MINUTES
PUBLIC MEETING
ARIZONA STATE RETIREMENT SYSTEM BOARD

HELD
Friday, May 27, 2022
8:30 a.m.

The Arizona State Retirement System (ASRS) Board of Trustees met in person, with some attending virtually, in the First Floor Board Room of the ASRS Office, 3300 N. Central Avenue, Phoenix, Arizona 85012.

Mr. René Guillen, Chair of the ASRS Board, called the meeting to order at 8:31 a.m.

1. Call to Order; Roll Call; Opening Remarks

Present:  Mr. René Guillen, Chair
          Mr. Mike Miller, Vice-Chair
          Ms. Diane Landis (Virtual)
          Mr. Michael Lofton (Virtual joined at 8:53 a.m.)
          Mr. Jim Mueller (via Zoom)
          Mr. Jay Petkunas (via Zoom)
          Ms. Ashley Ruiz (via Zoom)
          Ms. Sarah Webber

Excused:  Mr. Kevin McCarthy

A quorum was present for the purpose of conducting business.

Ms. Cassie Goodwin, ASRS Board Administrator, provided all attendees with virtual attendance meeting guidelines.

2. Approval of the Minutes of the March 25, 2022 Public Meeting and Executive Session of the ASRS Board

Motion:  Mr. Jim Mueller moved to approve the minutes of the March 25, 2022 Public Meeting and Executive Session of the ASRS Board. Ms. Sarah Webber seconded the motion.

By a roll call vote of 7 in favor, 0 opposed, 0 abstentions, and 2 excused, the motion was approved. The Trustee votes were as follows:

  - Mr. René Guillen – approved
  - Ms. Diane Landis – approved
  - Mr. Michael Lofton – excused
Mr. Kevin McCarthy – excused
Mr. Mike Miller – approved
Mr. Jim Mueller – approved
Mr. Jay Petkunas - approved
Ms. Ashley Ruiz – approved
Ms. Sarah Webber – approved

Mr. Guillen stated there is a new Trustee appointed to the Board and stated that this is the first time in a long time that ASRS has had a full Board. He asked if Mr. Petkunas would like to introduce himself and say a few words.

Mr. Petkunas stated he has recently joined the Board and is really happy to be a part of the team. His background is in the real estate private equity business. He has been in Arizona for about 15 years, having originally come from Boston, Massachusetts. He has served on a handful of other boards and committees, mostly at the municipal level.

Mr. Guillen thanked Mr. Petkunas.

3. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2022 Legislative Initiatives and Legislative Update

Ms. Jessica Thomas, Government Relations Officer and Rules Writer, provided an update regarding the ASRS 2022 Legislative Agenda. Ms. Thomas reported that the 2022 Legislative Session began on January 10, 2022. The 2022 Omnibus Legislative Agenda item (SB1083) has been signed into law and will become effective on the general effective date after the legislature adjourns sine die.

Ms. Thomas stated that the 2022 Prefunding Legislative Agenda item (SB1082) was passed by the Senate on February 8, 2022 and by the House Government and Elections Committee on March 24, 2022, but has been held in the House Rules Committee due to a combination of reasons, possibly including issues related to a K-12 amendment and/or possible budget implications. However, the proceeding issues are not related to the content of the original bill. ASRS staff are working on facilitating the movement of the bill given that there is strong employer and legislative support for the original content of the bill.

In addition, the ASRS has been specifically monitoring the following bills, which may impact the ASRS:

- Senate Bill 1145 related to the Optional Retirement Plan for Universities
- Senate Bill 1161 related to Pharmaceutical Distribution
- House Bill 2070 related to Public Meeting Space
- House Bill 2371 related to Cash and Money Orders
- House Bill 2412 related to Public Meeting Digital Recordings
- House Bill 2473 related to Firearms Contracts
- House Bill 2488 related to Forced Labor Contracts
- House Bill 2587 related to Public Records Point of Contact – This has been signed by the Governor.
House Bill 2637 related to Divestment – This is just for the Treasurer’s office and no language that would apply this to ASRS.

Mr. Guillen asked for confirmation that HB2070 failed, and also asked whether the ASRS had any concerns with being able to comply with HB2412 at this time.

