

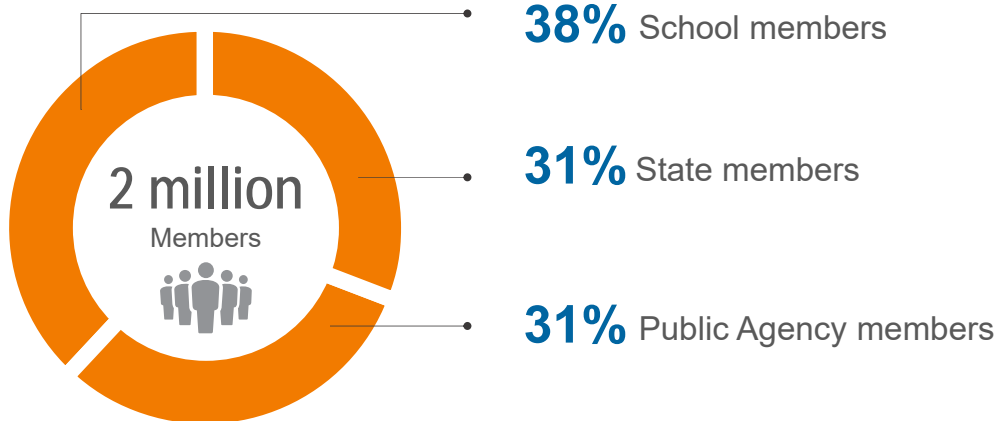
CalPERS Priorities for the Future

Marcie Frost

CalPERS Chief Executive Officer



Members Are Our Focus



Partnering with California's Cities



Where We Stand Today

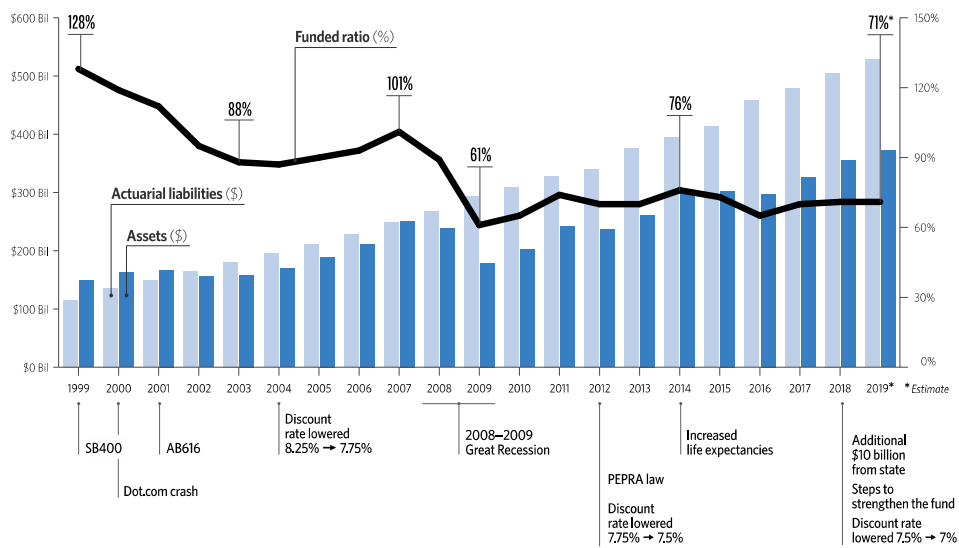


Fiscal Year 2018-19


How Contributions Are Paid



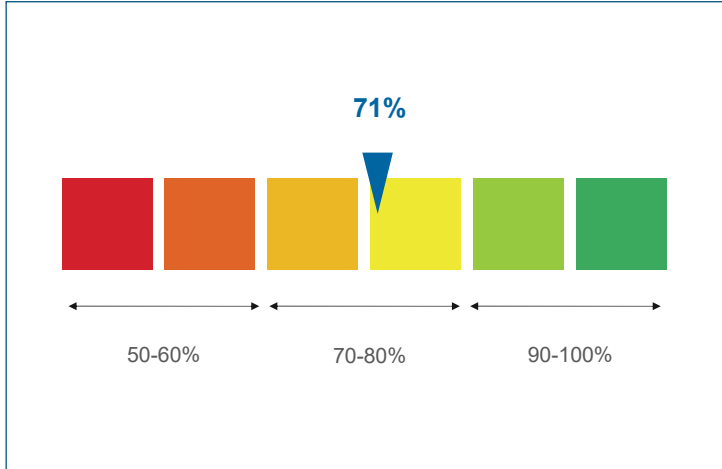
How We Got Here – 20-Year Look



