

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

**MINUTES OF MEETING  
OPEN SESSION**

**September 18, 2023**

The Investment Committee (Committee) met on September 18, 2023, in the Lincoln Plaza North Building, Feckner Auditorium, 400 Q Street, Sacramento California.

The meeting was called to order at 9:01 a.m. and the following members were present:

David Miller, Chair  
Theresa Taylor, Vice Chair  
Malia Cohen, represented by Regina Evans  
Fiona Ma, also represented by Patrick Henning  
Lisa Middleton  
Eraina Ortega  
Jose Luis Pacheco  
Kevin Palkki  
Ramón Rubalcava  
Yvonne Walker  
Mullissa Willette

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

Nicole Musicco, Chief Investment Officer (CIO), took a point of personal privilege to thank the CalPERS Board or administration, Marcie Frost and the CalPERS Investment staff for all their support, hard work and innovation over the last year and a half in response to her recent resignation announcement.

Ms. Musicco highlighted the day's agenda and current market events.

The Committee heard public comment on this item from:

- Valentina Dabos, Private Equity Stakeholder Project.

**AGENDA ITEM 3 – ACTION CONSENT ITEMS**

On **MOTION** by Mr. Pacheco, **SECONDED** by Ms. Taylor, and **CARRIED**, to approve the following items:

- a. Approval of the September 18, 2023, Investment Committee Timed Agenda
- b. Approval of the June 20, 2023, Investment Committee Open Session Meeting Minutes.

## **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 13, 2023, Investment Committee Meeting
- c. Quarterly Update – Affiliates Performance and Risk
- d. Quarterly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations

The Committee heard public comment on this item from:

- J.J. Jelincic (Remote), CalPERS Retiree.

## **AGENDA ITEM 5a – REVISIONS TO THE TOTAL FUND POLICY: GOVERNANCE AND SUSTAINABILITY PRINCIPLES – FIRST READING**

Peter Cashion, Managing Investment Director (MID) and Tamara Sells, Associate Investment Manager (AIM), presented the Revisions to the Total Fund Policy: Governance and Sustainability Principles – First Reading. This item provided a review of CalPERS' Labor Principles and gave greater prominence to existing language on labor through a dedicated section in the CalPERS' Governance and Sustainability Principles document. Refined language on labor was added to provide a clear and standardized message of CalPERS' core labor views. The team has been regularly reviewing evolving labor frameworks and best practice standards from multiple organizations. The updated Labor Principles will also be integrated into CalPERS' Asset Class Sustainable Investment Guidelines. Managers will be made aware of these Principles and will provide periodic attestations. Staff also presented the CalPERS well-established Stakeholder Engagement Process and case studies of its application.

At this time, Gail Willis joined the meeting remotely.

The Committee heard public comment on this item from:

- Patricia Gutierrez, United Food and Commercial Workers,
- Jennifer Diaz de Monstrosa, United Food and Commercial Workers,
- Gretchen Newsom, International Brotherhood of Electrical Workers North District,
- Susan Minato, Unite Here Local II,
- Habibulhag Qazizada, Unite Here Local II,
- Jose Preciado, Unite Here Local II,
- Sal Calleros, Writers Guild of America,
- Jeane Wong, Writers Guild of America,
- Jennifer O'Dell, Laborers International Union of North America,
- Michael Ring, SEIU,
- Nicole Samii (Remote), United for Respect,
- Pablo Sandoval, SEIU Local 521,
- Amy Valdez, SEIU Local 1000,
- Maria Blaine, SEIU Local 1000,
- Ramon Cramer, SEIU Local 1000,
- William Michael Cunningham (Remote), Economist,
- Forest Peterson, SEIU Local 521,
- Tammy Dhanota, SEIU Local 521,
- Brian O'Neil, SEIU Local 521, and

- Michael Mark, Smart Sheet Metal Workers Local 104.

At 11:02 a.m. the Committee recessed into a break. The Committee reconvened into Open Session at 11:16 a.m.

#### **AGENDA ITEM 5b – CALPERS TRUST LEVEL REVIEW**

Ms. Musicco, CIO, and Lauren Rosborough Watt, Investment Manager (IM), presented the CalPERS Trust Level Review. This 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 5c – CALPERS TRUST LEVEL REVIEW CONSULTANT REPORT**

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

At 12:29 p.m. the Committee recessed into lunch. The Committee reconvened into Open Session at 1:31 p.m.

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

Arnie Phillips, MID, presented the Global Fixed Income Annual Program Review. This item provided information on Global Fixed Income's role on market environment, portfolio performance and risk analysis, and operational updates and key initiatives.

Tom Toth, Wilshire Advisors, spoke regarding their opinion letter in relation to the Global Fixed Income annual program review.

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

Simsio Nzima, MID, presented the Global Public Equity Annual Program Review. This item provided information on Global Public Equity's role in the overall portfolio, positioning, performance and risk, and a review of investment and business objectives.

Ali Kazemi, Wilshire Advisors, spoke regarding their opinion letter in relation to the Global Public Equity annual program review.

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

There was no committee direction.

**AGENDA ITEM 5g – PUBLIC COMMENT**

The Committee heard public comment from:

- Sarah Theis (Remote), Fossil Free California, regarding divestment in fossil fuels.

The Committee convened into Closed Session at 2:53 p.m. and reconvened at 4:08 p.m.

The meeting adjourned at 4:09 p.m.

The next Committee meeting is scheduled for November 13, 2023, in Sacramento, California.

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MARCIE FROST  
Chief Executive Officer

Prepared by: Laura Manzo  
Committee Secretary