

PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM BOARD OF TRUSTEES INVESTMENT COMMITTEE MEETING

JUNE 29, 2016

AMENDED 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 11:00 a.m. on Wednesday, **JUNE 29, 2016**. Members of the Investment Committee will attend either in person or by telephonic conference call. The meeting will continue until 1:00 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 Vice Chairman*

2. Review, discussion and possible **Action** to approve Investment Committee Minutes from May 25, 2016.

Mr. William C. Davis

3. Written report and possible discussion of monthly review of Management Fees for month ending April 30, 2016.

*Ms. Bridget Feeley
Internal Audit and Compliance Officer*

4. Report by the System's Internal Audit and Compliance Officer and discussion regarding investment compliance, holdings and transactions, as of April 30, 2016.

Ms. Bridget Feeley

5. Written report by Investment Department Staff regarding Portfolio Risk as of April 30, 2016.

*Mr. Owen Zhao
Portfolio Analyst - Risk*

6. Discussion and possible **Action** regarding proposed changes to Asset Allocation by Investment Department Staff and Consultants.

*Mr. Martin Anderson
Deputy Chief Investment Officer
Mr. Don Stracke
NEPC*

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 €15,000,000 direct for purposes of increasing our investment with **Benson Elliot Real Estate Partners IV - Bensell US Feeder Fund IV-B**, in the Real Estate portfolio, subject to final Staff and legal due diligence.
2. Disclosure of a potential investment of up to \$100,000,000 direct for purposes of investment in a Separately Managed Account with **Hancock Agricultural Investment Group**, in the Real Estate portfolio, subject to final Staff and legal due diligence.
3. Disclosure of a potential investment of up to €15,000,000 direct for purposes of increasing our investment with **Patron Capital Group V, L.P.** in the Real Estate portfolio, subject to final Staff and legal due diligence.
4. Disclosure of a potential investment of up to \$50,000,000 direct and a reserve allocation of up to \$20,000,000 for purposes of co-investment with **Rockbridge Hospitality Fund VII 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. **Benson Elliot Real Estate Partners IV - Bensell US Feeder Fund IV-B**; Committed Amount up to €15,000,000; Date Closed: 06/15/2016; PSPRS Asset Class: Real Estate.
2. **Crestline Opportunity Fund III, LLC**. Committed Amount up to \$75,000,000. Date Closed: 06/08/2016. PSPRS Asset Class: Credit Opportunities.
3. **Freeport First Lien Loan Fund III**; Committed Amount up to \$100,000,000; Date Closed: 04/19/2016; PSPRS Asset Class: Credit Opportunities.

4. **Hancock Agricultural Investment Group (SMA)**; Committed Amount up to \$100,000,000; Date Closed: 06/13/2016; PSPRS Asset Class: Real Estate.
5. **Northern Shipping Fund III**; Committed Amount up to \$70,000,000; Date Closed 06/15/2016; PSPRS Asset Class: Credit Opportunities.
6. **Patron Capital Group V, L.P.**; Committed Amount up to €15,000,000; Date Closed 06/17/2016; PSPRS Asset Class: Real Estate.
7. **SJC Direct Lending Fund III GP, L.P.** Committed Amount up to \$75 million. Date Closed: 03/31/2016. PSPRS Asset Class: Credit Opportunities.

D. Current investments considered for de-selection this period:

1. **THB Small Cap Fund (SMA)**; Redemption requested June 15, 2016; This investment is allocated to the PSPRS Public Equities portfolio.
2. **THB Micro Cap Fund (SMA)**; Redemption requested June 15, 2016; This investment is allocated to the PSPRS Public Equities portfolio.

E. Disclosure of completed transactions for this period:

1. None.

Jennifer Eichholz, Esq.
In-House Investment Counsel

8. 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 April 30, 2016; and (ii) written report regarding the asset allocation and performance of the Firefighters and Peace Officers Cancer Insurance Program.

Ms. Vaida Maleckaite
Senior Investment Analyst

9. The Committee may discuss future dates for meetings and direct Staff to place matters on future agendas (currently scheduled for July 20, 2016.)

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.