CalPERS

Investment Committee
Agenda Item 7c

September 24, 2018

Item Name: Real Assets Annual Program Review

Program: Real Assets

Item Type: Information

Executive Summary

This is the annual review of the Real Assets Program for the period ending March 31, 2018. The review includes an overview of the program and details concerning investment performance, portfolio risk, and business structure. Also included is a visual guide displaying how Real Assets is integrating the CalPERS Investment Beliefs into its decision-making processes.

Strategic Plan

The agenda supports the CalPERS Strategic Plan goal to cultivate a high-performing, risk-intelligent, and innovative organization. The program review provides detailed information for portfolio characteristics and program highlights across Real Assets to support the CalPERS Investment Committee in its oversight capacity.

Investment Beliefs

This agenda item supports the CalPERS Investment Belief 2: A long time investment horizon is a responsibility and an advantage; Belief 8: Costs matter and need to be effectively managed; and Belief 10: Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives.

Background

An annual program review for each asset class or program area is presented to the Investment Committee. Annual program reviews were scheduled as a result of restructuring of Investment Committee agendas. The last program review for Real Assets occurred in November 2017.

Analysis

Highlights of the annual program review (Attachment 1) include:

- Program Overview

- Investment Review
- Business Review

Budget and Fiscal Impacts

Not applicable.

Benefits and Risks

Not applicable.

Attachments

Attachment 1 – Real Assets Annual Program Review

Attachment 2 – Real Assets Annual Program Review – Supplemental Report

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Paul Mouchakkaa
Managing Investment Director
Real Assets

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Theodore Eliopoulos
Chief Investment Officer