Circular Letter

November 4, 2016

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION AND ITS COMMITTEES

The Board of Administration of the California Public Employees’ Retirement System (CalPERS) and its committees will meet on November 14 through 16, 2016. The meetings will be held in the CalPERS auditorium located in Lincoln Plaza North, 400 Q Street, Sacramento, California, unless otherwise noted.

Copies of the agendas for the meetings are attached. This notice and the agendas are also available on our website, www.calpers.ca.gov.

The estimated start times for each meeting are set forth below. In some cases, a portion of the meeting may be held in closed session. Please refer to the attached agendas for additional information.

**Monday, November 14, 2016**

8:30 a.m. Board of Administration *(Closed Session Only)*
8:45 a.m. Investment Committee *(Closed Session Only)*
9:00 a.m. Investment Committee

**Tuesday, November 15, 2016**

9:00 a.m. Pension and Health Benefits Committee
11:00 a.m. Performance, Compensation & Talent Management Committee *(Closed Session Only)*
11:30 a.m. Performance, Compensation & Talent Management Committee
2:00 p.m. Finance & Administration Committee
3:00 p.m. Risk & Audit Committee

**Wednesday, November 16, 2016**

8:00 a.m. Board of Administration *(Closed Session Only)*
9:00 a.m. Board of Administration

Live broadcasts of open session meetings of the Board and its committees are available for viewing at www.calpers.ca.gov. Please refer to the website for information on attending meetings and presenting public comment.
The meeting facilities are accessible to persons with disabilities. Requests for disability-related modification or accommodation require a minimum of 72 hours’ notice and may be requested by calling (916) 795-3065 (voice or TTY).

Questions regarding the meetings may be referred to Cheree Swedensky at (916) 795-3128 or cheree.swedensky@calpers.ca.gov.

MARCIE FROST
Chief Executive Officer

Attachment
Board of Administration
Meeting Agenda

Robert F. Carlson Auditorium
Lincoln Plaza North
400 P Street
Sacramento, CA

November 14, 2016
8:30 am

BOARD MEMBERS

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

AGENDA

Closed Session
8:30 am

1. Chief Executive Officer’s Briefing on Performance, Employment, and Personnel Items
   (Government Code sections 11126 (a)(1), (e), and (g)(1))

Notes

1) Items designated for Information are appropriate for Committee Action if the Committee wishes to take action. Any Agenda Item from a properly noticed Committee meeting, held immediately prior to this Board meeting, may be considered by the Board.

2) The hour designated as the earliest starting time for this meeting is not intended to communicate the expected duration (or ending time) of the preceding meeting.

3) Public comment may be taken on any agenda item. There is a three-minute limitation on each public comment, unless otherwise directed by the Committee Chair.
Investment Committee
Meeting Agenda

Robert F. Carlson Auditorium
Lincoln Plaza North
400 P Street
Sacramento, CA

November 14, 2016
9:00 am
Or upon adjournment of the
Board Closed Session — Whichever is later

COMMITTEE MEMBERS

<table>
<thead>
<tr>
<th>Henry Jones, Chair</th>
<th>Rob Feckner</th>
<th>Priya Mathur</th>
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<td>Bill Slaton, Vice Chair</td>
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<td>Richard Costigan</td>
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AGENDA

Closed Session
8:45 am
Or Upon Adjournment or Recess of Board Closed Session, Whichever is Later
1. Chief Investment Officer’s Briefing on Market and Personnel Items (Government Code sections 11126(a)(1) and 11126(c)(16))

Open Session
9:00 am
Or Upon Adjournment or Recess of Closed Session, Whichever is Later
1. Call to Order and Roll Call
Ted Eliopoulos
2. Executive Report – Chief Investment Officer Briefing
Ted Eliopoulos
3. Consent Items
   - Action Consent Items:
     a. Approval of the September 19, 2016 Investment Committee Meeting Minutes
Ted Eliopoulos
4. Consent Items
   - Information Consent Items:
     a. Annual Calendar Review
     b. Draft Agenda for the December 19, 2016 Investment Committee Meeting
     c. Monthly Update – Performance and Risk

Meeting Agenda
Investment Committee
Page 1 of 3
Meeting Agenda
Investment Committee
Page 2 of 3

Action Agenda Items

5. Total Fund
   a. California Public Divest from Iran Act

6. Legislation
   a. State Legislative Proposal: Authorized Collateral for Security Loan Agreements

Information Agenda Items

7. Legislation
   a. Annual Review of the Legislative and Policy Engagement Guidelines – First Reading

8. Program Reviews
   a. Private Equity Annual Program Review
   b. Consultant Review of the Private Equity Program
   c. Real Assets Annual Program Review
   d. Consultant Review of the Real Assets Program

