



Thomas Toth, CFA
Managing Director

September 19, 2014

Mr. Henry Jones
Chairman of the Investment Committee
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95814

Re: Proposed Additional Revision of the Global Equity Policy and Repeal of Corporate Governance Program and Developmental Investment Fund Policies

Dear Mr. Jones:

Based on the discussion and questions presented by Board members at the September Investment Committee meeting, Staff has proposed some additional Global Equity policy language. Wilshire has reviewed the revised policy and we are comfortable with the proposed modifications.

As discussed last month, the Global Equity policy revision under discussion continues the process of simplifying the policy documents through the repeal of the Corporate Governance and Developmental Investment Program policies along with clarification surrounding benchmarking, leverage, and Global Equity Program governance. As Wilshire previously noted, the repeal does not aim to reduce the importance of either corporate governance activities or restrict the development of new investment strategies. Rather, the revised policies incorporate the Global Principles of Accountable Corporate Governance into the Global Equity Policy in order to take a more universal approach throughout the total portfolio. The revised policy also includes direction for Staff to continue researching and developing new investment strategies within the Global Equity program.

Recommendation

Wilshire reiterates the prior recommendation that the Investment Committee approve of the proposed changes.

We are always available to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Toth', enclosed in a rectangular box.

Thomas Toth, CFA
Managing Director