Ms. Thomas indicated there was no concern that ASRS can comply with the requirements of HB2412.

Mr. Guillen thanked Ms. Thomas for her report.

4. Presentation, Discussion, and Appropriate Action Regarding the ASRS Strategic Plan Update

Mr. Paul Matson, Director, turned this item over to Mr. Anthony Guarino, Deputy Director and Chief Operations Officer.

Mr. Guarino provided an overview of the strategic planning framework used by the ASRS to obtain and measure results, and also provided house views and perspective on the extent to which the ASRS is achieving the priorities, goals and key performance indicators (“KPI”) as outlined in the strategic plan.

As background, Mr. Guarino stated the ASRS uses a planning model that contains three organizing principles: clarity of purpose, performance measurement, and continuous improvement. For over two decades, this process has helped the ASRS transform itself from a manual, paper-driven enterprise into a cost-effective, technology savvy benefit provider with high levels of customer service to members and employees. Like other organizations, the ASRS uses traditional planning devices to clarify its purpose and identify priorities and goals. At the highest level, the ASRS achieves clarity through its mission which is outlined in statute. There is also a vision statement, adopted by the Board, which outlines the kind of organization the ASRS wants to be. These values describe the culture strived for within the organization and how employees should interact with each other and also with various stakeholders.

Priorities were identified by the ASRS Executive Management and approved by the Board in August 2018. They help clarify what the agency will be focusing on during the strategic planning period, which usually encompasses five years.

Mr. Guarino went through a dashboard presentation, providing the ASRS’s current perspective on the objectives and trajectory of the six priorities of the five year Strategic Plan. For each KPI, a performance target and risk tolerance had been set and, taken together, the target and risk tolerance define the acceptable standard of performance. Mr. Guarino then discussed each of the following Strategic Priorities:

Priority #1: Maintain sustainable benefit plans. Three goals were discussed and the ASRS has met or exceeded performance targets to minimize contribution rate volatility in aggregate. Contribution rates for ASRS plans will remain relatively stable. Contributing members and employers indicate that the defined benefit plan contribution rate is affordable and manageable for the future benefit received.
Mr. Guillen asked if this is broken down by employer type to determine if there was a particular sector where the ASRS may not be communicating with well. Mr. Guillen stated this goes back to the prior meeting regarding communication strategies where newer members tend to not necessarily see or understand the value and the employers showing the same sign.

(Mr. Mike Lofton joined the meeting virtually at 8:53 a.m.)

Ms. Katie Daigneault, Survey Administrator/Sr. Strategic Planner, stated Mr. Guillen is correct in that the ASRS is able to find interesting information in the tools available. By using a specific tool, the ASRS is able to bifurcate the data, looking at several different cohorts. Ms. Daigneault indicated that she is available to provide more detailed information if Board members would like to see more empirical data.

Mr. Guillen thanked Ms. Daigneault.

Priority #2: Achieve investment goals. Mr. Guarino asked Mr. Matson to share his perspective on this goal.

Mr. Matson provided some insight, indicating one of the most important metric is the absolute rate of return as compared to relative given its impact on future contribution rates. Mr. Matson then indicated that one of the best ways to determine if the ASRS is performing well with its investment portfolio is to compare its rates of return to peers using various historical rates of return, with the last three years being a reasonable time period. He then stated that a longer term of 20-years is appropriate to measure the success in meeting the actuarial discount rate.

Mr. Guarino asked if there were any questions before moving on to the next priority; there were none.

Priority #3: Enhance risk management capabilities. Mr. Guarino addressed this priority which provides reasonable assurance that the agency has identified, managed, and mitigated risks associated with data security, privacy protection, and cash controls and has an effective business continuity plan in place. The ASRS has made good progress in the past five years. A report is made at the OALC meetings to keep the Board apprised of these issues.

Priority #4: Optimize operational effectiveness. Mr. Guarino summarized the ASRS dashboard shows the agency is delivering high service levels at the lowest possible cost compared to peer retirement systems. The ASRS provides members and business users with technology that is high-performing and able to support evolving business needs. The ASRS is expanding efforts to upgrade support and secure the existing technology to address technical debt that has been accumulated and still be flexible enough to take on continuous upgrades.

