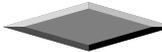


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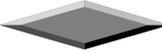


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
INVESTMENT COMMITTEE**

**MINUTES OF MEETING  
OPEN SESSION**

**April 13, 2015**

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The Investment Committee (Committee) met on April 13, 2015 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 10:30 a.m. and the following members were present:

Henry Jones, Chair  
Bill Slaton, Vice Chair  
Michael Bilbrey  
John Chiang, represented by Frank Moore  
Richard Costigan  
Rob Feckner  
Richard Gillihan, represented by Katie Hagen  
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) provided the CIO Briefing, including highlights of how CalPERS' Investment Beliefs relate to the day's agenda items.

**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 March 16, 2015 Investment Committee Meeting Minutes

## AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the May 18, 2015 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

## AGENDA ITEM 5a – TOTAL FUND, Establish Ad Hoc Global Governance Subcommittee

Wylie Tollette, Chief Operating Investment Officer (COIO), presented the item. It was noted that the recommendation to establish a Global Governance subcommittee follows discussion at the March 2015 Committee meeting. The purpose of the proposed ad hoc subcommittee is to:

1. Recommend modifications of the Policy to the Committee
2. Recommend modifications to the Legislative and Policy Engagement Guidelines to the Committee; and
3. Recommend a process to the Committee for determining when CalPERS Board members can represent the organization as directors of third party organizations.

On **MOTION** by Mr. Lind, **SECONDED**, to approve staff’s recommendation and revise the proposed delegation (Attachment 1) to include evaluating the establishment of a permanent Global Governance subcommittee.

On **MOTION** by Mr. Jelincic, **SECONDED**, to revise item three of the resolution of delegated authority as follows: “Recommend a process to the Committee for determining when CalPERS Board members can represent the organization.” Upon further discussion, it was determined that this amendment was more appropriate for consideration by the Board Governance Committee, and Mr. Jelincic withdrew his motion. The Chair requested a roll call vote on the original motion.

<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>
Bill Slaton,	Katie Hagen	
Michael Bilbrey	JJ Jelincic	
Frank Moore	Ron Lind	
Richard Costigan	Priya Mathur	
Rob Feckner	Theresa Taylor	
Dana Hollinger	Betty Yee	
Henry Jones		

The motion passed.

Following the action by the Committee, Mr. Feckner reported that Mr. Jones, Mr. Slaton, Mr. Lind, Ms. Yee, and Mr. Jelincic will serve on the sub-committee.

### **AGENDA ITEM 5b – TOTAL FUND, Senate Bill 185 (de Léon) – Public Divestiture of Thermal Coal Companies Act**

Danny Brown, Division Chief, presented the item. The presentation included a summary of Senate Bill 185, and staff's recommendation to take no position on this bill. Ms. Taylor noted that she was in favor of a support position. There was discussion of how the proposed bill related to CalPERS' fiduciary duty and Investment Beliefs. The Board's Fiduciary Counsel, Mr. Bob Klausner responded to questions from the Committee.

Public comment advocating CalPERS take a supporting position was received from Mike Roskey, SEIU and Linda Rudolph. Public comment regarding CalPERS' potential influence regarding climate change initiatives was received from Susan Wilke, and Janet Cox with Fossil Free California. Public comment advocating for CalPERS to divest from coal assets was received from Meghan Burkhart.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to approve staff's recommendation. Ms. Taylor voted no. Ms. Hagen abstained. The motion passed.

### **AGENDA ITEM 6a – ASSET ALLOCATION, PERFORMANCE & RISK, Strategic Asset Allocation Interim Targets Review**

Eric Baggesen, Senior Investment Officer, presented the item. The presentation included highlights of staff's recommendations regarding the ongoing use of interim strategic asset allocation targets for the Real Assets, Private Equity, and Global Equity asset classes, as well as potential revisions to CalPERS' Liquidity allocation, benchmark, and policy range. The Board's Investment Consultants, Andrew Junkin with Wilshire Associates, and Allan Emkin with Pension Consulting Alliance Inc., provided summaries of their respective opinion letters to the Committee.

### **AGENDA ITEM 7a – BUSINESS PLAN, Investment Office Cost Effectiveness**

Wylie Tollette, Chief Operating Investment Officer, and David McHenry, Investment Officer III, presented the item. Highlights of the presentation included investment management cost drivers, CalPERS cost structure versus peer benchmarks, and the Investment Office cost trends.

## **AGENDA ITEM 8a – TOTAL FUND, Federal Representative Update**

Danny Brown, Division Chief, and Anne Simpson, Senior Portfolio Manager, and Daniel Crowley, with K&L Gates, presented the item. It was noted that monthly written reports would be included as informational consent items on the Committee agenda going forward.

## **AGENDA ITEM 9 – PUBLIC COMMENT**

No additional public comment was received.

The meeting adjourned at 2:38 p.m.

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

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ANNE STAUSBOLL  
Chief Executive Officer