

STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE
DELEGATION RESOLUTION

Subject: Professional Staff
Opportunistic Program

Delegation No: 13-01-INV

WHEREAS,

1. In accordance with Government Code section 20120, the Board of Administration of the California Public Employees' Retirement System (the Board) is charged with the administration and management of the California Public Employees' Retirement System (CalPERS), and
2. In accordance with Government Code section 20171, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund (the Fund), and
3. In accordance with Article XVI, section 17 of the California Constitution, the Board has plenary authority and fiduciary responsibility for the investment of CalPERS assets, and
4. In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally, and
5. In accordance with Government Code section 20099, the Board may authorize its Chief Executive Officer (CEO) to perform any act within the power of the Board itself to perform, and may through express delegation authorize the CEO to act finally, and
6. The Board has adopted a Board of Administration Governance Policy relevant to the granting of delegations, and

7. Through Board Delegation Resolution No. IC-11-01 and pursuant to Government Code section 20191, the Board delegated to its Investment Committee the authority to make, through final action and by the affirmative vote of at least seven members, any investment authorized by law, and to re-delegate its authority to others, and
8. Through Board Delegation No. EXEC-11-01, the Board has delegated to the CEO principal authority and responsibility to direct and manage staff to execute the policies adopted by the Board and administer the various programs consistent with the policies, and to re-delegate to others, and
9. The Board and its committees retain the implied authority, pursuant to Government Code section 20099, to re-delegate their authority directly to the Chief Investment Officer (CIO) and Senior Investment Officers and such re-delegations are deemed to have been made through the CEO and the CIO.

RESOLVED,

- (A) Recognizing the respective roles of the CEO as the internal leader of the organization and the CIO as the principal investment expert, and yet also wishing to gain the full benefit of the unique Opportunistic Program, the Investment Committee hereby delegates to the CIO the authority described in the attached Opportunistic Program Delegations (the "Delegations").
- (B) Where such Delegations do not prohibit sub-delegation, the CIO is authorized to re-delegate to his or her responsible subordinates any portion or all of the responsibility delegated to the CIO.
- (C) Where such Delegations do not specifically require the Investment Committee's review or ratification prior to action, the CIO has the authority to act finally, and to re-delegate, and will be responsible and accountable for his or her actions.
- (D) The exercise of authority under the Delegations shall be reported to the Investment Committee in sufficient detail to keep the Investment Committee appropriately informed and in order for the Investment Committee to monitor the performance of the CIO.
- (E) Upon adoption by the Investment Committee all Delegations will expressly supersede all prior delegations regarding the Opportunistic Program.

- (F) It is understood that the Opportunistic Program Delegation and the grant of authority are created with the intent to fully comply, in letter and in spirit, with all federal and state laws and regulations, as well as CalPERS Policies and procedures as approved by the Investment Committee or the full Board of Administration.

HENRY JONES
CHAIR, INVESTMENT COMMITTEE
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
SYSTEM

I accept this delegation.

Dated: _____

JOSEPH A. DEAR
CHIEF INVESTMENT OFFICER
INVESTMENT OFFICE
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT
SYSTEM

Opportunistic Program Delegations

Within each of the following subject areas (as shown in italics), the Investment Committee delegates (as shown in bold) the following authority to the CIO:

I. Authority to Allocate Assets

- A. Authority to Establish Asset Classes and Asset Allocation (Targets and Ranges) for the Total Fund (no Delegation)*
- B. Authority to Establish Programs/Sectors Within an Existing Asset Class (no Delegation)*
- C. Authority to Make Allocation Decisions Within the Asset Class and Among Programs/Sectors*

1. **To allocate capital to fund the Opportunistic Program as set forth in policy approved by the Investment Committee.**

Opportunistic Program Policy, Section V

a. **Investment in Opportunistic funds may be up to 3% of the Total Fund.**

Opportunistic Program Policy, Section V, A

II. Authority to Make Investment Decisions

A. Authority to Directly Invest In and Dispose of Public Securities

1. **To direct the purchase or sale of public securities as needed to implement an opportunistic position.**

B. Authority to Select, Commit Funds to, and Dispose of/Exit Investments in Private Investment Vehicles

1. **To allocate capital to the Opportunistic Program as set forth in policy approved by the Investment Committee.**

Opportunistic Program Policy, Section V, D

a. **The market value of the Opportunistic Program non-publicly traded investments (excluding fixed income securities) shall not represent more than 1.5% of the Total Fund.**

Opportunistic Program Policy, Section V, F

C. Authority to Directly Invest In and Dispose Of Private Securities

1. **To contribute private securities when allocating capital to, or dispose of private securities received from, an Opportunistic fund.**

Opportunistic Program Policy, Section V, D

- a. **The market value of the Opportunistic Program non-publicly traded investments (excluding fixed income securities) shall not represent more than 1.5% of the Total Fund.**

Opportunistic Program Policy, Section V, F

D. Authority to Fund Investment Managers Retained through a Contractual Arrangement (pursuant to public contracting process)

1. **To fund external managers as set forth in policy approved by the Investment Committee.**

Opportunistic Program Policy, Section V, H

E. Authority Relating to Shareowner Resolutions and Proxy Execution

1. **To vote proxies in compliance with CalPERS Global Proxy Voting Principles.**

Global Proxy Voting, Section IV, A, 2

2. **To respond to corporate actions as set forth in policy approved by the Investment Committee.**

F. Authority to Directly Invest In and Dispose of Derivative Instruments

1. **To contribute derivative instruments when allocating capital to, or direct the disposal of private securities received from, an Opportunistic Program portfolio.**

Opportunistic Program Policy, Section V, D

III. Authority to Make Contracting Decisions

A. Authority to Select and Terminate Investment Managers (obtained through public contracting process)

1. **To terminate an external manager.**

Opportunistic Program Policy, Section V, H

- B. *Authority to Select and Terminate Investment Consultants Other than the Board's Investment Consultants*
 - 1. **To establish an Opportunistic Program “spring-fed pool” consisting of consultants, tools, and data, and similar services and service providers, to meet program needs.**
- C. *Authority to Enter into Derivative Contracts (no Delegation)*