1. **Call to Order, Roll Call, Opening remarks.**

   Chairman Petrenka called the meeting to order at 10:41 a.m.

   **Mr. Richard Petrenka**  
   *Committee Chairman*

2. **Review, discussion and possible Action to approve Investment Committee Minutes from February 24, 2016.**

   **Mr. Richard Petrenka**

   **MOTION:**  
   - **DATE:** 1-3/23/16  
   - **Motion:** Move to approve the Investment Committee Minutes from February 24, 2016 as presented.  
   - **Moved by:** Mr. Davis  
   - **Seconded by:** Mr. Petrenka  
   - **Discussion:** None  
   - **In Favor:** Unanimous  
   - **Motion:** Passes

3. **Written report and possible discussion of monthly review of Management Fees.**

   **Ms. Bridget Feeley**  
   *Internal Audit and Compliance Officer*

   No discussion was held regarding the written report of Management Fees.
4. **Report by the System's Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions, as of January 31, 2016.**

   *Ms. Bridget Feeley*

   The portfolio is currently in compliance with PSPRS Investment policy.

5. **Written report by Investment Department Staff regarding Portfolio Risk as of January 31, 2016 (formal presentations made on a quarterly basis).**

   *Mr. Owen Zhao*
   
   Portfolio Analyst - Risk

   No discussion was held regarding the written report.

6. **Presentation and discussion by NEPC Consultants regarding Capital Market assumptions and Asset Allocation review and revisions.**

   *Mr. Alan Martin*
   
   NEPC

   The presentation reviewed broad issues of the U. S. economy, central banks, the U. S. dollar strength, credit and liquidity. Actions for public funds were discussed including equities versus bonds, non-U.S. equity, emerging markets, core fund income, and commodities. The 2016 outlook for the next 5 to 7 years and the 30 year return forecast for asset classes were presented. This was related to the PSPRS portfolio regarding expected return. Additionally presented was a mix of assets considering the amount of risk relative to each level of volatility so as to achieve the best returns. This was related to what may be generated for the 30 year time frame. Discussion was held as to the processes the actuaries have in determining components to develop the assumed rates of return. The Board discussed with Mr. Martin a 65/35 portfolio, strategy of de-risking the portfolio, how to plan for lower rates of return in the current market, and other opportunities for public pension funds to earn money and add value.

7. **Disclosure by Investment Department Staff of the following manager selection matters:**

   A. New and potential investments considered this period:
      1. None.

   B. Current investments considered for de-selection this period:
      1. None.

   C. Disclosure of closed transactions for this period:
      1. None.

   D. Disclosure of completed transactions for this period:
      1. None.

   E. Disclosure of terminated transactions for this period:
      1. None.

   *Jennifer Eichholz, Esq.*
   
   In-House Investment Counsel

   No discussion was held regarding Manager Selection matters.
8. Written report by Investment Department Staff and discussion regarding (i) the Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of January 31, 2016; and (ii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program (formal presentations made on a quarterly basis).

Ms. Vaida Maleckaite
Senior Investment Analyst

For the Fiscal Year-to-Date, the PSPRS Trust performance was (-2.26%). Performance as of 1/31/16 was (-2.07%), as compared to the benchmark, which was (-2.43%).

9. Report by Investment Department Staff and discussion regarding the Trust’s Securities Lending Program as of the second half of the calendar year 2015 (as of December 31, 2015).

Ms. Vaida Maleckaite

For the second half of 2015, the Trust used 19% of its assets in the Securities Lending Program and generated $1.3 million in net earnings. The Cancer Insurance Plan used 3.4% of the $17.8 million in the Securities Lending Program and generated $9,000 in net earnings.

10. Discussion and possible Action regarding adoption of minor clarification revisions to the PSPRS Investment Policy Statement.

Mr. Ryan Parham
Ivy Voss, Esq.
Assistant Attorney General

The Investment Committee held a study group this morning and the proposed revisions to the PSPRS Investment Policy Statement discussed will be brought back to the Board.

11. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas. (Currently scheduled for April 20, 2016.)

The next meeting is scheduled for April 20, 2016.

12. Call to the Public:

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.

Chairman Tobin advised appointing a Vice Chair to the committee. Discussion was held regarding a possible Motion to Appoint a Vice-Chairman, however as this item was not agendized, it will be discussed at the next Investment Committee Meeting.

<table>
<thead>
<tr>
<th>MOTION: 2-3/23/16</th>
<th>At 11:58 a.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motion:</td>
<td>Move to adjourn the meeting.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Mr. Tobin</td>
</tr>
<tr>
<td>Seconded by:</td>
<td>Mr. Davis</td>
</tr>
<tr>
<td>Discussion:</td>
<td>None</td>
</tr>
<tr>
<td>In Favor:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Motion:</td>
<td>Passes</td>
</tr>
</tbody>
</table>

/s/
Mr. Richard Petrenka, Investment Committee Chairman, Trustee