CalPERS Perspective:
Focus on the Future

Marcie Frost, CalPERS Chief Executive Officer

Partnering with California's Cities

451 Cities & Towns

120,090 Members
The CalPERS Pension Buck
As of June 2018, CalPERS' income over the last 20 years demonstrates that every dollar spent on public employee pensions comes from the following sources:

- 59¢ CalPERS investment earnings
- 28¢ CalPERS employers
- 13¢ CalPERS members

Funded Status
June 30, 2017: 68.0%
June 30, 2018: 71.0%
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

- 50% Global Equity
- 28% Fixed Income
- 13% Real Assets
- 8% Private Equity
- 1% Liquidity

30 yrs. → 20 yrs. = significant long-term savings

Shorter Amortization
Shortened the amortization period for employers to pay their unfunded liability

Michael Cohen
Chief Financial Officer

Ben Meng
Chief Investment Officer
Options for Accelerating the Funding of the Plan

- **Ad Hoc** Additional Discretionary Payments (ADPs)
- **Fresh Start** Full or partial
- **IRS Section 115 Trusts**
Importance of Private Markets

Key Takeaways

- Funding Tools
- Investments
- Partnerships