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

   Mr. Brian P. Tobin
   Chairman

   The meeting was called to order by Chairman Tobin at 12:31 p.m. The Pledge of Allegiance was recited and the roll was called.

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.

Tracy Forbes from Toys-R-Us shared her concerns regarding the bankruptcy the company is currently going through and the concerns with the investors of Vernado Realty Trust as well as creditors Highland Capital and Oak Tree Capital.

George Skinell from Toys-R-Us shared his concerns regarding the bankruptcy the company is currently going through and his concerns with the investors of Vernado Realty Trusts as well as creditors Highland Capital and Oak Tree Capital.

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.

   c. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Mark W. Woodson.
   d. Acceptance of Transfer between State Retirement Systems of Justin Roederer.
   e. Acceptance of Transfer between State Retirement Systems of Edward Munoz.
   f. Acceptance of Transfer between State Retirement Systems of Daniel Beck.
   g. Acceptance of Transfer between State Retirement Systems of Jess Payne.
   h. Acceptance of Transfer between State Retirement Systems of Jared Ernest.
   i. Acceptance of Transfer between State Retirement Systems of Daniel Rauch.
   j. Acceptance of Transfer between State Retirement Systems of Karen Raitter.
   k. Acceptance of Transfer between State Retirement Systems of Joshua Seigfried.
   l. Acceptance of Transfer between State Retirement Systems of Kirk Pieper.
   m. Acceptance of Transfer between State Retirement Systems of Erin Ballos.
   n. Acceptance of Transfer between State Retirement Systems of Paul Blair.
   o. Acceptance of Transfer between State Retirement Systems of Cheryl Perry.
   p. Acceptance of Transfer between State Retirement Systems of Erica Cramer.
   q. Acceptance of Transfer between State Retirement Systems of Eric Holmstedt.
   r. Acceptance of Transfer between State Retirement Systems of Ryan Powell.
   s. Acceptance of Transfer between State Retirement Systems of David Claridge.
   t. Acceptance of Transfer between State Retirement Systems of Steve Boltz.
   u. Acceptance of Transfer between State Retirement Systems of Juan Silva.
   v. Acceptance of Transfer between State Retirement Systems of Michael Forbeck.
   w. Acceptance of Transfer between State Retirement Systems of Jeremy Goad.
   x. Acceptance of Transfer between State Retirement Systems of Richard Wood.
   y. Acceptance of Transfer Between State Retirement Systems of Cleave Odegard.
   z. Acceptance of Transfer Between State Retirement Systems of Tracy Norton
   aa. Approval of the Minutes of the June 30, 2018 Meeting of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

<table>
<thead>
<tr>
<th>MOTION:1-8/29/2018</th>
<th>At 12:39 P.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motion:</td>
<td>To approve the Consent Agenda as presented.</td>
</tr>
<tr>
<td>Moved by:</td>
<td>Mr. Davis</td>
</tr>
<tr>
<td>Seconded by:</td>
<td>Mr. Raines</td>
</tr>
<tr>
<td>Discussion by:</td>
<td>None</td>
</tr>
<tr>
<td>Voted In Favor:</td>
<td>Mr. Tobin, Mr. Buividas, Mr. Papp, Mr. Scheidt, Mr. Scheinert</td>
</tr>
<tr>
<td>Voted Against:</td>
<td>None. Messrs. McNeil and Smith were excused/absent.</td>
</tr>
<tr>
<td>Motion:</td>
<td>Passes Unanimously.</td>
</tr>
</tbody>
</table>
Report by Mr. William Buividas, Vice Chairman of the Investment Committee, regarding agenda items 4 through 9, which were discussed at the Investment Committee meeting held today, August 29, 2018, on or after 9:30 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

   
   Mr. Timothy Jackson
   Compliance Officer

   No discussion was held.

5. Presentation and written report by Investment Department Staff regarding Portfolio Risk as of May 31, 2018 and June 30, 2018.
   
