



CalPERS for California 2014

Supporting Economic
Opportunity in California



CalPERS for California

The California Public Employees' Retirement System (CalPERS) is one of the largest investors in the world, with more than \$300 billion in assets as of June 30, 2014.

Approximately \$25.7 billion (8.5 percent) of these funds are invested in California-based companies and projects.

CalPERS for California highlights some of the broad ancillary benefits of all CalPERS investments in California.



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Executive Summary

The California Public Employees' Retirement System (CalPERS), the nation's largest public pension fund, plays an important role in California's economy, providing retirement and health benefits to over 1.6 million public employees, retirees, and their families, and nearly 3,100 employers.

As of June 30, 2014, CalPERS investment portfolio totaled \$300.3 billion, an increase of 16 percent from the previous year.¹ Within the CalPERS investment portfolio, 8.5 percent, or \$25.7 billion, is invested in California, supporting local jobs across the state. The market value of CalPERS California portfolio increased 23.5 percent in the 12 months since June 30, 2013.

CalPERS investments in California are a direct result of the strength and diversity of California's economy and the quality of its companies, properties, and other opportunities. These investments must be consistent with the fiduciary responsibility of the CalPERS Board of Administration and its duty to protect the financial security of CalPERS members, through the activities of the CalPERS Investment Office.

The ancillary benefits of CalPERS investments in California include the support of local jobs, infrastructure for communities and commerce, and business expansion and related economic activity. CalPERS private markets invest-

ments in California have resulted in \$24.7 billion in total economic activity across the state, benefiting not only businesses and projects receiving capital from CalPERS, but also suppliers, workers and, through tax revenues, the public sector broadly.

CalPERS for California documents the scale and breadth of CalPERS investments in California and the resulting ancillary benefits, in alignment with CalPERS commitment to transparency and accountability.

As of June 30, 2014, CalPERS invested:

- \$13.6 billion in 615 California-headquartered public companies, which employ 1,074,000 people in California.
- \$1.8 billion of fixed income capital in California, \$598 million of which is invested in 61 California-headquartered corporate bond issuers employing 177,000 people in California.²
- \$3.6 billion in 1,537 California-headquartered private companies, which employ 190,000 people in California.
- \$6.5 billion in 253 California-based real estate projects, which support 129,000 jobs in California.
- \$107.7 million in seven California-based infrastructure projects, which support 1,300 jobs in California.

CalPERS Investments in California by Asset Class: June 30, 2014

	Total Portfolio Value (in billions)	Dollars Invested in California (in billions)	Percentage of Dollars Invested in California	Annual Percentage Change in Dollars Invested in California
Public Equities	\$159.4	\$13.6	8.6%	35.1%
Fixed Income	\$46.9	\$1.8	3.9%	-13.5%
Private Equity	\$31.5	\$3.6	11.5%	0.4%
Real Estate	\$25.9	\$6.5	25.0%	32.1%
Infrastructure ¹	\$1.8	\$0.1	6.0%	-4.7%
Other ²	\$34.8	—	—	—
All CalPERS Total	\$300.3	\$25.7	8.5%	23.5%

¹The value for the CA infrastructure portfolio has been rounded for this chart. The actual value is \$107.7 million.

²CalPERS total portfolio value was \$300.3 billion at 6/30/2014. The five asset classes above do not comprise the entire portfolio. "Other" consists primarily of forestland, inflation linked securities, absolute return strategies, cash, and cash-equivalents.

All CalPERS investments in California support local communities, businesses, and workers. However the role that CalPERS capital plays in sustaining the activities of a public company differs substantially from a private company or project. Specifically, CalPERS is one of thousands of capital providers to public companies, with an indirect connection to the activities of these businesses.

As such, total jobs figures for CalPERS public markets and private markets are presented separately below, recognizing the different relationship between the capital CalPERS provides and employment outcomes.

**Jobs by Asset Class:
June 30, 2014¹**

Public Equities	1,074,000	
Fixed Income	177,000	<i>Note: Jobs already captured within Public Equities²</i>
Public Markets Total³	1,074,000	
Private Equity	190,000	
Real Estate	129,000	
Infrastructure	1,300	
Private Markets Total	320,300	

¹For methodologies calculating the number of jobs supported in California please refer to individual asset class sections within the report.

