

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BOARD OF TRUSTEES MEETING

ANNUAL MEETING – SEPTEMBER 15 and 16, 2010

AGENDA

The Meeting of the Board of Trustees of the Public Safety Personnel Retirement System (PSPRS or System) will be held in the main public conference room of the administrative offices of PSPRS, 3010 East Camelback Road, Suite 200, Phoenix, Arizona, 85016, commencing at 9:00 a.m. on Wednesday, September 15, 2010 and will continue on Thursday, September 16, 2010. The meeting will recess on or before 5:00 p.m. on September 15 and will resume at 9 a.m. on Thursday, September 16, 2010 and will continue until 1:00 p.m. or until the matters set forth in this agenda are otherwise addressed. The Board of Trustees may vote to hold an executive session, which will not be open to the public, to discuss certain matters. The Board of Trustees reserves the right to consider agenda items out of their listed order.

This meeting is available to the public through “Go to Meeting” over the internet or in person. Please see www.psprs.com from computer link to the meeting.

The Agenda for the meeting is as follows:

Call to Order; Roll Call; Opening remarks.....Mr. Brian Tobin
Board Interim Chair

1. Approval of the Consent Agenda (Documentation concerning the matters on the consent agenda may be reviewed at the PSPRS office). Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed as a regular agenda item upon the request of any Board of Trustees member.
 - a. Acceptance of Transfer Between State Retirement Systems of Harley Redfield.
 - b. Acceptance of Transfer Between State Retirement Systems of Jessica Starkey-Bryson.
 - c. Acceptance of Transfer Between State Retirement Systems of Patricia Mc Cormack.
 - d. Acceptance of Transfer Between State Retirement Systems of Linda Ochoa.
 - e. Acceptance of Transfer Between State Retirement Systems of Ken Farrell.
 - f. Acceptance of Transfer Between State Retirement Systems of Patricia Arnold.
 - g. Acceptance of Transfer Between State Retirement Systems of James Howard.
 - h. Acceptance of Transfer Between State Retirement Systems of Jeffrey Nash.
 - i. Acceptance of Transfer Between State Retirement Systems of Tracey Nielsen.
 - j. Acceptance of Transfer Between State Retirement Systems of Jeffrey Cosby.
 - k. Acceptance of Transfer Between State Retirement Systems of Mark De Bruyckere.
 - l. Acceptance of Transfer Between State Retirement Systems of Gary Peaslee.
 - m. Acceptance of Transfer Between State Retirement Systems of Albert Di Benedetto.
 - n. Acceptance of Transfer Between State Retirement Systems of Joel Olson.
 - o. Acceptance of Transfer Between State Retirement Systems of Rodney Ruiz.
 - p. Acceptance of Transfer Between State Retirement Systems of Vivian Waple.
 - q. Acceptance of Transfer Between State Retirement Systems of David Stanearth.
 - r. Acceptance of Transfer Between State Retirement Systems of Douglas Poage.
 - s. Acceptance of Transfer Between State Retirement Systems of Darrell White.
 - t. Acceptance of Transfer Between State Retirement Systems of Eugene Sweeney.
 - u. Acceptance of Elected Officials’ Retirement Plan of normal benefit of Cecelia Owen.
 - v. Acceptance of Elected Officials’ Retirement Plan of normal benefit of Michael Ryan.

