



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

MINUTES OF THE PUBLIC MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM INVESTMENT COMMITTEE

HELD ON
Monday, February 9, 2015
3:00 p.m.

The Arizona State Retirement System (ASRS) Investment Committee (IC) met at 3300 N. Central Avenue, 14th Floor, Phoenix, AZ 85012. Mr. Tom Connelly, Chair of the IC, called the meeting to order at 3:02 p.m.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Tom Connelly, Chair
Prof. Dennis Hoffman, Vice-chair (via teleconference)

A quorum was present for the purpose of conducting business.

Also in attendance was Board Trustee Dr. Richard Jacob.

2. Presentation, Discussion, Update and Appropriate Action Regarding the Asset Allocation Study

Mr. Paul Matson, ASRS Director, provided the Committee with an update on the Asset Allocation Study and the recommended changes to the Asset Allocation Policy. He provided a detailed explanation of the process utilized to develop the model for the recommendations of the study and further noted the key outcomes of the analysis conducted by NEPC and the Investment Management staff.

Mr. Gary Dokes, ASRS Chief Investment Officer, addressed the Committee with the key takeaways of the study, noting the study's primary focus was to position the fund strategically and tactically consistent with where value is perceived over a shorter period versus a longer period of time.

Mr. Martin and Mr. Chris Levell, NEPC Consultants, presented the Committee with the dynamics associated with the Asset Allocation Study approach, noting the major themes linked to the study. Themes referenced included:

- Increased diversification
- Capture tactical opportunities available as a result of market dislocations
- Optimize risk-adjusted returns in a possibly lower expected return environment
- Maintain significant liquidity
- Remain fee and cost conscious

Mr. Levell provided the Committee with a detailed analysis of how each theme directly affected recommendations to the Asset Allocation Policy.

Motion: Professor Dennis Hoffman moved to approve the recommended changes to the Asset Allocation Policy. Mr. Tom Connelly seconded the motion.

By a vote of 2 in favor, 0 opposed, 0 abstentions, 0 excused, 1 vacancy, the motion was approved.

3. Requests for Future Agenda Items

There were no requests for future agenda items.

4. Call to the Public

No members of the public requested to speak.

5. Adjournment

The meeting adjourned at 5:38 p.m.

Respectfully submitted,

ARIZONA STATE RETIREMENT SYSTEM

Gloria Trujillo _____ Date
Investment Committee Administrator

Gary R. Dokes _____ Date
Chief Investment Officer