



# CalPERS

## *Monthly Update – Investment Compliance*



MONTH ENDED JANUARY 31, 2018



## **CalPERS Monthly Update – Investment Compliance**

For the month ended January 31, 2018

---

Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

Investment Proposal Activity

Policy Exceptions

Disclosure of Closed Session Action Items

Investment Transactions

**Items Completed Under Delegated Authority** *(for the month ended January 31, 2018)*

Program Area		Name of Investment	Commitment (million)	Initial Funding Date	Complies with Delegation Number
Global Fixed Income	Nomura Corporate Research & Asset Management		\$144.00	Mar-2002	INV-16-05
Private Equity	Clearlake Capital Partners V, L.P.		\$75.00	Jan-2018	INV-16-01

**Disclosure of Placement Agent Fees** (for the month ended January 31, 2018)

<b>Firm Name</b>	Blackstone Property Advisors L.P. ("BPA")
<b>Asset Class</b>	Real Assets
<b>Fund</b>	Blackstone Property Partners Europe L.P.
<b>Placement Agent / Firm</b>	Blackstone Advisory Partners L.P. ("BAP"), Placement agent registered with FINRA Alexandra Hill, Blackstone employee registered with FINRA through BAP.
<b>Placement Agent Employment</b>	Internal employees of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	As stated above, BAP is FINRA registered. The following employees of Blackstone Real Estate are registered with FINRA: Agarwal, A.J. Banos, Jason Casey, Michael Fariole, Tiffany Fenet, Andrew Gray, Jonathan Hill, Alexandra LePatner, Wesley Littell, Leila McCarthy, Kathleen Newman, Brett Pollack, Jonathan Quinlan, Paul Reiner (Scott), Kristen Roure, Sara Schuster, Sloane Skidell, Melissa Sprogis, Karen Sweeney, Alexandra Torsiello, Carolyn
<b>Registered Lobbyist(s)</b>	BAP is registered as a lobbyist in the following Jurisdictions: California San Jose, Illinois, Indiana, Kentucky, L.A. City, L.A. County, Massachusetts, New York City and New York State. In addition, Alexandra Hill is registered in California, L.A. City, L.A. County, New York City and New York State.
<b>Estimated Placement Agent Compensation</b>	Blackstone Property Advisors L.P. ("BPA") and its affiliates have not engaged, compensated or agreed to compensate, directly or indirectly, any third-party placement agent in connection with the offer of assets, securities or services to CalPERS or any other CalPERS vehicle. The Placement Agents listed in the Attachment are employees of BPA or an affiliate of BPA and are paid an annual base salary plus a discretionary bonus for their activities as registered representatives, which is not contingent upon the offer of assets, securities or services to CalPERS. Alexandra Hill is a Managing Director on Blackstone Real Estate's Investor Relations and Business Development team, and as such provides services to investment vehicles across Blackstone Real Estate including, but not limited to, BPA. Alexandra is not required to dedicate a specific amount of time to BPA or any specific investor, including CalPERS. To meet the requirements of this regulation we are providing the approximate compensation of Alexandra Hill regarding the offered interest in BPP Europe to be approximately \$10,000 for 2017; although, such compensation was not based directly or indirectly on the amount of CalPERS proposed commitment.

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

---

<b>Firm Name</b>	Blackstone Property Advisors L.P. ("BPA") (cont'd)
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	None
<b>Transaction Type</b>	New

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus CP Partners, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$2,000.
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. David Abrams was removed as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus CAL II Partners, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$7,900.00
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. David Abrams was removed as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus Institutional Partners V, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$6,100.00
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. David Abrams was removed as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.



