1. Call to Order; Pledge of Allegiance; Roll Call; Opening remarks.

   Mr. Brian P. Tobin
   Chairman

   The meeting was called to order at 12:30 P.M. by Chairman Tobin and followed by the Pledge of Allegiance and Roll Call.

2. 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.

There was no reply to the Call to the Public.

3. Appropriate Action for approval of the items on 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 member of the Board of Trustees.

   a. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Alysson Abe.
   b. Acceptance of Elected Officials’ Retirement Plan of survivor benefit of Betty Frauenfelder.
   c. Acceptance of Elected Officials’ Retirement Plan of termination of early retirement benefit of Herman Frauenfelder.
   d. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Patricia Jacobson.
   e. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Lisa Roberts.
   g. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Mark W. Woodson.
   h. Acceptance of Transfer Between State Retirement Systems of Christopher Rogers.
   i. Acceptance of Transfer Between State Retirement Systems of Earnest Turner.
   j. Acceptance of Transfer Between State Retirement Systems of Melissa Smith.
   k. Acceptance of Transfer Between State Retirement Systems of John Destin.
   l. Acceptance of Transfer Between State Retirement Systems of Kyle Beranek.
   m. Approval of the Minutes of the March 28, 2018 Meeting of the PSPRS Board of Trustees.

Report by Mr. Donald C. Smith, Chairman of the Investment Committee, regarding agenda items 4 through 9, which were discussed at the Investment Committee meeting held today, March 28, 2018, on or after 10:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.


Mr. Brian P. Tobin

<table>
<thead>
<tr>
<th>MOTION:1-04/25/2018</th>
<th>At 12:31 P.M.</th>
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<tbody>
<tr>
<td>Motion:</td>
<td>To approve the Consent Agenda as presented.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Mr. McNeill</td>
</tr>
<tr>
<td>Seconded by:</td>
<td>Mr. Papp</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>
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Mr. Owen Zhao
Portfolio Analyst - Risk
A written report was provided to the Board. The Investment Committee asked for the time frame for the risk measurements to be shorter for the Trust.

5. 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 February 28, 2018; and (ii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.

Ms. Vaida Maleckaite
Director of Investment Services

A written report was provided to the Board.


Mr. Ryan Parham
Assistant Administrator and Chief Investment Officer
Mr. Don Stracke
NEPC, LLC.

An update was presented by Mr. Stracke as to the asset allocation for each Plan. During the Board meeting in May, specific options will be presented and then, in June, decisions will be made as to the asset mix for each of the three plans.

7. Review, discussion and possible Action regarding investment-related contracts.

Mr. Jared A. Smout, Administrator
Mr. Ryan Parham

The Investment Committee will be reviewing the System’s Investment Consultants. The three recommendations resulting from the Investment Committee meeting this morning were:

1. A recommendation to form a specific Board Subcommittee to review consultants, to develop a RFP process, to conduct due diligence and to report by the end of the calendar year.
2. To develop an RFI for a consultant for the Real Assets Portfolio using a joint committee of the Board and Investment Staff.
3. To seek approval for a one year extension to the existing contracts for NEPC, StepStone, Albourne and ORG
8. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for the Private Credit portfolio.

   Mr. Mark Steed, Deputy CIO and Chief of Staff
   Mr. Bill Thatcher, Portfolio Manager
   Mr. Don Stracke, NEPC
   Mr. Chris Hill, NEPC

   The highlights of the presentation included the definition of Private Credit, performance, performance strategies, liquid and illiquid assets and why Staff and NEPC like the asset class. Other topics included pacing, plans for private markets, the investment environment and the forecast for year 2, year 5, and year 7 which are updated annually.

9. Disclosure by Investment Department Staff on the following Manager Selection Matters:

   A. New and Potential Investments considered this Period:

      1. Disclosure of a potential investment of up to €50 million direct and a reserve allocation of up to €10 million for purposes of co-investment with Benson Elliot Real Estate Partners V or its affiliates in the Bensell US Feeder V-B, LP Fund, in the Real Estate portfolio, subject to final Staff and legal due diligence.

      2. Disclosure of a potential investment of up to $40 million direct and a reserve allocation of up to $20 million for purposes of co-investment with Trustbridge Partners VI, L.P. Fund, in the Private Equity portfolio, subject to final Staff and legal due diligence.

   B. Investments Completely Liquidated During Prior Period:

      1. Madava Energy Commodity Fund, L.P., an investment with Taylor Woods Partners, LP. This investment was allocated to PSPRS Asset Class: Real Assets (Commodities).

      2. Castle Creek AZ TARP Special Situations Fund, L.P.; this investment was allocated to the PSPRS Asset Class: Private Credit.
C. Finalized and Executed Transactions during Prior Period:

1. **Salient Risk Parity Delta Rho Q V20 Fund**: Committed amount up to $84 million; Date Closed: April 2, 2018. This investment was a transfer of funds from the Salient Risk Parity Delta Rho Q V10 Fund, and is allocated to PSPRS Asset Class: Risk Parity.

