

CalPERS

Monthly Update – Investment Compliance

MONTH ENDED DECEMBER 31, 2015

CalPERS Monthly Update - Investment Compliance

As of December 31, 2015

Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

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

Program Area	Name of Investment	Commitment (million)	Initial Funding Date of Partnership	Complies with Delegation Number
Private Equity	Carlyle Havasu Coinvestment, L.P.	\$76.00	Dec-15	07-02-INV II.C.1

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

Firm Name	
Asset Class	No items 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 December 31, 2015)

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	30	5	43	12	6	0	0	96
New Proposals During the Month	6	0	14	5	1	1	1	28
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	3	0	14	10	3	1	0	31
End of Month Proposals	33	5	43	7	4	0	1	93

Status Details

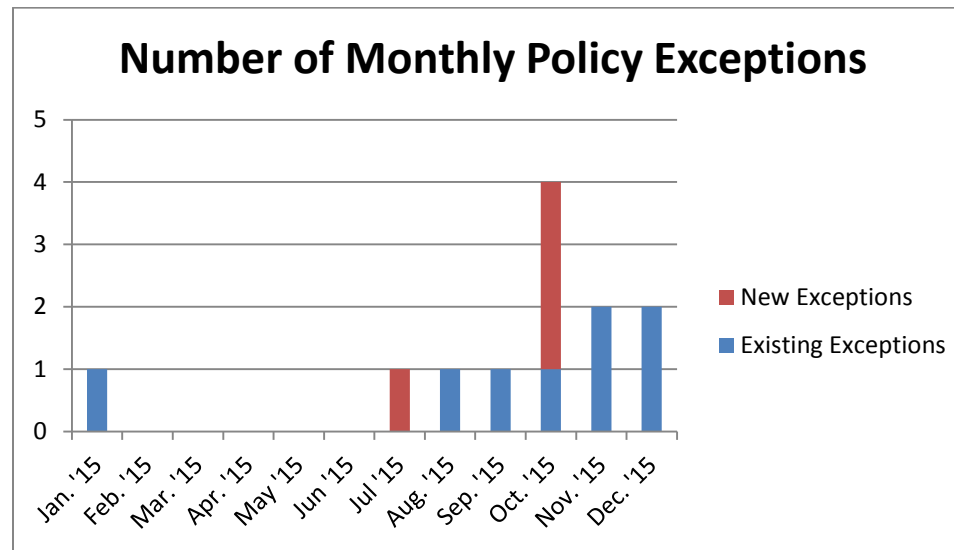
Status	Private Asset Classes				Public Asset Classes			Total
	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	
Start of Month Proposals								
Submitted	0	0	0	7	0	0	0	7
Screening	22	5	41	5	3	0	0	76
Due Diligence	5	0	2	0	0	0	0	7
Approved	3	0	0	0	3	0	0	6
Subtotal	30	5	43	12	6	0	0	96
New Proposals During the Month								
Subtotal	6	0	14	5	1	1	1	28
Reinstated Proposals During Month								
Subtotal	0	0	0	0	0	0	0	0
Decisions During the Month								
Committed	1	0	0	0	0	0	0	1
Declined	2	0	14	10	0	1	0	27
Failed to Materialize	0	0	0	0	2	0	0	2
Referred	0	0	0	0	1	0	0	1
Subtotal	3	0	14	10	3	1	0	31
End of Month Proposals								
Submitted	0	0	0	5	0	0	0	5
Screening	26	5	40	2	1	0	1	75
Due Diligence	5	0	3	0	0	0	0	8
Approved	2	0	0	0	3	0	0	5
Subtotal	33	5	43	7	4	0	1	93

Policy Exceptions (for the month ended December 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
- Global Equity
- Risk and Asset Allocation
- Global Fixed Income



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

New:

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
No items to report					

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 December 31, 2015)*

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

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

	Total Fund - Public Markets					
	Public Equity	Income	Inflation	ARS	Liquidity	MAC
Beginning 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
+ Purchases	4,623,280,304	1,744,652,390	846,822,323	-	494,560,000	-
- Sales	(6,784,886,329)	(3,275,031,027)	(1,141,415,156)	(13,207,561)	(436,680,000)	-
+ Unitized Fund Purchases	-	-	-	-	-	-
- Unitized Fund Sales	-	-	-	-	-	-
+/- Other Changes in MV	(962,742,937)	1,184,318,149	(105,308,037)	5,760,771	1,111,228,811	(29,770,000)
Ending Market Value	154,675,100,114	55,595,381,410	13,956,273,675	462,626,533	5,191,097,561	1,177,655,800

