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, February 28, 2018. 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.


c. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of John Ditsworth.
d. Acceptance of Elected Officials’ Retirement Plan of termination of normal retirement benefit of Priscilla Knuckey-Ralls.
e. Acceptance of Elected Officials’ Retirement Plan of normal retirement benefit of Walter L. Presmyk.
f. Acceptance of Elected Officials’ Retirement Plan of termination of survivor benefit of Viola Morgan.
g. Acceptance of Elected Officials’ Retirement Plan of termination of ordinary disability retirement benefit of John M. Quigley.
h. Acceptance of Elected Officials’ Retirement Plan of survivor benefit of Esther Quigley.
i. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of Liberato A. Silva.
k. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Sarah R. Simmons.
l. Acceptance of Transfer Between State Retirement Systems of David Zehring.
m. Acceptance of Transfer Between State Retirement Systems of Thomas Johannesen.
n. Acceptance of Transfer Between State Retirement Systems of Cheryl Mendoza.
o. Acceptance of Transfer Between State Retirement Systems of Kenneth Allmon.
q. Acceptance of Transfer Between State Retirement Systems of Richard Martinez.
r. Acceptance of Transfer Between State Retirement Systems of Michael Ballard.
s. Acceptance of Transfer Between State Retirement Systems of Julia Galusky.
t. Acceptance of Transfer Between State Retirement Systems of Christopher Cetwinski.

u. Acceptance of Transfer Between State Retirement Systems of Todd Geisen.

v. Acceptance of Transfer Between State Retirement Systems of James Herrick.

w. Acceptance of Transfer Between State Retirement Systems of Jeff Plant.

x. Acceptance of Transfer Between State Retirement Systems of Daniel J. Quirin.

y. Acceptance of Transfer Between State Retirement Systems of Justin Beresky.

z. Acceptance of Transfer Between State Retirement Systems of Roy Towne.

aa. Acceptance of Transfer Between State Retirement Systems of John Shallue.

bb. Approval of the Minutes of the January 31, 2018 Meeting of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

Report by Mr. William T. Buividas, Vice Chairman of the Investment Committee, regarding agenda items 4 through 11, which were discussed at the Investment Committee meeting held today, February 28, 2018, on or after 9:30 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.


Mr. Owen Zhao
Portfolio Analyst - Risk

5. 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 December 31, 2017; 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

6. Presentation and discussion by NEPC representative(s) on the 2nd Fiscal Quarter (4th Calendar Quarter) investment performance and the 2017-2018 Fiscal Year investment performance for the Arizona PSPRS Trust.

Mr. Allan Martin
NEPC, LLC.
7. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for the Fixed Income portfolio.
   - Mr. William Thatcher, Portfolio Manager
   - Mr. Shan Chen, Lead Portfolio Manager
   - Mr. Allan Martin

8. Report and discussion on Securities Lending.
   - Mr. Ryan Parham, Assistant Administrator and Chief Investment Officer
   - Ms. Vaida Maleckaite
   - Mr. Dean Scheinert, Trustee
   - Mr. Don Smith, Trustee

   - Mr. Ryan Parham
   - Ms. Vaida Maleckaite
   - Mr. Dean Scheinert
   - Mr. Don Smith

10. Review, discussion and possible **Action** on Governance Manual updates.
    - Jennifer Eichholz, Esq.
      Chief In-House Investment Counsel
    - Ivy Voss, Esq.
      Assistant Attorney General

11. Disclosure by Investment Department Staff of the following Manager Selection Matters:

   A. Finalized and Executed Transactions During Prior Period:

   1. **Audax Senior Debt Fund**: Committed amount up to $100 million; Date Closed: November 27, 2017. This investment is allocated to PSPRS Asset class: Private Credit.

   2. **Stellus Capital Management / Stellus Credit Fund II, L.P. Fund**: Committed amount up to $75 million; Date Closed: December 20, 2017. This investment is allocated to PSPRS Asset class: Private Credit.

   3. **LightBay Investment Partners A, L.P.**; Committed amount up to $30 million for direct investment purposes, and a reserve allocation of up to $10 million for purposes of co-investment; Date Closed: December 22, 2017. This investment is allocated to PSPRS Asset class: Private Equity.

   4. **Crestline Speciality Lending Fund II, L.P.**; Committed amount up to $75 million; Date Closed: December 29, 2017. This investment is allocated to PSPRS Asset class: Private Credit.
Presentation by Mr. Edward J. McNeill, Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 12 through 17, which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, February 28, 2018, on or after 10:30 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

12. 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. Law Firms' Billings for Legal Services  
   f. HR Report  
   g. Communication Efforts Report  
   h. Strategic Plan Report  

13. Review and discussion of software development issues and corrective future plans.  


15. Review and discussion regarding internal audits.  


17. Review, discussion and possible Recommendations on pending and passed legislative actions and potential legislative proposals.

Mr. Jared A. Smout
Administrator

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

Mr. Brian P. Tobin

19. 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 20.

20. 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 19, 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).

21. Possible Action on future meeting dates. (Next meeting currently scheduled for Wednesday, March 28, 2018.)

22. 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 Chrystal Angotti, Sr. Executive Assistant or Rose Crutcher, Paralegal, at (602) 255-5575. Requests should be made as early as possible to arrange the accommodation.