Priority #5: Provide outstanding customer service. Mr. Guarino said even though 88% satisfaction would be considered acceptable by many, there is no industry standard, and the ASRS is striving for at least 90% or higher.

Mr. Guillen recalled member secure messaging was an area the ASRS was doing a lean study to see what is generating the negative feedback and what can be done to improve. Mr. Guarino asked Ms. Daigneault to respond to this inquiry.
Ms. Daigneault provided the Board with a summary of how the ASRS Member Services Division conducted an internal lean analysis to find the root causes of the dissatisfaction. The ASRS has approached some processes differently in that area, added more personal touches and looked at the turn-around time. This was a collaborative effort between the Member Services and Financial Services Divisions.

Mr. Guarino summarized disbursements as one of the most critical functions of the ASRS. It is critical to make sure members do not have a lag in income from their last paycheck to the first retirement check to keep their cash-flow secure.

Mr. Guillen asked where the ASRS fell within the peer group on disbursements.

Messrs Guillen, Guarino and Matson discussed this and determined the ASRS performances are in line with peers with new retirees, having little cash-flow interruptions but that partial lump sum payouts may be an issue with this measure. The ASRS is still working on this issue.

Ms. Webber commented that this is a very important metric for tracking and asked that the ASRS continue to focus on this even if the ASRS is already exceeding peers so no cash-flow interruptions occur.

Mr. Guarino said even though 88% satisfaction is in line with peers, there is no industry standard for this. The ASRS is striving for at least 90% or higher. He provided a summary of the ASRS healthcare and long-term disability programs stating they are accessible in providing reasonably good service. Medicare plans are cost competitive and the non-Medicare plans will become cost-competitive when we cross to self-insurance.

Priority #6: Ensure operational continuity. Mr. Guarino stated the goal is to recruit and retain a high-performing and engaged staff. The ASRS has workforce plans that prepare future leaders and ensure continuity in key positions. The ASRS is currently missing its target of having two potential candidates to back up key positions; however, there is at least one potential successor in 88% of the positions. Staff continues to be highly motivated and engaged. ASRS staff is very professional.

Mr. Mueller asked if there are strategies in place to make sure ASRS is staying ahead of the curve and adequately funding salaries, promotions, and wage increases to retain the key employees. Mr. Guarino positively affirmed both. The ASRS has implemented strategies and will discuss this issue further at an upcoming Operations, Audit, and Legislative Committee meeting in July.

Mr. Guillen asked about cost of living adjustments and increase in hiring salaries to retain and attract good employees. For example, he is impressed with the ASRS customer service reps and how well they take care of members. The ASRS needs to be competitive. Mr. Guarino informed the Board the ASRS is reviewing this. Ms. Tracy Darmer, HR Manager, was in attendance and confirmed this.

Mr. Guillen asked if there were any more questions. Hearing none, Mr. Guarino continued.

Mr. Guarino advised that while the ASRS is on target, there is room for improvement and will continue to measure performance to be proactive on issues. The last year of this plan is 2023. Changes to the vision, priorities, metrics, and reporting, will all be up for discussion between now and then to engage the Trustees in determining what the ASRS needs to do in the next five years.
Mr. Guillen thanked Mr. Guarino for his presentation and report. During the Board Self Evaluation, a number of Trustees were interested in the ASRS Strategic Plan, what role they play in it and what the process looks like. This was helpful. He asked Mr. Guarino about the priorities as the goals will help drive what metrics are reviewed and determine.

Mr. Guarino said he will solicit and is open to any feedback from the Board.

Mr. Guillen asked if there were any closing comments or questions from the Trustees.

Mr. Miller thanked Mr. Guarino and staff for the presentation. Mr. Miller then complimented them on the use of the dashboard indicators. The presentation was well done and informative. It gives members a better understanding of not only where the ASRS is at but where we are coming from and where we are going. This clarifies a lot of what he is looking at and wants to clearly understand.

Mr. Guarino thanked Mr. Miller for his comments.

Ms. Webber indicated this was a helpful presentation and looking forward to seeing the calendar year metrics and seeing where those lie, especially when planning for the next strategic plan.