	Total Fund - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	28,082,422,191	27,706,270,285	2,215,838,439	2,168,716,905
+ Contributions	672,492,807	1,510,133,373	4,038,166	33,738,108
- Distributions	(755,189,445)	(438,275,898)	-	(4,496,229)
+/- Other Changes in MV	(630,526,470)	(2,851,746,356)	(20,120,100)	136,510,285
Ending Market Value	27,369,199,083	25,926,381,405	2,199,756,505	2,334,469,069

	Total Public Markets	Total Private Markets	Total Fund
	Beginning Market Value	233,796,553,391	60,173,247,820
+ Contributions	7,709,315,017	2,220,402,454	9,929,717,471
- Distributions	(11,651,220,073)	(1,197,961,572)	(12,849,181,645)
+ Unitized Fund Purchases	-	-	-
- Unitized Fund Sales	-	-	-
+/- Other Changes in MV	1,203,486,757	(3,365,882,641)	(2,162,395,884)
Ending Market Value	231,058,135,093	57,829,806,062	288,887,941,154

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 December 31, 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 12/31/2015	Selection Reason
Q1	Global Governance	Specialty Investment Consulting Services Spring Fed Pool	Wilcox Miller & Nelson (Contract #2015-7679)	8/17/2015	6/30/2016	Diverse Director DataSource (3D) Transition	\$ 100,000.00	\$ 100,000.00	Existing knowledge of the investment or organization
Subtotal							\$ 100,000.00	\$ 100,000.00	
Q1	Global Governance	Specialty Investment Consulting Services Spring Fed Pool	Garland Associates, Inc. (Contract #2015-7677)	9/10/2015	9/23/2015	Bank of America Corp. (BAC)	\$ 12,000.00	\$ -	Existing knowledge of the investment or organization
Subtotal							\$ 12,000.00	\$ -	
Q1	Investment Servicing Division	Specialty Investment Consulting Services Spring Fed Pool	Cutter Associates, Inc. (Contract #2015-7682)	8/17/2015	12/31/2015	INVO Data Governance Strategy and Implementation	\$ 99,750.00	\$ 36,820.00	Existing knowledge of the investment or organization
Subtotal							\$ 99,750.00	\$ 36,820.00	
Q2	Private Equity	Specialty Investment Consulting Services Spring Fed Pool	Pacific Alternative Asset Management Company LLC (PAAMCO) (Contract #2015-7702)	8/17/2015	12/31/2015	Absolute Return Strategies: Fund Administration	\$ 1,000,000.00	\$ 1,000,000.00	Critical Timeframe; Previous Entity
Subtotal							\$ 1,000,000.00	\$ 1,000,000.00	
Total Specialty Investment Consulting Services Spring-Fed Pool Committed Amount							\$ 1,211,750.00	\$ 1,136,820.00	
Q1	Targeted Investment Program	Diversity Spring-Fed Pool	RG & Associates (Contract #2010-6009)	7/1/2015	4/30/2016	External Outreach - CalPERS Diversity & Inclusion Forum, Fall 2015	\$ 20,000.00	\$ -	Existing knowledge of the investment or organization
Q2				11/13/2015	4/30/2016		\$ 5,500.00	\$ -	Amended LOE# 1259 to Increase Amount Known Contractor
Subtotal							\$ 25,500.00	\$ -	
Total Diversity Spring-Fed Pool Committed Amount							\$ 25,500.00	\$ -	
Q2	Global Equity	Enterprise Strategy and Performance Division Spring-Fed Pool	Dee Hansford Consulting (Contract #2013-6791)	11/18/2015	9/7/2016	Individual Development Project	\$ 30,000.00	\$ 30,000.00	Known Contractor
Subtotal							\$ 30,000.00	\$ 30,000.00	
Total Enterprise Strategy and Performance Division Spring-Fed Pool							\$ 30,000.00	\$ 30,000.00	
Q1	IFG-Infrastructure & Forestland	General Investment Consulting Services Spring-Fed Pool	Meketa Investment Group, Inc. (Contract #2015-7616)	9/16/2015	6/30/2016	Project: US Infrastructure Account	\$ 60,000.00	\$ 60,000.00	Bid Request
Subtotal							\$ 60,000.00	\$ 60,000.00	
Q1	Targeted Investment Program	General Investment Consulting Services Spring-Fed Pool	Pacific Community Ventures, Inc. (Contract #2015-7606)	9/13/2015	6/30/2016	CalPERS for California Report	\$ 383,400.00	\$ 383,400.00	Existing knowledge of the investment or organization
Subtotal							\$ 383,400.00	\$ 383,400.00	

