



Finance and Administration Committee

Agenda Item 4c

September 20, 2022

Item Name: Treasury Analysis and Liquidity Status Report

Program: Financial Office

Item Type: Information Consent

Executive Summary

This is the Semi-Annual Treasury Analysis and Liquidity Status Report for the period ending June 30, 2022. The report shows CalPERS maintained adequate liquidity coverage levels for all funds in normal and stressed environments.

Strategic Plan

This agenda item supports the CalPERS 2022-2027 Strategic Plan organizational excellence goal, which is to cultivate a risk-intelligent organization.

Background

The Treasury Management Policy requires the Treasury Management Program to provide the Finance and Administration Committee with an update on fund liquidity status. The Semi-Annual Treasury Analysis and Liquidity Status Report (Attachment 1) fulfills this obligation by providing liquidity coverage ratio analysis and cash flow forecasting analysis for the Public Employees' Retirement Fund (PERF), Legislators' Retirement Fund (LRF), Judges' Retirement Fund I (JRF I), Judges' Retirement Fund II (JRFII), Health Care Fund (HCF), and the Long-Term Care Fund (LTCF) to be known as all funds. The last report was presented to the committee in February 2022.

Analysis

Liquidity Coverage Analysis

The report confirms the liquidity coverage for all funds remained above the threshold in normal environments. In addition, all funds would have maintained adequate Level I liquidity had a stressed or crisis event occurred during this reporting period.

Cash Flow Forecasting Accuracy Analysis

Overall cash flow forecasting accuracy for the PERF, LRF, JRF I, JRF II, HCF and LTCF was in the 90th percentile.

Investment cash flow estimates for the PERF continue to improve, although asset allocation changes and unexpected inflows from real estate and private asset classes caused forecast volatility.

Status of the Funding Contingency Plan

During the reporting period, no events occurred that would have required use of the plan. The plan review was conducted in January 2022 and no changes were recommended. The team continues to use the plan to manage, measure, monitor, and control funding coverage with respect to the payment of member benefits and all other CalPERS' obligations.

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

Not Applicable

Attachments

Attachment 1 – Semi-Annual Treasury Analysis and Liquidity Status Report

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