



Investment Committee

Agenda Item 8a

November 18, 2019

Item Name: Public Asset Class Program Policy Revisions – Second Reading

Program: Global Equity and Global Fixed Income

Item Type: Action

Recommendation

Approve the revised Global Fixed Income Investment Policy and Global Equity Investment Policy as presented by staff.

Executive Summary

This item seeks the Investment Committee's (Committee's) consideration and action regarding the proposed updates and revisions to the Global Fixed Income Investment Policy and Global Equity Investment Policy (Program Policies) resulting from this year's annual investment-policy review process. Subsequent to the first reading of the Program Policies, staff has proposed an additional ministerial change regarding the naming convention for policy-related procedure documents, highlighted in the mark-up view.

Strategic Plan

Supports the Fund Sustainability element of the CalPERS 2017-22 Strategic Plan by contributing to the effective management and oversight of investment activities.

Investment Beliefs

This item supports CalPERS Investment Belief 10, particularly sub-belief C.

Background

Proposed changes to the Program Policies were presented to the Committee for a first reading at the September 16, 2019 meeting of the Committee. More information can be found at Agenda Item 9a¹ for that earlier committee meeting.

¹ [Agenda Item 9a, Public Asset Class Program Policy Revisions – First Reading, available in the CalPERS Board of Administration - Investment Committee meeting archives](#)

Analysis

As noted in the Executive Summary, staff is proposing an additional ministerial change to reflect the renaming of “Investment-Policy Procedures and Guidelines” (also referred to as IPPGs or IPGs) to “Policy-Related Procedures” or “PRPs.” PRPs are subject to a change-control process that includes oversight by the Board’s Investment Consultants. The new name is part of the transition to the use of more uniform terminology across asset classes.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

The changes support appropriate maintenance of the Program Policies. There are no anticipated risks.

Attachments

Attachment 1 – Proposed Global Fixed Income Policy (clean view)

Attachment 2 – Proposed Global Fixed Income Policy (mark-up view)

Attachment 3 – Proposed Global Equity Policy (clean view)

Attachment 4 – Proposed Global Equity Policy (mark-up view)

Attachment 5 – Consultant Opinion Letter – Wilshire Associates

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