


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

**MINUTES OF MEETING
OPEN SESSION**

November 14, 2016



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

The meeting was called to order at approximately 9:28 a.m. and the following members were present:

Henry Jones, Chair
Bill Slaton, Vice Chair
Michael Bilbrey
John Chiang, also represented by Steve Juarez and Eric Lawyer
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, thoughts about the recent United States presidential election and the potential investment and economic implications for CalPERS.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

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

- a. Approval of the September 19, 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 December 19, 2016 Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance
- e. Federal Investment Policy Representative Update

AGENDA ITEM 5a – TOTAL FUND, California Public Divest from Iran Act

Ted Eliopoulos, CIO, Wylie Tollette, Chief Operating Investment Officer (COIO), and Katherine Crocker, Investment Director (ID), presented the item and responded to questions from the Committee.

On **MOTION** by Mr. Jelincic, **SECONDED** and **CARRIED**, to approve the following action consent items. The motion passed by electronic vote.

- a. Approval of the California Public Divest from Iran Act

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Michael Bilbrey	Steve Juarez		
Richard Costigan	Ron Lind		
Rob Feckner	Lynn Paquin		
Katie Hagen	Priya Mathur		
Dana Hollinger	Bill Slaton		
JJ Jelincic	Theresa Taylor		

AGENDA ITEM 6a – LEGISLATION, State Legislative Proposal: Authorized Collateral for Security Loan Agreements

Mary Anne Ashley, Chief, Legislative Affairs Division and Ted Eliopoulos, CIO, presented the item. They responded to questions from the Committee with Wylie Tollette, COIO, and Dan Bienvenue, Managing Investment Director (MID).

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

AGENDA ITEM 7a – LEGISLATION, Annual Review of the Legislative and Policy Engagement Guidelines – First Reading

Ted Eliopoulos, CIO, Mary Anne Ashley, Chief, Legislative Affairs Division, and Wylie Tollette, COIO, presented the item and responded to questions from the Committee.

The Chair directed staff to engage in a discussion at the January offsite and then return with a follow up item for action at a subsequent meeting.

AGENDA ITEM 8a – PROGRAM REVIEWS, Private Equity Annual Program Review

Ted Eliopoulos, CIO, Wylie Tollette, COIO, Réal Desrochers, MID, Sarah Corr, ID, Mahboob Hossain, ID, and Christine Gogan, ID, presented the Private Equity Annual Program Review to the Committee and responded to questions from the Committee along with Eric Baggesen, MID.

The Chair directed staff to continue to report back on progress and explore opportunities to engage with other limited partners and the Institutional Limited Partners Association (ILPA).

AGENDA ITEM 8b – PROGRAM REVIEWS, Consultant Review of the Private Equity Program

Michael Moy and Andrew Bratt, Pension Consulting Alliance, presented the item to the Committee and responded to questions from the Committee.

AGENDA ITEM 8c – PROGRAM REVIEWS, Real Assets Annual Program Review

Ted Eliopoulos, CIO, Wylie Tollette, COIO, and Paul Mouchakkaa, MID, Ed Yrure, ID, Mike Inglett, Investment Manager (IM), Beth Richtman, IM, presented the Real Assets Annual Program Review to the Committee and responded to questions from the Committee.

The Committee recessed from 1:05 p.m. to 2:00 p.m.

AGENDA ITEM 8d – PROGRAM REVIEWS, Consultant Review of the Real Assets Annual Program

The Board's Investment Consultants, Christy Fields with Pension Consulting Alliance, Andrew Junkin with Wilshire Associates Consulting, and David Altshuler with StepStone presented the item and responded to questions from the Committee. The presenters provided highlights of the Real Assets Program from their respective reviews. Ted Eliopoulos, CIO, Wylie Tollette, COIO, and Paul Mouchakkaa, MID, also responded to questions from the Committee.

AGENDA ITEM 9 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, presented and summarized the Chair-directed items. The Chair directed staff to bring back the holdings in the three Iran Act companies from the California Public Divest from Iran Act and staff provided that data at the end of the meeting; to engage in a discussion on the Annual Review of the Legislative and Policy- Engagement Guidelines – First Reading at the January offsite with our federal representatives and some senior members of staff to discuss the purpose and the structure of the guidelines then report back to the Investment Committee; the Chair directed staff to continue to report back on progress regarding the capture and disclosure of Private Equity fees; and to explore opportunities to engage with other limited partners and the ILPA to encourage further fee disclosure and other limited partner priorities.

AGENDA ITEM 10 – PUBLIC COMMENT

No public comments were provided.

The meeting adjourned at approximately 2:34 p.m.

The next Committee meeting is scheduled for December 19, 2016 in Sacramento, California.

MARCIE FROST
Chief Executive Officer