

CalPERS

Monthly Update – Investment Compliance

MONTH ENDED OCTOBER 31, 2015

CalPERS Monthly Update - Investment Compliance

As of October 31, 2015

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Items Completed Under Delegated Authority *(for the month ended October 31, 2015)*

Program Area		Name of Investment	Commitment (million)	Initial Funding Date of Partnership	Complies with Delegation Number
	Private Equity	Blackstone Tactical Opportunities Fund (KG Co-Invest) L.P. Follow-On	\$54.00	Oct-15	07-02-INV II.C.1
	Global Fixed Income	Investec Asset Management, Inc.	\$100.00	Oct-15	11-02-INV II.D.1

Disclosure of Placement Agent Fees (for the month ended October 31, 2015)

Firm Name	CVC Capital Partners	The Carlyle Group
Asset Class	Private Equity	Private Equity
Fund	CVC Capital Partners Strategic Opportunities	Carlyle U.S. Equity Opportunity Fund II L.P.
Placement Agent / Firm	Marc St. John, Employee of a CVC Capital Partners group company Rob Squire, Employee of a CVC Capital Partners group company Esther Rombaut Employee of a CVC Capital Partners group company	Lee Carson, Carlyle Internal Sales Personnel
Registered with U.S. or non-U.S. financial regulatory authority	CVC Capital Partners Advisory (U.S) Inc (which is either the employer or an affiliate of the employer of each Placement Agent) and CVC Capital Partners Advisory Company Limited are each registered as an Exempt Reporting Adviser with the SEC.	TCG Securities, LLC., an affiliate of The Carlyle Group, is a limited purpose broker/dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority ("FINRA"). TCG Securities acts as a private placement agent on a "best efforts" basis with respect to the offer and sale of interests in private funds.
Registered Lobbyist(s)	Each of the above named Placement Agents are registered lobbyists in California. Esther Rombaut is also a registered lobbyist with Los Angeles County and and Executive Agency Lobbyist with the Commonwealth of Kentucky. Robert Squire is also a registered lobbyist in San Diego County. CVC Capital Partners Limited and CVC Capital Partners (US) Inc. are both registered as lobbyists with New York City.	Lee Carson is a Managing Director - Investor Relations and is a registered lobbyist in the state of California. He is associated with TCG Securities, LLC., Carlyle's broker/dealer affiliate, which is registered in California as a Lobbyist Employer.
Estimated Placement Agent Compensation	Each individual is working as a "Placement Agent" as part of their role in CVC's Investor Relations team. Approx. \$6000 of total time has been spent in discussions with CalPERS relating to this investment. We attach copies of the lobbyists' respective employment contracts, demonstrating that individuals are entitled to a salary and a discretionary bonus based on their own performance and the performance of CVC.	Mr. Carson's compensation by The Carlyle Group includes an annual salary and a discretionary year-end annual bonus, the amount of which is based on a multitude of qualitative and quantitative factors. Mr. Carson's compensation is not contingent on a commitment by CalPERS. We note that while there is a Placement Agent Agreement between TCG Securities and Carlyle Investment Management, this agreement does not provide for any remuneration to be paid to the Placement Agent for the marketing of Carlyle-sponsored funds. Additionally, as referenced below, Mr. Carson has been a registered lobbyist in CA since December 2010. In accordance with his registered lobbyist status, TCG Securities files quarterly California State Lobbying Questionnaires for In-House Placement Agents, which asks about the amount of time Mr. Carson has spent working on the offer or sale of an investment or investment services to CalPERS, CalSTRS, or UCRP. The monthly percentage of time is calculated based upon an assumed 40-hour work week, and considers time spent with pension officials and/or employees in meetings, on telephone calls, answering questions and substantive email communications. Additionally, we must report compensation received from work on these activities, which is calculated by multiplying the percentage of time spent working on related investment possibilities by Mr. Carson's gross salary for the quarter (including bonuses, where applicable). Based on information provided in conjunction with the quarterly questionnaires, we estimate that Mr. Carson spent approximately 14.5 hours of his time during the 3 calendar quarters of 4Q '14 – 2Q '15 engaging with CalPERS specifically on the CEOF II commitment. Accordingly, approximately \$1875 of Mr. Carson's compensation is attributable to lobbying activity relating to the CEOF II commitment.
Disclosed Campaign Gifts and Contributions	None	None
Notes	None	None
Transaction Type	New	New

*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

Disclosure of Placement Agent Fees (for the month ended October 31, 2015)

