



Agenda Item 7a

November 13, 2012

ITEM NAME: CalPERS CIO Quarterly Performance Report and Consultant Performance Review

PROGRAM: Total Fund

ITEM TYPE: Asset Allocation, Performance & Risk – Information

EXECUTIVE SUMMARY

CalPERS Investment Servicing Division provides a quarterly Chief Investment Officer (CIO) Performance Report for purposes of reviewing the investment performance of the Public Employees Retirement Fund (PERF) as well as the affiliate funds. The information in this report is provided by State Street Bank, Private Edge and International Funds Services.

The Investment Committee's primary pension consultant, Wilshire Associates, provides a quarterly performance report for purposes of reviewing the performance of the PERF as well as the affiliate funds (Attachment 4). The Board Investment Consultants for the Private Equity and Real Estate programs, Pension Consulting Alliance (PCA) Inc., have provided comments on the Wilshire Associates report specific to those asset classes (Attachments 5 and 6).

STRATEGIC PLAN

This agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability. This report provides detailed information for performance across the PERF and affiliate funds to support the CalPERS Investment Committee in its oversight capacity.

BACKGROUND

The CalPERS CIO Quarterly Performance Report is a product of a Rapid Results Team response to the CIO's request for a timely, appropriately detailed quarterly performance report. It provides performances for all strategies and managers in the PERF and affiliate funds.

ATTACHMENTS

Attachment 1 – CIO Total Fund Performance Overview, will be presented by the CIO and will provides a performance overview, as of September 30, 2012, of the PERF summary performance data and of individual asset classes.

Attachment 2 – CalPERS CIO Quarterly Performance Report, for the period ended September 30, 2012 was prepared by the CalPERS Investment Servicing Division and based solely on data provided by State Street Bank, Private Edge and International Funds Services.

Attachment 3 – Wilshire presentation titled “CalPERS – Performance Review September 30, 2012”

Attachment 4 – Wilshire Associates’ Executive Summary of Investment Performance of the CalPERS Total Fund, Judges II Plan, Long-Term Care Plan, Legislators’ Fund, California Employers’ Retiree Benefit Trust and the Supplemental Income Plans, for the period ended September 30, 2012.

Attachment 5 – PCA’s review and assessment of the Wilshire Associates Report, as it relates to the Private Equity Program.

Attachment 6 – PCA’s review and assessment of the Wilshire Associates Report, as it relates to the Real Estate Program.

JOSEPH A. DEAR
Chief Investment Officer