

CalPERS

Monthly Update – Investment Compliance

MONTH ENDED SEPTEMBER 30, 2015

CalPERS Monthly Update - Investment Compliance

As of September 30, 2015

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Items Completed Under Delegated Authority *(for the month ended September 30, 2015)*

Program Area	Name of Investment	Commitment (million)	Initial Funding Date of Partnership	Complies with Delegation Number
Private Equity	CVC Strategic Opportunities Compounding Capital, L.P.	\$1,000.00	Sep-15	07-02-INV II.B.5
Private Equity	GSO Energy Partners-C LL LP	\$250.00	Sep-15	07-02-INV II.B.5
Global Equity	Epoch Investment Partners, Inc. Global Equity Shareholder Yield Strategy	\$2,000.00	Sep-15	07-03-INV II.D.1
Global Equity	Wellington Management Company, LLP Global Diversified Equities Strategy	\$2,000.00	Sep-15	07-03-INV II.D.1
Global Equity	Allianz Global Investors Best Styles Global - All Country Strategy	\$2,000.00	Aug-15	07-03-INV II.D.1

Disclosure of Placement Agent Fees *(for the month ended September 30, 2015)*

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

Investment Proposal Activity Summary (for the month ended September 30, 2015)

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	30	2	37	5	7	1	3	85
New Proposals During the Month	8	2	12	9	7	0	1	39
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	11	0	0	5	2	0	2	20
End of Month Proposals	27	4	49	9	12	1	2	104

Status Details

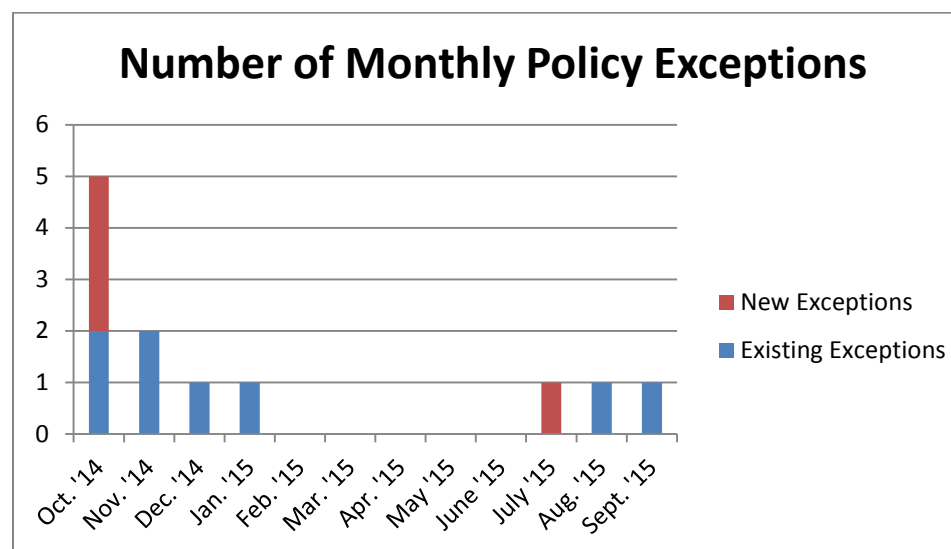
	Private Asset Classes				Public Asset Classes			
Status	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals								
Submitted	1	2	0	4	0	0	0	7
Screening	15	0	34	1	4	1	3	58
Due Diligence	11	0	3	0	0	0	0	14
Approved	3	0	0	0	3	0	0	6
Subtotal	30	2	37	5	7	1	3	85
New Proposals During the Month								
Subtotal	8	2	12	9	7	0	1	39
Reinstated Proposals During Month								
Subtotal	0	0	0	0	0	0	0	0
Decisions During the Month								
Committed	2	0	0	0	0	0	0	2
Declined	7	0	0	3	0	0	2	12
Failed to Materialize	1	0	0	0	2	0	0	3
Referred	1	0	0	2	0	0	0	3
Subtotal	11	0	0	5	2	0	2	20
End of Month Proposals								
Submitted	0	4	1	7	0	0	1	13
Screening	16	0	45	2	9	1	1	74
Due Diligence	6	0	3	0	0	0	0	9
Approved	5	0	0	0	3	0	0	8
Subtotal	27	4	49	9	12	1	2	104

Policy Exceptions *(for the month ended September 30, 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
- Global Governance
- Investment Servicing Division
- Global Equity
- Risk and Asset Allocation



Policy Exceptions *(for the month ended September 30, 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
GFI	10/13/2014	10/19/2015	California Public Employees' Retirement Statement of Investment Policy for Low Duration Fixed Income Program	The Policy requires that staff annually report on performance and risk metrics for each individual Low Duration Program to the Committee. A review of Board materials indicated that no reporting for performance had taken place within the previous 12 months.	Global Fixed Income will incorporate this reporting into its next Annual Program Review to be presented in October 2015.

