



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	July 20, 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 – NOT PRESENT
Kevin Marcel, Active Representative – PRESENT
Jay O'Quinn, President, LSTA – NOT 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
Ford duQuesnay, Legislative Auditor
Kimberly Gann, Assistant Director
Shelley Sebastian, Administrative Assistant

The pledge was led by Frank Besson and the prayer was led by Irwin Felps.

- 3) Vice-Chairman Frank Besson appointed Kevin Marcel as Chairman of the Investment Committee and Andrea Hubbard as Vice-Chairperson.
- 4) Rob Bickham advised the committee that the main purposes of today's meeting is as follows:
 - a. Presentation from both Hedge Fund managers, Entrust Permal and Prisma/KKR
 - b. Review the Asset Allocation and Market Value and Returns Summary as of June 30, 2016
 - c. Portfolio rebalancing
 - d. Review the updated "watch list"
- 5) Entrust Permal presentation was given by Gregg Hymowitz, Chairman and Chief Executive Officer, Omar Kodmani, Sr. Executive Officer, and David Livingston. (Exhibit A on file at the LSPRS office)
- 6) **Watch List Review** - Rob Bickham reviewed the following watch list with the committee; (Exhibit B on file at the LSPRS office)

Campbell Timber – Performance issues
Brandes – Performance issues
Vontobel – Organizational changes
Fisher – Organizational changes

Waddell & Reed – Organizational changes

Mr. Bickham's suggestions regarding the current Watch list as follows: Remove Brandes and Fisher, and add AJO (Aronson, Johnson, Oritz) to the list for under performance. Rob also advised the committee to be prepared to watch T. Rowe Price due to an organizational change coming in the near future.

A **MOTION** was made by Andrea Hubbard to remove Brandes and Fisher from the watch list and add Aronson, Johnson, Ortiz for under performance. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.

- 7) Rob Bickham reviewed the Asset Allocation and Market Value and Returns Summary as of June 30, 2016. Mr. Bickham pointed out that the fund's total assets are \$669M. The system's breakdown of assets is as follows; Total equities are \$389M making up 58.1% of the portfolio. Fixed income is at \$128M, which is 19.2% of the portfolio and Alternatives are at \$96M, making up 14.4% of the portfolio, and the cash is at \$55M. As far as the Market Value and Returns Summary, total Domestic Equity managers were down -2.69% fiscal year to date, total International Equity managers were down -8.03% fiscal year to date and the total equities were down -4.32%. The total Fixed Income managers were up 4.40% fiscal year to date. For the fiscal year to date, the total portfolio was down -1.75%. (Exhibit C on file at the LSPRS office)
- 8) **Portfolio rebalancing:** Rob Bickham suggested to the committee the following strategies for the rebalance; Add 2% of the total portfolio to the Foreign Developed section, split between Wellington and Templeton, 1% to the emerging market managers, split between Brandes and Vontobel, and 1% to the Fixed Income Portfolio, specifically to Loomis Sayles and add an additional \$10M commitment to PAPEF IX (Portfolio Advisors), subject to an agreeable conversation between Irwin Felps, Jr., Kimberly Gann, Rob Bickham and Todd Hughes, Portfolio Advisors.

A **MOTION** was made by Andrea Hubbard to accept the Portfolio rebalancing recommendations of Rob Bickham; 2% to Foreign Developed, split between Wellington and Templeton, 1% to emerging market, split between Brandes and Vontobel, 1% to the Fixed Income portfolio, specifically to Loomis Sayles, and an additional \$10M to PAPEF IX, Portfolio Advisors. The **MOTION** was seconded by Frank Besson. No opposition. The motion passed.

- 9) Prisma/KKR Presentation given by Helenmarie Rodgers and Peter Zakowich. (Exhibit D on file at the LSPRS office)
- 10) A **MOTION** was made by Frank Besson to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.



Kevin Marcel, Chairperson
Louisiana State Police Retirement System
Investment Committee