H - attached)**. Mr. Reed mentioned having asset managers, with similar investments mandates, present on the same day to the Investment Committee and/or Board.

- 9) Kevin P. Reed directed the committee to the Investment Watch List (**See Exhibit I - attached**) noting no changes. Mr. Reed spoke about Vontobel, a global equity emerging markets quality growth manager, possibly being placed on watch at the next Investment Committee meeting if relative investment performance does not improve; while recognizing the recent geopolitical instability perpetrated by the Russian invasion of Ukraine has added to the volatility of the investment sleeve they manage.
- 10) Margaret Michel discussed pending legislation effecting LSPRS.
- 11) A **MOTION** was made by Andrea Hubbard to adjourn the meeting. The **MOTION** was seconded by Philip Qualls. No opposition. The motion passed.



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Kevin Marcel, Chairman, Investment Committee  
Louisiana State Police Retirement System