



# ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson  
Director

## NOTICE AND AGENDA OF PUBLIC MEETING AND POSSIBLE EXECUTIVE SESSION OF THE ARIZONA STATE RETIREMENT SYSTEM INVESTMENT COMMITTEE

3300 North Central Avenue  
14th Floor Conference Room  
Phoenix, Arizona 85012

August 22, 2016  
2:30 p.m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given Trustees of the Arizona State Retirement System (ASRS) Investment Committee (IC) and to the general public that the IC will hold a public meeting on Monday, August 22, 2016, beginning at 2:30 p.m. in the 14<sup>th</sup> Floor Conference Room of the ASRS office, 3300 North Central Avenue, Phoenix, Arizona 85012. Trustees of the Committee may attend either in person or by telephone conference call.

This is a regularly scheduled meeting of the IC; however, due to possible attendance by other ASRS Board Trustees, this meeting may technically become a meeting of the Board or one of its Committees. Actions taken will be consistent with IC governance procedures. Actions requiring Board authority will be presented to the full Board for final decision.

The Chair may take public comment during any agenda item. If any member of the public wishes to speak to a particular agenda item, they should complete a *Request to Speak* form indicating the item and provide it to the Committee Administrator.

Pursuant to A.R.S. § 38-431.03(A)(3), the IC may vote to go into executive session, which will not be open to the public, for the purpose of obtaining legal advice on any item on the Agenda.

This meeting will be teleconferenced to the ASRS office in Tucson, 4400 E. Broadway Blvd., Suite 200, Tucson, AZ 85711. The conference call to Tucson will be disconnected after 15 minutes if there are no attendees in the Tucson audience.

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call (estimated time 4 min.).....Mr. Tom Connelly  
Chair, Investment Committee
  
2. Approval of the Minutes of the June 20, 2016, Public Meeting and Executive Sessions of the ASRS IC Meeting (Action item; estimated time 1 min.).....Mr. Tom Connelly

3. Presentation, Discussion, and Appropriate Action Regarding the ASRS House Views and General Discussion (Informational and discussion item; estimated time 20 min.).....  
..... Mr. Karl Polen  
Chief Investment Officer, ASRS  
..... Ms. Kerry White  
Assistant Chief Investment Officer for Reporting, Compliance & Administration, ASRS  
..... Mr. Al Alaimo  
Sr. Portfolio Manager of Fixed Income, Cash, and Liquid Alternatives, ASRS  
..... Mr. Eric Glass  
Sr. Portfolio Manager of Private Markets, ASRS  
..... Mr. Cole Smith  
Portfolio Manager of Equities, ASRS  
..... Mr. John Kwon  
Portfolio Manager of Equities, ASRS  
..... Mr. Micheal Copeland  
Assistant Portfolio Manager of Real Estate, ASRS  
..... Ms. Lupita Breland  
Sr. Portfolio Analyst, ASRS  
..... Mr. John Doran  
Assistant Portfolio Manager of Cash and Liquid Alternatives, ASRS

Objective:

The IC and the ASRS team will discuss House Views and other matters of interest. *The House Views will be presented in a new format and members of the Committee may provide suggestions regarding the format.*

*The IC may vote to discuss the following matter in executive session pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P) to consider specific manager data that is deemed proprietary information.*

4. Presentation, Discussion, and Appropriate Action Regarding the Portfolio Position and Performance (Informational and discussion item; estimated time 15 min.) .... Mr. Paul Matson  
Director, ASRS  
..... Mr. Karl Polen  
..... Mr. Al Alaimo  
..... Mr. Eric Glass  
..... Ms. Kerry White

Objective:

The Committee will discuss portfolio positioning, current tactical views and investment performance. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

5. Presentation, Discussion, and Appropriate Action Regarding State Street's Risk Management Reporting (Informational and discussion item; estimated time 10 min.).....  
..... Mr. Kien Trinh  
Assistant Vice President, Risk Services, State Street Analytics

Objective:

State Street will present a risk analysis report on the ASRS total fund investments. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

6. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Compliance and Monitoring of Public and Private Market Investments (Informational and discussion item; estimated time 10 min.) .....Mr. Dan Gillespie  
Vice President and Unit Head, State Street  
..... Mr. Steve McCourt  
Managing Principle, Meketa Investment Group

Objective:

State Street will present the results of their compliance monitoring for public markets portfolios. Meketa will present the results of their compliance monitoring for certain private equity and other private markets investments.

