

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BOARD OF TRUSTEES MEETING

June 23, 2010

REVISED 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 1:00 p.m. on Wednesday, June 23, 2010. The meeting will continue until on or before 5:00 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 for computer link for the meeting.

The Agenda for the meeting is as follows:

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

2. 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 Scott Kendrick.
 - b. Acceptance of Transfer Between State Retirement Systems of Masaki Ferraris.
 - c. Acceptance of Transfer Between State Retirement Systems of Ashton Shewey.
 - d. Acceptance of Transfer Between State Retirement Systems of Brian Reed.
 - e. Acceptance of Transfer Between State Retirement Systems of Kirk Bryce.
 - f. Acceptance of Transfer Between State Retirement Systems of Charles Jones.
 - g. Acceptance of Transfer Between State Retirement Systems of Diana Benson.
 - h. Acceptance of Transfer Between State Retirement Systems of Elizabeth Franco.
 - i. Acceptance of Transfer Between State Retirement Systems of Milton Davis.
 - j. Acceptance of Transfer Between State Retirement Systems of Terry Wilson.
 - k. Acceptance of Transfer Between State Retirement Systems of Barbara Snider.
 - l. Acceptance of Transfer Between State Retirement Systems of Grace Marin-Woolsey.
 - m. Acceptance of Transfer Between State Retirement Systems of Mark Carpenter.
 - n. Acceptance of Transfer Between State Retirement Systems of James Wasson.
 - o. Acceptance of Transfer Between State Retirement Systems of Edward Piering.
 - p. Acceptance of Transfer Between State Retirement Systems of Larry Newcomer.
 - q. Acceptance of Transfer Between State Retirement Systems of Manuel Dominguez.
 - r. Acceptance of Transfer Between State Retirement Systems of Michael Adams.
 - s. Acceptance of Transfer Between State Retirement Systems of Raymond Navas.
 - t. Acceptance of Transfer Between State Retirement Systems of Karl Sowards.
 - u. Acceptance of Transfer Between State Retirement Systems of Ronald Stiso.
 - v. Acceptance of Transfer Between State Retirement Systems of Neal Ronald.
 - w. Acceptance of Transfer Between State Retirement Systems of Gregory Dykstra.
 - x. Acceptance of Transfer Between State Retirement Systems of William Sparpana.

- y. Acceptance of Transfer Between State Retirement Systems of Andrew Rubalcava.
 - z. Acceptance of Transfer Between State Retirement Systems of Jesse Mitchell.
 - aa. Acceptance of Elected Officials' Retirement Plan of normal benefit of Patricia Escher.
 - bb. Acceptance of Elected Officials' Retirement Plan of normal benefit of Danna Hendrix.
 - cc. Acceptance of Elected Officials' Retirement Plan of normal benefit of Nanette Warner.
 - dd. Acceptance of Elected Officials' Retirement Plan of normal benefit of Barbara Mundell.
 - ee. Acceptance of Elected Officials' Retirement Plan of normal benefit of Richard Ortega.
 - ff. Acceptance of Elected Officials' Retirement Plan of normal benefit of termination of survivor benefit of Mildred Kortsen.
 - gg. Acceptance of Elected Officials' Retirement Plan of termination of benefit of Robert Gillette.
 - hh. Acceptance of Elected Officials' Retirement Plan of termination of benefit of Leonard Cople.
 - ii. Acceptance of Elected Officials' Retirement Plan of guardian - split benefit of Catherine Dorgan.
 - jj. Acceptance of Elected Officials' Retirement Plan of guardian - split benefit of Mary Dorgan.
3. Approval of the Minutes of the May 26, 2010 and June 3, 2010 Public Meetings of the PSPRS Board of Trustees.....Mr. Brian Tobin
4. Investments – Presentation, Discussion and Appropriate Action Regarding Recommendations that were made and the Action that was taken in the Investment Committee Meeting that was held on Wednesday, May 26, 2010 commencing at 10:00 a.m.....Ms. Lori Roediger
.....Chair, Investment Committee
..... Mr. Martin Anderson
..... Chief Equity Analyst
.....Mr. Allan Martin
.....Partner, New England Pension Consultants
- a. Presentation by the Investment Department Staff, Albourne America LLC and Bluecrest Capital Management representative(s) and discussion and possible **Action** regarding an investment of up to \$100,000,000 in Blue Trend Fund or appropriate feeders, blockers or parallel funds. Mr. Martin Anderson
..... Mr. Allan Martin
..... Mr. John Shearman
..... Partner, Albourne America, LLC
 - b. Presentation by Investment Department Staff, New England Pension Consultants (NEPC), Albourne America LLC, and FrontPoint Partners L.L.C representative(s) and discussion and possible **Action** regarding an investment of up to \$40 million in FrontPoint SJC Direct Lending Fund or any appropriate feeder, blocker or parallel fund of same.....
..... Mr. Martin Anderson
.....Mr. Allan Martin
.....Mr. John Shearman
......Mr. Steve Czech
.....Partner, FrontPoint Partners L.L.C.
 - c. Presentation by Investment Department Staff, StepStone Group LLC and Avalon Ventures Management LLC representative(s) and discussion and possible **Action** regarding an investment of up to \$20 million in Avalon Ventures VIII, L.P. or any appropriate feeder, blocker or parallel fund of same. Mr. Martin Anderson
..... Mr. Mark Steed
..... Mr. Jay Rose
......Mr. Kevin Kinsella
..... Founder and General. Partner, Avalon Ventures Management L.L.C.

