Board Consultant Review & Evaluation
Project Results – FY 2016-17

Wilshire Associates, Inc.
General Pension Investment

Pension Consulting Alliance, Inc.
Real Estate Investment

StepStone Group, LP
Infrastructure Investment

Pension Consulting Alliance, Inc.
General Investment & Responsible Contractor Program
Project Scope

- Review & evaluate investment consultants that report directly to the Board
  - Wilshire Associates, Inc. (General Pension)
  - Pension Consulting Alliance, Inc. (Real Estate)
  - StepStone Group, LP (Infrastructure)
  - Pension Consulting Alliance, Inc. (General Investment & Responsible Contractor Program)
Purpose

• Objectively measure consultant performance in three key areas:
  
  - Strategic Analysis and Recommendations
  - Communication and Responsiveness
  - Overall Performance
Methodology

• Established 5-6 different performance measures for each key area
• Utilized rating scale (1-5) for each measure
  
  5=Very Satisfied
  4=Satisfied
  3=Neutral
  2=Dissatisfied
  1=Very Dissatisfied
Board Consultant Review & Evaluation Report

Reviewers/Evaluators

- Board members evaluated consultants
Key Area 1: Strategic Analysis & Recommendations
Strategic Analysis & Recommendations

Q1: Accurately analyzes issues and provides timely and objective information

- Very Satisfied: 55%
- Satisfied: 36%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q2: Makes clear and relevant recommendations re: policies and guidelines

- Very Satisfied: 27%
- Satisfied: 55%
- Neutral: 18%
- Dissatisfied: 55%
- Very Dissatisfied: 27%
Strategic Analysis & Recommendations

Q3: Recommends ways to control or reduce fees and costs

- Very Satisfied: 18%
- Satisfied: 18%
- Neutral: 27%
- Dissatisfied: 37%
- Very Dissatisfied
Strategic Analysis & Recommendations

Q4: Helps define appropriate risk parameters and identify mitigation strategies

- Very Satisfied: 37%
- Satisfied: 36%
- Neutral: 18%
- Dissatisfied: 9%
- Very Dissatisfied: 9%
Strategic Analysis & Recommendations

Q5: Makes sound strategic recommendations on portfolio structure

- 46% Very Satisfied
- 36% Satisfied
- 18% Neutral
- 0% Dissatisfied
- 0% Very Dissatisfied
Key Area 2: Communications & Responsiveness
Communication & Responsiveness

Q6: Proactively identifies new investment ideas/approaches and brings them to Board's attention

- Very Satisfied: 55%
- Satisfied: 27%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied: 9%
Communication & Responsiveness

Q7: Produces high quality reports that are clear and accurate

- Very Satisfied: 36%
- Satisfied: 46%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q8: Clearly and completely answers questions raised by the Board

- **Very Satisfied**: 36%
- **Satisfied**: 46%
- **Neutral**: 18%
- **Dissatisfied**:
- **Very Dissatisfied**: 0%
Communication & Responsiveness

Q9: Identifies and communicates with the board on issues of strategic importance

- Very Satisfied: 27%
- Satisfied: 55%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied: 9%
Communication & Responsiveness

Q10: Effectively evaluates and monitors relevant asset class/total fund developments

- Very Satisfied: 46%
- Satisfied: 27%
- Neutral: 27%
- Dissatisfied: 27%
- Very Dissatisfied: 0%
Key Area 3:
Overall Performance
Overall Performance

Q11: Thoroughly understand CalPERS' objectives and constraints

- Very Satisfied: 82%
- Satisfied: 9%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied:
Overall Performance

Q12: Provides independent, unbiased insight and advice

- Very Satisfied: 36%
- Satisfied: 46%
- Neutral: 18%
- Dissatisfied: Very Dissatisfied
Overall Performance

Q13: Acts with honesty, integrity, and competence

- 82% Very Satisfied
- 18% Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied
Overall Performance

Q14: Works cooperatively to add value to CalPERS

- Very Satisfied: 64%
- Satisfied: 27%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Overall Performance

Q15: Fulfills fiduciary responsibility

- Very Satisfied: 46%
- Satisfied: 45%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Overall Performance

Q16: Clearly understands it works for the Board and with CalPERS staff

- 37% Very Satisfied
- 36% Satisfied
- 18% Neutral
- 9% Dissatisfied
- 0% Very Dissatisfied
Key Area 1:
Strategic Analysis & Recommendations
Strategic Analysis & Recommendations

Q1: Accurately analyzes issues and provides timely and objective information

- Very Satisfied: 27%
- Satisfied: 64%
- Neutral: 9%
- Dissatisfied: 0%
Strategic Analysis & Recommendations

