

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

FUND MANAGER MEETING

April 29, 2010

REVISED AGENDA

The Meeting of the Fund Manager 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 11:00 a.m. on Thursday, April 29, 2010. The meeting will continue until on or before 2:00 p.m. or until the matters set forth in this agenda are otherwise addressed. The Fund Manager may vote to hold an executive session, which will not be open to the public, to discuss certain matters. The Fund Manager reserves the right to consider agenda items out of their listed order. The Fund Manager will attend either in person or by telephone conference call

1. Call to Order

2. **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, and **Action** taken, upon the request of any Fund Manager member or advisor. The Fund Manager may approve, modify or reject approval of any of the following items:

- a. Approval of the Minutes of the Fund Manager Meeting on March 31, 2010.
- b. Acceptance of Transfer Between State Retirement Systems of Michele Widhalm.
- c. Acceptance of Transfer Between State Retirement Systems of David Holyfield.
- d. Acceptance of Transfer Between State Retirement Systems of Craig Church.
- e. Acceptance of Transfer Between State Retirement Systems of Ronald Thomas.
- f. Acceptance of Transfer Between State Retirement Systems of William Rogers.
- g. Acceptance of Transfer Between State Retirement Systems of Michael Rogers.
- h. Acceptance of Transfer Between State Retirement Systems of Patrick Connor.
- i. Acceptance of Transfer Between State Retirement Systems of Hiram Renfro.
- j. Acceptance of Transfer Between State Retirement Systems of James Milligan.
- k. Acceptance of Transfer Between State Retirement Systems of Cheryl Van Horn.
- l. Acceptance of Transfer Between State Retirement Systems of Martin Broderick.
- m. Acceptance of Transfer Between State Retirement Systems of Lane Spalla.
- n. Acceptance of Transfer Between State Retirement Systems of Robert Gamez.
- o. Acceptance of Transfer Between State Retirement Systems of Sandra Acuna.
- p. Acceptance of Transfer Between State Retirement Systems of Jon States.
- q. Acceptance of Transfer Between State Retirement Systems of Robert Blaylock.
- r. Acceptance of Transfer Between State Retirement Systems of Brett Mierendorf.
- s. Acceptance of Transfer Between State Retirement Systems of Javier Cota
- t. Acceptance of Transfer Between State Retirement Systems of Rochelle Thomas.
- u. Acceptance of Elected Officials' Retirement Plan of termination of benefit of Eula Bohme.
- v. Acceptance of Elected Officials' Retirement Plan of normal/split benefit of Arthur Newton.
- w. Acceptance of Elected Officials' Retirement Plan of normal/split benefit of Jan Newton.
- x. Acceptance of Elected Officials' Retirement Plan of normal benefit of Richard Trujillo.
- y. Acceptance of Elected Officials' Retirement Plan of normal benefit of Randy Ellexson.
- z. Acceptance of Elected Officials' Retirement Plan of death benefits of Gayle Cooper.

3. Investments - Stocks, Bonds and Others

- a. Discussion with the Fund Manger and its advisors, and possible **Action** by the Fund Manager to approve, disapprove, or suggest modification regarding the following items:
1. Presentation by Staff, NEPC and representatives from BNY Mellon Beta Management, a subsidiary of BNY Mellon Bank (Mellon) and discussion regarding retaining Mellon to act as a Derivatives Overlay Manager for up to \$600 million notional value derivative overlay.
 2. Presentation by Staff and Albourne and discussion regarding a possible increase to the committed capital approved to our current commodities hedge fund managers including: BlueGold from up to \$8 million to up to \$12 million; in GeoSphere from up to \$14 million to up to \$20 million; in Helios/Sunbeam from up to \$14 million to up to \$20 million; and in Viridian from up to \$8 million to up to \$12 million in the Real Assets asset class.
 3. Presentation by Staff, Albourne and representatives of Pine River Capital Management LP and discussion regarding a possible investment of up to \$30 million in the Nisswa Fixed Income Fund MBS Relative Value (or any appropriate feeder, blocker or parallel fund of same) to reside in the Credit Opportunities asset class.
 4. Presentation by Staff and discussion with advisers and legal counsel regarding the approval of a new Appendix V *Securities Lending Policy*; replacing and superseding the previous Appendix V of the PSPRS Amended and Restated Statement of Investment Policies.
 5. Pursuant to Fund Manager motion, presentation by Staff and discussion regarding the benchmark to be used for fiscal year 2010 through 2011 for the target Private Equity portfolio.
 6. Report by Staff and discussion regarding the Month Ended and Fiscal Year-to-Date performance/portfolio update.
 7. Report by Compliance Auditor and discussion regarding investment compliance, holdings and transactions as of March 31, 2010.
 8. Report by Staff and/or legal counsel and discussion regarding recent developments and legal issues (including settlement discussions) involving the Trust's custodians, lenders, securities lending agents, vendors, investments or investment managers or partners (as well as any investments managed by the Trust's investment managers or partners). The Fund Manager may vote to discuss this matter in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(3),(4) and (7), as set forth in item 5 (a) and 5 (b).

4. Other Business

- a. Discussion with the Fund Manger and its advisors, and possible **Action** by the Fund Manager to approve, disapprove, or suggest modification regarding the following items:
1. Discussion regarding the results of the analysis of the Fire Fighter and Peace Officer Cancer Insurance Plan by the actuary, Gabriel, Roeder, Smith & Company ("GRS"), to include benefit enhancements and setting the premium for fiscal year 2011.

2. Discussion regarding utilization of services of a bank for processing of benefit and refund disbursements.
3. Written Quarterly Operations Report by Tracey Peterson.
4. Review and discussion of the April 2010 bill for legal services performed in March.
5. Update by Bridget Feeley and discussion regarding compliance and internal audit.
6. Presentation by the System lobbyists (Representatives of P3 and HighGround) with respect to status of the System's FY 2010 legislative initiatives.
7. Discussion regarding Fund Manager requests to participate in training, educational and due diligence opportunities.
8. Discussion with the Fund Manager and instruction 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, Hosea, Miller, Martin, ApexCapital, Staeck, BNY Mellon, Pivotal Group, Desert Troon, Seldin, Parker, Loftus, JP Morgan Chase, Toyota, Goldman Sachs, and Countrywide matters and possible **Action** regarding same. The Fund Manager may vote to discuss these matters in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), and (7), as set forth in items 5(a) and (b).

5. Executive Session for Legal Matters in Accordance with A.R.S. §§ 38-431.03(A)(1), (2), (3), (4), & (7). The Fund Manager may vote to go into Executive Session to discuss matters pursuant to A.R.S. §§ 38-431.03(A)(1), (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 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 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, Hosea, Miller, Martin, Cross, 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)(3), (3), (4), and (7).

6. Call to the Public:

This is the time for the public to comment. Members of the Fund Manager 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 Fund Manager's reaction to any public comment is limited to addressing criticism or recommending that the Fund Manager or Staff respond or study such comment or schedule the subject matter for further consideration at a later date after appropriate notice.

7. Set Next Meeting Date

8. Adjournment