



Agenda Item 8a

December 15, 2014

ITEM NAME: Investment Office Roadmap Update

PROGRAM: Total Fund

ITEM TYPE: Business Plan/Roadmap - Information

EXECUTIVE SUMMARY

This agenda item provides an update on the Investment Office (INVO) progress on the 2014-2016 Roadmap and Target Operating Model, key components of the CalPERS' overall Business 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, 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 across CalPERS' various funds and trusts. 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 2014-16 INVO Roadmap, including the eight strategic priorities:

- 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 2014-16 INVO Roadmap enables the Investment Committee to identify the priorities of INVO and monitor progress. Additionally it demonstrates alignment with the CalPERS Business and Strategic Plans.

BUDGET AND FISCAL IMPACTS

Not Applicable

BENEFITS AND RISKS

Not Applicable

ATTACHMENTS

Attachment 1 – 2014-16 INVO Roadmap Presentation

WYLIE TOLLETTE
Chief Operating Investment Officer