

TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES

Legal Action Report
Thursday, January 22, 2015

Call to order – Chairman Fleming called the meeting to order at 8:30 AM.

A. Consent Agenda

1. Approval of December 30th Board Meeting Minutes
2. Retirement ratifications for December 2015
3. December 2014 TSRS expenses and revenue compared to budget

Motion to approve Consent Agenda made by John O'Hare, 2nd by Curry Hale, passed a vote of 6-0 (Kevin Larson absent).

B. Disability Applications *

1. Jesus Lucero

Motion to approve Disability Retirement Application for Jesus Lucero was made by Eric Kay, 2nd by Silvia Amparano, passed by a vote of 6-0 (Kevin Larson absent).

2. Kevin Koelln

Motion to enter Executive Session was made by John O'Hare, 2nd by Eric Kay, passed by a vote of 6-0 (Kevin Larson absent). Motion to return to Regular Session was made by Curry Hale, 2nd by Eric Kay, passed by a vote of 7-0. Motion to deny Disability Retirement Application for Kevin Koelln was made by Curry Hale, 2nd by Silvia Amparano, passed by a vote of 7-0.

C. Investment Activity Report

1. PIMCO/Lehman Brothers Settlement Information – Board Direction for Settlement

It was moved by Eric Kay, duly seconded by Curry Hale, and carried by a voice vote of 7 to 0, to move forward with the PIMCO settlement.

2. Due Diligence Interviews for Selection of Non-US Equity Small Cap Managers

- a. MFS Investment Management

Presentation given, discussion held. No formal action taken.

- b. Brandes Investment Partners, L.P.

Presentation given, discussion held. No formal action taken.

- c. American Century Investment Management

Presentation given, discussion held. No formal action taken.

- d. Board discussion and decision concerning selection of Non-US Small Cap Manager

Discussion held. This item was continued to the meeting of February 26, 2015.

3. TSRS Portfolio composition, transactions and performance review for 12/31/14

Report given. No formal action taken

E. Articles for Board Member Education / Discussion

1. Further Management Changes at PIMCO (Callan information on PIMCO Management changes 1/13/2015)

This item was taken out of order. Report given, discussion held. No formal action taken.

D. Administrative Discussions

1. 2014 Disability Audit Report

Report given, discussion held.

2. Board approval of benefit changes resulting from non-compliance

Motion to discontinue benefits for non-compliance regarding the 2014 Disability Audit made by John O'Hare, 2nd by Eric Kay, approved by a vote of 5 to 0 (Robert Fleming and Curry Hale absent).

E. Articles for Board Member Education / Discussion

2. Further Management Changes at PIMCO (Callan information on PIMCO Management changes 1/13/2015)

This item was taken out of order and considered after item C3.

F. Call to Audience

Reports received. No formal action taken.

G. Future Agenda Items

1. February 26, 2015 TSRS Board meeting – Causeway Annual Manager Review, Due Diligence Interview for International Opportunity Strategy Fund (Emerging Equity Market Strategy)

2. March 26, 2015 meeting - Board Governance Policies and Fiduciary Training Refresher – Cassie Langford, and T Rowe Price and Pyramis Annual Investment Manager Reviews

H. Adjournment – 11:35 AM