

CalPERS

Monthly Update – Investment Compliance

MONTH ENDED NOVEMBER 30, 2015

CalPERS Monthly Update - Investment Compliance

As of November 30, 2015

Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

Investment Proposal Activity Summary

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Investment Transactions

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

Program Area		Name of Investment	Commitment (million)	Initial Funding Date of Partnership	Complies with Delegation Number
	Private Equity	TowerBrook Structured Opportunities Fund	\$250.00	Nov-15	07-02-INV II.B.3
	Private Equity	Carlyle U.S. Equity Opportunity Fund II, L.P. ("CEO II")	\$200.00	Nov-15	07-02-INV II.B.3

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

Firm Name	Carlyle Global Partners	CVC Credit Partners Investment Management Limited
Asset Class	Private Equity	Private Equity
Fund	Carlyle Global Partners L.P.	CVC Credit Strategic Co-Investment A L.P.
Placement Agent / Firm	Lee Carson, Carlyle Internal Sales Personnel	Marc St. John, Employee of a CVC Capital Partners group company Rob Squire, Employee of a CVC Capital Partners group company
Registered with U.S. or non-U.S. financial regulatory authority	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").	There are a number of group companies affiliated to the employer of the Placement Agents that are registered with regulatory authorities. Please see Item 7 (Financial Industry Affiliates) of the most recent Form ADV. It may also be noted that CVC Capital Partners Advisory (U.S.), Inc. has also since applied for full registration with the SEC.
Registered Lobbyist(s)	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.	The above named Placement Agents are registered as lobbyists in New York City and California. Robert Squire is registered as a lobbyist in the City of Los Angeles and San Diego County. CVC Capital Partners Limited and CVC Capital Partners (US) Inc are both registered as lobbyists with New York City.
Estimated Placement Agent Compensation	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. While we do not track hours / compensation attributable directly to CalPERS, we estimate that approximately 9.5 hours of Mr. Carson's time during this 12-month period was spent engaging with CalPERS. Based on this estimate, approximately \$2,950 of Mr. Carson's compensation is attributable to CalPERS.	The individuals are working as Placement Agents as part of their role in Investor Relations. Approximately \$5,640 of total time has been spent in discussions with CalPERS in the last 9 months. Note that this includes approximately \$4,314 of time spent by Lisa Lee who left CVC in January 2015. We attach copies of the Placement Agents' 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.
Disclosed Campaign Gifts and Contributions	None	None
Notes	None	Per CVC regarding Lisa Lee, please note: 1. She is not entitled to any payment from CVC with regard to this transaction; and 2. Her title prior to leaving CVC was "Managing Director, Investor Relations".
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 November 30, 2015)*

Firm Name	Investec Asset Management North America, Inc. ("IAM NA")
Asset Class	Global Fixed Income
Fund	RFP Solicitation 2013-7075
Placement Agent / Firm	John Coan, Regional Director, North America Institutional, Investec Asset Management
Registered with U.S. or non-U.S. financial regulatory authority	IAM NA is an SEC-registered investment adviser. IAM NA relies on an exemption from registration as a commodity pool operator and a commodity trading advisor.
Registered Lobbyist(s)	Mr. Coan is registered as a lobbyist in the State of California. IAM NA is registered as a lobbyist employer in the State of California.
Estimated Placement Agent Compensation	IAM NA provides a salary and discretionary bonus to its employees, including those deemed placement agents under 2 Cal. Code Regs. Section 559. Discretionary bonuses are determined by management of IAM NA based upon a variety of factors, including individual and firm performance. No placement fee, finders fee or similar transaction-based compensation is paid to Mr. Coan. None of Mr. Coan's compensation is directly tied to activities with CalPERS or contingent upon an investment by CalPERS. The estimated compensation for Mr. Coan for the time spent in connection with the CalPERS Investment for the period from January 1, 2015 through June 30, 2015 was approximately \$385.
Disclosed Campaign Gifts and Contributions	None
Notes	This Investment Agreement has been executed.
Transaction Type	New

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

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

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	27	4	31	9	6	1	1	79
New Proposals During the Month	10	1	12	4	3	0	0	30
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	7	0	0	1	3	1	1	13
End of Month Proposals	30	5	43	12	6	0	0	96

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		2	4	0	5	0	0	0	11
Screening		13	0	29	4	3	1	1	51
Due Diligence		7	0	2	0	0	0	0	9
Approved		5	0	0	0	3	0	0	8
Subtotal		27	4	31	9	6	1	1	79
New Proposals During the Month									
Subtotal		10	1	12	4	3	0	0	30
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		3	0	0	0	0	1	1	5
Failed to Materialize		2	0	0	0	2	0	0	4
Referred		0	0	0	1	1	0	0	2
Subtotal		7	0	0	1	3	1	1	13
End of Month Proposals									
Submitted		0	0	0	7	0	0	0	7
Screening		22	5	41	5	3	0	0	76
Due Diligence		5	0	2	0	0	0	0	7
Approved		3	0	0	0	3	0	0	6
Subtotal		30	5	43	12	6	0	0	96