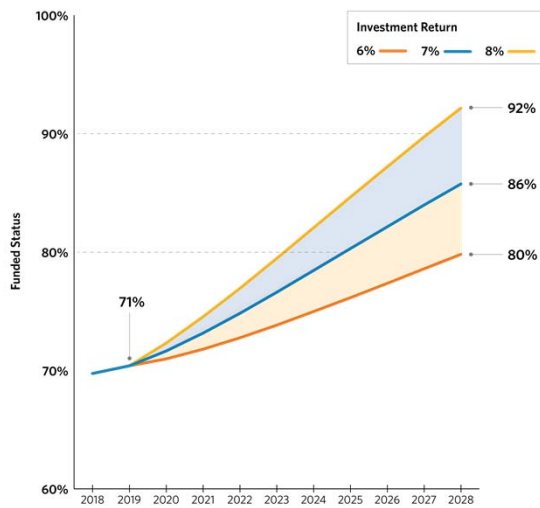
Strong Progress but Challenges Ahead



Funded status goal:
100%

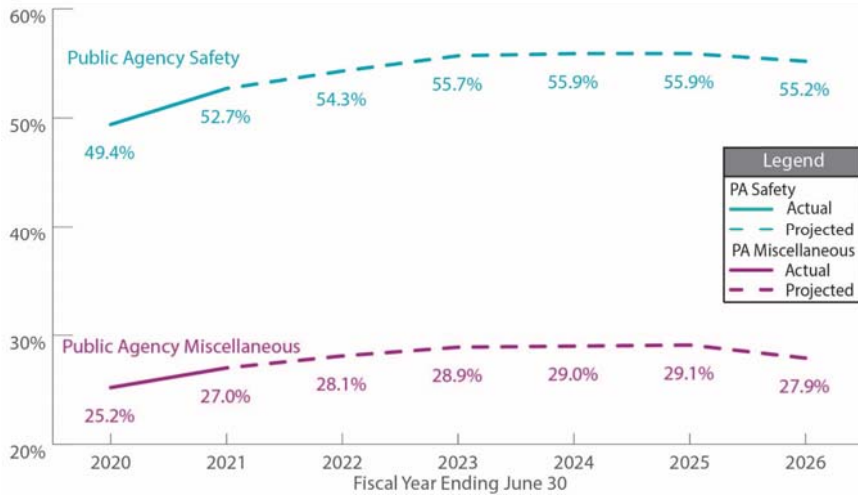


Funded Status Projections (As of June 30)



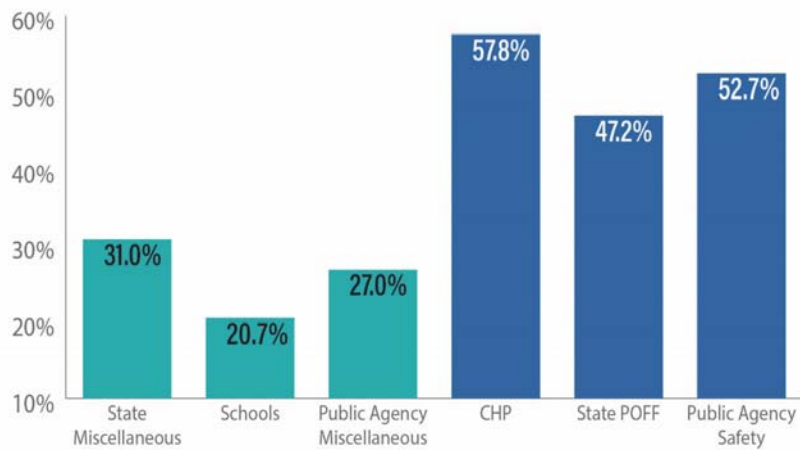
Public Agency Employer Contributions

Average of Public Agency Total Employer Contribution Rates (FY 2019-20 to 2025-26)



