



Investment Committee

Open Session Meeting Summary

September 15, 2021

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Investment Committee met via videoconference on September 13, 2021.

The Committee approved the following:

- AGENDA ITEM 6a
Staff's recommended revisions to the Total Fund Policy and Affiliate Fund Policies.
- AGENDA ITEM 7a
The proposed Capital Market Assumptions, including projected returns and volatility, and asset class correlations.

The Committee received reports on the following topics:

- Sample candidate portfolios for the Public Employees' Retirement Fund.
- An update on economic conditions, commentary on performance and risk positioning across CalPERS' funds, and a review of investment and business objectives for the investment program.
- An update on market conditions and CalPERS' performance commentary from the Board's Investment Consultants.
- The Chair directed staff to:
 - Return with additional calculations for the candidate portfolios with the discount rate set to 6.5%, 6.8%, and 7%, including levered and unlevered.
 - Provide the Committee with information on CalPERS' holdings in China.

The Committee heard public comment on the following topics:

- The proposed candidate portfolios.
- The discount rate and its effect on employer contributions.
- Investment policy and climate risk.

At this time, I would like to share some highlights of what to expect at the November 2021 Investment Committee meeting:

- An action item to adopt Affiliate Trust Capital Market Assumptions;
- Further review of Asset Liability Management inputs including candidate portfolios for the Public Employees' Retirement Fund;
- The Emerging Manager Program Review; and,
- The Responsible Contractor Policy Program Annual Report.

The next meeting of the Investment Committee is scheduled for November 15, 2021.