

**California Public Employees' Retirement System
Investment Policy for
The California Employers' Retiree Benefit Trust (CERBT) Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous policies governing the Annuitants' Healthcare Coverage Fund, also known as the California Employers' Retiree Benefit Trust (CERBT) Fund.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS overarching investment beliefs, purposes, and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the policy portfolios (Portfolios) of the California Employers' Retiree Benefit Trust (CERBT) Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Portfolios. Additionally, use of this Policy ensures sufficient flexibility in managing investment risks and returns associated with the Fund.

The Fund was established March 1, 2007 for public employers to prefund their retiree health and other post-employment benefit obligations. The Fund is currently known in statute as the Annuitants' Healthcare Coverage Fund. There are three separate Portfolios (Strategy 1, Strategy 2, and Strategy 3) for the Fund, that provide employers a choice of asset allocation strategies.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to offer to employers distinct investment alternatives given their specific liabilities and cash flow needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
The California Employers' Retiree Benefit Trust (CERBT) Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Portfolios is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.

All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.

**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

California Public Employees' Retirement System
The California Employers' Retiree Benefit Trust (CERBT) Fund Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

California Public Employees' Retirement System
The California Employers' Retiree Benefit Trust (CERBT) Fund Policy Appendices

Appendix 2
Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities

1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities

1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, and Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of, and compliance with, the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities

1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities

1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

California Public Employees' Retirement System
The California Employers' Retiree Benefit Trust (CERBT) Fund Policy Appendices

Appendix 3
Investment Constraints/Limitations

Portfolio Asset Class Allocation Targets & Ranges
Effective October 13, 2014

Asset Class	Strategy 1		Strategy 2		Strategy 3	
	Policy Target	Policy Range Relative to Target	Policy Target	Policy Range Relative to Target	Policy Target	Policy Range Relative to Target
Global Equity	57%	+/- 2%	40%	+/- 2%	24%	+/- 2%
Fixed Income	27%	+/- 2%	39%	+/- 2%	39%	+/- 2%
Treasury Inflation-Protected Securities (TIPS)	5%	+/- 2%	10%	+/- 2%	26%	+/- 2%
Commodities	3%	+/- 2%	3%	+/- 2%	3%	+/- 2%
Real Estate Investment Trusts (REITs)	8%	+/- 2%	8%	+/- 2%	8%	+/- 2%
Liquidity	0%	+ 2%	0%	+ 2%	0%	+ 2%
Total	100%		100%		100%	

Upon adoption of significant policy changes, Staff will implement the changes within a reasonable time period.

Target Tracking Error

The Portfolios will be managed in a manner that minimizes any Tracking Error.

California Public Employees' Retirement System
The California Employers' Retiree Benefit Trust (CERBT) Fund Policy Appendices

Appendix 4
CERBT Fund Policy Document History

Date	Detail
2011-06-15	Approved by the Policy Subcommittee
2011-08-15	Adopted by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-15	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2014-10-13	Approved by the Investment Committee
2016-03-14	Approved by the Investment Committee Previous versions of the California Employers' Retiree Benefit Trust Fund Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

The CERBT Fund Policy was previously the Annuitants' Healthcare Coverage Fund Policy and Attachment A of the Affiliate Fund Policy. The dates below reflect the revision history of those documents.

Affiliate Fund Policy

Date	Detail
2008-08-18	Approved by the Policy Subcommittee
2008-09-15	Adopted by the Investment Committee
2008-12-15	Revised by the Investment Committee
2009-06-16	Admin changes made due to Policy Review Project
2009-09-28	Admins changes due to adoption of Benchmark Policy

Annuitants' Healthcare Coverage Fund (Policy consolidated into the Affiliate Fund Policy)

Date	Detail
2006-12-15	Approved by the Policy Subcommittee
2006-12-18	Adopted by the Investment Committee
2008-08-18	Repealed by the Policy Subcommittee
2008-09-15	Admin changes made due to Policy Review Project

**California Public Employees' Retirement System
Investment Policy for
Public Employees' Health Care Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Public Employees' Health Care Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS overarching investment beliefs, purposes, and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the Public Employees' Health Care Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent action while managing the Fund. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with this Fund.

The Fund was established to fund the self-funded health benefit plans administered by CalPERS that rely upon cash flows from premiums and investment income to fund health benefit payments.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to provide stability of principal, while avoiding large losses, enhance returns within prudent levels of risk, and maintain liquidity to meet cash needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
Public Employees' Health Care Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Fund is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.
- All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.
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**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this policy.