- w. Acceptance of Elected Officials' Retirement Plan of termination of survivor benefit of Dorothy Sharpe.
 - x. Acceptance of Elected Officials' Retirement Plan of termination of normal benefit of Howard Peterson.
 - y. Acceptance of Elected Officials' Retirement Plan of normal benefit of Wesley Peterson.
 - z. Acceptance of Elected Officials' Retirement Plan of normal benefit of Armando Saldate.
 - aa. Acceptance of Elected Officials' Retirement Plan of normal benefit of Lawrence Hawke.
 - bb. Acceptance of Elected Officials' Retirement Plan of normal benefit of Doug Quelland.
2. Approval of the Minutes of the August 18, 2010 Public Meeting of the PSPRS Board of Trustees.....Mr. Brian Tobin
 3. Report by Investment Department Staff and discussion regarding the Month End and Fiscal Year-to-Date performance/portfolio update. Mr. Mark Selfridge
.....Investment Analyst
 4. Presentation by Investment Department Staff, New England Pension Consultants (NEPC) and Capital Group Institutional Investment Services representatives and discussion and possible **Action** regarding an investment of up to \$60,000,000 in Capital Guardian Emerging Markets Fixed Income Fund or appropriate feeders, blockers or parallel funds of same, managed by Capital Guardian Trust Company..... Mr. Martin Anderson
.....Deputy Chief Investment Officer
..... Mr. Don Stracke
.....Senior Consultant, New England Pension Consultants (NEPC)
..... Mr. Luke Farrell
..... Vice President and Fixed Income Specialist Capital Group Institutional Investment Services
..... Mr. David Martinez Jr.
..... Vice President and Relationship Manager Capital Group Institutional Investment Services
 5. Presentation by Investment Department Staff, NEPC and LSV Advisors, LLC representatives and discussion and possible **Action** regarding a possible investment of up to \$35,000,000 in LSV Special Opportunities Fund III, Ltd. or appropriate feeders, blockers or parallel funds of same.
..... Mr. Martin Anderson
.....Mr. Don Stracke
.....TBD
..... LSV Advisors, LLC
 6. Presentation by Investment Department Staff, Albourne American LLC, and Och-Ziff Capital Management Group representatives and discussion and possible **Action** regarding an investment of up to \$70,000,000 in OZ Master Fund Ltd. or appropriate feeders, blockers or parallel funds of same. Mr. Ryan Parham
..... Chief Investment Officer
.....Mr. Mark Steed
..... Senior Analyst
.....Mr. John Shearman
.....Partner, Albourne America, LLC
..... TBD
.....Och-Ziff Capital Management Group
 7. Report by Compliance Auditor and discussion regarding investment compliance, holdings and transactions as of August 31, 2010. Ms. Bridget Feeley

- 8. Presentation by Gabriel, Roeder, Smith and Company on its report on stochastic and deterministic actuarial projections and on the status of the FY 2010 actuarial valuations followed by discussion and Appropriate **Action**.....Mr. Mark Buis
Mr. Brian Murphy

- 9. Presentation by the PSPRS Information Technology staff regarding back-up, redundancy and fail safe improvements for the systems and new member self-help capabilities created during the fiscal year ending June 30, 2010 to be followed by discussion and possible Appropriate **Action**.....Mr. Tom Willard
Systems Development Manager
Mr. Sam Meier
IT Specialist

- 10. Status report and discussion regarding Fiscal Year 2011 proposed legislative initiatives and possible Appropriate **Action**Mr. Jim Hacking
Administrator

- 11. Status report on the plan to end “sure pay” notification mailings and on staff review of less costly alternatives to the outsourcing of the payroll and tax reporting functions to BNY Mellon Bank followed by discussion and Appropriate **Action**.....Ms. Tracey Peterson
Mr. Jim Hacking

- 12. Review, discussion and Appropriate **Action** regarding the September 2010 bill for legal services performed in August, 2010.....Mr. Jim Hacking

- 13. Presentation, Discussion and Possible **Action** regarding compliance and internal audit.....Ms. Bridget Feeley
Internal Audit and Compliance Officer

- 14. Discussion, review and possible **Action** to approve an RFP for Legal Services document as the first step in the initiation of a formal RFP process and discussion and possible **Action** to approve process for considering responses to the RFP.....Mr. Jim Hacking

- 15. Discussion and Appropriate **Action** Regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.....Mr. Brian Tobin

- 16. Presentation and discussion by Andrew Banks, Chairman and Co-Founder, ABRY Partners LLC regarding ABRY Partners Market Update and ABRY Partners V L.P. Investment Report.....Mr. Andrew Banks
..... Chairman and Co-Founder, ABRY Partners LLC

- 17. Presentation and discussion by Dory A. Wiley President, Commerce Street regarding Commerce Street Market Update and Commerce Street Income Partners II, L.P. Investment Report.....Mr. Dory A. Wiley
.....President, Commerce Street Partners