Q2: Makes clear and relevant recommendations re: policies and guidelines

- Very Satisfied: 55%
- Satisfied: 45%
- Neutral: 0%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q3: Recommends ways to control or reduce fees and costs

- Very Satisfied: 9%
- Satisfied: 36%
- Neutral: 46%
- Dissatisfied: 9%
- Very Dissatisfied: 9%
Q4: Helps define appropriate risk parameters and identify mitigation strategies

- Very Satisfied: 27%
- Satisfied: 55%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied: 9%
Strategic Analysis & Recommendations

Q5: Makes sound strategic recommendations on portfolio structure

- Very Satisfied: 9%
- Satisfied: 27%
- Neutral: 64%
- Dissatisfied:
- Very Dissatisfied:
Key Area 2: Communications & Responsiveness
Communication & Responsiveness

Q6: Proactively identifies new investment ideas/approaches and brings them to Board's attention

- Very Satisfied: 18%
- Satisfied: 27%
- Neutral: 46%
- Dissatisfied: 9%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q7: Produces high quality reports that are clear and accurate

- Very Satisfied: 18%
- Satisfied: 64%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q8: Clearly and completely answers questions raised by the Board

- Very Satisfied: 55%
- Satisfied: 36%
- Neutral: 9%
- Dissatisfied: 5%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q9: Identifies and communicates with the board on issues of strategic importance

- Very Satisfied: 36%
- Satisfied: 46%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q10: Effectively evaluates and monitors relevant asset class/total fund developments

- Very Satisfied: 27%
- Satisfied: 55%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Key Area 3: Overall Performance
Overall Performance

Q11: Thoroughly understand CalPERS' objectives and constraints

- Very Satisfied: 55%
- Satisfied: 36%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Overall Performance

Q12: Provides independent, unbiased insight and advice

- **36%** Very Satisfied
- **46%** Satisfied
- **18%** Neutral
- **0%** Dissatisfied
- **0%** Very Dissatisfied
Q13: Acts with honesty, integrity, and competence

- **73%** Very Satisfied
- **27%** Satisfied
- **Neutral**
- **Dissatisfied**
- **Very Dissatisfied**
Overall Performance

Q14: Works cooperatively to add value to CalPERS
Overall Performance

Q15: Fulfills fiduciary responsibility

- 27% Very Satisfied
- 64% Satisfied
- 9% Neutral
- 0% Dissatisfied
- 0% Very Dissatisfied
Overall Performance

Q16: Clearly understands it works for the Board and with CalPERS staff

- Very Satisfied: 46%
- Satisfied: 36%
- Neutral: 18%
- Dissatisfied: 36%
- Very Dissatisfied: 18%
Key Area 1: Strategic Analysis & Recommendations
Strategic Analysis & Recommendations

Q1: Accurately analyzes issues and provides timely and objective information

- Very Satisfied: 18%
- Satisfied: 9%
- Neutral: 73%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q2: Makes clear and relevant recommendations re: policies and guidelines

- Very Satisfied: 9%
- Satisfied: 92%
- Neutral: 9%
- Dissatisfied: 
- Very Dissatisfied: 

Board Consultant Review & Evaluation Report – StepStone Group, LP (Infrastructure)
Strategic Analysis & Recommendations

Q3: Recommends ways to control or reduce fees and costs
Strategic Analysis & Recommendations

Q4: Helps define appropriate risk parameters and identify mitigation strategies

- Very Satisfied: 9%
- Satisfied: 36%
- Neutral: 55%
- Dissatisfied:
- Very Dissatisfied:
Strategic Analysis & Recommendations

Q5: Makes sound strategic recommendations on portfolio structure

- Very Satisfied: 27%
- Satisfied: 73%
- Neutral
- Dissatisfied
- Very Dissatisfied
Key Area 2:
Communications & Responsiveness
Communication & Responsiveness

Q6: Proactively identifies new investment ideas/approaches and brings them to Board's attention

- Very Satisfied: 9%
- Satisfied: 18%
- Neutral: 73%
Board Consultant Review & Evaluation Report – StepStone Group, LP (Infrastructure)

**Communication & Responsiveness**

**Q7: Produces high quality reports that are clear and accurate**

- **Very Satisfied** (18%)
- **Satisfied** (64%)
- **Neutral** (18%)
- **Dissatisfied**
- **Very Dissatisfied**
Communication & Responsiveness

Q8: Clearly and completely answers questions raised by the Board

- Very Satisfied: 18%
- Satisfied: 64%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Q9: Identifies and communicates with the board on issues of strategic importance

- Very Satisfied: 64%
- Satisfied: 27%
- Neutral: 9%
- Dissatisfied: 
- Very Dissatisfied: 

Graph showing the distribution of responses for Q9.
Board Consultant Review & Evaluation Report – StepStone Group, LP (Infrastructure)