Mr. Guarino thanked the Trustees.

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Program Update

Mr. Matson introduced Mr. Michael Viteri, Chief Investment Officer.

Mr. Viteri addressed the Board, introducing the members of his staff and NEPC who will be presenting information on this Agenda Item.

Mr. Allan Martin introduced himself as the ASRS’s primary contact from NEPC, who is the Board’s independent investment consultant, working with the Board and staff on asset allocation, overseeing the actions of staff, and reporting on achievement goals to the Board. He presented information on NEPC’s view of the first quarter economic environment, highlighting three factors that are unusually volatile and which will determine future market returns.

The first factor is inflation. He described the impact on borrowers, how inflation drives interest rates, which dramatically affects the return on bonds. The second factor is higher interest rates. Rates are the foundation for how other asset classes are priced. If rates go up it has a negative impact on growth, which is the third factor.

At the end of 2021 there was strong growth, with rising inflation. As the year has progressed, the picture changed due to the invasion of Ukraine. The ASRS portfolio is very diversified. The market expects nine rate hikes in 2022. Rates are higher but the ASRS only has approximately 7.5% of its portfolio in this area and is well positioned and will implement changes as needed. Mr. Martin indicated that the ASRS Portfolio is positioned to do well in this environment.
Mr. Guillen asked if there were any questions or comments. Hearing none, he thanked Mr. Martin for his comments.

Mr. Viteri moved into the staff house views and introduced Mr. Samer Ghaddar, Deputy CIO, to present the Public Equity & Private Equity views to the Trustees.

Mr. Ghaddar participated virtually. He provided an updated report to the Board regarding current market conditions and advised that as of March 31, 2022 the ASRS had $21.16 billion invested in the Public Equity asset class representing a 41.3% allocation of the Total Fund. As of April 30, 2022, ASRS had $6.06 billion invested in the Private Equity asset class representing a 12.2% allocation. This means the overall implications for ASRS is the Private Equity team is being very selective in making commitments. Deals are getting more expensive, which is why the ASRS believes the valuations and matrices will edge down. Mr. Ghaddar asked if there were any questions for him.

Mr. Petkunas indicated that the presentation slides showed dry powder had dropped a bit this most recent quarter but at the same time deal volume increased. He is wondering if that is just a lagging indicator issue.

Mr. Ghaddar replied that it is a possible lagging indicator given the collectivity of the data. Mr. Ghaddar indicated that some pockets of the data are delayed.

Mr. Viteri thanked Mr. Ghaddar.

Mr. Viteri proceeded to provide an update on Private Credit & Interest Rate Sensitive views to the Trustees on behalf of Mr. Al Alaimo, Deputy CIO, who is out of the office. As of April 29, 2022, ASRS had $11.2 billion in the Credit Asset class representing a 22.7%. The ASRS’s Strategic Asset Allocation (SAA) target is 20.0%. The ASRS is a little overweight yet still within the range of the asset class 10-30%.

There are three subcategories of credit. The first, Private Debt, represents about 70% of the overall allocation; Distressed Debt, which is a little under 15% of the allocation, and Other Credit is a little over 15%. The benchmark for this asset class is S&P (Standard & Poor’s) LSTA (Loan Syndication Training Association). The benchmark process is a daily market-to-market comparison of the ASRS credit portfolio relative to that institution benchmark.

The ASRS believes Private Debt asset offers the most attractive opportunity in the fixed income markets with double-digit expected returns available for investors willing to accept illiquidity, when appropriate, and employ leverage. Private Debt offers significantly higher expected returns than the tradable credit markets with lower volatility.

Distressed Debt represents a little under 15% of the total credit portfolio. The investments are predominately in non-performing loans (NPLs) sold primarily by European banks, some of which are secured by real estate assets providing an excellent return. This fund has had a 24% internal rate of return.

Other Credit currently represents a little more than 15% of the total credit allocation. The ASRS has Other Credit strategies that include partnerships that invest in niche, private market opportunities that the ASRS believes are attractive including life settlements, risk sharing transactions, equipment leasing, litigation finance, and infrastructure Collateral Loan Obligations.
As of April 29, 2022, ASRS is underweight in Interest Rate Sensitive Fixed Income with an allocation of 6.9% versus 10.4% Interim SAA target.