California Public Employees' Retirement System
Public Employees' Health Care Fund Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance and risk metrics.	No less than annually
1. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

California Public Employees' Retirement System
Public Employees' Health Care Fund Policy Appendices

Appendix 2
Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities

1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities

1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities

1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities

1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

California Public Employees' Retirement System
Public Employees' Health Care Fund Policy Appendices

Appendix 3
Investment Constraints/Limitations

Fund Asset Class Allocation Targets & Ranges
Effective May 15, 2014

Asset Class	Public Employees' Health Care Fund	
	Policy Target	Policy Range Relative to Target
Fixed Income	100%	+/- 0%
Total Fund	100%	

Target Tracking Error

The Fund will be managed in a manner that minimizes any Tracking Error.

California Public Employees' Retirement System
Public Employees' Health Care Fund Policy Appendices

Appendix 4
Health Care Fund Policy Document History

Date	Detail
2013-04-15	Adopted by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-14	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2016-02-16	Approved by the Investment Committee Reformatted to incorporate Investment Policy Revision Project and Investment Delegation Restructuring Project revisions
2016-03-14	Approved by the Investment Committee Previous versions of the Health Care Fund Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

**California Public Employees' Retirement System
Investment Policy for
Judges' Retirement Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Judges' Retirement Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS overarching investment beliefs, purposes, and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the Judges' Retirement Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent action while managing the Fund. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with this Fund.

The Fund was established under the Judges' Retirement System Law to provide retirement and death benefits for State Supreme and Appellate Court justices, and Superior Court and Municipal Court judges who were appointed or elected before November 9, 1994. The Fund is funded by the State General Fund on a pay-as-you-go basis.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies

Strategic Objective

The Fund seeks to maintain liquidity to meet operational expenses and benefit payments.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
Judges' Retirement Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Fund is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.

All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.

**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

California Public Employees' Retirement System
Judges' Retirement Fund Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

Appendix 2
Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities
1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

California Public Employees' Retirement System
Judges' Retirement Fund Policy Appendices

Investment Office Staff Responsibilities
1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, and Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities
1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities
1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

California Public Employees' Retirement System
Judges' Retirement Fund Policy Appendices

Appendix 3
Investment Constraints/Limitations

Fund Asset Class Allocation Targets & Ranges
Effective October 13, 2014

Asset Class	Judges' Retirement Fund	
	Policy Target	Policy Range Relative to Target
Liquidity	100%	+/- 0%
Total Fund	100%	

Upon adoption of significant policy changes, Staff will implement the changes within a reasonable time period.

Target Tracking Error

The Fund will be managed in a manner that minimizes any Tracking Error.

California Public Employees' Retirement System
Judges' Retirement Fund Policy Appendices

Appendix 4
Judges' Retirement Fund Policy Document History

Date	Detail
2013-08-19	Adopted by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-15	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2014-10-13	Approved by the Investment Committee
2016-02-16	Approved by the Investment Committee Reformatted to incorporate Investment Policy Revision Project and Investment Delegation Restructuring Project revisions
2016-03-14	Approved by the Investment Committee Previous versions of the Judges' Retirement Fund Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

**California Public Employees' Retirement System
Investment Policy for
The Judges' Retirement System II (JRS II) Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Judges' Retirement System II (JRS II) Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS overarching investment beliefs, purposes and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the JRS II Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Fund. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with the Fund.

The Fund was established in 1994 to create a fully funded actuarially-sound retirement system for Supreme and Appellate Court justices, Superior Court judges, and Municipal Court judges appointed or elected on or after November 9, 1994.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to achieve the highest total rate of return reasonably possible within prudent levels of risk and liquidity for the Fund's liabilities, while maintaining significant diversification to temper losses from market volatility and ensuring adequate liquidity to meet cash needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
The Judges' Retirement System II (JRS II) Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Fund is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.
- All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.
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**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

California Public Employees' Retirement System
The Judges' Retirement System II (JRS II) Fund Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary.

