



## Agenda Item 9a

May 19, 2014

**ITEM NAME:** Investment Office Roadmap and Target Operating Model Update

**PROGRAM:** Total Fund

**ITEM TYPE:** Business Plan/Roadmap - Information

### **EXECUTIVE SUMMARY**

The Investment Office (INVO) Fiscal Years (FY) 2013-15 Roadmap identifies nine strategic priorities with key objectives and initiatives including the Targeted Operating Model (TOM), which addresses the Organization, Systems, and Controls Strategic Priority of the Roadmap. This agenda item provides an update on Roadmap Initiatives and upcoming efforts in support of the CalPERS Strategic Plan.

### **STRATEGIC PLAN**

This agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability. Specifically, the INVO Roadmap supports delivering target risk-adjusted investment returns by implementing programs and initiatives that improve investment performance and ensure effective systems, operations and controls.

### **BACKGROUND**

In January 2010, the INVO presented its initial Roadmap that identified priorities and initiatives to strengthen the control environment and advance our ability to achieve risk adjusted return targets. Each year the INVO Roadmap is updated by assessing our progress, re-evaluating our future priorities, identifying the resources needed to accomplish our objectives, and determining how we will measure our progress.

This item provides a look ahead on the FYs 2013-15 INVO Roadmap, including the nine strategic priorities:

- Investment Beliefs
- Investment Performance
- Investment Risk Management
- Capital Allocation
- Cost Effectiveness
- Emerging Investment Manager Strategy
- Environmental, Social, Governance (ESG) Investment Strategy
- Organization, Systems, and Controls
- Talent Management

**ANALYSIS**

The information presented in the FYs 2013-15 INVO Roadmap enables the Investment Committee to identify the priorities of the INVO and monitor progress. Additionally it demonstrates alignment with the CalPERS Business and Strategic Plans.

**BUDGET AND FISCAL IMPACTS**

Not Applicable

**ATTACHMENTS**

Attachment 1 – FYs 2013-15 INVO Roadmap Presentation

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