

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

**MINUTES OF MEETING
OPEN SESSION**

September 19, 2022

The Investment Committee (Committee) met on September 19, 2022, in the Lincoln Plaza North Building, Auditorium, 400 Q Street, Sacramento California.

The meeting was called to order at 8:51 a.m. and the following members were present:

David Miller, Chair
Rob Feckner, Vice Chair
Fiona Ma, represented by Frank Ruffino
Lisa Middleton
Eraina Ortega
Jose Luis Pacheco
Theresa Taylor
Mullissa Willette
Gail Willis
Betty Yee

Ramon Rubalcava was excused

AGENDA ITEM 2 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING

Nicole Musicco, Chief Investment Officer (CIO), briefed the Committee on the day's agenda and current market events.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

On **MOTION** by Rob Feckner, **SECONDED** by Jose Luis Pacheco, and **CARRIED**, to approve the following items:

- a. Approval of the September 19, 2022, Investment Committee Timed Agenda
- b. Approval of the June 13, 2022, Investment Committee Open Session Meeting Minutes
- c. Board of Administration Investment Consultants Request for Proposal

AGENDA ITEM 4 – INFORMATION CONSENT ITEMS

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

- a. Annual Calendar Review
- b. Draft Agenda for the November 14, 2022, Investment Committee Meeting

- c. Quarterly Update – Performance and Risk
- d. Quarterly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations
- f. Supplemental Income Plans: Strategic Asset Allocation Implementation Update

AGENDA ITEM 5a – INVESTMENT PERFORMANCE REVIEW AND STRATEGY

Nicole Musicco, CIO, provided the Committee a detailed ten-year performance review. This item highlighted lessons learned from these past experiences and how they will impact and guide investment strategy, going forward.

The Committee heard public comment on this item from:

- Jerry Fountain, CalPERS Stakeholder and,
- Terry Brennand, Service Employees International Union California.

AGENDA ITEM 5b – REVISIONS TO THE TOTAL FUND POLICIES – PRIVATE ASSET CLASSES – FIRST READING

Nicole Musicco, CIO, Greg Ruiz, Managing Investment Director (MID), Sarah Corr, MID, and Amy Deming, Investment Director (ID), presented the proposed revisions to the Total Fund Investment Policy resulting from the Asset Liability Management (ALM) adoptions at the 2021 November Investment Committee meeting. The proposed revisions to the policy will support the Committee's adopted return rate and Strategic Asset Allocation (SAA), which included increased allocations to Private Equity.

The Committee heard public comment on this item from Mr. Fountain, CalPERS Stakeholder.

AGENDA ITEM 5c – CALPERS TRUST LEVEL REVIEW AND ANNUAL PROGRAM REVIEWS

Nicole Musicco, CIO, Dan Bienvenue, Deputy Chief Investment Officer (DCIO), Simsio Nzima, MID, Arnie Phillips, MID, Greg Ruiz, MID, Sarah Corr, MID, and Lauren Rosborough Watt, Investment Manager (IM), provided an update on economic conditions, commentary on performance and risk across CalPERS' funds, and a review of investment and business objectives for the investment program.

At 1:31 p.m. the Committee recessed into lunch. The Committee reconvened into Open Session at 2:15 p.m.

AGENDA ITEM 5d – CALPERS TRUST LEVEL CONSULTANT REPORT AND ANNUAL PROGRAM REVIEWS

Tom Toth, Wilshire Associates, and Steve McCourt, Meketa Investment Group, provided the Committee with an update on market conditions and CalPERS' performance. In addition, Mr. Toth and Mr. McCourt provided a review of market conditions and the performance of the CalPERS Public Employees' Retirement Fund (PERF), an executive summary of fund performance, and an

annual review of the Global Equity, Global Fixed Income, Opportunistic, and Trust Level Portfolio Management programs, with additional commentary on the Real Assets Program.

AGENDA ITEM 5e – SUMMARY OF COMMITTEE DIRECTION

The Chair directed staff to:

- Incorporate analytics on Global Real Estate Sustainability Benchmark and alignment with the Responsible Contractor Policy (RCP) work for the November Investment Committee meeting; and,
- Share information on deals missed with current delegations versus proposed delegations.

AGENDA ITEM 5f – PUBLIC COMMENT

The Committee heard public comment from:

- Tim Behrens, California State Retirees, on increasing CalPERS Board of Administration oversight, concerns regarding global investments, and the 2008 financial collapse and its effects on CalPERS and the United States.

At this time, the Committee convened into Closed Session and reconvened at 3:16 p.m.

The meeting adjourned at 4:52 p.m.

The next Committee meeting is scheduled for November 14, 2022, in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Laura Manzo
Committee Secretary