

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

**MINUTES OF MEETING
OPEN SESSION**

August 13, 2018

The Investment Committee (Committee) met on August 13, 2018 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:16 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
Dana Hollinger
Priya Mathur
David Miller
Ramon Rubalcava
Bill Slaton
Theresa Taylor
Betty Yee, also represented by Lynn Paquin

AGENDA ITEM 2 – Approval of the August 13, 2018 Investment Committee Timed Agenda

The Chair introduced the item to approve the timed agenda for purposes of time management of the meeting.

On **MOTION** by Ms. Mathur, **SECONDED** by Ms. Taylor, and **CARRIED**, to approve the timed agenda. The motion passed.

AGENDA ITEM 3 – 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. He also noted the CalSTRS summer interns were touring the CalPERS campus and would be in attendance later in the day.

AGENDA ITEM 4a – ACTION CONSENT ITEM – Approval of the June 18, 2018 Investment Committee Open Session Meeting Minutes

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

- a. Approval of the June 18, 2018 Investment Committee Meeting Minutes

AGENDA ITEM 5 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the September 24, 2018 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance

On **MOTION** by Mr. Costigan, **SECONDED** by Ms. Hollinger, and **CARRIED**, to receive the information consent items. The motion passed.

AGENDA ITEM 6a – POLICY AND DELEGATION, Revision of the Private Equity Program Policy – Second Reading

Ted Eliopoulos, CIO, Sarah Corr, Interim Managing Investment Director (MID), and Kit Crocker, Investment Director (ID), presented the item and responded to comments and questions from the Committee.

On **MOTION** by Ms. Mathur, **SECONDED** by Ms. Hollinger, and **CARRIED**, to approve the revisions of the Private Equity Program Policy.

AGENDA ITEM 7a – INDEPENDENT OVERSIGHT, Board Investment Consultant Request for Proposal – Public and Private

Ted Eliopoulos, CIO, and Elisabeth Bourqui, Chief Operations Investment Officer (COIO), presented the item and responded to comments and questions from the Committee. The Chair directed to add a follow-up item for further discussion, no later than the CalPERS Board Offsite in January 2019.

AGENDA ITEM 8a – TOTAL FUND, CalPERS Trust Level Review

Ted Eliopoulos, CIO, Elisabeth Bourqui, COIO, Eric Baggesen, MID, John Rothfield, ID, and Rob Paterson, ID, presented the item and responded to comments and questions from the Committee.

AGENDA ITEM 8b – TOTAL FUND, CalPERS Trust Level Review – Consultant Report

Andrew Junkin, Wilshire Associates, Christy Fields, David Glickman, Dr. Sarah Bernstein, Pension Consulting Alliance, and Stephen McCourt, Steve Hartt, Lisa Bacon, and Hannah Schriener, Meketa Investment Group presented the item and responded to questions from the Committee with Paul Mouchakkaa, MID.

AGENDA ITEM 8c – TOTAL FUND, Iran/Sudan Update

Ted Eliopoulos, CIO, and Kit Crocker, ID, presented the item to the Committee.

AGENDA ITEM 9a –PROGRAM REVIEWS, Trust Level Portfolio Management Annual Program Review

Eric Baggesen, MID, presented the item and responded to comments and questions from the Committee.

AGENDA ITEM 9b – PROGRAM REVIEWS, Consultant Review of Trust Level Portfolio Management Program

Tom Toth, Wilshire Associates, presented the item to the Committee.

AGENDA ITEM 9c – PROGRAM REVIEWS, Opportunistic Strategies Annual Program Review

Kevin Winter, MID, Jean Hsu, ID, and Tom McDonagh, ID, presented the item and responded to comments and questions from the Committee.

AGENDA ITEM 9d – PROGRAM REVIEWS, Consultant Review of the Opportunistic Strategies Program

Rose Dean, Wilshire Associates, presented the item to the Committee.

AGENDA ITEM 10a – INDEPENDENT OVERSIGHT, Review of Survey Results on Board Investment Consultants

Sabrina Hutchins, Chief, and Kristin LaMantia, Assistant Chief, presented the item to the Committee.

AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION

Ted Eliopoulos, CIO, summarized the Chair-directed items. The Chair directed staff to provide the Committee with a discussion of the role of consultants and timing of the Request for Proposal process, no later than the Board Offsite in January 2019; to provide

information on attribution regarding the past two years of employment gains for women vs. men, and the calculation method for population figures in the economic presentation with respect to non-legal immigrants; to provide information on the potential impact of Proposition 10 on our apartment portfolio; to provide a discussion of approaches to assess risks posed by climate change in our Real Estate portfolio; and include additional information on the exits in the Private Equity portfolio between existing portfolio managers.

AGENDA ITEM 12 – PUBLIC COMMENT

Public comment was received from Tristan Brown, California Federation of Teachers, and Cathy Jeppson and Jackie Lee, California Teachers Association, on support for staff's work on engagement with public-private partnerships in detention centers.

The meeting adjourned at approximately 2:48 p.m.

The next Committee meeting is scheduled for September 24, 2018 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Natalie Bickford
Committee Secretary