Since the beginning of 2022, interest rates have significantly risen in both the US and in Europe resulting in negative returns for the Interest Rate Sensitive Fixed Income asset class. However, the ASRS is underweight and expects to maintain a meaningful investment in the asset class to use as a source of liquidity to meet the total fund’s need and to serve as a counter-balance to potential sell-offs in risky assets such as equities.

Mr. Viteri ended his presentation and introduced Mr. Micheal Copeland, Private Markets Portfolio Manager, to present on Real Estate.

Mr. Copeland presented information and materials regarding the real estate investment portfolio as of April 2022. Mr. Copeland discussed inflation and its effect on real estate. Negative changes since last quarter include increased construction costs, issues with labor availability, and office utilization. Positives include industrial demand staying strong and needing more space. Home affordability is an issue and increases the demand for rental properties.

Mr. Copeland noted the ASRS’s real estate portfolio as of April 2022 is at $9.2 billion, which is about 18.6% of the total fund. The portfolio is comprised of approximately 50% in single family housing (single family rentals, apartments, senior housing, and student housing) and the underweights are in office, and retail. The ASRS is trying to adjust the overweight in industrial.

Mr. Copeland added that the fiscal year-to-date real estate performance is currently up 16%. It is expected that this quarter the ASRS will see a similar 4-7% return on the entire portfolio, which is strong.

Mr. Petkunas asked Mr. Copeland for his opinion about residential cap rates and where they go from the peak.

Mr. Copeland stated going up is logical but demands will likely balance it out. Currently, cap rates for multifamily residents are being traded at 3.5%. Trades are even lower in places where investors think they can raise rent. Rates may go up, but probably not higher than 4.5%.

Mr. Petkunas thanked Mr. Copeland for his response.

Mr. Viteri thanked Mr. Copeland and handed the presentation over to Allen Martin of NEPC, for the independent investment program oversight component.

Mr. Martin presented information and materials regarding the independent program oversight for the period ending March 31, 2022. The S&P was off 4.7% and the Bloomberg Agg was off by 5.9%. A typical 60/40 portfolio would be off over 5.13%, but the ASRS was only off 1.6%, which is much better than their peers.

Mr. Martin explained NEPC monitors the seven strategic investment goals independently, reviews everything diligently so that nothing can be manipulated or touched by anyone. It is as tight as can be. Mr. Martin identified each goal and noted whether they are forward-looking or backward-looking achievements.
Mr. Martin briefly reviewed the expected 20-year return, noting with the ongoing asset liability study there could be some changes in the targets. However, the ASRS’s portfolio has been moving the last 5 years from 60/40 into a more broadly diversified allocation to protect the ASRS in this type of environment and has been doing well.

Mr. Martin closed by indicating his general observations as:

- Staff continues to seek to optimize the plan’s assets through equitizing cash balances;
- The Plan is outperforming its interim Strategic Asset Allocation Policy benchmarks over longer time periods;
- Total Equity has contributed positively to relative performance over the medium to long term;
- Private markets contributing to positive longer-term results; and
- Current positioning is consistent with Investment Management Division House Views and strategic implementation plans

Mr. Guillen thanked Mr. Martin and asked if anyone had any questions.

Mr. Petkunas asked if it is correct that within the private equity bucket and the credit bucket, the ASRS is allocating to funds, but within the real estate bucket the ASRS is generally taking a separate account strategy where it has more control or more engagement in the decision-making process.

Mr. Viteri responded by stating that in Private Equity, the ASRS is a price taker. The ASRS has no control over the General Partners (GPs). These are standard general partners and limited partner relationships. They set the price, the terms, and the most the ASRS can do is co-invest. Mr. Viteri explained in more detail how this type of relationship works.

Mr. Petkunas thanked Mr. Viteri for his response.

Mr. Martin added a lot of investors in private markets do simply invest in funds. Mr. Viteri has emphasized that the ASRS is different. The ASRS does not commingle funds. Mr. Martin explained how commingled funds worked. The ASRS has adopted a fund of one in both private markets and real estate.

