



## Agenda Item 8a

August 18, 2014

**ITEM NAME:** Investment Beliefs Activities Update

**PROGRAM:** Total Fund

**ITEM TYPE:** Program Review – Information

### **EXECUTIVE SUMMARY**

This agenda item provides an update (Attachment 1) on integrating CalPERS Investment Beliefs into Investment Committee (Committee) reporting, staff orientation and communication programs pursuant to the Statement of Investment Policy (Policy) for Investment Beliefs, adopted October 14, 2013 (Attachment 2).

### **STRATEGIC PLAN**

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

### **BACKGROUND**

In October 2013, CalPERS adopted a set of ten Investment Beliefs intended to guide decision making, facilitate portfolio management, and enhance consistency. The Investment Beliefs create a framework for the strategic management of the investment portfolio and inform organizational priorities. They also ensure alignment between CalPERS Board members, staff, and external managers.

As the Investment Beliefs are integrated into the CalPERS culture, they will help maintain continuity within the Investment Office. The Investment Beliefs will be used in Board and Committee orientations and staff communication programs. They will also provide potential new employees a clear understanding of the CalPERS investment values.

The Investment Beliefs are not a checklist to be applied to every decision. Rather, they are a guide for making judgments and decisions that often require balancing multiple, interrelated factors.

### **ANALYSIS**

In January 2014, the Investment Office executive team launched a Rapid Results Project to survey staff on the current status of Investment Beliefs integration and consider new opportunities such as developing a template for Investment Office program reviews, and Talent Management initiatives.

The Policy which governs the establishment of Investment Beliefs requires that staff integrate the Investment Beliefs into Committee reporting, staff orientation and ongoing staff communication programs.

Attachment 1 provides an update on the results, outcomes, and next steps which were produced by the Rapid Results team.

**BUDGET AND FISCAL IMPACTS**

Not Applicable

**ATTACHMENTS**

Attachment 1 – Investment Beliefs Activities Update

Attachment 2 – Statement of Investment Policy for Investment Beliefs

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