

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

MAY 31, 2017

AGENDA

The Investment Committee of the Board of Trustees of the Public Safety Personnel Retirement System (the "System" or "PSPRS") will meet in the main conference room of the administrative offices of PSPRS, 3010 East Camelback Rd., Suite 200, Phoenix, Arizona, 85016, commencing at 9:00 a.m. on Wednesday, **MAY 31, 2017**. Members of the Investment Committee will attend either in person or by telephonic conference call. The meeting will continue until 12:30 p.m. or until the matters set forth in this agenda are otherwise addressed. All persons wishing to attend are invited. The Investment Committee reserves the right to consider agenda items out of their listed order. The Investment Committee may vote to hold an executive session, which will not be open to the public, to discuss certain matters. A quorum of the Board of Trustees may be present at the Investment Committee meeting; however, only the members of the Investment Committee shall participate in the discussion and the action of the Investment Committee.

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

*Mr. William C. Davis
Committee Chairman*

2. Review, discussion and possible **Action** to approve Investment Committee Minutes from April 26, 2017.

Mr. William C. Davis

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

*Mr. Owen Zhao
Portfolio Analyst - Risk*

4. 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.

*Ms. Vaida Maleckaite
Director of Investment Services*

5. 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.

*Mr. Allan Martin
NEPC, LLC.*

6. Presentation and discussion by Investment Department Staff and Consultants regarding the Annual Overview and Strategic Plan for the Risk Parity portfolio.
Mr. Ryan Parham, Assistant Administrator and Chief Investment Officer
Mr. Bob Smith, Client Advisor, Bridgewater
Mr. James L. Haskel, Senior Portfolio Strategist, Bridgewater
Dr. Roberto Croce, Head of Quantitative Strategies, Salient Capital Partners
Blair Batson, Director of Institutional Investments, Salient Capital Partners
7. Introduction to Asset Allocation.
Mr. Ryan Parham
Mr. Allan Martin
8. 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.

9. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas (currently scheduled for June 28, 2017.)

10. 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.

11. Adjournment.

A copy of the agenda background material that is provided to the Committee and 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 administrative offices of the Public Safety Personnel Retirement System, 3010 East Camelback Road, Suite 200, Phoenix, Arizona during regular business hours. 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 Rose Crutcher, ACP, Investments Paralegal, (602) 255-5575. Requests should be made as early as possible to arrange the accommodation.