

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION INVESTMENT COMMITTEE

MINUTES OF MEETING OPEN SESSION

April 17, 2017

The Investment Committee (Committee) met on April 17, 2017 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:10 a.m. and the following members were present:

Henry Jones, Chair
Bill Slaton, Vice Chair
Michael Bilbrey
John Chiang, represented by Steve Juarez
Richard Costigan
Rob Feckner
Richard Gillihan, represented by Katie Hagen
Dana Hollinger
JJ Jelincic
Ron Lind
Priya Mathur
Theresa Taylor
Betty Yee, also represented by Karen Greene Ross

AGENDA ITEM 2 - EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO), provided the CIO Briefing by highlighting key topics for the day's meeting. The briefing also discussed the economic and growth outlook in Europe.

AGENDA ITEM 3a – 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 March 13, 2017 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 May 15, 2017 Investment Committee Meeting
- c. Monthly Update Performance and Risk
- d. Monthly Update Investment Compliance
- e. Legislation Federal Investment Policy Representative Update

AGENDA ITEM 5a – POLICY & DELEGATION, Revision of the Total Fund Investment Policy – Second Reading

Wylie Tollette, Chief Operating Investment Officer (COIO), and Kit Crocker, Investment Director (ID), presented the item and responded to questions from the Committee with Louis Zahorak, ID.

The committee discussed several additional changes to the Total Fund Policy. Within the Divestment section the Committee directed changes to clarify that the regular review of in-force divestments will be conducted at least every five years, and to remove from section VII.C.1 the additional 72-hours advance notice to stakeholders. The Committee also directed that a reference to "sub programs" be retained for the annual program reviews of the private asset classes by the board investment consultants within Appendix 1, and that additional language be added to staff Responsibility #4 within Appendix 2, noting that the procedure documentation must be consistent with Board–approved policies.

Public comment was heard from Ben Vernazza on an investment proposal, and Lynne Nittler and Elizabeth Lasensky regarding revisions to the Divestment section of the Total Fund Policy.

On **MOTION** by Mr. Lind, **SECONDED** and **CARRIED**, to approve the Total Fund Investment Policy with revisions as discussed. The motion passed.

AGENDA ITEM 6a – ASSET ALLOCATION, Private Asset Class Roles and Benchmarks

Ted Eliopoulos, CIO, Wylie Tollette, COIO, and Eric Baggesen, Managing Investment Director (MID), presented the item and responded to comments and questions from the Committee with Paul Mouchakkaa, MID.

AGENDA ITEM 7 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, presented and summarized the Chair-directed items. The Chair directed staff to provide the Committee with the link to the last two semi-annual risk reports and to consider inviting one Private Equity manager to address the Committee in Closed Session at a future meeting.

AGENDA ITEM 8 – PUBLIC COMMENT

Public comment was heard from Brian Snow on the importance of focusing on our fiduciary duty and from Melanie Myers on a labor dispute.

The meeting recessed at approximately 1:30 p.m.

The next Committee meeting is scheduled for May 15, 2017 in Sacramento, California.

MARCIE FROST
Chief Executive Officer