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

Appendix 2 Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities
1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities
1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, and Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities
1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities
1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

**Appendix 3
 Investment Constraints/Limitations**

**Fund Asset Class Allocation Targets & Ranges
 Effective October 13, 2014**

Asset Class	JRS II Fund	
	Policy Target	Policy Range Relative to Target
Global Equity	50%	+/- 5%
Fixed Income	34%	+/- 5%
Treasury Inflation-Protected Securities (TIPS)	5%	+/- 3%
Commodities	3%	+/- 3%
Real Estate Investment Trusts (REITs)	8%	+/- 5%
Liquidity	0%	+ 2%
Total Fund	100%	

Upon adoption of significant policy changes, Staff will implement the changes within a reasonable time period.

Target Tracking Error

The Fund will be managed within a target forecast annual tracking error as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section.

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California Public Employees' Retirement System
The Judges' Retirement System II (JRS II) Fund Policy Appendices

Appendix 4 JRS II Fund Policy Document History

Date	Detail
2011-06-15 2011-08-15	Approved by the Policy Subcommittee Adopted by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-15	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2014-10-13	Approved by the Investment Committee
2016-03-14	Approved by the Investment Committee Previous versions of the Judges' Retirement System II Fund Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

The JRS II Fund Policy was previously Attachment B of the Affiliate Fund Policy. The dates below reflect the revision history of the Affiliate Fund Policy:

Date	Detail
2008-08-18	Approved by the Policy Subcommittee
2008-09-15	Adopted by the Investment Committee
2008-12-15	Revised by the Investment Committee
2009-06-16	Admin changes made due to Policy Review Project
2009-09-28	Admin changes due to adoption of Benchmark Policy

**California Public Employees' Retirement System
Investment Policy for
The Legislators' Retirement System (LRS) Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Legislators' Retirement System (LRS) Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS investment beliefs and overarching investment purposes and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the LRS Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Fund. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with this Fund.

The LRS Fund was established by statute to provide retirement benefits to members of the Legislature elected prior to November 7, 1990, elected Constitutional Officers, the Insurance Commissioner, and Legislative Statutory Officers.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to achieve the highest total rate of return reasonably possible within prudent levels of risk and liquidity for the Fund's liabilities, while maintaining significant diversification to temper losses from market volatility and ensuring adequate liquidity to meet cash needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
The Legislators' Retirement System (LRS) Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Fund is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.
- All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.
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**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

California Public Employees' Retirement System
The Legislators' Retirement System (LRS) Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

Appendix 2 Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities
1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities
1. All aspects of portfolio management, including trading, monitoring, analyzing, selecting and contracting with managers, and evaluating performance relative to the appropriate benchmark.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities
1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities
1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

**Appendix 3
 Investment Constraints/Limitations**

**Fund Asset Class Allocation Targets & Ranges
 Effective October 13, 2014**

Asset Class	LRS Fund	
	Policy Target	Policy Range Relative to Target
Global Equity	24%	+/- 5%
Fixed Income	39%	+/- 5%
Treasury Inflation-Protected Securities (TIPS)	26%	+/- 3%
Commodities	3%	+/- 3%
Real Estate Investment Trusts (REITs)	8%	+/- 5%
Liquidity	0%	+2%
Total Fund	100%	

Upon adoption of significant policy changes, Staff will implement the changes within a reasonable time period.

Target Tracking Error

The Fund will be managed within a target forecast annual tracking error as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section.

Appendix 4
LRS Fund Policy Document History

Date	Detail
2011-06-15	Approved by the Policy Subcommittee
2011-08-15	Adopted by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-15	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2014-10-13	Approved by the Investment Committee
2016-03-14	Approved by the Investment Committee Previous versions of the Legislators' Retirement System Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

The LRS Fund Policy was previously Attachment C of the Affiliate Fund Policy. The dates below reflect the revision history of the Affiliate Fund Policy:

Date	Detail
2008-08-18	Approved by the Policy Subcommittee
2008-09-15	Adopted by the Investment Committee
2008-12-15	Revised by the Investment Committee
2009-06-16	Admin changes made due to Policy Review Project
2009-09-28	Admin changes due to adoption of Benchmark Policy

**California Public Employees' Retirement System
Investment Policy for
The Public Employees' Long-Term Care (LTC) Fund**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Long-Term Care (LTC) Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS investment beliefs and overarching investment purposes and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the Public Employees' LTC Fund (Fund). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent action while managing the Fund. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with the Fund.

