

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

**MINUTES OF MEETING
OPEN SESSION**

June 14, 2021

The Investment Committee (Committee) met via videoconference on June 14, 2021.

The meeting was called to order at 9:30 a.m. and the following members were present:

Theresa Taylor, Chair
David Miller, Vice Chair
Margaret Brown
Rob Feckner
Henry Jones
Fiona Ma, represented by Matt Saha
Lisa Middleton
Stacie Olivares
Eraina Ortega
Ramon Rubalcava
Shawnda Westly
Betty Yee, represented by Lynn Paquin

AGENDA ITEM 2 – APPROVAL OF THE JUNE 14, 2021 INVESTMENT COMMITTEE TIMED AGENDA

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

| <u>YES</u> | | <u>NO</u> | <u>ABSTAIN</u> |
|-------------------|-----------------|------------------|-----------------------|
| Margaret Brown | Stacie Olivares | | |
| Rob Feckner | Eraina Ortega | | |
| Henry Jones | Ramon Rubalcava | | |
| Matt Saha | Shawnda Westly | | |
| Lisa Middleton | Lynn Paquin | | |
| David Miller | | | |

AGENDA ITEM 3 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING

Dan Bienvenue, Interim Chief Investment Officer (CIO), briefed the Committee on the day's agenda and an overview of the fund's performance.

AGENDA ITEM 4 – ACTION CONSENT ITEM

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

- a. Approval of the March 15, 2021 Investment Committee Open Session Meeting Minutes

| <u>YES</u> | | <u>NO</u> | <u>ABSTAIN</u> |
|----------------|-----------------|-----------|----------------|
| Margaret Brown | Stacie Olivares | | |
| Rob Feckner | Eraina Ortega | | |
| Henry Jones | Ramon Rubalcava | | |
| Matt Saha | Shawnda Westly | | |
| Lisa Middleton | Lynn Paquin | | |
| David Miller | | | |

AGENDA ITEM 5 – 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

AGENDA ITEM 6a – LONG-TERM CARE INVESTMENT POLICY UPDATE

Christine Reese, Investment Director (ID), presented proposed updates to the Long-Term Care (LTC) Investment Policy and implementation timing that are associated with the Asset Liability Management Review.

On **MOTION** by Mr. Miller, **SECONDED** by Mr. Jones, and **CARRIED**, to approve the item via roll-call vote.

| <u>YES</u> | | <u>NO</u> | <u>ABSTAIN</u> |
|----------------|-----------------|----------------|----------------|
| Rob Feckner | Stacie Olivares | Margaret Brown | |
| Henry Jones | Eraina Ortega | | |
| Matt Saha | Ramon Rubalcava | | |
| Lisa Middleton | Shawnda Westly | | |
| David Miller | Lynn Paquin | | |

J.J. Jelincic, CalPERS member, spoke on this item.

AGENDA ITEM 7a – CURRENT MARKET ENVIRONMENT

Kareem Raymond, Goldman Sachs, presented information on the current market environment including a market review, Goldman Sachs strategic long-term capital market assumptions, and factors impacting changes in capital market assumptions.

AGENDA ITEM 7b – TOTAL FUND AND AFFIATE FUND POLICY UPDATES

Arnie Phillips, Interim Deputy Chief Investment Officer (DCIO), Christine Gogan, ID and Michael Krimm, ID, presented potential revisions to the Total Fund Investment Policy that pertains to tracking error and related conforming changes.

At this time, the Committee took a short recess.

AGENDA ITEM 7c – SUSTAINABLE INVESTMENT FIVE YEAR STRATEGY PROGRESS REPORT

Anne Simpson, Managing Investment Director (MID) presented a progress report on CalPERS' Sustainable Investment Five Year Strategic Plan including strategic priorities, objectives, key performance indicators, and highlighted outcomes. This agenda item supports the CalPERS' Enterprise Strategic Plan (2017-2022) to improve fund sustainability and the Business Plan goals of ensuring Investment Beliefs and sustainable investment risk integration, referred to as Environmental, Social and Governance.

The following people spoke on this item:

- William Michael Cunningham, Non-Fiduciary Investment Consulting Spring-Fed Pool member
- Sheila Thorne, CalPERS Beneficiary
- Steven Elias, Retired member
- Dana Stokes, Fossil Free California
- Sandy Emerson, Fossil Free California
- Richard Godfrey, TriCity Ecology Center
- Sara Theiss, Fossil Free California

AGENDA ITEM 8 – SUMMARY OF COMMITTEE DIRECTION

The Chair directed staff to:

- Bring an action item back to the Committee in September 2021, in follow-up to item 7b, regarding tracking error in the Total Fund Policy and work with Wilshire to include information on other plans.

AGENDA ITEM 9 – PUBLIC COMMENT

The Committee heard public comment from Alyssa Giachino, Private Equity Stakeholder Project, regarding CalPERS private equity partner ARES Management.

At this time, the Committee recessed into Closed Session and reconvened at 4:00 p.m.

The meeting adjourned at approximately 4:01 p.m.

The next Committee meeting is scheduled for September 13, 2021 in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Laura Rodriguez
Committee Secretary