

**Louisiana State Employees' Retirement System  
Investment Committee Meeting  
June 21, 2018**

The Investment Committee of the Louisiana State Employees' Retirement System met on Thursday, June 21, 2018 in the fourth floor board room of the Retirement Systems Building located at 8401 United Plaza Boulevard, Baton Rouge, Louisiana. Mr. Thomas Bickham, Chair, called the meeting to order at 1:20 p.m. Roll was called by Ms. Abby Partin, recording secretary.

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**ROLL CALL**

Members Present: Mr. Thomas Bickham, Ms. Virginia Burton, Ms. Beverly Hodges, Judge William Kleinpeter, Ms. Janice Lansing, Ms. Amy Mathews (designee of the Treasurer), Mr. Rick McGimsey (designee of the Commissioner), Senator Barrow Peacock, Ms. Lori Pierce, Ms. Shannon Templet, Ms. Lorry Trotter

Members Absent: Ms. Barbara McManus, Representative Kevin Pearson

Staff Present: Ms. Maris LeBlanc, Deputy Director and Chief Operating Officer; Mr. Trey Boudreaux, Chief Administrative Officer; Mr. Bobby Beale, Chief Investment Officer; Investment Staff: Mr. Darren Fournerat, Ms. Laney Sanders, Ms. Celeste Funderburk, Ms. Alisa Lacombe, Mr. Jacques Brousseau, Mr. Reeves Pearce, Mr. Sam Chastian, and other LASERS staff.

Also Present: Mr. David Barnes, NEPC LLC, Ms. Margaret Corley, Senate Retirement, Ms. Shelley Johnson, Foster & Foster

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The Chair called for public comment. Hearing none, the Chair called for the next agenda item.

**REGULAR BUSINESS**

The committee considered the minutes of the May 17, 2018 Investment Committee meeting. **Ms. Templet, seconded by Judge Kleinpeter, moved to approve the minutes of the May 17, 2018, Investment Committee meeting. With no objection or discussion, the motion carried.**

## **NEW BUSINESS**

### **Multi-Sector Global Fixed Income Mandate Review**

Mr. Fournerat gave a brief summary of the year long search conducted by the investment staff and Chris Hill, NEPC, for the two finalists, Blackstone and PIMCO for the Multi-Sector Global Fixed Income mandate. He stated the staff recommends allocating \$200 million to each manager with an appropriate structure.

### **Multi-Sector Global Fixed Income Mandate Finalists Interviews:**

#### **Blackstone**

Mr. Greg Geiling, Senior Managing Director, Member of BAAM's Investment Committee and Brad Rudner, Managing Director, Head of Global Business Strategy, appeared before the committee.

#### **PIMCO**

Greg Hall, Managing Director, Head of Private Strategies, Russell Gannaway – Managing Director, Portfolio Manager, Christian Stracke – Managing Director, Opportunistic Credit Portfolio Manager, and Kevin Gray – Senior Vice President, Account Manager, appeared before the committee.

### **Discussion and Mandate Selection of the Multi-Sector Global Fixed Income Manager**

After the interviews, Mr. Fournerat gave a summary of the two managers, explaining the differences in their strategies, how they would complement the overall allocation, and their fee structures. **Judge Kleinpeter moved, seconded by Ms. Hodges, to recommend the Board to allocate \$200 million to Blackstone and \$200 million to PIMCO for the Multi-Sector Global Fixed Income Mandate, as structured by staff. Senator Peacock abstained. With no objection or discussion, the motion passed.**

Mr. Beale commended Mr. Fournerat, Mr. Pearce and Mr. Chris Hill, NEPC, for the extensive work put into this search and the very successful alignment of interest on the fee side.

Mr. Beale asked for a motion to bring in Gramercy & Zais Group to present their strategies to the Board in July. Mr. Fournerat briefed the Board on these two managers and how they will fit into the fixed income allocation. **Ms. Templet moved, seconded by Judge Kleinpeter, to recommend the Board bring in Gramercy & Zais Group to present their strategies to the Board next month. With no objection or discussion, the motion passed.**

## **Monthly Performance Review**

Mr. Beale gave the monthly performance review, stating that, as of May 31, 2018, the Total Plan return was 9.8% Fiscal-Year-to-Date.

Senator Peacock left the meeting at 3:34 p.m.

## **OTHER BUSINESS**

No other business was brought before the committee and the meeting adjourned at 3:35 p.m.