The Fund was established for the purpose of administering any self-funded long-term care plan developed by the CalPERS Board of Administration (Board) and for recovering the administrative costs of the LTC Program from insurance carriers and premiums. CalPERS LTC Program offers long-term care benefits as an option to members and their families.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

Strategic Objective

The Fund seeks to achieve the highest total rate of return reasonably possible within prudent levels of risk and liquidity for the Fund's liabilities, while maintaining significant diversification to temper losses from market volatility and ensuring adequate liquidity to meet cash needs.

Responsibilities

Details regarding various levels of responsibility for this Fund are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**California Public Employees' Retirement System
Investment Policy for
The Public Employees' Long-Term Care (LTC) Fund**

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Fund is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the Fund are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.

All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.

**Investment
Constraints/
Limitations**

See Appendix 3 for Fund investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this Policy.

California Public Employees' Retirement System
The Public Employees' Long-Term Care (LTC) Fund Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Fund relative to the benchmarks and this Policy and other applicable CalPERS Policies.	No less than annually

<p>Appendix 2 Investment Responsibilities</p>

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities
1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

Investment Office Staff Responsibilities
1. All aspects of portfolio management, including monitoring, trading analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Provide individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, Policy targets and ranges.
3. Manage the asset class allocations of the Fund within Policy ranges approved by the Committee, in accordance with Policy guidelines.
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities
1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities
1. Manage the Fund in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Fund.

**Appendix 3
Investment Constraints/Limitations**

**Fund Asset Class Allocation Targets & Ranges
Effective June 15, 2015**

Asset Class	LTC Fund	
	Policy Target	Policy Range Relative to Target
Global Equity	15%	+/- 4%
U.S. Fixed Income	61%	+/- 5%
Treasury-Inflation Protected Securities (TIPS)	6%	+/- 2%
Commodities	6%	+/- 2%
Real Estate Investment Trusts (REITs)	12%	+/- 4%
Liquidity	0%	+ 2%
Total	100%	

Upon adoption of policy changes, Staff will implement the changes within a reasonable time period

Target Tracking Error

The Fund will be managed within a target forecast annual tracking error as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section.

Appendix 4
LTC Fund Policy Document History

Date	Detail
2011-06-15	Approved by the Policy Subcommittee
2011-08-15	Adopted by the Investment Committee
2012-05-14	Approved by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-14	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2015-06-15	Approved by the Investment Committee
2016-02-16	Approved by the Investment Committee Reformatted to incorporate Investment Policy Revision Project and Investment Delegation Restructuring Project revisions
2016-03-14	Approved by the Investment Committee Previous versions of the Long-Term Care Fund Policy were reformatted to align with investment policy updates incorporated during the Investment Policy Revision Project

The LTC Fund Policy was previously Attachment D of the Affiliate Fund Policy. The dates below reflect the revision history of the Affiliate Fund Policy:

Date	Detail
2008-08-18	Approved by the Policy Subcommittee
2008-09-15	Adopted by the Investment Committee
2008-12-15	Revised by the Investment Committee
2009-06-16	Admin changes made due to Policy Review Project
2009-09-28	Admin changes due to adoption of Benchmark Policy

**California Public Employees' Retirement System
Investment Policy for
Supplemental Income Plans (SIP)**

Effective Date **March 14, 2016**

This policy is effective immediately upon adoption and supersedes all previous Supplemental Income Plans policies including the Supplemental Income Plans CalPERS Target Retirement Date Fund policies.

Introduction

The California Public Employees' Retirement System (CalPERS) Total Fund Investment Policy, adopted by the CalPERS Investment Committee (Committee), sets forth CalPERS overarching investment beliefs, purposes, and objectives with respect to all its investment programs.

This document sets forth the investment policy (Policy) for the CalPERS Supplemental Income Plans (SIP). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Program. Additionally, use of this Policy assures sufficient flexibility in managing investment risks and returns associated with this Program.

Under the SIP, CalPERS administers various deferred compensation and defined contribution plans for employees of participating public agencies, schools and the State of California which includes, the CalPERS 457 Deferred Compensation Plan (the 457 Plan), the Placer County 401(k) Plan, and the Supplemental Contributions Program (the SCP), collectively the SIP.

This Policy should be read in conjunction with and is subject to applicable conditions contained within the CalPERS [Total Fund Investment Policy](#). This Policy shall also be managed to comply with all applicable Investment Office policies.