9. Summary of Committee Direction

10. Public Comment
Upon Adjournment or Recess of Open Session
(Government Code sections 11126(a)(1), (c)(16) and (e))

1. Call to Order and Roll Call

2. Consent Items

   **Action Consent Items:**
   a. Approval of the September 19, 2016 Investment Committee Closed Session Minutes

3. Consent Items

   **Information Consent Items:**
   a. Closed Session Activity Reports
      1) Status of Action Items Not Yet Reported
      2) Items Completed Under Delegated Authority
      3) Disclosure of Placement Agent Fees: Proposed Investments
      4) Investment Proposal Status Reports

4. Information Agenda Items

   4. Total Fund
      a. California Public Divest from Iran Act

5. External Manager and Investment Decision Updates

   a. Private Equity
   b. Real Assets
   c. Global Equity
   d. Global Fixed Income Programs
   e. Opportunistic
   f. Asset Allocation

6. Chief Investment Officer – Personnel, Employment and Performance

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4) Board Members may attend meetings of committees of which they are not members and participate in the discussions during those meetings.
Pension and Health Benefits Committee
Meeting Agenda

Robert F. Carlson Auditorium
Lincoln Plaza North
400 P Street, Sacramento, CA

November 15, 2016
9:00 am

COMMITTEE MEMBERS

Priya Mathur, Chair
Michael Bilbrey, Vice Chair
John Chiang
Rob Feckner
Richard Gillihan

Dana Hollinger
Henry Jones
Theresa Taylor
Betty Yee

AGENDA

Open Session
9:00 am

1. Call to Order and Roll Call
Doug McKeever

2. Executive Report(s)
Doug McKeever

3. Consent Items

Action Consent Items:

a. Approval of the September 20, 2016, Pension and Health Benefits Committee Meeting Minutes
Doug McKeever

4. Consent Items

Information Consent Items:

a. Annual Calendar Review

b. Draft Agenda for December 20, 2016, Pension and Health Benefits Committee Meeting

c. Federal Health Care Policy Representatives Update

d. Federal Retirement Policy Representatives Update
### Action Agenda Items

<table>
<thead>
<tr>
<th>Name</th>
<th>Item</th>
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<tbody>
<tr>
<td>Mary Anne Ashley</td>
<td>5. State Legislative Proposal: Policy and Technical Amendments to the Public Employee's Retirement Law</td>
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### Information Agenda Items

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<td>Mary Anne Ashley</td>
<td>6. Annual Review of the Legislative and Policy Engagement Guidelines – First Reading</td>
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<td>Donna Lum</td>
<td>7. Customer Services and Support Performance Update</td>
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<td>Anthony Suine</td>
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<td>Kathy Donneson</td>
<td>8. Pharmacy Benefit Manager Transition</td>
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<td>Victoria Eberle</td>
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<tr>
<td>Doug McKeever</td>
<td>9. Summary of Committee Direction</td>
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<tr>
<td></td>
<td>10. Public Comment</td>
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</tbody>
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### Closed Session

- Upon Adjournment or Recess of Open Session (Government Code Section 11126(c)(17))
  1. Call to Order and Roll Call

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Performance, Compensation &
Talent Management Committee
Meeting Agenda

Robert F. Carlson Auditorium
Lincoln Plaza North
400 P Street
Sacramento, CA

November 15, 2016
11:00 am
Or upon adjournment of the
Pension & Health Benefits Committee —
Whichever is later

COMMITTEE MEMBERS
Michael Bilbrey, Chair
Priya Mathur, Vice Chair
John Chiang
Richard Costigan
Richard Gillihan
Ron Lind
Theresa Taylor

AGENDA

Closed Session
11:00 am
Or upon adjournment of the Pension & Health Benefits Committee — Whichever is later
(Government Code sections 11126(a)(1) and (g)(1))

1. Call to Order and Roll Call

Action Agenda Items

Tina Campbell
2. Approval of the March 15, 2016 Performance, Compensation & Talent Management Committee Closed Session Meeting Minutes

Tina Campbell
3. Review of 2015-16 Performance: Former Chief Executive Officer

Tina Campbell
4. Review of 2015-16 Performance: Chief Investment Officer

Information agenda Items

Tina Campbell
5. Review of 2015-16 Performance: Chief Actuary, General Counsel and Chief Financial Officer