Disclosure of Closed Session Action Items *(for the month ended September 30, 2015)*

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

Investment Transactions (for the month ended September 30, 2015)

	Total Fund - Public Markets						
	Public Equity	REIT	Income	Inflation	ARS	Liquidity	MAC
Beginning Market Value	153,946,032,275	27,535	55,975,901,154	14,986,824,641	597,281,949	4,446,331,879	1,170,728,050
+ Purchases	7,408,264,611		2,229,992,508	858,146,139	-	475,530,532	-
- Sales	(7,222,886,920)	-	(3,602,913,854)	(1,185,961,923)	(15,511,429)	(446,620,798)	-
+ Unitized Fund Purchases	-	-	-	-		-	-
- Unitized Fund Sales	-	-	-	-		-	-
+/- Other Changes in MV	178,359,752	-	(1,372,921,346)	(327,815,784)	(15,511,429)	28,909,734	(5,656,550)
Ending Market Value	148,271,855,414	27,535	56,149,598,545	14,642,975,824	574,623,543	2,744,642,952	1,165,071,500

	Total Fund - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	29,346,900,813	27,149,615,647	2,215,838,439	2,168,716,905
+ Contributions	286,132,012	318,994,918	-	2,694,609
- Distributions	(1,045,060,618)	(640,335,442)	(13,335,026)	(18,348,945)
+/- Other Changes in MV	86,630,293	305,123,414	13,335,026	15,654,337
Ending Market Value	28,674,602,500	27,133,398,536	2,215,838,439	2,168,716,905

	Total Public Markets	Total Private Markets	Total Fund
Beginning Market Value	231,123,127,483	60,881,071,804	292,004,199,287
+ Contributions	10,971,933,790	607,821,538	11,579,755,329
- Distributions	(12,473,894,925)	(1,717,080,031)	(14,190,974,957)
+ Unitized Fund Purchases	-	-	-
- Unitized Fund Sales	-	-	-
+/- Other Changes in MV	(6,072,371,035)	420,743,070	(5,651,627,966)
Ending Market Value	223,548,795,313	60,192,556,380	283,741,351,693

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

Spring-Fed Pool Contract Status (for the quarter ended September 30, 2015)

The report details Letter of Engagement (LOE) commitments, by the Investment Office, for spring-fed pool contractors. Actual expenditures against these commitments may be less, but never greater than this amount, unless agreed upon by CalPERS through an amended letter of engagement.

Quarter	Program	Pool Name	Consultant	Start Date	End Date	Project Name	LOE Amount	LOE Balance, as of 9/30/2015	Selection Reason
Q1	Global Governance	Specialty Investment Consulting Services Spring Fed Pool	Wilcox Miller & Nelson (Contract #2015-7679)	08/17/15	06/30/16	Diverse Director DataSource (3D) Transition	\$ 100,000.00	\$ 100,000.00	Existing knowledge of the investment or organization
			Garland Associates, Inc. (Contract #2015-7677)	09/10/15	09/23/15	Bank of America Corp. (BAC)	\$ 12,000.00	\$ 12,000.00	Existing knowledge of the investment or organization
	Investment Servicing Division		Cutter Associates, Inc. (Contract #2015-7682)	08/17/15	12/31/15	INVO Data Governance Strategy and Implementation	\$ 99,750.00	\$ 99,750.00	Existing knowledge of the investment or organization
Subtotal							\$ 211,750.00	\$ 211,750.00	
Total Specialty Investment Consulting Services Spring-Fed Pool Committed Amount							\$ 211,750.00	\$ 211,750.00	
Q1	Targeted Investment Program	Diversity Spring-Fed Pool	RG & Associates (Contract #2010-6009)	07/01/15	04/30/16	External Outreach - CalPERS Diversity & Inclusion Forum, Fall 2015	\$ 20,000.00	\$ 20,000.00	Existing knowledge of the investment or organization
Subtotal							\$ 20,000.00	\$ 20,000.00	
Total Diversity Spring-Fed Pool Committed Amount							\$ 20,000.00	\$ 20,000.00	
Q1	FG-Infrastructure & Forestland	General Investment Consulting Services Spring-Fed Pool	Meketa Investment Group, Inc. (Contract #2015-7616)	09/16/15	06/30/16	Project: US Infrastructure Account	\$ 60,000.00	\$ 60,000.00	Bid Request
	Targeted Investment Program		Pacific Community Ventures, Inc. (Contract #2015-7606)	09/13/15	06/30/16	CalPERS for California Report	\$ 383,400.00	\$ 383,400.00	Existing knowledge of the investment or organization
	INVO - Executive Office		Pension Consulting Alliance, LLC (Contract #2015-7609)	07/01/15	06/30/16	Back-Up to the General Board Investment Consultant	\$ 150,000.00	\$ 150,000.00	Existing knowledge of the investment or organization
				07/01/15	08/31/15	CalPERS Investment Beliefs - Workshop (Subcontracted through Towers Watson)	\$ 10,000.00	\$ 10,000.00	One Contractor
Subtotal							\$ 603,400.00	\$ 603,400.00	
Total General Investment Consulting Services Spring-Fed Pool Committed Amount							\$ 603,400.00	\$ 603,400.00	
Q1	Real Estate	Global Equity Spring Fed Pool	Mercer Investment Consulting, Inc. (Contract #2010-5950)	09/25/15	01/31/16	Project Asia Pacific Core	\$ 55,000.00	\$ 55,000.00	Bid Request
Subtotal							\$ 55,000.00	\$ 55,000.00	
Total Global Equity Spring-Fed Pool Committed Amount							\$ 55,000.00	\$ 55,000.00	
Q1	FG-Infrastructure & Forestland	Infrastructure and Real Estate Technical Investment Services Spring-Fed Pool	Courtland Partners, Ltd. (Contract #2014-7495)	8/6/2015	9/14/2015	Project Breakwater	\$ 25,000.00	\$ 25,000.00	Bid Request
Subtotal							\$ 25,000.00	\$ 25,000.00	
Total Infrastructure and Real Estate Technical Investment Services Spring-Fed Pool Committed Amount							\$ 25,000.00	\$ 25,000.00	

