

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

**MINUTES OF MEETING
OPEN SESSION**

April 20, 2020

The Investment Committee (Committee) met via videoconference on April 20, 2020.

The meeting was called to order at 9:31 a.m. and the following members were present:

Theresa Taylor, Chair
David Miller, Vice Chair
Rob Feckner
Henry Jones
Lisa Middleton
Stacie Olivares
Jason Perez
Ramon Rubalcava
Betty Yee

The following Board of Administration (Board) members were also present:

Margaret Brown
Fiona Ma, represented by Frank Ruffino
Eraina Ortega
Shawnda Westley

AGENDA ITEM 3 – ELECTION OF THE INVESTMENT COMMITTEE CHAIR AND VICE CHAIR

Mr. Feckner opened the floor for nominations for the Chair of the Committee. Mr. Jones nominated Ms. Taylor to serve as Chair. Ms. Olivares nominated herself to serve as Chair. A roll call vote was taken and the members voted as follows:

<u>Theresa Taylor</u>		<u>Stacie Olivares</u>	
Henry Jones	Theresa Taylor	Stacie Olivares	
Lisa Middleton	Betty Yee	Jason Perez	
David Miller			
Ramon Rubalcava			

Theresa Taylor was elected as Chair of the Investment Committee by six votes.

Ms. Taylor opened the floor for nominations for the Vice Chair of the Committee. Ms. Middleton nominated Mr. Miller to serve as Vice Chair. Mr. Perez nominated Ms. Olivares to serve as Vice Chair. A roll call vote was taken and the members voted as follows:

<u>David Miller</u>		<u>Stacie Olivares</u>	
Rob Feckner	Theresa Taylor	Henry Jones	
Lisa Middleton		Stacie Olivares	
David Miller		Jason Perez	
Ramon Rubalcava		Betty Yee	

David Miller was elected Vice Chair by five votes.

At 9:41 a.m. the Committee recessed into Closed Session.

The Committee reconvened into Open Session at 2:48 p.m.

AGENDA ITEM 5 – APPROVAL OF THE APRIL 20, 2020 INVESTMENT COMMITTEE TIMED AGENDA

On **MOTION** by Mr. Miller, **SECONDED** by Mr. Perez, and **CARRIED**, to approve the Investment Committee Timed Agenda. A roll call vote was taken:

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Theresa Taylor	Jason Perez		
Henry Jones	Ramon Rubalcava		
Lisa Middleton	Betty Yee		
David Miller			
Stacie Olivares			

Rob Feckner was not present to cast a vote.

AGENDA ITEM 6 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING

Yu (Ben) Meng, Chief Investment Officer (CIO), briefed the Committee on the management of the portfolio during the COVID-19 crisis and subsequent market drawdown. During the discussion, Ms. Olivares requested an overview of COVID-19 risk mitigation at a future meeting.

Mr. Tom Toth, with Wilshire Associates, also discussed the current portfolio management strategy with the Committee.

AGENDA ITEM 7a – ACTION CONSENT ITEM

On **MOTION** by Ms. Olivares, **SECONDED** by Mr. Miller, and **CARRIED**, to approve the following items via roll-call vote.

a. December 16, 2019 Investment Committee Open Session Meeting Minutes

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Theresa Taylor	Stacie Olivares		
Rob Feckner	Jason Perez		
Henry Jones	Ramon Rubalcava		
Lisa Middleton	Betty Yee		
David Miller			

AGENDA ITEM 7b – REVIEW OF THE INVESTMENT COMMITTEE DELEGATION

Anne Simpson, Investment Director (ID), presented an overview of the Board’s work to simplify the delegation in order to clarify the Committee’s roles and responsibilities.

The Committee took public comment about this item via email from the following individuals:

- Warren Grimsley
- Adam Reilly
- Darryl Cleveland
- Martha Donoho
- Anthony Butka
- Ellen Brown
- Kathleen Astor
- Sarv Grover
- David Soares
- Al Darby
- Stephanie Hweg
- Michael McKaskle
- Jim Rusconi
- Roxanne Woodward
- David Yuguchi
- Robert Girling
- Sherry Keith
- Sara Margo
- Tim Behrens
- Steve Kachur
- Ray Snodgrass
- Joseph Papa
- JJ Jelincic
- Marlon L. Brandle, Sr.

- Pat Fuller
- Michael Warren
- Kathy Martin
- Rita Peres
- Laura Haupt
- Eddie Roberts
- Daniel Heredia
- Robert Trevizo
- Antoinette Renwick
- Carri Matsumoto

The Committee directed staff to return with a revised draft of the Delegation, based on Committee feedback.

AGENDA ITEM 8 – INFORMATION CONSENT ITEMS

The Committee accepted the following information consent items with no additional discussion:

- a. Annual Calendar Review
- b. Draft Agenda for the Next Investment Committee Meeting
- c. Quarterly Update – Performance and Risk
- d. Quarterly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations
- f. Terminated Agency Pool Rebalance

The Committee heard public comment on item 8c from the following:

- Betsy Thagard
- Jane Scantlebury
- Richard Godfrey
- Dana Stokes
- Louise Chiatovich
- Karen Jaques
- Sara Theiss
- Lynne Nittler
- Glenn Fieldman
- Deborah Silvey
- Arnold Erickson

AGENDA ITEM 9a – CONTRACTS ADMINISTRATION: GENERAL PENSION BOARD INVESTMENT CONSULTANT: KEY PERSON CHANGE

Dan Bienvenue, Deputy Chief Investment Officer, informed the Committee of the departure of Andrew Junkin from Wilshire Associates, and his removal from the list of

Wilshire’s key persons. Tom Toth, Ali Kazemi, and Rose Dean will be the Key Persons in the Wilshire Associates contract upon Board approval.

On **MOTION** by Mr. Jones, **SECONDED** by Mr. Miller, and **CARRIED**, that the Committee approve staff’s recommended changes to the list of Wilshire’s key persons. A roll-call vote was taken.

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</u>
Rob Feckner	Ramon Rubalcava		Stacie Olivares
Henry Jones	Betty Yee		
Lisa Middleton			
David Miller			
Jason Perez			

AGENDA ITEM 10a – CALPERS TRUST LEVEL REVIEW - CONSULTANT REPORT

Mr. Toth with Wilshire Associates provided an overview of the fund’s performance and risk profiles as of December 31, 2019, and information on the current market conditions.

Steve McCourt, with Meketa Investment Group, presented a summary of the performance of the Private Equity, Real Estate, and Infrastructure portfolios as of December 31, 2019.

AGENDA ITEM 10b – CALPERS TRUST LEVEL REVIEW

John Rothfield, ID, and Eric Baggesen, Managing Investment Director, presented an overview of the current market situation and the fund’s performance and risk profiles as of December 31, 2019.

AGENDA ITEM 10c – PROXY VOTING AND CORPORATE ENGAGEMENTS UPDATE

Simiso Nzima, ID, updated the Committee on upcoming proxy voting priorities and recent corporate engagement efforts.

The Committee heard public comment on this item from:

- Sheila Thorne

AGENDA ITEM 11 – SUMMARY OF COMMITTEE DIRECTION

Dr. Meng, CIO, noted one direction from the Committee:

- To report back to the Committee on staff’s plans to mitigate the financial risks of COVID-19.

AGENDA ITEM 12 – PUBLIC COMMENT

The Committee heard public comment from:

- Joseph P. Ruiz, regarding previous litigation

The meeting adjourned at approximately 7:19 p.m.

The next Committee meeting is scheduled for June 15, 2020 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Caitlin Jensen
Committee Secretary