

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE
GLOBAL GOVERNANCE POLICY AD HOC SUBCOMMITTEE

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A P P E A R A N C E S

SUBCOMMITTEE MEMBERS:

Mr. Henry Jones, Chairperson

Mr. Bill Slaton, Vice Chairperson

Mr. J.J. Jelincic

Mr. Ron Lind

Ms. Betty Yee, represented by Lynn Paquin

BOARD MEMBERS:

Mr. John Chiang, represented by Mr. Frank Moore

Mr. Richard Gillihan, represented by Ms. Katie Hagen

Ms. Dana Hollinger

Ms. Priya Mathur

STAFF:

Ms. Anne Stausboll, Chief Executive Officer

Mr. Ted Eliopoulos, Chief Investment Officer

Mr. Matt Jacobs, General Counsel

Ms. Cheryl Edwards, Subcommittee Secretary

Ms. Anne Simpson, Investment Director

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1 P R O C E E D I N G S

2 CHAIRPERSON JONES: I'd like to call the Global
3 Governance Subcommittee meeting to order.

4 First item on the agenda is roll call, please.

5 SUBCOMMITTEE SECRETARY EDWARDS: Henry Jones?

6 CHAIRPERSON JONES: Here.

7 SUBCOMMITTEE SECRETARY EDWARDS: Bill Slaton?

8 VICE CHAIRPERSON SLATON: Here.

9 SUBCOMMITTEE SECRETARY EDWARDS: J.J. Jelincic?

10 SUBCOMMITTEE MEMBER JELINCIC: Here.

11 SUBCOMMITTEE SECRETARY EDWARDS: Ron Lind?

12 SUBCOMMITTEE MEMBER LIND: Here.

13 ACTING SUBCOMMITTEE SECRETARY EDWARDS: Betty Yee
14 represented by Lynn Paquin?

15 ACTING SUBCOMMITTEE MEMBER PAQUIN: Here.

16 CHAIRPERSON JONES: Okay. Thank you. And I also
17 want to note that we have Ms. Katie Hagen, Ms. Dana
18 Hollinger, and Frank Moore also in attendance today.

19 Okay. The next item on the agenda is the consent
20 action item, approval of the November 18 Global Governance
21 Ad Hoc Policy Committee -- Subcommittee meeting minutes.

22 Do we have a motion?

23 VICE CHAIRPERSON SLATON: Move.

24 CHAIRPERSON JONES: Moved by Slaton.

25 ACTING SUBCOMMITTEE MEMBER PAQUIN: Second.

1 CHAIRPERSON JONES: Second by Paquin.

2 Questions?

3 All those in favor?

4 (Ayes.)

5 CHAIRPERSON JONES: Opposed?

6 It passed.

7 Next item is information consent items. No
8 request to move anything from that item.

9 So we'll move on to the next item which is the
10 Global Governance Principles, Revision of Global
11 Governance Policy and Principles, fourth reading.

12 (Thereupon an overhead presentation was
13 presented as follows.)

14 CHAIRPERSON JONES: And before we -- I don't how
15 many more questions we have on this, but I just also at
16 this time want to thank you for the process that you
17 developed to get us to this point. And it was a very
18 robust process, and gave all Committee members and other
19 Board Members an opportunity for input. And I think we
20 are reaching a point where we have a very, very well
21 designed package and policy. So we -- with that, I will
22 now turn it over to you.

23 Thank you.

24 CHIEF INVESTMENT OFFICER ELIOPOULOS: Thank you
25 very much, Mr. Chair. Well, this is the fourth reading.

1 And the principal changes to this text this time from last
2 time has to do -- was in the introduction and background
3 and purpose section, as well as cleaning up some of the
4 formatting issues with consolidating the policy.

5 So knowing it's late in the afternoon, Mr. Chair,
6 we could pause here and go just take questions or if you'd
7 like us to highlight any parts of the PowerPoint
8 presentation, we stand ready to do that as well.

