



# Louisiana State Police Retirement System

## Investment Committee Meeting Minutes

<b>Meeting Title</b>	LSPRS Investment Committee Meeting
<b>Date of Meeting</b>	November 19, 2014
<b>Where</b>	9224 Jefferson Highway, Baton Rouge, LA 70809
<b>Start Time</b>	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 – 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) Irwin Felps informed the committee that the goals and objectives for 2015 will be discussed at the January, 2015 meeting. Irwin reviewed the Public Pension Fund Analysis (See Exhibit A on file at the LSPRS office) with the committee. Mr. Felps also reviewed the Act 1004 comparison chart (See Exhibit B on file at the LSPRS office).
- 4) Vontobel presentation – Presentation by Amit Mukadam via phone conference. (See Exhibit C on file at the LSPR office)
- 5) Rob Bickham reviewed the Asset Allocation and Market Value and Returns Summary as of October 31, 2014 (See Exhibit D on file at the LSPRS office). Mr. Bickham pointed out that the fund's total assets are \$621M. For the fiscal year to date, the system's performance is -0.61%. Mr. Bickham did note that the information on the performance reports for PRISA and Portfolio Advisors is incorrect due to an error made by JP Morgan. JP Morgan coded the investments as fees. The committee has decided to meet with JP Morgan at the January meeting to discuss these ongoing issues.

### 6) Portfolio Issues:

**Hedge fund discussion** – The issue is cost vs performance. UBS is comfortable with the hedge funds at this time. Rob pointed out that CALPERS has chosen to get out of hedge funds and private equities. However, their decision is not relevant to our situation.

**Mid-Cap active vs. passive allocation** – Rob Bickham presented a chart comparing the performance of the S&P 400 Index Fund with active manager returns. He pointed out that over the last eight years (since inception) the S&P 400 Index Fund has ranked in the 5<sup>th</sup> percentile of mid-cap manager returns. In closing the discussion, Mr. Bickham indicated that this decision on active management in the mid-cap space should be reviewed as a priority in 2015.

**Campbell timber update** – Irwin Felps reported that the Steering Committee continues to meet every other Friday. Houlihan Lokey is working on a re-negotiation of the lending agreement. They are looking to get interest rates reduced, perhaps maintaining a minimum level of cash so there would be more money to apply to the necessary costs of running those portfolios. They hope to have an executable agreement in the next 3 weeks. This appears to be a viable option. UBS is the firm working with the steering committee to look at the sale of the entire portfolio. They hope to have something in place by late December or January. They would then have to employ people to assess the value of these timberlands before they are put out on the market place. By end of the first quarter they should have enough data to know whether we will be able to re-negotiate the lending agreement or sell the portfolio. Mr. Felps hopes to have a conclusion toward the end of the first quarter of 2015.

**7) Other Business**

- Liquid Alternatives (See Exhibit F on file at the LSPRS office)
- The committee discussed inviting Brandes, Templeton, and JPMorgan to speak at the next meeting to be held in January 2015

8) 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**