



Investment Committee Agenda Item 7b

November 16, 2020

Item Name: Review of the Investment Committee Delegation

Program: Investment Committee

Item Type: Action Consent

Recommendation

Approve the Investment Committee delegation in the form included as Attachment 1.

Executive Summary

Management's proposed updates to the Committee's delegation are in furtherance of prior board direction that the composition of the Investment Committee to be comprised of the entire membership of the Board and that the Investment Committee is authorized to act finally with respect to all actions described within the delegation.

Strategic Plan

This item supports the "Reduce Complexity and Risk Management" Strategic Goal from the CalPERS 2017-2022 Strategic Plan.

Investment Beliefs

This agenda item supports CalPERS Investment Belief 10, that strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives, acknowledging the need for strong governance and effective, clear processes.

Background

As required by the Board Governance Policy, each Committee's delegation is reviewed annually and updated as needed to ensure continued alignment with board policy and the CalPERS Strategic Plan.

Analysis

Based on feedback provided during the September 2020 Board Governance Committee meeting, the Delegation Resolution for the Investment Committee reflects the following updates:

- The Investment Committee will comprise the entire membership of the Board
- The Investment Committee is authorized to act finally with respect to all actions described within its delegation
- In order to be consistent with other committee delegation structures, non-substantive revisions have been made that reflect the Board's direction to revise Board policies and documents into plain English

Any revisions to the Delegation Resolution that the Committee wishes to make will be incorporated and brought to the full Board for consideration and approval at the November 18th, 2020 Board of Administration meeting.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

The benefit of reviewing and updating the delegation of authority for the Investment Committee is to continually align the Committee's authority with the needs of our members while keeping CalPERS' commitment to its strategic goals and objectives. Management does not perceive any risks.

Attachments

Attachment 1 – Investment Committee Delegation Resolution

Attachment 2 – Investment Committee Delegation Resolution – Track Changes

Attachment 3 – Board Investment Consultant Opinion Letter – Wilshire Associates

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