



Investment Committee Meeting Summary

September 26, 2018

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 September 24, 2018.

The Committee approved:

- AGENDA ITEM 6a
To adopt the findings of the California Public Divest from Iran Act and Sudan Act to eliminate the identified companies that do not meet the criteria for consideration.

The Committee received reports on the following topics:

- Supplemental Income Plan Strategic Asset Allocation Implementation Update
- The Real Assets and Global Fixed Income annual program reviews and consultant reports
- The first reading of the review of Investment Policy Updates
- The CalPERS Consultant Public Fund Universe Comparison Reports
- The Corporate Governance Update: Proxy Voting, Shareowner Campaigns and Corporate Engagement

The Chair directed staff, as follows:

- Evaluate the comments provided by Board members regarding the activities of ENGIE and Dubai Islamic Bank in relation to the requirements of the California Sudan Act,
- Evaluate the 2019 Committee annual calendar to determine if divestment-related agenda items can be consolidated,
- Incorporate IC feedback from first reading of the Real Assets Program Policy and return to the IC with updated draft for second reading in November,
- Ensure that Wilshire reflects CalPERS size into the universe comparison report,

The following specifics are on the Corporate Governance Report:

- Staff to analyze the 2018 proxy season outcomes and bring additional statistics on voting outcomes,
- Details on how CalPERS voted regarding Apple and BlackRock,
- Bring back additional information on the objectives of the federal government in creating the EEO-1 reporting framework,
- Provide an update on the SEC's review of Proxy Advisory Firms independence,
- Provide an update on the number of 3D members who have been placed on Corporate Boards, and
- Include considerations about the CEO tenure plan in the context of long term investment strategies in corporations

The Committee heard public comments on the following topics:

- CalPERS commitment to the Responsible Contractor Policy Program
- CalPERS team work with respect to engagement and corporate governance, and
- CalPERS hiring of its CEO

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

- The annual reviews of the Global Equity and Private Equity Programs and consultant reports
- A second reading of the review of Investment Policy Updates

The next meeting of the Investment Committee is scheduled for November 13, 2018, in Sacramento, California.