1. Call to Order, Roll Call, Opening remarks.

   Mr. William C. Davis
   Acting Committee Chairman

Mr. Davis called the meeting to order at 11:02 a.m.

2. Review, discussion and possible Action to approve Investment Committee Minutes from August 24, 2016.

   Mr. William C. Davis

<table>
<thead>
<tr>
<th>MOTION:1-9/22/16</th>
<th>At 11:02 a.m.</th>
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</thead>
<tbody>
<tr>
<td>Motion:</td>
<td>To recommend approval of the Investment Committee Minutes from August 24, 2016.</td>
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<tr>
<td>Moved by:</td>
<td>Mr. Tobin</td>
</tr>
<tr>
<td>Seconded by:</td>
<td>Mr. Davis</td>
</tr>
<tr>
<td>Discussion:</td>
<td>None</td>
</tr>
<tr>
<td>In Favor:</td>
<td>Unanimous</td>
</tr>
<tr>
<td>Motion: Passes</td>
<td></td>
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</tbody>
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3. Written report and possible discussion of monthly review of Management Fees.

   Ms. Bridget Feeley
   Internal Audit and Compliance Officer

Written report provided by Internal Audit and Compliance Officer. No discussion was held.
4. **Report by the System’s Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions, as of July 31, 2016.**

   Ms. Bridget Feeley

Written report provided by Internal Audit and Compliance Officer. All items are in compliance. No discussion was held.

5. **Written report by Investment Department Staff regarding Portfolio Risk as of July 31, 2016.**

   Mr. Owen Zhao  
   Portfolio Analyst - Risk

Written report provided by Portfolio Analyst. No discussion was held. Quarterly reports are provided orally and interim reports are written.

6. **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 direct and a reserve allocation of up to $30 million for purposes of co-investment with **Miller Global Fund VIII, L.P.**, in the Real Estate portfolio, subject to final Staff and legal due diligence.

   B. **Disclosure of terminated transactions for this period:**
      1. None.

   C. **Disclosure of closed transactions for this period:**
      1. **Miller Global Fund VIII, L.P.;** Committed amount up to $50 million direct, $30 million co-investment; Date Closed: August 19, 2016. This investment is allocated to PSPRS Asset class: Real Estate.

   D. **Current investments considered for de-selection this period:**
      1. None.

   E. **Disclosure of completed transactions for this period:**
      1. None.

   Jennifer Eichholz, Esq.  
   In-House Investment Counsel

New and potential investments have passed the manager selection processes, but are waiting for legal completion. Closed transactions have completed both the selection process and legal processes. No discussion was held.

7. **Written report by Investment Department Staff and discussion regarding the following:**

   A. i. **Month-End and Fiscal Year-to-Date performance for the PSPRS Trust as of July 31, 2016; and**
      ii. **Asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program; and**

   B. **PSPRS Trust Fiscal Year 2015/2016 Net of Fees Annual Return.**

   Ms. Vaida Maleckaite  
   Director of Investment Services  
   Mr. Allan Martin  
   NEPC, Inc.

   A. Regarding this agenda subtopic, the report is to be given orally each quarter. This is an interim written report.

   B. Regarding this agenda subtopic, the net return for FY 2016 was 0.60%. The three year net annual return was 5.71%; the five year net annual return was 5.4% and the ten year net annual return was...
return was 4.45%. Mr. Martin stated PSPRS, net of fees, ranked in the top 30% of 55 pension funds. With our risk adverse strategy in an up market, we trail some funds, but in a down market, it assists us. Legacy real estate pull us down, but we are prudently resolving the situation.

Our one, three and five year returns are firmly in the top decile, as to risk adjusted returns. The portfolio is behaving as planned. In the last two years, no public fund has achieved its assumed earnings rate. In the last year, PSPRS has performed better than two thirds of our peers, without the degree of risk others have taken.

8. Semi-annual report by Investment Department Staff and discussion regarding the Trust's Securities Lending Program as of the first half of the calendar year (as of June 30, 2016).

Ms. Vaida Maleckaite

Over the last six months, the Trust generated $207,000 monthly net average earnings from an average size lending pool of $2 billion. The total six month earnings were $1.2 million. Mr. Parham added that, due to indemnifications, this is low risk and we review potential managers on a regular basis.

9. Report by Investment Department Staff and counsel regarding the Securities Class Actions Program and related recoveries.

Mr. Ryan Parham
Assistant Administrator and CIO
Marc Lieberman, Esq.
Kutak Rock
Jennifer Eichholz, Esq.

A description of the Securities Class Actions Program was presented by Mr. Lieberman. From this program, we have recovered $831,000 per year on average for the last eight years. In total, we have recovered $6.5 million for our proportional share in the Securities Class Actions Program.

10. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas (currently scheduled for October 19, 2016.)

The next meeting will be held on October 19, 2016.

11. Call to the Public: This is the time for the public to comment. Members of the Committee may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01 (H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for a later date for further consideration and possible recommendations to the Board of Trustees.

There was no response to the Call to the Public.


The meeting was adjourned at 11:50 a.m.

/s/ William Davis
Mr. William Davis, Trustee
Acting Investment Committee Chairman