CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION INVESTMENT COMMITTEE

MINUTES OF MEETING OPEN SESSION

August 17, 2015

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

The meeting was called to order at approximately 10:00 a.m. and the following members were present:

Henry Jones, Chair Bill Slaton, Vice Chair Michael Bilbrey John Chiang, also represented by Frank Moore Rob Feckner Richard Gillihan, represented by Ralph Cobb Dana Hollinger JJ Jelincic Ron Lind Priya Mathur Theresa Taylor Betty Yee

Richard Costigan was excused.

AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO) provided the CIO Briefing, including comments on the Private Equity PEARS project and how it supports CaIPERS Investment Beliefs.

AGENDA ITEM 3 – CONSENT ITEMS

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

a. Approval of the June 15, 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 September 2015 Committee Meeting
- c. Monthly Update Performance and Risk
- d. Monthly Update Investment Compliance
- e. Performance of Environmental Strategies

AGENDA ITEM 5 – Global Governance Policy Ad Hoc Subcommittee Report

Bill Slaton presented the meeting summary for the June 2015 meeting of the Global Governance Policy Ad Hoc Committee.

AGENDA ITEM 6a –Asset Allocation Performance and Risk - CalPERS Trust level Review

Ted Eliopoulos, Chief Investment Officer, Wylie Tollette, Chief Operating Investment Officer, Eric Baggesen, Managing Investment Director, and John Rothfield, Investment Director, presented the item. The presentation included commentary on the current market and global economic conditions as well as an overview of the investment performance and risk profiles of the Public Employees' Retirement Fund and the Affiliate Funds.

AGENDA ITEM 6b – Asset Allocation Performance and Risk – CalPERS Trust Level Review – Consultant Report

The item was presented by Andrew Junkin and Julia Bonafede with Wilshire Associates, Michael Moy, Andrew Bratt, David Glickman and Christy Fields with Pension Consulting Alliance, and Tom Keck with StepStone. The presentation included observations on current economic conditions and commentary on the performance and risk profiles of the Public Employees' Retirement Fund and the Affiliate Funds.

AGENDA ITEM 7a – Policy & Delegation – Project Updates Regarding Investment Policy Revisions

Wylie Tollette, Chief Operating Investment Officer, and Kit Crocker, Investment Director, presented the item summarizing activities to review and update CaIPERS' Statements of Investment Policy.

AGENDA ITEM 8a – Legislation – Federal Investment Policy Representative Update

Ann Boynton, Deputy Executive Officer of Benefit Programs Policy and Planning, was joined via teleconference by Daniel Crowley, Bill Kirk and Eric Love with K&L Gates and gave an oral and written federal legislative update covering recent developments on issues of interest to CalPERS and related activities.

AGENDA ITEM 8b – Legislation – Senate Bill 588 – Wage Theft Recovery

Scot Blackledge, Assistant Division Chief of Legislative Affairs, presented an update on proposed changes to Senate Bill 588 – Wage Theft Recovery, as an information item at the request of the Board.

AGENDA ITEM 9 a – Program Review - Private Equity Cash Flow Distribution Examples

Ted Eliopoulos, Chief Investment Officer, Real Desrochers, Managing Investment Director, and Christine Gogan, Investment Director, provided an overview of the typical Private Equity fund structure with a focus on cash flows and profit sharing between Limited Partners and General Partners. The presenters responded to questions from the Committee.

AGENDA ITEM 10 – Public Comment

Public comment in support of a labor dispute was received from Michael Ring of SEIU.

The meeting adjourned at 3:02 p.m.

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

ANNE STAUSBOLL Chief Executive Officer