**California Public Employees' Retirement System
Investment Policy for
Supplemental Income Plans (SIP)**

**Strategic
Objective**

The SIP objective is to help provide Participants with supplemental income during retirement consistent with the Participants' individual circumstances, goals, time horizons and risk tolerance. For the self-directed plans under the SIP, the Committee intends to accomplish this objective by offering the following three tiers of options:

- A. Tier I will include customized Target Retirement Date Funds which are designed for Participants who do not wish to make active asset allocation decisions. The asset allocation of each Target Date Retirement Fund will change over time based on a Participant's expected time frame for entering retirement. In addition to offering Participants an all-in-one solution for retirement investing, these Target Date Retirement Funds will serve as the designated "default" option for investment of contributions by Participants who do not provide affirmative instruction on how to invest their contributions. CalPERS will develop the Target Retirement Date Funds and manage them in accordance with this Policy. Customization of the Target Retirement Date Funds will be based on CalPERS member demographic data, pension retirement income as the primary retirement income source, and average retirement age among all membership classifications.

The investment options offered in the CalPERS Target Retirement Date Funds will be broadly diversified to minimize the effect of short-term losses within any mix of investments. The objective of these funds, in combination with defined benefit pension income and possibly social security, is to help participants achieve retirement adequacy.

- B. Tier II will include a Core fund lineup for Participants who wish to actively design their own asset allocation based on their individual circumstances, goals, time horizons and risk tolerance. The Core funds are intended to offer an appropriate range of investment alternatives with materially different risk and return characteristics, which are style neutral, passively managed and provide exposure to major asset classes that are highly correlated with the market and bear lower fees. The Core investment fund lineup will include the following major asset classes:

1. U.S. Equity
 2. International Equity
 3. U.S. Short-Term Fixed Income
 4. U.S. Fixed Income
 5. Cash Equivalent
 6. Inflation Hedging/Real Asset
-

**California Public Employees' Retirement System
Investment Policy for
Supplemental Income Plans (SIP)**

**Strategic
Objective
(continued)**

C. Tier III is the Self-directed brokerage window, which is available for employers that contract for this optional plan service. The Self-directed brokerage window, if elected by participating SIP employers, offers Participants a wide array of investment options in addition to the Core menu, if desired. It is generally designed for investors who have investing experience, are comfortable choosing from a wide variety of investments and understand how to research and evaluate a wide variety of investments on their own. The investments available under the Self-directed brokerage window are not endorsed, monitored, or selected by the CalPERS staff or the Committee.

**Responsibil-
ities**

Details regarding various levels of responsibility for this Program are provided in Appendix 1, Reporting to the Investment Committee, and Appendix 2, Investment Responsibilities.

**Investment
Approaches
& Parameters**

- A. Performance Objective and Benchmark
The benchmark for the Funds is specified in the CalPERS Total Fund Investment Policy benchmark appendix.
- B. Strategic Asset Allocation Process
A comprehensive Asset Allocation Strategy analysis shall be completed periodically that follows the schedule and process as described in the CalPERS Total Fund Investment Policy, Asset Allocation Strategy Section, and Reporting to the Investment Committee appendix. As further described in the Asset Allocation Strategy Section, the schedule may be altered to accommodate pending Board actions.
- C. Excessive Short-Term Trading
The overall investment plan and the available individual investment options under the SIP are designed to help Participants achieve their long-term retirement income goals. Excessive short-term or disruptive trading of the funds is counter-productive to the long-term investment design of the SIP. To achieve a balance between the right of individual Participants to self-direct their investments, and the right of all Participants to enjoy appropriate growth of their assets in proportion to the risk they bear and at reasonable cost through investment in prudently managed investment funds, the SIP will employ administrative and procedural measures to restrain the use of excessive short-term or disruptive trading strategies by individual Participants that may occur at the expense of other
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**California Public Employees' Retirement System
Investment Policy for
Supplemental Income Plans (SIP)**

**Investment
Approaches
& Parameters
(continued)**

Participants and result in the dilution of Participant value in the funds.

- D. Restrictions, Prohibitions and Authorized Securities
Restrictions, Prohibitions and Authorized Securities of the funds are governed by the CalPERS Total Fund Investment Policy for internal funds and defined in each Manager's contract with CalPERS for external funds.

All transactions involving derivatives are governed by the CalPERS Total Fund Investment Policy, Global Derivatives and Counterparty Risk Section.

