

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

**MINUTES OF MEETING
OPEN SESSION**

February 19, 2019

The Investment Committee (Committee) met on February 19, 2019 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at approximately 9:00 a.m. and the following members were present:

Bill Slaton, Chair
Rob Feckner, Vice Chair
Margaret Brown
Dana Hollinger
Adria Jenkins-Jones
Henry Jones
Fiona Ma, also represented by Frank Ruffino
David Miller
Jason Perez
Mona Pasquil Rogers
Ramon Rubalcava
Theresa Taylor
Betty Yee, also represented by Lynn Paquin

AGENDA ITEM 1 – CALL TO ORDER AND ROLL CALL

Mr. Jones called the meeting to order and called upon Mr. Perez to open the meeting with a new tradition of the Pledge of Alliance. Mr. Jones also took a moment of personal privilege to introduce and welcome the new Committee members.

AGENDA ITEM 2 – ELECTION OF THE INVESTMENT COMMITTEE CHAIR AND VICE CHAIR

Mr. Jones opened the floor for nominations for the Chair of the Committee. Ms. Hollinger nominated Mr. Slaton to serve as Chair. No further nominations were made. A request for

a roll call vote was made by Ms. Ma. On **MOTION** by Ms. Hollinger to elect Mr. Slaton as Chair, **SECONDED** by Ms. Brown and **CARRIED**. The motion passed.

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Margaret Brown	Lynn Paquin		Fiona Ma
Rob Feckner	Jason Perez		Mona Pasquil Rogers
Dana Hollinger	Ramon Rubalcava		Teresa Taylor
Adria Jenkins-Jones	Bill Slaton		
David Miller			

Mr. Slaton opened the floor for nominations for the Vice Chair of the Committee. Ms. Taylor nominated Mr. Feckner to serve as Vice Chair. No further nominations were made. On **MOTION** by Ms. Taylor to elect Mr. Feckner as Vice Chair, **SECONDED** by Ms. Hollinger and **CARRIED**. The motion passed.

Mr. Slaton took a moment of personal privilege to thank Mr. Jones for his six years of service as Chair of the Committee.

AGENDA ITEM 3 – Approval of the February 19, 2019 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. Brown, **SECONDED** by Ms. Hollinger, and **CARRIED**, to approve the Investment Committee Timed Agenda. The motion passed.

AGENDA ITEM 4 – EXECUTIVE REPORT, Chief Investment Officer Briefing

Ben Meng, Chief Investment Officer (CIO), provided the CIO Briefing on the Total Fund performance, the funded status, and current position.

AGENDA ITEM 5 – ACTION CONSENT ITEMS

On **MOTION** by Mr. Jones, **SECONDED** by Mr. Miller, and **CARRIED**, to approve the following action consent items. The motion passed to accept the following action consent items:

- a. Approval of the December 17, 2018 Investment Committee Open Session Meeting Minutes
- b. Review of the Investment Committee Delegation
- c. Contract Administration: Assignment of Asset Class and Board Consultant Contracts

AGENDA ITEM 6 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the March 18, 2019 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance
- e. Report to the California Legislature – Holocaust Era and Northern Ireland

Agenda Items 6a, Annual Calendar Review, and 6b, Draft Agenda for the March 18, 2019 Investment Committee Meeting, were pulled for further discussion and accepted as discussed.

AGENDA ITEM 7a – TOTAL FUND, CalPERS Trust Level Review – Consultant Report

Andrew Junkin and Ali Kazemi, Wilshire Associates Consulting, Christy Fields and David Glickman, Pension Consulting Alliance, Stephen McCourt, Steven Hartt and Hanna Schriener, Meketa Investment Group presented the item and responded to comments and questions from the Committee with Paul Mouchakkaa, Managing Investment Director (MID), and Beth Richtman, MID.

AGENDA ITEM 7b – TOTAL FUND, CalPERS Trust Level Review

Ben Meng, CIO, and John Rothfield, Investment Director (ID), presented the item and responded to comments and questions from the Committee with Marcie Frost, Chief Executive Officer, and Scott Terando, Chief Actuary.

AGENDA ITEM 7c – TOTAL FUND, Summary of Private Equity Business Model

Ben Meng, CIO, and John Cole, ID, presented the item and responded to comments and questions from the Committee.

Public Comment was heard in support of the new business model from Ruben Ingram, School Employers Association of California, Terry Brennan, on behalf of Service Employees International Union, Martha Penry, California School Employees Association Chair, Dane Hutchings, League of California Cities, Geoff Neill, California State Association of Counties, and on the risks of the Private Equity business model from Larry Woodson, California State Retirees, J.J. Jelincic, and Al Darby, President of the Retired Public Employees' Association of California.

The Committee recessed from 1:12 p.m. to 2:00 p.m.

AGENDA ITEM 8 – SUMMARY OF COMMITTEE DIRECTION

Ben Meng, CIO, and Dan Bienvenue, Interim Chief Operations Investment Officer, presented and summarized the Chair-directed items, to provide items as follows:

- a. The CalPERS Divestment Overview by April
- b. Language to clarify support for carbon pricing in the Proposed Revisions of the Governance and Sustainability Principles for March
- c. A Private Equity co-investment study and an estimate of the number of times Private Equity funds transacted with one another for the past year
- d. An overview of roles and purpose of the asset classes
- e. Schedule an infrastructure partner to present to the Investment Committee on market opportunities and decision making when appropriate
- f. Provide the updated Central Bank Balance Sheet chart from the CalPERS Trust Level Review presentation

AGENDA ITEM 9 – PUBLIC COMMENT

Kate Riley, CalPERS retiree, and Emily Claire Goldman, Educators for Migrant Justice, on engagements with private detention centers.

The meeting adjourned at approximately 2:43 p.m.

The next Committee meeting is scheduled for March 18, 2019 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Natalie Bickford
Committee Secretary