

**Andrew Junkin, CFA, CAIA**  
**Managing Director & Principal**

February 1, 2013

Mr. Henry Jones  
Chair of the Investment Committee  
California Public Employees' Retirement System  
400 Q Street  
Sacramento, CA 95814

Re: External Investment Resource Conflict of Interest – Proposed Regulation

Dear Mr. Jones:

You requested Wilshire's opinion with respect to Staff's proposal to propose a regulation with the same intent and similar language to the current External Investment Resource Conflict of Interest Policy. The change from a policy to a regulation is necessary to comply with pertinent sections of the California Government Code. Wilshire recommends that the Investment Committee approve the proposal to put these principles forth as a regulation.

Should you require anything further or have any questions, please do not hesitate to contact us.

Best regards,

