

# CaIPERS

## *Monthly Update – Investment Compliance*

**MONTH ENDING JANUARY 31, 2015**

**CalPERS Monthly Update - Investment Compliance**

As of January 31, 2015

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Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

Investment Proposal Activity Summary

Policy Exceptions

Disclosure of Closed Session Action Items

Investment Transactions

**Items Completed Under Delegated Authority** *(for the month ended January 31, 2015)*

<b>Program Area</b>	<b>Name of Investment</b>	<b>Commitment (million)</b>	<b>Initial Funding Date of Partnership</b>	<b>Complies with Delegation Number</b>
Private Equity	Blackstone Tactical Opportunities Fund (KG Co-Invest) L.P.	\$100	Jan-15	07-02-INV II (C) 1
Real Assets	Bentall Kennedy OpCo	\$28.9	Jun-12	11-01-INV
Real Assets	Canyon Catalyst Fund, LLC	\$75	Sep-12	11-01-INV
Global Equity	TOBAM SAS	\$764	May-11	07-03-INV (C) 2
Global Equity	Wasatch Advisors, Inc.	\$100	Jan-14	07-03-INV (C) 2

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2015)*


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<b>Firm Name</b>	
<b>Asset Class</b>	Nothing to report
<b>Fund</b>	
<b>Placement Agent / Firm</b>	
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	
<b>Registered Lobbyist(s)</b>	
<b>Estimated Placement Agent Compensation</b>	
<b>Disclosed Campaign Gifts and Contributions</b>	
<b>Notes</b>	
<b>Transaction Type</b>	

**Investment Proposal Activity Summary (for the month ended January 31, 2015)**

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
<b>Start of Month Proposals</b>	36	0	8	24	0	1	1	70
<b>New Proposal During the Month</b>	10	0	8	3	8	0	2	31
<b>Reinstated Proposal During Month</b>	0	0	0	0	0	0	0	0
<b>Decisions During the Month</b>	18	0	2	1	0	0	1	22
<b>End of Month Proposals</b>	28	0	14	26	8	1	2	79

**Status Details**

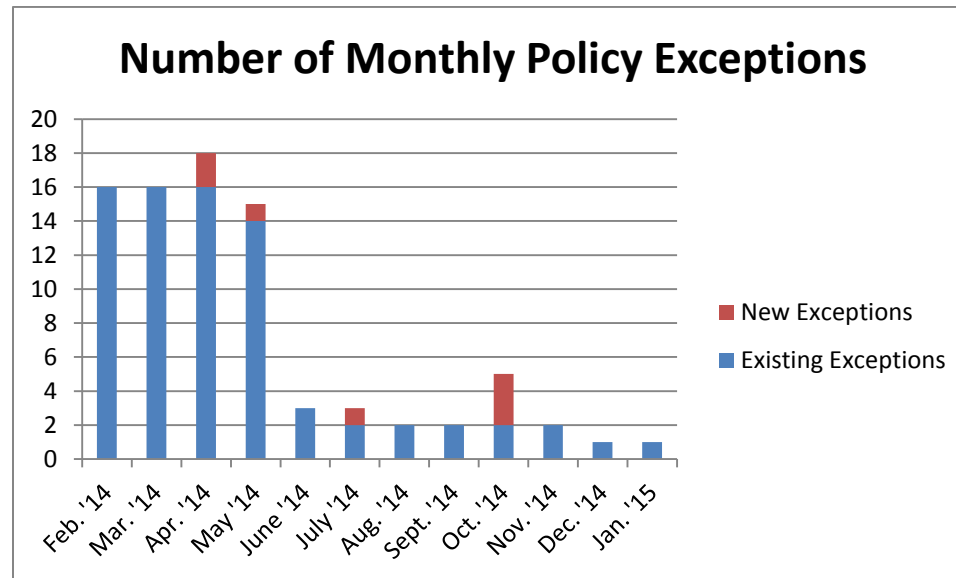
Status	Private Asset Classes				Public Asset Classes			Total
	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	
<b>Start of Month Proposals</b>								
Submitted	0	0	0	1	0	0	0	1
Screening	28	0	6	22	0	1	1	58
Due Diligence	5	0	2	1	0	0	0	8
Approved	3	0	0	0	0	0	0	3
<b>Subtotal</b>	<b>36</b>	<b>0</b>	<b>8</b>	<b>24</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>70</b>
<b>New Proposals During the Month</b>								
<b>Subtotal</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>31</b>
<b>Reinstated Proposals During Month</b>								
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Decisions During the Month</b>								
Committed	1	0	0	0	0	0	0	1
Declined	10	0	1	0	0	0	1	12
Failed to Materialize	1	0	1	0	0	0	0	2
Referred	6	0	0	1	0	0	0	7
<b>Subtotal</b>	<b>18</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>22</b>
<b>End of Month Proposals</b>								
Submitted	1	0	0	4	0	0	0	5
Screening	20	0	13	21	8	1	2	65
Due Diligence	6	0	1	1	0	0	0	8
Approved	1	0	0	0	0	0	0	1
<b>Subtotal</b>	<b>28</b>	<b>0</b>	<b>14</b>	<b>26</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>79</b>

