

STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
INVESTMENT COMMITTEE  
DELEGATION RESOLUTION

Subject: Professional Staff  
Global Equity

Delegation No: 07-03-INV

WHEREAS,

1. In accordance with Government Code section 20120, the Board of Administration of the California Public Employees' Retirement System (the Board) is charged with the administration and management of the California Public Employees' Retirement System (CalPERS), and
2. In accordance with Government Code section 20171, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund (the Fund), and
3. In accordance with Article XVI, section 17 of the California Constitution, the Board has plenary authority and fiduciary responsibility for the investment of CalPERS assets, and
4. In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally, and
5. In accordance with Government Code section 20099, the Board may authorize its Chief Executive Officer (CEO) to perform any act within the power of the Board itself to perform, and may through express delegation authorize the CEO to act finally, and
6. The Board has adopted a Board of Administration Governance Policy relevant to the granting of delegations, and
7. Through Board Delegation Resolution No. IC-14-01 and pursuant to Government Code section 20191, the Board delegated to its Investment Committee the authority to make, through final action and by the affirmative vote of at least seven members, any investment authorized by law, and to re-delegate its authority to others, and

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8. Through Board Delegation No. EXEC-11-01, the Board has delegated to the CEO principal authority and responsibility to direct and manage staff to execute the policies adopted by the Board and administer the various programs consistent with the policies, and to re-delegate to others, and
9. The Board and its committees retain the implied authority, pursuant to Government Code section 20099, to re-delegate their authority directly to the ~~Interim~~ Chief Investment Officer (CIO) and Senior Investment Officers and such re-delegations are deemed to have been made through the CEO and the CIO.

RESOLVED,

- (A) Recognizing the respective roles of the CEO as the internal leader of the organization and the CIO as the principal investment expert, and yet also wishing to gain the full benefit of the unique global equity expertise of the Senior Investment Officer (SIO)-Global Equity, the Investment Committee hereby delegates to the CIO and SIO-Global Equity, the authority described in the attached Global Equity Delegations (the "Delegations").
- (B) Where such Delegations do not prohibit sub-delegation, the CIO and the SIO-Global Equity is authorized to re-delegate to his or her responsible subordinates any portion or all of the responsibility delegated to the CIO and the SIO-Global Equity.
- (C) Where such Delegations do not specifically require the Investment Committee's review or ratification prior to action, the CIO or the SIO-Global Equity has the authority to act finally, and to re-delegate, and will be responsible and accountable for his or her actions.
- (D) The exercise of authority under the Delegations shall be reported to the Investment Committee in sufficient detail to keep the Investment Committee appropriately informed and in order for the Investment Committee to monitor the performance of the CIO and the SIO-Global Equity.
- (E) Upon adoption by the Investment Committee this Delegation will expressly supersede all prior delegations to the SIO-Global Equity.

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- (F) It is understood that the Global Equity Delegation and the grant of authority are created with the intent to fully comply, in letter and in spirit, with all federal and state laws and regulations, as well as CalPERS Policies and procedures as approved by the Investment Committee or the full Board of Administration.

\_\_\_\_\_  
HENRY JONES  
CHAIR, INVESTMENT COMMITTEE  
BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

I accept this delegation.

Dated: \_\_\_\_\_

\_\_\_\_\_  
THEODORE ELIOPOULOS  
~~INTERIM~~ CHIEF INVESTMENT OFFICER  
INVESTMENT OFFICE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

I accept this delegation.

Dated: \_\_\_\_\_

\_\_\_\_\_  
DANIEL BIENVENUE  
SENIOR INVESTMENT OFFICER-GLOBAL EQUITY  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

### Global Equity Delegations

Within each of the following subject areas (as shown in italics), the Investment Committee delegates (as shown in bold) the following authority to the ~~Interim~~-CIO and the SIO-Global Equity:

*I. Authority to Allocate Assets*

A. *Authority to Establish Asset Classes and Asset Allocation (Targets and Ranges) for the Total Fund (No Delegation)*

B. *Authority to Establish Programs/Sectors Within an Existing Asset Class*

1. **To establish new investment strategies and programs within the Developmental Investment Fund as set forth in policy approved by the Investment Committee.**

Developmental Investment Fund Policy, Section V, A, 3, b, d  
Global Equity Policy, Sections III and V

C. *Authority to Make Allocation Decisions Within the Asset Class and Among Programs/Sectors*

1. **To allocate up to 0.50% of Global Equity assets into new investment process strategies portfolios within the Developmental Investment Fund as set forth in policy approved by the Investment Committee.**

Developmental Investment Fund Policy, Section V, A, 3, b, d  
Global Equity Policy, Sections III and V

2. **To allocate assets between ~~Domestic and International Equity, Passive, Enhanced & Index-Oriented and Active and Alternative~~ investment strategies programs as set forth in policy approved by the Investment Committee.**

Global Equity Policy, Sections III and V  
Corporate Governance Program Policy, Section III, A, 4

3. ~~To allocate capital within the Corporate Governance Co-Investment program as set forth in policy approved by the Investment Committee.~~