Communication & Responsiveness

Q10: Effectively evaluates and monitors relevant asset class/total fund developments

- Very Satisfied: 18%
- Satisfied: 64%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied:
Key Area 3:
Overall Performance
Overall Performance

Q11: Thoroughly understand CalPERS' objectives and constraints

- Very Satisfied: 64%
- Satisfied: 18%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Overall Performance

Q12: Provides independent, unbiased insight and advice

- **55%** Very Satisfied
- **27%** Satisfied
- **9%** Neutral
- **9%** Dissatisfied
- **9%** Very Dissatisfied
Overall Performance

Q13: Acts with honesty, integrity, and competence
Overall Performance

Q14: Works cooperatively to add value to CalPERS

- Very Satisfied: 46%
- Satisfied: 36%
- Neutral: 18%
- Dissatisfied: 3%
- Very Dissatisfied: 1%
Overall Performance

Q15: Fulfills fiduciary responsibility

- Very Satisfied: 18%
- Satisfied: 64%
- Neutral: 18%
- Dissatisfied: 6%
- Very Dissatisfied: 4%
Overall Performance

Q16: Clearly understands it works for the Board and with CalPERS staff
Key Area 1: Strategic Analysis & Recommendations
Strategic Analysis & Recommendations

Q1: Accurately analyzes issues and provides timely and objective information

- Very Satisfied: 82%
- Satisfied: 9%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q2: Makes clear and relevant recommendations re: policies and guidelines

- Very Satisfied: 46%
- Satisfied: 36%
- Neutral: 18%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q3: Recommends ways to control or reduce fees and costs

- Very Satisfied: 18%
- Satisfied: 27%
- Neutral: 46%
- Dissatisfied: 9%
- Very Dissatisfied
Strategic Analysis & Recommendations

Q4: Helps define appropriate risk parameters and identify mitigation strategies

- Very Satisfied: 18%
- Satisfied: 73%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied: 0%
Strategic Analysis & Recommendations

Q5: Makes sound strategic recommendations on portfolio structure

- Very Satisfied: 9%
- Satisfied: 64%
- Neutral: 27%
- Dissatisfied: 9%
- Very Dissatisfied: 0%
Key Area 2: Communications & Responsiveness
Communication & Responsiveness

Q6: Proactively identifies new investment ideas/approaches and brings them to Board's attention

- 27% Very Satisfied
- 18% Satisfied
- 27% Neutral
- 28% Dissatisfied
- 27% Very Dissatisfied
Communication & Responsiveness

Q7: Produces high quality reports that are clear and accurate

- 73% Very Satisfied
- 18% Satisfied
- 9% Neutral
- Dissatisfied
- Very Dissatisfied
Communication & Responsiveness

Q8: Clearly and completely answers questions raised by the Board

- Very Satisfied: 36%
- Satisfied: 55%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
Communication & Responsiveness

Q9: Identifies and communicates with the board on issues of strategic importance
Board Consultant Review & Evaluation Report – Pension Consulting Alliance, Inc. (General Investment & Responsible Contractor Program)

Communication & Responsiveness

Q10: Effectively evaluates and monitors relevant asset class/total fund developments

- **55%** Very Satisfied
- **27%** Satisfied
- **18%** Neutral
- **0%** Dissatisfied
- **0%** Very Dissatisfied
Key Area 3:
Overall Performance
Overall Performance

Q11: Thoroughly understand CalPERS' objectives and constraints

- Very Satisfied: 73%
- Satisfied: 18%
- Neutral: 9%
- Dissatisfied: Very Dissatisfied
Overall Performance

Q12: Provides independent, unbiased insight and advice

- Very Satisfied: 55%
- Satisfied: 27%
- Neutral: 9%
- Dissatisfied: 9%
- Very Dissatisfied:
Overall Performance

Q13: Acts with honesty, integrity, and competence

- Very Satisfied: 64%
- Satisfied: 36%
Overall Performance

Q14: Works cooperatively to add value to CalPERS

- Very Satisfied: 46%
- Satisfied: 45%
- Neutral: 9%
- Dissatisfied: 0%
- Very Dissatisfied: 0%
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Board Consultant Review & Evaluation Report – Pension Consulting Alliance, Inc. (General Investment & Responsible Contractor Program)

Overall Performance

Q15: Fulfills fiduciary responsibility

- Very Satisfied: 9%
- Satisfied: 18%
- Neutral: 73%
- Dissatisfied: 9%
- Very Dissatisfied: 18%
Overall Performance

Q16: Clearly understands it works for the Board and with CalPERS staff

- Very Satisfied: 46%
- Satisfied: 36%
- Neutral: 18%
- Dissatisfied: 18%
- Very Dissatisfied: 0%