AGENDA

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, March 1, 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 Mark Anderson.

      c. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Linda Arzoumanian.

      d. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Karla Brewster.
e. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Carmine Cornelio.

f. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Charles Donofrio III.

g. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of Dolores J. Doolittle.

h. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of Alex Finter.

i. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of Wyn C. Gibbs.


k. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of Frederick Heumann.


m. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of John S. Insalaco.

n. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Stephanie Karlin.

o. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Dennis Kavanaugh.


q. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Kenneth Malloque.

r. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Arthur Markham.

s. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Diane McCune-Davis.

t. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of James McDonald.


w. Acceptance of Elected Officials' Retirement Plan of termination of normal retirement benefit of James P. Stapley.

x. Acceptance of Elected Officials' Retirement Plan of early retirement benefit of Bob Stump.

y. Acceptance of Elected Officials' Retirement Plan of normal retirement benefit of Bruce Wheeler.

z. Acceptance of Transfer Between State Retirement Systems of Brian Mackiewicz.

aa. Acceptance of Transfer Between State Retirement Systems of Salvador Lascano.

bb. Acceptance of Transfer Between State Retirement Systems of Sharon Hollingsworth.

c. Acceptance of Transfer Between State Retirement Systems of Daniel Waltuch.

dd. Acceptance of Transfer Between State Retirement Systems of Robert Isaacson.

ee. Acceptance of Transfer Between State Retirement Systems of Mark Savage.

ff. Acceptance of Transfer Between State Retirement Systems of Sara Colbert.


hh. Acceptance of Transfer Between State Retirement Systems of Darin George.

ii. Acceptance of Transfer Between State Retirement Systems of Allen Johnson.


kk. Acceptance of Transfer Between State Retirement Systems of Jeff Huskey.

ll. Acceptance of Transfer Between State Retirement Systems of Mark La Scala.

mm. Acceptance of Transfer Between State Retirement Systems of Tyon Downing.

nn. Acceptance of Transfer Between State Retirement Systems of Clifton Bryson.

oo. Acceptance of Transfer Between State Retirement Systems of Scott Miller.


qq. Acceptance of Transfer Between State Retirement Systems of Thomas Beck.

rr. Acceptance of Transfer Between State Retirement Systems of Michael Gaspar.
Acceptance of Transfer Between State Retirement Systems of Vicky Newsham.

Acceptance of Transfer Between State Retirement Systems of Gregory Miller.

Acceptance of Transfer Between State Retirement Systems of Desiree Sanchez.

Acceptance of Transfer Between State Retirement Systems of John Taylor.

Acceptance of Transfer Between State Retirement Systems of Scott Somers.

Approval of the Minutes of the following meetings: November 10, 2016 Meeting of the PSPRS Pending Board of Trustees; January 25, 2017, January 27, 2017 and February 9, 2017 Meetings of the PSPRS Board of Trustees.

Mr. Brian P. Tobin

4. Appropriate Action regarding the approval of two (2) La Paz County Applications for Membership Waiver of participation.

Mr. Brian P. Tobin

Report by Mr. William Davis, Chairman of the Investment Committee, regarding agenda items 5 through 9, which were discussed at the Investment Committee meeting held today, March 1, 2017 on or after 10:00 a.m., and possible Action on the Committee’s recommendations to the Board regarding same.

5. Presentation / Written report by Investment Department Staff regarding Portfolio Risk as of December 31, 2016.

Mr. Owen Zhao
Portfolio Analyst - Risk

6. 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, 2016; 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

7. Presentation and discussion by NEPC representative(s) on the 2nd FY Quarter (4th CY Quarter) investment performance and the 2016/2017 Fiscal Year-to-Date investment performance for the Arizona PSPRS Trust.

Mr. Allan Martin
NEPC, LLC.

8. Presentation and discussion by Investment Department Staff and Consultants regarding the annual Overview and Strategic Plan for the Private Equity portfolio.

Mr. Shan Chen, Lead Portfolio Manager
Mr. William Thatcher, Lead Portfolio Manager
Mr. Jay Rose, Stepstone
Mr. Weichou Su, Stepstone
Mr. David Hutchings, Albourne Consultants
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 £50 million for direct investment and a reserve allocation of up to £30 million for purposes of co-investment with **Clearbell Fund 3**, in the Real Estate portfolio, subject to final Staff and legal due diligence.

2. Disclosure of a potential investment of up to $25,000,000 for direct investment purposes and a reserve allocation of up to $20,000,000 with **BioInnovation Capital Partners**, in the Private Equity portfolio, subject to final Staff and legal due diligence.

B. Disclosure of closed transactions for this period:

1. **Mountain Capital Partners LP Fund**; Committed amount up to $65 million direct and a reserve allocation of up to $30 million for purposes of co-investment; Date Closed: November 15, 2016; This investment is allocated to PSPRS Trust Asset Class: Real Assets.

