



Agenda Item 6a

February 18, 2014

ITEM NAME: Annual Report to the California Legislature – CalPERS
Emerging Manager Five-Year Plan

PROGRAM: Targeted Investment Programs

ITEM TYPE: Total Fund – Action

RECOMMENDATION

Approve transmission of CalPERS Emerging Manager Five-Year Plan annual report to the California Legislature pursuant to statutory requirements of Chapter 701 of the Statutes of 2011 (SB 294 Price).

EXECUTIVE SUMMARY

This agenda item seeks approval to submit the Emerging Manager Five-Year Plan, CalPERS Year One Report to the State Legislature.

STRATEGIC PLAN

This item directly supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability.

INVESTMENT BELIEFS

This item supports Investment Belief 3: CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries.

BACKGROUND

Chapter 701 of the Statutes of 2011 (SB 294 Price) requires CalPERS to complete and deliver a Five-Year Plan that describes our efforts in emerging manager investing. CalPERS shall submit a report to the Legislature, commencing March 1, 2014, and thereafter in compliance with Section 9795 of the Government Code.

ANALYSIS

In August 2012, CalPERS began implementing the Emerging Manager Five-Year Plan concentrating on Portfolio Management and External Outreach work streams. This report describes progress against the work streams over the 11-month period from August 1, 2012 through June 30, 2013.

BENEFITS/RISKS

Failure to comply with the reporting requirements of Chapter 701 of the Statutes of 2011 (SB 294 Price) could result in legal and reputational risk for CalPERS.

ATTACHMENTS

Attachment 1 – Emerging Manager Five-Year Plan, CalPERS Year One Report to the
State Legislature

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