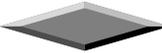


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

May 19, 2014



The Investment Committee (Committee) met on May 19, 2014 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 10:42 a.m. and the following members were present:

Henry Jones, Chair
Michael Bilbrey
John Chiang
Richard Costigan
Rob Feckner
Richard Gillihan, represented by Darlene Schell
JJ Jelincic
Ron Lind
Bill Lockyer, represented by Frank Moore
Priya Mathur
Bill Slaton

John Chiang was also represented by Terrence McGuire.
George Diehr was excused.

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

Ted Eliopoulos, Interim CIO, provided the briefing by highlighting key topics for the day's meeting.

AGENDA ITEM 3 – CONSENT ITEMS

On **MOTION** by Ms. Schell, to approve the consent item, **SECONDED** and **CARRIED**, that the following action consent item be approved as presented. The motion passed.

- a. Approval of the Meeting Minutes

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for June 2014
- c. Total Fund Monthly Update – Performance and Risk
- d. Total Fund Monthly Update – Investment Compliance

AGENDA ITEM 5a – POLICY & DELEGATION, Revision of Asset Allocation Strategy Policy

Eric Baggesen, Senior Investment Officer, presented the item. The presentation included an overview of several changes to the Asset Allocation Strategy Policy (Policy) in follow up to the initial review conducted at the April 2014 Committee meeting.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to adopt the Policy as presented by staff. Mr. Jelincic voted no. The motion passed.

AGENDA ITEM 6a – TOTAL FUND, Amendments to the Global Principles for Accountable Corporate Governance

Anne Simpson, Senior Portfolio Manager, presented the item. The presentation included an overview of the Global Principles for Accountable Corporate Governance (Global Principles), and the changes recommended by staff. Andrew Junkin, with Wilshire Associates, responded to questions from the Committee.

On **MOTION**, by Ms. Mathur, **SECONDED** and **CARRIED**, to approve the revision of the Global Principles as presented by staff. The motion passed.

AGENDA ITEM 7a – PROGRAM REVIEWS, Global Governance Program Review

Anne Simpson, Senior Portfolio Manager, presented the item. The presentation included an overview of key initiatives, progress to date, and accomplishments of the Global Governance Program. The item also included a discussion of CalPERS Emerging Equity Markets Principles, its relationship with the Global Principles, and implications for the Total Fund.

AGENDA ITEM 8a – POLICY & DELEGATION, Proposed Revision of the Statement of Investment Policy for Insider Trading – Initial Review

Gina Ratto, Interim General Counsel, presented the item. Michael Schlachter, with Wilshire Associates, responded to questions from the Committee. It was noted that staff plans to continue to distribute the Restricted List to staff who actively trade securities on behalf of CalPERS.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve, without need for a second reading, the revision of the Statement of Investment Policy for Insider Trading to reflect CalPERS current practices regarding dissemination of the Restricted Company List and conform the definition of the Restricted Person as used in the Policy to the definition of Covered Person as used in the CalPERS Personal Trading Regulation. Mr. Jelincic voted no. The motion passed.

The Committee recessed at 12:47 p.m. to 1:33 p.m.

AGENDA ITEM 9a – BUSINESS PLAN/ ROAD MAP, Investment Office Roadmap and Target Operating Model Update

Ted Eliopoulos, Interim CIO, and Wylie Tollette, Chief Operating Investment Officer, presented the item. The presentation included an overview of how the Investment Office Roadmap fits into the CalPERS Strategic Plan, as well as key accomplishments and upcoming initiatives of the Investment Office Target Operating Model.

AGENDA ITEM 10 – PUBLIC COMMENT

Public comment was received from Michael Ring, with the SEIU Capital Stewardship Program, in support of CalPERS efforts to increase retirement security.

The meeting adjourned at 2:19 p.m.

The next Committee meeting is scheduled for June 16, 2014 in Sacramento, California.

ANNE STAUSBOLL
Chief Executive Officer