2. **Actis Energy 4 Fund**; Committed amount of up to $60 million direct and a reserve allocation of up to $30 million for purposes of co-investment; Date Closed: December 22, 2016; This investment is allocated to PSPRS Trust Asset Class: Real Assets.

3. **Catalyst European Property Fund II**; Committed amount of up to €15 million direct investment; Date Closed: December 15, 2016; This investment is allocated to PSPRS Trust Asset Class: Real Estate.

4. **Bluescape Energy Recapitalization & Restructuring Fund III**; Committed amount of up to $50 million direct and a reserve allocation of up to $40 million for purposes of co-investment; Date Closed: December 5, 2016; This investment is allocated to the PSPRS Trust Asset Class: Real Assets.

5. **Trident VII, LP Fund**; Committed amount of up to $30 million direct and a reserve allocation of up to $30 million for purposes of co-investment; Date Closed: December 2, 2016; This investment is allocated to PSPRS Trust Asset Class: Private Equity.

C. Disclosure of completed transactions:

1. **Brevan Howard Master Fund**; This investment was allocated to PSPRS Asset Class: GTAA.

2. **Eagle Small Cap Growth Strategy**; This investment was allocated to PSPRS Asset Class: US Equity.

3. **THB Micro Cap Strategy and THB Small Cap Strategy**; These investments were allocated to PSPRS Asset Class: US Equity.
4. Gotham Institutional Select Fund; AZ Gotham Hedged Value Strategies (GHVS) 140-40; AZ Gotham Diversified Hedge Strategy (GDH) 115-65; AZ Gotham Diversified Hedge Strategy (GDH) 140-40; and AZ Gotham Hedged Value Strategies (GHVS) 115-65. These investments were allocated to PSPRS Asset Class: US Equity.

Jennifer Eichholz, Esq.
In-House Investment Counsel

Presentation by Mr. Edward J. McNeill, Vice Chairman of the Operations, Governance Policy and Audit Committee, regarding agenda items 10 through 19, which were discussed at the Operations, Governance Policy and Audit Committee meeting held today, March 1, 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

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

   Mr. John Hendricks
   Manager Finance and Accounting

12. Presentation of the Local Board & Employer Outreach Report and possible Action.

   Mr. Don Mineer
   Local Board Training Coordinator

13. Presentation of the Strategic Plan Progress Report and possible Action.

   Mr. John Briney
   Enterprise Systems Architect

14. Presentation of the Requests for Local Board Rehearing Report for the current month and possible Action.

   Ms. Michelle Pechan
   Paralegal

15. Presentation on PSPRS communication efforts and possible Action.

   Mr. Christian Palmer
   Communications Director

16. Presentation of progress on implementation of Auditor General Recommendations as agreed to in their Performance Audit and Sunset Review and possible Action.

   Mr. Dave DeJonge

17. Review and discussion regarding law firms’ billings for legal services performed in January and February, 2017.

   Ivy Voss, Esq.
   Assistant Attorney General

18. Review, discussion and possible Action on pending and passed legislative actions and potential legislative proposals.

   Mr. Jared A. Smout
   Administrator


   Mr. Dave DeJonge
20. Presentation, discussion and possible **Action** regarding the 5-year experience study and recommendations to changes in or adoptions of actuarial methods or assumptions with respect to the PSPRS Plans and Tiers made by Gabriel, Roeder, Smith & Company.

Mr. Jared A. Smout  
Mr. Mark Buis, FSA, FCA, EA, MAAA  
Senior Consultant  
Mr. James D. Anderson, FSA, EA, MAAA  
Senior Consultant  
Mr. Francois Pieterse, A.S.A, M.A.A.A.  
Consultant  
Gabriel, Roeder, Smith & Company

21. Review, discussion and possible **Action** on the PSPRS Actuarial Funding Policy.

Mr. Jared A. Smout  
Mr. Mark Buis, FSA, FCA, EA, MAAA  
Senior Consultant  
Mr. James D. Anderson, FSA, EA, MAAA  
Senior Consultant  
Mr. Francois Pieterse, A.S.A, M.A.A.A.  
Consultant  
Gabriel, Roeder, Smith & Company

22. Discussion and possible **Action** regarding nominations to be sent to Arizona Governor Doug Ducey for consideration as the ninth Newly Appointed Trustee.  

Mr. Brian P. Tobin

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

Mr. Brian P. Tobin

24. 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, Hall and Fields. 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 25.

25. 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 24, 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, including the Administrator's Annual Performance Review, as authorized by A.R.S § 38-431.03(A)(1).
26. Schedule future meeting date(s). (Currently scheduled for Wednesday, March 29, 2017.)

27. 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.