

CalPERS

Monthly Update – Investment Compliance

MONTH ENDED OCTOBER 31, 2016

CalPERS Monthly Update – Investment Compliance

As of October 31, 2016

Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

Investment Proposal Activity Summary

Policy Exceptions

Disclosure of Closed Session Action Items

Investment Transactions

Items Completed Under Delegated Authority (for the month ended October 31, 2016)

Program Area	Name of Investment	Commitment (million)	Initial Funding Date	Complies with Delegation Number
Global Equity	CalPERS-managed Quality Developed Ex U.S. Strategy	\$800.00	Sep-2016	INV-16-04
Global Equity	CalPERS-managed Volatility Adjusted Developed Ex U.S. All Capitalization Strategy	\$420.00	Apr-2014	INV-16-04
Global Equity	CalPERS-managed Emerging Market Index Strategy	\$320.00	Oct-2008	INV-16-04
Global Equity	CalPERS-managed Developed Ex U.S. Diversification Based Investing Strategy	\$320.00	Jul-2012	INV-16-04
Global Equity	CalPERS-managed Momentum Developed Ex U.S. All Capitalization Strategy	\$280.00	Apr-2015	INV-16-04
Global Equity	CalPERS-managed Domestic Fundamental Strategy	\$210.00	Jun-2006	INV-16-04
Global Equity	CalPERS-managed Emerging Market Small Capitalization Index Strategy	\$100.00	Nov-2012	INV-16-04
Private Equity	Trident VII, L.P.	\$270.00	Oct-2016	INV-16-06

Disclosure of Placement Agent Fees *(for the month ended October 31, 2016)*

Firm Name	
Asset Class	No items to report
Fund	
Placement Agent / Firm	
Placement Agent Employment	
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 October 31, 2016)

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	30	2	29	7	5	3	0	76
New Proposals During the Month	8	0	16	5	6	0	6	41
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	7	0	10	2	6	3	1	29
End of Month Proposals	31	2	35	10	5	0	5	88

Status Details

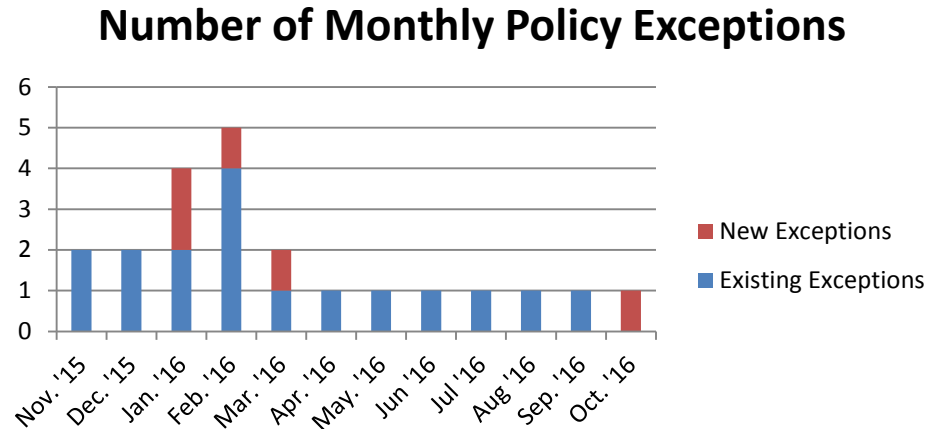
Status	Private Asset Classes				Public Asset Classes			Total
	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	
Start of Month Proposals								
Submitted	1	1	0	0	0	3	0	5
Screening	25	1	26	7	5	0	0	64
Due Diligence	2	0	3	0	0	0	0	5
Approved	2	0	0	0	0	0	0	2
Subtotal	30	2	29	7	5	3	0	76
New Proposals During the Month								
Subtotal	8	0	16	5	6	0	6	41
Reinstated Proposals During Month								
Subtotal	0	0	0	0	0	0	0	0
Decisions During the Month								
Committed	0	0	1	0	0	0	0	1
Declined	7	0	9	2	0	3	1	22
Failed to Materialize	0	0	0	0	1	0	0	1
Referred	0	0	0	0	5	0	0	5
Subtotal	7	0	10	2	6	3	1	29
End of Month Proposals								
Submitted	3	0	0	0	0	0	0	3
Screening	24	2	34	10	5	0	5	80
Due Diligence	1	0	1	0	0	0	0	2
Approved	3	0	0	0	0	0	0	3
Subtotal	31	2	35	10	5	0	5	88