9 CHAIRPERSON JONES: No. Unless the Committee
10 members or other Board members think otherwise, I think
11 we've had enough dialogue on this, and we'll -- I'm just
12 open to answer questions as members may have.

13 So with that, we'll call on Mr. Lind.

14 SUBCOMMITTEE MEMBER LIND: Thank you, Ted. Just
15 following up on an issue I raised in the briefing about a
16 grammatical issue, I was wondering if you were able to
17 take care of that?

18 CHIEF INVESTMENT OFFICER ELIOPOULOS: (Nods
19 head.)

20 SUBCOMMITTEE MEMBER LIND: Thank you.

21 CHIEF INVESTMENT OFFICER ELIOPOULOS: Yes, we
22 will do -- we will do that, and it --

23 INVESTMENT DIRECTOR SIMPSON: Yes, Anne Simpson.
24 Thank you very much. I'd like to echo the Chair's kind
25 remarks and say how much we've appreciated even having our

1 grammar put right --

2 (Laughter.)

3 INVESTMENT DIRECTOR SIMPSON: -- and spelling and
4 all else. So, yes, thank you for picking out where we've
5 missed things. That's really a -- I think we're just too
6 close to it sometimes to see little details, but thank
7 you.

8 CHAIRPERSON JONES: Okay. Thank you. Mr.
9 Jelincic.

10 SUBCOMMITTEE MEMBER JELINCIC: Yeah, it's
11 difficult to edit your own stuff.

12 One of the concerns I have, and I'm not sure
13 quite how we address it, is this is a final reading and
14 final adoption. And yet on slide 8, we've got some very
15 key issues that I guess some of them show up on 7 as well,
16 that are for future development. And I'm not sure how you
17 say this is our final product, but oh, by the way, we've
18 got all these additional issues that need to be dealt
19 with.

20 INVESTMENT DIRECTOR SIMPSON: Thank you. It's a
21 very good point. I think the Wilshire letter put this
22 very well, which is that this is -- it will be eternally
23 unfinished business, because the world is changing and
24 we're learning from experience. So the Board formally
25 approves the principles once a year in February, so that

1 we're in place for that proxy voting season, which comes
2 shortly afterwards.

3 But we know from these conversations that we've
4 got some big pieces of work still to do, and we didn't
5 feel we could just throw something together quickly.
6 These are important things for us to dig into. So if
7 you'd like this is in the hopper for us to come back and
8 really do more work.

9 And I was just talking with Todd Mattley earlier,
10 I think once we've had the strategic review in January,
11 and thereafter, we know really what we want to have as our
12 priorities in our 2020 Vision, we'll work out in what
13 order to tackle these. But in all humility, these are
14 areas where we know there's more work to do.

15 CHAIRPERSON JONES: Thank you. Okay.

16 Mr. Slaton.

17 VICE CHAIRPERSON SLATON: Yeah. This is a good
18 body of work, so this is not the easiest thing in the
19 world to do. So my compliments. And despite all the
20 corrections, it's the right policy to go with, and to give
21 some clarity and ease of review by other people who are
22 reviewing our policy.

23 So if it's not out of order, Mr. Chair, I would
24 move that we adopt this.

25 SUBCOMMITTEE MEMBER LIND: Second.

1 CHAIRPERSON JONES: Okay. It's been moved by Mr.
2 Slaton and second --

3 VICE CHAIRPERSON SLATON: Mr. Lind.

4 CHAIRPERSON JONES: -- by Mr. Lind.

5 Okay. Well, thank you very much. And also, we
6 do have a couple people wishing to speak. And I just want
7 to acknowledge Ms. Mathur has also joined us.

