

Andrew Junkin, CFA, CAIA
Managing Director & Principal

July 26, 2013

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

Re: Proposed Policy for the Judges' Retirement System

Dear Mr. Jones:

You requested Wilshire opinion with respect to a new Policy proposed by Staff: 1) the Judges' Retirement System.

Wilshire has reviewed the proposed Policy and recommends that the Investment Committee approve it. We do note that the Policy call for a "comprehensive asset strategy analysis" to occur at "a regular interval" and to be presented to the Investment Committee. To our knowledge, this has not occurred recently with this fund. While the fund is currently invested in cash equivalents (seemingly, appropriately so), we recommend that the Investment Committee request that Staff complete this analysis in order to ensure compliance with the proposed Policy.

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

Best regards,