Spring-Fed Pool Contract Status (for the quarter ended September 30, 2015)

Quarter	Program	Pool Name	Consultant	Start Date	End Date	Project Name	LOE Amount	LOE Balance, as of 9/30/2015	Selection Reason
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	Bard Consulting (Contract #2014-7427)	07/01/15	06/30/16	Portfolio Monitoring Liquidation Planning	\$ 400,000.00	\$ 355,218.75	Existing knowledge of the investment or organization
				07/01/15	06/30/16	Incentive Fee Analysis and Modeling 2015-16	\$ 200,000.00	\$ 185,056.25	Existing knowledge of organization
				07/01/15	06/30/16	CalPERS Domestic Strategic Portfolio Performance Attribution	\$ 50,000.00	\$ 49,287.50	Existing knowledge of organization
				07/07/15	06/30/16	Urban Multi-Family IT	\$ 250,000.00	\$ 221,118.75	Existing knowledge of organization
Subtotal							\$ 900,000.00	\$ 810,681.25	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	Courtland Partners, Ltd. (Contract #2014-7432)	9/16/2015	6/30/2016	Project East Coast Office	\$ 60,000.00	\$ 60,000.00	Bid Request
	FG-Infrastructure & Forestland			7/7/2015	9/30/2015	Project Varsity	\$ 37,500.00	\$ 37,500.00	Bid Request
				9/16/2015	12/31/2015	Project Wichita	\$ 25,000.00	\$ 25,000.00	Bid Request
Subtotal							\$ 97,500.00	\$ 97,500.00	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	Duff & Phelps, LLC (Contract #2014-7433)	09/04/15	12/31/15	Fairness Opinion on Offers to Purchase	\$ 400,000.00	\$ 400,000.00	Critical Timeframe exists only one contractor
Subtotal							\$ 400,000.00	\$ 400,000.00	
Q1	FG-Infrastructure & Forestland	Real Assets Investments Consulting Services Spring-Fed Pool	Crosswater Realty Advisors, LLC (Contract #2014-7431)	07/01/15	06/30/16	Crosswater-Forestland Program	\$ 120,000.00	\$ 116,150.00	Existing knowledge of the investment or organization
	Real Estate			07/31/15	06/30/16	Project Thor	\$ 175,800.00	\$ 175,800.00	Bid Request
				08/10/15	06/30/16	Independent Fiduciary - Sale of Real Estate Portfolio Limited Partnership Interests	\$ 77,000.00	\$ 77,000.00	Bid Request
Subtotal							\$ 372,800.00	\$ 368,950.00	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	LP Capital Advisors (Contract #2014-7500)	07/01/15	06/30/16	Bentall Kennedy Direct Investment Monitoring FY 2015-16	\$ 103,750.00	\$ 87,393.75	Existing knowledge of organization
	FG-Infrastructure & Forestland			07/01/15	06/30/16	Infrastructure Program Support	\$ 113,825.00	\$ 112,925.00	Existing knowledge of organization
Subtotal							\$ 217,575.00	\$ 200,318.75	
Q1	Targeted Investment Program	Real Assets Investments Consulting Services Spring-Fed Pool	Pension Consulting Alliance, LLC (Contract #2014-7438)	7/1/2015	6/30/2016	Responsible Contractor Policy and Labor Consulting Services	\$ 150,000.00	\$ 143,000.00	Existing knowledge of the investment or organization
Subtotal							\$ 150,000.00	\$ 143,000.00	
Total Real Assets Investment Consulting Services SFP Committed Amount							\$ 2,137,875.00	\$ 2,020,450.00	
Grand Total Investment Office Committed Amount							\$ 3,053,025.00	\$ 2,935,600.00	

Investment Policy Administrative Changes *(for the quarter ended September 30, 2015)*

Review Date	Policy	Policy Category	Comments
July 6, 2015	Securities Lending	Other Programs	Administrative change to add individual diversification limits consistent with other asset types under the policy relevant to Systemically Important Financial Market Utility (SIFMU) Line of Credit.