



California Public Employees' Retirement System
Letter of Engagement # ___ for Contract Number 2009-5105
Back-Up to the Primary Pension Board Investment Consulting Services

Unless otherwise expressly altered in this Letter of Engagement, all terms and conditions of the above-noted Contract remain in full force and effect.

A. Project Description

Under the direction of the Investment Committee and Investment Office Staff, Pension Consulting Alliance, Inc. shall provide general investment consulting services to the CalPERS Investment Committee in connection with the above-noted contract as follows:

1. Conduct a review of agenda item(s) for all regular Investment Committee meetings, attend all regular Investment Committee meetings, and be prepared to respond to questions or provide opinions as requested by the Investment Committee; and
2. Prepare for, attend and participate in Investment Committee workshops as requested by the Investment Committee for the Asset Allocation Workshop, assist in the development of assumptions, review and comment on materials, and participate in all pre-meetings; and
3. Provide written second opinions to those issued by the primary pension consultant as requested by the Investment Committee or CalPERS staff; and
4. Provide independent analyses and recommendations upon request by the Investment Committee or CalPERS Investment Office staff regarding: asset allocation strategies, investment policies, industry trends and views, general investment portfolio management, asset and sector performance and attribution assignments, investment risk assessment. Including, but not limited to:
 - A. Discuss targeted investments (outside of the Responsible Contractor Program), including infrastructure, affordable housing, etc.
 - B. Discuss emerging manager policy and procedures
 - C. Participate in Investment Beliefs development

5. Maintain general availability to meet the needs of the Investment Committee and CalPERS Investment Office staff. Including, but not limited to:

A. Attend regular meetings with the Board chair and vice-chair to discuss/prepare for Investment Committee meetings.

B. Staff, Estimated Billable Hours, and Total Cost of Services

| Assigned Staff | Hourly Rate | Total Estimated Hours | Total Cost Not to Exceed |
|---|--------------------|------------------------------|---------------------------------|
| Senior Actuary/Managing Director Actuary/Senior Vice President/Vice President Analyst | See Below | See Below | \$112,500*/year |

*Voluntary fee reduction of 10%, per quarterly invoice

This work is project and/or deliverables based. Fees noted above are based on completion of the work and/or provision of deliverables outlined in this Letter of Engagement.

C. Invoices

Quarterly invoices shall be submitted by the Contractor in arrears for work performed. Combined total of all invoices shall not exceed the total project cost of \$112,500.00 per year for the term of the Letter of Engagement, payable in quarterly increments of \$37,500, and shall be inclusive of all travel and other expenses. All invoices shall be submitted no later than 90 days of services being rendered.

D. Effective and Expiration Dates

This Letter of Engagement is effective as of 10/01/2013, and shall expire on 6/30/2014, unless otherwise agreed upon between CalPERS and the Contractor through a new or amended Letter of Engagement.

Approved and Accepted:

CAROL MOODY
Interim Chief Operating Investment Officer
CalPERS Investment Office
Date:_____

ALLAN EMKIN
Managing Director
Pension Consulting Alliance, Inc.
Date:_____