

California Society of Municipal Finance Officers Annual Conference | January 9, 2019

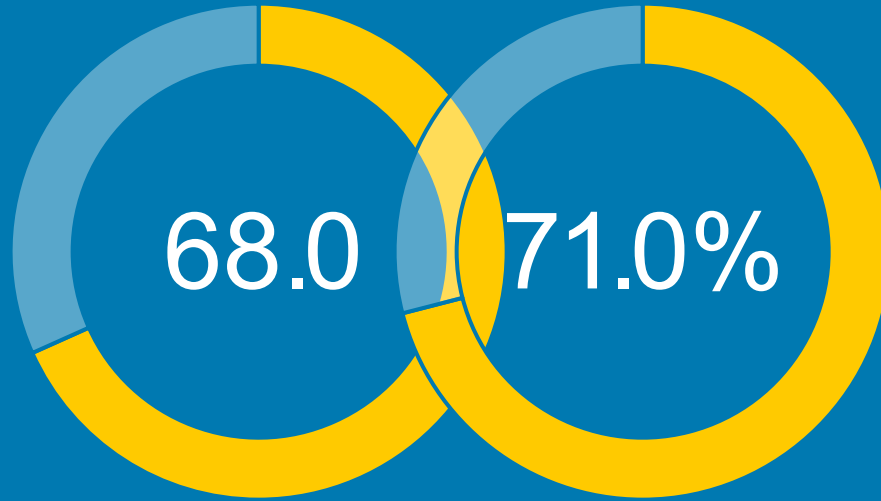
CalPERS Perspective: **Focus on the Future**

Marcie Frost, CalPERS CEO

Michael Cohen, CalPERS CFO

Fritzie Archuleta, CalPERS Deputy Chief Actuary





Funded Status
June 30, 2017

Funded Status
June 30, 2018

Lower Discount Rate

Lowered the discount rate from
7.5% to 7% over three years
(assumed rate of return)

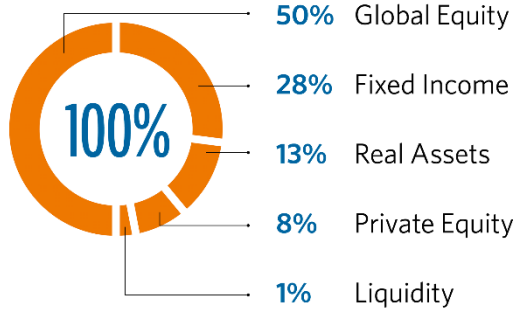
7.5%



7%

New Asset Allocation

Adopted new strategic asset
allocation effective July 1, 2018



Shorter Amortization

Shortened the amortization period
for employers to pay their
unfunded liability

30 yrs. → 20 yrs.



significant
long-term savings

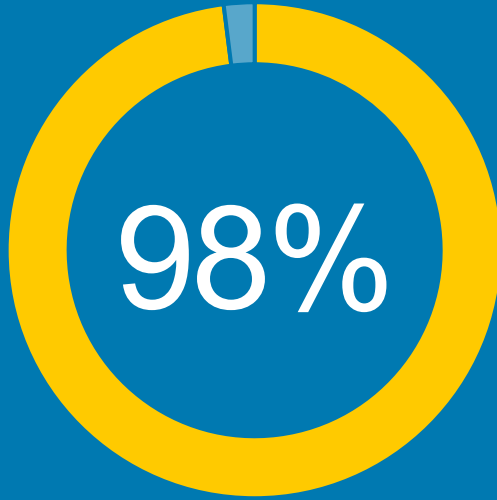


Michael Cohen
Chief Financial Officer



Ben Meng
Chief Investment Officer





of Public Agencies are **current**
on their pension obligations
as of December 2018

Ad Hoc

Additional Discretionary
Payments (ADPs)

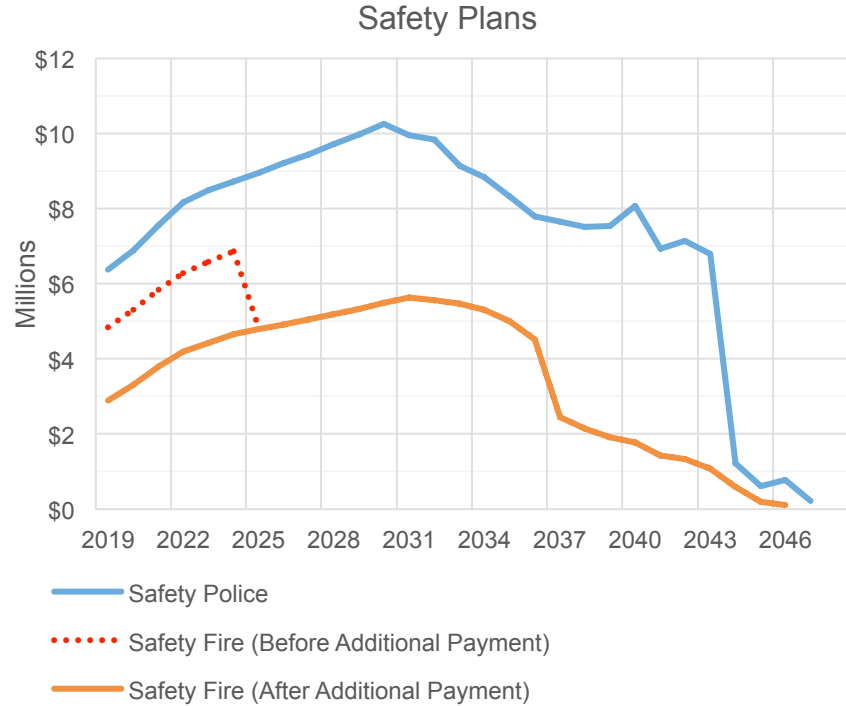
Fresh Start

Full or partial

IRS Section 115 Trusts

Sample City

\$11m Additional Payment



\$27 billion invested

Private Equity

16.1%

2017-18 fiscal-year return

10.5%

20-year return

As of June 30, 2018

Innovation

Late stage venture capital investments in bio-tech, life sciences & health care

Horizon

Long-term investments in core economy established companies

Engagement vs. Divestment



Funding Tools



Investments



Partnerships