



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	August 20, 2014
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:30 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 – NOT PRESENT
John Kennedy, State Treasurer, Appearing Thru
Amy Mathews, Designee – PRESENT
Kevin Marcel, Active Representative – PRESENT
Kristy Nichols, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
Bobby E. Smith, Retiree Representative – NOT PRESENT

The records reflect that the following persons were also present:

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

- 3) Rob Bickham reviewed the Asset Allocation and Market Value and Returns Summary as of July 31, 2014 (See Exhibit A on file at the LSPRS office). Rob pointed out that total equities at the end of July were \$384M, down from June's closing of \$393M, and fixed income was down from a total in June of \$125.7M to \$124.9M in July. Overall the portfolio is doing well with a July closing value of \$609M. Rob reminded the committee that LSPRS has dedicated an additional \$10M to Prudential, \$8M to the current hedge funds (\$3M to Entrust and \$5M to Prisma), and \$10M to Portfolio Advisors.

Portfolio Rebalancing Discussion: Rob Bickham, Irwin Felps, Amy Matthews and Kimberly Gann discussed rebalancing via a phone conference last week. It was agreed that LSPRS' current allocations, with the changes stated above, needs no immediate changes. The committee discussed and agreed but would like to hear presentations on liquid alternatives as a possibility in early 2015. Irwin Felps noted that he has a group that would like to speak to the committee on liquid alternatives. He will contact them to inquire about a presentation.

Watch List Discussion: Rob Bickham stated LSPRS currently has two money managers on the watch list, Aberdeen and Campbell. In order to more properly track these managers going forward, Rob has created a form to track all pertinent information regarding the watch status of a particular manager (See Exhibit B on file at the LSPRS office). The committee agreed that this form will be used and presented at each committee meeting along with a summary sheet detailing the complete watch list information. This will be an agenda item at each meeting going forward.

- 4) Templeton presentation by Brian Kahley, CFA and Ann Reitman (via phone conference), Portfolio Specialist (See Exhibit C on file at the LSPRS office).

- 5) Other Business: Irwin Felts presented two issues to the committee. First issue is with Waddell & Reed, regarding replacing the current Assistant Portfolio Manager, Ken Gau with Bradley Halverson, Assistant Vice President and CFA. Mr. Felts feels very comfortable with this transition and feels no need to add them to the watch list at this time.

The second issue is concerning Campbell Timber, the Crown Timber portfolio. The issue is relative to their liquidity positioning and the lending covenants. The steering committee continues to meet regularly on these issues. Campbell has hired two consultants and there is some discussion on who will pay the consultants. Irwin Felts will continue to update the committee on the progress of these meeting.

- 6) A **MOTION** was made by Kevin Marcel to adjourn. The motion was seconded by Andrea Hubbard. No opposition. The motion passed.

Approved for Distribution

Amy Mathews, Chairperson
Louisiana State Police Retirement System
Investment Committee