Policy Exceptions *(for the month ended October 31, 2016)*

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:

- o Private Equity
- o Investment Servicing Division
- o Global Equity
- o Global Governance
- o Global Fixed Income
- o Asset Allocation and Risk Management
- o Investment Risk and Performance



Policy Exceptions *(for the month ended October 31, 2016)*

New:

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Real Assets	6/30/2016	12/31/2016 (Est.)	Statement of Investment Policy for Real Assets (Policy)	For the Q2 2016 reporting period, the Infrastructure Program exceeded the 0-10% allocation range limit of the Extended Risk Segment. The Extended Risk Segment represented 15% of the Infrastructure Program.	<p>The Policy states that Risk Segments only apply when the NAV of the Infrastructure Portfolio exceeds \$3.0 billion early stage threshold. Q2 2016 was the first quarter since program inception that the NAV exceeded the \$3.0 billion threshold triggering the reportable event.</p> <p>While the IC approved recent changes to the Policy at the August 2016 meeting, the existing policy (dated February 16, 2016) remains in effect until Wilshire, StepStone and PCA agree on the content of the Investment Policy Procedures & Guidelines (IPPGs). Once agreement is reached, this exception is expected to be resolved.</p>

Existing:

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

Disclosure of Closed Session Action Items *(for the month ended October 31, 2016)*

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

Investment Transactions (for the month ended October 31, 2016)

Total Fund - Public Markets						
	Public Equity	Income	Inflation	ARS	Liquidity	MAC
Beginning Market Value	149,580,955,886	57,950,099,804	21,805,458,922	332,282,276	13,193,778,119	1,203,377,450
+ Purchases	2,587,042,767	2,068,123,939	2,063,202,936	0	663,949,000	0
- Sales	(6,166,765,161)	(3,131,007,891)	(2,139,152,822)	(16,000,000)	(366,060,000)	0
+ Unitized Fund Purchases	0	0	0		0	0
- Unitized Fund Sales	0	0	0		0	0
+/- Other Changes in MV	(7,206,019,763)	93,498,729	(329,775,333)	(15,492,723)	5,066,123,311	(6,875,848)
Ending Market Value	138,795,213,730	56,980,714,581	21,399,733,703	300,789,553	18,557,790,430	1,196,501,602

Total Fund - Private Markets				
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	25,604,888,404	27,721,057,260	2,006,266,428	3,053,663,266
+ Contributions	82,798,081	419,864,776	0	24,231,352
- Distributions	(457,202,939)	(858,207,866)	0	(430,910,522)
+ Unitized Fund Purchases	0	0	0	0
- Unitized Fund Sales	0	0	0	0
+/- Other Changes in MV	140,797,555	438,343,090	0	406,679,170
Ending Market Value	25,371,281,101	27,721,057,260	2,006,266,428	3,053,663,266

	Total Public Markets	Total Private Markets	Total Fund
Beginning Market Value	244,065,952,457	58,385,875,358	302,451,827,815
+ Contributions	7,382,318,642	526,894,209	7,909,212,851
- Distributions	(11,818,985,874)	(1,746,321,327)	(13,565,307,201)
+ Unitized Fund Purchases	0	0	0
- Unitized Fund Sales	0	0	0
+/- Other Changes in MV	(2,398,541,627)	985,819,815	(1,412,721,812)
Ending Market Value	237,230,743,598	58,152,268,055	295,383,011,653

Note: Numbers will not tie exactly to the Asset Allocation/Performance categories due to classification differences.