

**PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD OF TRUSTEES
INVESTMENT COMMITTEE MEETING**

NOVEMBER 28, 2018

MINUTES

Present: Mr. Donald A. Smith, Chairman, Trustee
Mr. William T. Buividas, Vice Chairman, Trustee
Mr. Dean M. Scheinert, Trustee – Excused
Mr. Harry A. Papp, Trustee

Others present: Mr. Jared A. Smout, Administrator
Mr. Mark Steed, Chief Investment Officer
Ms. Jennifer Carlino, Esq., Chief Investment Counsel
Mr. Shan Chen, Lead Portfolio Manager
Mr. William Thatcher, Lead Portfolio Manager
Mr. Jefferson Weston, Investment Analyst
Mr. James Ko, Portfolio Manager
Mr. Tim Jackson, Compliance Officer
Mr. Christian Palmer, Communications Director
Ms. Vaida Maleckaite, Director Investment Services
Mr. Owen Zhao, Portfolio Analyst - Risk
Mr. Kevin Chen, Investment Analyst
Ms. Rose Crutcher, Investment Paralegal
Mr. Paul Hemmes, Information Technology
Mr. Allan Martin, NEPC, LLC (Telephonic)

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

Mr. Don Smith
Investment Committee Chairman

The meeting was called to order at 9:30 A.M.

2. Review, discussion and possible **Action** to approve Investment Committee Minutes from August 29, 2018.

Mr. Don Smith

MOTION:1-11/28/18	At 9:34 A.M.
Motion:	To approve the Investment Committee Minutes from the meeting of August 29, 2018.
Moved by:	Mr. Buividas
Seconded by:	Mr. Papp
Discussion:	None
Voted In Favor:	Mr. Smith, Mr. Buividas, Mr. Papp
Voted Against:	None.
Motion:	Passes Unanimously. Mr. Scheinert was absent/excused.

- Written Report by Compliance Officer regarding quarterly investment manager compliance as of September 30, 2018.

Mr. Tim Jackson
Compliance Officer

A discussion was held regarding quarterly compliance report and scope of the Compliance Officer's oversight.

- Written report regarding the Trust's Securities Lending Program.

Ms. Vaida Maleckaite
Director of Investment Services

No discussion was held. This item will be discussed at this afternoon's Board of Trustees Meeting.

- Presentation and written report by Investment Department Staff regarding Portfolio Risk as of August 31, 2018 and September 30, 2018.

Mr. Owen Zhao
Portfolio Analyst – Risk

A presentation was provided regarding Portfolio Risk as of August 31, 2018 and September 30, 2018. This report included information as to volatility, monthly value at risk forecast and risk by asset class.

- 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 August 31, 2018 and September 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

No discussion was held.

7. Presentation and discussion by NEPC representative(s) on the 1st Fiscal Quarter (3rd Calendar Quarter) investment performance and the 2018-2019 Fiscal Year investment performance for the Arizona PSPRS Trust.

Mr. Allan Martin
NEPC, LLC

Discussion was held regarding the Trust's portfolio and returns achieved for the prior period..

8. Chief Investment Officer Report.

Mr. Mark Steed
Chief Investment Officer
Mr. Allan Martin

Mr. Steed presented an overview of the plan for restructure and growth of the Trust's portfolio.

9. Presentation, discussion and possible **Action** regarding PSPRS Investment Policy Statement.

Mr. Mark Steed
Mr. Allan Martin

Discussion was held regarding review and modifications to the Investment Policy.

10. Discussion regarding nature and presentation of management fees.

Mr. Mark Steed
Mr. Allan Martin

Discussion was held regarding the Trust's reporting of management fees and methods of calculation.

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 \$75 million for purposes of direct investment with **Crestline Portfolio Financing Fund**, in the Private Credit portfolio, subject to final Staff and legal due diligence.
2. Disclosure of a potential investment of up to \$50 million direct and \$30 million for purposes of co-investment with **TSG8, L.P.**, in the Private Equity Portfolio, subject to final Staff and legal due diligence.

- B. Finalized and Executed Transactions During Prior Period:

1. **Iron Point Real Estate Partners IV Fund.** Committed amount up to \$40 million direct and \$40 million for co-investments; Date Closed: August 31, 2018. This investment is allocated to PSPRS Asset Class: Real Estate.
2. **Taiga Special Opportunities DAC Fund.** Committed amount of up to \$60 million direct and \$15 million for co-investments; Date Closed: September 14, 2018. This investment is allocated to the PSPRS Asset Class: Private Credit.
3. **Castle Creek Capital Partners VII, L.P. Fund.** Committed amount up to \$45 million; Date Closed: September 26, 2018. This investment is allocated to the PSPRS Asset Class: Private Equity.
4. **Alcion Real Estate Partners IV Fund;** Committed amount up to \$30 million direct and \$10 million for co-investment; Date Closed: October 22, 2018. This investment is allocated to the PSPRS Asset Class: Real Estate.

No discussion was held.

12. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas (currently scheduled for December 19, 2018.)

There was no change in the date of the next meeting.

13. Call to the Public:

This is the time for the public to comment. Members of the Investment 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.

14. Adjournment.

Meeting was adjourned at 11:40 a.m.

/s/ Don Smith
Don Smith, Committee Chairman