²The fixed income employment figure is based on publicly available data for this asset class, which was available for 14 companies that received direct corporate bond investment from CalPERS. These 14 companies are also present in CalPERS public equity portfolio. Job estimates cannot be combined as this would constitute double counting.

³It is important to note that the jobs at public companies are created and sustained by all sources of capital utilized by these companies, not just by CalPERS investment. Total jobs supported are calculated for CalPERS public markets investments to illustrate the presence and prominence of these public companies in California's economy and of their relative importance as investments in California by CalPERS.

Introduction

As of June 30, 2014, CalPERS invested \$25.7 billion in companies, properties and projects located in California across five key asset classes including public equities, fixed income, private equities, real estate, and infrastructure.

The primary objective of CalPERS investments in California is to achieve appropriate risk-adjusted return on investment. Investment in California by CalPERS and its third-party investment managers is a consequence of the strength and diversity of California's economy and the quality of its companies, properties, and other investment opportunities.³

Specifically:

- At \$2.1 trillion,⁴ California represents 13 percent of U.S. Gross Domestic Product (GDP) and ranks as the world's eighth largest economy.⁵
- California is home to 54 Fortune 500 companies and 16 of the largest 500 corporations in the world.⁶
- California has received \$423.1 billion of \$1 trillion in private equity investments made from 2004-2013 in the U.S.⁷
- California exported \$168 billion of goods in 2013, representing 10.6 percent of the U.S. total exported goods.⁸

CalPERS invests like other large institutions, diversifying its portfolio among categories of investments, called "asset classes", to reduce its exposure to any one market risk and maximize its return on investment.

Asset classes in this report include:

- **Public markets:**
 - Public equities: investments in public companies domestically and internationally, for example through the New York Stock Exchange.
 - Fixed income: investments in loans provided to governments, companies, and other borrowers.
- **Private markets:**
 - Private equities: investments in private companies that are not publicly traded.
 - Real estate: investments in commercial, residential and industrial property.
 - Infrastructure: investments in real assets including bridges, toll roads, utilities, and airports.

CalPERS California Investments by Asset Class: June 30, 2014

	Dollars invested (in Billions)	Percentage of dollars invested
Public Equities	\$13.6	53%
Fixed Income	\$1.8	7%
Private Equity	\$3.6	14%
Real Estate	\$6.5	25%
Infrastructure ¹	\$0.1	0%
Total	\$25.7	100%