*The IC may vote to discuss the following matter in executive session pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P) to consider specific manager data that is deemed proprietary information.*

7. Presentation, Discussion, and Appropriate Action Regarding Independent Reporting, Monitoring and Oversight of the ASRS Investment Program – Includes Total Fund and Investment Performance Report Q2-16 (Informational and discussion item; estimated time 30 min.) .....Mr. Allan Martin  
Partner, NEPC  
..... Mr. Dan LeBeau  
Consultant, NEPC

Objective:

NEPC will report on the second quarter investment results and their monitoring of the ASRS investment program. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

8. Presentation, Discussion, and Appropriate Action Regarding IMD Activities and Asset Class Committee Reports (Informational and discussion item; estimated time 10 min.) .....  
..... Mr. Karl Polen  
..... Mr. Paul Matson

Objective:

The CIO will present recent activities and work plans for IMD. The chairs of the asset class committees will report on any activity since the last IC meeting. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

*The IC may vote to discuss the following matter in executive session pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P) to consider specific manager data that is deemed proprietary information.*

9. Presentation, Discussion, and Appropriate Action Regarding Workgroup Reports (Informational and discussion item; estimated time 30 min.) ..... Mr. Eric Glass  
..... Mr. Cole Smith  
..... Mr. John Kwon  
..... Mr. Micheal Copeland

Objective:

Members of the equities performance measurement workgroup will present a new format for analysis of equities including return and holdings based analysis. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

*The IC may vote to discuss the following matter in executive session pursuant to A.R.S. §§ 38-431.03(A)(2) and 41-2534(D) for the purpose of considering and/or discussing records exempt by law from public inspection.*

10. Presentation, Discussion, and Possible Action Item Regarding the Private Equity Consultant Request for Proposal (estimated time 30 min.)..... Mr. Eric Glass  
..... Mr. Micheal Copeland

Objective:

In accordance with state procurement law, the ASRS has conducted a Request for Proposal for its private equity consulting requirements. The evaluation committee may recommend a firm or firms to fulfill its private equity consulting requirements. *The IC may decide whether to approve this recommendation.*

11. Request for Future Agenda Items (Discussion item; estimated time 5 min.) .....  
.....Mr. Tom Connelly  
..... Mr. Karl Polen

12. Call to the Public .....Mr. Tom Connelly

Those wishing to address the IC are required to complete a Request to Speak form before the meeting indicating their desire to speak. Request to Speak forms are available at the sign-in desk and should be given to the IC Administrator. IC Trustees 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 further consideration and decision at a later date.

13. The next ASRS IC Meeting is scheduled for Monday, October 24, 2016 at 2:30 p.m., at 3300 N. Central Avenue, 14<sup>th</sup> Floor Conference room, Phoenix, Arizona.

14. Adjournment of the ASRS IC Meeting

A copy of the agenda background material provided to IC Trustees (with the exception of material relating to possible executive sessions) is available for public inspection at the ASRS offices located at 3300 North Central Avenue, 14th Floor, Phoenix, Arizona, and 4400 E. East Broadway Boulevard, Suite 200, Tucson, Arizona 85711. The agenda is subject to revision up to 24 hours prior to meeting. These materials are also available on the ASRS website (<https://www.azasrs.gov/web/BoardCommittees.do>) approximately 48 hours prior to the meeting.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter or alternate formats of this document by contacting Tracy Darmer, ADA Coordinator at (602) 240-5378 in Phoenix, at (520) 239-3100, ext. 5378 in Tucson or 1-800-621-3778, ext. 5378 outside metro Phoenix or Tucson. Requests should be made as early as possible to allow time to arrange the accommodations.

Dated August 15, 2016

ARIZONA STATE RETIREMENT SYSTEM

SIGNED COPY ON FILE

Gloria Montiel  
Committee Administrator

SIGNED COPY ON FILE

Karl Polen  
Chief Investment Officer