



**Investment Committee**  
California Public Employees' Retirement System

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**Agenda Item 6c**

October 13, 2014

**ITEM NAME:** Revision of the Global Equity Delegation Resolution for Professional Staff

**PROGRAM:** Global Equity

**ITEM TYPE:** Policy & Delegation – Action

**RECOMMENDATION**

Approve the revised Global Equity Delegation Resolution for Professional Staff (Delegation No: 07-03-INV) as shown in Attachment 1. The Wilshire Associates opinion letter is provided as Attachment 2.

**EXECUTIVE SUMMARY**

Revisions to the Delegation Resolution are required should the Investment Committee approve the revised Global Equity Policy and repeal of the Corporate Governance Program and the Developmental Investment Fund Policies at the October 2014 meeting.

**STRATEGIC PLAN**

This agenda item supports the CalPERS Strategic Plan to improve long-term pension and health benefit sustainability. The review of the revised delegation resolution will ensure that CalPERS is able to effectively achieve the System's investment objectives through clear and current investment policy documentation.

**INVESTMENT BELIEFS**

This agenda item supports CalPERS Investment Belief 10 that strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives. The revised Delegation Resolution ensures CalPERS is best positioned for success if it has strong governance and operates with effective, clear processes.

**BACKGROUND**

At the September 2014 Investment Committee meeting, Global Equity staff presented proposed revisions to the Global Equity Statement of Investment Policy for initial review. The proposed revisions are to update and clarify individual program details, and incorporate the Corporate Governance Program and the Developmental Investment Fund Policies that are proposed to be repealed.

At the October 2014 meeting the Investment Committee will be asked to take action on the proposed policy revisions. If the proposed revisions are approved, revisions to the Delegation Resolution will be needed to align with the Global Equity Statement of Investment Policy.

### **ANALYSIS**

As stated earlier, incorporation of the revisions will align the Delegation Resolution with the new Global Equity Statement of Investment Policy. The revised Delegation Resolution:

- Deletes reference to the Developmental Investment Fund and the Corporate Governance Program Policies.
- Deletes reference to the Manager Development Program (MDP), emerging manager fund of funds, and environmental programs in line with the focus on the total fund rather than on individual programs. The MDP and emerging manager policies were repealed in 2012 and incorporated into the Global Equity Policy.

### **BUDGET AND FISCAL IMPACTS**

Not Applicable

### **BENEFITS/RISKS**

Approving the requested changes will align the Delegation Resolution with changes to the Global Equity Policy and repeal of the Corporate Governance Program Policy and the Developmental Investment Fund Policy. The risk of not approving the changes includes lack of clarity and direction to staff as they invest the Global Equity portfolio, thereby increasing the risk of missed opportunities and ambiguous implementation.

### **ATTACHMENTS**

Attachment 1 – Revised Global Equity Delegation Resolution for Professional Staff  
Attachment 2 – Consultant Opinion Letter – Proposed Changes to the Global Equity Delegation Resolution for Professional Staff

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