   Mr. Owen Zhao
   Portfolio Analyst - Risk

   A presentation was provided regarding Portfolio Risk as of May 31, 2018 and June 30, 2018. This report included information as to volatility, monthly value at risk forecast and risk by asset class. Discussion was held regarding portfolio returns.

   No discussion was held.

6. Presentation and 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 May 31, 2018 and June 30, 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 brief presentation was provided to the Board of Trustees regarding portfolio performance during this time period.

   No discussion was held.

7. Presentation and discussion by NEPC representative(s) on the Fourth Fiscal Quarter (Second Calendar Quarter) investment performance and the 2017-2018 Fiscal Year investment performance for the Arizona PSPRS Trust.
   
   Mr. Allan Martin
   NEPC

   Mr. Mark Steed
   Interim Chief Investment Officer

   Discussion was held regarding the Trust’s portfolio, and returns achieved.

8. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for GTS and Risk Parity.
   
   Mr. James Ko
   Portfolio Manager
   Mr. Lincoln Smith
   Albourne

   Discussion was held regarding the GTS and Risk Parity Portfolios.
9. Disclosure by Investment Department Staff of the following Manager Selection Matters:

A. New and Potential Investments Considered this Period:

1. Disclosure of a potential investment of up to $60 million direct and a reserve allocation of up to $15 million for purposes of co-investment with Taiga Special Opportunities DAC, in the Private Credit 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 LittleJohn Fund VI, L.P., in the Private Equity portfolio, subject to final Staff and legal due diligence.

3. 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 Baring Asia Real Estate Fund or its affiliates in the BPEA Real Estate Fund II, L.P., in the Real Estate portfolio, subject to final Staff and legal due diligence.

4. Disclosure of a potential investment of up to $75 million direct and a reserve allocation of up to $30 million for purposes of co-investment with TSSP Opportunities Partners IV (A), L.P., in the Private Credit portfolio, subject to final Staff and legal due diligence.

5. Disclosure of a potential investment of up to $60 million direct and a reserve allocation of up to $30 million for purposes of co-investment with SIH Debt Opportunities Fund II, in the Private Credit portfolio, subject to final Staff and legal due diligence.

6. Disclosure of a potential investment of up to $50 million direct and a reserve allocation of up to $20 million for purposes of co-investment with Vivo Capital Fund IX, in the Private Equity portfolio, subject to final Staff and legal due diligence.

7. Disclosure of a potential investment of up to $50 million for purposes of direct investment, and $20 million for purposes of co-investment with OCP Asia Fund III, in the Private Credit portfolio, subject to final Staff and legal due diligence.

8. Disclosure of a potential investment of up to $50 million direct and a reserve allocation of up to $50 million for purposes of co-investment with Henderson Park Real Estate Fund I, in the Real Estate portfolio, subject to final Staff and legal due diligence.

B. Investments Completely Liquidated During Prior Period:

1. Stepstone Endurance Fund; Committed amount up to $30 million; Date Closed: May 30, 2018. This investment is allocated to PSPRS Asset class: Private Equity.

2. TowerBrook Investors V Fund; Committed amount up to $45 million for purposes of direct investment and a reserve of $20 million for purposes of co-investment; Date Closed: June 21, 2018. This investment is allocated to PSPRS Asset class: Private Equity.

C. Finalized and Executed Transactions During Prior Period:
1. **ESG Credit Macro Event Fund (Emerging Sovereign Group)**. This investment was allocated to PSPRS Asset Class: Private Credit.

2. **Valley Ventures III and Valley Ventures III Annex Fund**. These investments were allocated to the PSPRS Asset Class: Private Equity.

No discussion was held.

Presentation by Mr. Mike Scheidt, Vice Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 10 through 15, which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, August 29, 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.