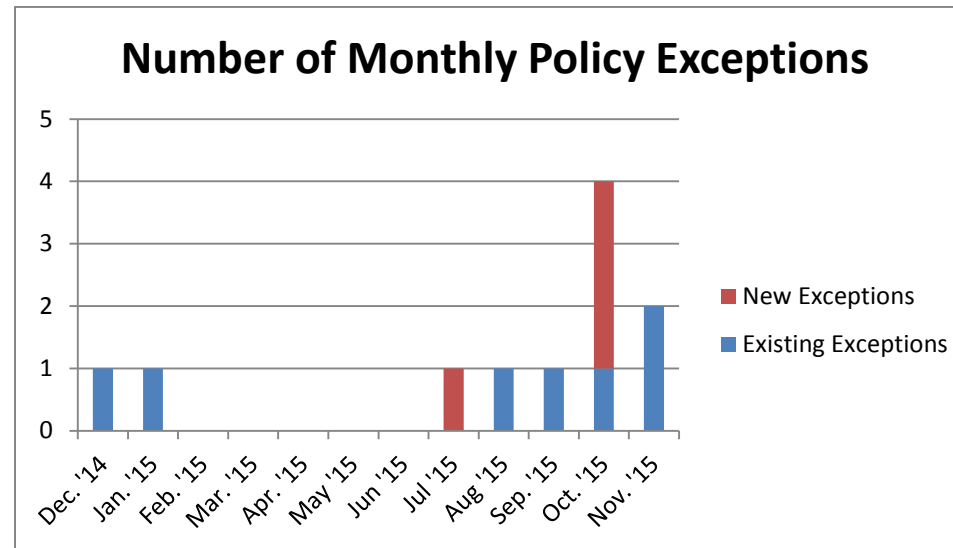
*Start of Month Proposals for November (79) was revised down from End of Month Proposals for September (80) due to a duplicate proposal submission in Infrastructure.

Policy Exceptions *(for the month ended November 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
- Investment Servicing Division
- Global Equity
- Risk and Asset Allocation
- Global Fixed Income



Policy Exceptions *(for the month ended November 30, 2015)*

New:

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps

Existing:

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 (Est.)	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>

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

	Investment Committee Meeting Date	Agenda Item	Investment Committee Action	Vote																										
	November 16, 2015	Closed 4a – California Public Divest from Iran Act (Act)	<u>Action:</u> Approved divestment from China Oilfield Services Limited, Doosan Corporation, and Indian Oil Corporation in accordance with the divestment provisions of the California Divest from Iran Act. <u>Summary of Debate:</u> Staff presented its analysis of the potential economic effects on the portfolio, which were not considered material, and discussion ensued. The Committee approved the divestments based upon staff's economic analysis and the Committee's determination that divestment was consistent with the Committee's fiduciary duties.	Roll call vote results are listed below:																										
				<table><tr><th>Committee Member</th><th>Vote</th></tr><tr><td>Michael Bilbrey</td><td>Yes</td></tr><tr><td>Richard Costigan</td><td>Yes</td></tr><tr><td>Rob Feckner</td><td>Yes</td></tr><tr><td>Katie Hagan</td><td>Yes</td></tr><tr><td>Dana Hollinger</td><td>Yes</td></tr><tr><td>JJ Jelencic</td><td>Yes</td></tr><tr><td>Henry Jones</td><td>Yes</td></tr><tr><td>Ron Lind</td><td>Yes</td></tr><tr><td>Priya Mathur</td><td>Yes</td></tr><tr><td>Frank Moore</td><td>Yes</td></tr><tr><td>Lynn Paquin</td><td>Yes</td></tr><tr><td>Bill Slaton</td><td>Yes</td></tr></table>	Committee Member	Vote	Michael Bilbrey	Yes	Richard Costigan	Yes	Rob Feckner	Yes	Katie Hagan	Yes	Dana Hollinger	Yes	JJ Jelencic	Yes	Henry Jones	Yes	Ron Lind	Yes	Priya Mathur	Yes	Frank Moore	Yes	Lynn Paquin	Yes	Bill Slaton	Yes
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				Frank Moore	Yes																									
				Lynn Paquin	Yes																									
Bill Slaton	Yes																													

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

	Total Fund - Public Markets					
	Public Equity	Income	Inflation	ARS	Liquidity	MAC
Beginning Market Value	158,507,124,394	56,359,907,337	14,732,359,757	496,628,889	4,831,866,934	1,208,703,550
+ Purchases	4,957,224,133	2,170,329,462	1,304,896,006	-	391,040,000	-
- Sales	(6,502,804,403)	(3,904,836,653)	(1,241,659,239)	(20,492,638)	(457,090,000)	-
+ Unitized Fund Purchases	-	-	-	-	-	-
- Unitized Fund Sales	-	-	-	-	-	-
+/- Other Changes in MV	837,904,951	1,316,041,752	(439,421,980)	(6,062,928)	(743,828,184)	(1,277,750)
Ending Market Value	157,799,449,076	55,941,441,898	14,356,174,544	470,073,323	4,021,988,750	1,207,425,800

	Total Fund - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	28,082,422,191	27,011,142,107	2,215,838,439	2,168,716,905
+ Contributions	387,246,153	324,336,643	-	-
- Distributions	(473,279,829)	(257,875,642)	-	-
+/- Other Changes in MV	86,033,676	628,667,177	-	-
Ending Market Value	28,082,422,191	27,706,270,285	2,215,838,439	2,168,716,905

	Total Public Markets	Total Private Markets	Total Fund
Beginning Market Value	236,136,590,862	59,478,119,642	295,614,710,505
+ Contributions	8,823,489,601	711,582,796	9,535,072,397
- Distributions	(12,126,882,933)	(731,155,471)	(12,858,038,404)
+ Unitized Fund Purchases	-	-	-
- Unitized Fund Sales	-	-	-
+/- Other Changes in MV	963,355,861	714,700,853	1,678,056,714
Ending Market Value	233,796,553,391	60,173,247,820	293,969,801,212

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