



Louisiana State Police Retirement System

Investment Committee Meeting Minutes

Meeting Title	LSPRS Investment Committee Meeting
Date of Meeting	March 25, 2015
Where	9224 Jefferson Highway, Baton Rouge, LA 70809
Start Time	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 – 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 and Market Value and Returns Summary as of February 28, 2015 (See Exhibit A on file at the LSPRS office). Mr. Bickham pointed out that the system reached another high water mark, as it closed out February with a return for the month of 3.46%. This puts the system's assets at \$643,653,548, and it put our fiscal year to date performance at 3.11%.

The system's breakdown of assets as of February 28, 2015 indicated that our equities makeup 63.8%, Fixed Income totals 19.6%, and the Alternative assets make up 13.9% of the total assets. The remaining 2.7% of our assets are in money market funds.

- 4) **Rebalancing Recommendation:**

Mr. Bickham discussed the need for the system to rebalance its portfolio as a result of the significant performance in the large cap domestic equity portfolio. He indicated that the large cap equities exceed the 25% target by 5%, and that he would recommend that we reduce the large cap equities by 5%. The 5% reduction in large cap equities would be allocated by putting 3% into international equities and 2% into emerging market equities which would put both of these categories at their target levels. Due to Aberdeen being on the "Watch List", it was decided that more money would not be allocated to them at this time. The targeted 25% allocation to the large cap domestic portfolio would be divided between Aronson, Johnson, Ortiz, T. Rowe Price and the S&P 500.

In addition to the above changes, the S&P 400 passive portfolio would be reduced from 5.6% to 2%, and the proceeds would be allocated to an active mid-cap manager as indicated below.

A **MOTION** was made by Kevin Marcel to approve rebalancing the portfolio as outlined by Rob Bickham above. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.

5) Watch List:

Irwin Felps advised the committee there are two managers on the watch list at this time, Aberdeen and The Campbell Timber Group. Both managers will remain on the watch list.

5) Mid Cap Manager Search:

Rob Bickham advised the committee he initially had a list of 35 potential mid cap managers, an analysis was performed and has eliminated all but thirteen. Mr. Bickham stated he would like to get down to between 3 and 5 and then have each one come in to meet with the committee. These presentations would be scheduled for the May 20, 2015 Investment Committee meeting. (See Exhibit B on file at the LSPRS office). It was agreed that the Committee will coordinate a conference call to discuss the list and arrive at the finalists.

6) A **MOTION** was made by Kevin Marcel to adjourn. The **MOTION** was seconded by Andrea Hubbard. No opposition. The motion passed.



Amy Mathews, Chairperson
Louisiana State Police Retirement System
Investment Committee