**Policy Exceptions** (for the month ended January 31, 2015)

**Material Exceptions to Policy**

According to policy requirements, the following is a summary of investment policy exceptions as reported by the Investment Office program areas. The following program areas had no exceptions to report for the month:

- Private Equity
- Real Assets
- Absolute Return Strategies
- Global Governance
- Investment Servicing Division
- Global Equity
- Risk and Asset Allocation



**Policy Exceptions** (for the month ended January 31, 2015)

**New:**

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
No issues to report					

**Existing:**

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Fixed Income (Sec Lending)	12/21/2007	1/30/2015	Statement of Investment Policy for Securities Lending	"Ironside Holdings" was downgraded and no longer meets rating standards specified by the Policy.	<p>Ironside Holdings is a pass through note collateralized with a pro rata slice of the underlying securities from the old Victoria Finance SIV. This SIV was originally acquired in 2007 as part of the securities lending collateral reinvestment program. Ironside Holdings is unrated and is in pay down mode with a final expected cash flow occurring in 2036. Given the large number of underlying securities along with small positions in each security, and the illiquid nature of many of the underlying securities, the Ironside Holdings position has an indicative market price of \$58 while the projected principal recovery value of the underlying securities is around \$75.</p> <p>Per the Policy, the Global Fixed Income Senior Investment Officer (SIO) has the authority to maintain this position in the best interest of the PERF. The Global Fixed Income SIO believes the current pricing of the Ironside Holdings pass through note is undervalued and recommends holding the security.</p> <p>In January 2015 the SIO proposed, and the COIO and Wilshire approved, moving Ironside Holdings into the Domestic Fixed Income Program, out of Securities Lending, as the security is not eligible for either collateral or lending.</p>

**Disclosure of Closed Session Action Items** *(for the month ended January 31, 2015)*

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	Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
	No items to report			



**Investment Transactions (for the month ended January 31, 2015)**

	Total Fund - Public Markets						
	Public Equity	REIT	Income	Inflation	ARS	Liquidity	MAC
<b>Beginning Market Value</b>	156,784,838,075	26,590	53,624,297,072	14,791,159,943	2,751,897,376	6,634,619,173	1,166,743,750
<b>+ Purchases</b>	2,539,283,535.43		3,652,062,039.51	2,709,728,093.30	-	659,924,172.91	-
<b>- Sales</b>	(4,122,720,392.63)	-	(4,821,052,755.96)	(3,017,164,514.58)	(499,062,239.42)	(672,069,273.94)	-
<b>+ Unitized Fund Purchases</b>	-	-	-	-	-	-	-
<b>- Unitized Fund Sales</b>	-	-	-	-	-	-	-
<b>+/- Other Changes in MV</b>	(962,619,712)	(871)	2,826,208,480	258,732,264	48,742,363	(428,014,280)	40,406,550
<b>Ending Market Value</b>	154,238,781,505	25,718	55,281,514,836	14,742,455,786	2,301,577,500	5,935,765,513	1,207,150,300

	Total Fund - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
<b>Beginning Market Value</b>	30,469,675,774	25,245,416,008	2,247,375,246	2,090,213,040
<b>+ Contributions</b>	232,849,807	(272,550,383)	-	5,204,605
<b>- Distributions</b>	(496,482,671)	(229,802,702)	-	(10,790,300)
<b>+/- Other Changes in MV</b>	(478,951,414)	502,352,214	-	5,585,695
<b>Ending Market Value</b>	29,727,091,496	25,245,415,137	2,247,375,246	2,090,213,040

	Total Public Markets	Total Private Markets	Total Fund
<b>Beginning Market Value</b>	235,753,581,979	60,052,680,068	295,806,262,047
<b>+ Contributions</b>	9,560,997,841	(34,495,971)	9,526,501,870
<b>- Distributions</b>	(13,132,069,177)	(737,075,673)	(13,869,144,850)
<b>+ Unitized Fund Purchases</b>	-	-	-
<b>- Unitized Fund Sales</b>	-	-	-
<b>+/- Other Changes in MV</b>	1,524,760,516	28,986,495	1,553,747,010
<b>Ending Market Value</b>	233,707,271,159	59,310,094,919	293,017,366,077

Note: Numbers will not tie exactly to the Asset Allocation/Performance categories due to classification differences.