



# Louisiana State Police Retirement System

## Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	November 28, 2018
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:00 a.m.

---

- 1) Chairman, Kevin Marcel, called the meeting to order.
- 2) Irwin Felps, Jr., Executive Director, called roll as follows:

Frank Besson Jr., Designee for Superintendent, Committee Vice-Chairman – PRESENT  
Andrea Hubbard, Designee for Commissioner of Administration – PRESENT  
Amy Mathews, Designee for Treasurer – PRESENT  
Kevin Marcel, Active Representative, Committee Chairman – PRESENT  
Jay O'Quinn, President LSTA – PRESENT

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber                      Rep. Sam Jones, HRC  
Irwin L. Felps, Jr., Executive Director                      Robin Landa, UBS/PaineWebber

The pledge was led by Kevin Marcel, and the prayer led by Irwin Felps, Jr.

No public comments

- 3) Rob Bickham advised the committee that our purpose today is to hear three presentations by two managers on "Watch" and one possible new manager.

Presentations were as follows:

- a) Ed Riley, Iridian (Watch manager), (See Exhibit A)
- b) Chris Garrett, Brandes (Watch manager), (See Exhibit B)
- c) David Ainsworth, Blackstone, (possible new manager), (See Exhibit C)

After hearing the presentations, the committee discussed each presentation. After much discussion, a **MOTION** was made by Amy Mathews to terminate our relationship with Iridian and to move the funds into the State Street Global Assets S & P 400 fund. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed. The committee reviewed the presentation by Chris Garrett of Brandes, and it was pointed out that Brandes has shown some recent improvement in their performance. A **MOTION** was made by Amy Mathews to continue our relationship with Brandes, but to leave them on "Watch". The **MOTION** was seconded by Frank Besson. No opposition. The motion passed. Next, the committee reviewed and discussed the new opportunity to invest in Blackstone's Total Alternatives Solution V fund (BTASV). It was noted that this fund provides excellent diversification by investing in Private Equity, Private Real Estate and in Private Credit. Additionally, the fund

provides good geographic diversification as investment opportunities shift to different parts of the globe. It was pointed out that the direct allocation will result in lower fees than an allocation to a fund of funds and the fund will deploy our funds quicker and reduce the J-Curve impact. A **MOTION** was made by Andrea Hubbard to invest up to \$10,000,000.00 in the BTASV fund. It was agreed that Robert Bickham would check with Blackstone to determine whether they have room for our \$10,000,000.00 allocation. The **MOTION** was seconded by Rep. Sam Jones. No opposition. The motion passed.

- 4) Irwin Felps discussed the annual manager evaluations. He reviewed the evaluations of our consultant, our custodial bank and our attorneys. Our consultant, UBS Prime Consulting Group, was evaluated on process, performance reporting and monitoring, and on consultant interaction with our board. The overall average rating for Robert Bickham and his staff was 9.33 on a scale of 1 to 10, with 1 being the lowest score and 10 being a perfect score. US Bank, our custodial bank was evaluated on organizational services and costs. US Bank's average score was 9.18. Our attorneys were graded on 11 factors, and their average score was 9.04.

Robert Bickham reviewed the Investment Portfolio and the individual money managers. The total investment portfolio received an average score of 7.9 out of 10 for an outstanding score. Other individual components of the portfolio were also evaluated, and they all scored very well except for the international part of our portfolio. In particular, the emerging market segment scored very poorly. The individual managers were also evaluated, and on the equity managers T. Rowe Price scored the highest of our domestic equity managers with an average score of 8.20. On the international equity side, Wellington was our top performer with an average score of 7.87. Our two poorest performing managers were Iridian with a score of 5.17 and Brandes with a score of 5.60. The Annual Performance Evaluation is attached as Exhibit D.

- 5) Robert Bickham reviewed the regular monthly reports. On the Asset Allocation Report, Mr. Bickham commented that the recent downward volatility in the markets has taken away the need to rebalance our portfolio. All of our allocations are within policy guidelines. Next, Mr. Bickham reviewed the Market Values and Returns report, and he focused his comments on the returns for the current month of October and the fiscal year to date. The month of October was one of the markets worst, as all of the equity and fixed income indices were negative. For the month of October, our portfolio had a return of -5.70%, and for the fiscal year to date we are down 3.19%.
- 6) Under other business, Rep. Sam Jones discussed the upcoming legislative session, and what he was expecting to see in retirement bills. Irwin Felps indicated that LSPRS will be sponsoring a bill to allow the system to utilize Empower as a third-party administrator for our Backdrop rollover funds. He said that Sen. Gerald Long has agreed to author the bill for LSPRS.

- 7) A **MOTION** was made by Jay O'Quinn to adjourn. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.

**APPROVED FOR DISTRIBUTION**

---

Kevin Marcel, Chairman  
Louisiana State Police Retirement System  
Investment Committee

- 7) A **MOTION** was made by Jay O'Quinn to adjourn. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.



---

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