



# Louisiana State Police Retirement System

## Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	July 25, 2018
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	9:00 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  
Amy Mathews – 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  
Irwin L. Felps, Jr., Executive Director  
Kimberly Gann, Assistant Director  
Shelley Sebastian, Administrative Assistant

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

- 3) Rob Bickham advised the committee that the main purposes of today's meeting are, a) Monthly reporting as of June 30, 2018; b) Presentation by Brookfield Real Estate; and c) Conference Call with Entrust to discuss the closure of the Hedge Fund and the letter with the redemption options.
- 4) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of June 30, 2018. The system's breakdown of assets are as follows; Equities are at \$552,710,634 and make up 63.9% of the portfolio. Fixed income was at \$154,111,465 which is 17.8% of the portfolio. Alternatives were at \$114,589,529 making up 13.2% of the total portfolio. As of 6/30/18, the total portfolio value was \$865,278,429. The fund is up 9.60% fiscal year to date. These numbers will be adjusted once the Alternative investments report June numbers (Exhibit A on file at the LSPRS office).
- 5) Presentations:  
  
Brookfield Strategic Real Estate Partners – presentation by Brian Kernaghan and Michael Speer (Exhibit B on file at the LSPRS office). Discussion: Rob Bickham stated that Brookfield Strategic Real Estate is one of the largest in the country and they are more global than PRISA and JPMorgan. Mr. Bickham recommends making a \$5M commitment to Brookfield Strategic Real Estate.

A **MOTION** was made by Amy Matthews to commit \$5M in Brookfield Strategic Real Estate III. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed.

EnTrustPermal (conference call) with David Livingston and Gregg Hymowitz to discuss the letter dated July 3, 2018 offering redemption options. (Exhibit C on file at the LSPRS office). Discussion: Rob Bickham recommended pursuing Option 1. This option offers investors the ability to redeem from the Fund effective December 31, 2018 and will return 60 to 65% of the capital at that time. The remaining balances will be distributed as each investment is liquidated. A **MOTION** was made by Amy Matthews to pursue Option 1. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

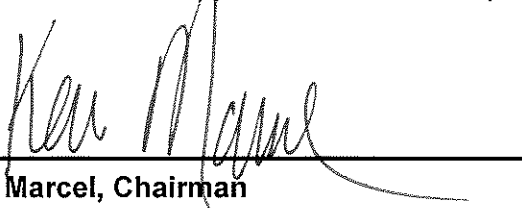
6) Rob Bickham reviewed the watch list:

Mr. Bickham recommends removing AJO from the watch list. Iridian, Vontobel, and Campbell will remain on the list. Brandes will remain on the list. Irwin Felps expressed that he would like to review other managers in the same asset class as Brandes. The Committee agreed that they would like to hear from other managers at the next meeting. Rob Bickham will look at other managers and get back with the Committee at the next meeting. A **MOTION** was made by Andrea Hubbard to remove AJO from the watch list. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed.

7) Other Business:

Kimberly Gann advised the Committee that July payroll increased monthly payroll requirements by approximately \$400,000. Typically payroll requires around \$4M. In July Ms. Gann requested \$7M. This amount does include IBO, DROP and Leave payments. However, this will give the Committee some perspective on how cash flow will change in the future as the larger benefits become payable. Just to give the Committee some perspective, in the calendar year of 2017 52 individuals retired. In July of 2018 the system had 47 new retirees. Ms. Gann expressed her concern over the cash flow needs of the system as these larger benefit payments become payable. You have individuals going out that are at the top of the pay scale. This means less contributions to the retirement system. For instance, on the last biweekly cycle the system received \$200,000 less. After much discussion the Committee agreed that the Board will need to look closely at these issues after the system actuary presents the Experience Study which will include recommendations regarding same. Mr. Felps noted that he and Jay O'Quinn have had recent conversations about this very issue.

8) A **MOTION** was made by Amy Matthews to adjourn. The **MOTION** was seconded by Jay O'Quinn. No opposition. The motion passed.



Kevin Marcel, Chairman  
Louisiana State Police Retirement System  
Investment Committee