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

Discussion regarding the benefit revision called “Enhanced Refund”. This is a benefit that Tier 1 members have. Members hired before July 20, 2011 (the effective date of S.B. 1609) who made contributions at rates higher than 7.65% (PS) or 7% (Elected Officials) were given refunds of those excess contributions in 2017 by their employers. There was a group of members, however, who terminated and received refunds of all their contributions from PSPRS during the 2011-2017 timeframe. Those refunds included the excess contributions. In some cases, those members had more than 5 years of credited service, so they received an “enhanced” refund that included their member contributions plus an additional percentage of their member contributions. For instance, a member who has 5-5.9 years of service receives a refund of their contributions plus 25% of their member contributions. A person who has 10+ years of service receives a refund of their contributions plus 100% of their contributions.

First, PSPRS will contact affected employers to let them know of the overpayments and our intent to not collect the overpayments from members. Employers have the right to try to collect the overpayments from members, so we have created a report for each employer that includes the names and overpaid amounts for those members who were overpaid. Second, PSPRS will send a notice to each overpaid member to make them aware of the overpayment and the fact that the overpayment is not eligible to be rolled over. The notice will also let members know that PSPRS will not attempt to collect the overpayment, but employers may try to collect the overpayment. Employer notification will occur the last week in August. Member notification will occur a week later.

11. Review and discussion of system development progress.

   Mr. John Briney
   Enterprise Systems Architect

No discussion was held.

12. Review, discussion and possible Action on the Strategic Plan.

   Mr. John Briney

Discussion regarding the PSPRS FY19 Strategic Plan was held. There was recommendation from the Operations Committee to further define the vision of the plan. This will be done with the assistance of the strategic assessment that is planned to occur and was accepted for the current time.
13. Review, discussion and possible **Action** regarding the compliance program.  
*Mr. Timothy Jackson*

A brief discussion was held regarding the compliance program regarding questions from the presentation that was given at the previous Board of Trustees meeting on June 27, 2018. Access to the Board was discussed from the compliance program, which PSPRS is looking at more thoroughly. The direct line (or dash-line) in the compliance program means that the Compliance Officer serves in an advisory role to the Board and reports to the Administrator. This compliance program has general guidelines and topics that come up, PSPRS will address them case by case. EEOC Complaints are a dual responsibility between the PSPRS HR Director and the Attorney General's Office.

14. Review, discussion and possible **Action** regarding internal audits.  
*Ms. Lisa Sweeting*

*Internal Auditor*

No discussion was held.

15. Review, discussion and possible **Action** on pending and passed legislative actions and potential legislative proposals.  
*Mr. Jared A. Smout*

Dianne McAlister and Doug Cole gave the members an update on the elections that occurred the night prior to the Board of Trustees meeting. All results for the elections are not in yet. Ballot initiatives have been for the most part been decided upon, except the “Dirty Money” initiative and the initiative to not tax services. With the passing of Senator John McCain, Governor Ducey will be appointing his replacement after his burial services. Discussion regarding the Admin Bill included a comment that language for this bill is currently being worked on.

16. Discussion and appropriate **Action** regarding Board of Trustee member requests to participate in training, education and due diligence opportunities.  
*Mr. Brian P. Tobin*

No requests were discussed.

17. Discussion and consultation with legal counsel and Staff and possible **Action** regarding proposed legislation, real estate matters, 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 18.
18. 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 13, 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), (7).

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

19. Possible Action on future meeting dates (Next meeting scheduled for September 27 & 28, 2018).

   The Annual Board of Trustees meeting will be held on September 27 & 28, 2018.

20. Adjournment.

   The meeting was adjourned at 3:07 p.m.

/s/ Brian P. Tobin
Brian P. Tobin, Trustee, Chairman

/s/ William T. Buividas
William T. Buividas, Trustee, Vice Chairman

EXCUSED
Edward J. McNeill, Trustee

/s/ William C. Davis
William C. Davis, Trustee

/s/ Harry A. Papp
Harry A. Papp, Trustee

/s/ Bryan Raines
Bryan Raines, Trustee

/s/ Mike Scheidt
Mike Scheidt, Trustee

EXCUSED
Dean M. Scheinert, Trustee

/s/ Dean M. Scheinert
Donald A. Smith, Jr., Trustee