

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM
BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

August 18, 2010

Revised AGENDA

The Investment Committee meeting of the Board of Trustees of the Public Safety Personnel Retirement System (PSPRS) 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 10:00 a.m. on Wednesday, August 18, 2010. The meeting will continue until on or before 1:00 p.m. or until the matters set forth in this agenda are otherwise addressed. The Investment Committee reserves the right to consider agenda items out of their listed order. The Investment Committee may vote to hold an executive session, which will not be open to the public, to discuss certain matters.

- A. Call to Order **(Estimated time: 10:00 a.m.)**

- B. Review, discussion and possible approval of Investment Committee Minutes from May 26, 2010, June 23, 2010, and June 28, 2010. **(Estimated time: 3 minutes; 10:00 – 10:03 a.m.)**

- C. Review, discussion and possible recommendations to the Board of Trustees regarding:
 - 1. Presentation by the Investment Department Staff, New England Pension Consultants (NEPC) and Franklin Templeton Investments representatives and discussion and possible **Recommendation** regarding an investment of up to \$60,000,000 in Franklin Templeton Emerging Markets Debt Opportunities Fund or appropriate feeders, blockers or parallel funds of same. **(Estimated time: 20 minutes; 10:03 – 10:23 a.m.)**

 - 2. Presentation by Investment Department Staff, Albourne America LLC and Jeffries Asset Management, LLC representatives and discussion and possible **Recommendation** regarding a possible investment of up to \$40,000,000 in a separate account or a commingled fund (or any appropriate feeder, blocker or parallel fund of same) employing the Jeffries Diversified II Commodity Program strategy. **(Estimated time: 20 minutes; 10:23 – 10:43 a.m.)**

 - 3. Presentation by Investment Department Staff and JMI Equity representative and discussion and possible **Recommendation** regarding an investment of up to \$40,000,000 in JMI Equity Fund VII, L.P. or appropriate feeders, blockers or parallel funds of same. **(Estimated time: 20 minutes; 10:43– 11:03a.m.)**

 - 4. Presentation by Investment Department Staff regarding increasing the previously approved investment managed by and Fischer Francis Trees and Watts (“FFTW”) or its subsidiaries or affiliates in an actively managed U.S. Inflation-Linked Bonds (TIPS) strategy investment vehicle from up to \$50,000,000 by an additional allocation of up to \$40,000,000. **(Estimated time: 20 minutes; 11:03– 11:23a.m.)**

5. Presentation by Investment Department Staff and NEPC representatives and discussion and possible **Recommendation** regarding the approval of a revision to the Appendix I *Asset Allocation Policy* of the PSPRS Amended and Restated Statement of Investment Policies adding “3-month LIBOR, +3%” as the benchmark for the Global Tactical Asset Allocation (GTAA). **(Estimated time: 20 minutes; 11:23 – 11:43 a.m.)**
6. Report by Investment Department Staff and discussion regarding the Month Ended and Fiscal Year-to-Date performance/portfolio update. **(Estimated time: 5 minutes; 11:43 – 12:03 p.m.)**
7. Report by Investment Department Staff and discussion regarding the Fiscal Year-Ended June 30, 2010, performance for the Arizona PSPRS Trust and the individual Plans comprising the Trust: Public Safety Personnel Retirement System (PSPRS), Elected Officials’ Retirement Plan (EORP), and Corrections Officer Retirement Plan (CORP). **(Estimated time: 5 minutes; 12:03 – 12:08 p.m.)**
8. Report by Compliance Auditor and discussion regarding investment compliance, holdings and transactions as of July 31, 2010. **(Estimated time: 5 minutes; 12:08 – 12:13 p.m.)**
9. Presentation by legal counsel and discussion and possible **Recommendation** regarding approval of proposed revisions to the PSPRS Amended and Restated Statement of Investment Policies to conform with recent changes to the Arizona Revised Statutes including, changing the reference from Fund Manager to Board of Trustees where appropriate. **(Estimated time: 5 minutes; 12:13 – 12:18 p.m.)**
10. Report by Investment Department 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, advisors, investments or investment managers or partners (as well as any investments managed by the Trust’s investment managers or partners). The Board of Trustees 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 D(1). **Estimated time: 5 minutes; 12:18 – 12:23 p.m.)**

D. Executive Session for Legal Matters. Discussion with legal counsel for legal advice, and discussion with and instruction to legal counsel regarding (i) ongoing or threatened legal action involving the Arizona PSPRS Trust, the System or the System’s sister plans (EORP or CORP) (the “Plans”); (ii) legal issues affecting the Plans and the Trust, and any issues regarding the Trust’s or Plans’ vendors, advisors, contracts, legal rights, personnel, or investments. The Investment Committee may vote to discuss these matters, wholly or in part, in Executive Session pursuant to A.R.S. §§ 38-431.03(A)(1),(2),(3),(4) and (7).

1. Discussion with and instruction to 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 (or formerly managed) by the Pivotal Group, ApexCapital Management, and Desert Troon Limited, pursuant to A.R.S. §§ 38-431.03(A)(3), (4) and (7), and including claims raised by Millard and Scott Seldin with respect to an indirect investment in Anthology. **Estimated time: 5 minutes; 12:23 – 12:28 p.m.)**

E. Call to the Public **(Estimated time: 5 minutes; 12:28 to 12:33 p.m.)**

This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

F. Schedule next meeting **(Estimated time: 1 minute; 12:33 – 12:34 p.m.)**

G. Adjournment **(Estimated time: 1 minute; 12:34 – 12:35 a.m.)**

Agenda background material provided to the members of the Investment Committee and other Board of Trustees (with the exception of materials relating to possible executive sessions and attorney client privileged communications) is available for public inspection at the administrative offices of the Public Safety Personnel Retirement System, 3010 East Camelback Road, Suite 200, Phoenix, Arizona during regular business hours, or you may telephone (602) 255-5575 for further information.