8 Ms. Mathur.

9 BOARD MEMBER MATHUR: Thank you. This is indeed
10 a significant body of work. And as you said, there's more
11 work to be done. And it's probably never ending. I do
12 think that this re-crafted introduction is a significant
13 improvement over the prior version. I don't want to sort
14 of wordsmith too much, but I do think once all of the
15 red-lining is gone, I think it will be clearer that some
16 sections need to be shifted around, because you sort of
17 jump from corporate governance and the way companies work,
18 to sustainability, to financial markets, back to corporate
19 governance.

20 And I just think that sort of organizationally it
21 could be maybe a fresh look once it's all cleaned would be
22 helpful.

23 INVESTMENT DIRECTOR SIMPSON: Yes.

24 BOARD MEMBER MATHUR: But nonetheless, I think it
25 hits a lot of the key items. And I guess we'll revisit it

1 again in a year or so, or whenever it comes back before
2 us.

3 CHIEF INVESTMENT OFFICER ELIOPOULOS: Well,
4 actually, this -- if approved today, then it will move to
5 the Investment Committee in February. And that will be
6 fresh eyes for everyone to look at it in its entirety.
7 And that will be a first reading at that point in time.
8 So that will be an opportunity to look to see if there's
9 anything that we can make changes to to make it more
10 coherent at that point in time.

11 BOARD MEMBER MATHUR: Thank you.

12 CHAIRPERSON JONES: Mr. Jelincic.

13 SUBCOMMITTEE MEMBER JELINCIC: Should the motion
14 include something that gives staff the authority to
15 correct, you know, misspellings and grammar and that, and
16 make sure all the footnotes are in the proper sequence?

17 CHAIRPERSON JONES: Yeah, I don't think I need to
18 give them that authority. They have that authority. They
19 should.

20 (Laughter.)

21 VICE CHAIRPERSON SLATON: My motion was only
22 verbatim, every error.

23 (Laughter.)

24 SUBCOMMITTEE MEMBER JELINCIC: I just want to
25 make sure that that was part of it.

1 And again, I think we've made a lot of progress,
2 and it's much better than what we started with. Although,
3 as I said, I have a problem calling it a final product
4 when we list a whole section of things that are not final.

5 INVESTMENT DIRECTOR SIMPSON: It's this year's
6 edition.

7 (Laughter.)

8 CHAIRPERSON JONES: Okay. Yeah, I like that.

9 INVESTMENT DIRECTOR SIMPSON: It will be the 2016
10 edition.

11 CHAIRPERSON JONES: Right. Okay. I like that.

12 So seeing no further questions, we have a motion
13 and a second. So all those in favor say aye?

14 (Ayes.)

15 CHAIRPERSON JONES: The item passes. And thank
16 you very much.

17 INVESTMENT DIRECTOR SIMPSON: Thank you. Thank
18 you very much.

19 (Applause.)

20 CHAIRPERSON JONES: Okay. Yeah, I think they
21 deserve something.

22 (Laughter.)

23 CHAIRPERSON JONES: Okay.

24 VICE CHAIRPERSON SLATON: Is it easier or harder
25 than Paris?

1 (Laughter.)

2 CHAIRPERSON JONES: Yeah.

3 Okay. The next item on the agenda is
4 consideration for establishing a permanent subcommittee.
5 And I guess that's a committee discussion.

6 (Laughter.)

7 CHIEF INVESTMENT OFFICER ELIOPOULOS: It is.

8 CHAIRPERSON JONES: So we'll see what the input
9 is.

10 Mr. Slaton.

11 VICE CHAIRPERSON SLATON: So my feeling is we've
12 done a good body of work. We've accomplished it. And one
13 of the things that's always difficult in both the private
14 sector and the public sector is to recognize the
15 completion of your work and then you're finished, and you
16 don't have a reason to be there any more.

17 So we have an Investment Committee, which
18 certainly can -- as things come up, we can continue to
19 develop it, but we could always create another ad hoc in
20 the future, but I see that our purpose has been
21 accomplished. So I would move that we suspend this -- I
22 don't know what the right terminology is, but that this
23 Committee go away. And it's -- any future work, at this
24 point, be at the Investment Committee level.

