



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	May 30, 2018
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:00 a.m.

- 1) Chairman, Kevin Marcel called the meeting to order.
- 2) Shelley Sebastian, Administrative Assistant, called roll as follows:

Frank Besson Jr., President – NOT PRESENT
Jay Dardenne, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
John Schroder, Treasurer, Appearing Thru
Thomas Enright – PRESENT
Kevin Marcel, Active Representative – PRESENT
Jay O'Quinn, President, LSTA – NOT PRESENT

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber Doris Prudhomme, Surviving Spouse Representative
Irwin L. Felps, Jr., Executive Director Shelley Sebastian, Administrative Assistant
Kimberly Gann, Assistant Director

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

- 3) Rob Bickham advised the committee that the main purposes of today's meeting are as follows:
 - a. Presentations by two Hedge Fund managers; Entrust and Prisma
 - b. Monthly reports, Asset Allocation and Market Value and Returns Summary as of 4/30/18.
 - c. Watch List update
 - d. Review Private Equity calendar

- 4) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of April 30, 2018. The system's breakdown of assets are as follows; Equities were \$547,650,743 and make up 63.8% of the portfolio. Of the 63.8%, US Large Cap is 25.7%, US Small Cap 11.5%, US Mid Cap makes up 5.2%, Foreign Developed at 13.9% and Foreign Emerging Market making up 7.5%.

Fixed income was at \$155,280,050 which is 18.1% of the portfolio; The Core Fixed Income is 7.9% and the Fixed Income (Full Discretion) is 10.2% of the Asset Class.

Alternatives were at \$113,441,267 making up 13.2% of the total portfolio; Real Estate making up 7.2%; Hedge Funds making up 3.4%, Timber 0.8% and Private Equity making up 1.9%.

As of 4/30/18, the total portfolio value was \$857,888,095. Total Domestic equity managers are up 1.72% year to date and up 13.30% fiscal year to date; the total International equity managers are up 0.75% year to date and up 11.62% fiscal year to date. The Fixed Income managers are down -1.08% year to date and up 0.97% fiscal year to date. The total fund performance was up 0.42% current month and up 1.03% year to date and up 9.02% fiscal year to date. (Exhibit A on file at the LSPRS office)

Mr. Bickham stated the \$5M Carlyle Commitment has been completed, but the numbers do not reflect the allocation as of 4/30/18.

- 5) Entrust presentation by Dave Livingston, Vice President, Business Development and Jeff Chan, Sr. Managing Director (Exhibit B on file at the LSPRS office)

Rob Bickham advised the committee to maintain our position with Entrust based on the expectation on the volatility in the market.

- 6) Prisma presentation by Helenmarie Rodgers, Managing Director, and Dan Lawee, Portfolio Manager (Exhibit C on file at the LSPRS office)

Rob Bickham advised the committee that based on Prisma's international focus and performance that LSPRS maintain its current allocation.

Following the Hedge Fund Manager presentations, Mr. Bickham recommended LSPRS staying where we are concerning Hedge Funds, no changes at this time.

- 7) Rob Bickham reviewed the "watch list":

- AJO – will remain on watch
- Iridian – will remain on watch
- Wellington – Mr. Bickham recommends removing from the "Watch List"
- Brandes – will remain on watch
- Vontobel – will remain on watch
- Campbell – will remain on watch

Mr. Bickham recommends Wellington to be removed from "Watch List" and all the other managers currently on the list will remain on "Watch", at this time.

A **MOTION** was made by Thomas Enright to remove Wellington from the "Watch List". The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

- 8) Rob Bickham reviewed the following Private Equity Managers:

1. KKR Energy Fund – They do not provide an offshore fund which would create tax issues for LSPRS
2. Blackstone Total Alternative Solutions Fund – Consider committing \$5M in the 3rd or 4th quarter
3. Predium Real Estate Fund – Single Family Housing fund
4. Truebridge – Venture capture fund of funds
5. Brookfield Global added value Real Estate Fund – Consider committing \$5M in the 3rd or 4th quarter

Rob Bickham recommends inviting Blackstone Alternative and Brookfield Global to the July Investment Committee meeting for presentations.

After discussion with Irwin Felps and Kimberly Gann regarding cash flow and future cash flow needs, Mr. Bickham recommended keeping a minimum of 2% (or \$20M) in cash to provide sufficient liquidity for the cash flow needs.

9) Other Business:

Irwin Felps, Jr. presented ACT 1004 report (Exhibit D on file at the LSPRS office)

Mr. Felps provided the ACT 1004 Report Summary for the period ending 3/31/18 (Exhibit E on file at the LSPRS office)

- 10) A **MOTION** was made by Andrea Hubbard to adjourn. The **MOTION** was seconded by Tom Enright. No opposition. The motion passed.



Kevin Marcel, Chairman
Louisiana State Police Retirement System
Investment Committee