



Investment Committee

Open Session Meeting Summary

November 18, 2020

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met via videoconference on November 16, 2020.

THE COMMITTEE approved the following:

- AGENDA ITEM 7a
The recommendation to set the discount rate for the Long-Term Care Fund to 4.75, with a portfolio risk upper threshold of 9.50%, and the inclusion of private assets and leverage as allowable investments (with allocation ranges to be approved at a future committee meeting).
- AGENDA ITEM 7b
The recommended changes to the Investment Committee Delegation.
- AGENDA ITEM 9a
To consent to the transfer of the Wilshire Consulting contract to its new ownership entity.

The Committee received reports on the following topics:

- An educational review of how CalPERS uses tracking error as part of the investment risk framework.
- Wilshire Associate's annual financial analysis of CalPERS' divestments.
- An update on CalPERS' investment strategy on climate risk and opportunity.
- The annual report on external managers' compliance with the Responsible Contractor Policy.
- The Chair directed staff to:
 - Include a market and economics update in the February 2021 Investment Committee meeting.
 - Accelerate the presentation of the Five-Year Divestment Review to the Committee from November 2021 to March 2021.
 - Gather information to further the understanding of the relationship between Wilshire and the ACA Compliance Group, and how that fits into Wilshire's management of potential conflicts of interest.

The Committee heard public comment on:

- A labor dispute.

At this time, I would like to share some highlights of what to expect at the February 2021 Investment Committee meeting:

- Discussion on the asset allocation for the Long-Term Care Program
- An ALM Support Workshop covering various foundational topics for the upcoming ALM cycle
- A market and economics update

The next meeting of the Investment Committee is scheduled for February 16, 2021, in Sacramento, California.