Firm Name	TPG STAR GenPar, L.P.
Asset Class	Private Equity
Fund	TPG STAR, L.P.
Placement Agent / Firm	<p>Jack Weingart – Mr. Weingart is a Partner of TPG.</p> <p>James Gates – Mr. Gates is a partner of TPG and a member of the firm's Management Committee.</p> <p>Peter McMillan- Mr. McMillan is a partner of TPG.</p> <p>Charles Froeb – Mr. Froeb is a partner of TPG.</p> <p>Dan Carroll- Mr. Carroll is a partner of TPG.</p> <p>Yeatts Anderson- Prior to joining TPG in 2014, Mr. Anderson was a Vice President at Ridgement Equity Partners.</p> <p>Brian D'Arcy – Mr. D'Arcy joined TPG in 2011 from Goldman, Sachs & Co.</p> <p>Alastair Bushby- Mr. Bushby is a Vice President in the Funding team.</p> <p>Magnus Christensson – Mr. Christensson joined TPG in 2011.</p> <p>Patrick Cronin- Prior to joining TPG in 2014, Mr. Cronin was Vice President at Blackstone in the Hedge Fund Solutions Group.</p> <p>Erin Dobbs - Ms. Dobbs is an Associate based in New York.</p> <p>Josh Evans – Mr. Evans joined TPG in 2010 from Evercore Partners.</p> <p>Joseph Fuda – Mr. Fuda joined TPG in 2012 and is based out of the firm's New York office.</p> <p>Amy Gussin- Prior to joining TPG in 2014, Ms. Gussin was a Vice President at Credit Suisse Private Banking Services.</p> <p>Griffin Howard - Griffin Howard joined TPG in 2011 and is based out of the firm's San Francisco office.</p> <p>Charlie Madden – Mr. Madden joined TPG as an Analyst in July 2014.</p> <p>Jen Morais – Prior to joining TPG in 2013, Ms. Morais was Senior Principal in the Funds & Secondaries group at Canada Pension Plan Investment Board (CPPIB).</p> <p>Justin Nunez – Mr. Nunez is a Vice President of TPG and joined the firm in June 2014.</p> <p>Erin O'Donovan – Prior to joining TPG in 2005, Ms. O'Donovan was Vice President in the Private Equity Group of Goldman, Sachs & Co. based in London and New York.</p> <p>Catherine Quinn – Ms. Quinn joined TPG Funding in July 2014 and is based at out of the Firm's San Francisco office.</p> <p>Ashley Rape- Prior to joining Brooklands Capital Strategies in 2014, Ms. Rape worked as a Management Associate at Bridgewater Associates.</p> <p>Meghan Reynolds – Prior to joining TPG in 2010, Ms. Reynolds was Vice President and Co-Chief Operating Officer of Product Management for the Alternative Investments & Manager Selection Group of Goldman, Sachs & Co.</p> <p>Jennifer Shah – Jennifer joined TPG in 2013 from the Private Equity Group at Goldman Sachs, Hong Kong.</p> <p>Elena Stark - Prior to joining TPG in 2013, Elena Stark was an analyst at Bank of America Merrill Lynch in New York.</p> <p>Kirk Syme- Prior to joining Brooklands Capital Strategies in 2014, Mr. Syme was a Principal at Weston Presidio.</p> <p>Lisa Westley- Ms. Westley has worked at TPG capital since 2005.</p> <p>Jennifer Zhao – Ms. Zhao joined TPG as an Associate in July 2014.</p>
Registered with U.S. or non-U.S. financial regulatory authority	TPG Capital BD, LLC, an affiliate of the Placement Agents, is registered with the SEC and a member of F NRA (CRD No. 0143876).

