



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	January 22, 2020
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:30 a.m.

- 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 – NOT PRESENT

The records reflect that the following persons were also present:

Kimberly A. Gann, Assistant Director Robin Landa, UBS/PaineWebber
Wendy Ingram, Administrative Assistant Kevin P. Reed, Executive Director

- 3) The pledge and prayer were led by Kevin P. Reed. No public comments.
- 4) Robin Landa opened the meeting by advising the Committee that 2019 (calendar year) was a good year. We will review the flash report in this meeting to discuss where LSPRS ended the calendar year. Ms. Landa noted that we will be discussing at this meeting an analysis of fees, to place later this year, as well as reviewing small cap value manager options.
- 5) Robin Landa reviewed the December 2019 flash report (**See Exhibit A Attached**) noting that 2019 was a good year and 2020 looks promising. Returns for the calendar year were strong with equities up 24.33%, fixed income up 10.74% and alternatives up 4.43%. The calendar year return for 2019 for the portfolio was a strong 17.78%. The fiscal year to date return is at 5.23%. The money market (cash) position will be reduced as stated in the previous meeting. Ms. Landa noted this may be a good time to review the portfolio's allocations.
- 6) Kevin P. Reed advised the Committee that he has had weekly updates from Fisher Investments. In the small cap value area, they have lost approximately \$141M and 5 clients. Mr. Reed continues to monitor them weekly. Robin Landa reminded the committee that UBS has elected to no longer do research on this firm. They consider Fisher a reputational risk and will no longer monitor them nor advise clients to consider them for managing funds.

Ms. Landa asked the committee to review the small cap value options that UBS has provided, pointing them to the Small Cap Value Manager Search booklet (**See Exhibit B Attached**). Ms. Landa pointed out that AllianzGI NFJ is a focused stock selection manager, with Fuller & Thaler being more of a boutique style firm that uses behavioral analysis. Kayne-Anderson focuses on quality and is more concentrated typically having approximately 29 individual holding. Ms. Landa also noted that index funds based on the S&P 600 and the Russell 2000 are investment options as well.

Amy Mathews asked about related fees. Robin Landa stated the numbers provided in the book are gross of fees with the exception of the indexes.

After reviewing the book and discussion of same, Kevin Reed stated he prefers Kayne-Anderson Rudnick and Fuller & Thaler and asked if there is information available regarding the firm's and their specific small cap value investment style, process, discipline, holdings and clients. Robin Landa recommended the committee invite them to a future meeting to gather additional information on each manager. After discussion, it was agreed that all three of these managers will be invited to the March meeting to give a 20-minute presentation with 10 minutes of Q&A to follow. Robin Landa will contact the managers and confirm times with Kimberly Gann.

- 7) Kevin P. Reed advised the Committee that the staff has been in the process of reducing the investment portfolio's money market (cash) position as authorized in the last meeting. On January 8, 2020 \$8M was invested into the SSGA Agg Bond Index Fund.
- 8) Amy Mathews asked for an update on the transfer of the Loomis Sayles bond mutual fund into their Comingled Trust Fund. Kevin P. Reed stated he has received over 300 pages of documents from Chris Lazzaro, performed a preliminary review, and forwarded them to legal counsel for review. The transfer is targeted to occur by the end of April. We currently have a \$66M position in the Loomis Sayles bond mutual fund.
- 9) Kevin P. Reed and Robin Landa briefly advised the Committee that the fee analysis undertaking will be done in conjunction with both LSPRS and UBS. The commencement of the fee analysis may be somewhat delayed as LSPRS is currently facing some staffing issues. Mr. Reed anticipates hiring a student intern to assist the LSPRS with the fee and financial analysis, along with other investment, analytical and trustee focused projects.
- 10) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

Amy Mathews 

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

La. State Police Retirement System

Roll Call & Notes

Jan. 22, 2020

BOARD OF TRUSTEES:

<u>Name</u>	<u>Present</u>
Commissioner Jay Dardenne, or <u>Andrea Hubbard</u> Designee	Yes _____ No _____
Col. Kevin Reeves or <u>Frank Besson</u> Designee	Yes _____ No _____
Treasurer John Schroder, or <u>Amy Mathews</u> Designee	Yes _____ No _____
Kevin Marcel	Yes _____ No _____
Byron Juneau	Yes _____ No _____
Sen. Barrow Peacock, or Designee	Yes _____ No _____
Rep. Sam Jones	Yes _____ No _____
Doris Prudhomme	Yes _____ No _____
Jay O'Quinn	Yes _____ No _____
Baxter Welch	Yes _____ No _____
Hackley Willis	Yes _____ No _____

EXECUTIVE COMMITTEE:

Frank Besson	Yes <input checked="" type="checkbox"/> No _____
Kevin Marcel	Yes <input checked="" type="checkbox"/> No _____
Jay O'Quinn <i>Quorum? yes</i>	Yes _____ No <input checked="" type="checkbox"/>

INVESTMENT COMMITTEE:

Frank Besson	Yes <input checked="" type="checkbox"/> No _____
Commissioner Jay Dardenne, or <u>Andrea Hubbard</u> Designee	Yes <input checked="" type="checkbox"/> No _____
Treasurer John Schroder, or <u>Amy Mathews</u> Designee	Yes <input checked="" type="checkbox"/> No _____
Kevin Marcel	Yes <input checked="" type="checkbox"/> No _____
Jay O'Quinn <i>Quorum? yes</i>	Yes _____ No <input checked="" type="checkbox"/>

Notes:

Robin Landa w/UBS



Louisiana State Police Retirement System

Investment Committee Meeting Agenda

Meeting:	LSPRS Investment Committee Meeting
Date:	January 22, 2020
Where:	LA State Police Retirement System Building, 9224 Jefferson Highway
Start:	9:30 a.m.

ITEMS OPEN FOR DISCUSSION

- 1) Meeting Called to Order – Amy Matthews, Chairperson
- 2) Roll Call – Kimberly A. Gann, Assistant Director
- 3) Public Comments
- 4) Pledge of Allegiance & Opening Prayer
- 5) Opening Comments – UBS Institutional Consulting
- 6) Review Market Value and Returns Summary, and Asset Allocation Chart as of December 31, 2019 - UBS Institutional Consulting
- 7) Fisher Investments (Watch List) – Firm's AUM Update – Kevin P. Reed/UBS Institutional Consulting
- 8) Cash Position/Additional Allocation to SSGA Lehman Agg Bond Update – Kevin P. Reed
- 9) Loomis Sayles move to Co-mingled Fund Update – Kevin P. Reed
- 10) Fee Analysis (1st Qtr) Update – UBS Institutional Consulting/Kevin P. Reed
- 11) Any Other Business
- 12) Adjourn



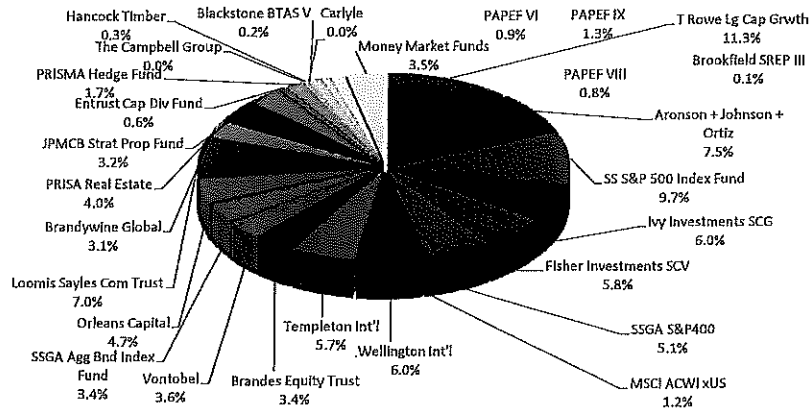
Kevin P. Reed, Executive Director
Louisiana State Police Retirement System

The Board of Trustees of the Louisiana State Police Retirement System reserves the right to go into closed Executive Session to discuss certain items on this agenda.