Corporate Governance Program Policy, Attachment B, Section II, B, 2, e

a. ~~A maximum of 0.25% of Global Equity assets or an amount equal to CalPERS capital invested in a co-investment partner's primary governance fund, whichever is greater, may be allocated in total to co-investments with a partner.~~

~~4. To allocate capital to the emerging manager program, consisting of the Manager Development Program (MDP I & MDP II) and emerging manager fund of funds, from 1% to 5.00% of Global Equity assets, as set forth in policy.~~

~~Global Equity Policy, Sections III and V~~

~~5. To allocate capital to equity based environmental strategies up to 2.00% of Global Equity assets, as set forth in policy.~~

~~Global Equity Policy, Sections III and V~~

*II. Authority to Make Investment Decisions*

*A. Authority to Directly Invest In and Dispose of Public Securities*

**1. To transact in equity securities of global, publicly traded companies, equity and stock index derivatives, currency and short term investments as set forth in policy approved by the Investment Committee.**

Global Equity Policy, Sections III and V

~~Developmental Investment Fund Policy, Section III, A, 1; Attachment A, Section C~~

~~Corporate Governance Program Policy, Section III, A, 1; Attachment B, Section II, B, 2, e~~

Global Derivatives and Counterparty Risk Policy

*B. Authority to Select, Commit Funds to, and Dispose of/Exit Investments in Private Investment Vehicles*

**1. To select and allocate capital to and dispose of and exit from Corporate Governance Funds and emerging managers, including taking an equity stakes as set forth in policy approved by the Investment Committee.**

Corporate Governance Program Policy, Section III, A, 1; Attachment A, Section II, A, 2, 5; B, 1, 3

Global Equity Policy, Sections III and V

~~a. Up to 0.25% of Global Equity assets may be committed to an initial or subsequent investment to an individual Corporate Governance Fund or Corporate Governance Emerging Market Fund.~~

~~2. To allocate capital within the Corporate Governance Co-Investment program as set forth in policy approved by the Investment Committee.~~

~~Corporate Governance Program Policy, Attachment B, Section II, B, 2, e; G~~

~~a. A maximum of 0.25% of Global Equity assets or an amount equal to CalPERS capital invested in a co-investment partner's primary governance fund, may be allocated to co-investments with a partner.~~

~~3. To allocate capital to MDP firms, including the option of taking an equity stake.~~

C. *Authority to Directly Invest In and Dispose Of Private Securities*

1. **To transact in existing private securities representing a CalPERS equity stake in a Corporate Governance or MDP emerging managers.**

~~Corporate Governance Program Policy, Attachment A, Section II, B, 3  
Global Equity Policy, Sections III and V~~

D. *Authority to Fund Investment Managers Retained through a Contractual Arrangement (pursuant to public contracting process)*

1. **To fund equity based managers as set forth in policy approved by the Investment Committee.**

~~Global Equity Policy, Sections III and V~~

~~2. To fund managers retained to create fund of funds of emerging long only equity managers as set forth in policy.~~

~~3. To fund equity based environmental managers as set forth in policy.~~

E. *Authority Relating to Shareowner Resolutions and Proxy Execution*

1. **To vote proxy issues in compliance with CalPERS Global Proxy Voting Principles Policy for global equity securities.**

~~Global Proxy Voting Policy, Section IV, A, 2~~

2. **To respond to corporate actions as set forth in policy approved by the Investment Committee.**

~~Developmental Investment Fund Policy, Attachment A, Section E  
Global Equity Policy, Sections III and V~~

III. *Authority to Make Contracting Decisions*

A. *Authority to Select and Terminate Investment Managers (obtained through public contracting process)*

1. **To select and terminate an external manager.**

~~Global Equity Policy, Sections III and V~~

*B. Authority to Select and Terminate Investment Consultants Other than the Board's Investment Consultants*

1. **Staff may manage a Global Equity “spring-fed pool”, consisting of consultants, tools and data, to meet program needs.**

Delegation Document Approval/Revision History

Date	Detail
2007-04-17	Consolidation of all GE delegations into one delegation to the SIO
2008-05-27	Administrative revision to reflect permanent appointment of new SIO
2009-04-20	<ul style="list-style-type: none"> <li>• Revise capital allocation to the emerging manager and emerging manager fund-of-funds</li> <li>• Add capital allocation to equity based environmental strategies and authority to fund equity based environmental managers</li> <li>• Update policy references</li> </ul>
2011-10-17	Revised to reflect the separation of the Absolute Return Strategies Program from Global Equity due to reorganization and add the CIO signature block
2012-12-10	Administrative revision to update policy references and template language
2013-06-24	Administrative revision to reflect interim SIO appointment
2014-03-17	Administrative revision to reflect appointment of Interim CIO and permanent appointment of Global Equity SIO
<u>2014-10-13</u>	<u>Revised to reflect the permanent appointment of new CIO and to align with changes to the Global Equity Policy and repeal of the Corporate Governance Program Policy and the Developmental Investment Fund Policy</u>