



ARIZONA STATE RETIREMENT SYSTEM

3300 NORTH CENTRAL AVENUE • PO BOX 33910 • PHOENIX, AZ 85067-3910 • PHONE (602) 240-2000
7660 EAST BROADWAY BOULEVARD • SUITE 108 • TUCSON, AZ 85710-3776 • PHONE (520) 239-3100
TOLL FREE OUTSIDE METRO PHOENIX AND TUCSON 1 (800) 621-3778
EMAIL ADDRESS: ASKMAC@AZASRS.GOV • WEB ADDRESS: WWW.AZASRS.GOV

Paul Matson
Director

AGENDA

NOTICE OF COMBINED PUBLIC MEETING AND EXECUTIVE SESSION OF THE ARIZONA STATE RETIREMENT SYSTEM BOARD

3300 North Central Avenue, 10th Floor Board Room
Phoenix, AZ 85012

August 28, 2015
8:30 a.m.

Pursuant to A.R.S. § 38-431.02 (F), notice is hereby given to the Trustees of the Arizona State Retirement System (ASRS) Board and to the general public that the ASRS Board will hold a meeting open to the public on Friday, August 28, 2015, beginning at 8:30 a.m., in the 10th Floor Board Room of the ASRS offices at 3300 N. Central Avenue, Phoenix, Arizona 85012. Trustees of the Board may attend either in person or by telephone conference call.

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 Board Administrator.

This meeting will be teleconferenced to the ASRS Tucson office at 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

The Agenda for the meeting is as follows:

1. Call to Order; Roll Call; Opening Remarks Mr. Kevin McCarthy
Board Chair
2. Presentation Regarding PRIDE Award for Improvement (*estimated time 5 minutes*).....
.....Mr. Paul Matson
Director
.....Mr. Anthony Guarino
Deputy Director and Chief Operations Officer
3. Approval of the Minutes of the May 29, 2015 Public Meeting and Executive Sessions of the ASRS Board (*estimated time 1 minute*) Mr. Kevin McCarthy

Regarding the following agenda item, notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board may vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the attorney(s) of the public body, which will not be open to the public.

- 4. Approval, Modification, or Rejection of Recommended Administrative Law Judge’s Decision Regarding Mr. David Lara’s Appeal for Monies from Maria Cardenas’ ASRS Refund Transaction (estimated time 20 minutes) Ms. Jothi Beljan
Assistant Attorney General
..... Mr. Chris Munns
Attorney General, Solicitor General Section

Regarding the following agenda item, notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board may vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3) for discussion or consultation for legal advice with the attorney(s) of the public body, which will not be open to the public.

- 5. Approval, Modification, or Rejection of Recommended Administrative Law Judge’s Decision Regarding Ms. Mehrzad Khorsandi’s Appeal to Purchase August 1998 through May 1999 Employment as Contributions Not Withheld Service (estimated time 20 minutes)..... Ms. Jothi Beljan
..... Mr. Chris Munns

- 6. Presentation Regarding Government Finance Officers Association (GFOA) Financial Reporting Awards
 - A. Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2015
 - B. Popular Annual Financial Report (PAFR) for FY 2015(estimated time 5 minutes).....Mr. Paul Matson
.....Mr. Anthony Guarino
.....Ms. Nancy Bennett
Chief Financial Officer

- 7. Presentation, Discussion, and Appropriate Action Regarding ASRS Investment Program Updates (estimated time 20 minutes)Mr. Paul Matson
.....Mr. Gary Dokes
Chief Investment Officer
..... Mr. Dave Underwood
Assistant Chief Investment Officer
 - a. ASRS Fund Positioning
 - b. IMD Investment House Views
 - c. Asset Class Committee (ACC) Activities
 - d. Tactical Portfolio Positioning
 - e. Strategic Asset Allocation Policy (SAAP) Implementation
 - f. IMD Projects, Research, and Initiatives

- 8. Presentation, Discussion and Appropriate Action Regarding Independent Reporting, Monitoring, and Oversight of the ASRS Investment Program (estimated time 20 minutes).... Mr. Allan Martin
Partner, NEPC

- 9. Presentation, Discussion and Appropriate Action Regarding the ASRS Funding Policy (estimated time 20 minutes).....Mr. Paul Matson
..... Ms. Sara Orozco
Manager Strategic Planning and Analysis
..... Mr. David Kershner
Actuary, Buck Consultants

10. Presentation, Discussion, and Appropriate Action Regarding Strategic Topics to be Discussed by the Board During Fiscal Year 2016 (*estimated time 20 minutes*).....
.....Mr. Paul Matson
.....Mr. Anthony Guarino
11. Presentation, Discussion, and Appropriate Action Regarding Board Elections (*estimated time 5 minutes*)..... Mr. Kevin McCarthy
12. Presentation, Discussion, and Appropriate Action Regarding the Director's Report as well as Current Events (*estimated time 5 minutes*)Mr. Paul Matson
.....Mr. Anthony Guarino
 - A. 2015 Compliance Report
 - B. 2015 Investments Report
 - C. 2015 Operations Report
 - D. 2015 Budget and Staffing Reports
 - E. 2015 Cash Flow Statement
 - F. 2015 Appeals Report
 - G. 2015 Employers Reporting
13. Presentation and Discussion with Regard to Informational Updates from Prior and Upcoming Committee Meetings (*estimated time 15 minutes*)
 - a. Operations and Audit Committee (OAC)..... Mr. Jeff Tyne, Chair
.....Mr. Anthony Guarino
The next OAC Meeting will be held on September 8, 2015
 - b. External Affairs Committee (EAC)Dr. Richard Jacob, Chair
.....Mr. Patrick Klein
The next EAC Meeting will be held on September 11, 2015
 - c. Investment Committee (IC)..... Mr. Tom Connelly, Chair
.....Mr. Gary Dokes
The next IC Meeting will be held on October 26, 2015
14. Board Requests for Agenda Items (*estimated time 1 minute*)
..... Mr. Kevin McCarthy
15. Call to the Public Mr. Kevin McCarthy

Those wishing to address the ASRS Board 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 Board Administrator. Trustees of the Board 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 Board may direct staff to study and/or reschedule the matter for discussion and decision at a later date.

16. The next regular public ASRS Board meeting is scheduled for Friday, September 25, 2015, at 8:30 a.m., at 3300 N. Central Avenue, in the 10th Floor Board room, Phoenix, Arizona.

Regarding the following agenda item, pursuant to A.R.S. § 38-431.03(A)(1), notice is hereby given to Trustees of the ASRS Board and the general public that the ASRS Board shall vote to go into executive session, which will not be open to the public, for the purpose of the Director's annual review and discussion of the Director's Employment Contract.

17. Presentation, Discussion, and Appropriate Action Regarding the review of the Director and Employment Contract for the Director (*estimated time 15 minutes*)..... Mr. Kevin McCarthy
18. Adjournment of the ASRS Board.

A copy of the agenda background material provided to Board 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 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona. 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(s) with disabilities 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 18, 2015

ARIZONA STATE RETIREMENT SYSTEM

Gayle Williams
Board Administrator

Paul Matson
Director