Tina Campbell

Marcie Frost
7. 2016-17 Performance Plan of the Chief Executive Officer
Open Session
11:30 am

Or Upon Adjournment of the Closed Session, Whichever is Later

1. Call to Order and Roll Call

Doug Hoffner
2. Executive Report

Doug Hoffner
3. Consent Items

Action Consent Items:

a. Approval of the August 16, 2016 Performance, Compensation & Talent Management Committee Meeting Minutes

Doug Hoffner
4. Consent Items

Information Consent Items:

a. Annual Calendar Review

b. Draft Agenda for the February 14, 2017 Performance, Compensation & Talent Management Committee Meeting

Action Agenda Items

Tina Campbell
5. 2016-17 Performance Plan of the Chief Executive Officer

Information Agenda Items

Tina Campbell, Doug McKeever
6. Organizational Health Index (OHI) Survey Update

Doug Hoffner
7. Risk Profile Review

Tina Campbell
8. Workforce Strategic Plan Annual Report

Doug Hoffner
9. Summary of Committee Direction

10. Public Comment

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Finance and Administration Committee
Meeting Agenda

Robert F. Carlson Auditorium
Lincoln Plaza North
400 P. Street
Sacramento, CA

November 15, 2016
2:00 pm

Or upon adjournment of the
Performance, Compensation & Talent Management Committee — Whichever is later

COMMITTEE MEMBERS
Richard Costigan, Chair
Dana Hollinger, Vice Chair
Richard Gillihan
JJ Jelincic
Henry Jones
Bill Slaton
Betty Yee

AGENDA

Open Session
2:00 pm
Or Upon Adjournment of the Performance, Compensation & Talent Management Committee, Whichever is Later

1. Call to Order and Roll Call

Cheryl Eason

2. Executive Report

Cheryl Eason

3. Consent Items

Cheryl Eason

Action Consent Items:

a. Approval of the September 20, 2016, Finance and Administration Committee Meeting Minutes

Information Consent Items:

a. 2016 Annual Calendar Review
b. 2017 Annual Calendar Review
c. Draft Agenda for the December 20, 2016, Finance and Administration Committee Meeting
d. Year-End Budget and Expenditure Report
e. Annual Cost Efficiency and Effectiveness Report
Action Agenda Items

5. Accounting, Financial Reporting, and Budgeting
   a. 2015-16 Basic Financial Statements
   Cheryl Eason
   Kristin Montgomery
   b. 2016-17 Mid-Year Budget (First Reading)
   Cheryl Eason
   Rose McAuliffe

6. Legislative Proposals
   a. State Legislative Proposal: Policy and Technical Amendments to the Public Employee’s Retirement Law
   Mary Anne Ashley

Information Agenda Items

7. Program Administration
   a. Securing CalPERS Future – Managing Funding Risks, Stakeholder Outreach and Engagement
   Cheryl Eason
   Ted Eliopoulos
   Scott Terando
   b. Collections & Termination Process for Public Agencies
   Cheryl Eason
   Donna Lum
   Arnita Paige
   Scott Terando

8. Business Planning
   a. CalPERS 2017-2022 Strategic Plan (First Reading)
   Doug Hoffner
   Sabrina Hutchins

9. Summary of Committee Direction

10. Public Comment

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AGENDA

Open Session
3:00 pm
Or Upon Adjournment of the Finance & Administration Committee, Whichever is Later

1. Call to Order and Roll Call

Cheryl Eason

2. Executive Report

Cheryl Eason

3. Consent Items

Action Consent Items:

a. Approval of the September 20, 2016 Risk and Audit Committee Meeting Minutes

Cheryl Eason

4. Consent Items

Information Consent Items:

a. 2016 Annual Calendar Review

b. 2017 Annual Calendar Review

c. Draft Agenda for the February 14, 2017 Risk and Audit Committee Meeting

d. Quarterly Status Report – Office of Audit Services

e. Quarterly Status Report – Enterprise Risk Management

f. Quarterly Status Report – Enterprise Compliance
g. CalPERS Ethics Helpline Report

**Action Agenda Items**

5. Audit

- a. Independent Auditor’s Report – Fiscal Years 2015-16
- b. Review of Independent Auditor’s Management Letter
- c. Finalist Interviews for the Independent Financial Statement Auditor

**Information Agenda Items**

6. Audit


7. Enterprise Risk Management

- a. Semi-Annual Enterprise Risk Reports

8. Summary of Committee Direction

9. Public Comment

**Closed Session**

Upon adjournment or Recess of Open Session (Government Code sections 11126(a)(1) and (g)(1))

