



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	May 11, 2016
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:00 a.m.

- 1) Chairperson, Amy Mathews called the meeting to order.
- 2) Shelley Sebastian, Administrative Assistant, called roll as follows:

Frank Besson Jr., President, LSTA – PRESENT
Jay Dardenne, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
John Kennedy, State Treasurer, Appearing Thru
Amy Mathews, Designee – PRESENT
Kevin Marcel, Active Representative – PRESENT
Jay O'Quinn, President, LSTA - PRESENT
Bobby E. Smith, Retiree Representative – NOT PRESENT

The records reflect that the following persons were also present:

Irwin L. Felps, Jr., Executive Director
Robert Bickham, UBS/PaineWebber
Kimberly Gann, Assistant Director
Shelley Sebastian, Administrative Assistant

The pledge was led by Amy Mathews and prayer led by Irwin Felps.

- 3) Rob Bickham advised the committee that the main purposes of today's meeting is as follows:
 - a. Presentation by the three custodial bank search finalist; US Bank, Northern Trust and Regions (See Exhibit A on file at the LSPRS office)
 - b. Conference Call with Vontobel, Amit Mukadam, to discuss the organizational changes and cash flow issues
 - c. Review "Watch List"
 - d. Portfolio re-balancing

- 4) **US Bank** – Presentation given by Steve Richter, Vice President, Kameran George, Relationship Manager, and Trisha Howell, Account Manager (See Exhibit B on file at the LSPRS office)

Northern Trust – Presentation by Lindsay Amborski, Sr. Vice President, Division Manager, Lawrence Fumarolo, Vice President, Sr. Relationship Manager, Mary Ellen Bykowski, Vice President, Sr. Product Consultant, Brendan T. McMahon, Sr. Vice President, Sr. Sales Representative (See Exhibit C on file at the LSPRS office)

Regions Bank – Presentation by Michael Faherty, Regions Trust, David Rice, Regions Trust (See Exhibit D on file at the LSPRS office)

A **MOTION** was made by Frank Besson to accept US Bank as the new Custodial Bank, effective close of business of June 30, 2016. The **MOTION** was seconded by Kevin Marcel. No opposition. The motion passed.

5) **Vontobel** – Phone conference with Amit Mukadam (See Exhibit E on file at the LSPRS office). Mr. Mukadam discussed the new organizational structure for Vontobel. Mr. Mukadam indicated that in addition to naming Matthew Benkendorf as the new Chief Investment officer, Daniel Kranson was promoted to lead European Equity Portfolio manager and Brian Bandsma was promoted to lead Far East Equity Portfolio manager. In reviewing the cash flows of the Emerging Market Equity Strategy, Mr. Mukadam said the total outflow through March 31, 2016, amounted to approximately 13% of the strategy's assets. Amit also indicated that requests for redemption were slowing, and 1 to 2% redemption through April 30, 2016.

6) **Watch List Review** - Rob Bickham reviewed the following "watch list" with the committee;

- Campbell Timber – Performance issues
- Brandes – Performance issues
- Vontobel – Organizational changes
- Fisher – Organizational changes
- Waddell & Reed – Organizational changes

Mr. Bickham suggested we make arrangements to phone conference or have an in-house visit, at the July 20, 2016 Investment Committee meeting, from the managers that are currently on the "watch list".

7) **Other: Reallocation** – Rob Bickham discussed the Asset Allocation as of March 31, 2016. Mr. Bickham suggested the committee should dedicate an entire meeting to the Alternative Investments and start the re-allocation process, particularly Hedge Funds. Irwin Felps recommended having both of our Hedge fund managers in for the July 20th, 2016 Investment Committee meeting. The committee agreed that they would like to hear from LSPRS's Hedge fund managers as well. (See Exhibit F on file at the LSPRS office)

Amy Mathews stated she would like to get information on other Emerging Market choices. Mr. Bickham stated he would gather the information and have available for the July 20th, 2016 meeting.

Irwin Felps reviewed the ACT 1004 report with the committee. (See Exhibit G on file at the LSPRS office)

8) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed.



Amy Mathews, Chairperson
Louisiana State Police Retirement System
Investment Committee