**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus CAL II Partners, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P. Glen Abbott, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Glen Abbott, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$7,900.
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. Glen Abbott was added as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus CP Partners, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P. Glen Abbott, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Glen Abbott, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$2,000.00
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. Glen Abbott was added as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Cerberus Capital Management, L.P.
<b>Asset Class</b>	Private Equity
<b>Fund</b>	Cerberus Institutional Partners V, L.P.
<b>Placement Agent / Firm</b>	Seth Plattus, Employee of Cerberus Capital Management, L.P. Greg Gordon, Employee of Cerberus Capital Management, L.P. Catherine Brossard, Employee of Cerberus Capital Management, L.P. Glen Abbott, Employee of Cerberus Capital Management, L.P.
<b>Placement Agent Employment</b>	Internal employee of the General Partner and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Cerberus Capital Management, L.P. is registered as an investment adviser with the U.S. Securities and Exchange Commission.
<b>Registered Lobbyist(s)</b>	The following individuals are registered as lobbyists in the following Jurisdictions: Seth Plattus, California Greg Gordon, California Catherine Brossard, California Glen Abbott, California Billy Cooper, U.S. Federal Lobbyist
<b>Estimated Placement Agent Compensation</b>	There are no such agreements. However, the amount of compensation specifically allocable to the CalPERS investment and paid to the Placement Agents was \$6,100.
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	Amendment is solely due to change in Placement Agent personnel. Glen Abbott was added as a Placement Agent.
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Disclosure of Placement Agent Fees** *(for the month ended January 31, 2018)*

<b>Firm Name</b>	Fidelity Institutional Asset Management (FIAMTC)
<b>Asset Class</b>	Global Equity
<b>Fund</b>	Fidelity Institutional Asset Management Trust Company
<b>Placement Agent / Firm</b>	Art Greenwood, SVP, Sales Relationship Manager for FIAM LLC
<b>Placement Agent Employment</b>	Internal employee of external manager and/or its affiliates
<b>Registered with U.S. or non-U.S. financial regulatory authority</b>	Art Greenwood is a member of FIAM's in-house staff. FIAM and Mr. Greenwood have all of the necessary registrations and/or licenses. Mr. Greenwood is registered with the Financial Industry Regulatory Association.
<b>Registered Lobbyist(s)</b>	Art Greenwood is registered as a lobbyist.
<b>Estimated Placement Agent Compensation</b>	Art Greenwood is working as a Placement Agent as part of his role in Relationship Management at Fidelity. Approximately 40 hours of his total time has been spent in connection with preparing our response to CalPERS' Risk Mitigating Strategies solicitation which translates to \$3,365.20 in compensation. This Placement Agent may also be awarded a bonus in connection with a prospective CalPERS investment, however any such bonus is entirely discretionary and may take into consideration other factors.
<b>Disclosed Campaign Gifts and Contributions</b>	None
<b>Notes</b>	None
<b>Transaction Type</b>	Amendment

\*This information is provided directly from the Placement Agent Disclosure Form as submitted to CalPERS.

**Investment Proposal Activity (for the month ended January 31, 2018)**

	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	16	0	6	3	2	0	4	31
New Proposals During the Month	5	0	4	4	4	1	0	18
Reinstated Proposals During Month	0	0	0	0	0	0	0	0
Decisions During the Month	6	0	1	1	2	0	4	14
End of Month Proposals	15	0	9	6	4	1	0	35

**Status Details**

Status	Private Asset Classes				Public Asset Classes			Total
	Private Equity	Forestland	Infrastructure	Real Estate	Global Equities	Commodities	Global Fixed Income	
<b>Start of Month Proposals</b>								
Submitted	6	0	3	0	0	0	4	13
Screening	4	0	2	3	2	0	0	11
Due Diligence	6	0	0	0	0	0	0	6
Approved	0	0	1	0	0	0	0	1
<b>Subtotal</b>	<b>16</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>31</b>
<b>New Proposals During the Month</b>								
<b>Subtotal</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>18</b>
<b>Reinstated Proposals During Month</b>								
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Decisions During the Month</b>								
Committed	1	0	1	0	0	0	0	2
Declined	5	0	0	1	0	0	4	10
Failed to Materialize	0	0	0	0	2	0	0	2
Referred	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>6</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>14</b>
<b>End of Month Proposals</b>								
Submitted	2	0	3	0	0	0	0	5
Screening	8	0	6	6	4	1	0	25
Due Diligence	5	0	0	0	0	0	0	5
Approved	0	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>15</b>	<b>0</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>35</b>

\*The January Start of Month proposals for Private Equity was revised downwards from 17 to 16 due to duplicate/outdated proposals.