*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

Disclosure of Placement Agent Fees *(for the month ended October 31, 2015)*

Firm Name	TPG STAR GenPar, L.P. (Cont'd)
Registered Lobbyist(s)	<p>Mr. Weingart is a registered lobbyist in the State of California. Mr. Gates is a registered lobbyist in the State of California. Mr. McMillan is a registered lobbyist in the State of California. Mr. Froeb is a registered lobbyist in the State of California, New York City, Los Angeles, San Diego and San Jose. Mr. Carroll is a registered lobbyist in the State of California. Mr. D'Arcy is a registered lobbyist in the State of California. Mr. Bushby is a registered lobbyist in the State of California. Ms. Danhaki is a registered lobbyist in the State of California. Mr. Evans is a registered lobbyist in the State of California. Ms. Gussin is a registered lobbyist in the State of California. Ms. Herbert is a registered lobbyist in the State of California. Mr. Howard is a registered lobbyist in the State of California. Mr. Madden is a registered lobbyist in the State of California. Ms. Merson is a registered lobbyist in the State of California. Ms. O'Donovan is a registered lobbyist in the State of California. Ms. Quinn is a registered lobbyist in the State of California. Ms. Reynolds is a registered lobbyist in the State of California and Los Angeles. Ms. Shah is a registered lobbyist in the State of California. Ms. Stark is a registered lobbyist in the State of California. Ms. Westley is a registered lobbyist in the State of California. Ms. Zhao is a registered lobbyist in the State of California.</p>
Estimated Placement Agent Compensation	<p>TPG STAR GenPar, L.P. and its affiliates have not engaged, compensated or agreed to compensate, directly or indirectly, any third-party placement agent in connection with the offer of assets, securities, or services to California Public Employees' Retirement System ("CalPERS") or any CalPERS vehicle. The Placement Agents listed in Attachment A above are employees of TPG Global, LLC or an affiliate of TPG Global, LLC and are paid an annual base salary plus a discretionary bonus for their activities as representatives of TPG Capital BD, LLC, which is not contingent upon offer of assets, securities or services to CalPERS on behalf of TPG STAR, L.P. Although the Placement Agents receive their compensation from TPG Global, LLC or an affiliate of TPG Global, LLC, the Placement Agents are registered representatives of TPG Capital BD, LLC, an affiliate of TPG Global, LLC and a member of FINRA. The approximate compensation of the employees of TPG Global, LLC or an affiliate of TPG Global, LLC who offered interests in TPG STAR, L.P. is roughly estimated at \$17,400; although, such compensation was not based directly or indirectly on the amount of CalPERS commitment.</p>
Disclosed Campaign Gifts and Contributions	None
Notes	None
Transaction Type	Amendment

*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

Investment Proposal Activity Summary (for the month ended October 31, 2015)

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	27	4	49	8	12	1	2	103
New Proposals During the Month	8	0	19	4	4	0	2	37
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	8	0	36	3	10	0	3	60
End of Month Proposals	27	4	32	9	6	1	1	80

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	0	4	1	6	0	0	1	12
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	8	12	1	2	103
New Proposals During the Month								
Subtotal	8	0	19	4	4	0	2	37
Reinstated Proposals During Month								
Subtotal	0	0	0	0	0	0	0	0
Decisions During the Month								
Committed	0	0	0	0	0	0	0	0
Declined	7	0	35	3	1	0	3	49
Failed to Materialize	0	0	1	0	5	0	0	6
Referred	1	0	0	0	4	0	0	5
Subtotal	8	0	36	3	10	0	3	60
End of Month Proposals								
Submitted	2	4	0	5	0	0	0	11
Screening	13	0	30	4	3	1	1	52
Due Diligence	7	0	2	0	0	0	0	9
Approved	5	0	0	0	3	0	0	8
Subtotal	27	4	32	9	6	1	1	80

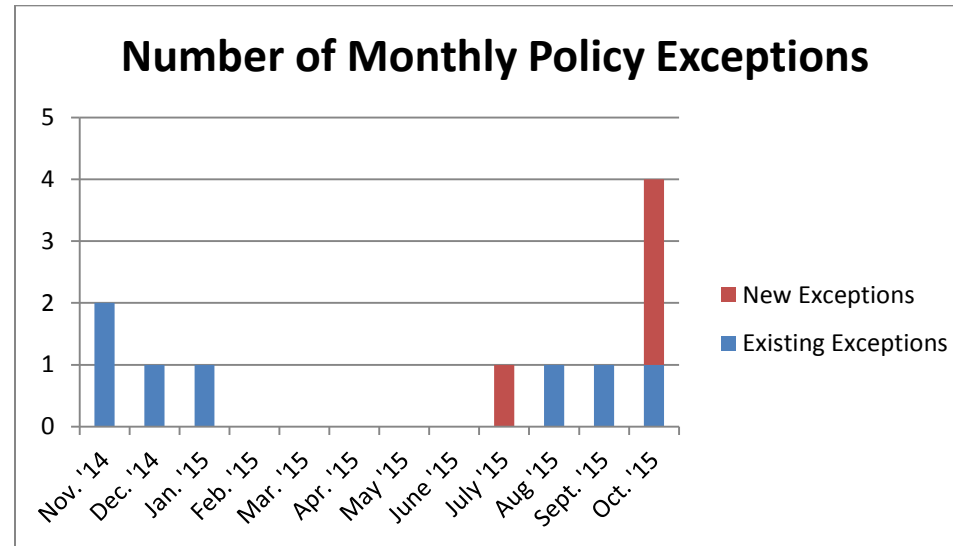
*Start of Month Proposals for October (103) was revised down from End of Month Proposals for September (104) due to a duplicate proposal submission.

