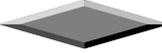



**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

October 15, 2012



The Investment Committee met on Monday, October 15, 2012 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 12:08 p.m. and the following members were present:

Henry Jones, Chair
George Diehr, Vice-Chair
Michael Bilbrey
Julie Chapman, represented by Darlene Schell
John Chiang
Richard Costigan
Dan Dunmoyer
Rob Feckner
JJ Jelincic
Bill Lockyer
Priya Mathur
Bill Slaton

John Chiang was represented by Terrence McGuire.

Bill Lockyer was represented by Pam Milliron.

AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer (CIO) Briefing

Joseph Dear, Chief Investment Officer, provided the CIO Briefing. Mr. Dear highlighted key changes in the current state and outlook of the financial markets since the last report.

AGENDA ITEM 3 – CONSENT ITEMS

On **MOTION** by Mr. Costigan, **SECONDED** and **CARRIED**, that the following action consent items be approved as presented. The motion passed.

- a. Approval of the September 10, 2012 Open Session Meeting Minutes
- b. Revision of the Supplemental Income Plans CalPERS Risk-Based and Target Retirement Date Funds Policy

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the November 13, 2012 Committee Meeting
- c. Total Fund Monthly Update

AGENDA ITEM 5a – POLICY & DELEGATION, Adoption of the Multi-Asset Class Partners Program

Ed Robertiello, Senior Portfolio Manager, presented the item. Carol Moody, Senior Portfolio Manager, and Michael Schlachter with Wilshire Associates, the Board's Primary Pension Consultant, were available to answer questions from the Committee. The presentation included a discussion of the unique characteristics of the Multi-Asset Class Partners Program and an update on the development of the Program.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve the adoption of the Multi-Asset Class Partners Program Policy. The motion passed.

AGENDA ITEM 5b – POLICY & DELEGATION, Revision of the Global Fixed Income Delegation Resolution for Professional Staff

Curtis Ishii, Senior Investment Officer, presented the item. It was noted that the revision to the Delegation provides clarity regarding staff's authority to execute the Currency Overlay Program using either external or internal management.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve the revision of the Global Fixed Income Delegation Resolution for Professional Staff. The motion passed.

AGENDA ITEM 5c – POLICY & DELEGATION, Revision of the Role of the Private Asset Class Board Investment Consultants Policy

Joseph Dear, Chief Investment Officer, Réal Desrochers, Senior Investment Officer, and Mike Moy with Pension Consulting Alliance, the Board's Private Equity Investment Consultant, presented the item. The presentation included staffs' recommendation to revise the Role of the Private Asset Class Board Investment Consultants Policy to eliminate the requirement to obtain a Prudent Person Opinion subject to a fiduciary standard of care for certain Private Equity investments.

On **MOTION** by Mr. Diehr, **SECONDED** and **CARRIED**, to approve the revision of the Role of the Private Asset Class Board Investment Consultants Policy. The motion passed.

AGENDA ITEM 6a – TOTAL FUND, California Public Divest from Iran Act

Anne Simpson, Senior Portfolio Manager, presented the item. The presentation included an overview of the methodology utilized by staff to evaluate companies which may be subject to the provisions of the California Public Divest from Iran Act and staffs' recommendation to approve six companies as not subject to the provisions of the Iran Act.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to approve the determination that the six identified companies are not subject to the provisions of the Iran Act. In accordance to the provisions of the Iran Act an electronic roll-call vote was taken. The motion passed.

<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Michael Bilbrey	Rob Feckner	
Darlene Schell	JJ Jelincic	
Terrence McGuire	Pam Milliron	
Richard Costigan	Priya Mathur	
Dan Dunmoyer	Bill Slaton	
George Diehr		

The Committee recessed from 1:08 p.m. to 1:55 p.m.

AGENDA ITEM 7a – PROGRAM REVIEW, CalPERS Infrastructure Outreach Effort Final Report

Senior Portfolio Managers Laurie Weir and Randall Mullan presented the item. David Altshuler with Meketa Investment Group Inc., the Board’s Infrastructure Investment Consultant, was available to answer questions. The presentation included an overview of the Infrastructure Outreach Events concluded earlier in 2012, key deliverables from the events, and possible next steps.

It was noted that as opportunities arise, the CalPERS Infrastructure Program will continue outreach efforts including discussions with financial advisors and government agencies regarding efforts to increase infrastructure investment opportunities. The Chair directed Bill Slaton to represent the Investment Committee as appropriate at these upcoming meetings.

Public comment in support of the Infrastructure Outreach Events was heard from Dennak Murphy with the Service Employees International Union (SEIU).

AGENDA ITEM 7b – PROGRAM REVIEW, Global Fixed Income Programs Update

The presentation of this item was deferred due to time constraints at the meeting.

AGENDA ITEM 7c – PROGRAM REVIEW, Affiliate Investment Programs

The presentation of this item was deferred due to time constraints at the meeting.

AGENDA ITEM 8 – PUBLIC COMMENT

No additional public comments were provided at the meeting.

The meeting was adjourned at 2:41p.m.

The next Committee meeting is scheduled for November 13, 2012 in Sacramento, California.

ANNE STAUSBOLL
Chief Executive Officer