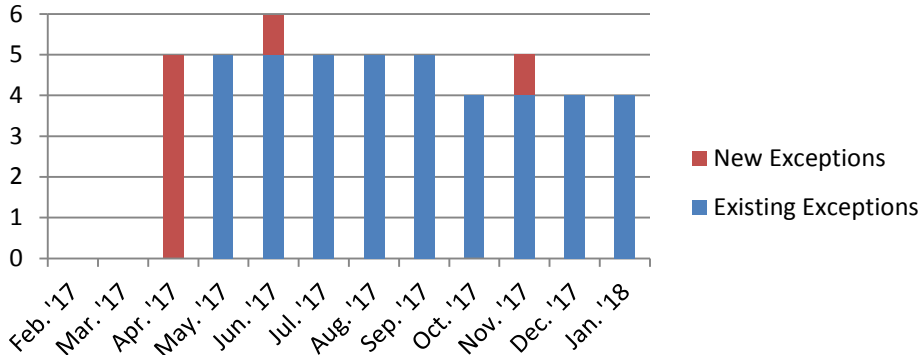
**Policy Exceptions** (for the month ended January 31, 2018)

**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 Global Equity
- o Global Fixed Income
- o Investment Manager Engagement Programs
- o Opportunistic Strategies
- o Private Equity
- o Sustainable Investment Program
- o Trust Level Portfolio Management

**Number of Monthly Policy Exceptions**



**Policy Exceptions (for the month ended January 31, 2018)**

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

**Existing:**

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Investment Servicing Division / Investment Risk and Performance	8/15/2016	2/12/2018	Total Fund Investment Policy: Plan Level & Asset Class Transition Portfolios Section	<p>The Plan Level &amp; Asset Class Transition Portfolios section of the Total Fund Investment Policy requires that staff report on the usage of transition portfolios no less than annually.</p> <p>Annual reporting on the usage of transition portfolios was last presented at the Investment Committee meeting on August 17, 2015.</p>	<p>Policy testing of the Total Fund Investment Policy identified that the usage of transition portfolios was last reported in the "CalPERS Trust Level Review: Trust Summary" at the Investment Committee meeting on August 17, 2015. The lapse in annual reporting was due to an organizational update that resulted in a change of responsibilities.</p> <p>Staff will report the latest usage of the Plan Level &amp; Asset Class Transition Portfolios, dating from the last report through the current period, at the Investment Committee meeting to be held on February 12, 2018. Additionally, as part of the upcoming review of the Total Fund Investment Policy, staff will review the Policy and bring forward any proposed changes (including responsible parties and reporting requirements).</p>
Real Assets	1/1/2017	TBD	Investment Policy for Real Assets Program	<p>For the beginning of the Q3'17 reporting period, the "Core" risk classification represented 45.1% of the Forestland portfolio, which is below the policy range of 75-100% for this risk classification of the Forestland portfolio.</p>	<p>The new RA Policy went into effect 1/1/17. New policy parameters included the consistent application of risk classifications, geographic ranges, and leverage limits across the Real Assets Program and to each of its constituent portfolios. Given the illiquid nature of the RA portfolio, staff anticipates a lag time to make the asset shifts required to bring the portfolio in line with the new strategic plan and policy, along with the required updates to systems and processes as noted to the Investment Committee (IC) at the August, 2016 IC meeting.</p> <p>The Core Forestland NAV has not been within the new RA Policy range since the date it took effect (1/1/17). Data has been finalized for 9/30/17 and the policy exception still exists. The timing of any resolution remains uncertain due to the illiquid nature of the Forestland investments.</p>

