



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

AGENDA NOTICE OF COMBINED 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

October 24, 2016
1:30 p.m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given to 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, October 24, 2016, beginning at 1:30 p.m. in the 14th 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 Tucson at 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; Opening Remarks (estimated time 4 min.)..... Mr. Tom Connelly
Chair, Investment Committee
2. Approval of the Minutes of the August 22, 2016, Public Meeting and Executive Session 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.*

Pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P), the IC may vote to discuss the following matter in executive session, which will not be open to the public, to consider specific investment manager data that is confidential proprietary commercial information and a record exempt by law from public inspection.

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. Steve Kim
Assistant Vice President, Risk Services, State Street Analytics

Objective:

State Street will present a risk analysis report on the ASRS total fund investments.

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. Jomar Ereso
Director of Asset Management, RCLCO

Objective:

State Street will present the results of their compliance monitoring for public markets portfolios. RCLCO will present the results of their compliance reviews for the real estate separate accounts for calendar year 2015. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

Pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P), the IC may vote to discuss the following matter in executive session, which will not be open to the public, to consider specific investment manager data that is confidential proprietary commercial information and a record exempt by law from public inspection.

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

Objective:

NEPC will report on their monitoring of IMD activities. *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. Paul Matson
..... Mr. Karl Polen

Objective:

The CIO will present recent activities and work plans for the 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.*

Pursuant to A.R.S. §§ 38-431.03(A)(2) and 38-718(P), the IC may vote to discuss the following matter in executive session, which will not be open to the public, to consider specific investment manager data that is confidential proprietary commercial information and a record exempt by law from public inspection.

9. Presentation, Discussion, and Appropriate Action Regarding Workgroup Reports for the Internal Equity Portfolios (Informational and discussion item; estimated time 15 min.)..... Mr. Eric Glass
..... Mr. Cole Smith
..... Mr. John Kwon

Objective:

Members of the equities team will present the results of their work in analyzing and improving the performance of the internally managed equity portfolios. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

10. Presentation, Discussion, and Appropriate Action Regarding the Supplemental Salary Deferral Plan (SSDP) and the Supplemental Retirement Savings Plan (SRSP)(Informational and discussion item; estimated time 10 min.) Mr. Pat Klein
Assistant Director of External Affairs, ASRS
.....Ms. Lupita Breland

Objective:

Mr. Klein and Ms. Breland will update the committee on the SRSP and SSDP plans. *No action is expected on this item, but the IC may express views or offer guidance on the matters discussed.*

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, November 28, 2016 at 2:30 p.m., at 3300 N. Central Avenue, 14th 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 October 17, 2016

ARIZONA STATE RETIREMENT SYSTEM

Signed Copy on File

Gloria Montiel
Committee Administrator

Signed Copy on File

Karl Polen
Chief Investment Officer