

March 15, 2017

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met on March 13, 2017.

The Committee approved the following:

- AGENDA ITEM 5a
To recommend, for consideration by the Board of Administration, that the current Investment Committee delegation remain in place with no changes;
- AGENDA ITEM 6a
To approve the proposed 115th Congress Federal Investment Policy Priorities for the 2017-18 congressional session, with modifications; and
- AGENDA ITEM 7a
To accept the resignation of Pension Consulting Alliance, LLC as the Private Equity (PE) Board Investment Consultant effective March 16, 2017; to authorize staff to contract with Meketa Investment Group, Inc. to assume the responsibilities of the PE Board Consultant effective March 16, 2017, for the remainder of the existing contract term; and to authorize staff to continue utilizing Meketa to complete existing work currently in progress for the Real Assets team, anticipated to be complete on or before June 30, 2017.

The Committee received reports on the following topics:

- The framework for integrating ESG across the asset classes and
- The annual review of the Global Governance Principles, with a report on engagement activities undertaken on the Dakota Access Pipeline.

The Chair directed staff to do the following:

- Revise the Federal Investment Priorities to reflect that CalPERS is not bound by the noted priorities, that we support reasonable Dodd-Frank reform efforts and protect core provisions, and specify that our Housing Finance Reform priority honors the seniority of mortgage debt holders;
- Provide a copy of China's Green Finance Plan to the Committee;
- Present to the Committee more information on the Equator principles; and
- Present, with Legislative staff, a discussion on the divestment policy and review engagement policies as information sharing and educational item.

The Committee heard public comment on:

- Public Equity Asset Allocation, and
- A labor dispute

At this time I would like to share some highlights of what to expect at the April Investment Committee meeting:

- The Second Reading of the Revision of the Total Fund Investment Policy, and
- A Report on the Private Asset Class Roles and Benchmarks.

The next meeting of the Investment Committee is scheduled for April 17, 2017, in Sacramento, California.