

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

**MINUTES OF MEETING
OPEN SESSION**

November 18, 2024

The Investment Committee (Committee) met on November 18, 2024, in the Lincoln Plaza North Building, Feckner Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:46 a.m. and the following members were present:

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

The Committee heard public comment from:

- Dr. Shae O’Riordan, ASLIU, American Sign Language Interpreters Union,
- Xamiel Campos-Espinosa, American Sign Language Interpreters Union.

AGENDA ITEM 2 – EXECUTIVE REPORT – CHIEF INVESTMENT OFFICER BRIEFING

Stephen Gilmore, Chief Investment Officer (CIO), took a point of personal privilege to recognize Tamara Sells, Associate Investment Manager (AIM), for receiving the Modern Governance 100 ESG Diversity and Climate Trail Blazer award and Michael Cohen, Chief Operating Investment Officer, for making Time’s List of 100 Climate Leaders.

Mr. Gilmore, CIO, then briefed the Committee on the Investment Office-Human Resources Division collaboration with Michelle Tucker and highlights of the day’s agenda.

AGENDA ITEM 3 – ACTION CONSENT ITEMS

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

- a. Approval of the November 18, 2024, Investment Committee Timed Agenda
- b. Approval of the September 16, 2024, Investment Committee Open Session Meeting Minutes

A roll call vote was taken:

<u>YES</u>		<u>NO</u>	<u>ABSTAIN</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 this time, Deborah Gallegos, representing Malia Cohen, joined the meeting.

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 March 17, 2025, Investment Committee Meeting
- c. Quarterly Update – Affiliates Performance and Risk
- d. Quarterly Update – Investment Controls
- e. Disclosure of Placement Agent Fees and Material Violations
- f. Report on Alternative Investments (AB 2833) Fee Disclosure
- g. Report to the California Legislature: Iran
- h. Report to the California Legislature: Northern Ireland

AGENDA ITEM 5a – QUARTERLY CHIEF INVESTMENT OFFICER REPORT

Mr. Gilmore, CIO, presented the Quarterly Chief Investment Officer Report. This presentation provided an update on economic conditions and commentary on performance and risk positioning across CalPERS funds.

AGENDA ITEM 5b – ASSET LIABILITY MANAGEMENT

Mr. Gilmore, CIO, and Scott Terando, Chief Actuary, presented the Asset Liability Management. This presentation initiated the Asset Liability Management (ALM) 2025 review cycle by introducing some key framework ideas and concepts which will be integral to the work that will take place over the next year. These included Understanding the Portfolio and Value Creation, Portfolio Implementation and Risk Alignment, Return Objectives and Valuations, and a Holistic, Long-term Portfolio Approach.

At 11:24 a.m. the Committee recessed into a break. The Committee reconvened into Open Session at 11:40 a.m.

AGENDA ITEM 5c – TOTAL FUND PORTFOLIO MANAGEMENT ANNUAL PROGRAM REVIEW

Sterling Gunn, Managing Investment Director (MID), presented the Total Fund Portfolio Management (TFPM) Annual Program Review. This presentation provided information on TFPM’s role in managing the overall portfolio, its business objectives, and contribution to total portfolio performance and risk.

At 12:13 p.m. the Committee recessed into lunch. The Committee reconvened into Open Session at 1:01 p.m.

AGENDA ITEM 5d – SUSTAINABLE INVESTMENTS ANNUAL PROGRAM REVIEW

Peter Cashion, MID, Travis Antoniono, Investment Director (ID), Nelson Da Conceicao, ID, Tamara Sells, AIM, and Michael Silva, AIM, presented the CalPERS' Sustainable Investments (SI) Annual Program Review including objectives, key performance indicators, and targets.

The Committee heard public comment on this item from:

- Alyssa Giachino, Private Equity Stakeholder Project,
- Bobby Roy, SEIU Local 1000 Member,
- Melechor Torres, Cardenas Markets,
- Maria Gonzales, Cardenas Markets,
- Ingracia Ramos, Cardenas Markets,
- Jared Gaby Biegel, United Food and Commercial Workers International Union,
- Terry Brennand, SEIU California,
- Jacob Evans, Sierra Club California,
- Daniel School, SEIU Local 1000,
- Jason Disterhoft, Majority Action,
- Greg Lichtenstein, CalPERS Retiree,
- Sara Theiss, Fossil Free California, CalPERS Retiree,
- Judith Kirk, CalPERS Beneficiary,
- Maria Vargas, Cardenas Markets,
- Dan Fuchs, CalPERS Beneficiary.

AGENDA ITEM 5e – DIVERSITY IN THE MANAGEMENT OF INVESTMENTS (AB 890)

Michael Silva, AIM, presented the Diversity in the Management of Investments Report (AB 890) which contained information related to CalPERS investments with emerging and diverse manager activity displayed by asset class and across CalPERS' total fund.

At 3:08 p.m. the Committee recessed into a break. The Committee reconvened into Open Session at 3:20 p.m.

AGENDA ITEM 5f – CALPERS FOR CALIFORNIA REPORT

Peter Cashion, MID, and Tamara Sells, AIM, provided an annual report on CalPERS' investments in California and the jobs supported by private asset class investments.

AGENDA ITEM 5g – CONSULTANT REVIEW OF CALPERS DIVESTMENTS

Lauren Gellhaus, Wilshire Advisors, provided an annual analysis of CalPERS' divestment activities, as of June 30, 2024.

AGENDA ITEM 5h – SUMMARY OF COMMITTEE DIRECTION

Related to agenda item 5e – Diversity in the Management of Investments (AB 890), the Committee directed staff to add percentages in future reports going forward.

AGENDA ITEM 5i – PUBLIC COMMENT

The Committee heard public comment on private equity from:

- Mark Swabey, CalPERS Beneficiary,
- Frank Ruiz, CalPERS Retiree.

The Committee convened into Closed Session at 3:47 p.m. and reconvened at 5:39 p.m.

The meeting adjourned at 5:39 p.m.

The next Committee meeting is scheduled for February 18, 2025, in Sacramento, California.

MARCIE FROST
Chief Executive Officer

Prepared by: Matt Goss
Committee Secretary