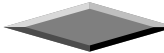


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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
INVESTMENT COMMITTEE**

**MINUTES OF MEETING  
OPEN SESSION**

**March 16, 2015**

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The Investment Committee (Committee) met on March 16, 2015 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 10:56 a.m. and the following members were present:

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

**AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing**

Ted Eliopoulos, Chief Investment Officer (CIO) took a moment of personal privilege to introduce Mr. Paul Mouchakkaa, Senior Investment Officer for Real Assets. Mr. Eliopoulos provided the CIO Briefing, including an update on current market conditions and the implications for CalPERS' portfolio positioning and outlook.

**AGENDA ITEM 3 – CONSENT ITEMS**

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

- a. Approval of the February 17, 2015 Meeting Minutes

#### **AGENDA ITEM 4 – CONSENT ITEMS**

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the April 13, 2015 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

#### **AGENDA ITEM 5a – COMMITTEE GOVERNANCE, Review of the Investment Committee Delegation**

Ted Eliopoulos, CIO, and Wylie Tollette, Chief Operating Investment Officer (COIO), presented the item. It was noted that no changes were recommended for the Committee's consideration at this time.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to recommend the delegation with no changes to the Board of Administration for consideration. The motion passed.

#### **AGENDA ITEM 6a – POLICY & DELEGATION, Adoption of Total Fund Investment Policy and Repeal of Legacy Policies**

Wylie Tollette, COIO, 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.

On **MOTION** by Mr. Lind, **SECONDED** and **CARRIED**, to adopt the revised Total Fund Policy, and repeal fifteen legacy policies as presented by staff. The motion passed.

#### **AGENDA ITEM 6b – POLICY & DELEGATION, Adoption of the Global Governance Policy and Integration of Legacy Policies**

Wylie Tollette, COIO, 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 (Policy) and repeal of three legacy policies that were integrated into the new proposed Policy. The Committee discussed the definition of "diversity" established in section 2.2 of the proposed Policy.

On **MOTION** by Mr. Chiang, to revise the definition of diversity in Section 2.2. of the Policy to reflect that diversity includes members of the LGBT community, **SECONDED**. Ms. Mathur proposed a substitute motion, **SECONDED** and **CARRIED**, to amend the

Policy to incorporate Mr. Chiang's amendment to Section 2.2 and adopt the amended Policy. Mr. Jelincic voted no. The motion passed.

### **AGENDA ITEM 6c – POLICY & DELEGATION, Revision of the Responsible Contractor Program Policy and Integration of the Legacy Policy**

Laurie Weir, Senior Portfolio Manager, and Allan Emkin, with Pension Consulting Alliance Inc. (PCA), presented the item. The presentation included a discussion of the changes to the self-reporting form.

On **MOTION** by Mr. Lind, **SECONDED** and **CARRIED**, to adopt the revised Responsible Contractor Program Policy and repeal the Neutrality Trial Policy as recommended by staff. The motion passed.

Public comment in support of CalPERS' Responsible Contractor Policy was received from Ms. Alyssa Giachino with Unite Here, and Michael Ring, with SEIU.

### **AGENDA ITEM 6d – POLICY & DELEGATION, Legislative and Policy Engagement Guidelines for Investments**

Danny Brown, Division Chief, presented the item. The presentation included an overview of the revisions made to the guidelines in response to feedback received from the Committee during the February 2015 meeting. It was noted that these guidelines would also be presented to the Pension and Health Benefits Committee for review regarding the proposed guidelines specific to the health and retirement benefit guidelines.

Anne Stausboll, Chief Executive Officer, and Anne Simpson, Senior Portfolio Manager, responded to questions from the Committee.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to 1) adopt Roman Numerals I and II of Version A, 2) revise section II.D.1 to strike "Global Investor Statement on Climate Change" and 3) further revise section II.D.1 to add a new subdivision (d) using the language found in II.D.1(c) of Version B. Mr. Costigan voted no. The motion passed.

### **AGENDA ITEM 7 – PUBLIC COMMENT**

No additional public comment was received.

Mr. Feckner took a moment of personal privilege to note that Ms. Schell is retiring and thanked Ms. Schell for her service to the Board.

The meeting adjourned at 12:45 p.m.

The next Committee meeting is scheduled for April 13, 2015 in Sacramento, California.

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ANNE STAUSBOLL  
Chief Executive Officer