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**September 19, 2016****Item Name:** Rescind Investment Delegations of Authority**Program:** Policy and Delegation**Item Type:** Action Consent**Recommendation**

Rescind the following Delegation Resolutions previously granted from the Investment Committee to the Chief Investment Officer and Senior Investment Officers:

- Asset Allocation/Risk Management – Eliopoulos and Baggesen (08-01-INV)
- Global Equity – Eliopoulos and Bienvenue (07-03-INV)
- Global Equity/Affiliate Investment Programs – Eliopoulos (07-04-INV) (Rev)
- Global Fixed Income – Eliopoulos and Ishii (11-02-INV)
- Private Equity – Eliopoulos and Desrochers (07-02-INV)
- Real Assets – Eliopoulos and McDonagh (11-01-INV)

**Executive Summary**

This agenda item rescinds the Investment Committee's delegations of authority to the CalPERS Chief Investment Officer (CIO) and Managing Investment Directors (formally Senior Investment Officers), in alignment with the Board Governance Policy, establishing the Chief Executive Officer (CEO) as the Board of Administration's sole direct report.

**Strategic Plan**

This agenda item supports strategic plan goal B: Cultivate a high-performing, risk-intelligent and innovative organization.

**Investment Beliefs**

This agenda item supports CalPERS Investment Belief 10, that strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives. Rescinding these Delegation Resolutions and aligning delegations with the new reporting structure ensures CalPERS is best positioned for success by supporting strong governance and operation with effective, clear processes.

**Background**

At its September 2014 meeting, the CalPERS Board of Administration approved revisions to the executive management reporting structure, establishing the CEO as the Board of Administration's sole direct report. Conforming changes to the CEO delegation were approved by the Board of Administration at its April 2016 meeting. By rescinding these Delegation Resolutions, the Investment Committee reaffirms the Board of Administration's decision to delegate all staff authority through a single delegation to the CEO. This action removes the

potential for confusion about whether the delegations previously approved by the Investment Committee are simultaneously in effect with the delegations granted by the CEO.

**Analysis**

Staff considers the rescission of these Delegation Resolutions advisable and consistent with best practice as such rescission would clarify the official record and prevent potential ambiguity as to the Investment Committee’s intent.

**Budget and Fiscal Impacts**

Not Applicable.

**Benefits and Risks**

This item mitigates potential litigation and compliance risks by establishing an unambiguous record of the Investment Committee’s intent with respect to the above delegations.

**Attachments**

- Attachment 1 – Delegation Resolution for Asset Allocation/Risk Management (08-01-INV)
- Attachment 2 – Delegation Resolution for Global Equity (07-03-INV)
- Attachment 3 – Delegation Resolution for Global Equity/Affiliate Investment Programs (07-04-INV) (Rev)
- Attachment 4 – Delegation Resolution for Global Fixed Income (11-02-INV)
- Attachment 5 – Delegation Resolution for Private Equity (07-02-INV)
- Attachment 6 – Delegation Resolution for Real Assets (11-01-INV)

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**Cheryl Eason**

Chief Financial Officer

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**Theodore H. Eliopoulos**

Chief Investment Officer