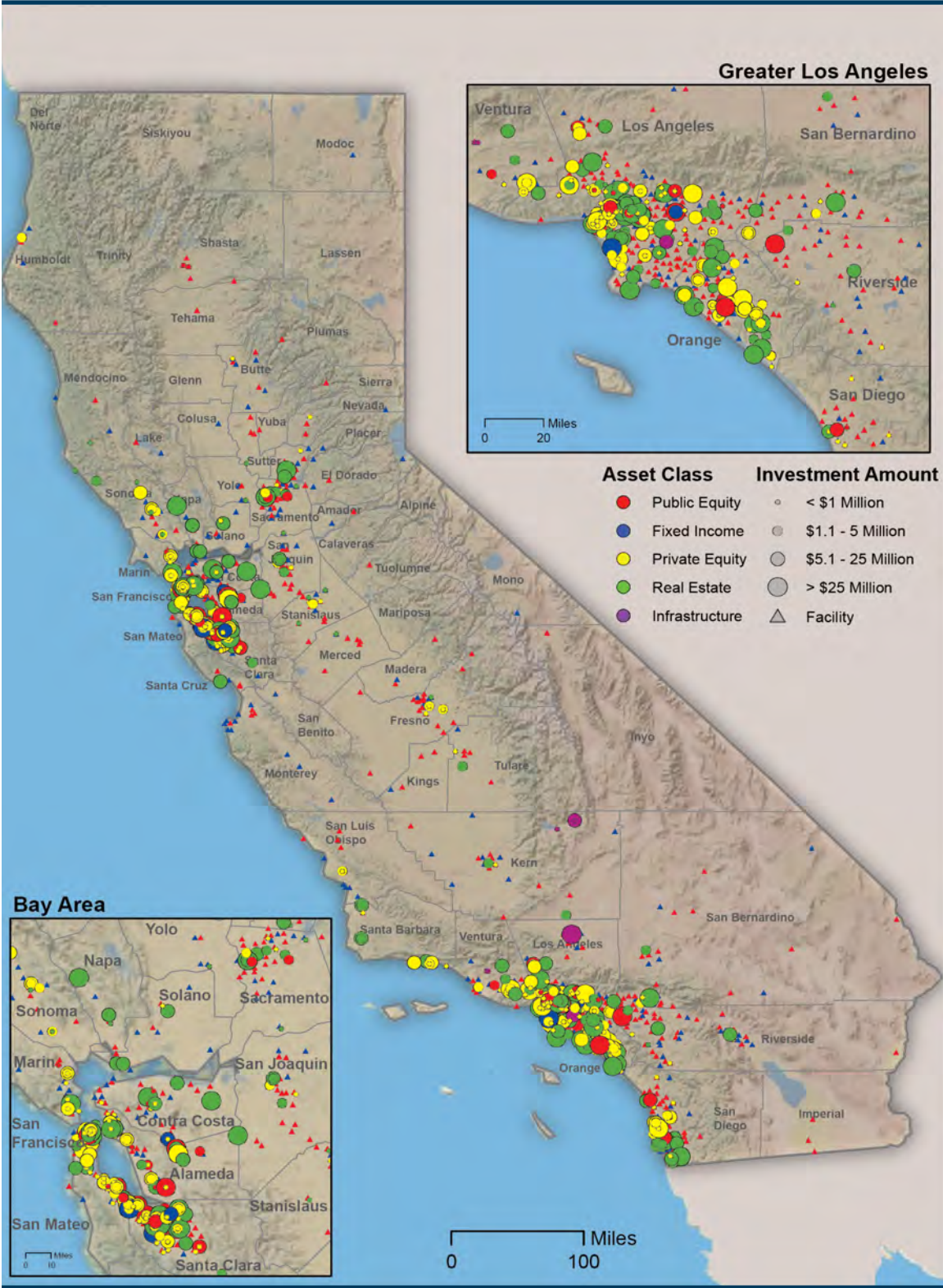
¹The value of the CA infrastructure portfolio has been rounded for this table. The actual value is \$107.7 million.

California is home to investment opportunities in each asset class, to which CalPERS deploys capital directly, using an in-house team of over 300 investment professionals and staff, or by employing the services of qualified third-party investment management companies.

California's large and vibrant economy will continue to attract a portion of CalPERS total investments and will benefit from the impacts that this capital brings to the state, including local employment, infrastructure for communities and commerce, and business development and expansion.

This report captures fiscal year-end activity as of June 30, 2014 and describes the scale and breadth of the System's exposure to companies, properties and projects in California, highlighting the number of jobs that these investments support. The geographic characteristics of investments are used to document the deployment of capital by CalPERS to communities of interest such as low- to moderate-income areas.

CalPERS Investments by Asset Class in California



Public Markets

CalPERS invests the largest volume of its assets in total, and in California, in the public equity and fixed income markets.

The analysis below includes estimates of the number of workers employed in California by the companies in which CalPERS invests. These jobs are not created or sustained only by CalPERS investments. CalPERS owns approximately 0.3 percent of the largest California-headquartered companies in its portfolio. Nonetheless, CalPERS provides an important source of capital for use in all the activities of the public companies and fixed income opportunities in which it invests.

This research focuses on California-headquartered companies because it is readily apparent that the impacts these firms have on California are more significant than those headquartered elsewhere. Companies headquartered in California have 26 percent of their facilities located in-state compared to companies with headquarters outside of California, which have four percent of their facilities based locally.

PUBLIC EQUITIES

Public Equities	Total Market Value	\$159.4 billion
	Value in CA	\$13.6 billion
	Percentage in CA	8.6%

CalPERS invests in public companies primarily as a long-term investor, without betting on market fluctuations. The largest proportion of its public equity portfolio is passively managed by an in-house team of investment professionals. CalPERS maintains some active equity management where there is potential to add value, using in-house expertise and by engaging the services of qualified third-party investment management companies.

The 615 California-headquartered public companies in which CalPERS invests employ an estimated 1,074,000 workers locally. Over one quarter of the facilities of

California-headquartered companies (26 percent) are located in California. Nearly half of CalPERS public equity investments in California are in companies that manufacture products (49 percent).