Louisiana State Police Retirement System
 Asset Allocation
 As of: December 31, 2019

EXHIBIT A

FUND	Market Value	% Portfolio	% Asset Class	% Allocation Min	% Allocation Target	% Allocation Max
Equities						
US Large Cap						
T Rowe Lg Cap Grwth	\$105,695,989	11.3%				
Aronson + Johnson + Ortiz	\$70,072,517	7.5%				
SS S&P 500 Index Fund	\$90,901,973	9.7%	28.4%	20.0%	25.0%	32.5%
US Small Cap						
Ivy Investments SCG	\$56,335,148	6.0%				
Fisher Investments SCV	\$54,415,214	5.8%	11.8%	7.5%	10.0%	12.5%
US Mid Cap						
SSGA S&P400	\$47,438,246	5.1%	5.1%	2.5%	5.0%	7.5%
Foreign Developed						
MSCI ACWI xUS	\$11,263,082	1.2%				
Wellington Int'l	\$56,321,352	6.0%				
Templeton Int'l	\$53,765,176	5.7%	12.9%	7.5%	15.0%	20.0%
Foreign Emerging Mkt						
Brandes Equity Trust	\$31,988,362	3.4%				
Vontobel	\$33,758,889	3.6%	7.0%	5.0%	7.5%	10.0%
Total Equities	\$611,955,948	65.2%	65.2%	50.0%	62.5%	65.0%
Fixed Income (Core)						
SSGA Agg Bnd Index Fund	\$31,665,826	3.4%				
Orleans Capital	\$43,654,390	4.7%	8.0%	7.5%	10.0%	25.0%
Fixed Income (Full Discretion)						
Loomis Sayles Com Trust	\$65,494,293	7.0%				
Brandywine Global	\$28,817,435	3.1%	10.0%	7.5%	10.0%	12.5%
Total Fixed Income	\$169,631,944	18.1%	18.1%	15.0%	20.0%	37.5%
Alternatives:						
Real Estate						
PRISA Real Estate	\$37,349,928	4.0%				
JPMCB Strat Prop Fund	\$30,037,582	3.2%	7.2%	2.5%	7.5%	10.0%
Hedge Funds						
Entrust Cap Div Fund	\$6,054,327	0.6%				
PRISMA Hedge Fund	\$15,588,593	1.7%	2.3%	0.0%	2.0%	7.5%
Timber						
The Campbell Group	\$142,000	0.0%				
Hancock Timber	\$3,089,037	0.3%	0.3%	0.0%	1.0%	2.5%
Private Equity						
Brockfield SREP III	\$1,285,001	0.1%				
Carlyle	\$145,019	0.0%				
Blackstone BTAS V	\$1,931,153	0.2%				
PAPEF VI	\$8,598,507	0.9%				
PAPEF VIII	\$7,758,894	0.8%				
PAPEF IX	\$12,470,111	1.3%	3.4%	0.0%	5.0%	7.0%
Total Alternatives	\$124,450,150	13.3%	13.3%		15.5%	
Cash						
Money Market Funds	\$32,564,863	3.5%	3.5%	0.0%	2.0%	5.0%
Total Fund	\$938,602,905	100.0%	100.0%		100.0%	



This chart is for illustrative purposes only and may not reflect current market values. Values as of the date indicated may be rounded for convenience. The % of Portfolio is rounded up to the nearest 0.1%. Please refer to page 4 for important disclosures.

