

2015-16 PERFORMANCE PLAN - Chief Investment Officer (T. Eliopoulos)

All of the terms and provisions of the "CalPERS Compensation Policies and Procedures for Executive and Investment Management Positions" are incorporated in this Performance Plan by this reference as if set forth in full.

Investment Performance Measures

Weight	Factor	Investment Performance Measure	Incentive Schedule
70%	Investment Performance: Total Fund	Excess return in basis points relative to: Total Fund performance versus Total Fund benchmark {SJ1CA1BO – CPSTO2IC} *Cost-adjusted Benchmark	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
70%	Subtotal	Investment Performance Measures	

Business Objectives Performance Measures

Rating Scale for All Qualitative Performance Measures		
Consistently Exceeds High Expectations	Meets High Expectations	Does Not Meet High Expectations
1.5	...	0
<i>Intermediate points are interpolated</i>		

Weight	Factor	Business Objectives Performance Measure
20%	Enterprise Business Plan	<p>By June 30, 2016, in support of the CalPERS 2015-17 Business Plan, improve CalPERS' ability to achieve risk-adjusted investment returns.</p> <p><u>Goal A: Improve long-term pension and health benefit sustainability</u> Fund the System through an integrated view of pension assets and liabilities:</p> <ul style="list-style-type: none"> Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding of trust-level investment risk and performance attribution Build effective risk review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated <p>Deliver target risk-adjusted investment returns:</p> <ul style="list-style-type: none"> Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets Enhance the investment platform and internal controls environment to achieve optimum efficiency Integrate the CalPERS Investment Beliefs and ESG risk considerations within and across all investment programs to guide investment policy, decision-making and manager expectations <p>Implement the objectives set forth for FY 2015-16 in the FY 2014-16 Investment Office Roadmap (Attachment A)</p>
10%	Leadership	<p>By June 30, 2016:</p> <ul style="list-style-type: none"> Provide oversight and direction to the Investment Office and enhanced communication with the Investment Committee Chair, Board President, CEO and Board Consultants Lead collaboration between the Investment Office and CalPERS enterprise functions Meet the Leadership Expectations as set forth in the CalPERS Executive Leadership Competencies (Attachment B)
30%	Subtotal	
100%	Total	