



To: The Investment Committee
California Public Employees' Retirement System (CalPERS)

Date: May 14, 2012

From: Pension Consulting Alliance, Inc. *mgh*

cc:

RE: Private Equity (PE) Delegated Authority

PCA previously assisted Staff in formulating its Delegated Authority set forth in Delegation No. 07-02-INV (the Delegation), which recognized market dynamics and gave Staff sufficient authority to be competitive in the existing environment. The proposed revision to the Delegation sets forth the extent of the authority of the Chief Investment Officer and Senior Investment Officer-PE to make commitments to Customized Investment Accounts, as defined, where CalPERS is the sole investor, up to a fixed percentage of the PE Policy Target.

Additionally, the proposed revision specifically defines certain types of investment accounts and strategies, and management teams and firms, for the purpose of establishing uniform interpretations of such terms as they are contained within the Delegation.

Lastly, the proposed revisions seek to change the name of the Alternative Investment Management (AIM) program to Private Equity to more clearly reflect the construction and implementation of the program.

PCA agrees with the proposed revisions and recommends that the Investment Committee approve the Private Equity Delegation No. 07-02-INV, revised May 14, 2012.