Louisiana State Police Retirement System

Market Value and Returns Summary
As of December 31, 2019

Management Fee	Market Value	% of Total	Current Month	Qtr To Date	Year To Date	Fiscal Year To Date	Trailing			Manager Index			
							1 Year	3 Year	5 Year	10 Year	Trailing 10 Year	From Inception	Analyzed From Inception
US Large Cap (Russell 1000)			2.89%	9.04%	31.43%	10.59%	31.43%	15.05%	11.48%	13.54%			
T Rowe Large Cap Growth Fund	\$105,695,989	11.3%	3.02%	10.62%	36.39%	12.27%	36.39%	20.49%	14.63%	N/A	18.08%	17.06%	6/11/2010
Russell 1000 Growth			3.02%	10.62%	36.39%	12.27%	36.39%	20.49%	14.63%	N/A	18.08%	17.06%	6/11/2010
Aranson+Johnson+Ortiz, Value	\$70,072,517	7.5%	2.75%	7.41%	26.54%	8.86%	26.54%	9.68%	8.29%	11.80%		9.81%	3/31/2003
Russell 1000 Value			2.75%	7.41%	26.54%	8.86%	26.54%	9.68%	8.29%	11.80%		9.81%	3/31/2003
SSG S&P 500 Core	\$90,901,973	9.7%	3.02%	9.07%	31.49%	10.92%	31.49%	15.27%	11.70%	13.54%	8.57%	8.49%	10/24/2001
SSG S&P 500 Index			3.02%	9.07%	31.49%	10.92%	31.49%	15.27%	11.70%	13.54%	8.57%	8.49%	10/24/2001
US Mid Cap			2.89%	7.14%	26.28%	7.39%	26.28%	9.26%	8.33%	12.55%	9.55%	9.55%	8/31/2006
SSG S&P 400 Midcap	\$47,438,246	5.1%	2.81%	7.06%	26.20%	6.97%	26.20%	9.26%	9.03%	12.72%			
SSG S&P 400 Mid Cap Index			2.81%	7.06%	26.20%	6.97%	26.20%	9.26%	9.03%	12.72%			
US Small Cap (Russell 2000)			2.88%	9.94%	25.52%	7.30%	25.52%	8.59%	8.23%	11.83%			
Ivy Investments SCG	\$56,335,148	6.0%	2.29%	11.39%	28.48%	6.75%	28.48%	12.49%	9.34%	13.01%	10.23%	8.72%	4/10/2002
Russell 2000 Growth			2.29%	11.39%	28.48%	6.75%	28.48%	12.49%	9.34%	13.01%	10.23%	8.72%	4/10/2002
Fisher Investments	\$54,415,214	5.8%	3.50%	8.49%	22.39%	7.87%	22.39%	4.77%	6.99%	10.56%	10.04%	7.10%	6/30/2005
Russell 2000 Value			3.50%	8.49%	22.39%	7.87%	22.39%	4.77%	6.99%	10.56%	10.04%	7.10%	6/30/2005
Total Domestic Equity Managers	\$424,659,086	45.3%	2.30%	8.50%	26.71%	7.32%	26.71%	13.51%	10.58%	13.26%	9.80%	10.67%	11/30/1990
International (MSCI EAFE)			3.25%	8.17%	22.01%	7.01%	22.01%	9.56%	5.67%	5.50%			
Foreign Developed			4.33%	8.92%	21.80%	7.01%	21.80%	N/A	N/A	N/A	5.05%	4.84%	7/31/2017
MSCI ACWI xUS	\$11,263,082	1.2%	4.33%	8.92%	21.80%	7.01%	21.80%	N/A	N/A	N/A	5.05%	4.84%	7/31/2017
Wallington	\$56,321,352	6.0%	9.05%	28.33%	8.10%	28.33%	15.89%	N/A	N/A	N/A	11.36%	9.20%	3/31/2016
Templeton Int'l	\$53,765,176	5.7%	4.33%	8.92%	21.51%	6.95%	21.51%	9.87%	5.51%	4.97%	6.47%	5.43%	9/30/1995
MSCI ACWI xUS Net			4.33%	8.92%	21.51%	6.95%	21.51%	9.87%	5.51%	4.97%	6.47%	5.43%	9/30/1995
Foreign Emerging Mkt			6.45%	8.33%	18.10%	4.51%	18.10%	13.55%	3.05%	N/A	2.47%	2.21%	7/31/2011
Brandes Equity Trust	\$31,988,362	3.4%	5.71%	7.94%	18.71%	3.54%	18.71%	14.35%	4.35%	N/A	3.98%	3.39%	8/31/2011
Vontobel	\$33,758,889	3.6%	5.71%	7.94%	18.71%	3.54%	18.71%	14.35%	4.35%	N/A	3.98%	3.39%	8/31/2011
MSCI Net Emerging Mkts			7.46%	11.84%	18.44%	7.09%	18.44%	17.57%	5.61%	N/A	6.20%	5.21%	9/30/1985
Total International Equity	\$187,096,861	19.9%	4.81%	8.59%	19.29%	5.68%	19.29%	10.10%	4.88%	3.59%	6.20%	5.21%	9/30/1985
Total Equity Managers	\$611,955,948	65.2%	3.05%	8.53%	24.33%	6.82%	24.33%	12.36%	8.64%	10.59%	9.05%	9.88%	11/30/1990