..... Mr. Steve Tomlin
..... General Partner, Avalon Ventures Management L.L.C.

- d. Discussion and possible **Action** regarding Internal Audit and Compliance Officer Bridget Feeley's request to participate in a compliance training opportunity at Crestline Investors Inc. in Dallas, Texas. Mr. Martin Anderson
..... Ms Bridget Feeley
..... Internal Audit and Compliance Officer
- e. Report by Staff and discussion regarding the Month Ended and Fiscal Year-to-Date performance/portfolio update. Mr. Martin Anderson
- f. Report by Compliance Auditor and discussion regarding investment compliance, holdings and transactions as of June 30, 2010.Ms. Bridget Feeley

Regarding the following agenda item, Pursuant to A.R.S. §§ 38-431.03(A)(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.

- 9. Discussion with and instruction to legal counsel regarding recent developments and legal issues (including settlement discussions and threats of litigation) involving the Trust's custodians, lenders, securities lending agents, vendors, advisors, investments or investment managers, members or partners (as well as any investments managed by the Trust's investment managers or partners) and Appropriate Action Regarding same.
- 10. Other Business - Presentation, Discussion and Appropriate **Action** Regarding Recommendations that were made during the Operations, Governance Policy and Audit Committee Meeting that was held on Wednesday, June 23, 2010 at 10:00 a.m.....Mr. Brian Tobin
Chairman of the Operations, Governance Policy and Audit Committee
 - a. Presentation, Discussion and Appropriate **Action** Regarding utilization of bank services for processing of benefit and refund disbursements and other payroll related items.....Ms. Tracey Peterson
Chief Operating Officer
 - b. Presentation, Discussion and Appropriate **Action** Regarding the proposed FY 2011 PSPRS Administrative Budget.....Ms. Karen Lewis
Accounting Manager
 - c. Presentation, Discussion and Appropriate **Action** Regarding the proposed FY 2011 contract for Gabriel, Roeder, Smith & Company, the PSPRS Actuarial Firm.....
Ms. Karen Lewis
 - d. Presentation, Discussion and Appropriate **Action** Regarding the proposed FY 2011 contract for Heinfeld Meech & Co, the PSPRS External Audit Firm.....Ms. Karen Lewis
 - e. Presentation, Discussion and Appropriate **Action** Regarding the proposed FY 2011 contract for Kutak Rock, LLP, the PSPRS Legal Counsel.....Ms. Karen Lewis
 - f. Presentation, Discussion and Appropriate **Action** Regarding the proposed FY 2011 contract for LRS Consulting, LLC, which is for assistance with the Local Board Network Training Program.....Ms. Karen Lewis

- g. Presentation, Discussion and Appropriate **Action** Regarding the lobbyist policy and lobbyist contract extension for HighGround, Inc.....Mr. Jim Hacking
Administrator
 - h. Presentation, Discussion and Appropriate **Action** Regarding the lobbyist policy and lobbyist contract extension for Public Policy Partners.....Mr. Jim Hacking
 - i. Update, Discussion and Appropriate **Action** Regarding the EPIC data system and the difference between backing it up in Denver and mirroring to Denver.....Mr. Tom Willard
Systems Development Manager
 - j. Review, Discussion and Appropriate **Action** Regarding the June 2010 bill for legal services performed in May, 2010.....Mr. Jim Hacking
 - k. Written update on the progress of the Local Board Training Program with Possible Discussion and Appropriate **Action**.....Mr. Robert Ortega
Local Board Training Coordinator
 - l. Presentation, Discussion and Possible Appropriate **Action** Regarding the FY 2011 Audit Plan and Risk Assessment.....Ms. Bridget Feeley
Internal Audit and Compliance Officer
 - m. Presentation, Discussion and Possible Appropriate **Action** Regarding compliance and internal audit.
Ms. Bridget Feeley
Internal Audit and Compliance Officer
11. Presentation, Discussion and Appropriate **Action** Regarding options for fiduciary insurance for the PSPRS Board of Trustees.....Mr. Marc Lieberman
Ms. Paige Martin
Partner, Kutak Rock
12. Discussion and Appropriate **Action** Regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.....Mr. Brian Tobin
13. Discussion and Appropriate **Action** Regarding the agenda of the Annual Meeting of the Board of Trustees to be held on September 15 and 16, 2010.....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.

- 14. 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, Swink, Miller, Martin, ApexCapital, Staeck, BNY Mellon, Pivotal Group, Desert Troon, Seldin, Parker, Loftus, JP Morgan Chase, Toyota, Goldman Sachs, Jacobs and Countrywide matters and Appropriate Action Regarding same.....Mr. Marc Lieberman
- 16. 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 the Pivotal Group, 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, Swink, Miller, Martin, Cross, Jacobs, ApexCapital, Staeck, BNY Mellon, Pivotal Group, Desert Troon, Seldin, Parker, Loftus, JP Morgan Chase, Toyota, Goldman Sachs, and Countrywide matters, pursuant to A.R.S. §§ 38-431.03(A)(2), (3), (4), and (7).

17. 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.

18. Set the Next Meeting Date

19. 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 session) is available for public inspection at the PSRS 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.