CalPERS Public Equity Portfolio in California: June 30, 2014¹

Total Companies	615	
Median Company Size (Employees)	980	
Average CalPERS Investment (in millions)	\$29.6	
Company Size (Employees)	1-100 Employees	14%
	101-500 Employees	24%
	>500 Employees	62%
Company Size (Revenue, in millions)	< \$100	24%
	\$101 - \$500	30%
	Over \$500	46%
Median 1-Year Employee Growth ²	3.26%	
Percentage Manufacturing Companies ³	49%	
Estimated Number of Jobs in California ⁴	1,074,000	
Facilities in California	12,757	
Percentage of Facilities in California	26%	

¹Analysis based on a 25 percent random sample (n=152). All data was collected from the Hoovers Inc. online database of publicly traded companies. Hoovers Inc. is a Dun & Bradstreet company.

²Median employee growth data from Hoovers Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³Percentage of manufacturing companies data from Hoovers Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴The number of jobs in California is estimated using the percentage of total company facilities in California. Given that 26 percent of sample facilities are in California, and assuming that employment is spread evenly by facility, 1,074,000=total jobs at California-headquartered companies x 26 percent.

CalPERS makes investments of more than \$100 million in 21 separate companies headquartered in California. These companies account for 70 percent of CalPERS public equity investments in California and 25 percent of the California workers employed by public companies in CalPERS portfolio.

CalPERS +\$100 Million Public Equity Investments in California

Company Name	CalPERS Investment (in millions) ¹	Total Market Capitalization (in millions) ²	CalPERS % of Market Value	Company Facilities in California ³
Apple Inc.	\$1,760.5	\$556,574	0.32%	21%
Google Inc.	\$1,018.1	\$784,016	0.13%	18%
Wells Fargo & Co.	\$939.3	\$275,934	0.34%	16%
Chevron Corp.	\$813.4	\$247,906	0.33%	23%
Oracle Corp.	\$468.0	\$180,926	0.26%	12%
Intel Corp.	\$456.1	\$152,893	0.30%	15%
Qualcomm Inc.	\$449.7	\$132,898	0.34%	39%
Walt Disney Co.	\$442.6	\$145,758	0.30%	23%
Hewlett-Packard Co.	\$433.8	\$63,150	0.69%	6%
Cisco Systems Inc.	\$424.1	\$127,133	0.33%	11%
Gilead Sciences Inc.	\$375.3	\$126,524	0.30%	24%
Facebook Inc.	\$368.7	\$173,272	0.21%	37%
Visa Inc.	\$345.6	\$161,404	0.21%	22%
Amgen Inc.	\$265.0	\$89,890	0.29%	18%
eBay Inc.	\$167.2	\$62,124	0.27%	18%
McKesson Corp.	\$166.3	\$43,201	0.39%	1%
Allergan Inc.	\$153.9	\$50,243	0.31%	22%
DIRECTV	\$145.9	\$42,694	0.34%	18%
CBRE Group Inc.	\$131.6	\$10,641	1.24%	13%
Adobe Systems Inc.	\$116.5	\$35,981	0.32%	12%
Applied Materials Inc.	\$107.0	\$27,443	0.39%	37%
Total	\$9,548.55	\$3,490,605	0.33%	14%⁴

¹CalPERS investment is Market Value at 6/30/2014

²Total Market Capitalization at 6/30/2014.

³The percentage of facilities in California is determined using Hoovers, Inc. data and includes all company facilities with a California address.

⁴Total company facilities in CA is calculated by dividing the total number of CA based facilities for the CalPERS +\$100 million public equity investments by their total number of facilities.

CalPERS invests in approximately 9,400 companies that have international headquarters outside of California. California operations comprise approximately four percent of the total number of facilities globally for these companies.⁹ While companies headquartered elsewhere likely employ millions of Californians, as evidenced by the approximately 54,000 facilities they operate in California compared to 12,800 for the 615 California-headquartered companies that employ one million local workers, a precise jobs estimate was unable to be determined with available data.

Impacts of Global Equity Companies not Headquartered in California on the California Economy¹

Total Companies	9,423
Approximate Number of Facilities	1,505,000
Percentage of Facilities in CA	3.56%

¹Analysis based on a 3 percent random sample (n=283) of companies not headquartered in California in the CalPERS Global Equity portfolio.

