

# CalPERS

*Monthly Update – Investment  
Compliance*

**MONTH ENDED OCTOBER 31, 2018**

**Items Completed Under Delegated Authority**

<b>Program Area</b>	<b>Name of Investment</b>	<b>Commitment (million)</b>	<b>Initial Commitment Date</b>	<b>Complies with Delegation Number</b>	<b>New or Additional Commitment</b>
Global Equity	Arrowstreet Global Strategy	\$4,412	Dec-2015	INV-18-04	Additional Commitment
Global Equity	CalPERS-managed Synthetic Enhanced Equity Strategy	\$2,050	Jun-2009	INV-18-04	Additional Commitment
High Yield	NOMURA	\$72.00	Mar-2002	INV-18-05	Additional Commitment
International Fixed Income	PIMCO	\$270.00	Feb-2007	INV-18-05	Additional Commitment
Private Equity	Triton Fund V L.P.	€ 250.00	Oct-2018	INV-18-06	New Commitment

**Disclosure of Placement Agent Fees**

<b>Firm Name</b>	<b>TCMI, Inc.</b>
<b>Asset Class</b>	Private Equity
<b>Fund</b>	TCV X L.P.
<b>Placement Agent / Firm*</b>	Nathan Sanders; General Partner, COO, & Head of IR for TCMI, Inc. ("TCV")
<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>	TCMI, Inc. is a registered investment adviser pursuant to the Investment Advisers Act of 1940, as amended, furthermore, a subsidiary of TCV registered with the Financial Conduct Authority in the United Kingdom.
<b>Registered Lobbyist(s)</b>	Nathan Sanders is registered as a California lobbyist and TCB is registered as a California lobbyist employer.
<b>Estimated Placement Agent Compensation*</b>	Nathan Sanders is paid a salary and bonus from TCV and holds interests in certain investment funds and other entities affiliated with TCV, all of which is not dependent upon CalPERS's decision to investment in the investment funds affiliated with TCV.
<b>Disclosed Gifts and Campaign Contributions*</b>	None
<b>Notes</b>	This information was previously reported to the closed session of the Investment Committee in August 2018. This opportunity was actively being negotiated and public disclosure prior to completion of the negotiation and execution of terms would impair CalPERS' ability to maximize investment returns.
<b>Transaction Type</b>	New

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

Unsolicited Investment Proposal Activity  
 Proposal Status By Asset Class  
 for the Month of October 2018

	Private Asset Classes				Public Asset Classes				Total
	Private Equity	Forestland	Infrastructure	Real Estate	Opportunistic	Global Equities	Commodities	Global Fixed Income	
<b>Start of Month Proposals</b>	13	0	19	15	1	2	0	1	51
<b>New Proposals During the Month</b>	7	0	5	4	2	2	0	0	20
<b>Reinstated Proposal During Month</b>	0	0	0	0	0	0	0	0	0
<b>Decisions During the Month</b>	7	0	4	7	1	3	0	1	23
<b>End of Month Proposals</b>	13	0	20	12	2	1	0	0	48

Status Details

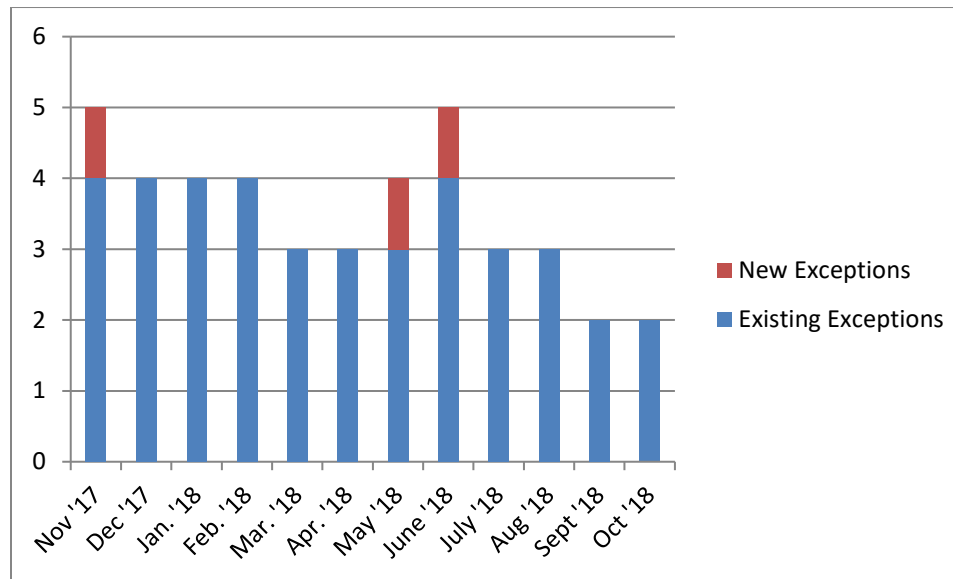
Status	Private Asset Classes				Public Asset Classes				Total
	Private Equity	Forestland	Infrastructure	Real Estate	Opportunistic	Global Equities	Commodities	Global Fixed Income	
<b>Start of Month Proposals</b>									
Submitted	1	0	5	4	1	0	0	1	12
Screening	6	0	13	9	0	2	0	0	30
Due Diligence	3	0	0	2	0	0	0	0	5
Approved	3	0	1	0	0	0	0	0	4
<b>Subtotal</b>	<b>13</b>	<b>0</b>	<b>19</b>	<b>15</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>51</b>
<b>New Proposals During the Month</b>									
<b>Subtotal</b>	<b>7</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>20</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>0</b>
<b>Decisions During the Month</b>									
Committed	1	0	0	0	0	0	0	0	1
Declined	5	0	4	7	0	0	0	1	17
Failed to Materialize	0	0	0	0	1	1	0	0	2
Referred	1	0	0	0	0	2	0	0	3
<b>Subtotal</b>	<b>7</b>	<b>0</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>23</b>
<b>End of Month Proposals</b>									
Submitted	0	0	6	3	1	0	0	0	10
Screening	7	0	10	7	1	1	0	0	26
Due Diligence	3	0	3	2	0	0	0	0	8
Approved	3	0	1	0	0	0	0	0	4
<b>Subtotal</b>	<b>13</b>	<b>0</b>	<b>20</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>48</b>

