

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

**MINUTES OF MEETING  
OPEN SESSION**

**September 16, 2024**

The Investment Committee (Committee) met on September 16, 2024, in the Lincoln Plaza North Building, Feckner Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:15 a.m. and the following members were present:

- David Miller, Chairperson
- Theresa Taylor, Vice Chairperson
- Malia Cohen, also represented by Deborah Gallegos
- Fiona Ma, represented by Frank Ruffino
- Lisa Middleton
- Eraina Ortega
- Jose Luis Pacheco
- Kevin Palkki
- Ramón Rubalcava
- Yvonne Walker
- Mullissa Willette
- Gail Willis (Remote)

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

Stephen Gilmore, Chief Investment Officer (CIO), briefed the Committee on initial thoughts, talent development and learning, technology, asset liability management, team structure, internal governance, and the day’s agenda.

**AGENDA ITEM 3 – ACTION CONSENT ITEMS**

- On **MOTION** by Mr. Pacheco, **SECONDED** by Ms. Taylor, to approve the following items:
- a. Approval of the September 16, 2024, Investment Committee Timed Agenda
  - b. Approval of the June 10, 2024, 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>
Theresa Taylor	Kevin Palkki		
Deborah Gallegos	Ramón Rubalcava		
Frank Ruffino	Yvonne Walker		
Lisa Middleton	Mullissa Willette		
Eraina Ortega	Gail Willis		
Jose Luis Pacheco			

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:

- a. Annual Calendar Review
- b. Draft Agenda for the November 18, 2024, 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 item 4d and 4e from:

- Steven Dadaian, California Department of Transportation.

## **AGENDA ITEM 5a – MID-CYCLE ASSET LIABILITY MANAGEMENT REVIEW: LONG TERM CARE**

The Committee heard public comment on this item from:

- Sheila Thorne, Beneficiary,
- Dan Fuchs, CASE,
- Megan Elsea, Beneficiary,
- Linda Hayward, Third Act,
- Yvette DiCarlo, Beneficiary,
- Judith Small, Third Act,
- Diana Cassidy, Third Act,
- Dr. Glayol Sabba, Third Act,
- Anushka Kalyan, Third Act,
- Eileen Boughton, Service Employees International Union Local 1000,
- Sara Theiss, Fossil Free California,
- Jonathan Karpf, California Faculty Association,
- Natisha Booker, AFSCME Local 3299,
- Erika Aritonang, AFSCME Local 3299,
- Danielle Roland, Beneficiary,
- Patrica Mendoza, ACCE,
- Barbara Pinto, ACCE,
- Khrizia Velacruz, Oil and Gas Action Network,
- Xochil Garcia,
- Enrique De Leon,
- Mark Swabey,
- Frank Ruiz, Beneficiary,
- Ally Lindstrom, Sierra Club,
- Jason Opeña Disterhoft, Majority Action, and
- Stephen Goldsmith, Beneficiary.

Don Moulds, Chief Health Director; Fritzie Archuleta, Deputy Chief Actuary; and, Christine Reese, Investment Director (ID), presented the Mid-Cycle Asset Liability Management Review: Long Term Care. This agenda item presented the results of the Asset Liability Management Mid-Cycle Review for the Long-Term Care (LTC) Program, along with program information and actuarial considerations to provide context and aid in the evaluation of the analysis and recommendation. Candidate Portfolios for the LTC Fund were designed in partnership with an external manager and used similar methods as the other Affiliate Funds and the Public Employees' Retirement

Fund. The Policy Portfolio recommendation was to make allocation changes that reduce projected risk, while maintaining a projected return that is supportive of the discount rate.

On **MOTION** by Mr. Palkki, **SECONDED** by Mr. Rubalcava, to approve the Mid-Cyle Asset Liability Management Review: Long Term Care.

A roll call vote was taken:

<u><b>YES</b></u>		<u><b>NO</b></u>	<u><b>ABSTAIN</b></u>
Theresa Taylor	Kevin Palkki		
Deborah Gallegos	Ramón Rubalcava		
Frank Ruffino	Yvonne Walker		
Lisa Middleton	Mullissa Willette		
Eraina Ortega	Gail Willis		
Jose Luis Pacheco			

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

At 11:16 a.m. the Committee recessed into a break. The Committee reconvened into Open Session at 11:29 a.m.

**AGENDA ITEM 6a – CALPERS TRUST LEVEL REVIEW**

Mr. Gilmore, CIO, and Lauren Rosborough Watt, Investment Manager (IM), 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 6b – CALPERS TRUST LEVEL REVIEW CONSULTANT REPORT**

Steve Foresti, Wilshire Advisors; Ali Kazemi, Wilshire Advisors; Steve McCourt, Meketa Investment Group; Steve Hartt, Meketa Investment Group; and, Christy Fields, 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.

At 12:41 p.m. the Committee recessed into lunch. The Committee reconvened into Open Session at 1:30 p.m.

The Committee continued discussion on Agenda Item 6b.

**AGENDA ITEM 6c – GLOBAL FIXED INCOME ANNUAL PROGRAM REVIEW**

Arnie Phillips, Managing Investment Director (MID), presented the Global Fixed Income Annual Program Review. This agenda item provided a program overview, market environment, portfolio performance and risk analysis, and business updates and key initiatives.

**AGENDA ITEM 6d – GLOBAL PUBLIC EQUITY ANNUAL PROGRAM REVIEW**

Simiso Nzima, MID, and Drew Hambly, ID, presented the Global Public Equity Annual Program Review. This agenda item provided information Global Public Equity’s role in the overall portfolio, positioning, performance and risk, and a review of investment and business objectives.

## **AGENDA ITEM 6e – INVESTMENT OFFICE STRATEGIC INITIATIVES**

Mr. Gilmore, CIO, and Michael Cohen, Chief Operating Investment Officer (COIO), presented the Investment Office Strategic Initiatives. This agenda item covered the nine 2022-23 Strategic Initiatives and then covered the 2024-25 four Ps; people, process, portfolio and performance.

## **AGENDA ITEM 6f – SUMMARY OF COMMITTEE DIRECTION**

There was no committee direction.

## **AGENDA ITEM 6g – PUBLIC COMMENT**

The Committee heard public comment regarding the Responsible Contractor Policy, from the following:

- Michael Mark, Sheet Metal Workers Local 104, and
- Michael West, State Building and Construction Trades Council.

The Committee convened into Closed Session at 3:33 p.m. and reconvened at 5:56 p.m.

The meeting adjourned at 5:56 p.m.

The next Committee meeting is scheduled for November 18, 2024, in Sacramento, California.

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MARCIE FROST  
Chief Executive Officer

Prepared by: Laura Manzo  
Committee Secretary