

Investment Benchmarks – Part 1: Portfolio Priorities

Summary of Discussion

This session explores in greater detail the concept of “portfolio priorities” initially introduced at the December 2014 Investment Committee meeting.

Portfolio priorities define the goals and objectives that are:

- Specific to CalPERS,
- Implementable and should influence CalPERS’ portfolio construction.

The session will also focus on the relationship of portfolio priorities to CalPERS’ Pension and Investment Beliefs, the concept of trade-offs, and implications for portfolio construction. Through this session we will seek feedback on two questions:

- 1) Does the portfolio priorities concept make sense for CalPERS?
- 2) If so, is it worth the effort to develop portfolio priorities at this time?

The materials for this session include:

- External Presenter Biographies
- PowerPoint Presentation
- Background Information
 - CalPERS’ Pension and Investment Beliefs
 - “Investing Success in Two Easy Lessons” from the book *Bold Thinking on Investment Management: The FAJ 60th Anniversary Anthology*, by Charles D. Ellis, CFA, 2005

This brief article provides a perspective on the importance of investors defining their own long-term objectives.
