

Attachment 3

Total Fund Investment Policy Private Asset Board Investment Consultant

California Public Employees' Retirement System Total Fund Investment Policy

XIII. Role of Private Asset Class Board Investment Consultants

**Appendix 1
Reporting to the Investment Committee**

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

- Private Asset Class Board Investment Consultants

Private Asset Class Board Investment Consultants		
Program	Report Content	Frequency
Private Asset Classes	1. Review and provide an opinion letter to the Committee on investment policies and delegations of authority.	As needed
	2. Review and provide an opinion letter to the Committee on strategic and annual plans.	As needed
	3. Provide a report to the Committee on forecasts of asset class returns for total fund asset allocation purposes.	No less than annually
	4. Provide a report to the Committee that includes an analysis of market developments, market conditions, and macro-level view of market opportunities.	No less than annually
	5. Provide a report to the Committee regarding investment performance and portfolio risk and attribution analysis; monitor and report on deviations from policy benchmark performance and long-term expected performance.	No less than annually
	6. Review and provide an opinion letter to the Committee on appropriateness of asset class benchmarks	No less than annually
	7. Provide an opinion letter to the Committee on investments above staff's delegation of authority.	As needed
	8. Perform annual review of major asset class sub-component programs and provide an opinion letter to the Committee on performance, risk, manager selection and monitoring processes, and on internal control processes and staffing.	No less than annually
	9. Perform annual review of the program and provide an opinion letter to the Committee on performance, risk, manager selection and monitoring processes, and on internal control processes and staffing.	No less than annually

**Appendix 2
Investment Responsibilities**

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

- Private Asset Class Board Investment Consultants

Private Asset Class Board Investment Consultants (PACBIC)					
Program	Transaction Type/Size	Independent Due Diligence Report (not PACBIC)	Prudent Person Opinion (not PACBIC)	PACBIC Transaction Role	Opinion to the Board
Private Equity	1. Fund Investments	MID discretion	N/A	MID discretion	N/A
	2. Co-Investment	MID discretion	N/A	MID discretion	N/A
	3. Customized Investment Accounts that invest alongside other similarly structured funds in the same investments	MID discretion	N/A	MID discretion	N/A
	4. Customized Investment Accounts with an individual mandate that does not invest alongside other similarly structured funds in the same investments or a Direct Investment	N/A	Required	MID discretion	N/A
	5. >Staff Delegated Authority	N/A	Required	Required	Required
Real Assets	6. ≤ \$50 million	N/A	MID discretion	MID discretion	N/A
	7. >\$50 Million	N/A	Required	MID discretion	N/A
	8. >Staff Delegated Authority	N/A	Required	Required	Required

1. Except as noted below, the PACBIC shall not:
 - a. Manage assets for CalPERS
 - b. Perform work for staff on special projects
 - c. Provide opinions to staff regarding specific investment transactions
2. In limited circumstances, the PACBIC may be engaged for roles enumerated above if the PACBIC possesses unique knowledge or expertise that is not available through other providers. Such an arrangement must be approved by the Committee prior to engagement. In situations where adequate time is not available to request Committee approval, staff may request approval from the Chair of the Committee. Upon approval of the request, staff will notify the other Committee members.