Spring-Fed Pool Contract Status (for the quarter ended December 31, 2015)

Quarter	Program	Pool Name	Consultant	Start Date	End Date	Project Name	LOE Amount	LOE Balance, as of 12/31/2015	Selection Reason
Q1	INVO - Executive Office	General Investment Consulting Services Spring-Fed Pool	Pension Consulting Alliance, LLC (Contract #2015-7609)	7/1/2015	6/30/2016	Back-Up to the General Board Investment Consultant	\$ 150,000.00	\$ 150,000.00	Existing knowledge of the investment or organization
				7/1/2015	8/31/2015	CalPERS Investment Beliefs - Workshop (Subcontracted through Towers Watson)	\$ 10,000.00	\$ -	One Contractor
Subtotal							\$ 160,000.00	\$ 150,000.00	
Q2	Private Equity	General Investment Consulting Services Spring-Fed Pool	Altius Associates Limited (Contract #2015-7604)	11/3/2015	4/30/2016	Due Diligence Assistance with Prudent Person Opinion on Private Equity Fund	\$ 37,250.00	\$ 37,250.00	Bid Request
Subtotal							\$ 37,250.00	\$ 37,250.00	
Total General Investment Consulting Services Spring-Fed Pool Committed Amount							\$ 640,650.00	\$ 630,650.00	
Q1	Real Estate	Global Equity Spring Fed Pool	Mercer Investment Consulting, Inc. (Contract #2010-5950)	9/25/2015	1/31/2016	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	IFG- 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	\$ -	Bid Request
Subtotal							\$ 25,000.00	\$ -	
Total Infrastructure and Real Estate Technical Investment Services Spring-Fed Pool Committed Amount							\$ 25,000.00	\$ -	
Q2	Private Equity	Private Equity Spring Fed Pool	FTI Consulting, Inc. (Contract #2011-6094)	10/21/2015	6/30/2016	Tax Withholding Recovery Project	\$ 200,000.00	\$ 200,000.00	Known Contractor
				11/20/2015	4/30/2016	Contract and Regulatory Compliance Review	\$ 100,000.00	\$ 100,000.00	Critical Timeframe; Previous Entity
Subtotal							\$ 300,000.00	\$ 300,000.00	
Total Private Equity Spring-Fed Pool Committed Amount							\$ 300,000.00	\$ 300,000.00	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	Bard Consulting (Contract #2014-7427)	7/1/2015	6/30/2016	Incentive Fee Analysis and Modeling 2015-16	\$ 200,000.00	\$ 71,179.07	Existing knowledge of organization
				7/1/2015	6/30/2016	CalPERS Domestic Strategic Portfolio Performance Attribution	\$ 50,000.00	\$ 46,437.50	Existing knowledge of organization
				7/7/2015	6/30/2016	Urban Multi-Family IT	\$ 250,000.00	\$ 158,825.00	Existing knowledge of organization
Subtotal							\$ 500,000.00	\$ 276,441.57	

Spring-Fed Pool Contract Status (for the quarter ended December 31, 2015)

