

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM

BOARD OF TRUSTEES MEETING

May 26, 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, May 26, 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 Lawrence Thompson.
 - b. Acceptance of Transfer Between State Retirement Systems of Paul Mitchell.
 - c. Acceptance of Transfer Between State Retirement Systems of Ronald Stiso.
 - d. Acceptance of Transfer Between State Retirement Systems of John Mc Carthy.
 - e. Acceptance of Transfer Between State Retirement Systems of Lorenzo Rivas.
 - f. Acceptance of Transfer Between State Retirement Systems of Manuel Verdugo.
 - g. Acceptance of Transfer Between State Retirement Systems of Charles Miller.
 - h. Acceptance of Transfer Between State Retirement Systems of Michael Rogers.
 - i. Acceptance of Transfer Between State Retirement Systems of John Koon.
 - j. Acceptance of Transfer Between State Retirement Systems of Michael Downing.
 - k. Acceptance of Transfer Between State Retirement Systems of Jeffry Dellinger.
 - l. Acceptance of Transfer Between State Retirement Systems of Anne Segal.
 - m. Acceptance of Transfer Between State Retirement Systems of Robert Steele.
 - n. Acceptance of Transfer Between State Retirement Systems of William Hall.
 - o. Acceptance of Transfer Between State Retirement Systems of Scott Phillips.
 - p. Acceptance of Transfer Between State Retirement Systems of Tracey Miller.
 - q. Acceptance of Transfer Between State Retirement Systems of Barbara Larsen.
 - r. Acceptance of Transfer Between State Retirement Systems of Eugene Sweeney.
 - s. Acceptance of Transfer Between State Retirement Systems of Richard Anemone.
 - t. Acceptance of Transfer Between State Retirement Systems of Anthony Gonzales.
 - u. Acceptance of Transfer Between State Retirement Systems of Michael Glennie.
 - v. Acceptance of Transfer Between State Retirement Systems of Brian Clark.
 - w. Acceptance of Transfer Between State Retirement Systems of Scott Kurtz.
 - x. Acceptance of Transfer Between State Retirement Systems of William Scheckel

- y. Acceptance of Transfer Between State Retirement Systems of Quinton Gleason.
- z. Acceptance of Transfer Between State Retirement Systems of Mary Zielinski.
- aa. Acceptance of Transfer Between State Retirement Systems of David Faulkner.
- bb. Acceptance of Transfer Between State Retirement Systems of Joshua Reyes.
- cc. Acceptance of Transfer Between State Retirement Systems of Raymond Estrada.
- dd. Acceptance of Transfer Between State Retirement Systems of Richmond Holley.
- ee. Acceptance of Elected Officials' Retirement Plan of normal benefit of Stephen Rubin.
- ff. Acceptance of Elected Officials' Retirement Plan of normal benefit of James Keppel.

3. Approval of the Minutes of the April 29, 2010 Public Meeting 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

Interim Chair, Investment Committee

Mr. Ryan Parham

Chief Investment Officer

Mr. Allan Martin

Partner, New England Pension Consultants

a. Presentation, Discussion and Appropriate Action Regarding the approval of a new Appendix I *Asset Allocation Policy*; replacing and superseding the previous Appendix I of the PSPRS Amended and Restated Statement of Investment Policies.....Mr. Ryan Parham
Mr. Allan Martin

b. Presentation, Discussion and Appropriate Action Regarding the proposed plan for the deployment of assets allocated to the Fixed Income portfolio and to adopt the proposed plan into the PSPRS Amended and Restated Statement of Investment Policies.....
Mr. Martin Anderson
Chief Equities Analyst
Mr. Allan Martin

c. Presentation, Discussion and Appropriate Action 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.....
Mr. Marc Lieberman
Partner, Kutak Rock

d. Presentation, Discussion and Appropriate Action Regarding amending the contract for Hedge Fund and Private Equity investment advisory services between Albourne America LLC and Public Safety Personnel Retirement System and/or the Arizona PSPRS Trust.....Mr. Ryan Parham

e. Presentation, Discussion and Appropriate Action Regarding amending the Investment Management Agreement for Real Estate and Real Assets advisory services between ORG Portfolio Management LLC and Public Safety Personnel Retirement System and/or the Arizona PSPRS Trust.....Mr. Ryan Parham

f. Presentation, Discussion and Appropriate Action Regarding amending the Stepstone AZ Secondary Opportunities Fund Limited Partnership Agreement and the Private Equity

