



Julia Bonafede, CFA
President of Wilshire Consulting

January 28, 2015

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

Re: Proposed Establishment of the Statement of Investment Policy for Global Governance and Integration of Existing Policies – Initial Review

Dear Mr. Jones:

In conjunction with the ongoing project to streamline all of CalPERS' investment policies, staff is proposing the enhancement and consolidation of existing investment policies for Global Proxy Voting, Corporate Governance Director Nominations and Emerging Equity Markets Principles into a single investment policy for Global Governance.

The goal is to better align the policies with the CalPERS' Investment Beliefs and provide consistency with the Total Fund Policy and current global governance activities. In addition, the revised and combined policy provides an updated set of Global Principles from the Council of Institutional Investors as a rubric for the total portfolio investment process.

Wilshire agrees with the proposed consolidation of policies into a single policy. The goal of achieving simplicity, consistency and clarity across all policies within the Statement of Investment Policy for the Total Fund will create more opportunity for additional alignment and incorporation of the Investment Beliefs and create a clearer path for the establishment of portfolio priorities.

It should be noted however, that given the sequence of delivery of the revised Global Governance Policy, the Investment Committee will be asked to review and approve this same policy in the newly proposed format of the Total Fund Policy again, later this year. At that time, there may be additional content changes, necessitated by the process that Staff is using to review all policies (removing procedures, removing editorial and aspirational language, etc.).



Should you require anything further or have any questions, please do not hesitate to contact us.

Best regards,

A handwritten signature in blue ink that reads "Julieak Brumfode".