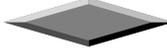


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

April 16, 2018



The Investment Committee (Committee) met on April 16, 2018 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:15 a.m. and the following members were present:

Henry Jones, Chair
Richard Costigan, Vice Chair
Margaret Brown
John Chiang, represented by Steve Juarez
Rob Feckner
Richard Gillihan, also represented by Danny Brown
Dana Hollinger
Priya Mathur
David Miller
Ramon Rubalcava
Bill Slaton
Theresa Taylor
Betty Yee

AGENDA ITEM 2 – EXECUTIVE REPORT, Chief Investment Officer Briefing

Ted Eliopoulos, Chief Investment Officer (CIO), provided the CIO Briefing on personnel updates in senior leadership within the Investment Office and highlighting the topics of the day.

Chair Jones took a moment of personal privilege to thank Curtis Ishii, Managing Investment Director (MID), for his dedication to CalPERS for over 40 years and to congratulate Beth Richtman on her new position as MID of Sustainable Investments.

AGENDA ITEM 3a – ACTION CONSENT ITEMS

On **MOTION** by Ms. Taylor, **SECONDED** by Ms. Hollinger, and **CARRIED**, to approve the following action consent items. The motion passed.

- a. Approval of the March 19, 2018 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 14, 2018 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

AGENDA ITEM 5a – ASSET ALLOCATION, Affiliate Trust Asset Allocation Review: Supplemental Income Plans

Ted Eliopoulos, CIO, Eric Baggesen, MID, Dan Bienvenue, MID, Christine Reese, Investment Director (ID), and Alison Li, Investment Officer (IO), presented the action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Slaton, and **CARRIED**, to approve recommended asset allocation glide path for CalPERS Supplemental Income Plans. The motion passed.

AGENDA ITEM 6a – TOTAL FUND, Dual Class/Non-Voting Shares Update and Debate

Ted Eliopoulos, CIO, Dan Bienvenue, MID, Anne Simpson, ID, and Simiso Nzima, ID, presented as an information item

AGENDA ITEM 6b – TOTAL FUND, Proposed Revisions to Governance and Sustainability Principles

Ted Eliopoulos, CIO, Dan Bienvenue, MID, Anne Simpson, ID, and Simiso Nzima, ID, presented as an information item.

AGENDA ITEM 6c – TOTAL FUND, Corporate Governance Update: Proxy Voting, Shareowner Campaigns and Corporate Engagement

Ted Eliopoulos, CIO, Dan Bienvenue, MID, Anne Simpson, ID, and Simiso Nzima, ID, presented as an information item.

Public comment was heard from Steve Silberstein on CEO compensation and from Al Darby, RPEA, on support of staff work on Corporate Governance Update Proxy Voting Policy on CEO pay.

AGENDA ITEM 7 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, summarized the Chair-directed items. The Chair directed staff to do the following:

- To facilitate consultation between CalPERS staff, the State Treasurer's Office and RVK, Inc. regarding CalPERS 2013 Supplemental Income Program Review
- Provide the Committee with a breakdown of industry sectors of dual-class and no-vote companies, ensuring an analysis of possible exclusion of no vote-shares as part of the next mid-point ALM Benchmark Review
- In May, during the Total Fund Policy – First Reading, allow for further discussion regarding corporate board diversity
- During the May's Total Fund Policy – First Reading, bring back potential updated Governance and Sustainability Principles language around sexual harassment, clawbacks, and arbitration
- To reach out to the investment staff of the pension funds of Florida and Minnesota to understand their executive compensation voting framework

AGENDA ITEM 8 – PUBLIC COMMENT

Public comment was received from George Linn, RPEA, on return on ESG Investments.

The meeting adjourned at approximately 1:27 p.m.

The next Committee meeting is scheduled for May 14, 2018 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: NATALIE BICKFORD
Committee Secretary