**Presentation by Mr. Edward J. McNeill, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 10 through 16, which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, April 25, 2018, on or after 10:30 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.**

10. Review and discussion of staff Operation reports.

   **Mr. Dave DeJonge**  
   *Deputy Administrator*

   a. Operations Update Report  
   b. Year to Date Budget Report  
   c. Local Board & Employer Outreach Report  
   d. Local Board Rehearing Report  
   e. Law Firms’ Billings for Legal Services  
   f. HR Report  
   g. Communication Efforts

Details regarding items a. – g. are included in the attachments for the members of the Board of Trustees. The system is currently working with a few employers to enter contribution data where applicable. PSPRS is currently $300,000 under budget for FY 2017/2018. Local Board Outreach Program continues and there is one Local Board Rehearing Report.

11. Review and discussion of system development progress.

   **Mr. John Briney**  
   *Enterprise Systems Architect*

   A progress report was provided regarding system development by Mr. Briney.

12. Review and discussion of strategic plan.

   **Mr. John Briney**

   A brief update regarding the System’s Strategic Plan was presented by Mr. Briney.

13. Update, discussion and possible **Actions** from actuarial study session including topics for consideration at the May meeting.

   **Mr. Jared A. Smout**
An actuarial study session will be held at a date and time to be determined. Information to be included regarding layered amortization, actuarial assumed rate and CORP Tier 3 rates.


   Mr. Jared A. Smout

   The results of an internal audit held in November indicated nothing of concern and indicated some items that require fine tuning.

15. Review, discussion and possible Action with respect to the FY2019 PSPRS Administrative Budget.

   Mr. Jared A. Smout

   The recommendation by the Operations, Governance Policy and Audit Committee to extend contracts for one year into FY 18/19 was discussed.

<table>
<thead>
<tr>
<th>MOTION: 2-04/25/2018</th>
<th>At 12:53 P.M.</th>
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<tbody>
<tr>
<td>Motion:</td>
<td>To approve the recommendation by the Operations, Governance Policy and Audit Committee to extend the contracts for actuarial services, financial auditors and lobbyists for one year into FY 18/19 and to defer investment related contract extensions to the Investment Committee. One contract a year will be reviewed over the next 3 years and RFPs be sent for applicable contracts.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Recommended by the Operations, Governance Policy and Audit Committee</td>
</tr>
<tr>
<td>Seconded by:</td>
<td>-------</td>
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<tr>
<td>Discussion:</td>
<td>Concerns were discussed regarding learning curves for consultants and how the Board wishes to progress in the future for annual contracts.</td>
</tr>
<tr>
<td>In Favor:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Motion:</td>
<td>Passes</td>
</tr>
</tbody>
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16. Review, discussion and possible Action on pending and passed legislative actions and potential legislative proposals.

   Mr. Jared A. Smout

   Ms. Dianne McAllister and Mr. Doug Cole reviewed the current status of the legislative proposals. Most of the bills applicable to PSPRS have been signed into law with the exception of the bill as to the EORP rate of 23.5%. SB 1478 was moved to the budget or will be part of the budget package. SCR was signed into law for CORP. EORP will be on the November ballot. Regarding the proposed bill concerning the Israel boycott language, the bill will be run for the next session.

17. Discussion and appropriate Action regarding Board of Trustee member requests to participate in training, educational and due diligence opportunities.

   Mr. Brian P. Tobin
There were no requests for training, educational and due diligence opportunities.

18. Discussion and consultation with legal counsel and Staff and possible Action regarding proposed legislation, investment matters, ongoing, contemplated or threatened legal action involving the Trust and Plans, including vendor disputes, public record requests, personnel matters and actual or potential litigation and claims based on contract, tort or statute, including matters involving, judges Thompson and Hall. The Board 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 item 19.

19. The Board of Trustees may vote to go into Executive Session (which will not be open to the public) to discuss matters pursuant to A.R.S. §§ 38-431.03(A) (1), (2), (3), (4) and (7), as applicable, including to receive legal advice from the Board’s attorneys on any matter listed on the agenda, including:

   a. Discussion and consultation with legal counsel and Staff regarding matters arising from public record requests or subpoenas, and ongoing or threatened legal action or claims involving the Plans or Trust not otherwise referenced above in Item 18, including but not limited to those involving the status of lawsuits challenging provisions of SB1609, as authorized by A.R.S. §§ 38-431.03(A) (2), (3).

   b. Update and discussion on personnel matters, as authorized by A.R.S § 38-431.03(A) (1).

The Board ended Executive Session and resumed Open Session at 2:10 P.M.

20. Possible Action on future meeting dates. (Next meeting currently scheduled for Wednesday, May 30, 2018.)

The next Board meeting will be held on Wednesday, May 30, 2018.


The meeting was adjourned at 2:10 P.M.
Brian P. Tobin, Trustee, Chairman

William T. Buivid, Trustee, Vice Chairman

Edward J. McNeill, Trustee

Bryan Raines, Trustee

Dean M. Scheinert, Trustee

William C. Davis, Trustee

Harry A. Papp, Trustee

Mike Scheidt, Trustee

Donald A. Smith, Jr., Trustee