Policy Exceptions *(for the month ended October 31, 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
- Investment Servicing Division
- Risk and Asset Allocation



Policy Exceptions (for the month ended October 31, 2015)

New:

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Global Governance	8/17/2015	2/16/2016	Statement of Investment Policy for Global Governance	<p>The Global Governance Policy requires that a summary of publicly traded company proxy votes be presented to the Investment Committee quarterly.</p> <p>Reporting was not provided timely for two quarters as required by the policy.</p>	<p>The summary was last presented to the Investment Committee on May 18, 2015 covering the quarter ending March 31, 2015. Reporting for the two subsequent quarters was not provided due to prioritization of other agenda items.</p> <p>The next summary will be presented at the February 2016 Board meeting in order to resolve the outstanding exception.</p>
Global Equity / Execution Services & Strategy (Sec Lending)	10/9/2015	10/12/2015	Statement of Investment Policy for Securities Lending	<p>International securities loans are required to be collateralized at 105% of the borrowed value. Loans were erroneously approved for a borrower who had not posted the full collateral amount needed to meet the 105% value.</p> <p>CalPERS securities lending agent, eSecLending, requires international borrowers to post collateral in advance of loaning securities. CalPERS was notified that a borrower had failed to post collateral on a particular loan and that eSecLending erroneously settled the transaction rather than cancelling it. Therefore, the collateralization requirement was temporarily breached.</p>	<p>eSecLending recalled the uncollateralized loan on October 12, 2015 and the exception was resolved. No loss to CalPERS occurred. eSecLending has implemented mitigating controls to prevent a reoccurrence.</p>

Existing:

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Global Fixed Income	10/13/2014	10/19/2015	California Public Employees' Retirement Statement of Investment Policy for Low Duration Fixed Income Program	<p>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.</p>	<p>The exception was resolved in October 2015 with the presentation of the GFI program review and related policy.</p>

Disclosure of Closed Session Action Items *(for the month ended October 31, 2015)*

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

Investment Transactions (for the month ended October 31, 2015)

	Public Equity	REIT	Total Fund - Public Markets				
			Income	Inflation	ARS	Liquidity	MAC
Beginning 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
+ Purchases	2,477,661,363	367,996	3,101,588,588	1,537,943,708	-	242,910,000	-
- Sales	(3,680,356,410)	-	(3,877,983,108)	(2,142,579,482)	(75,245,648)	(292,930,000)	-
+ Unitized Fund Purchases	-	-	-	-	-	-	-
- Unitized Fund Sales	-	-	-	-	-	-	-
+/- Other Changes in MV	178,359,752	(367,996)	(1,372,921,346)	(327,815,784)	(15,511,429)	28,909,734	43,632,050
Ending Market Value	158,507,124,394	27,535	56,359,907,337	14,732,359,757	496,628,889	4,831,866,934	1,208,703,550

Total Fund - Private Markets				
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	28,674,602,500	27,133,398,536	2,215,838,439	2,168,716,905
+ Contributions	220,277,946	371,042,352	-	11,748,183
- Distributions	(445,628,274)	(198,898,791)	-	(10,694,608)
+/- Other Changes in MV	(366,829,981)	(294,399,990)	-	(1,053,575)
Ending Market Value	28,082,422,191	27,011,142,107	2,215,838,439	2,168,716,905

	Total Public Markets	Total Private Markets	Total Fund
Beginning Market Value	223,548,795,313	60,192,556,380	283,741,351,693
+ Contributions	7,360,471,656	603,068,481	7,963,540,137
- Distributions	(10,069,094,648)	(655,221,673)	(10,724,316,321)
+ Unitized Fund Purchases	-	-	-
- Unitized Fund Sales	-	-	-
+/- Other Changes in MV	15,296,446,076	(662,283,546)	14,634,162,530
Ending Market Value	236,136,618,397	59,478,119,642	295,614,738,040

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