Fixed Income Full Discretion			2.26%	2.94%	13.54%	4.41%	13.54%	6.06%	4.25%	6.44%	6.84%	4.53%	7/31/2006
Loomis Sayles Trust	\$65,494,293	7.0%	-0.20%	-0.01%	9.71%	2.63%	9.71%	4.35%	3.23%	3.96%	N/A	0.78%	7/31/2012
Barclays Government Credit			-0.20%	-0.01%	9.71%	2.63%	9.71%	4.35%	3.23%	3.96%	N/A	0.78%	7/31/2012
Brandywine Global Bond	\$28,817,435	3.1%	3.64%	4.13%	9.24%	2.39%	9.24%	2.39%	2.03%	N/A	2.75%	2.75%	7/31/2012
FTSE World Gov't Bond			0.28%	-0.35%	5.90%	0.50%	5.90%	4.72%	2.03%	N/A			
Fixed Income Core			0.11%	0.69%	9.15%	2.56%	9.15%	3.38%	3.08%	N/A	5.33%	5.26%	8/27/1996
Orleans Capital Management BCAB	\$43,654,390	4.7%	-0.07%	8.72%	2.46%	8.72%	2.46%	3.05%	3.05%	3.75%	4.35%	4.33%	10/31/2001
SSGA Agg Bnd Index Fund	\$31,665,826	3.4%	-0.07%	8.72%	2.46%	8.72%	2.46%	3.05%	3.05%	3.75%	4.35%	4.33%	10/31/2001
Bloomberg Barclays Aggregate Bond			-0.07%	8.72%	2.46%	8.72%	2.46%	3.05%	3.05%	3.75%	4.35%	4.33%	10/31/2001
Total Fixed Income Managers	\$169,631,944	18.1%	1.49%	2.03%	10.74%	3.22%	10.74%	4.88%	3.43%	4.67%	6.16%	5.85%	11/30/1990

Please refer to page 4 for important disclosures.

