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**August 14, 2017****Item Name:** Review of Survey Results on Board Investment Consultants**Program:** Investment Committee**Item Type:** Information**Executive Summary**

CalPERS performs an annual evaluation of the Board Investment Consultants (Consultants) retained by the Investment Committee (IC) during the 2016-17 Fiscal Year. The objective of the annual evaluation process is to administer an equitable review and evaluation to provide useful feedback about the Consultants' performance.

**Strategic Plan**

The agenda item supports the CalPERS Strategic Plan goal to strengthen the long-term sustainability of the pension fund and cultivate a risk-intelligent organization. Annual consultant reviews also support the Investment Committee (IC) in its oversight capacity.

**Background**

The role of the Consultants is to act as independent fiduciary advisors to the IC. Annually, IC members are provided the opportunity to evaluate the Consultants on their effectiveness in the stated role. This year's survey included an evaluation of performance within the following categories:

- Strategic Analysis and Recommendation
- Communication and Responsiveness
- Overall Performance

Previously, ratings were collected manually by surveying the Board President, the IC Chair and Vice-Chair, and three randomly-selected Board members. This year, responsibilities for administering the Consultant evaluation transferred to the CalPERS Enterprise Strategy and Performance Division (ESPD), who acts as a neutral third-party administrator of the survey. Enhanced processes now include an invitation to all Board members to participate in an anonymous online survey, administered by ESPD, and report out in IC Open Session. The survey did not include an evaluation of Meketa Investment Group as a private equity consultant given their limited tenure within the 2016-17 Fiscal Year.

Summaries of the IC's responses regarding the Board Consultants' performance are provided as attachments.

**Budget and Fiscal Impacts**

Not Applicable.

**Benefits and Risks**

The annual evaluation process informs and supports our efforts to fulfill the following Strategic Goals: Fund Sustainability and Risk Management. There are no known risks associated with continuing the annual evaluation process at this time.

**Attachments**

Attachment 1 – Board Consultant Review & Evaluation – Wilshire Associates, Inc., Pension Consulting Alliance, Inc. (Real Estate Investment), StepStone Group, LP, Pension Consulting Alliance, Inc. (General Investment & Responsible Contractor Program)

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