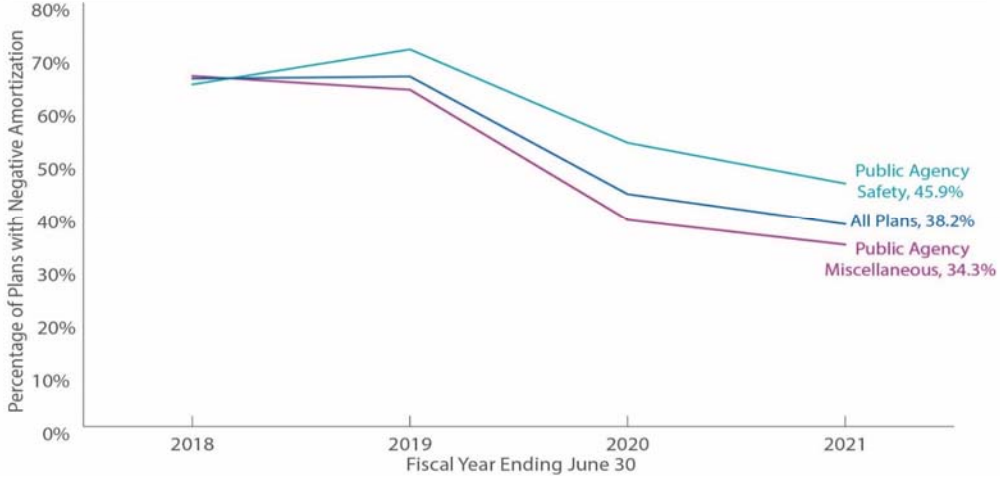
Recent Trends-Contribution Rates

Employer Contribution Rates Based on June 30, 2018 Valuations*



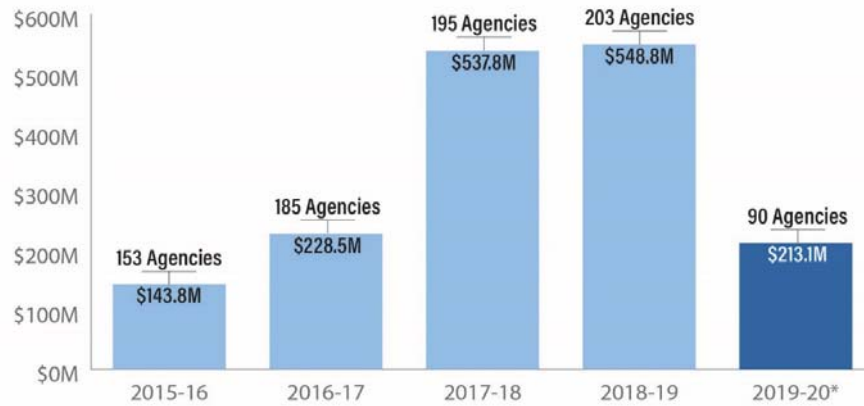
Recent Trends-Negative Amortization

Percentage of Plans with Negative Amortization by Contribution Year



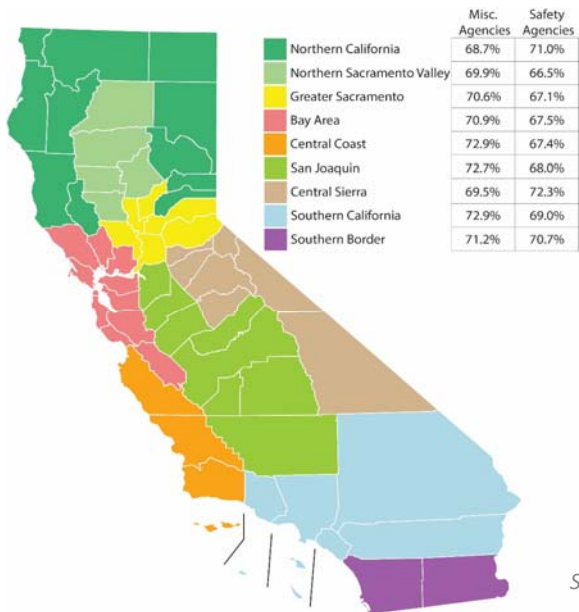
Recent Trends-Additional Discretionary Payments