25 CHIEF INVESTMENT OFFICER ELIOPOULOS: Just a

1 point of clarification, I believe when the ad hoc
2 committee was established, it was set to conclude in
3 December on its own terms.

4 VICE CHAIRPERSON SLATON: Oh, then I'll
5 withdrawal my motion. You only need a motion, I guess, if
6 we're going to go forward.

7 CHIEF INVESTMENT OFFICER ELIOPOULOS: That's
8 correct.

9 VICE CHAIRPERSON SLATON: Gotcha. Okay. Great.

10 CHAIRPERSON JONES: Yeah. And by the way, Mr.
11 Slaton, one of the Committee members asked that we have
12 that discussion about continuing, but it was, as Ted
13 mentioned, stated to conclude its work in December.

14 VICE CHAIRPERSON SLATON: All right. Well, I've
15 expressed my view. Thank you.

16 CHAIRPERSON JONES: Okay. So Mr. Jelincic.

17 SUBCOMMITTEE MEMBER JELINCIC: Well, since we've
18 identified a whole bunch of things we still need to do, I
19 don't think we can say we're done. The -- I don't think
20 we need to be meeting every month going forward, but there
21 is work to do and, you know, so I think we do need some
22 sort of continuation.

23 CHAIRPERSON JONES: Okay. Mr. Lind.

24 SUBCOMMITTEE MEMBER LIND: So this is kind of my
25 fault that it's even here, or at least my idea.

1 (Laughter.)

2 SUBCOMMITTEE MEMBER LIND: And as often I do, I
3 respectfully disagree with Mr. Slaton. I do think even
4 beyond the work around the policy, there is plenty of
5 ongoing work to be done around global governance. Several
6 public funds have global governance subcommittees or
7 committees. They may be called something else. And I'm
8 not advocating that we make a decision on that today. I
9 think we're going to be having a lot of discussion in
10 January about the issues around ESG and global governance,
11 and things that may be, you know -- or will be germane to
12 our decision on whether or not this needs to be a
13 permanent body. And I certainly would not advocate a
14 monthly thing either, but maybe quarterly or what have
15 you.

16 So two things I would ask the Committee to
17 consider. One is, at least let's hold off making a --
18 Well, I guess we're not -- don't have to make a decision,
19 because it was pre-determined. But let's kind of keep the
20 idea open at least through our January off-site and maybe
21 a little bit beyond depending on what comes out of that.

22 And then secondly, if there is a way to do a
23 little bit of work -- I don't know if you call it due
24 diligence, or whatever, of some of the funds that have
25 such committees -- LACERS being one. I have a former

1 colleague that's on the Maryland Board and they have a
2 global governance committee who was kind of surprised to
3 hear that the big and powerful CalPERS didn't.

4 So I'm just hoping that we could sort of leave
5 this out there for, you know, further discussion maybe
6 over the next several months.

7 CHAIRPERSON JONES: Okay. Ms. Paquin.

8 ACTING SUBCOMMITTEE MEMBER PAQUIN: Thank you.

9 I want to add to what Mr. Lind said. I think
10 that after the January off-site we'll have a better
11 picture of some of the topics where we'd like to go. And
12 I also agree that I don't think this should be a monthly
13 committee. But I would hope that if it does become a
14 standing committee, subcommittee that meets on a quarterly
15 basis, that we could take one of those meetings to delve
16 into more of an educational topic a little bit more
17 deeply.

18 Thank you.

19 CHAIRPERSON JONES: Mr. Slaton.

20 VICE CHAIRPERSON SLATON: So I'm persuaded by my
21 fellow Committee members. That's fine. Just a -- and I
22 don't see Matt here, but legally does an ad hoc committee
23 have to have a finish date to it? And so do we have to
24 re-constitute something else, if it's going to be on a
25 permanent basis? And I just don't know the answer to that

1 question, so -- and he's not here. So I guess we can
2 always form another -- reform it after the first of the
3 year.

