

May 17, 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 May 15, 2017.

The Committee received reports on the following topics:

- Proposed changes to the Private Asset Class Roles and Benchmarks.
- Proxy voting activity during the first quarter of 2017, progress on shareowner campaigns and ongoing corporate engagement work.
- The Investment Office's Cost Effectiveness Strategic Objective.
- The Investment Office Roadmap and Target Operating Model (TOM).

The Chair directed staff to do the following:

- Consider the governance and investment implications of all of the securities with nonvoting status and provide a summary of findings at a future meeting,
- Provide the Committee with a link to the UN Global Principles, and
- Provide the Committee with a link to the full CEM report.
- Re-send information regarding Private Equity to the Investment Committee, in response to a member of the public's comment that the Committee had not received that information.

The Committee heard public comment on:

- Private Equity fees and expenses,
- CalPERS leadership in proxy voting and Corporate Governance,
- The value of transparency in reporting Private Equity fees, and
- The impact of divestment on fund returns.

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

- Investment Manager Engagement Program Update,
- CalPERS for California Report 2016, and
- The adoption of Capital Markets Assumptions.

The next meeting of the Investment Committee is scheduled for June 19, 2017, in Sacramento, California.