Mr. Viteri introduced Mr. Robert Butler, Investment Risk & Compliance Officer, to provide a report on the ASRS Total Plan Risk Analysis.

Mr. Butler presented information and materials on the ASRS risk philosophy, asset class correlation and contribution to volatility, hypothetical stress test scenarios, and public market exposures. The ASRS investment goals include maximizing fund rate of return for acceptable risk levels and mitigating contribution rate volatility. Investment risk is multi-dimensional, and volatility is only one of the risks involved. Mr. Butler explained more about the definition of volatility as risk. Mr. Butler discussed asset class correlation and the diversified portfolio of the ASRS.

Mr. Butler continued his presentation on current and historical asset class market value allocation and total volatility contributions. The ASRS has a much more diversified portfolio than the typical pension fund portfolio. Mr. Butler provided information about the hypothetical scenarios of the ASRS portfolio during historical world events since 1973.
Mr. Butler briefly presented information about the public market’s top 20 global issuers, which are less than 3% of the total ASRS portfolio. The internal and externally managed public investment market is about 50% of the holdings. Blackrock and Legal & General managers are very important with the number of assets they manage.

Mr. Butler concluded his risk report and asked if there were any questions.

Mr. Guillen asked if any of the Trustees had any questions on the Risk report. Hearing none, he asked Mr. Butler to continue his presentation.

Mr. Butler presented information and materials regarding the internally managed portfolios pre-trade compliance system, the custody bank compliance program, and the private markets investment compliance program. There were no exceptions for the period under review for the ASRS internally managed portfolios pre-trade compliance system. Regarding the custody bank investment compliance review, the total ASRS fund investments passed the five mandated statutes on investment limits and the Arizona Restricted Country Test for all periods. RCLCO provides the real estate separate account investment compliance review, and they have completed 21 compliance reviews. They found a few immaterial inconsistencies and all findings have been corrected. Meketa Investment Group performed a compliance review of the commingled funds and non-real estate separate accounts investments. They have completed nine compliance reviews, and no material issues were identified, with an additional 30 funds under review.

Mr. Miller stated he is extremely impressed with all of the compliance protocols and safety procedures that he sees and understands. He asked if peers in other state pensions all go through the same type of compliance protocols?

Mr. Butler stated this is his first compliance role at a pension. He’s not exactly sure how ASRS’s peers operate, however, the ASRS custody bank has many similar clients and MSCI, whom he works with on risk reports, works with many of the ASRS’s larger peers and he discusses what the ASRS is doing compared to other pensions. The rest of the team has been very helpful. Before considering a change, there is a group discussion regarding best-practices and what makes the most sense for the ASRS.

Mr. Copeland added that structurally, the ASRS is different in management and verification of fees and carry.

Mr. Martin indicated he directly sees what six of the best public funds in pension do and he believes the ASRS is one of the best and is in the top five-percent of the peer group. Mr. Martin then indicated that Paul [Matson], because of his background as an investor, and a CEO/CIO, is very focused on this and you see that in the results.

Mr. Matson offered to provide differences for Mr. Miller. One difference is sometimes risk and compliance staff are in different areas, outside of investment management. Sometimes they will be in internal audit for instance. One problem with having risk and compliance work conducted by a non-investment dedicated unit is that they may not have the specialized skill set required to quickly identify problems. They may run reports and see information but they may not have a technical understanding of the data. Mr. Matson then stated that the ASRS Risk and Compliance Officer Mr. Butler has a very significant investment background, and is populated within the investment division but reports to the Director. That is somewhat different.
Secondly, some peers have an individual who is a risk/compliance manager or officer but with a significant number of other management duties. Mr. Butler’s investment background allows the ASRS to utilize his skill set in other investment areas where additional insights can add value. In order to enhance independence, Mr. Butler’s position is a Risk and Compliance “Officer”, not “Manager”. This particular distinction and separation of duties between engaging with the analysis and managing the risk is important. Those positions that manage the investment risk are Chief Investment Officer Mike Viteri, Deputy Chief Investment Officer Samer Ghadder, Deputy Chief Investment Officer Al Alaimo, Portfolio Manager Micheal Copeland, and Executive Director Paul Matson. This ensures you have a separation of duties between the person that is coming in to report to the Board or report to the Executive Director, and say, “Here is another view of risk, did you think about that?” The Risk and Compliance Officer does not engage in the actual decision of mitigating or managing risks.