4 CHAIRPERSON JONES: Well, when we established it,
5 it was established through the Investment Committee as ad
6 hoc. So we can do that again.

7 VICE CHAIRPERSON SLATON: You could do it again.
8 I just don't know -- I'm just curious about when you use
9 the term ad hoc, is that a term of art, which means it has
10 to have a deadline. It has to go out of existence at a
11 point in time.

12 CHIEF INVESTMENT OFFICER ELIOPOULOS: I believe
13 so. A specific task and a specific time frame.

14 CHAIRPERSON JONES: Okay. Going forward. Okay.
15 But it doesn't dictate how often you meet. Right. Okay.

16 Ms. Mathur

17 BOARD MEMBER MATHUR: Yeah. Well, I definitely
18 support continuing to explore whether there's enough work
19 to merit a separate committee. I think we'll find that
20 there probably is, but I'm content with holding the
21 question open.

22 I was hoping -- I know there's not really a
23 specific spot on the agenda for this, but I was hoping we
24 could get an update on COP21 and CalPERS' role there.
25 Anne Simpson Divya Mankikar were both there. I don't know

1 if this is an appropriate time, Mr. Chair, but --

2 CHAIRPERSON JONES: We still have some speakers
3 on this, so we'll consider that in a minute.

4 BOARD MEMBER MATHUR: Okay. Thank you.

5 CHAIRPERSON JONES: Mr. Jelincic.

6 SUBCOMMITTEE MEMBER JELINCIC: Well, I was going
7 to make a motion that we adjourn, subject to the call of
8 the Chair, but I will defer making that motion so we can
9 get a COP21, and then I'll make that motion.

10 CHAIRPERSON JONES: Mr. Lind.

11 SUBCOMMITTEE MEMBER LIND: Yeah. Look, I was
12 just going to suggest that not -- rather than get caught
13 up in semantics and logistics about whether this has to
14 end or how it ends or whatever, that just refer the
15 question of creating a global governance committee to the
16 full Investment Committee for discussion and direction.

17 CHAIRPERSON JONES: Okay. And that's certainly
18 an option, or another option is, as many of you've
19 indicated, there's still a lot of work to be done. Once
20 that work is identified more precisely, the Chair and the
21 Vice Chair of Investment then can have a meeting and talk
22 about what is needed to accomplish that goal, and then
23 come to the Investment Committee to say -- to talk about
24 setting those dates or whatever the case may be.

25 VICE CHAIRPERSON SLATON: Let me just make sure

1 the Committee and other Board members who are here don't
2 misunderstand my comments. I'm not interested in global
3 governance issues. The issue is the structure underwhich
4 we take up those topics, because they're obviously very
5 important, and we would continue to be working on them.

6 CHAIRPERSON JONES: Right. So as the Chair of
7 the Investment Committee, I'll take that on to meet and
8 discuss with staff about what are the issues, based on
9 what we've heard from Committee members and Board members
10 and talk about what are the next steps, and bring that to
11 the whole Investment Committee, is that okay?

12 SUBCOMMITTEE MEMBER JELINCIC: That sounds a lot
13 like my motion. Sounds good.

14 (Laughter.)

15 CHAIRPERSON JONES: Okay. Thank you. So that --
16 no additional questions -- requests to speak, so -- the
17 update, please.

18 INVESTMENT DIRECTOR SIMPSON: Well, thank you
19 very much. I had the great honor of being at the COP21
20 climate negotiations. I was there with Divya Mankikar,
21 who heads our ESG integration. I think between us, we
22 spoke at 15 different events. So this really was the
23 best -- in the best sense, a three-ring circus. There
24 were 40,000 delegates. In the end, nearly 200 countries
25 signed on to the agreement that was announced on Saturday.

