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# MINUTES: PUBLIC MEETING
# ARIZONA STATE RETIREMENT SYSTEM BOARD

## HELD Thursday, February 26, 2026, 9:00 a.m.

The Arizona State Retirement System (ASRS) Board of Trustees met in public session in the First Floor Board Room of the ASRS Office, 3300 N. Central Avenue, Phoenix, Arizona 85012.

Mr. Michael Miller, Chairperson of the ASRS Board, called the meeting to order at 9:01 a.m.

1. Call to Order; Roll Call; Opening Remarks.

   Present: Mr. Michael Miller, Chairperson
   Ms. Sarah Webber, Vice-chairperson (virtually)
   Mr. Tom Connelly
   Dr. Chuck Essigs
   Mr. Rene Guillen (virtually)
   Mr. Jay Petkunas (virtually)

   Excused: Ms. Ashley DiMaggio Ruiz
   Ms. Diane Landis

   A quorum was present for the purpose of conducting business.

   Ms. Makenzie Sikes, ASRS Board Administrator, provided all attendees with meeting guidelines.

2. Approval of the Consent Agenda:
   a. Minutes of the November 20, 2025, Public Meeting of the ASRS Board
   b. Minutes of the November 20, 2025, Executive Session of the ASRS Board
   c. Minutes of the February 03, 2026, Public Meeting of the ASRS Board
   d. Minutes of the February 03, 2026, Executive Session of the ASRS Board

   Motion: Mr. Tom Connelly moved to approve the Consent Agenda. Ms. Sarah Webber seconded the motion.

   By a roll call vote of 6 in favor, 0 opposed, 0 abstentions, 2 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

   Mr. Michael Miller- approved
   Ms. Sarah Webber – approved
   Mr. Tom Connelly – approved
   Ms. Ashley DiMaggio Ruiz – excused
   Dr. Chuck Essigs – approved
   Mr. Rene Guillen – approved
   Ms. Diane Landis –excused
   Mr. Jay Petkunas – approved

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3. Presentation, Discussion, and Appropriate Action Regarding the ASRS 2026 Legislative Initiatives and Legislative Update.

   Ms. Jessica Thomas, Government Relations Officer and Rules Writer, presented the ASRS 2026 Legislative Initiatives and Legislative Update. Ms. Thomas reported on the three Legislative Initiatives: HB2089 – Health Insurance Premium Benefit Program, HB2090 – Long-Term Disability Program, and HB2092 – Membership Eligibility Waivers. Ms. Thomas stated all three have been passed by the House and are scheduled to be heard by the Senate Finance Committee on March 02, 2026.

   Ms. Thomas also presented information on current bills not belonging to the ASRS that are moving through the legislature. House Bill 2502, relating to elected officials; Senate Bill 1503, relating to proxy voting; Senate Bill 1042, relating to cryptocurrency cap; House Bill 2809, relating to cybersecurity.

   Mr. Miller asked a question regarding any current bills that could have a potentially negative impact on the ASRS. A discussion ensued to clarify.

   Discussion participants: Mr. Michael Miller, Mr. Paul Matson, Ms. Jessica Thomas

4. Presentation, Discussion, and Appropriate Action Regarding NEPC Investment Reporting – Executive Summary of the Investment Committee Presentation:

   a. ASRS Investment Program Update, Market Environment Outlook
   b. Independent Reporting

   Ms. Rose Dean, NEPC, presented information on the third quarter 2025 investment oversight report. She presented the full-year market performance, noting the S&P 500 return rate. Ms. Dean also presented international return rates, fixed-income returns, commodity returns, and stock market returns. She went into detail on the U.S. economy, the third-quarter gross domestic product (GDP) growth, artificial intelligence (AI) spending, and market volatility. Ms. Dean presented the ongoing investment objectives, noting that long-term objectives are met but short-term objectives are only partially met. She presented the total fund performance, the assumed rate of return, the benchmark returns, and the objectives.

   Mr. Miller thanked Ms. Dean for her presentation and for her time.

5. Presentation, Discussion, and Appropriate Action Regarding the ASRS Investment Program – Executive Summary of the Investment Committee Presentation.

   Mr. Michael Viteri, Chief Investment Officer, gave a high-level presentation on the ASRS public and private asset classes. He noted exposures on public market portfolios, index methodology and strategy, performance, and return rates. He also noted private equity performance and excess returns, private equity benchmarks, and co-investments and secondaries strategies within Private Equity. Mr. Viteri presented information on the real estate and credit asset class, noting performance and allocation.