Quarter	Program	Pool Name	Consultant	Start Date	End Date	Project Name	LOE Amount	LOE Balance, as of 12/31/2015	Selection Reason
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
				7/7/2015	9/30/2015	Project Varsity	\$ 37,500.00	\$ 37,500.00	Bid Request
Q1	IFG- Infrastructure & Forestland			9/16/2015	12/31/2015	Project Wichita	\$ 25,000.00	\$ -	Bid Request
Q2	IFG- Infrastructure & Forestland			12/14/2015	4/30/2016	Project Desert Sunlight	\$ 20,000.00	\$ 20,000.00	Critical Timeframe; Previous Entity
Q2	Real Estate			10/23/2015	12/30/2015	NSG Refinance 2015 - Prudent Person Opinion	\$ 10,000.00	\$ 10,000.00	Critical Timeframe; Previous Entity
				11/13/2015	6/30/2016	Due Diligence / Annual Investment Plan Review	\$ 160,000.00	\$ 160,000.00	Bid Request
Subtotal							\$ 312,500.00	\$ 287,500.00	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	Duff & Phelps, LLC (Contract #2014-7433)	9/4/2015	12/31/2015	Fairness Opinion on Offers to Purchase	\$ 400,000.00	\$ -	Critical Timeframe exists, only one contractor
Subtotal							\$ 400,000.00	\$ -	
Q1	IFG- Infrastructure & Forestland	Real Assets Investments Consulting Services Spring-Fed Pool	Crosswater Realty Advisors, LLC (Contract #2014-7431)	7/1/2015	6/30/2016	Crosswater-Forestland Program	\$ 120,000.00	\$ 113,450.00	Existing knowledge of the investment or organization
	Real Estate			7/31/2015	6/30/2016	Project Thor	\$ 175,800.00	\$ 134,414.13	Bid Request
				8/10/2015	6/30/2016	Independent Fiduciary - Sale of Real Estate Portfolio Limited Partnership Interests	\$ 77,000.00	\$ 32,441.89	Bid Request
Q2	Real Estate			12/30/2015	6/30/2016	Operational Due Diligence Review	\$ 240,000.00	\$ 240,000.00	Critical Time; One Contractor
Subtotal							\$ 612,800.00	\$ 520,306.02	
Q1	Real Estate	Real Assets Investments Consulting Services Spring-Fed Pool	LP Capital Advisors (Contract #2014-7500)	7/1/2015	6/30/2016	Bentall Kennedy Direct Investment Monitoring FY 2015-16	\$ 103,750.00	\$ 79,968.75	Existing knowledge of organization
	IFG- Infrastructure & Forestland			7/1/2015	6/30/2016	Infrastructure Program Support	\$ 113,825.00	\$ 107,568.75	Existing knowledge of organization
Subtotal							\$ 217,575.00	\$ 187,537.50	
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	\$ 141,500.00	Existing knowledge of the investment or organization
Subtotal							\$ 150,000.00	\$ 141,500.00	
Total Real Assets Investment Consulting Services SFP Committed Amount							\$ 2,192,875.00	\$ 1,413,285.09	
Q1	Investment Servicing Division	IT Spring-Fed Pool	Technology Crest	9/24/2015	12/31/2015	ITSU Support	\$ 63,416.00	N/A	Known Contractor Amendment on PO# 62932
Subtotal							\$ 63,416.00	\$ -	

Spring-Fed Pool Contract Status (for the quarter ended December 31, 2015)

Quarter	Program	Pool Name	Consultant	Start Date	End Date	Project Name	LOE Amount	LOE Balance, as of 12/31/2015	Selection Reason
Q1	Investment Servicing Division	IT Spring-Fed Pool	Cambria	8/21/2015	12/31/2015	AREIS Maintenance & Support	\$ 63,020.00	N/A	Known Contractor Amendment on PO# 61554
Subtotal							\$ 63,020.00	\$ -	
Q2	Investment Servicing Division	IT Spring-Fed Pool	Trinity Technology (Contract #2010-5888)	10/20/2015	12/31/2015	INVO SharePoint Architecture Support	\$ 197,200.00	N/A	Known Contractor
Subtotal							\$ 197,200.00	\$ -	
Q2	Investment Servicing Division	IT Spring-Fed Pool	Stanfield Systems (Contract #2010-5879)	10/14/2015	12/31/2015	AIP - Process and Technology Development (Sr. Technical Specialist/Lead)	\$ 61,500.00	N/A	Known Contractor Amendment on PO# 62498
Subtotal							\$ 61,500.00	\$ -	
Q1	Investment Servicing Division	IT Spring-Fed Pool	ProPoint Technology, Inc. (Contract #2010-5857)	7/24/2015	12/31/2015	Global Equity Quantitative Strategies Support Services	\$ 29,295.00	N/A	Known Contractor Amendment on PO# 61635
Q2				10/26/2015	12/31/2015	Private Equity Accounting and Reporting Solution (PEARS) - Project Manager	\$ 60,320.00	N/A	Known Contractor Amendment on PO# 62209
				10/20/2015	12/31/2015	INVO Artemis Analyst - Portfolio Mangement Support	\$ 25,125.00	N/A	Known Contractor Amendment on PO# 62379
				10/19/2015	12/31/2015	Private Equity Accounting and Reporting Solution (PEARS) - Business Analyst	\$ 55,680.00	N/A	Known Contractor Amendment on PO# 62179
Subtotal							\$ 170,420.00	\$ -	
Total ITSB SFP Committed Amount							\$ 555,556.00	\$ -	
Grand Total Investment Office Committed Amount							\$ 5,036,331.00	\$ 3,565,755.09	

Investment Policy Administrative Changes *(for the quarter ended December 31, 2015)*

Review Date	Policy	Policy Category	Comments
	No items to report		