The Meeting of the Board of Trustees of the Public Safety Personnel Retirement System (the “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 12:30 p.m. on Wednesday, May 31, 2017. The meeting will continue until 5:00 p.m. or until the matters set forth in this agenda are otherwise addressed. Members of the Board of Trustees will attend either in person or by telephonic conference call. 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 the computer link to the meeting. All persons wishing to attend are invited.

1. Call to Order; Pledge of Allegiance; Roll Call; Opening remarks.
   
   Mr. Brian P. Tobin
   Chairman

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.

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.


   b. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Donn G. Kessler.


e. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Patricia K. Norris.


g. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of John (Jack) W. Sellers.


i. Acceptance of Transfer Between State Retirement Systems of Marcus Steele.

j. Acceptance of Transfer Between State Retirement Systems of Travis Smith.

k. Acceptance of Transfer Between State Retirement Systems of Peggy O'Shea.

l. Acceptance of Transfer Between State Retirement Systems of Thorry Smith.

m. Acceptance of Transfer Between State Retirement Systems of Juan Moronez.

n. Acceptance of Transfer Between State Retirement Systems of Ben Keating.

o. Acceptance of Transfer Between State Retirement Systems of Jesse Twila.

p. Acceptance of Transfer Between State Retirement Systems of Rory Kulawiec.

q. Acceptance of Transfer Between State Retirement Systems of Ronald Lilley.

r. Acceptance of Transfer Between State Retirement Systems of Michael Mannino.

s. Acceptance of Transfer Between State Retirement Systems of Bryan Jeffries.

t. Acceptance of Transfer Between State Retirement Systems of Anton Diefert.

u. Acceptance of Transfer Between State Retirement Systems of Jeremy Martin.

v. Acceptance of Transfer Between State Retirement Systems of Mark Sullivan.

w. Acceptance of Transfer Between State Retirement Systems of Monica Rios.

x. Acceptance of Transfer Between State Retirement Systems of David Windsor.

y. Acceptance of Transfer Between State Retirement Systems of Michael Beller.

z. Acceptance of Transfer Between State Retirement Systems of Jeffrey Gilbert.
aa. Acceptance of Transfer Between State Retirement Systems of Scott Mueller.

bb. Acceptance of Transfer Between State Retirement Systems of Shane Spravzoff.

c. Acceptance of Transfer Between State Retirement Systems of King Brewster.

dd. Approval of the Minutes of the April 26, 2017 Meeting of the PSPRS Board of Trustees.

4. Appropriate Action regarding the approval of Daisy Mountain Fire District's request to increase amortization period.

5. Appropriate Action regarding the approval of Superstition Fire and Medical District's request to increase amortization period.

Report by Mr. William C. Davis, Chairman of the Investment Committee, regarding agenda items 6 through 11, which were discussed at the Investment Committee meeting held today, May 31, 2017, on or after 9:00 a.m., and possible Action on the Committee's recommendations to the Board regarding same.

6. Presentation and report by Investment Department Staff regarding Portfolio Risk as of March 31, 2017.

7. Presentation and report by Investment Department Staff and discussion regarding (i) the Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of March 31, 2017; and (ii) presentation and report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.

8. Presentation and discussion by NEPC representative(s) on the 3rd Fiscal Quarter (1st Calendar Quarter) investment performance and the 2016-2017 Fiscal Year investment performance for the Arizona PSPRS Trust.

9. Presentation and discussion by Investment Department Staff and Consultants regarding the Annual Overview and Strategic Plan for the Risk Parity portfolio.

10. Introduction to Asset Allocation.
11. 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 $40 million for purposes of co-investment with Orion Mine Finance Fund II, in the PSPRS Real Assets portfolio, subject to final Staff and legal due diligence.

      2. Disclosure of a potential increase in a current investment of up to an additional $25 million for direct investment with Fundamental Partners III, L.P., in the PSPRS Real Assets (Core Capital) portfolio, subject to final Staff and legal due diligence.

      3. Disclosure of a potential investment of up to $50 million direct and a reserve allocation of up to $25 million for purposes of co-investment in the Sabal / SIA Debt Opportunities Fund, L.P., in the PSPRS Private Credit portfolio, subject to final Staff and legal due diligence.

