



California Public Employees' Retirement System
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July 28, 2017

Ms. Shanna Cleveland
Mr. Ronald A. Fein
Mr. John C. Bonifaz
Free Speech For People
1340 Centre St., #209
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Jed Shugerman, Professor of Law
Fordham University School of Law
150 West 62nd Street
New York, NY 10023

Ladies and Gentlemen,

On behalf of the California Public Employees' Retirement System (CalPERS), thank you for your July 19, 2017 letter regarding CalPERS' investment in the CIM Fund III. We appreciate your concerns and interest.

CalPERS is continuing to analyze the issues raised in your letter. However, it should be noted that CalPERS itself has no direct contractual relationship with President Trump or the hotel management company providing services to the Trump SoHo hotel owned by the CIM Fund III. CalPERS instead is one of 27 limited partners in the CIM Fund III. This is different from the Sacramento, California Capitol Mall property that you cite in your letter. In that case, we and CIM are the sole partners that own the land that was acquired through a previous investment.

As one of many commingled fund investors subject to various investment terms and conditions, CalPERS itself is unable to unilaterally impose its own judgment or direction onto CIM Fund III investment decisions or CIM's contractual relationships with third-parties providing services to CIM Fund III investments.

We do take seriously the issues you have raised and have been in contact with CIM about their intentions related to the property in question. We expect that CIM will manage the property in the best interests of its investors and our members and will decide at which time the property no longer fits as part of CIM's investment strategy.

Thank you again for your letter. We will continue to monitor and analyze these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcie Frost". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

MARCIE FROST
Chief Executive Officer

cc: Betty Yee, California State Controller
John Chiang, California State Treasurer
Xavier Becerra, California Attorney General
Henry Jones, Chair, CalPERS Investment Committee