1 And I have to say how heart warming it was to be
2 in Paris soon after the terrorist attacks, and whilst the
3 tragedy was unfolding in San Bernardino, just to see the
4 global community coming together fearlessly to continue
5 with their business. It was a very moving occasion.

6 The most important news is we have an agreement.
7 And that -- just as it sits at the moment, each country
8 was asked to come up with their own plan. So the U.S.
9 plan looks very different to the plan from Russia or
10 Nigeria. The most important thing is each country had to
11 take ownership of its own plan.

12 Wrapped up, that is expected to take us to a
13 global warming of 2.7 degrees Celsius. So that is
14 significantly below business as usual, which is anything
15 between five and six, depending how you do the
16 calculation.

17 What's also, I think, very important about the
18 treaty is that there's been an agreement to have a five
19 year check-in over the period of the agreement. So the
20 first will actually be in 2018, a bit sooner than fives.
21 And countries can come together again to say, well, what
22 progress have we made?

23 Also, there's going to be a globally agreed
24 reporting framework, which we don't have at the moment.
25 People count in different ways. So there will be an

1 overall framework for reporting. And on one of the side
2 events, Mark Carney, who is the chairman of the Financial
3 Services Board, announced there would be a new working
4 group, which would be chaired by Michael Bloomberg.

5 And this will be to develop reporting standards
6 looking at climate risk, which may roll up into financial
7 market risk. So we saw for the first time a central bank
8 governor and the chairman of the world's stability forum
9 actually making the connection between climate risk and
10 financial stability.

11 So I think a lot of very practical initiatives
12 were launched, as well as the intergovernmental agreement.
13 So I think it was wonderful that CalPERS was there. I
14 think the fact that this wasn't just government, it was
15 investors, it was business, it was civil society, and also
16 a network of cities. And, of course, Jerry Brown,
17 Governor of California, was there promoting an important
18 new network for states to start underpinning the
19 development of carbon trading schemes.

20 So I think it was an inspiring and humbling
21 occasion to be there for CalPERS. And I think that -- I
22 was just saying to Ted earlier, it's a really tangible
23 sense of what advocacy really means, really identifying
24 the issues that matter to us and working in partnership
25 with other investors globally can really have an impact.

1 So thank you.

2 CHAIRPERSON JONES: Thank you.

3 Yes. A question, Anne. On the standards that
4 were set, were there any that were internationally-wide or
5 were they all specific to countries, you know, like 3.7 or
6 2.4? Were there any minimums that apply to everybody?

7 INVESTMENT DIRECTOR SIMPSON: There were no
8 minimums. And I think that's how everybody -- they got
9 everybody to the table. And then it was a bit of
10 competitive bidding about who was making more commitments.
11 And I think the other thing that was really important,
12 which is different from Kyoto and Copenhagen is that there
13 was money on the table to help developing countries make
14 serious commitments. So India, for example, has signed.
15 And they were bargaining hard to get access to technology,
16 and loan finance to make the switch from coal to
17 renewables in certain big parts of their power sector.
18 That is -- that, I think, gives this a shot of working,
19 because everyone is at the table.

20 CHAIRPERSON JONES: Given that each country
21 were -- they were establishing their own standards, what
22 are the consequences if they don't achieve it?

23 INVESTMENT DIRECTOR SIMPSON: So -- well, that's
24 interesting. Mark Carney, the chairman of the Financial
25 Services Board, says he sees in the financial system three

1 risks. One is physical risk, you know, things -- water
2 level rising and properties being inundated, for example.
3 The second is litigation risk. There is an agreement --
4 the whole -- the agreement has not been framed as a
5 treaty, I mean, the U.S. didn't want that, for example.
6 It would have had to go to Congress to be approved. Each
7 country now has to go back to have its own implementation
8 agreement and come back and physically sign the document
9 in April. And that's been left to countries to work out
10 for themselves.

