



Agenda Item 9c

October 14, 2013

ITEM NAME: Absolute Return Strategies Annual Program Review

PROGRAM: Absolute Return Strategies

ITEM TYPE: Program Review – Information

EXECUTIVE SUMMARY

This agenda item provides an annual update on the position and performance of the Absolute Return Strategies (ARS) Program.

- As of June 30, 2013, the ARS Portfolio has produced net of fee returns of 7.46%, 4.10% and 5.55% for 1-year, 3-year and since inception (April 1, 2002) periods, respectively.

This agenda item also provides an update of staff's FY 2012-13 ARS Roadmap initiatives, cost savings, key staffing and investment policy review.

STRATEGIC PLAN

This item supports the CalPERS Strategic Plan goal to improve long-term health benefit and pension sustainability. Providing in-depth program reviews supports the Investment Committee (IC) in evaluating investment strategies which aim to improve the risk-return profile of the CalPERS Total Fund.

BACKGROUND

This agenda item is the 2013 Annual Program Review for the ARS Program. Annual program reviews for each asset class were scheduled as a result of the restructuring of IC agendas recommended by an Investment Office Rapid Results team in 2012.

ANALYSIS

The attached presentation (Attachment 1) provides an update on the following items for Fiscal Year 2012-13:

- Roles, Descriptions, and Program Performance
- Hedge Fund Market Update
- Roadmap Initiatives, Cost Savings, and Policy Review

BUDGET AND FISCAL IMPACT

Not Applicable

ATTACHMENTS

Attachment 1 – Absolute Return Strategies Program Review

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