



## PERA Recent Organizational and Investment-Related Changes

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**I. The Investment Division was reorganized in late 2009 to align professional staff with the fund's asset allocation and corresponding workloads as follows:**

- **CIO** – management and supervision of Portfolio Management and Operations, administrative interaction with Board, Executive Director, Legislature & Consultants, cash management, asset allocation rebalancing, coordination of manager search/selection. 110 mandates, \$10.8 billion total fund.
- **Deputy CIO** – oversight of both Public and Private Market Portfolio Managers. Dedicated portfolio management of the Private Real Asset Partnerships (\$479 million committed/\$324.3 million invested, 11 mandates. Back up support to CIO.
- **1 Portfolio Manager** dedicated to *publically-traded traditional assets*, such as Equities and Fixed Income (this position is vacant, duties shared by CIO, Deputy CIO, & 1 PM). \$9 billion, 26 mandates;
- **1 Portfolio Manager** dedicated to *Private Equity and Private Real Estate Partnerships*. \$938 million committed/\$415 million invested, 39 mandates;
- **1 Portfolio Manager** dedicated to *Hedge Funds and REITs*. \$931.3 million invested, 32 mandates;
- **1 Financial Analyst** dedicated to *Alternative Asset Program* research and analysis;
- **1 Financial Analyst** dedicated to *Custodial Operations*;
- **2 Support Staff** for general investment support and office functions
- Investment Division total FTE = 9

**II. PERA contracts with two consultants, whose responsibilities also align with the fund's asset allocation:**

- General Consultant (RV Kuhns) responsible for total fund consulting, performance reporting, asset allocation and asset class structure studies, and consulting specific to publically-traded investment classes;

- Alternative Asset Consultant (Cliffwater) responsible as gatekeeper (sourcing, due diligence, analysis, accounting & reconciliation) for all alternative asset classes: hedge funds, private equity, real estate & real assets.

**III. The PERA Board recently approved an asset allocation change that increases alternative investments, fixed income, and international equities by decreasing the domestic equity allocation. This action is designed to:**

- De-risk the portfolio by reducing the most volatile asset class and increasing the asset classes with the lowest correlation to equities, such as fixed income and alternative investments;
- Improve investment returns by increasing high-yielding alternative investments.

**IV. Recommendations for new actively-managed mandates, mandate consolidations or rebalancing within sub-asset classes result from systematic asset class structure studies conducted by the general consultant in coordination with staff.**