Consulting Services Agreement between Stepstone Group LLC and the Public Safety Personnel Retirement System and/or the Arizona PSPRS Trust.....Mr. Ryan Parham

- g. Presentation, Discussion and Appropriate Action Regarding amending the Agreement for Provision of Professional Services between NEPC and the Public Safety Personnel Retirement System and/or the Arizona PSPRS TrustMr. Marc Lieberman
- 5. Report by Investment Department Staff Regarding a short sell bond trade.....Mr. Ryan Parham
- 6. Report by Investment Department Staff and Discussion Regarding the Month End and Fiscal Year-to-Date performance/portfolio update.....Mr. Marty Anderson
- 7. Report by NEPC representative(s) for the Third Fiscal Quarter (First Calendar Quarter) Performance Update..... Mr. Allan Martin
- 8. Report by Compliance Auditor and Discussion Regarding investment compliance, holdings and transactions as of April 30, 2010.....Ms. Bridget Feeley
Internal Audit and Compliance Officer

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, May 26, 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 which includes contracts for Alliance Resource Consulting; Gabriel, Roeder, Smith & Company; Heinfeld Meech & Co; Kutak Rock, LLP; and LRS Consulting, LLC.....Ms. Karen Lewis
Accounting Manager
 - c. Presentation, Discussion and Appropriate Action Regarding status report on backup plans for IT Network and Database..... Mr. Tom Willard
Program Development Manager
 - d. Written update on the progress of the Local Board Training Program with Possible Discussion and Appropriate Action.....Mr. Robert Ortega
Local Board Training Coordinator

- e. Presentation, Discussion and Possible Action Regarding the FY 2011 Audit Plan and Risk Assessment.....Ms. Bridget Feeley
Internal Audit and Compliance Officer
 - f. Presentation, Discussion and Possible Action Regarding compliance and internal audit.
Ms. Bridget Feeley
 - 11. Presentation, Discussion and Appropriate Action to repeal the Governance Manual Policy on Special Advisers as a result of SB 1006, Chapter 200, Laws 2010.....Mr. Jim Hacking
Administrator
 - 12. Presentation, Discussion and Appropriate Action Regarding the lobbyist policy and lobbyist contract extensions for HighGround, Inc. and Public Partners..... Mr. Jim Hacking
 - 13. 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
 - 14. Presentation, Discussion and Appropriate Action Regarding status report of the search process for an Administrator.....Eric Middleton
Managing Partner of Alliance Resource Consulting
 - 15. Presentation, Discussion and Appropriate Action to revise the committee to select the Administrator.....Mr. Brian Tobin
 - 16. Review, discussion and Appropriate Action Regarding the May 2010 bill for legal services performed in April, 2010.....Mr. Brian Tobin
 - 17. Discussion and Appropriate Action Regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.....Mr. Brian Tobin
 - 18. Discussion and Appropriate Action Regarding changing the Wednesday, August 25, 2010 Board of Trustees meeting date to Wednesday, August 18, 2010.....Mr. Brian Tobin
 - 19. Election of a Vice Chairman of the Board of Trustees to serve until the Board Officers Election to be held during the September Annual Meeting, September 15 and 16, 2010.....Mr. Brian Tobin
 - 20. Discussion and Appropriate Action to approve appointment of Ms. Lori Roediger as Chairperson of the Investment Committee.....Mr. Brian Tobin
- Regarding the following two agenda items, Pursuant to A.R.S. §§ 38-431.03(A) (1), (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.
- 21. 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, Hosea, 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

22. The Board of Trustees 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 (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)(3), (3), (4), and (7).

22. 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.

23. Set Next Meeting Date

24. 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.