



Date: February 12, 2018

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

From: Pension Consulting Alliance, LLC (PCA)

RE: Revision of Real Assets Program Policy – First Reading

Major changes were made to the Real Assets Program Policy in August 2016, following the approval by the Board of the new strategic plan for Real Assets in April 2016. The Real Assets program has lived with the new policy and the associated Investment Policy Procedures and Guidelines (IPPGs) for a little more than a year now. The proposed changes currently in front of the Investment Committee represent small adjustments to the policy identified as part of the annual review of these governance documents and are largely "clean-up" in nature. PCA has no material issues with the changes.

While these particular proposed policy changes are relatively minor, the programmatic review of and adjustment to the Real Assets Program Policy reflects strong process and governance that support effective management of the Real Assets Program investments.

PCA is available to take any questions of the Investment Committee.

Respectfully,

A handwritten signature in blue ink that reads "David Glickman".

David Glickman
Managing Director

A handwritten signature in black ink that reads "Christy Fields".

Christy Fields
Managing Director



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