

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

**MINUTES OF MEETING  
OPEN SESSION**

**November 18, 2019**

The Investment Committee (Committee) met on November 18, 2019 in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 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 Matt Saha  
Lisa Middleton  
David Miller  
Stacie Olivares  
Eraina Ortega  
Jason Perez  
Mona Pasquil Rogers  
Ramon Rubalcava  
Betty Yee, also represented by Lynn Paquin

**AGENDA ITEM 2 – APPROVAL OF THE NOVEMBER 18, 2019 INVESTMENT  
COMMITTEE TIMED AGENDA**

On **MOTION** by Ms. Taylor, **SECONDED** by Ms. Brown, 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.

Mona Pasquil Rogers joined the dais at 9:01 a.m.  
Henry Jones joined the dais at 9:02 a.m.

## **AGENDA ITEM 5 – ACTION CONSENT ITEMS**

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

- a. September 16, 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 December 16, 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 – BOARD INVESTMENT CONSULTANTS – RESULTS OF BOARD INVESTMENT CONSULTANTS INTERVIEWS AND INTENT TO AWARD**

Dan Bienvenue, as Interim Chief Operating Investment Officer (COIO), presented the results of the investment consultant interviews conducted on October 8, 2019, by the Board Investment Consultant Interview Subcommittee.

The highest-scoring candidates as awarded by the Subcommittee were as follows:

- Wilshire Associates for the General Pension Consultant, with an interview score of 651 and a total score of 1,001 points,
- Meketa Investment Group for the Private Equity Consultant, with an interview score of 700 points and a total score of 970 points,
- Meketa Investment Group for the Real Estate Consultant, with an interview score of 700 points and a total score of 1,043 points,
- Meketa Investment Group for the Infrastructure Consultant, with an interview score of 700 points and a total score of 1,050 points.

On **MOTION** by Mr. Jones, **SECONDED** by Mr. Miller and **CARRIED** to approve the scores as awarded, and subject to successful contract negotiations, award contracts to the highest-scoring firms.

## **AGENDA ITEM 8a – PUBLIC ASSET CLASS PROGRAM POLICY REVISIONS – SECOND READING**

Kit Crocker, Investment Director (ID) of Investment Controls and Operational Risk, provided the Committee with an overview of proposed changes to the program policies to the Global Equity and Global Fixed Income programs to reflect the introduction of segments.

On **MOTION** by Ms. Taylor, **SECONDED** by Mr. Miller and **CARRIED** to approve the changes to the Global Equity and Global Fixed Income Program Policies as recommended.

#### **AGENDA ITEM 9a – REAL ASSETS ANNUAL PROGRAM REVIEW**

Paul Mouchakkaa, Managing Investment Director (MID) of Real Assets, presented the Committee an overview of the Real Assets program's role, performance, and major accomplishments over the last year.

The Committee heard public comment from Al Darby with the Retired Public Employees' Association regarding changes to the Real Assets program policy.

#### **AGENDA ITEM 9b – CONSULTANT REVIEW OF THE REAL ASSETS PROGRAM**

Christy Fields, David Glickman, Lisa Bacon and Steve McCourt with Meketa Investment Group presented an overview of the real estate and infrastructure programs' strategy and performance.

Andrew Junkin with Wilshire Associates provided the Committee with an overview of Real Assets' overall role and the Forestland program's current performance.

#### **AGENDA ITEM 9c – PRIVATE EQUITY ANNUAL PROGRAM REVIEW**

Greg Ruiz, MID of Private Equity, presented the Committee an overview of the Private Equity program's role, performance, and major accomplishments over the last year.

The Committee heard public comment from Al Darby with the Retired Public Employees' Association regarding changes to the Private Equity program policy.

#### **AGENDA ITEM 9d – CONSULTANT REVIEW OF THE PRIVATE EQUITY PROGRAM**

Steven Hartt and Steve McCourt with Meketa Investment Group presented an overview of the private equity program's strategy and performance.

#### **AGENDA ITEM 10a – PRIVATE ASSET CLASS POLICY REVISIONS – FIRST READING**

Kit Crocker, ID, presented the first reading of proposed edits to the Real Assets and Private Equity program policies.

Tom Toth with Wilshire Associates also provided Wilshire's opinion on the proposed changes.

The Committee heard public comment from Al Darby with the Retired Public Employees' Association regarding changes to the Private Equity program policy.

### **AGENDA ITEM 11a – AFFILIATE TRUST FIXED INCOME BENCHMARK UPDATE**

Eric Baggesen, MID of the Trust Level Portfolio Management program, and Christine Reese, ID with the Global Equity Program, informed the Committee with information regarding recently-made changes to the Affiliate Funds' Fixed Income Long Liability Benchmark.

Andrew Junkin with Wilshire Associates also provided Wilshire's perspective on the changes.

At 11:39 a.m., Lynn Paquin joined the dais for Betty Yee.

### **AGENDA ITEM 11b – CALPERS STRATEGY ON SUSTAINABILITY**

Anne Simpson, Director of Governance and Sustainability, and Simiso Nzima, ID with Global Equity, gave an overview of the history and recent accomplishments of CalPERS' strategic plan on sustainability.

The Committee heard public comment from the following people:

- Sandy Emerson, with Fossil Free California, regarding investment strategy and risks.
- Deborah Silvey, CalPERS retiree, regarding investment strategy and risks.
- Sarah Theiss, with Fossil Free California, regarding investment strategy and risks.
- Ben Claire regarding investment strategy and risks.
- Lynne Nittler regarding investment strategy and risks.
- Costanza Gonzalo regarding investment strategy and risks.
- Chris Nelson, CalPERS retiree, regarding investment strategy and risks.
- Sheila Thorne, with Retired Public Employees Association, regarding investment strategy and risks.
- Robert Girling, CalPERS retiree, regarding investment strategy and risks.
- Vanessa Warheit, with Fossil Free California, regarding investment strategy and risks.

### **AGENDA ITEM 11c – CALPERS FOR CALIFORNIA ANNUAL UPDATE**

Dan Bienvenue, COIO, presented the report as read. The Committee had no additional questions.

### **AGENDA ITEM 12 – SUMMARY OF COMMITTEE DIRECTION**

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

- To ensure that external managers are in compliance with the new laws requiring sexual harassment prevention training in certain industries and

- To clarify the definition of Customized Investment Accounts in the next reading of the Private Assets Program Policies.

### **AGENDA ITEM 13 – PUBLIC COMMENT**

There was no additional public comment

The meeting adjourned at approximately 12:54 p.m..

The next Committee meeting is scheduled for December 16, 2019 in Sacramento, California.

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MARCIE FROST  
Chief Executive Officer

Prepared by: Caitlin Jensen  
Committee Secretary