


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

**MINUTES OF MEETING
OPEN SESSION**

November 13, 2017



The Investment Committee (Committee) met on November 13, 2017 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:00 a.m. and the following members were present:

Henry Jones, Chair
Bill Slaton, Vice Chair
Michael Bilbrey
John Chiang, represented by Frank Moore
Richard Costigan
Rob Feckner
Richard Gillihan
Dana Hollinger
J.J. Jelincic
Ron Lind
Priya Mathur
Theresa Taylor
Betty Yee

AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO), provided the CIO Briefing, including commentary on the day's full agenda and ALM Workshop scheduled for the afternoon.

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 September 18, 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 December 18, 2017 Investment Committee Meeting
- d. Monthly Update – Investment Compliance
- e. Federal Investment Policy Representative Update

Item 4c, Monthly Update – Performance and Risk, was pulled from the consent package for discussion in open session.

AGENDA ITEM 5a – POLICY & DELEGATION, Public Asset class investment policies – second Reading

Wylie Tollette, Chief Operating Investment Officer (COIO), and Kit Crocker, Investment Director (ID), presented the item summarizing proposed updates to the Total Fund Investment Policy and responded to questions from the Committee.

On **MOTION** by Mr. Lind, **SECONDED** and **CARRIED**, to adopt the revised Total Fund Investment Policy as presented. Mr. Jelincic voted no. The motion passed.

AGENDA ITEM 6a – PROGRAM REVIEWS, Private Equity Annual Program Review

Sarah Corr, Interim Managing Investment Director, and Mahboob Hossain, Investment Director, presented the item. The presentation included an overview of the Private Equity Program's performance, characteristics and upcoming activities as well as a report on the current private equity market. Sarah Corr responded to questions from Committee members.

Public Comment was heard from Margaret Brown on the returns and risks of Private Equity investments.

AGENDA ITEM 6b – PROGRAM REVIEWS, Consultant Review of Private Equity Program

Steve Hartt with Meketa Investment Group presented the item. The presentation included commentary on the characteristics, performance, policy and staffing of the Private Equity Program.

Public comment was heard from Dan Matusiewicz, City of Newport Beach Finance Director, on the support for growing the Private Equity Program.

AGENDA ITEM 6c – PROGRAM REVIEWS, Real Assets Annual Program Review

Paul Mouchakkaa, Investment Director, Jane Delfendahl, Mike Inglett, Ed Yrure, Beth Richtman, presented the item. The presentation included an overview of the Real Assets Program's performance, portfolio positioning, characteristics, structure, and key accomplishments.

AGENDA ITEM 6d – PROGRAM REVIEWS, Consultant Review of the Real Assets Program

Allan Emkin, David Glickman, Christy Fields, Pension Consulting Alliance, Lisa Bacon, Stephen McCourt, Meketa Investment Group, and Andrew Junkin, Wilshire Consulting, presented the item and responded to comments and questions from the Committee.

AGENDA ITEM 4c – INFORMATION CONSENT ITEMS – Monthly Update – Performance and Risk

Wylie Tollette, COIO, presented the item and responded to questions from the Committee.

AGENDA ITEM 7 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, presented the item summarized the Chair-directed items. The Chair directed staff to provide a memo detailing the calculations behind the arithmetic and geometric average returns, and inquire whether Centerpoint made any political contributions. Meketa Investment Group was directed to work with staff to provide additional background on why CalPERS did not receive requested Private Equity allocations, as well as an evaluation of the current strategy of focusing new Private Equity commitments with the top 30 General Partners.

AGENDA ITEM 8 – PUBLIC COMMENT

Public comment was received from Dan Matusiewicz, City of Newport Beach Finance Director, on the impact of divestments and Laura Rubaccaba, on changes to the Private Equity benchmark.

The meeting adjourned at approximately 1:06 p.m.

The next Committee meeting is scheduled for December 18, 2017 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: NATALIE BICKFORD
Committee Secretary