- 18. Presentation and discussion by John Simpson, CFA, Blackrock Institutional Trust Company regarding Blackrock Market Update and Global Ascent LTD Investment Report.....Mr. John Simpson, CFA
.....Managing Director, Blackrock Institutional Trust Company

- 19. Presentation by Investment Department Staff and H/2 Capital Partners representatives and discussion and possible **Action** regarding an investment of up to \$40,000,000 in H/2 Credit

Partners Master Fund Ltd. or appropriate feeders, blockers or parallel funds of same.
 Mr. Ryan Parham
 Mr. Martin Anderson
 Mr. Spencer Haber
 CEO, H/2 Capital Partners
 Mr. Peter Ahl
 Managing Director, H/2 Capital Partners
 Mr. Ben Doramus
 Managing Director, H/2 Capital Partners

- 20. Declaration by the Board of Trustees of the official total fund rate of return for the twelve months ending June 30, 2010 (net of fees) and the benchmark return for the same time period.....Mr. Brian Tobin
- 21. Election of Chair and Vice Chair of the PSPRS Board of Trustees.....Mr. Brian Tobin

Regarding the following two agenda items, Pursuant to A.R.S. §§ 38-431.03(A)(2), (3),(4) and (7), notice is hereby given to the Trustees of the PSPRS Board and the general public that the PSPRS Board may vote to go into Executive Session, which will not be open to the public.

- 22. Discussion with and Appropriate Instruction by the Board of Trustees to legal counsel Regarding ongoing or threatened legal action involving the Arizona PSPRS Trust, the System, or the System’s sister plans (EORP or CORP), including Campbell, Miller, Martin, Welker, Staeck, Pivotal Group, Stroh Ranch Development, Desert Troon, Seldin, Parker, Loftus, Hosea, JP Morgan Chase, and Van Wye matters and Appropriate **Action** regarding same.....
 Mr. Marc Lieberman
 Partner, Kutak Rock

The Board of Trustees may vote to go into Executive Session to discuss matters pursuant to A.R.S §§ 38-431.03(A)(2), (3), (4),and (7) including to obtain legal advice from the Board’s attorney on any matter listed on the agenda, including:

- a. Discussion and consultation with legal counsel (and appropriate instruction to counsel) regarding legal issues, and settlement discussions, if any, arising in connection with the Arizona PSPRS Trust’s real estate, private equity, hedge and other investments, including those managed by Arizona Pathways & Properties Berkana, LLC, ApexCapital Management, and Desert Troon Limited, pursuant to A.R.S. §§ 38-431.03(A)(3), (4) and (7).
- b. Discussion and consultation with legal counsel and Staff (and appropriate instruction to counsel) regarding ongoing or threatened legal action involving the Arizona PSPRS Trust, the System or the System’s sister plans (EORP or CORP), including contemplated internal investigation and interview guidelines, investment related matters, EEOC charges, and cases, including Campbell, Miller, Martin, Welker, Staeck, Pivotal Group, Stroh Ranch Development, Desert Troon, Seldin, Parker, Loftus, Hosea, JP Morgan Chase, and Van Wye matters, pursuant to A.R.S. §§ 38-431.03(A)(2), (3), (4), and (7).

- 23. Call to the Public:

This is the time for the public to comment. Members of the Board of Trustees may not discuss items that are not specifically identified on the agenda, except to address criticism from the public. Therefore, pursuant to A.R.S. § 38-431.01(H), the Board of Trustees’

reaction to any public comment is limited to addressing criticism or recommending that the Board of Trustees or Staff respond or study such comment or schedule the subject matter for further consideration at a later date after appropriate notice.

24. Set the Next Meeting Date

25. Adjournment

A copy of the agenda background material that is provided to the Board of Trustees (with the exception of materials relating to possible executive sessions and/or materials exempt by law from public inspection) is available for public inspection at the PSPRS offices located at 3010 East Camelback Road, Suite, 200, Phoenix, Arizona. The agenda is subject to revision up to 24 hours prior to the meeting.