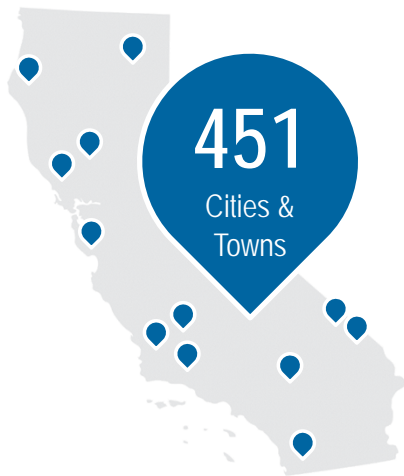


CalPERS Perspective: Focus on the Future

Marcie Frost, CalPERS Chief Executive Officer



Partnering with California's Cities



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:

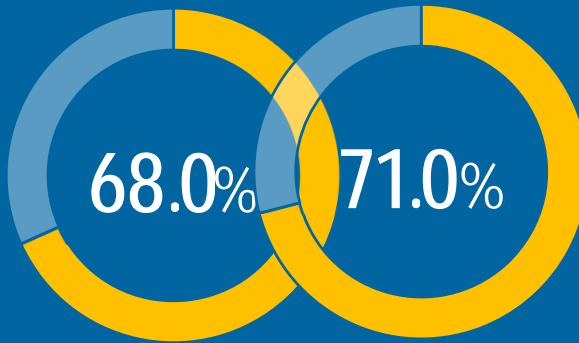


68.0%

Funded Status
June 30, 2017

71.0%

Funded Status
June 30, 2018



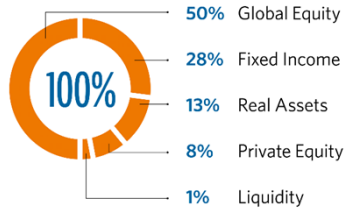
Lower Discount Rate

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

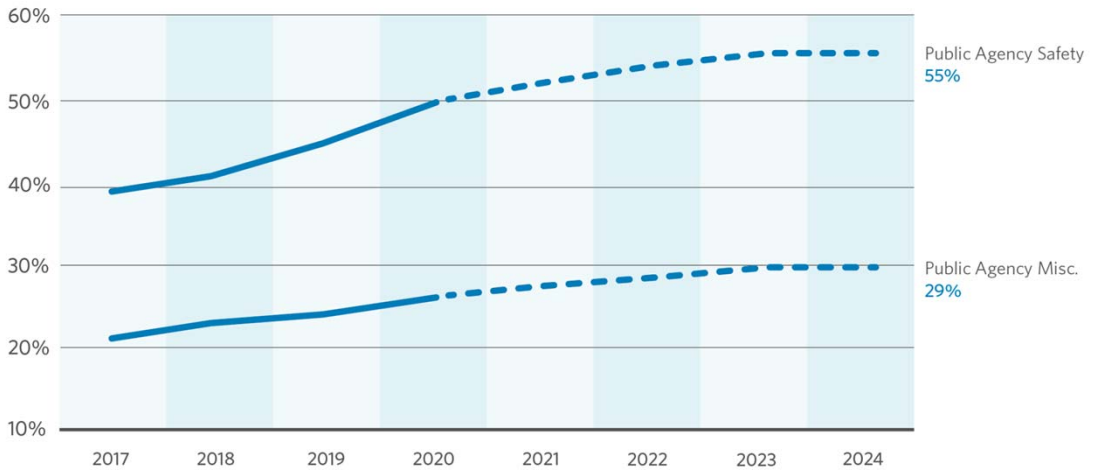


Michael Cohen
Chief Financial Officer



Ben Meng
Chief Investment Officer

Recent and Projected Public Agency Contribution Rates



Options for Accelerating the Funding of the Plan

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

9

Key Takeaways



Funding Tools



Investments



Partnerships