

STATE OF CALIFORNIA  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
INVESTMENT COMMITTEE

DELEGATION RESOLUTION

Subject: Professional Staff  
Asset Allocation / Risk Management

Delegation No: 08-01-INV

WHEREAS,

1. In accordance with Government Code section 20120, the Board of Administration of the California Public Employees' Retirement System (the Board) is charged with the administration and management of the California Public Employees' Retirement System (CalPERS), and
2. In accordance with Government Code section 20170, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund (the Fund), and
3. In accordance with Article XVI, section 17 of the California Constitution, the Board has plenary authority and fiduciary responsibility for the investment of CalPERS assets, and
4. In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally, and
5. In accordance with Government Code section 20099, the Board may authorize its Chief Executive Officer (CEO) to perform any act within the power of the Board itself to perform, and may through express delegation authorize the CEO to act finally, and
6. The Board has adopted a Board of Administration Governance Policy relevant to the granting of delegations, and
7. Through Board Delegation Resolution No. IC-14-01 and pursuant to Government Code section 20191, the Board delegated to its Investment Committee the authority to make, through final action and by the affirmative vote of at least seven members, any investment authorized by law, and to re-delegate its authority to others, and

8. Through Board Delegation No. EXEC-11-01, the Board has delegated to the CEO principal authority and responsibility to direct and manage staff to execute the policies adopted by the Board and administer the various programs consistent with the policies, and to re-delegate to others, and
9. The Board and its committees retain the implied authority, pursuant to Government Code Section 20099, to re-delegate their authority directly to the Chief Investment Officer (CIO) and Senior Investment Officers and such re-delegations are deemed to have been made through the CEO and the CIO.

RESOLVED,

- (A) Recognizing the respective roles of the CEO as the internal leader of the organization and the CIO as the principal investment expert, and yet also wishing to gain the full benefit of the unique asset allocation and investment expertise of the Senior Investment Officer (SIO)-Asset Allocation/Risk Management, the Investment Committee hereby delegates to the CIO and the SIO-Asset Allocation/Risk Management the authority described in the attached Asset Allocation delegations (the "Delegations").
- (B) Where such Delegations do not prohibit sub-delegation, the CIO and the SIO-Asset Allocation/Risk Management is authorized to re-delegate to his or her responsible subordinates any portion or all of the responsibility delegated to the CIO and the SIO-Asset Allocation/ Risk Management.
- (C) Where such Delegations do not specifically require the Investment Committee's review or ratification prior to action, the CIO or the SIO-Asset Allocation/Risk Management has the authority to act finally, and to re-delegate, and will be responsible and accountable for his or her actions.
- (D) The exercise of authority under the Delegations shall be reported to the Investment Committee in sufficient detail to keep the Investment Committee appropriately informed and in order for the Investment Committee to monitor the performance of the CIO and the SIO-Asset Allocation/Risk Management.
- (E) Upon adoption by the Investment Committee all Delegations will expressly supercede all prior delegations regarding the Asset Allocation Program and the SIO-Asset Allocation/Risk Management.

- (F) It is understood that the Asset Allocation Program Delegation and the grant of authority are created with the intent to fully comply, in letter and in spirit, with all federal and state laws and regulations, as well as CalPERS Policies and procedures as approved by the Investment Committee or the full Board of Administration.



HENRY JONES  
CHAIR, INVESTMENT COMMITTEE  
BOARD OF ADMINISTRATION  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

I accept this delegation.

Dated: 11/19/14



THEODORE H. ELIOPOULOS  
CHIEF INVESTMENT OFFICER  
INVESTMENT OFFICE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

Dated: 10/29/14



ERIC BAGGESEN  
SENIOR INVESTMENT OFFICER  
ASSET ALLOCATION / RISK MANAGEMENT  
INVESTMENT OFFICE  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT  
SYSTEM

### **Asset Allocation / Risk Management Delegations**

Within each of the following subject areas (as shown in italics), the Investment Committee delegates (as shown in bold) the following authority to the CIO and the SIO-Asset Allocation/Risk Management:

I. **Authority to Allocate Assets**

A. *Authority to Establish Asset Classes and Asset Allocation (Targets and Ranges) for the Total Fund*

1. **To manage the asset allocation within the ranges as set forth in policy approved by the Investment Committee.**  
*Asset Allocation Strategy Policy, Section III*

B. *Authority to Establish Programs/Sectors Within an Existing Asset Class (No Delegation)*

C. *Authority to Make Allocation Decisions Within the Asset Class and Among Programs/Sectors (No Delegation)*

II. **Authority to Make Investment Decisions**

A. *Authority to Directly Invest In and Dispose of Public Securities (No Delegation)*

B. *Authority to Select, Commit Funds to, and Dispose of/Exit Investments in Private Investment Vehicles (No Delegation)*

C. *Authority to Directly Invest In and Dispose Of Private Securities (No Delegation)*

D. *Authority to Fund Investment Managers Retained through a Contractual Arrangement (No Delegation)*

E. *Authority Relating to Shareowner Resolutions and Proxy Execution (No Delegation)*

F. *Authority to Directly Invest in and Dispose of Derivative Instruments (No Delegation)*

III. Authority to Make Contracting Decisions

A. *Authority to Select and Terminate Investment Managers (No Delegation)*

B. *Authority to Select and Terminate Investment Consultants Other than Board's Investment Consultants*

1. **Staff may manage a “spring-fed pool” of External Resources to meet the Program needs.**

C. *Authority to Enter into Derivative Contracts (No Delegation)*

Delegation Document Approval/Revision History

Date	Detail
2008-02-10	New delegation to the SIO-Asset Allocation to manage the total fund asset allocation and the Inflation-Linked Asset Class (ILAC)
2010-05-17	Due to internal reorganization, responsibility for ILAC management was moved from Asset Allocation to Real Estate
2012-04-16	Due to internal reorganization to separate asset allocation and risk management responsibilities, asset allocation authority was assigned solely to the CIO
2013-02-19	Delegation to the CIO was expanded to an Interim SIO to manage program activities and prepare for the 2013 Asset Liability Management review and workshop
2013-06-24	Administrative revision to reflect the appointment of the permanent SIO and update new template language
2014-03-17	Administrative revision to reflect appointment of Interim CIO and update template format
2014-10-	Administrative revision to reflect permanent appointment of the CIO