

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

**MINUTES OF MEETING  
OPEN SESSION**

**September 16, 2019**

The Investment Committee (Committee) met on September 16, 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, also represented by Frank Ruffino and Matt Saha  
Lisa Middleton  
David Miller  
Stacie Olivares  
Eraina Ortega, represented by Michelle Mitchell  
Jason Perez  
Mona Pasquil Rogers  
Ramon Rubalcava  
Betty Yee

**AGENDA ITEM 2 – APPROVAL OF THE SEPTEMBER 16, 2019 INVESTMENT COMMITTEE TIMED AGENDA**

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

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

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

**AGENDA ITEM 5 – ACTION CONSENT ITEMS**

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

- a. August 19, 2019 Investment Committee Open Session Meeting Minutes, and
- b. August 20, 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 November 18, 2019 Investment Committee Meeting
- c. Monthly Update – Performance and Risk
- d. Monthly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations

## **AGENDA ITEM 7a – REVISION OF TOTAL FUND POLICY – SECOND READING**

Dan Bienvenue, as Interim Chief Operating Investment Officer (COIO), presented the second reading of proposed changes to the Total Fund Policy. Proposed changes center around asset allocation, centralization of leverage governance, and exception reporting. Andrew Junkin with Wilshire Associates, and Steve Hartt of Meketa Investment Group, answered questions from the Committee.

At 9:06 a.m., Fiona Ma took the dais, for Frank Ruffino.

On **MOTION** by Mr. Jones, **SECONDED** by Ms. Taylor and **CARRIED** to approve the recommended changes to the Total Fund Policy.

## **AGENDA ITEM 8a – GLOBAL EQUITY ANNUAL PROGRAM REVIEW**

Dan Bienvenue, as Managing Investment Director (MID) of Global Equity, presented an overview of the Global Equity program's role, performance, and major accomplishments over the last year. Simiso Nzima, Investment Director (ID), also updated the Committee on the new model for incorporating "pay for performance" models in the proxy voting process.

## **AGENDA ITEM 8b – CONSULTANT REVIEW OF GLOBAL EQUITY PROGRAM**

Steve Foresti and Rose Dean with Wilshire Associates presented an overview of the Global Equity program's strategy, construction, performance, and Wilshire's scoring model.

## **AGENDA ITEM 8c – GLOBAL FIXED INCOME ANNUAL PROGRAM REVIEW**

Arnie Philips, MID of Global Fixed Income, presented the Committee an overview Of the Global Fixed Income program's role, performance, and major accomplishments over the

last year. Paul Kramer, Investment Manager, also updated the Committee on research into various ESG factors and their effect on the portfolio.

At 11:20 a.m. Matt Saha took the dais for Fiona Ma.

### **AGENDA ITEM 8d – CONSULTANT REVIEW OF GLOBAL FIXED INCOME**

Tom Toth and Rose Dean with Wilshire Associates presented an overview of the Global Equity program's strategy, construction, and performance.

### **AGENDA ITEM 9a – PUBLIC ASSET CLASS POLICY REVISIONS – FIRST READING**

Kit Crocker, ID, presented the first reading of proposed edits to the Global Equity and Global Fixed Income program policies. Changes primarily focused on aligning the policies with the shift to segments. Steve Foresti with Wilshire Associates also provided Wilshire's opinion on the proposed changes.

### **AGENDA ITEM 10a – CALPERS CONSULTANT PUBLIC FUND UNIVERSE COMPARISON REPORTS**

Andrew Junkin with Wilshire Associates presented a report comparing CalPERS' rates of return, risk versus total return, and asset allocation against a universe of funds with more than \$10 billion dollars in asset value.

### **AGENDA ITEM 10b – INFORMATION AS AN ASSET**

Andrew Junkin with Wilshire Associates and Steve McCourt with Meketa Investment Group presented on the role information plays in the market.

### **AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION**

Yu (Ben) Meng, CIO, noted four directions from the Committee:

- Provide information about CalPERS' CMO holdings
- To incorporate a board diversity review as part of the private asset market review
- A presentation on CalPERS' investments in California
- Incorporate a way of communication between the Board and Investment Committee into the Insight tool

### **AGENDA ITEM 12 – PUBLIC COMMENT**

The Committee heard public comment from the following people:

- Al Darby of the Retired Public Employees Association regarding open session protocol
- Ruth Ibarra of NorCal Resist, Coalition of Labor Union Women California Capital Chapter, LULAC West Sacramento, and the Sacramento Poor Peoples Campaign regarding investment risk
- Emily Clair Goldman with Educators for Migrant Justice regarding investment risk

- Susan Green with the California Faculty Association regarding investment risk
- Michelle Ramos Pellicia with the California Faculty Association regarding investment risk
- Dr. Antonio Tomas de La Garza with California State University, San Marcos regarding investment risk
- Oscar Santillano, regarding investment risk
- Kevin Wehr with the California Faculty Association regarding investment risk
- John Sarraille with California State University, Stanislaus regarding investment risk
- Dr. Margarita Berta-Avila with Sacramento State University regarding investment risk
- Mya Dosch with California State University, Sacramento regarding investment risk
- Jessica Lawless of Sacramento State and Humboldt State University regarding investment risk
- Claire Valderama-Wallace with California State University, East Bay regarding investment risk
- Rachael Stryker with California State University, East Bay regarding investment risk
- Eileen Barrett with California State University, East Bay regarding investment risk
- Eric Lerner with the California Faculty Association regarding investment risk
- Janeth Rodriguez with the California Faculty Association regarding investment risk
- James Martel with the California Faculty Association regarding investment risk
- Mimi Coughlin with Sacramento State University regarding investment risk
- Miriam Joffe-Block, CalPERS member, regarding investment risk
- Syma Solovitch, CalPERS member, regarding investment risk
- Hal Eisenberg, retiree, regarding investment risk
- Greg Brucker regarding investment risk
- Eva Mroczek with Jewish Action NorCal regarding investment risk
- Carlos Alcalá with the Chicano Latino Caucus for the California Democratic Party regarding investment risk
- Norma Alcalá with the Chicano Latino Caucus for the California Democratic Party regarding investment risk
- Duane Goff with Veteranos Chicanos regarding investment risk

The meeting adjourned at approximately 12:56 p.m..

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

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MARCIE FROST  
Chief Executive Officer

Prepared by: Caitlin Jensen  
Committee Secretary