

CalPERS

Total Fund Monthly Update – Investment Compliance

MONTH ENDED JANUARY 31, 2014

As of January 31, 2014

Items Completed Under Delegated Authority

Disclosure of Placement Agent Fees

Investment Proposal Activity Summary

Policy Violations

Disclosure of Closed Session Action Items

Items Completed Under Delegated Authority *(for the month ended January 31, 2014)*

Program Area	Name of Investment	Commitment	Initial Funding Date of Partnership	Complies with Delegation Number
Global Equity	Wasatch Advisors, Inc.	\$50 million	Jan-14	07-03-INV I (C) 2
Private Equity	Blackstone Tactical Opportunities Fund-C L.P.	\$300 million	Jan-14	07-02-INV II (B) 5

Disclosure of Placement Agent Fees *(for the month ended January 31, 2014)*

Firm Name	
Asset Class	No items to report
Fund	
Period	
Placement Agents and Firm	
Registered with SEC/FINRA	
Registered Lobbyists	
Estimated Placement Agent Compensation	
Transaction Type	

Investment Proposal Activity Summary (for the month ended January 31, 2014)

	Private Equity	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	Total
Start of Month Proposals	23	2	30	16	11	1	1	2	86
New Proposal During the Month	12	0	9	7	3	2	0	1	34
Reinstated Proposal During Month	0	0	0	0	0	0	0	0	0
Decisions During the Month	11	0	6	0	2	2	0	2	23
End of Month Proposals	24	2	33	23	12	1	1	1	97

Status Details

Status	Private Asset Classes				Public Asset Classes				Total
	Private Equity	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	
Start of Month Proposals									
Submitted	0	0	0	2	0	0	1	0	3
Screening	20	2	29	14	8	1	0	2	76
Due Diligence	1	0	1	0	3	0	0	0	5
Approved	2	0	0	0	0	0	0	0	2
Subtotal	23	2	30	16	11	1	1	2	86
New Proposals During the Month									
Subtotal	12	0	9	7	3	2	0	1	34
Reinstated Proposals During Month									
Subtotal	0	0	0	0	0	0	0	0	0
Decisions During the Month									
Committed	0	0	0	0	1	0	0	0	1
Declined	10	0	6	0	0	2	0	2	20
Failed to Materialize	0	0	0	0	1	0	0	0	1
Referred	1	0	0	0	0	0	0	0	1
Subtotal	11	0	6	0	2	2	0	2	23
End of Month Proposals									
Submitted	0	0	0	6	0	0	1	0	7
Screening	21	2	30	17	11	1	0	1	83
Due Diligence	1	0	3	0	1	0	0	0	5
Approved	2	0	0	0	0	0	0	0	2
Subtotal	24	2	33	23	12	1	1	1	97

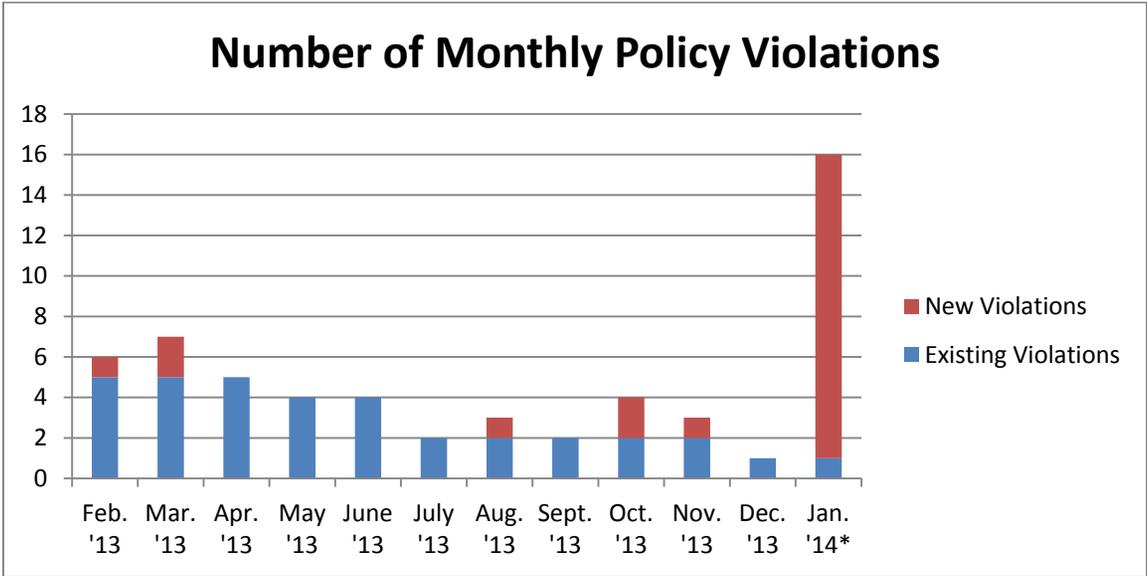
Policy Violations (for the month ended January 31, 2014)

Material Exceptions to Policy

According to policy requirements, the following is a summary of investment policy violations as reported by the program areas.

The following program areas had no violations to report for the month:

- Private Equity
- Absolute Return Strategies
- Global Governance
- Asset Allocation
- Global Equity



*See page 7 - All new violations are related to administrative policy revisions needed to reflect Board approved changes.

Policy Violations *(for the month ended January 31, 2014)*

New:

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Violation Description	Event Description and Resolution (expected) or Next Steps
Various	Various	May 2014 (estimated)	Various	Thirteen instances in nine policies where reporting of certain information is required (per the policies) on a quarterly basis, but the reporting had changed in practice to an annual basis.	With prior Board approval, program reviews are now being conducted annually instead of quarterly. The policies have not been updated to reflect the approved change in frequency of reporting. INVO will seek to remediate these policy violations by proposing administrative policy changes that change the periodicity of reporting from quarterly to annual.
Investment Servicing Division	November 2011	May 2014 (estimated)	Statement of Investment Policy for Real Estate Accounting	Two sections of the Policy refer to providing the Quarterly Performance Report to the Committee. This report has not been sent to the Committee since August 2011. The Policy has not been updated to reflect this change.	With prior Board approval, the Quarterly Performance Report is no longer being provided to the Investment Committee of the Board. The policy has not been updated to reflect the change in reporting requirements. INVO will seek to remediate these policy violations by proposing administrative policy changes to the language in the policy.

Existing:

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Violation Description	Event Description and Resolution (expected) or Next Steps
Fixed Income (Sec Lending)	12/21/2007	Not Yet Resolved	Statement of Investment Policy for Securities Lending.	"Ironside Holdings (SIV)" was downgraded and no longer meets rating standards specified by the policy.	This is a restructured Structured Investment Vehicle which is in a pay down mode, with no maturity date. Per the Policy, the Global Fixed Income Senior Investment Officer (SIO) has the authority to maintain this position in the best interest of the PERF. The Global Fixed Income SIO believes the current pricing of the restructured Structured Investment Vehicle is undervalued and recommends holding the security.

Disclosure of Closed Session Action Items *(for the month ended January 31, 2014)*

Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
No items to report			



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Investment Servicing Division
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