

## Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	July 22, 2020
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:30 a.m. VIA Videoconference

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- 1) Chairman Amy Mathews called the meeting to order.
- 2) Wendy Ingram, Administrative Assistant, called roll as follows:  
Frank Besson Jr., Designee for Superintendent, – PRESENT  
Andrea Hubbard, Designee for Commissioner of Administration – PRESENT  
Amy Mathews, Designee for Treasurer – Chairperson – PRESENT  
Kevin Marcel, Active Representative, Committee Vice Chairman – PRESENT  
Jay O'Quinn, President LSTA – PRESENT

The records reflect that the following persons were also present:

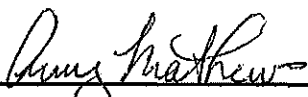
Rob Bickham, UBS Institutional Consulting      Zachary Gaitz, UBS Institutional Consulting  
Kimberly A. Gann, Assistant Director      Claire Guidry, Retirement Benefits Analyst  
Kevin P. Reed, Executive Director

- 3) The Pledge of Allegiance was led by Amy Mathews and the prayer was led by Kevin P. Reed. No public comments.
- 4) Rob Bickham introduced Zachary Gaitz, a new associate with UBS Institutional Consulting, and gave a brief summary of his background and experience.

Rob Bickham then directed the Committee to a discussion of the LSPRS Flash Report, Page 1, Asset Allocation, ending June 30, 2020 (**See Exhibit A Attached**). Mr. Bickham stated that the investment portfolio's weighting in real estate as of June 30, 2020 was approximately 7.6%, which is acceptable. The weighting in US Large Cap and US Small Cap equities are both above target at 29.5% and 12.1% respectively, while the Foreign Developed equities are slightly under target at 12.4%. Total equities at the end of the quarter were 64.7% of the portfolio which was above the target of 62.5%. Mr. Bickham also noted that the maximum total for equities is 65.0%. The second quarter of the calendar year reflected the best quarter in equity returns in over 20 years. The total Fixed Income Allocation Target of 20.0% is where it needs to be. The total Alternatives of 13.6% is underweight by 2%. The total cash in Money Market Funds is \$14,931,259, right below the target of 2.0%.

Rob Bickham then directed the Committee to Page 2, Market Value and Returns Summary through June 30, 2020. Mr. Bickham stated that the Total Domestic Equity is up by 23.94% for the quarter, and up 3.99% for the fiscal year. The total equity managers at the end of the quarter was 21.58% and 0.63% at the end of the fiscal year. Amy Mathews commented on the one month return of 1.30%, and fiscal year return of 3.54%, for Total Fixed Income Managers. It is important to note that the system's fiscal year return was 1.34%. This may fluctuate some as alternative manager's report.

- 5) Rob Bickham directed the Committee to view the Private Equity report ending March 31, 2020 (**See Exhibit B Attached**) noting the PAPEF VI fund Multiple of Investment Capital of 1.96 and Net IRR of 12.2%. Also notable is the remaining commitment of \$8,980,583 for PAPEF IX. Mr. Bickham brought the Committee's attention to the 2020 total of \$803,493 in capital calls shown on the Historical Calls and Distributions portion of the report.
- 6) Rob Bickham directed the Committee's attention to the UBS House View presentation dated July 2020 (**See Exhibit C Attached**) particularly the three scenarios on Page 14. Mr. Bickham stated that, although we are dealing with the repercussions of COVID-19, the economy has seen the impact of the Government's response, being a monetary and fiscal stimulus of \$3T.
- 7) Kevin Reed directed the Committee to the review of Fisher Investment (**See Exhibit D Attached**) noting that the total assets under management as of July 10, 2020 was \$127B versus \$110B on October 8, 2019. Mr. Reed noted that Fisher was never on the watch list for performance, this was a Fisher personnel issue. Rob Bickham stated that UBS made the decision to not perform due diligence on Fisher any longer. However, he agrees that this was never about performance. After a brief discussion, a **MOTION** was made by Kevin Marcel to remove Fisher Investment, Inc. from the Watch List. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.
- 8) Kevin Reed presented the Committee with an update on the LSPRS sale of the Loomis Sayles Fixed Income Fund-LSFIX, and the concurrent purchase of the Loomis NHIT: Multi-Sector Full Discretion Trust. This migration was stalled due the volatility of the financial and credit markets associated with COVID-19; it is now proceeding forward. He then provided the Committee a snapshot of the LSPRS' Investment Portfolio market value, (**See Exhibit E Attached**) noting that the market values include the preliminary values of the alternative investments. Mr. Reed made note of important points on the graph, being the high point at December 31, 2019 of \$938,602,905 and the low point March 31, 2020 of \$782,549,858.
- 9) Kevin Reed provided information to the Committee from LIMC (**See Exhibit F Attached**) regarding the Life Settlement Process. At a future date he believes the committee should investigate these types of investments. This is for information purposes only.
- 10) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.



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Amy Mathews, Chairman, Investment Committee  
Louisiana State Police Retirement System