



Date: September 24, 2018

To: Henry Jones, Chairman, Investment Committee

From: Pension Consulting Alliance, LLC

RE: Annual Review of Investment Policies – First Reading

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In support of Agenda Item 8A, Pension Consulting Alliance, LLC ("PCA") has been asked in its capacity as Board Consultant for Private Asset Classes - Real Estate to opine on the proposed revisions to the CalPERS' Investment Policy for the Real Assets Program. The proposed revisions are part of Staff's annual review of the Investment Policy for the Real Assets Program that now occurs concurrently with the annual Real Assets program review.

The proposed changes are consistent with the direction given by the Investment Committee to pursue the ongoing refinement of content to promote clarity, reduce redundancy, and reflect improvements in business process. Reviewing policy annually in coordination with the annual program review supports strong governance and oversight of the investment program and is aligned with CalPERS Investment Beliefs, most notably Investment Belief X (Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives). None of the proposed changes are substantive to the real estate investment program, and PCA finds the proposed revisions acceptable.



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