

Accolade for portfolio construction, innovation and long-term capabilities

Arizona's Public Safety Personnel Retirement System, PSPRS, was named "Allocator of the Year" from Institutional Investor Magazine for its use of highly diverse investments to tamp down portfolio risk.

PSPRS, which manages more than \$9 billion in assets, was one of nine pensions in North America to receive an individual honor as part of the international finance magazine's 2017 Public Funds Roundtable Awards. Winners were nominated by peer pension plans and selected by the publication's executive staff.

The awards criteria included investment excellence and innovation, positioning a portfolio for long-term performance, successful construction and management of a complex portfolio, as well as internal investment leadership.

Institutional Investor Magazine also paid close attention to how PSPRS rotates investment team portfolio managers through different asset classes. This practice fosters critical and neutral analysis of investment opportunities and a collaborative approach to decision making.

"We're thrilled with this recognition of our efforts to build a stable investment portfolio that can protect our members, local governments and taxpayers and still generate returns," said PSPRS Deputy Chief Investment Officer Mark Steed, who accepted the award on behalf of PSPRS. "We're also grateful that

the value of this strategy is recognized by our peers and investment experts.”

Last fiscal year, PSPRS achieved a return of 0.6 percent net of fees. While low, the returns placed PSPRS among the top third of peer pension funds despite the fact that PSPRS took less risk than nearly all – 96 percent – of peers. No public pension funds met their assumed earnings rate last fiscal year and many even lost money.

PSPRS performance over the 1, 3 and 5-year periods has been particularly outstanding in private equity and private credit asset classes, although real estate investments made by prior PSPRS administrations have prevented overall returns from reaching elite status over the 10-year period.