



# Louisiana State Police Retirement System

## Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	July 22, 2015
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:00 a.m.

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- 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 as of June 30, 2015. The system's breakdown of assets indicated total equities are \$409M, 62.5% of the portfolio, total fixed income is \$123M, 18.8% of the portfolio and total alternatives are \$96M, 14.7% of the portfolio. (See Exhibit A on file at the LSPRS office)

Mr. Bickham also reviewed the Market Value and Returns Summary as of June 30, 2015. Mr. Bickham pointed out that Domestic equities are up 9.01%, International equities down -9.19% and fixed income down -1.91%. Overall, the total portfolio was up 2.98% for the fiscal year end June 30, 2015. Total assets ended the year at \$654,844,987. Mr. Bickham pointed out that these are still preliminary numbers, as eight of our alternative managers have not provided their June 30, 2015 performance numbers.

- 4) Presentation by Todd Hughes, Portfolio Advisors (See Exhibit B on file at the LSPRS office)

Mr. Hughes reviewed the system's investments in private equity with Portfolio Advisors. He presented the current information on Private Equity Fund VI, which was the system's first allocation to private equity. PAPEF VI was vintage year 2011, and its performance thus far has been very good. Overall, the fund is up 13.4% on a net IRR return basis. The system has a \$10,000,000.00 commitment to this fund.

Mr. Hughes also reviewed the system's \$10,000,000.00 commitment to the PAPEF VIII fund. PAPEF VIII was a vintage year 2013 offering, and the performance numbers thus far are very preliminary and not very meaningful. Todd indicated that despite the very early look at performance of PAPEF, the initial reports look very encouraging.

Going forward, Todd informed the committee that PAPEF IX will begin being marketed in early 2016, and his recommendation to the committee was to consider investing \$10,000,000.00 into this fund. The committee agreed to review this issue between now and the end of this calendar year.

Chairperson Amy Mathews recommended that Portfolio Advisor be broken down into PAPEF VI and PAPEF VIII funds on the flash report prepared by Mr. Bickham's office. The committee agreed.

- 5) Rob Bickham reviewed the system's watch list noting that Aberdeen and Campbell will remain on the list. Andrea Hubbard expressed some concern with the performance of Brandes, and after considerable discussion, it was agreed that Brandes should be added to the watch list.

Mr. Bickham recommended that the committee invite all three managers who are on the watch list to our investment committee meeting on September 23, 2015. The managers will have the option of attending the meeting in person or by phone conference. Irwin Felps agreed to contact the managers for this meeting and arrange for their attendance.

- 6) Mr. Felps reviewed the rebalancing of our portfolio with the committee. T. Rowe Price was reduced from 12% to approximately 8.33%, increasing the cash by \$20.5M, reduced Aronson, Johnson & Ortiz from 13.4% to 8.33%, raising another \$29.5M for a total of \$50M. A total of \$19M was added to International managers, \$9.5M to Templeton and \$9.5M to State Street Global MSCI EAFE Index fund. Other changes included adding about \$13M to the emerging markets area, \$6.5M to Brandes and \$6.5M to Vontobel. Also, the transaction for the \$18M to the newly hired manager, Iridian, should be completed by the end of the week.
- 7) 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, Chairperson  
Louisiana State Police Retirement System  
Investment Committee