

Special Review Implementation (SRI) Item	Status
(a) Tracking and reporting use of placement agents	Completed. Ongoing monitoring being performed and reported to IC. CalPERS implemented its online Investment Proposal Tracking System (IPTS) on July 1, 2010.
(b) Adoption of the Real Estate Alignment of Interest (AOI) Principles Policy	Complete. AOI principles adopted. Ongoing tracking being performed and reported to IC.
(c) Develop a focused program to obtain below market fees on new commitments in Private Equity and Real Estate	Ongoing. Business as usual. For the first nine months in 2012, Private Equity (PE) made \$1.09 billion in new commitments with competitive fees and Real Estate (RE) made \$1.2 billion in new commitments with competitive fees.
(d) Work with the Institutional Limited Partners Association (ILPA) to increase the numbers of Private Equity General Partners (GPs) who are ILPA signers	Ongoing. Business as usual. As of October 31, 2012, 26 active General Partners (GPs) were signers, which represents 168 funds and 66% of active commitments by assets under management. In addition in February 2012, Private Equity implemented an adapted version of the ILPA standardized capital call and distribution templates for all PE GPs. The new report will enable staff to be more focused on risk management, transparency and good governance. An INVO staff member is a member of the ILPA Board.
(e) Implement a new travel policy with a compliance pre-clearance process	Completed. ICOR approves all travel to ensure compliance with policy and Form 700 rules. The new policy established stringent new procedures for staff when traveling for meetings with investment managers, including prohibiting staff from accepting entertainment and meals held apart from Board meetings. Ongoing monitoring and testing by ICOR.
(f) Adopt a mandate that for those investments where CalPERS is the sole limited partner, all meetings be conducted at the GPs office or at CalPERS	Mandate adopted. Ongoing monitoring and testing by ICOR. For the first nine months in 2012, 100% of the applicable meetings were conducted at the GP's office or at CalPERS.
(g) Revise the Role of the Private Asset Class Board Investment Consultant Policy	Completed. Revised policy approved on June 15, 2011. The Role of Private Asset Class Investment Consultant Policy was revised to prohibit consultants from advising on transactions or managing money except in limited circumstances where such consultants possess unique knowledge or expertise that is not available through other providers.
(h) Reorganize the Investment Office to separate and functionalize negotiation and monitoring roles	Completed. Both PE and RE have reorganized to separate the functions of negotiations and monitoring.