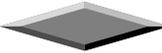


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

February 17, 2015



The Investment Committee (Committee) met on February 17, 2015 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 10:40 a.m. and the following members were present:

Henry Jones, Chair
Michael Bilbrey
John Chiang
Richard Costigan
Rob Feckner
Richard Gillihan
Dana Hollinger
JJ Jelincic
Ron Lind
Priya Mathur
Bill Slaton
Theresa Taylor
Betty Yee

John Chiang was also represented by Frank Moore.
Richard Gillihan was also represented by Darlene Schell.

AGENDA ITEM 2 – Election of the Chair and Vice Chair of the Investment Committee

Mr. Feckner opened the floor for nominations for the Chair of the Investment Committee. Mr. Costigan nominated Mr. Jones to serve as Chair of the Investment Committee. No further nominations were made. On **MOTION** by Mr. Feckner, **SECONDED** and **CARRIED**, to elect Mr. Jones as Chair. The motion passed.

Mr. Jones opened the floor for nominations for the Vice Chair of the Investment Committee. Mr. Gillihan nominated Mr. Slaton to serve as Vice Chair of the Investment Committee. No further nominations were made. On **MOTION** by Mr. Feckner, **SECONDED** and **CARRIED**, to elect Mr. Slaton as Vice Chair of the Investment Committee. The motion passed.

AGENDA ITEM 3 – EXECUTIVE REPORT, Chief Investment Officer (CIO) Briefing

Ted Eliopoulos, CIO, provided the CIO Briefing, including reflections on the day's agenda and how select agenda items support CalPERS' Investment Beliefs.

AGENDA ITEM 4 – CONSENT ITEMS

On **MOTION** by Mr. Bilbrey, **SECONDED** and **CARRIED**, to approve the following action consent items as presented. Ms. Yee abstained. The motion passed.

- a. Approval of the December 15, 2014 Meeting Minutes
- b. Report to the California Legislature – Holocaust Era and Northern Ireland

AGENDA ITEM 5 – CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for March 2015 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

AGENDA ITEM 6a – TOTAL FUND, Investment Legislative and Policy Engagement Guidelines

Danny Brown, Division Chief, presented the item. It was noted that the proposed guidelines serve as a framework for staff to engage on legislative, regulatory, and policy proposals. The Committee discussed that there were several elements that warranted additional discussion and review prior to adoption.

Anne Simpson, Senior Portfolio Manager, responded to questions from the Committee.

AGENDA ITEM 7a – TOTAL FUND, Trust Level Review – Consultant Report

Julia Bonafede and Andrew Junkin with Wilshire Associates presented the item. The presentation included commentary on the performance and risk profiles of the Public Employees' Retirement Fund and the Affiliate Funds for the period ended December 31, 2014, and Wilshire's observations on current economic conditions.

Michael Moy, Andrew Bratt, David Glickman, and Dillon Lorda with Pension Consulting Alliance Inc. presented an overview of their respective comments on the performance and risk of the Private Equity and Real Estate programs.

AGENDA ITEM 7b – TOTAL FUND, Trust Level Review

Ted Eliopoulos, Chief Investment Officer, Wylie Tollette, Chief Operating Investment Officer, Eric Baggesen, Senior Investment Officer, and John Rothfield, Portfolio Manager, presented the item. The presentation included additional commentary on the investment performance and risk profiles of the Public Employees' Retirement Fund and the Affiliate Funds. Additionally, Mr. Baggesen provided an overview of the "value at risk" and "counterparty risk" elements of the Trust Level Review reports.

AGENDA ITEM 8a – POLICY & DELEGATION, Proposed Consolidation of Total Fund Investment Policy and Repeal of Legacy Policies – Initial Review

Wylie Tollette, Chief Operating Investment Officer, presented the item. It was noted that many of the revisions were focused on streamlining the Total Fund Statement of Investment Policy by reducing redundancy and removing procedural language.

AGENDA ITEM 8b – POLICY & DELEGATION, Proposed Establishment of the Statement of Investment Policy for Global Governance and Integration of Existing Policies – Initial Review

Wylie Tollette, Chief Operating Investment Officer, and Anne Simpson, Senior Portfolio Manager presented the item. The presentation included an overview of the proposed establishment of a Statement of Investment Policy for the Global Governance Program and integration of three legacy policies.

AGENDA ITEM 9a – PROGRAM REVIEWS, Global Governance Program Update

Anne Simpson, Senior Portfolio Manager, presented the item. The item included an overview of the Global Governance Program's initiatives and accomplishments over the previous quarter.

AGENDA ITEM 10 – PUBLIC COMMENT

No additional public comment was received.

The meeting adjourned at 3:19 p.m.

The next Committee meeting is scheduled for March 16, 2015 in Sacramento, California.

ANNE STAUSBOLL
Chief Executive Officer