



California Public Employees' Retirement System
Letter of Engagement # ___ for Contract Number 2008-4936
CalPERS Infrastructure Program Advisory 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

The Contractor, Meketa Investment Group, (Meketa), shall provide consulting services in connection with the above-noted contract and engagement as follows:

INDEPENDENT ADVISOR TO THE INVESTMENT COMMITTEE

1. Provide opinion to the Committee on investments above staff's delegation of authority.
2. Evaluate whether the investment transactions comply with applicable Committee policy and, if applicable, staff's delegation of authority and provide opinion regarding compliance.
3. Perform annual reviews of major asset class sub component programs and provide opinion on performance, risk, manager selection and monitoring processes, and on internal control process and staffing.
4. Perform annual review of the program and provide opinion on performance, risk, manager selection and monitoring processes, and on internal control processes and staffing.
5. Provide independent advice to the Committee on all aspects of the program and its implementation.
6. Provide analysis and reports consistent with Policy, as directed by the Committee.

STRATEGY AND POLICY ANALYSIS

1. Review and opine on investment policies and delegations of authority.
2. Review and opine on strategic and annual plans.
3. Provide forecasts of asset class returns for total fund asset allocation purposes.
4. Provide quarterly analysis of market developments, market conditions, and macro-level view of market opportunities to the Committee.

PERFORMANCE ANALYSIS AND MONITORING

1. Prepare quarterly investment performance reports and portfolio risk analysis.
2. Provide guidance on performance measurement methodologies.
3. Review and opine annually on appropriateness of asset class benchmarks.

SPECIAL PROJECTS

In limited circumstances, the Infrastructure Board Investment Consultant may be engaged to perform work for staff on special projects, or to provide opinions to staff regarding specific investment transactions if the Infrastructure Board Investment Consultant possesses unique knowledge or expertise that is not available through other providers. Such an engagement must be initiated by staff and approved by the Committee.

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

Assigned Staff	Hourly Rate	Total Estimated Hours	Total Cost Not to Exceed
Staff Level Consultant Staff Level Analyst Staff Level Administrative	N/A	N/A	\$212,500

C. Invoices

Invoices shall be submitted by Contractor on a monthly basis, in arrears for work performed and/ or upon final approval of deliverables by CalPERS Staff. Combined total of all invoices shall not exceed \$212,500, 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 March 2, 2014, and shall expire on June 30, 2015, 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:_____

STEPHEN MCCOURT
Managing Principal
Meketa Investment Group
Date:_____