

Investment Manager Engagement Programs Update

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Investment Manager Engagement Programs

- **Emerging and Transition Manager Programs**
- **External Manager Monitoring and Evaluation**
- California Investment Initiatives
- Diversity and Inclusion Initiatives
- Labor Relations

Emerging and Transition Manager Programs

2012 Emerging Manager Five-Year Plan

- Key accomplishments of the 2012 Emerging Manager Five-Year Plan:
 - Restructure of the Global Equity Emerging Manager Program
 - Established new industry-leading Transition Manager Programs
 - Established criteria for deployment of capital to Emerging & Transition Manager Programs
- The Emerging and Transition Manager 2020 Plan continues the framework and builds on the success of the initial Emerging Manager Five-Year Plan, which concludes on June 30, 2017.
- The 2020 Plan extends from July 1, 2017 to June 30, 2020.

Emerging and Transition Manager 2020 Plan

Portfolio Management

1. Manage, Track, and Report Emerging and Transition Manager Performance, Capital Deployment, Exposure and Cost
2. Administer Two Solicitations for Transition Managers
3. Integrate Emerging and Transition Manager Programs and Outcomes
4. Conduct a Comprehensive Review of Emerging and Transition Manager Programs and Outcomes

External Outreach

1. Engage and Participate in Stakeholder Events
2. Communicate and Foster Relationships with Emerging and Transition Managers and Stakeholders

Emerging Manager Program Summary

	Global Equity	Private Equity	Real Assets
Strategic Business Model	(5) Advisors + Emerging Managers	(1) Fund of Funds	(1) Mentoring Manager / Separate Account
Investment Strategy	Long Only - Publicly Traded Securities	Buyout Growth and Distress for Control	Value-Add, Opportunistic, Commercial and Urban California
Length of Track Record	No Requirement	First or Second Institutional Fund	First, Second, or Third Separate Account or Institutional Fund
Firm AUM	< \$2B	No Requirement	<\$1B
Total Emerging Manager NAV	\$2.6 B	\$4.8 B	\$0.6 B
Total Number of Emerging Managers	21	236	8

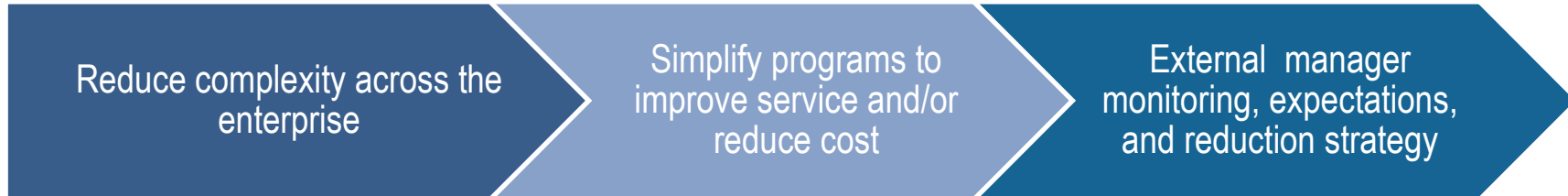
External Manager Monitoring and Evaluation (EMME)

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CalPERS 2017-22 Strategic Goal:

CalPERS Strategic Objective:

INVO 2017-18 Business Plan Initiative:



EMME Goals:

- Reduce risk, cost, and complexity
- Improve consistency of external manager monitoring and evaluation tools and capabilities
- Establish better information gathering on our managers and share insights across the total fund
- Develop and implement a centralized technology support framework

External Manager Monitoring and Evaluation (EMME)

Description:

- Provide a holistic view of the Investment Office external manager ecosystem
- Contribute to a checks and balance system by independently evaluating external managers
- In tandem with the asset classes, engage investment managers to ensure CalPERS forges aligned strategic relationships
- Build partnerships to share insights, gather information, and identify best practices

Program Area:



Stakeholders:



Looking Forward

Looking Forward

- Continue to build out new external manager monitoring and evaluation function
- Lead Global Solicitation Process for the Transition Manager Program
- In collaboration with Global Governance, transition Manager Expectations/ESG Integration Project to Investment Manager Engagement Programs
- Finally, renew our commitment to the Emerging Manager Programs by executing our new 2020 Plan