**Investment
Constraints/
Limitations**

See Appendix 3 for program investment constraints/limitations.

**Glossary of
CalPERS
Specific
Terms**

Italicized terms appearing in the Policy are CalPERS specific in nature and are defined in the [CalPERS Specific Glossary of Terms](#).

**Policy
Document
History**

See Appendix 4 for historical details of Investment Committee adoption and revisions of this policy.

California Public Employees' Retirement System
Supplemental Income Plans (SIP) Policy Appendices

Appendix 1
Reporting to the Investment Committee

The following tables provide details regarding reporting to the Investment Committee:

- Investment Office Staff
- General Pension Consultant

Investment Office Staff	
Report Content	Frequency
1. Staff shall provide a review that will include, but is not limited to, asset class allocations compared to Policy targets and ranges (as applicable), current market value, performance, and risk metrics.	No less than annually
2. Staff shall report concerns, problems, material changes, and all violations of the Policy. These reports shall include explanations of any violations and appropriate recommendations for corrective action.	At the next Committee meeting, or sooner if deemed necessary

General Pension Consultant	
Report Content	Frequency
1. The Consultant shall monitor, evaluate, and report on the performance of the Program relative to the benchmarks and this policy and other applicable CalPERS Policies.	No less than annually

Appendix 2
Investment Responsibilities

The following tables provide details regarding investment related responsibilities for the:

- Investment Committee
- Investment Office Staff
- General Pension Consultant
- External Manager

Investment Committee Responsibilities
1. Approve asset classes for investment and set a policy target allocation, permissible range, and benchmark for each asset class.

California Public Employees' Retirement System
 Supplemental Income Plans (SIP) Policy Appendices

Investment Office Staff Responsibilities
1. All aspects of portfolio management, including monitoring, trading, analyzing, evaluating performance relative to the appropriate benchmark, and selecting and contracting with managers.
2. Manage the asset class allocations within Policy ranges approved by the Committee, in accordance with Policy guidelines.
3. Where applicable provide asset allocation strategy recommendations to the Committee including selection of asset classes, benchmarks, Policy targets and ranges.
4. Monitor internal and external managers in the implementation of and compliance with the Policy.
5. Develop and maintain investment procedures, program guidelines, and sub-program guidelines.

General Pension Consultant Responsibilities
1. Provide independent perspective and counsel to the Committee, to include routine communication with the Investment Office Staff and periodic reviews of processes and procedures.

External Manager Responsibilities
1. Manage the Funds in accordance with each manager's contract with CalPERS and the Policy.
2. Communicate and cooperate with Investment Office Staff and authorized third parties regarding the management of the Funds.

California Public Employees' Retirement System
Supplemental Income Plans (SIP) Policy Appendices

Appendix 3
Investment Constraints/Limitations

Asset Class Policy Targets and Ranges

The policy asset class targets and permissible ranges for the Target Retirement Date Funds are shown in the glidepath below. Each Fund has asset allocation targets based on an expected retirement year. The Funds' asset allocation targets are adjusted annually by moving each Fund to the asset allocation one row down in the glidepath table.

Target Retirement Date Funds Glidepath
Asset allocations become effective on October 1 of each year

