



Investment Committee

Open Session Meeting Summary

March 17, 2021

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met via videoconference on March 15, 2021.

THE COMMITTEE approved the following:

- AGENDA ITEM 7a
The recommendation to select Candidate Portfolio One for the Long-Term Care strategic asset allocation.
- AGENDA ITEM 9a
To affirm and maintain CalPERS' current divestments from tobacco; companies which sell firearms illegal for private ownership in California; companies with specified business operations in Iran and Sudan; and, companies that generate 50% or more of their income from the mining of thermal coal.

The Committee received reports on the following topics:

- An overview of key risk concepts as part of the Asset Liability Management process.
- Semi-annual trust-level review from the Board's Investment Consultants and staff.
- A report on the Corporate Governance Program's proxy voting and corporate engagement work streams.
- The Chair directed staff to:
 - Provide an article to the Board related to pension obligation bonds, as discussed during the meeting.
 - Consider having additional education and analysis on the impact of Special Purpose Acquisition Companies.
 - Develop a list of divestment requests which CalPERS has opted to choose engagement as opposed to divestment.
 - Conclude analysis and develop a plan, by the end of 2021, resulting from the engagement of three companies identified that mine thermal coal

The Committee heard public comment on the following topics:

- CalPERS' investment risks;
- Board policy; and,
- A labor dispute.

At this time, I would like to share some highlights of what to expect at the June 2021 Investment Committee meeting:

- A first reading of proposed updates to the Total Fund Investment Policy;
- An update on the Sustainable Investment Strategic Plan; and,
- More information on the Asset Liability Management Process.

The next meeting of the Investment Committee is scheduled for June 14, 2021, via videoconference.