

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

**MINUTES OF MEETING  
OPEN SESSION**

**June 17, 2019**

The Investment Committee (Committee) met on June 17, 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:

Rob Feckner, Chair  
Theresa Taylor, Vice Chair  
Margaret Brown  
Henry Jones  
Fiona Ma, represented by Frank Ruffino  
Lisa Middleton  
David Miller  
Eraina Ortega  
Jason Perez  
Mona Pasquil Rogers  
Ramon Rubalcava  
Betty Yee, represented by Lynn Paquin

Dana Hollinger was excused.

**AGENDA ITEM 2 – APPROVAL OF THE JUNE 17, 2019 INVESTMENT COMMITTEE  
TIMED AGENDA**

On **MOTION** by Ms. Taylor, **SECONDED** by Ms. Pasquil Rogers, and **CARRIED**, to approve the Investment Committee Timed Agenda.

**AGENDA ITEM 4 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING**

Ben Meng, Chief Investment Officer (CIO), briefed the Committee on the day's agenda.

**AGENDA ITEM 5 – ACTION CONSENT ITEM**

On **MOTION** by Mr. Jones **SECONDED** by Ms. Taylor, and **CARRIED**, to approve the following items:

- a. May 13, 2019 Investment Committee Open Session Meeting Minutes.

## **AGENDA ITEM 6 – INFORMATION CONSENT ITEMS**

The Committee accepted the following information consent items:

- a. Annual Calendar Review
- b. Draft Agenda for the August 19, 2019 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Compliance
- e. CalPERS for California Annual Update

## **AGENDA ITEM 7a – ASSET CLASS OVERVIEW: THE ROLE OF FIXED INCOME AND BENCHMARKS**

Jeff Bailey of the Chartered Financial Analysts Institute led a workshop on the role of bonds and fixed income in an investment portfolio.

## **AGENDA ITEM 8a – AFFILIATE TRUST ASSET ALLOCATION REVIEW FOR THE CALIFORNIA EMPLOYERS’ PENSION PREFUNDING TRUST**

Eric Baggesen, Managing Investment Director, Trust Level Portfolio Management (TLPM); Alison Li, Investment Manager, TLPM; and Christine Reese, Investment Director, Global Equity presented this item. Andrew Junkin with Wilshire Associates, and Allan Emkin with Meketa Investment Group were available to answer questions from the Committee.

The Committee heard public comment from Dillon Gibbons of the California Special Districts Association thanking the Board and staff for their work in implementing the California Employers’ Pension Prefunding Trust.

On **MOTION** by Mr. Jones, **SECONDED** by Ms. Brown, and **CARRIED** to approve the proposed asset allocations and investment policy for the newly-established California Employers’ Pension Prefunding Trust. The motion passed.

## **AGENDA ITEM 9a – MITIGATING DRAWDOWNS**

This item was taken out of order. Ben Meng, CIO, presented this item in response to Committee questions from the May 13, 2019 Investment Education Workshop. The presentation covered staff’s approach to formulating capital market assumptions and strategies to ensure adequate returns when the market is in a drawdown period.

At 9:07 a.m. Frank Ruffino left the dais and Fiona Ma took his place.

At 9:39 a.m. this item was paused so the Committee could begin the second Investment Education Workshop. This item resumed at 11:32 a.m.

## **AGENDA ITEM 10 – SUMMARY OF COMMITTEE DIRECTION**

There was nothing to report for this item.

## **AGENDA ITEM 11 – PUBLIC COMMENT**

The Committee heard public comment from the following people:

- Sara Thiess of Fossil Free California regarding investment risk
- Cecil Canton of the California Faculty Association regarding investment risk
- Dr. Kevin Wehr of the California Faculty Association regarding investment risk
- Niesha Fritz of the California Faculty Association regarding investment risk
- Aimee Shreck of the California Faculty Association regarding investment risk
- Janeth Rodriguez of the California Faculty Association regarding investment risk
- Vincent Cevasco of the California Faculty Association regarding investment risk
- Joanne Fanucchi regarding investment risk
- Dr. Tristan Josephson of the California Faculty Association regarding investment risk
- Dr. Melanie Saeck of Sacramento State University regarding investment risk
- Linda Olvera of Freedom for Immigrants regarding investment risk
- Josh Austin of Educators for Migrant Justice regarding investment risk
- Nancy Mancias of Code Pink regarding investment risk
- Emily Goldman of Educators for Migrant Justice regarding investment risk

The meeting adjourned at approximately 1:01 p.m.

The next Committee meeting is scheduled for August 19, 2019 in Sacramento, California.

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MARCIE FROST  
Chief Executive Officer

Prepared by: Caitlin Jensen  
Committee Secretary