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Mr. Michael Viteri presented information and materials regarding total fund performance for the period ending January 31, 2026.

Mr. Connelly and Mr. Petkunas asked questions regarding proxy voting policy for non-U.S. equities and the types of discounts available on GPs. Discussions ensued to clarify.

Discussion participants: Mr. Tom Connelly, Mr. Robert Butler, Mr. Michael Viteri, Ms. Rose Dean

*Mr. Rene Guillen left the meeting at 9:29 a.m.*

6. Presentation, Discussion, and Appropriate Action Regarding Risk Analysis and Investment Compliance – Executive Summary of the Investment Committee Presentation:

   a. Risk Analysis
   b. Investment Compliance

   Mr. Robert Butler, Investment Risk & Compliance Officer, presented information on the ASRS correlation matrix, portfolio diversification, and contribution to volatility. He noted the effects of each asset class on the portfolio. Mr. Butler gave information on hypothetical stress testing of historical scenarios, followed by a summary of ASRS's largest external managers.

   Mr. Miller asked a question regarding Blackstone investments. A discussion ensued to clarify. Discussion participants: Mr. Michael Miller, Mr. Robert Butler

7. Board Chairperson Announcements Regarding:
   a. Committee Membership Make-Up for the ASRS Investment Committee.
   b. Notice of the Upcoming Board Elections.

   Mr. Miller announced that the ASRS Investment Committee is now a three-member committee consisting of Mr. Jay Petkunas, Chairperson; Mr. Tom Connelly, Vice-Chairperson; and Mr. Rene Guillen, Trustee.

   Mr. Miller announced the upcoming Board Elections that will take place at the next Board meeting.

   Discussion participants: Mr. Michael Miller, Mr. Paul Matson

8. Summary of Current Events.

   Mr. Paul Matson, Executive Director, announced the retirement of a long-term ASRS employee, Ms. Martha Rozen, Chief of Administrative Services. Mr. Matson described Ms. Rozen's career, which began at the Arizona Department of Liquor Licenses and Control, where she spent approximately 8 years, followed by approximately 2 years at the Arizona Residential Utility Consumer Office, then approximately 10 years at the Department of Economic Security. Mr. Matson described how Ms. Rozen then found the ASRS, where she has spent the past 25 years of her career. Ms. Rozen has also had a couple of private-sector engagements but has dedicated most of her career to the State of Arizona. Mr. Matson stated that he and many others would agree that she makes Arizona better for everyone.

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Ms. Rozen began at the ASRS in September 2001, tasked with improving the building's security. Mr. Matson noted her various accomplishments, including managing a complex budget to enable the ASRS to create what is now an outstanding member advisory center, starting with a temporary workforce and moving into a permanent one. Ms. Rozen facilitated a $45 million information technology budget to develop the ASRS pension administration system, working with the State Procurement Office to obtain the necessary procurement authority. She also led the digitalization of the procurement and human resources files. She also facilitated enabling the ASRS to have a dedicated procurement officer working within certain statutory limits.

When asked about her accomplishments, Ms. Rozen said the best accomplishment at the ASRS was the amazing team of professionals she has in the Administrative Services Division. Mr.

Matson noted that Ms. Rozen had made this compliment for her team. Mr. Matson then stated that the terms he would use to describe Ms. Rozen would be honest, professional, enthusiastic, a great listener, and of upstanding character.

Mr. Matson also described Ms. Rozen’s volunteer work, noting her time as the Chair of One Arizona Credit Union, and that she is the current Chair of the Enterprise Risk Management and Compliance Committee and serves both the Governance and Finance Committee and the Western Credit Union League of Credit Unions. Ms. Rozen has worked with credit union movements in countries that include Kenya, Ghana, Barbados, Costa Rica, Brazil, Guatemala, Peru, and St. Lucia.

Mr. Matson noted her personal achievements, such as hiking Mount Kilimanjaro, and being nominated in 2020 for the Women Achievers of the Year Award. Post retirement, Ms. Rozen will go on to teach English to Spanish-speaking adults and continue with her credit union endeavors.

Mr. Matson thanked Ms. Rozen on behalf of the ASRS for all she has done to make Arizona such a wonderful place to live. He wished her a fantastic future full of new successes and new rewards. Mr. Matson then read aloud a Certificate of Recognition from the Governor of Arizona, thanking and commending her for her admirable service.

Mr. Miller offered his thanks and congratulations, stating that Mr. Matson’s comments were well deserved. Ms. Sarah Webber posted a comment in the Zoom chat congratulating Ms. Rozen and thanked her for her incredible service to the State of Arizona and to the ASRS.

