

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

JANUARY 31, 2018

AGENDA

The Investment Committee of the Board of Trustees of the Public Safety Personnel Retirement System (the "System" or "PSPRS") will meet at the administrative offices of PSPRS, 3010 East Camelback Rd., Suite 200, Phoenix, Arizona, 85016, commencing at **9:30 a.m.** on Wednesday, **JANUARY 31, 2018**. 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. 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 November 29, 2017.

Mr. William C. Davis

3. Written report by Investment Department Staff regarding Portfolio Risk as of October 31, 2017 and November 30, 2017.

*Mr. Owen Zhao
Portfolio Analyst - Risk*

4. 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 October 31, 2017 and November 30, 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*

5. Presentation and discussion by NEPC representative(s) on multi-plan accounting / asset allocation strategy for the Arizona PSPRS Trust.

*Mr. Allan Martin
NEPC, LLC.*

6. Presentation and discussion by Investment Department Staff regarding the proposed calendar for asset reviews in calendar year 2018.

*Mr. Ryan Parham
Assistant Administrator and Chief Investment Officer*

7. 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 \$100 million for purposes of direct investment in a SMA with **Audax Senior Debt Fund**, in the Private Credit portfolio, subject to final Staff and legal due diligence.
2. Disclosure of a potential investment of up to \$75 million for purposes of direct investment with **Stellus Capital Management in its Stellus Credit Fund II, L.P.**, in the Private Credit portfolio, subject to final Staff and legal due diligence.
3. Disclosure of a potential investment of up to \$30 million direct and a reserve allocation of up to \$10 million for purposes of co-investment with **LightBay Investment Partners A, L.P.**, in the Private Equity portfolio, subject to final Staff and legal due diligence.
4. Disclosure of a potential investment of up to \$75 million for purposes of direct investment in **Crestline Specialty Lending Fund II, L.P.**, in the Private Credit portfolio, subject to final Staff and legal due diligence.

- B. Finalized and Executed Transactions During Prior Period:

1. **KKR Revolving Credit Partners II, L.P. Fund**; Committed amount up to \$75 million; Date Closed: November 21, 2017. This investment is allocated to PSPRS Asset class: Private Credit.

8. Review, discussion and possible **Recommendations** on Governance Manual updates.

*Jennifer Eichholz, Esq.
Chief In-House Investment Counsel
Ivy Voss, Esq.
Assistant Attorney General*

9. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas (currently scheduled for February 28, 2018.)

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.