

**NOTICE AND AGENDA OF A PUBLIC MEETING
OF THE ARIZONA STATE RETIREMENT SYSTEM
INVESTMENT COMMITTEE**

August 29, 2022
1:30 p.m.

Pursuant to A.R.S. § 38-431.02(F), notice is hereby given to the Trustees of the Arizona State Retirement System (ASRS) Investment Committee (IC) and to the general public that the ASRS IC will hold a meeting open to the public on Monday, August 29, 2022, beginning at 1:30 p.m., in the First Floor Board Room of the ASRS offices at 3300 N. Central Avenue, Phoenix, Arizona 85012.

The meeting will be livestreamed on the ASRS YouTube Channel:
<https://www.youtube.com/c/AzasrsGov>.

This is a regularly scheduled meeting of the Investment Committee; 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 Investment Committee governance procedures. Actions requiring Board authority will be presented to the full Board for final decision.

Pursuant to A.R.S. § 38-431.03(A)(3), the ASRS Investment Committee 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.

The Chair may take public comment during any agenda item.

The following agenda topics are proposed action items: 2, 6, 7, 8

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call; Opening Remarks (*Estimated time: 2 minutes*)Mr. Michael Lofton
Chair, Investment Committee
2. Approval of the Minutes of the May 23, 2022, Public Meeting of the ASRS Investment Committee
(*Action item; estimated time 1 minute*)Mr. Michael Lofton

Proposed Action Item: The Committee may decide whether to amend and approve the minutes, approve the minutes as written, or not approve the minutes at this time.

3. Presentation, Discussion, and Appropriate Action Regarding the Investment Market Environment and Outlook, ASRS Investment Management Division House Views, and Investment Allocations: *(Informational and discussion item; estimated time 30 minutes)*

.....Mr. Paul Matson
Director
.....Mr. Michael Viteri
Chief Investment Officer (CIO)
.....Mr. Chris Levell
Partner, NEPC
.....Mr. Samer Ghaddar
Deputy CIO
.....Mr. Al Alaimo
Deputy CIO
.....Mr. Micheal Copeland
Private Markets Portfolio Manager

Objective:

The General Investment Consultant, NEPC, will discuss the current economic and investment environment. The Director, Chief Investment Officer, and ASRS Investment Division staff will present the investment house views and investment allocations. *No action is expected on this item. The Investment Committee or its members may decide to express views or offer guidance on the matters discussed, or make motions.*

4. Presentation, Discussion, and Appropriate Action Regarding the Independent Reporting, Monitoring and Oversight *(Informational and discussion item; estimated time 20 minutes)*

.....Mr. Chris Levell
.....Mr. Michael Malchenko
Sr. Analyst, NEPC

Objective:

The General Investment Consultant, NEPC, will present total fund performance results for the periods ending June 30, 2022, and will report on their monitoring of Investment Management Division activities. *No action is expected on this item. The Investment Committee or its members may decide to express views or offer guidance on the matters discussed, or make motions.*

5. Presentation, Discussion, and Appropriate Action Regarding Investment Compliance *(Informational and discussion item; estimated time 5 minutes)*.....Mr. Robert Butler
Investment Risk and Compliance Officer

Objective:

The Investment Risk and Compliance Officer will report on compliance activities. *No action is expected on this item. The Investment Committee or its members may decide to express views or offer guidance on the matters discussed, or make motions.*

6. Presentation, Discussion, and Appropriate Action Regarding the Current Asset Liability Study *(Action Item; estimated time 60 minutes)*.....Mr. Paul Matson

.....Mr. Michael Viteri
.....Mr. Chris Levell

Objective:

The Director, Chief Investment Officer, and General Investment Consultant (NEPC) will report on the current asset liability study. The Director and CIO will provide a portfolio mix recommendation. NEPC will also provide insight into the various allocations.

Proposed Action Item: The Committee may move to recommend to the Board the staff recommendation, provide an alternate motion, or make no motion. If there is a motion, it will be referred to the full Board for final action.

7. Presentation, Discussion, and Appropriate Action Regarding Updates to the Strategic Investment Policies (*Action Item; estimated time 20 minutes*)..... Mr. Paul Matson
.....Mr. Michael Viteri

Objective:

The Director and Chief Investment Officer, will provide a background and recommendation for approval of Strategic Investment Policy updates for SIP002 and SIP006. *The Investment Committee or its members may decide to express views or offer guidance on the matters discussed, or make motions.*

Proposed Action Item: The Committee may move to recommend to the Board the staff recommendation, provide an alternate motion, or make no motion. If there is a motion, it will be referred to the full Board for final action.

8. Presentation, Discussion, and Appropriate Action Regarding the Incentive Compensation Plan (ICP) for Internal Investment Professionals (*Action Item; estimated time 30 minutes*)
.....Mr. Paul Matson
.....Mr. Michael Viteri

Objective:

The Director and Chief Investment Officer, will provide a background and recommendation for approval of an amended Incentive Compensation Plan.

Proposed Action Item: The Committee may move to recommend to the Board the staff recommendation, provide an alternate motion, or make no motion. If there is a motion, it will be referred to the full Board for final action.

9. Request for Future Agenda Items (*Discussion item; estimated time 5 minutes*)...Mr. Michael Lofton
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10. Call to the Public.....Mr. Michael Lofton

If any member of the public wishes to speak, they should complete a Request to Speak Form and provide it to the Committee Administrator, if attending in person. If not attending in person, public comments must be submitted any time prior to the meeting to ASRSPublicMeetings@azasrs.gov. Commenters should submit by email their full name, affiliation (if none, indicate "member of the public"), address, phone number, email address, the specific agenda item they wish to comment on, and their comments. Emailed comments will be read and kept to under three minutes. The

Chair reserves the right to impose other constraints in the interest of maintaining an orderly meeting. Trustees are prohibited by A.R.S. § 38-431.01(H) from discussing or taking legal action on matters raised during an open Call to the Public unless the matters are properly noticed for discussion and legal action. As a result of public comment, the Trustees may respond to criticism made by those who have addressed the Committee, may direct staff to review a matter, or may ask that a matter be put on a future agenda.

11. The next ASRS Investment Committee Meeting is scheduled for November 28, 2022 at 1:30 p.m.

12. Adjournment of the ASRS Investment Committee Meeting.

A copy of the Agenda's background materials provided to Investment Committee 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. The agenda is subject to revision up to 24 hours prior to the meeting. These materials are also available on the ASRS website <https://www.azasrs.gov/content/board-and-committee-meetings> approximately 48 hours prior to the meeting.

Persons with disabilities may request alternate formats of this document by contacting Tracy Darmer, ADA Coordinator at (602) 240-5378 in Phoenix or 1-800-621-3778, ext. 5378 outside metro Phoenix. Requests should be made as early as possible to allow time to arrange the accommodations.

Dated August 22, 2022

ARIZONA STATE RETIREMENT SYSTEM

Signature on File

Bridget French
Committee Administrator

Signature on File

Michael Viteri
Chief Investment Officer