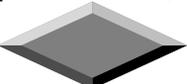


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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
INVESTMENT COMMITTEE**

**MINUTES OF MEETING  
OPEN SESSION**

**September 19, 2016**



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The Investment Committee (Committee) met on September 19, 2016 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:45 a.m. and the following members were present:

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

**AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing**

Ted Eliopoulos, Chief Investment Officer (CIO) provided the CIO Briefing. Mr. Eliopoulos highlighted key items for the day's agenda and the Asset Liability Management (ALM) cycle, investment performance, portfolio risk, and positioning. Additionally, Mr. Eliopoulos provided a brief update on the historic and projected the Public Employees' Retirement Fund (PERF) cash flow analysis.

**AGENDA ITEM 3 – 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 August 15, 2016 Investment Committee Meeting Minutes
- b. Approval to Rescind Investment Delegations of Authority

## **AGENDA ITEM 4 – INFORMATION CONSENT ITEMS**

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the November 14, 2016 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

Item 4a, Annual Calendar Review, Chairperson Jones directed to add language to the annual committee calendar for months with no scheduled items.

## **AGENDA ITEM 5a – ASSET ALLOCATION, PERFORMANCE AND RISK, CalPERS Consultant Public Fund Universe Comparison Reports**

Andrew Junkin, Wilshire Associate Consulting, presented the item. The presentation included an overview of CalPERS performance and risk compared to a peer universe of U.S. public funds with more than \$10 million in asset value. Andrew Junkin responded to questions from the Committee. Public Comment was heard from Jeff Conant from Friends of the Earth, on investment strategy.

## **AGENDA ITEM 5b – ASSET ALLOCATION, PERFORMANCE AND RISK, Risk Profile Review**

Ted Eliopoulos, CIO, Wylie Tollette, Chief Operating Investment Officer (COIO), and Forrest Grimes, Chief Risk Officer, Enterprise Risk Management Division, presented the Risk Profile Review to the Committee and responded to questions from the Committee.

## **AGENDA ITEM 6a – PROGRAM REVIEWS, Public Markets Annual Program Review – Global Equity and Global Fixed Income**

Ted Eliopoulos, CIO, Wylie Tollette, COIO, Dan Bienvenue, Managing Investment Director (MID), Curtis Ishii, MID, and staff presented the item and responded to questions from the Committee. The presentation included an overview and highlights of the Global Equity and Global Fixed Income Programs, in addition to portfolio characteristics on International Public Markets Program presented by Mike Rosborough, Investment Director (ID), and Simiso Nzima, Investment Manager (IM); on the Execution Services & Strategy presented by Don Pontes, ID, and Brian Leu, IM; on the Commodities Program presented by Andrew Karsh, IM; and on the Affiliates Program presented by Christine Reese, IM.

The Committee recessed from 11:55 a.m. to 12:45 p.m.

## **AGENDA ITEM 6b – PROGRAM REVIEWS, Consultant Review of the Global Equity and Global Fixed Income Programs**

Andrew Junkin, Steven Foresti, and Patrick Lighaam of Wilshire Associate Consulting presented the item. The presentation included key highlights of Wilshire Associates' review of

the Global Equity and Global Fixed Income Programs' management and performance. Additionally, Curtis Ishii, MID, responded to questions from the Committee.

**AGENDA ITEM 7a – LEGISLATION, Federal Investment Policy Representative Update**

Mary Anne Ashley, Chief, Legislative Affairs Division, and Daniel Crowley, K&L Gates, presented the item and responded to questions from the Committee.

**AGENDA ITEM 8 – SUMMARY OF COMMITTEE DIRECTION**

Ted Eliopoulos, CIO, presented and summarized the Chair-directed items. The Chair directed that the annual calendar be updated with “no agenda items currently scheduled” for the March 2017 Committee meeting instead of April 2017 and for future months, as required; that staff and Wilshire Consulting meet with the Chair and Vice Chair to discuss the utility of Wilshire’s Public Fund Universe Comparison Report, then report back to the Investment Committee; that the Legislative Affairs Division staff clarify the federal legislation process involving staff and the Board for responding to legislation at the Board Governance Committee at a later date; and that staff create a projected PERF Cash Flow Analysis chart using lower rates of return of 6% and 6.5%.

**AGENDA ITEM 9 – PUBLIC COMMENT**

Public comments were provided by Mr. Stephen Conway, Director of Finance for the town of Los Gatos, on communication strategy; Kristen Loomis, Jahnese Myers, and David Brazil of Revive Oakland and E.J. Pavia of Urban Peace Movement collectively spoke on a labor dispute.

The meeting adjourned at approximately 2:30 p.m.

The next Committee meeting is scheduled for November 14, 2016 in Sacramento, California.

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DOUGLAS HOFFNER  
Interim Chief Executive Officer