



**Date:** December 14, 2015

**To:** Henry Jones, Chairman, Investment Committee

**From:** Michael J. Moy, Pension Consulting Alliance, LLC *mjm*

**RE: Proposed Revisions to Private Equity Program Policy**

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Pension Consulting Alliance, LLC ("PCA") has been asked to opine on the proposed changes to CalPERS' Investment Policy for Private Equity Program in connection with the Investment Policy Revision Roadmap Initiative.

Among other changes, the revised policy (a) incorporates program limits and constraints that were previously included in the private equity delegation of authority, (b) utilizes the Total Fund Investment Policy template in lieu of the prior format, and (c) removes language that staff deemed to be duplicative, aspirational or editorial in nature.

The revised policy retains (1) the same requirements that the Investment Committee conduct, set, approve or oversee certain investment related activities, (2) the testable components of the existing policy, including investment limits, exposure ranges and investment prohibitions, and (3) the same periodic reporting requirements set forth in the existing policy.

PCA supports the Investment Policy Revision Roadmap Initiative and believes that a standardized template would benefit CalPERS by reducing unnecessary complexity. The inclusion of the delegated authority limitations within the investment policy will simplify the process of confirming policy and delegation compliance.

Since the new policy retains the key substantive language from the existing policy, PCA concurs with the proposed revisions.