Mr. Miller thanked Mr. Matson and everyone for explaining this process to him. He explained there have been questions from members concerning the safety of the ASRS pension fund. He believes the ASRS needs to communicate with the members, in simple form, the structure of compliance and the oversight to reassure members that our investments are safe. This presentation provided clarity for him and that needs to be conveyed to members.

Mr. Matson indicated Ms. Pamela Foust, ASRS Communications Manager, was in the audience and took note of Mr. Miller’s comments and will follow up with Mr. Miller after the meeting.

Mr. Viteri closed out the report by presenting the Total Performance Summary for the period ending April 2022. The numbers are preliminary but really close to final. He highlighted the market value of the plan and explained the excess return numbers. Mr. Viteri asked if Mr. Matson had anything else to add; he had none.

Mr. Guillen asked if there were any questions or comments from the Board. Hearing none, he thanked Mr. Viteri’s group and moved to the next item.

6. Presentation Discussion and Appropriate Action Regarding Board Elections of Chair and Vice-Chair

Mr. Guillen announced elections are per the Board Governance Handbook for the Officers, which will take effect July 1, 2022, and carry through the upcoming fiscal year. Hearing no other comments from the other Trustees, Mr. Guillen made the following Motion:

Motion: Mr. René Guillen moved to nominate Trustee Michael Miller as the ASRS Board Vice-chair for the period of July 1, 2022, to June 30, 2023. Ms. Sarah Webber seconded the motion.

By a roll call vote of 7 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved. The Trustee votes were as follows:

- Mr. René Guillen – approved
- Ms. Diane Landis - approved
- Mr. Michael Lofton – approved
- Mr. Kevin McCarthy – excused
Mr. Mike Miller – was present but did not vote
Mr. Jim Mueller – approved
Mr. Jay Petkunas - approved
Ms. Ashley Ruiz – approved
Ms. Sarah Webber – approved

Motion: Ms. Diane Landis moved to nominate Mr. René Guillen as the ASRS Board Chair for the period of July 1, 2022 to June 30, 2023. Mr. Mike Miller seconded the motion.

By a roll call vote of 8 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved. The Trustee votes were as follows:

Mr. René Guillen – approved
Ms. Diane Landis - approved
Mr. Michael Lofton – approved
Mr. Kevin McCarthy – excused
Mr. Mike Miller – approved
Mr. Jim Mueller – approved
Mr. Jay Petkunas - approved
Ms. Ashley Ruiz – approved
Ms. Sarah Webber – approved

Mr. Guillen congratulated Mr. Miller and asked if there were any comments.

Mr. Miller congratulated Mr. Guillen and indicated he does a marvelous job.

Mr. Guillen thanked him and the other Trustees for their votes. He is honored to continue to serve.

7. Presentation Discussion and Appropriate Action Regarding the Director’s Report as well as Current Events

Mr. Guillen asked Mr. Matson to report.

Mr. Matson had nothing to add that had not already been covered, but offered to answer any questions the Trustees had.

Mr. Guillen asked if any of the Trustees had any questions or comment for Mr. Matson. Hearing none, he moved to the next item.

8. Call to the Public

No one from the public requested to address the Board.

Ms. Goodwin advised no one signed in to speak or submitted an email comment.

Mr. Guillen closed the call to the public and moved to the next item.
9. Board Requests for Future Agenda Items

No requests were made.

10. The next regular public ASRS Board meeting is scheduled for Friday, July 22, 2022, at 8:30 a.m.

Mr. Guillen announced the next public ASRS Board meeting is scheduled to begin at 8:30 a.m. on Friday, July 22, 2022.

11. Adjournment of the ASRS Board

Mr. René Guillen adjourned the May 27, 2022, ASRS Board meeting at 10:58 a.m.

Respectfully Submitted by:

Cassie Goodwin
Board Administrator
ARIZONA STATE RETIREMENT SYSTEM