



Agenda Item 9d

November 18, 2013

ITEM NAME: Infrastructure and Forestland Programs Annual Review

PROGRAM: Real Assets – Infrastructure and Forestland

ITEM TYPE: Program Review – Information

EXECUTIVE SUMMARY

This agenda item provides an annual update on the position and performance of the Infrastructure and Forestland Programs as of March 31, 2013. The attached presentation (Attachment 1) provides an update on the following items for each program:

- Program Overview: Role and Scope
- Program Summary
- Financial Overview and Continuity Schedule
- Portfolio Characteristics and Performance
- Policy Compliance, Target and Delegations
- Investment Activity and Market Update
- Business Review on Costs, Staffing, Roadmap Objectives and Investment Beliefs

STRATEGIC PLAN

This agenda item supports the CalPERS Strategic Plan goal to cultivate a high-performing, risk intelligent and innovative organization. Regular program reviews support the Investment Committee (IC) in its oversight capacity.

BACKGROUND

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

Performance data presented in this report reflects the financial statements of the investment partnerships for the period ending March 31, 2013.

- The Infrastructure Portfolio outperformed the Program's benchmark with net of fees returns of 5.7%, 17.6%, 13.9% and 8.1% for the 1-year, 3-year, 5-year and since inception periods, respectively.

- The Forestland Portfolio underperformed the Program's benchmark with net of fees returns of 6.5%, -2.5%, -1.1% and 0.6% for 1-year, 3-year, 5-year and since inception periods, respectively.

BUDGET AND FISCAL IMPACTS

Not Applicable

ATTACHMENTS

Attachment 1 – Infrastructure and Forestland Program Update

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