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

**MINUTES OF MEETING  
OPEN SESSION**

**September 15, 2015**



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The Investment Committee (Committee) met on September 15, 2015 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:15 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 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, featuring a report on the success of the CalPERS Emerging, Transition, and Diverse Manager Day, held on campus on September 9, 2015, and of the CalPERS Diversity Forum, held at the Sacramento Convention Center on September 10, 2015.

### **AGENDA ITEM 3 – CONSENT ITEMS**

On **MOTION** by Mr. Feckner, **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 October 2015 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance
- e. Performance of Environmental Strategies

### **AGENDA ITEM 5a – Contracts Administration: Real Estate Board Investment Consultant Request for Proposal (RFP) Initiation**

Wylie Tollette, Chief Operating Investment Officer (COIO), presented the item, which requested Committee approval to release RFP no. 2015-8014. The presentation outlined the initiation of the Board Consultant RFP for the Real Estate Board Investment Consultant.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve the proposed RFP documentation as presented by staff and to initiate the RFP process for the Real Estate Board Investment Consultant. The motion passed.

### **AGENDA ITEM 6a – Investment Beliefs Implementation Review Findings**

Ted Eliopoulos, CIO, Wylie Tollette, COIO, and Anne Simpson, Investment Director, presented the item. The item was a follow up to the July 2015 Board Offsite workshop on the interpretation of the CalPERS Investment Beliefs. The presentation consisted of a detailed report on the voting results of the workshop and key recommendations by Roger Urwin of Towers Watson. The presentation concluded with a proposed path forward and a strategy to address issues that require further discussion. The Committee requested staff reserve time on the January 2016 offsite agenda to include a consultant to assist with these issues.

## **AGENDA ITEM 6b – CalPERS Consultant Public Fund Universe Comparison Report**

The item was presented by Andrew Junkin and Julia Bonafede with Wilshire Associates Consulting, comparing CalPERS to a universe of other large public pension funds. Key statistics were provided by the Wilshire Associates Trust Universe Comparison Service comparing funds with more than \$10 billion in asset value. Key elements of the report included comparisons on rates of return, risk vs. total return, and asset allocation.

## **AGENDA ITEM 7a – Corporate Engagement: Enhanced Focus List Strategy**

The item was presented by Dan Bienvenue, Managing Investment Director, Anne Simpson, Investment Director, and Craig Rhines, Investment Officer. In November 2014 the Committee approved the program to increase the scale and broaden the candidate pool of the Focus List Program, and this presentation provided an update on this work. Included was a brief history of the Focus List Program, statistics on CalPERS' current exposure in international markets, with a highlight on CalPERS recent expansion into the Japanese market.

## **AGENDA ITEM 7b – Global Equity Annual Program Review**

The item was presented by Dan Bienvenue, Managing Investment Director, John Cole, Investment Director, Steve Cardin, Investment Director, and Don Pontes, Investment Director and covered the period ending June 30, 2015. The review included an overview of the role of the Global Equity Program, with details concerning investment performance, portfolio risk and strategic initiatives.

## **AGENDA ITEM 7c – Consultant Review of Global Equity Program**

Julia Bonafede and Andrew Junkin of Wilshire Associates Consulting presented the item. The presentation included key highlights of Wilshire Associates' review of the Global Equity Program's management and performance.

## **AGENDA ITEM 8a – Proposed Revision of the Global Equity Policies – Initial Review**

Wylie Tollette, COIO, and Dan Bienvenue, Managing Investment Director, presented the item, which introduced proposed revisions to the Global Equity Policy as part of the Investment Policy Revision Roadmap Initiative Project. The Statement of Investment Policy for Global Equity was presented for Committee review and feedback. Wilshire

Associates' provided an opinion letter to the Committee. There was discussion of how to integrate long term views into subsequent revisions.

### **AGENDA ITEM 9a – Investment Strategic Measures**

Doug Hoffner, Deputy Executive Officer, and Wylie Tollette, COIO, presented an update on the organization's progress in meeting the goals of the CalPERS Strategic Plan. The presentation described Strategic Measures 1-3, which focus on investment performance relative to targets. Mr. Tollette responded to questions and comments from the Committee.

### **AGENDA ITEM 10 – Public Comment**

No public comments were provided at the meeting.

The meeting adjourned at 1:03 p.m.

The next Committee meeting is scheduled for October 19, 2015 in Sacramento, California.

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ANNE STAUSBOLL  
Chief Executive Officer