



**INCENTIVE PLAN | Fiscal Year 2017-18**

**Name:** Marcie Frost

**Position:** Chief Executive Officer

**KEY BUSINESS OBJECTIVES**

Weight	Key Business Objectives		
25%	<b>Organizational Leadership</b> Through June 30, 2018, provide organizational leadership in support of the following priorities: <ul style="list-style-type: none"> <li>• Board Support</li> <li>• Open and Transparent Communication / Building Relationships</li> <li>• Efficient and Effective Organization</li> <li>• Supportive and Engaged Leadership</li> <li>• Customer Satisfaction Driven Organization</li> <li>• Team Member Engagement</li> </ul>	Score	Rating
		Far Exceeds High Expectations	1.50
		Meets High Expectations	1.00
		Does Not Meet High Expectations	0.00
		<i>Intermediate points are interpolated</i>	

**INCENTIVE METRICS**

Weight	Metric		
15%	<b>Total Fund Performance</b> (7/1/13 – 6/30/18) The Total Fund Performance Metric is measured based on fund performance against the policy benchmark for the five-year period of July 1, 2013, through June 30, 2018.	Variance (bps) from Benchmark	Rating
		+35	1.50
		+30	1.41
		+20	1.25
		+5	1.00
		0	0.76
		-15	0.05
		< -15	0.00
15%	<b>Stakeholder Engagement</b> The Stakeholder Engagement Metric for 2017-18 is based on results of the following three Stakeholder Engagement Survey questions: <ul style="list-style-type: none"> <li>• Is CalPERS sensitive to the needs of Stakeholders?</li> <li>• Does CalPERS do a good job of keeping its stakeholders informed?</li> <li>• On a scale of one to ten, how would you rate CalPERS being effective in engaging and communicating with stakeholders?</li> </ul>	Score	Rating
		75%	1.50
		73% to < 75%	1.25
		71% to < 73%	1.00
		69% to < 71%	0.75
		67% to < 69%	0.50
		< 67%	0.00

**INCENTIVE METRICS (Cont.)**

Weight	Metric	
10%	<b>Investment Office CEM</b> The 2017-18 annual participation in the CEM benchmarking (CEM) survey analyzes CalPERS' investment costs and return performance over a five-year period against a customized peer group.	Score
		Outperforms US Benchmark on Net Value Added (Returns) and Cost by 0.2% and 5 bps, respectively
		Rating
		1.50
		Outperforms US Benchmark on Returns and Cost by .001% and 1 bps, respectively
15%	<b>Customer Service</b> The Customer Service Metric for 2017-18 is based on the following two Service Dimensions: <ul style="list-style-type: none"> <li>Percentage of benefit payments issued to our customers within established service levels</li> <li>Customer service with CalPERS services as measured by surveys and other methods</li> </ul>	Score
		>95%
		Rating
		1.50
		94% to < 95%
20%	<b>Enterprise Operational Effectiveness</b> The Enterprise Operational Effectiveness Metric for 2017-18 is defined as Overhead Operating Costs as a percentage of Total Operating Costs ("OOC"). <ul style="list-style-type: none"> <li>Total Overhead Operating Costs ("OOC") identify all administrative costs not mapped directly to Product and Service Delivery Operating Costs ("PSDOC")</li> <li>OOC = OOC / (OOC + PSDOC)</li> </ul>	Score
		<-1.1%
		Rating
		1.50
		-1.1% to -0.6%
100%	<b>Total Plan Weight</b>	Score
		<-1.1%
		Rating
		1.50
		-1.1% to -0.6%