

June 17, 2013

Investment Policy Subcommittee
California Public Employees' Retirement System
Lincoln Plaza, 400 P Street
Sacramento, CA 95814

Re: Extension of the Neutrality Trial Responsible Contractor Program Policy

Dear Members of the Investment Policy Subcommittee:

Pension Consulting Alliance, Inc. ("PCA") has reviewed the request to extend the Neutrality Trial Program for two years from June 30, 2013 to June 30, 2015. PCA believes that a program extension allows for additional tracking of data and program developments. The extension will allow staff the opportunity to further monitor new core managers and funds that have adopted the policy and their corresponding contracts.

Over the next two years, there may be an increase in investment activity in the market due to changes in the economy which can provide useful information regarding the impact of the program. This information will play an important role in determining whether the program has an investment impact on the real estate portfolio.

Sincerely,



Allan Emkin
Managing Director