Louisiana State Police Retirement System
Market Value and Returns Summary

As of: December 31, 2019

Management Fee	Market Value	% of Total	Current Month	Qtr To Date	Year To Date	Fiscal Year To Date	Trailing			Manager Analyzed From Inception	Index Analyzed From Inception		
							1 Year	3 Year	5 Year			10 Year	
Bank One Cash Account	\$32,564,863	3.5%	0.13%	0.40%	2.08%	0.93%	2.08%	1.50%	0.95%	0.48%	2.72%	2.64%	11/30/1990
Hedge Funds													
Entrust Cap Div Fund***	\$6,054,327	0.6%	-0.40%	-2.21%	-4.48%	-2.84%	-4.88%	-1.86%	-2.85%	N/A	0.18%	3.18%	2/29/2012
PRISMA Hedge Fund***	\$15,588,593	1.7%	1.15%	0.52%	5.14%	0.82%	5.14%	3.33%	1.82%	N/A	3.21%	3.02%	8/13/2010
HFRI Fund of Fund													
Total Hedge Fund Managers	\$21,642,920	2.3%	1.27%	2.47%	7.85%	1.56%	7.85%	3.72%	2.26%	N/A			
Real Estate													
JPMCB	\$30,037,582	3.2%	1.06%	2.04%	3.38%	2.24%	3.38%	5.49%	7.48%	10.09%	5.28%	5.90%**	3/31/2007
PRISA***	\$37,349,928	4.0%	0.00%	0.00%	5.83%	1.30%	5.83%	6.75%	8.40%	10.37%	4.69%	6.10%**	12/31/2006
NACREIF/NFI/ODCE****													
Total Real Estate Managers	\$67,387,510	7.2%	0.00%	0.00%	3.77%	1.31%	3.77%	6.55%	8.64%	17.25%			
Timber													
Campbell Group***	\$142,000	0.0%	-14.39%	-14.39%	-24.80%	-14.37%	-24.80%	-24.50%	-18.30%	-11.72%	-9.17%		1/31/2008
Hancock Timber***	\$3,089,037	0.3%	-1.24%	-1.24%	-15.68%	-1.24%	-15.68%	-5.05%	-1.44%	-1.59%	-4.29%		3/31/2008
NACREIF/Timber****													
Total Timber Managers	\$3,231,036	0.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Private Equity													
Brookfield SREP III*** (\$5m Total Commitment)	\$1,285,001	0.1%	0.00%	6.95%	N/A	4.16%	N/A	N/A	N/A	N/A	11.50%	2.31%	4/12/2019
NACREIF/NFI/ODCE****													
Carlyle*** (\$5m Total Commitment)	\$145,019	0.0%	0.01%	-13.92%	N/A	-26.42%	N/A	N/A	N/A	N/A	-45.33%	10.58%	1/15/2019
Blackstone BTAS V*** (\$10m Total Commitment)	\$1,931,153	0.2%	-3.23%	4.97%	N/A	1.73%	N/A	N/A	N/A	N/A	5.09%	4.68%	5/14/2019
PAPEF VI *** (\$10m Total Commitment)	\$8,598,507	0.9%	0.06%	1.79%	7.31%	2.02%	7.31%	15.05%	10.81%	N/A	12.33%	14.22%	5/1/2011
PAPEF VIII*** (\$10m Total Commitment)	\$7,756,894	0.8%	0.00%	4.45%	13.81%	4.45%	13.81%	15.58%	11.37%	N/A	12.03%	13.26%	8/15/2014
PAPEF IX*** (\$20m Total Commitment)	\$12,470,111	1.3%	0.01%	3.59%	14.56%	3.84%	14.56%	8.22%	N/A	N/A	8.16%	14.69%	6/30/2016
Cambridge Assoc. Private Eq. (last updated 1st Qtr 2019)													
Total Private Equity Managers	\$32,188,685	3.4%	0.00%	0.00%	10.58%	0.00%	10.58%	14.36%	13.09%	N/A			
Total Alternative Managers****	\$124,450,150	13.3%	N/A	1.21%	4.43%	1.60%	4.43%	5.30%	4.93%	5.34%	2.76%	1.86%	12/31/2006
Total Fund	\$938,602,905	100%	2.30%	6.01%	17.78%	5.23%	17.78%	9.54%	6.79%	8.45%	7.58%	8.28%	11/30/1990
Total Fund Policy Index			2.15%	5.71%	19.89%	6.37%	19.89%	10.26%	7.76%	8.93%			

*Index data not available at time of reporting. Index valued at 09/30/2019.

***Alternative investment may not reflect current month end values.

^ Management Fees not provided by client.

Notes:

1. A manager's underperformance versus its respective benchmark is indicated in red. A manager's equal or outperformance versus its respective benchmark is indicated in green.
2. Current month's returns and market values are calculated from electronically downloaded data provided by the custodian. Third party pricing is subject to change upon reconciliation with final custodian statements.
3. Fiscal Year End is June 30th.
4. Current Total Fund Policy Index: 40% Russell 3000, 22.5% MSCI AC World x US Net, 20% Bloomberg Barclays Aggregate Bond, 7.5% NCREIF Open-End Diversified Core ODCE Index, 5% Cambridge US Private Equity, 2.5% HFRI Fund of Funds Composite Index

% of Total: % of Total of portfolio is computed using the market value and the total portfolio. The values have been provided by a third party considered to be reliable. However, UBS does not warrant the accuracy of this information and is not responsible for any inaccuracies.

Please refer to page 4 for important disclosures.

Index valued at off quarter reports. Index valued at 09/30/2019.

****Returns available for quarter end only