



Memo

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

From: StepStone Group

Date: February 13, 2017

Subject: Revision of the Total Fund Investment Policy – First Reading

In its role as Private Asset Class Board Investment Consultant for the Infrastructure Program (“Program”), StepStone was asked to review a series of proposed revisions to the Total Fund Policy described in Agenda Item 8A.

Only one of the proposed revisions would directly affect the Program, relating to the incorporation of the Global Governance Program Policy into the Total Policy as a new section titled the “Governance and Sustainability Strategy” (the “Strategy”). As part of this revision, all Private Asset Class Board Consultants will be required to monitor, evaluate, and report on progress against the Strategy on an annual basis. StepStone notes that if these revisions are approved by the Investment Committee, staff will develop procedures for incorporating the Strategy into the Annual Program Review process over the course of this year.

StepStone has no issues with the proposed revisions. We welcome the opportunity to answer any questions of the Investment Committee.