



## Agenda Item 7b

February 17, 2015

**ITEM NAME:** CalPERS Trust Level Review

**PROGRAM:** Total Fund

**ITEM TYPE:** Asset Allocation, Performance & Risk – Information

### **EXECUTIVE SUMMARY**

The CalPERS Trust Level Review provides summary level economic views, market analysis, portfolio risk, and performance for the Total Fund (Attachment 1). The State of the Economy analysis covers the current market environment, core economic indicators and topical issues that are having, or could have an impact on short or long-term investment decisions (Attachment 2). The portfolio Risk Management Summary provides an update on the total risk the organization has chosen to be exposed to through asset allocation and policy benchmarks (Attachment 3). The Trust Summary provides additional performance and risk information for the defined benefit trusts (Attachment 4). The CIO Performance Report provides a comprehensive update on each portfolio within the Total Fund relative to long-term targets and policy benchmarks (Attachment 5). Additionally, in follow up to questions from the Committee during prior reports, additional information on the “value at risk” and “counterparty risk” elements of these reports is provided as Attachment 6.

### **STRATEGIC PLAN**

This agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability. This report provides detailed information for the Public Employees' Retirement Fund (PERF) and Affiliate Funds to support the CalPERS Investment Committee (IC) in its oversight capacity.

### **BACKGROUND**

The CalPERS Trust Level Review was formally named the CalPERS CIO Total Fund Performance & Risk Report. The name change aligns with the inclusion of the new Trust Level Overview section in addition to the existing performance and risk information included in the Investment Review section. The CalPERS Trust Level Review also aligns the format and content with new Annual Program Reviews. These enhancements allow for asset allocation, performance and risk information to be presented in a more consistent and effective manner to the IC.

### **BUDGET AND FISCAL IMPACTS**

Not Applicable

**ATTACHMENTS**

Attachment 1 – CalPERS Trust Level Review (as of December 31, 2014)

Attachment 2 – CalPERS Trust Level Review: State of the Economy

Attachment 3 – CalPERS Trust Level Review: Risk Management Summary

Attachment 4 – CalPERS Trust Level Review: Trust Summary

Attachment 5 – CalPERS CIO Performance Report

Attachment 6 – Overview of CalPERS Value at Risk and Counterparty Risk Reporting

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