9. Supplemental Operations Reports for Possible Presentation, Discussion, and Appropriate Action:

    a. 2026 Operations Report
    b. 2026 Budget & Staffing Reports
    c. 2025 & 2026 Cash Flow Statements
    d. 2026 Appeals Report
    e. 2026 Employers Reporting
    f. 2025 Quarter 4 Travel Report

    There were no additional comments or materials.

10. Call to the Public.

    No one from the public requested to address the Board.

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11. Board Member or Executive Director Requests for Future Agenda Items.

    Mr. Connelly requested a future agenda topic regarding an ASRS securities lending policy. Mr. Matson asked to recall agenda item #8, Summary of Current Events. Mr. Matson gave a brief rundown of the ASRS securities lending program, noting that it is bifurcated into two parts: internal and external. Mr. Matson gave a high-level summary of the difference.

12. The next regular public ASRS Board meeting is scheduled for Thursday, May 21, 2026.

    Mr. Miller announced that the next regular public ASRS Board meeting is scheduled to begin at 9:00 a.m. on Thursday, May 21, 2026.

13. Presentation, Discussion, and Appropriate Action Regarding the Board Governance Evaluations.

    a. Trustees' 2025 Self-Evaluation
    b. Board 2025 Overall Evaluation
    c. Key Issues in 2025
    d. Focus Areas for 2026

    Mr. Miller opened the Board governance self-evaluation discussion with the Trustees.

    Mr. Miller began the dialogue with the Board, noting that Mr. Connelly and Dr. Essigs had only recently joined. Mr. Miller offered his insight and opened the discussion to the Board. Mr.

    Connelly noted that processes from his previous term as Trustee at the ASRS seem to have improved. Mr. Miller echoed Mr. Connelly's comments, noting the call center and the customer service the ASRS has. Dr. Essigs noted the importance of member service and that it should remain a top priority. Ms. Webber commented on the positive trajectory of implementing continuous improvement year after year.

    Mr. Miller asked the other Board members to keep the evaluation documents available for periodic assessment throughout the year to ensure they are meeting their responsibilities and to determine what the Board needs to address in the future. Mr. Miller also noted that it was important for all Trustees to complete the board evaluation annually.

    Discussion participants: Mr. Michael Miller, Ms. Sarah Webber, Mr. Tom Connelly

14. Presentation, Discussion, and Appropriate Action Regarding the Employment Agreement of the Executive Director of the ASRS.

    Motion: Mr. Tom Connelly moved to go into executive session pursuant to A.R.S. § 38-431.03(A)(1) for the purpose of discussion of the Director's employment agreement. Dr. Chuck Essigs seconded the motion.

    By a roll call vote of 5 in favor, 0 opposed, 0 abstentions, 3 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

    Mr. Michael Miller- approved
    Ms. Sarah Webber – approved

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Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – excused
Dr. Chuck Essigs – approved
Mr. Rene Guillen – excused
Ms. Diane Landis –excused
Mr. Jay Petkunas – approved

BOARD CONVENED TO EXECUTIVE SESSION: 10:08 a.m.
EXECUTIVE SESSION CONCLUDED: 10:27 a.m.
BOARD RECONVENED TO PUBLIC SESSION: 10:30 a.m.
*Mr. Rene Guillen rejoined the meeting during the executive session at 10:18 a.m.*

Mr. Miller reconvened the Open Session. Ms. Makenzie Sikes called the roll. A quorum of the Board was present to conduct business.

Motion: Mr. Jay Petkunas moved to approve the amended employment agreement of the Executive Director as stated in executive session. Mr. Tom Connelly seconded the motion.

By a roll call vote of 6 in favor, 0 opposed, 0 abstentions, 2 excused, and 1 vacancy, the motion was approved. The Trustee votes were as follows:

Mr. Michael Miller- approved
Ms. Sarah Webber – approved
Mr. Tom Connelly – approved
Ms. Ashley DiMaggio Ruiz – excused
Dr. Chuck Essigs – approved
Mr. Rene Guillen – approved
Ms. Diane Landis –excused
Mr. Jay Petkunas – approved

Mr. Miller reconvened the Open Session. Ms. Makenzie Sikes called the roll. A quorum of the Board was present to conduct business.

15. Adjournment of the ASRS Board.
    Mr. Miller adjourned the February 26, 2026, ASRS Board meeting at 10:32 a.m.

Respectfully Submitted by: Makenzie Sikes
Board Administrator

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