



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	January 21, 2015
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 – 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
Marsha Pressburg, Surviving Spouse Rep.
Shelley Sebastian, Administrative Assistant

9:40 a.m. Kevin Marcel left the meeting and was unable to return.

- 3) Rob Bickham reviewed the Asset Allocation and Market Value and Returns Summary as of December 31, 2014 (See Exhibit A on file at the LSPRS office). Mr. Bickham pointed out that the fund's total assets are \$627M. For the fiscal year to date, our system assets are up 0.40%. Mr. Bickham explained that the equities are up 0.49% for the first six months, fixed income securities were down 0.78% and the alternative assets were up 1.95%.
- 4) **Templeton phone conference** – Presentation by Brian Kahley, CFA, Vice President and Peter Nori, CFA., Executive Vice President (See Exhibit B on file at the LSPRS office)
- 5) **Aberdeen phone conference** – Presentation by Michael Kaufmann, CFA, Sr. Relationship Manager and Tom Harvey, CFA, Equities Specialist (See Exhibit C on file at the LSPRS office)
- 6) **Manager Evaluations (2014)** – Irwin Felps reviewed the Annual Performance Evaluations, as of June 30, 2014, with the committee members (See Exhibit D on file at the LSPRS office).
- 7) **Investment Priorities (2015):**

Private Equity – Irwin Felps stated that this is an area where we have opportunities to continue to grow and improve. Mr. Felps proposed that we add another \$10M to our current committed total. He stated we have \$10M invested and \$10M committed and then add another \$10M. Mr. Felps suggest that we communicate with Todd Hughes at Portfolio Advisors regarding this issue.

Liquid Alternative Strategies – Mr. Felts stated that one constraining factor in our decision to invest money is liquidity. He suggested that Rob Bickham provide information on the liquid alternatives at a future meeting.

Master Limited Partnerships – Mr. Felts suggested we have someone come and update our committee on exactly what Master Limited Partnerships are, how they are structured, how they work and the possibility of our system investing in them.

Mid-Cap active vs. passive managers – Mr. Felts advised the committee that the last 3-5 years, we could not have been in a better mid-cap space than the S&P 400, State Street Global. Mr. Felts stated the active managers have had a hard time, but he believes there are enough active managers that could justify this allocation to the active mid-cap space. Mr. Felts asked the committee to consider taking part of the 5% over allocation in the large cap equities and move that into the mid-cap space. The mid-cap space is one of the most promising areas, and Irwin believes we are underrepresented in our portfolio in the mid-cap space.

The committee agreed that the proper priorities for 2015 should be:

1. Portfolio Rebalancing
 2. Continue allocating to Private Equity
 3. Allocate to the active mid-cap space
 4. Education on Liquid Alternatives and Master Limited Partnerships
- 8) **Other Business:** Campbell Timber- Irwin Felts reported that the steering committee continues to meet, via phone conference, every other Friday. The committee is moving toward decisions that include a re-negotiation of the lending agreements and a possible sale of some or all of the timber properties in the portfolio.
- 9) A **MOTION** was made by Bobby Smith to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.



Amy Mathews, Chairperson
Louisiana State Police Retirement System
Investment Committee