



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	January 24, 2018
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	9:30 a.m.

- 1) Chairman, Kevin Marcel called the meeting to order.
- 2) Shelley Sebastian, Administrative Assistant, called roll as follows:

Frank Besson Jr., President – NOT PRESENT
Jay Dardenne, Commissioner of Administration, Appearing Thru
Andrea Hubbard, Designee – PRESENT
John Schroder, Treasurer, Appearing Thru
Thomas Enright – PRESENT
Kevin Marcel, Active Representative – PRESENT
Jay O'Quinn, President, LSTA – PRESENT

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber	Representative Sam Jones
Irwin L. Felts, Jr., Executive Director	Doris Prudhomme, Surviving Spouse Representative
Kimberly Gann, Assistant Director	Shelley Sebastian, Administrative Assistant

The pledge was led by Kevin Marcel and the prayer led by Irwin Felts, Jr.

- 3) Rob Bickham advised the committee that the main purposes of today's meeting are as follows:
 - a. Presentation by Carlyle Global Infrastructure Opportunity Fund,
 - b. Monthly reports, Asset Allocation and Market Value and Returns Summary as of 12/31/17.
 - c. Re-balance the portfolio
 - d. 2018 Investment Priorities
- 4) The Carlyle Global Infrastructure Opportunity Fund presentation by Ferris Hussein and Joe Dalton. (Exhibit A on file at the LSPRS office)

Mr. Hussein discussed the history of the Carlyle Group dating it back to 1987. Currently, the Carlyle Group has more than 1550 professionals managing \$174 billion in assets. Specifically, the Carlyle Group offers a differentiated value proposition providing significant return potential in the infrastructure space. Mr. Hussein discussed the structure and process relating to the Global Infrastructure Opportunity Fund. Mr. Hussein emphasized the requirements for infrastructure spending is continuing to increase and the financing gap will continue to widen without increased private sector capital. He highlighted the significant infrastructure investment needs here in the United States. Included in his discussion was a focus on the macro trends that are driving

investments in infrastructure: Global energy and power needs, transport and logistics challenges and water and agriculture challenges. Mr. Hussein then described the key components of the fund: 1) target size of \$2.5 billion, 2) commitment period of 5 years from the final closing date and 3) management fee of 1.5% on commitments of \$5 million or more.

After hearing the presentation by Mr. Hussein, Rob Bickham recommended to the committee, a \$5M commitment to The Carlyle Global Infrastructure Opportunity Fund.

A **MOTION** was made by Andrea Hubbard to approve the \$5M commitment to The Carlyle Global Infrastructure Opportunity Fund. The **MOTION** was seconded by Thomas Enright. No opposition. The motion passed.

- 5) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of December 31, 2017. The system's breakdown of assets are as follows; Equities make up 66.5% of the portfolio. Of the 66.5%, US Large Cap is 26.6%, US Small Cap 12.9%, US Mid Cap makes up 5.4%, Foreign Developed at 13.9% and Foreign Emerging Market making up 7.7%. The fund is overweight in equities at this time but should be within portfolio target after the re-balancing.

Fixed income is at \$143M, which is 16.9% of the portfolio; The Core Fixed Income is 7.1% of the total Fixed Income and Fixed Income (Full Discretion) is 9.8% of the Asset Class.

Alternatives were at \$106M making up 12.5% total exposure; Real Estate making up 6.6%; Hedge Funds making up 3.4%, Timber .08% and Private Equity making up 1.8%.

The total portfolio was up to \$846M. Total Domestic equity managers are up 23.33% year to date and up 11.39% fiscal year to date; the total International equity managers are up 30.02% year to date and up 10.80% fiscal year to date. The Fixed Income managers are up 7.07% year to date and 2.07% fiscal year to date. The total fund performance is up 18.03% year to date and up 7.91% fiscal year to date. (Exhibit B on file at the LSPRS office)

Mr. Bickham advised the committee that his recommendations for the re-balance of the portfolio are as follows; 1% from US Large Cap, taken equally from T. Rowe and AJO; 1.5% from US Small Cap, taken equally from Ivy Investments and Fisher Investments. The entire 1% will go to LBAB Fixed Income Fund (Lehman Ag), ½ % to Brandywine Global, and 1% to Real Estate, PRISA and JPMCB, divided equally between the two.

A **MOTION** was made was made by Jay O'Quinn to approve the recommendation for the rebalance of the portfolio as follows: 2.5% from Equities, 1% from US Large Cap and 1.5% from US Small Cap, divided equally between all managers; 1% to LBAB (Lehman Ag) Core Fixed Income, ½% to Brandywine Full Discretion Fixed Income, and 1% to PRISA and JPMCB (Real Estate) divided equally between the two. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

- 6) Rob Bickham reviewed Performance and Values summary as of 12/31/17. (Exhibit C on file at the LSPRS office)
- 7) Irwin Felps reviewed the 2018 Investment Priorities (Exhibit D on file at the LSRS office)

Rebalance the portfolio – January Investment Committee meeting

Analyze International and Emerging Market manager – have 4 managers in for March Investment Committee meeting.

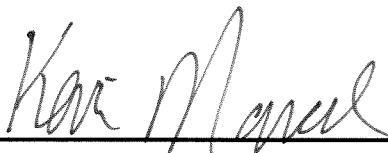
Review Liquid Alternatives – May Investment Committee meeting

Private Equity – Carlyle Group, present infrastructure fund at the January Investment Committee meeting.

Review Real Estate Allocation – have JP Morgan and PRISA make presentations at the **July** Investment Committee meeting.

8) Other Business: NONE AT THIS TIME

9) A MOTION was made by Thomas Enright to adjourn. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed.



Kevin Marcel, Chairperson
Louisiana State Police Retirement System
Investment Committee