**Policy Exceptions** *(for the month ended January 31, 2018)*

Program Area or Asset Class	Event Date	Resolution Date	Policy	Exception Description	Event Description and Resolution (expected) or Next Steps
Real Assets	1/1/2017	TBD	Investment Policy for Real Assets Program	For the beginning of the Q3'17 reporting period, the "Value-Add" risk classification represented 38.5% of the Forestland portfolio, which is above the policy range of 0-25% for this risk classification within the Forestland portfolio.	<p>The new RA Policy went into effect 1/1/17. New policy parameters included the consistent application of risk classifications, geographic ranges, and leverage limits across the Real Assets Program and to each of its constituent portfolios. Given the illiquid nature of the RA portfolio, staff anticipates a lag time to make the asset shifts required to bring the portfolio in line with the new strategic plan and policy, along with the required updates to systems and processes as noted to the Investment Committee (IC) at the August, 2016 IC meeting.</p> <p>The Value-Added Forestland NAV has not been within the new RA Policy range since the date it took effect (1/1/17). Data has been finalized for 9/30/17 and the policy exception still exists. The timing of any resolution remains uncertain due to the illiquid nature of the Forestland investments.</p>
Real Assets	1/1/2017	TBD	Investment Policy for Real Assets Program	For the beginning of the Q3'17 reporting period, DSCR for the Forestland portfolio was 0.78, which is below the minimum DSCR of 1.25, as required by the new RA Policy.	<p>The new RA Policy went into effect 1/1/17. New policy parameters included the consistent application of risk classifications, geographic ranges, and leverage limits across the Real Assets Program and to each of its constituent portfolios. Given the illiquid nature of the RA portfolio, staff anticipates a lag time to make the asset shifts required to bring the portfolio in line with the new strategic plan and policy, along with the required updates to systems and processes as noted to the Investment Committee (IC) at the August, 2016 IC meeting.</p> <p>The Forestland portfolio DSCR has not been within the new RA Policy range since the date it took effect (1/1/17). Data has been finalized for 9/30/17 and the policy exception still exists. The timing of any resolution remains uncertain due to the illiquid nature of the Forestland investments.</p>



**Disclosure of Closed Session Action Items** *(for the month ended January 31, 2018)*

---

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

**Investment Transactions (for the month ended January 31, 2018)**

Total Fund - Public Markets						
	Public Equity	Income	Inflation	ARS	Liquidity	TLPM
Beginning Market Value	176,440,372,198	65,582,802,352	27,422,323,048	270,449,644	14,660,030,067	2,063,039,912
+ Purchases	4,498,982,885	6,168,688,762	1,234,951,094	0	2,171,647,496	1,249,910,417
- Sales	(5,460,362,707)	(4,431,427,430)	(1,164,502,447)	(11,486,028)	(1,021,362,366)	(436,162,753)
+ Unitized Fund Purchases	0	0	0		0	0
- Unitized Fund Sales	0	0	0		0	0
+/- Other Changes in MV	5,857,961,112	2,055,159,272	265,232,964	2,760,823	(95,998,975)	(280,779,366)
Ending Market Value	181,336,953,488	69,375,222,956	27,758,004,659	261,724,438	15,714,316,223	2,596,008,210

Total Fund - Private Markets				
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	26,710,466,359	30,721,237,753	1,954,651,767	4,153,494,419
+ Contributions	275,286,095	272,064,855	0	3,494,271
- Distributions	(265,095,419)	(228,639,887)	0	(18,653,017)
+ Unitized Fund Purchases	0	0	0	0
- Unitized Fund Sales	0	0	0	0
+/- Other Changes in MV	(59,454,535)	(83,994,019)	0	(46,104,923)
Ending Market Value	26,661,202,499	30,680,668,702	1,954,651,767	4,092,230,750

	Total Public Markets	Total Private Markets	Total Fund
Beginning Market Value	286,439,017,221	63,539,850,298	349,978,867,519
+ Contributions	15,324,180,656	550,845,221	15,875,025,877
- Distributions	(12,525,303,731)	(512,388,323)	(13,037,692,054)
+ Unitized Fund Purchases	0	0	0
- Unitized Fund Sales	0	0	0
+/- Other Changes in MV	7,804,335,829	(189,553,477)	7,614,782,352
Ending Market Value	297,042,229,975	63,388,753,719	360,430,983,694

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