



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

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| Meeting Title | LSPRS Investment Committee Meeting |
| Date of Meeting | September 26, 2018 |
| Where | 9224 Jefferson Highway, Baton Rouge, LA 70809 |
| Start Time | 9:00 a.m. |

- 1) Vice-Chairman, Frank Besson, called the meeting to order.
- 2) Kimberly A. Gann, Assistant Director, called roll as follows:

Frank Besson Jr., Designee for Superintendent, Committee Vice-Chairman – PRESENT
Andrea Hubbard, Designee for Commissioner of Administration – PRESENT
Amy Mathews, Designee for Treasurer – PRESENT
Kevin Marcel, Active Representative, Committee Chairman – PRESENT (*arrived after roll call*)
Jay O'Quinn, President LSTA – NOT PRESENT

The records reflect that the following persons were also present:

Robert Bickham, UBS/PaineWebber Rep. Sam Jones, HRC
Irwin L. Felts, Jr., Executive Director

The pledge was led by Frank Besson, and the prayer led by Irwin Felts, Jr.

No public comments

- 3) Rob Bickham advised the committee that they will hear presentations today from the two real estate managers, and the private equity manager. These managers have performed well so today's presentations are simply to update the committee on the portfolios.

Presentations were as follows:

- a) Larry Ostow, JPMorgan Strategic Property Fund (See Exhibit A)
- b) Kevin Smith & Catherine Minor, Prudential (PRISA) (See Exhibit B)
- c) Todd Hughes & Dustin Ackerman, Portfolio Advisors (See Exhibit C)

- 4) Rob Bickham distributed information to the members on the emerging market managers (See Exhibit D). There has been concern over the performance of Brandes. The information distributed shows a comparison of Brandes, other emerging market managers, and the indices. After reviewing the information, the committee agreed that there are no managers in this comparison that "stand out". After reviewing Brandes with its peers, Rob Bickham stated that he is comfortable with Brandes' performance. The committee agreed but will continue to monitor Brandes on the watch list, and, they will request that Brandes attend the next committee meeting to answer questions on their performance.

- 5) Rob Bickham reviewed the Asset Allocation, Market Value and Returns Summary as of August 30, 2018. The system's breakdown of assets are as follows: Equities are at \$575,371,725 and make up 65.1% of the portfolio. The portfolio is above the target allocation for equities. This is something we will need to discuss going forward after the quarter ends on September 30th. Fixed income was at \$154,781,4087 which is 17.5% of the portfolio. Alternatives were at \$113,086,374 making up 12.8% of the total portfolio. Cash totals \$ 41,014,413 or 4.6% of the assets. As of 8/30/18, the total portfolio value was \$884,253,599. The fund is up 2.69% fiscal year to date. (See Exhibit E).

Amy Matthews suggested that the committee review its position on cash. Realizing we hold cash for future benefit payments, Ms. Matthews suggested there may be a better place to "park" the money so that it will be working for the system. All of this must be done considering liquidity for future payments. The members agreed and will discuss the cash position before the end of 2018.

Rob Bickham reviewed the watch list, stating that we continue to monitor Brandes as noted above. We are also watching Iridian, Vontobel, and Campbell. The committee has requested that Brandes and Iridian attend the next meeting in November. Mr. Felps agreed to make those arrangements.

- 6) Rob Bickham reminded the committee that we will consider Blackstone at the next meeting. He also noted that he will prepare a comparison on Iridian similar to the one we considered today for Brandes. This will give the members a clear picture of where we stand with Iridian. We will also hear from Brandes and Iridian at the next meeting.
- 7) A **MOTION** was made by Frank Besson to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.



Kevin Marcel, Chairman
Louisiana State Police Retirement System
Investment Committee