Public Agency Additional Discretionary Payments by Fiscal Year



*ADPs from July 1, 2019 through September 30, 2019

Funded Ratio by Region



Average of CalPERS
Public Agency Plans
As of June 30, 2018 Valuations

Source: 2019 Annual Funding Levels and Risk Report 13

Three Key Risks



Investment
risk

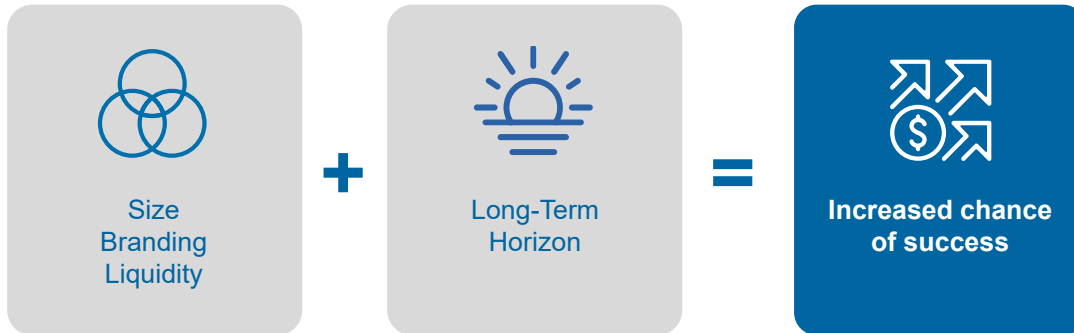


Employer
affordability

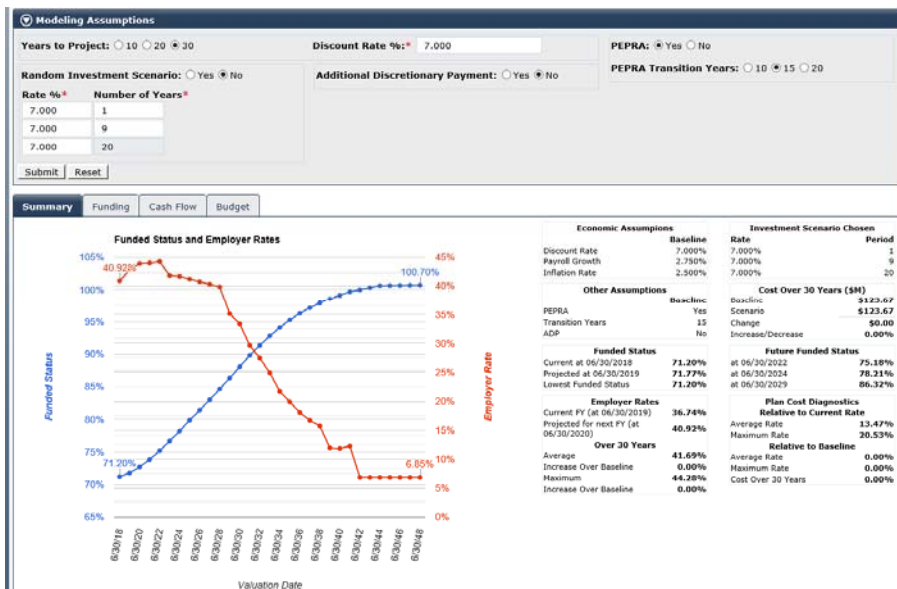


Climate risk

Investment Focus: CalPERS Advantages



Introducing "Pension Outlook" Tool



Health Priorities



Address rising
Rx costs



Engage in
health policy



Contain costs
and drive quality



Improve health
outcomes

How We're Addressing Climate Risk

Three-channel strategic
approach supported
by partnerships:

Engagement

Ceres - Investor
Network on Climate Risk
Principles for Responsible
Investments
UN Net-Zero Asset
Owner Alliance

Advocacy

UN Global Investors for
Sustainable Development
Alliance
Council for Inclusive
Capitalism at the
Vatican

Integration

Global Peer Exchange
Task-force on
Climate-related Financial
Disclosure