



Date: August, 2016

To: Members of the Investment Committee  
California Public Employees' Retirement System

From: Pension Consulting Alliance, LLC (PCA)

RE: Real Assets Investment Policy Revision – Second Reading

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The proposed revisions to the Real Assets Program Investment Policy were presented to the Investment Committee in June 2016. PCA provided a detailed review of the proposed policy revisions at the first reading, noting our observations and concerns, which have not changed.

PCA, acting as the Board Consultant for Real Estate, has reviewed the additional proposed revisions to the Investment Policy for Real Assets made since the first reading. PCA finds that the small number of subsequent revisions to the draft policy, displayed in the redlined version, do not represent additional material changes.

It is PCA's opinion that (a) the policy revision is positive and consistent with Investment Beliefs 5, 9 and 10, and follows the Investment Committee's direction and its April approval of the updated 2016 Real Asset Strategic Plan.

PCA is available to discuss further or answer questions, as needed.