## Policy Exceptions

### Exceptions to Policy

According to policy requirements, the following is a summary of investment policy exceptions reported by the program areas. The following program areas had no exceptions to report:

- Global Equity
- Global Fixed Income
- Investment Manager Engagement Programs
- Investment Risk and Performance
- Investment Servicing Division
- Opportunistic Strategies
- Private Equity
- Sustainable Investment Program



**Policy Exceptions**

New:

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

**Policy Exceptions**

Existing:

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 quarter ended June 2018, the Debt Service Coverage Ratio (DSCR) for the Forestland portfolio was 0.62, which is below the minimum DSCR of 1.25, as required by the Real Assets (RA) Policy.	The Forestland portfolio DSCR has not been within the new RA Policy range since the date the current range took effect (1/1/17). Data has been finalized through the quarter ended June 2018, and the policy exception still exists. Staff proposed updates to the Real Assets Program Policy at the September 2018 Investment Committee meeting to establish additional net asset value reporting thresholds for the Forestland portfolio that, if approved, will have the ancillary effect of resolving this exception. The proposed updates will return to the Investment Committee for approval at the November 2018 meeting.
Trust Level Portfolio Management	8/17/2015	TBD	Total Fund Policy: Asset Allocation Strategy section	The Total Fund Investment Policy requires forecasted and realized tracking error to be evaluated against one another over rolling three-year periods for each program and the Total Fund. Staff has instead been evaluating tracking error over one- and five-year periods.	The Policy requires staff to evaluate forecasted tracking errors and realized tracking errors over rolling three-year periods for each program area and the Total Fund. Staff's current process is to review one- and five-year realized and/or forecasted returns.  Staff proposed updates to the Total Fund Investment Policy at the September 2018 Investment Committee meeting in order to align the policy with actual practice. The proposed updates will return to the Investment Committee for approval at the November 2018 meeting.

**Disclosure of Closed Session Action Items**

No items to report.



	Total Fund		Public Markets		Liquidity (\$)	TLPM (\$)
	Public Equity (\$)	Income (\$)	Inflation (\$)	ARS (\$)		
<b>Beginning Market Value</b>	175,497,190,128.41	87,635,214,297.97	15,168,839,452.29	227,883,579.36	6,684,747,563.35	8,059,641,316.07
<b>+ Purchases</b>	14,020,741,181.24	10,178,925,374.32	3,013,606,727.70	-	1,769,962,503.90	2,166,396,992.32
<b>- Sales</b>	(16,509,637,480.25)	(9,912,334,055.31)	(3,273,875,894.63)	(2,354,823.05)	(1,830,036,976.23)	(201,037,026.76)
<b>+ Unitized Fund Purchases</b>	-	-	-	-	-	-
<b>- Unitized Fund Sales</b>	-	-	-	-	-	-
<b>+/- Other Changes in MV</b>	(10,702,537,071.86)	2,125,138,893.51	(3,521,513,436.99)	920,304.71	(557,444,353.35)	(1,821,083,803.92)
<b>Ending Market Value</b>	162,305,756,757.53	90,026,944,510.48	11,387,056,848.37	226,449,061.02	6,067,228,737.67	8,203,917,477.71

	Total Fund		Private Markets	
	Private Equity (\$)	Real Estate (\$)	Forestland (\$)	Infrastructure (\$)
<b>Beginning Market Value</b>	27,574,053,917.66	33,567,168,535.58	1,347,041,709.66	4,253,455,277.47
<b>+ Contributions</b>	601,739,982.78	358,481,816.00	-	44,325,317.00
<b>- Distributions</b>	(614,314,685.24)	(180,135,589.00)	-	(12,595,636.00)
<b>+ Unitized Fund Purchases</b>	-	-	-	-
<b>- Unitized Fund Sales</b>	-	-	-	-
<b>+/- Other Changes in MV</b>	277,338,991.87	7,292,681.43	0.00	108,056,220.00
<b>Ending Market Value</b>	27,838,818,207.08	33,752,807,444.01	1,347,041,709.66	4,393,241,178.47

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

	Total Public Markets (\$)	Total Private Markets (\$)	Total Fund (\$)
<b>Beginning Market Value</b>	293,273,516,337.45	66,741,719,440.37	360,015,235,777.82
<b>+ Contributions</b>	31,149,632,779.48	1,004,547,115.78	32,154,179,895.26
<b>- Distributions</b>	(31,729,276,256.23)	(807,045,910.24)	(32,536,322,166.47)
<b>+ Unitized Fund Purchases</b>	-	-	-
<b>- Unitized Fund Sales</b>	-	-	-
<b>+/- Other Changes in MV</b>	(14,476,519,467.91)	392,687,893.31	(14,083,831,574.61)
<b>Ending Market Value</b>	278,217,353,392.78	67,331,908,539.22	345,549,261,932.01

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