STATE OF CALIFORNIA BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DELEGATION RESOLUTION

Subject: Investment Committee Delegation No: IC-16-01

WHEREAS, (1) In accordance with Government Code sections 20120, 9353, 75005, 75505, 21661, 21670, 21759, 22200, 22201, 22794, 22940 and 22970.30, the Board of Administration of the California Public Employees' Retirement System (the "Board") is charged with the administration and management of the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Act, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act, the Annuitants' Health Care Coverage Fund and the Supplemental Contributions Program (collectively, the "System").

WHEREAS, (2) In accordance with Government Code sections 20171, 9354.1, 75105, 75607, 21664, 21677, 21759, 22601, 22910, 22911, 22940 and 22970.41, the Board is also charged with the exclusive control of the administration and investment of the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement System II Fund, the Public Employees' Long-term Care Fund, the Public Employees' Deferred Compensation Fund, the Replacement Benefit Custodial Fund, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, the Public Employees' Health Care Fund, the Annuitants' Health Care Coverage Fund and the Supplemental Contribution Program Fund (collectively, "the Fund").

WHEREAS, (3) In furtherance of the authority granted in Article XVI, section 17 of the California Constitution, the Board may make any investment consistent with the duties therein described, except where such investments have been prohibited by legislation which itself complies with the standards of care and loyalty that are imposed upon the Board.

WHEREAS, (4) In accordance with Government Code section 20191, the Board is authorized, by affirmative vote of at least seven members of the Board, to make any investment authorized by law or to adopt an investment resolution that contains detailed investment guidelines.

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WHEREAS, (5) In accordance with Government Code section 20099, the Board is authorized to appoint a committee of one or more of its members to perform any act within the power of the Board itself to perform, and may through express delegation authorize any such committee to act finally.

RESOLVED, (A) That, pursuant to the foregoing, the Board hereby authorizes and ratifies the appointment of the Investment Committee (the "Committee") to be comprised of the entire membership of the Board.

RESOLVED, (B) Except as otherwise provided within this Resolution, the Committee is authorized to:

(1) Set investment beliefs to guide investment strategies.

(2) Approve investment policies and oversee compliance with investment policies.

(3) Conduct strategic asset allocation, set the target rate of return, and select the asset allocation mix including interim allocation targets for each fund.

(4) Set total fund and asset class policy benchmarks.

(5) Approve and oversee asset class strategic plans and portfolio construction guidelines.

(6) Set investment risk appetite and tolerances.

(7) Oversee investment performance.

(8) Oversee fund liquidity management, including ensuring that the fund has sufficient liquid assets to respond to market conditions and meet investment obligations (e.g. capital calls, collateral calls).

(9) Conduct selection and oversee performance of Board consultants who provide investment-related expertise to the Board.

(10) Oversee selection process and performance of investment partners, managers and consultants.

(11) Approve the initiation or settlement of investment-related litigation (including corporate governance) involving material sums or having a substantial impact on investment goals or investment operations.

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(12) Oversee cost effectiveness of the investment program.

(13) Oversee investment office risk assessment and control environment.

(14) Oversee environmental, social and governance (ESG) program.

(15) Set the criteria and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.

(16) Approve positions on investment-related legislation.

(17) Approve investment-related regulations.

(18) Oversee management of risks related to the duties delegated to the Committee.

RESOLVED, (C) That the authority granted under this Resolution is subject to the following conditions:

(1) The Committee must discharge its duties "solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system." In exercising this responsibility, the Committee shall place the interests of system members and beneficiaries above all other interests. (Cal. Const. art. XVI sec. 17(b).)

(2) The Committee must discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. (Cal. Const. art. XVI, sec. 17(c).)

(3) The Committee must diversify the investments so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. (Cal. Const. art. XVI, sec. 17(d).)

RESOLVED, (D) That the Committee is authorized to act finally with respect to all actions described herein.

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RESOLVED, (E) That this Resolution shall be effective immediately upon adoption and supersedes all previous delegations of authority to this Committee.

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I hereby certify that on the 18th day of May, 2016, the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

[redacted]

ROB FECKNER
President, Board of Administration
California Publie Employees' Retirement System