      4. Disclosure of a potential investment of up to $80 million for direct investment purposes with EnCap Energy Capital Fund XI, L.P., in the PSPRS Real Assets (Energy) portfolio, subject to final Staff and legal due diligence.

   B. Finalized and Executed Transactions During Prior Period:

      1. Comvest Capital IV, L.P.; Committed amount up to $50 million direct. Date Closed: April 17, 2017; This investment is allocated to PSPRS Asset Class: Private Credit.

      2. Transfer of current investment (100% deselection) from Bridgewater Real Asset Fund for purposes of direct investment in Bridgewater All Weather Fund, in the PSPRS Asset Class Risk Parity.

   C. Investments Completely Liquidated During Prior Period:

      1. OZ Domestic Partners II, LP (Och-Ziff Capital Management Group/Oz Master Fund, Ltd.); Date of original investment: October 1, 2010; This investment was allocated to PSPRS Asset class: Absolute Return.

Presentation by Mr. Bryan Raines, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 12 through 23, which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, May 31, 2017, on or after 10:30 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.


   Mr. Dave DeJonge
   Deputy Administrator

13. Presentation of the Month-to-Date Budget Report for FY 2017 and possible Action on same.

   Mr. John Hendricks
   Manager of Finance and Accounting
14. Presentation of the Local Board & Employer Outreach Report and possible Action.
   
   Mr. Don Mineer
   Local Board Training Coordinator

15. Presentation of the Strategic Plan Progress Report and possible Action.
   
   Mr. John Briney
   Enterprise Systems Architect

16. Presentation of the Requests for Local Board Rehearing Report for the current month and possible Action.
   
   Ms. Michelle Pechan
   Paralegal

17. Presentation on PSPRS communication efforts and possible Action.
   
   Mr. Christian Palmer
   Communications Director

18. Presentation of HR Report and possible Action.
   
   Ms. Patricia Shaner
   Communications Director

19. Review and discussion regarding law firms' billings for legal services performed in April.
   
   Ivy Voss, Esq.
   Assistant Attorney General

20. Review, discussion and possible Action on pending and passed legislative actions, potential legislative proposals and update on PSPRS, CORP and EORP pension reform measures.
   
   Mr. Jared A. Smout
   Administrator

21. Review, discussion and possible Action with respect to the FY 2018 PSPRS Administrative Budget.
   
   Mr. Jared A. Smout

22. Review, discussion and possible Action on Governance Manual updates.
   
   Mr. Dave DeJonge

23. Review, discussion and possible Action on Due Diligence report.
   
   Mr. David Pliskin
   Senior Accountant

24. Presentation by Cavanaugh Macdonald Consulting, LLC representative regarding the results of the actuarial audit for the PSPRS, CORP and EORP.
   
   Brent A. Banister, Ph.D., FSA, EA, MAAA, FCA
   Chief Pension Actuary

25. Discussion and possible Action regarding the letter received from Governor Doug Ducey concerning the ninth Trustee nominations.
   
   Mr. Brian P. Tobin
26. Discussion and possible **Action** on amending the Supplemental DC Plan document to allow for loans.  

   *Mr. William T. Buividas  
   Chairman of the Arizona PSPRS Defined Contribution Committee*

27. Update and discussion on the progress of the PSPRS DC Committee, including the contract for an education provider.  

   *Mr. William T. Buividas*

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

   *Mr. Brian P. Tobin*

29. 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 30.  

30. 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 29, 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) and (3).  
   
b. Update and discussion on personnel matters, as authorized by A.R.S § 38-431.03(A)(1).  
   
c. Discussion and consultation with legal counsel regarding the letter received from Governor Doug Ducey concerning the ninth Trustee nominations, as authorized by A.R.S. § 38-431.03(A)(4).  

31. Schedule future meeting date(s). (Currently scheduled for Wednesday, June 28, 2017.)  

32. 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 sessions and/or materials exempt by law from public inspection) is available for public inspection at the PSPRS 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.  

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Michelle Pechan, Paralegal, at (602) 255-5575. Requests should be made as early as possible to arrange the accommodation.