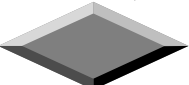


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

March 14, 2016



The Investment Committee (Committee) met on March 14, 2016 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:30 a.m. and the following members were present:

Henry Jones, Chair
Bill Slaton, Vice Chair
Michael Bilbrey
John Chiang
Richard Costigan
Rob Feckner
Richard Gillihan represented by Katie Hagen
Dana Hollinger
JJ Jelincic
Ron Lind
Priya Mathur
Theresa Taylor
Betty Yee

AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO) provided the CIO Briefing, including reflections on the day's agenda and how select agenda items support CalPERS' Investment Beliefs.

AGENDA ITEM 3a – ACTION CONSENT ITEMS

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to approve the following action consent items. The motion passed.

- a. Approval of the February 16, 2016 Investment Committee Meeting Minutes

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the April 18, 2016 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

Items 7a and 7b – were moved to the beginning of the Investment Committee Open Session.

AGENDA ITEM 7a – Sustainable Accounting Standards Report (SASB) Climate Report

The Committee heard a presentation from Dr. Jean Rogers and Janine Guillot, with the Sustainability Accounting Standards Board (SASB), for insight on how to encourage company engagement for market standards, which support CalPERS' future strategy of the integration of the environmental, social, and governance (ESG) program into our investment strategy for the next five years.

AGENDA ITEM 7b – Global Governance Strategic Review: Climate Change Focus

Ted Eliopoulos, CIO, and Anne Simpson, Investment Director, provided a summary of CalPERS plans around climate change, human capital, alignment of interest, and working with partners. Mindy Lubber, President of Ceres, spoke on CalPERS support for ESG engagement. Staff responded to comments and feedback from Committee members. Public comments were also heard from Deborah and Helen Roth, CalPERS members and members of Fossil Free California.

AGENDA ITEM 5a – Revision of the Global Governance Principles – Second Reading

Ted Eliopoulos, CIO, responded to questions from the Committee on the Global Governance Principles.

On **MOTION** by Mr. Lind, **SECONDED** and **CARRIED**, to approve the Global Governance Principles. The motion passed.

AGENDA ITEM 5b – Review of the Investment Committee Delegation

Wylie Tollette, Chief Operating Investment Officer (COIO), and Kit Crocker, Investment Director, took comments from the Committee.

On **MOTION** by Ms. Mathur, **SECONDED** and **CARRIED**, to recommend the delegation to the Board of Administration for approval. The motion passed.

AGENDA ITEM 5c – Revision of Affiliate Fund Policies and Repeal of Legacy Policies – Second Reading

Kit Crocker, Investment Director took comments from the Committee on the second reading of Revision of Affiliate Fund Policies Repeal of Legacy Policies.

On **MOTION** by Ms. Taylor, **SECONDED** and **CARRIED**, to approve the Revision of Affiliate Fund Policies and Repeal of Legacy Policies. The motion passed.

AGENDA ITEM 6a – Revision of Total Fund Investment Policy, including Divestment and Repeal of Legacy Policies – Second Reading

Wylie Tollette, COIO, and Kit Crocker, Investment Director, presented highlights of the revisions to the second reading of the Revision of Total Fund Investment Policy, including Divestment and Repeal of Legacy Policies. Staff responded to comments and feedback from Committee members. Public comments were received from a member of the California School Employees Association and Terry Brennan, of the Service International Employees Union.

AGENDA ITEM 8a – Federal Investment Policy Representative Update

Federal Investment Representative Daniel Crowley, Partner with K&L Gates, shared how K&L Gates will communicate the CalPERS Investment Beliefs with SEC Commissioners as a part of their strategy for SEC engagement. Mr. Crowley responded to comments and questions from Committee members.

AGENDA ITEM 9 – Summary of Committee Direction

Ted Eliopoulos, CIO, presented this item and summarized the Committee Chair-directed items.

AGENDA ITEM 10 – Public Comment

No additional comment was received.

The meeting adjourned at approximately 3:58 p.m.

The next Committee meeting is scheduled for April 18, 2016 in Sacramento, California.

ANNE STAUSBOLL
Chief Executive Officer