

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

**MINUTES OF MEETING  
OPEN SESSION**

**September 15, 2025**

The Investment Committee (Committee) met on September 15, 2025, in the Lincoln Plaza North Building, Feckner Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:24 a.m. and the following members were present:

David Miller, Chairperson  
Mullissa Willette, Vice Chairperson  
Malia Cohen, represented by Deborah Gallegos  
Michael Detoy  
Fiona Ma, represented by Frank Ruffino  
Lisa Middleton  
Eraina Ortega  
Jose Luis Pacheco  
Kevin Palkki  
Ramon Rubalcava  
Theresa Taylor  
Yvonne Walker

The Committee recessed into Closed Session at 9:25 a.m.

At 10:08 a.m. Controller Malia Cohen joined the Closed Session meeting and replaced representative Deborah Gallegos.

The Committee reconvened into Open Session at 10:30 a.m.

**AGENDA ITEM 2 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING**

Stephen Gilmore, Chief Investment Officer (CIO), welcomed Director Middleton back to the Board, mentioned the upcoming start of Mascha Canio, Managing Investment Director (MID) for CalPERS Private Debt (PD), and provided a brief preview of the open session agenda for today.

The Committee heard public comment on this item from:

- Jakob Evans, Sierra Club of California,
- Eric Lerner, California Common Good, ACCE,
- Sally Kalaghan,
- Mark Tavianini, Third Act Sacramento,
- Linda Hayward, Third Act Sacramento,
- Preston Rudy, California Faculty Association,

- Dr. Glayol Sabha, Third Act Sacramento, and
- Sara Theiss, Fossil Free California.

### AGENDA ITEM 3 – ACTION CONSENT ITEMS

On **MOTION** by Mr. Pacheco, **SECONDED** by Mr. Palkki, to approve the following items:

- Approval of the September 15, 2025, Investment Committee Timed Agenda
- Approval of the June 16, 2025, Investment Committee Open Session Meeting Minutes

A roll call vote was taken:

| <u><b>YES</b></u> |                   | <u><b>NO</b></u> | <u><b>ABSTAIN</b></u> |
|-------------------|-------------------|------------------|-----------------------|
| Mullissa Willette | Jose Luis Pacheco |                  |                       |
| Malia Cohen       | Kevin Palkki      |                  |                       |
| Michael Detoy     | Ramon Rubalcava   |                  |                       |
| Frank Ruffino     | Theresa Taylor    |                  |                       |
| Lisa Middleton    | Yvonne Walker     |                  |                       |
| Eraina Ortega     |                   |                  |                       |

Final vote was 11 Yes, 0 No, 0 Abstain. The motion **CARRIED**.

### AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

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

- Annual Calendar Review
- Draft Agenda for the November 17, 2025, Investment Committee Meeting
- Quarterly Update – Affiliates Performance and Risk
- Quarterly Update – Investment Controls
- Disclosure of Placement Agent Fees and Material Violations

The Committee heard public comment on this item from:

- Mark Swabey, CalPERS Member, and
- Frank Ruiz, CalPERS Retiree.

### AGENDA ITEM 5a – CALPERS TRUST LEVEL REVIEW

Mr. Gilmore, CIO, Lauren Rosborough Watt, Investment Manager (IM), and Saeed Daroogheha, Investment Director (ID), presented the CalPERS Trust Level Review. This agenda item provided an update on economic conditions, commentary on performance and risk positioning across CalPERS funds, and a review of investment and operational highlights for the investment program.

### AGENDA ITEM 5b – CALPERS TRUST LEVEL REVIEW CONSULTANT REPORT

Tom Toth, Wilshire Advisors, Steve McCourt, Steve Hartt, Christy Fields, and Mary Bates, Meketa Investment Group, presented the CalPERS Trust Level Review Consultant Report. This agenda item provided an update on market conditions and CalPERS' performance commentary from the Board's Investment Consultants.

The Committee recessed into lunch at 12:07 p.m. and reconvened into Open Session at 1:00 p.m.

### **AGENDA ITEM 5c – ASSET LIABILITY MANAGEMENT: FIRST READING OF PUBLIC EMPLOYEES' RETIREMENT FUND RECOMMENDATIONS**

Mr. Gilmore, CIO, Michele Nix, Chief Financial Officer (CFO), and Scott Terando, Chief Actuary, presented on Asset Liability Management: First Reading of Public Employees' Retirement Fund (PERF) Recommendations. This ALM cycle brings a newly proposed investment governance model, a Total Portfolio Approach (TPA), that evolves and builds on the PERF's existing Strategic Asset Allocation (SAA) model. Fundamentally, TPA enshrines the belief that the portfolio is best managed as a whole, that every investment strategy and decision is made for its potential contribution to the overall, or total portfolio, and will lead to better investment performance and system funding. There are a variety of ways to implement a TPA. We think the most suitable form for CalPERS is to establish a new Formal Total Fund Risk for the PERF. There will be two components to it. First, an equity-bonds Reference Portfolio that sets the market risk exposure, captures passive returns, and becomes the singular total fund performance benchmark. Here, we are recommending an equities-bonds Reference Portfolio mix of 75/25, respectively. The second is to set an Active Risk Limit, so management is provided the ability to make non-Reference Portfolio active management investments. Here, we are recommending a 400 basis points (bps) Active Risk Limit. Lastly, we recommend no change to the current Discount Rate of 6.8% if the 75/25 Reference Portfolio is adopted.

The Committee heard public comment on this item from:

- J.J. Jelincic, Retired Public Employees Association.

### **AGENDA ITEM 5d – GLOBAL FIXED INCOME ANNUAL PROGRAM REVIEW**

Arnie Phillips, MID, David Bader, ID, Richard Fiebrandt, IM, Brian Parks, IM, and Todd Smith, IM, provided the Committee with Global Fixed Income's Annual Program Review which included updates on strategy, positioning, performance, key initiatives and the current market environment of the asset class.

The Committee heard additional commentary on the Global Fixed Income Annual Program Review from Tom Toth, Wilshire Advisors.

### **AGENDA ITEM 5e – GLOBAL PUBLIC EQUITY ANNUAL PROGRAM REVIEW**

Simiso Nzima, MID, Drew Hambly, ID, May Leung, IM, and Hailey Tracy, Investment Officer (IO), provided the Committee with Global Public Equity's Annual Program Review which included its role in the overall portfolio, positioning, performance and risk, and a review of investment and business objectives.

The Committee heard additional commentary on the Global Public Equity Annual Program Review from Ali Kazemi, Wilshire Advisors.

The Committee heard public comment on this item from:

- Ruth Radetsky, Divest from Tesla,
- Edward Hasbrouck, Divest from Tesla, and
- Mary Jo Walker, CalPERS Member.

## **AGENDA ITEM 5f – SUMMARY OF COMMITTEE DIRECTION**

Related to item 5e, the Chair directed staff to conduct a risk assessment associated with owning Tesla stock.

## **AGENDA ITEM 5g – PUBLIC COMMENT**

The Committee heard public comment from:

- Jennifer O'Dell, Laborers' Union,
- Thomas Pattison, Divest from Tesla,
- Susan McCarthy, CalPERS Beneficiary, and
- Ralph Ballart, Divest from Tesla.

The Committee recessed into Closed Session at 3:51 p.m. and reconvened into Open Session at 6:09 p.m.

The meeting adjourned at 6:09 p.m.

The next Committee meeting is scheduled for November 17, 2025, in Sacramento, California.

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MARCIE FROST  
Chief Executive Officer

Prepared by: Matt Goss  
Committee Secretary