1. Call to Order and Roll Call

2. Consent Items

**Action Consent Items**

- a. Approval of the September 20, 2016 Risk and Audit Committee Closed Session Meeting Minutes

- 3. Personnel, Employment and Performance – Chief Auditor

- 4. Personnel, Employment and Performance – Chief Compliance Officer

- 5. Personnel, Employment and Performance – Investment Director
Notes

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AGENDA

Closed Session
8:00 am
Mathew Jacobs

1. Litigation Matters
   (Government Code section 11126(e))
   a. In re: City of San Bernardino (U.S. Bankruptcy Court, Central District of CA, No. 2-BK-28006)
   b. Centinela Capital Partners, LLC v. CalPERS, et al. (Los Angeles Superior Court, No. BC504309);
      Baez v. CalPERS, et al. (Los Angeles Superior Court, No. BC498010)
   c. Marin Association of Public Employees v. Marin County Employees' Retirement Association (1st District Court of Appeal, Case No. A139610)
   d. Pending Litigation – Delinquent Contracting Agencies Matter

Tina Campbell

2. Personnel Matters
   (Government Code section 11126(a)(1), (e), and (g)(1))
   a. Review of 2015-16 Performance: Former Chief Executive Officer
   b. Review of 2015-16 Performance: Chief Investment Officer
   c. Review of 2015-16 Performance: Chief Actuary, General Counsel and Chief Financial Officer
d. Chief Executive Officer’s Report of 2015-16 Performance: Chief Operating Investment Officer, Managing Investment Directors, Investment Directors, and Investment Managers

Marcie Frost
e. 2016-17 Performance Plan of the Chief Executive Officer

f. Chief Executive Officer’s Briefing on Performance, Employment, and Personnel Items

Open Session
9:00 am

Or Upon Adjournment or Recess of Board Closed Session, Whichever is Later

Rob Feckner
1. Call to Order and Roll Call

Rob Feckner
2. Pledge of Allegiance

Rob Feckner
3. Board President’s Report

4. Executive Reports

Marcie Frost
a. Chief Executive Officer’s Report (Oral)

Ted Eliopoulos
b. Chief Investment Officer’s Report (Oral)

Rob Feckner
5. Consent Items

Action Consent Items:

a. Approval of the September 21, 2016 Board of Administration Meeting Minutes

b. Board Travel Approvals

6. Consent Items

Information Consent Items:

a. Board Agenda Item Calendar 2016

b. Draft Agenda for the December 21, 2016 Board of Administration Meeting

c. General Counsel’s Report

d. Communications and Stakeholder Relations

7. Committee Reports and Actions

Henry Jones
a. Investment Committee (Oral)

Priya Mathur
b. Pension & Health Benefits Committee (Oral)

Richard Costigan
c. Finance & Administration Committee (Oral)
Michael Bilbrey  d. Performance, Compensation & Talent Management Committee (Oral)
Ron Lind e. Risk & Audit Committee (Oral)
Bill Slaton f. Board Governance Committee (Oral)

**Action Agenda Items**

Cheryl Eason 8. Delinquent Contracting Agencies Matter
   a. Niland Sanitary District
   b. City of Loyalton
   c. California Fairs Financing Authority

   a. Kristina Chavez
   b. Darren Gutierrez
   c. James Towns
   d. Desi Alvarez
   e. Nellie E. Rodriguez
   f. Timothy R. Jones
   g. Radu M. Mischiu
   h. Joseph Poindexter
   i. Joseph Chapa
   j. Linda Martinez
   k. Michael Swaney
   l. Theodore R. Parrish
   m. Sonia Garvin
   n. Jerri L. Clay
   o. Tyrone Sharpe
   p. Mauricio Cardenas
   q. James Bieg
   r. Albert Peterson
   s. Gwyndolyn Harshaw
   t. Ryann O. Mullen
   u. Ann J. Stanfield
   v. Alfredo Macias
   w. Jeffrey H. Cadwell
   x. Marty Gaines
   y. Janette E. Cain
   z. Marilyn Strasburg-Langford
   aa. David Duran
   bb. Edward Stuckenschneider
   cc. Frederick Orsborn
   dd. Susan E. Schmidt
Rob Feckner 10. Petitions for Reconsideration
   a. Harry Dhesi
   b. Nicole Collins
   c. Cari McCormick

Information Agenda Items

Mary Anne Ashley 11. State and Federal Legislation Update

Marcie Frost 12. Summary of Board Direction

13. Public Comment

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