11 I would say that there's -- well, there's the
12 litigation risk, which was flagged by the central bankers.
13 But I think that because governments have had this open
14 process, they've got their own citizens to deal with, if
15 they fail. I think the expectations are riding high.

16 But I -- although that's messy, I think it's more
17 credible than an attempt to have a top-down agreement,
18 because there is no world government who can be the police
19 to make sure something happens. I think if we get this
20 new form of risk reporting rolled out through the
21 financial stability forum, that's actually going to bring
22 market forces to bear in a new way, because at the moment,
23 we don't have good enough reporting to enable, you know,
24 pricing to be done as well as it should be.

25 CHAIRPERSON JONES: Thank you.

1 Mr. Jelincic.

2 SUBCOMMITTEE MEMBER JELINCIC: Anne, you started
3 by saying between us we spoke at 15 sessions. Who's us?

4 INVESTMENT DIRECTOR SIMPSON: Sorry. It was me
5 and Divya Mankikar. And between us we were there over a
6 10-day period. And I spoke at the -- some of the sessions
7 within the finance track, which were part of the
8 negotiation facility, and there were a lot of side
9 meetings, for example, the one with the financial
10 stability board that I mentioned.

11 And so Divya and I took these between us
12 depending upon what the issue was and sorting out the
13 timetable

14 SUBCOMMITTEE MEMBER JELINCIC: Thank you.

15 CHAIRPERSON JONES: Ms. Mathur.

16 BOARD MEMBER MATHUR: Thank you. I think this is
17 a really important result. And I think it's pretty
18 astounding and exciting that the investment community, the
19 finance industry was able to play a constructive role in
20 driving to this.

21 And I think it has long -- you know as we've been
22 talking about long-term systemic risks and how carbon can
23 impact all of our portfolios, I think this sort of -- the
24 connectivity between government and the industry is really
25 important, so -- and I credit you. I think you -- I think

1 PRI has done a lot of work. Ceres has done a lot of work.
2 A lot of players have helped to facilitate the engagement
3 of our industry in these dialogues, in a constructive and
4 meaningful way.

5 CHAIRPERSON JONES: Thank you. Okay. Thank you
6 very much. But before we conclude the meeting, I
7 overlooked a request to speak. Mr. Michael Ring.
8 Actually, he had requested to speak on Item 4a, so I
9 apologize.

10 It was buried under my folder.

11 MR. RING: Responding to my members' leadership.
12 I'll keep it short, Mr. Chair.

13 So for the third time today, now that your bored.
14 Michael Ring with SEIU. And I just have to share briefly
15 some comments about the work of this Committee, in
16 particular, and, of course, the ongoing work of CalPERS in
17 the area of global governance.

18 And this is an incredibly meaningful area of work
19 for our members who participate in the fund. And, of
20 course, I'd be remiss in not mentioning the excellent work
21 that this committee has done over the year, and excellent
22 work that the Investment Office and the global governance
23 team have done.

24 And so just had to share that message. I think
25 you just, from the comments we just heard about COP21 and

1 the role that you played, I think managing systemic risk
2 is one of the biggest challenges for a fund, no matter how
3 large, because you can't manage it on your own. And yet,
4 this fund has done an incredible job of establishing
5 leadership and setting standards as fiduciaries about how
6 you advocate to manage systemic risk around human,
7 physical, and financial capital issues.

8 So I just want to thank you on behalf of our
9 members for your leadership and standard bearing work in
10 this area. Thanks so much.

11 CHAIRPERSON JONES: Thank you. And on that
12 positive note, we are adjourned.

13 (Thereupon California Public Employees'
14 Retirement System, Investment Committee, Global
15 Governance Policy Ad Hoc Subcommittee meeting
16 adjourned at 4:13 p.m.)
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C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration, Investment Committee, Global Governance Policy Ad Hoc Subcommittee meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of December, 2015.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063