Year	Target Retirement Date Fund	US Equity		International Equity		US Fixed Income		Cash		Real Assets	
		Target	Range	Target	Range	Target	Range	Target	Range	Target	Range
2013	2055	37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2014		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2015		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2016		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2017		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2013	2050	37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2014		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2015		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2016		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2017		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2013	2045	37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2014		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2015		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2016		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2017		37%	+/- 4	43%	+/- 4	10%	+/- 2	0%		10%	+/- 1
2013	2040	36%	+/- 4	42%	+/- 4	11%	+/- 2	1%	+/- 1	10%	+/- 1
2014		35%	+/- 4	41%	+/- 4	13%	+/- 2	2%	+/- 1	9%	+/- 1
2015		34%	+/- 4	40%	+/- 4	14%	+/- 2	3%	+/- 1	9%	+/- 1
2016		33%	+/- 4	39%	+/- 4	16%	+/- 2	4%	+/- 1	8%	+/- 1
2017		32%	+/- 4	37%	+/- 4	17%	+/- 2	6%	+/- 1	8%	+/- 1
2013	2035	31%	+/- 4	36%	+/- 4	18%	+/- 2	7%	+/- 1	8%	+/- 1
2014		30%	+/- 4	35%	+/- 4	20%	+/- 4	8%	+/- 1	7%	+/- 1
2015		29%	+/- 4	34%	+/- 4	21%	+/- 4	9%	+/- 1	7%	+/- 1
2016		28%	+/- 4	33%	+/- 4	23%	+/- 4	10%	+/- 1	6%	+/- 1
2017		27%	+/- 4	32%	+/- 4	24%	+/- 4	11%	+/- 2	6%	+/- 1
2013	2030	26%	+/- 4	31%	+/- 4	25%	+/- 4	12%	+/- 2	6%	+/- 1
2014		25%	+/- 4	30%	+/- 4	27%	+/- 4	13%	+/- 2	5%	+/- 1
2015		24%	+/- 4	28%	+/- 4	29%	+/- 4	14%	+/- 2	5%	+/- 1
2016		23%	+/- 4	27%	+/- 4	30%	+/- 4	15%	+/- 2	5%	+/- 1
2017		22%	+/- 4	26%	+/- 4	31%	+/- 4	17%	+/- 2	4%	+/- 1
2013	2025	21%	+/- 4	25%	+/- 4	32%	+/- 4	18%	+/- 2	4%	+/- 1
2014		20%	+/- 2	24%	+/- 4	34%	+/- 4	19%	+/- 2	3%	+/- 1
2015		19%	+/- 2	23%	+/- 4	35%	+/- 4	20%	+/- 2	3%	+/- 1
2016		18%	+/- 2	22%	+/- 4	37%	+/- 4	21%	+/- 4	2%	+/- 1
2017		18%	+/- 2	20%	+/- 4	38%	+/- 4	22%	+/- 4	2%	+/- 1
2013	2020	17%	+/- 2	19%	+/- 2	39%	+/- 4	23%	+/- 4	2%	+/- 1
2014		15%	+/- 2	17%	+/- 2	42%	+/- 4	25%	+/- 4	1%	+/- 1
2015		13%	+/- 2	15%	+/- 2	45%	+/- 4	26%	+/- 4	1%	+/- 1
2016		12%	+/- 2	14%	+/- 2	46%	+/- 4	27%	+/- 4	1%	+/- 1
2017		11%	+/- 2	13%	+/- 2	48%	+/- 4	28%	+/- 4	0%	
2013	2015	10%	+/- 2	12%	+/- 2	49%	+/- 4	29%	+/- 4	0%	
2014		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2015		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2016		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2017		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	

California Public Employees' Retirement System
Supplemental Income Plans (SIP) Policy Appendices

Target Retirement Date Funds Glidepath (continued)
Asset allocations become effective on October 1 of each year

Year	Target Retirement Date Fund	US Equity		International Equity		US Fixed Income		Cash		Real Assets	
		Target	Range	Target	Range	Target	Range	Target	Range	Target	Range
2013	2010 (Income)	9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2014		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2015		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2016		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	
2017		9%	+/- 2	11%	+/- 2	50%	+/- 4	30%	+/- 4	0%	

Upon adoption of significant policy changes, staff will implement the changes within a reasonable time period.

California Public Employees' Retirement System
Supplemental Income Plans (SIP) Policy Appendices

Appendix 4
SIP Policy Document History

Date	Detail
2007-10-12 2007-12-17	Approved by the Policy Subcommittee Adopted by the Investment Committee
2008-12-15 2009-02-17	Revised by the Policy Subcommittee Approved by the Investment Committee
2009-06-16	Administrative changes made due to Policy Review Project
2009-09-29	Administrative changes due to adoption of Benchmark Policy
2012-08-13	Approved by the Investment Committee
2013-06-17	Approved by the Investment Committee
2013-12-03	Administrative changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy
2014-05-15	Administrative changes to standardize reporting frequencies to the Investment Committee to "no less than annually"
2014-05-15	Administrative changes to reflect the Policy Glossary of Terms Update Project
2015-04-14	Administrative changes to reflect closure of the State Peace Officers & Firefighters (POFF) Fund
2016-03-14	Approved by the Investment Committee The Supplemental Income Plans Policy was reformatted to align with investment policy updates that were incorporated during the Investment Policy Revision Project. The SIP CalPERS Target Retirement Date Funds Policy was merged into the Supplemental Income Plans Policy and the stand alone Target Retirement Date Funds Policy was repealed.