

Mr. Henry Jones, Chairman
Investment Committee
California Public Employees' Retirement System
400 "P" Street
Sacramento, California 95814

Re: Statement of Investment Policy for Investment Beliefs, Agenda Item 6a

Dear Mr. Jones:

The purpose of this letter is to recommend that The Investment Committee (The Committee) adopt the proposed Statement of Investment Policy for Investment Beliefs as detailed in attachment to Agenda Item 6a.

We believe that the processes that led to the proposed policy were innovative, thoughtful, comprehensive and deliberate. The Committee, with support and input from Staff, consultants, and a range of stakeholders, participated in a dynamic and productive decision-making process that resulted in the proposed policy.

The proposed policy provides a well thought out and inclusive framework for exercising judgment in the investment decision making process. PCA had the privilege of being included in the evolution of the proposed policy from its inception. During that evolution, the creativity, openness, and commitment of time and energy from the Committee and Staff were unprecedented.

We look forward to addressing any questions you may have at the Committee meeting.

Sincerely,



Allan Emkin,
Managing Director