FIXED INCOME¹⁰

Fixed Income	Total Market Value	\$46.9 billion
	Value in CA	\$1.8 billion
	Percentage in CA	3.9%

CalPERS has fixed income investments in California, managed in-house and externally, in four primary areas:

- **Corporate bonds:** Corporate bonds are debt securities issued by private and public corporations. Companies issue corporate bonds to raise money for a variety of purposes, such as building new plants or purchasing equipment.¹¹

- **Credit enhancements:** Credit enhancements for state or municipal entities effectively substitute the credit rating and liquidity of the credit enhancement provider for that of the borrower. Credit enhancement thereby lowers the cost of capital for the borrower and provide CalPERS with an incremental earnings stream for this service.
- **Structured securities:** Structured securities are investments in a diverse group of loans and provide risk and return characteristics contingent on a range of underlying indices, interest rates or cash flows.¹²
- **Whole loans:** Whole loans include remaining California mortgages through the CalPERS Member Home Loan Program and commercial loans to California businesses.

CalPERS Fixed Income Key Investment Classes in California: June 30, 2014

	Dollars invested (in millions)	Percentage of dollars invested
Corporate Bonds	\$598	34%
Credit Enhancements ¹	\$102	6%
Structured Securities	\$953	53%
Whole Loans	\$133	7%
Total	\$1,787	100%

¹Credit Enhancement dollars are “committed” and not invested.

CalPERS Fixed Income portfolio includes corporate bond investments in 61 companies headquartered in California managed by CalPERS and external third-party investment managers. CalPERS invests \$526 million directly in 14 of these companies, without the assistance of external third-party investment managers. The 14 companies in which CalPERS invests directly are larger than companies invested in by other asset classes, with a median size of approximately 26,400 employees. These companies employ approximately 177,000 workers in California and operate 2,100 local facilities.

**CalPERS Fixed Income Portfolio –
Corporate Bonds in California: June 30, 2014¹**

Total Companies		14
Median Company Size (Employees)		26,433
Average CalPERS Investment (in millions)		\$37.6
Company Size (Employees)	1-100 Employees	0%
	101-500 Employees	0%
	>500 Employees	100%
Company Size (Revenue, in millions)	<\$100	0%
	\$101 - \$500	0%
	Over \$500	100%
Median 1-Year Employee Growth ²		3.49%
Percentage Manufacturing Companies ³		43%
Estimated Number of Jobs in California ⁴		177,000
Facilities in California		2,052
Percentage of Facilities in California		17%

¹Data from corporate bond issuers with headquarters in California as listed in the Hoovers Inc. database. This includes 14 companies and \$526 million of investments. This table does not include California corporate bond issuers receiving investment through external managers. There are 50 California corporate bond issuers receiving a total of \$72.4 million in investment from third-party investment managers with an average of \$1.5 million. Three of the 50 corporate bond issuers receiving investment from third-party investment managers also receive direct investment from CalPERS.

²Median employee growth data from Hoovers, Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³Percentage of manufacturing companies data from Hoovers, Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴California job data is estimated by multiplying total number of employees by the percentage of facilities in California.

CalPERS also invests in approximately 316 corporate bond issuers that are not headquartered in California, of which 75 percent have facilities in-state and employ local workers. In-state operations comprise 6.5 percent of the total number of facilities globally for these companies.¹³ These 316 companies operate approximately 11,000 facilities in California and likely employ hundreds of thousands of Californians when considering that the 14 California-headquartered companies operate approximately 2,100 facilities, with 177,000 local workers. However a precise jobs estimate was unable to be determined with available data.

**Impacts of Fixed Income Corporate Bond
Issuers not Headquartered in California
on the California Economy¹**

Total Companies	316
Approximate Number of Facilities	170,000
Percentage of Facilities in CA	6.5%

¹Analysis based on a 10 percent random sample (n=32) of companies not headquartered in California in the CalPERS Fixed Income portfolio.

Private Markets

CalPERS invests approximately 20 percent of its total assets in private markets inside and outside of California, including in private equity, real estate and infrastructure. Within California, the proportion of CalPERS assets in private market strategies is much greater, at 40 percent. Private market strategies encompass investments in companies, properties, and projects that cannot be accessed publicly.

The job creation and other ancillary benefits of private companies, properties and projects that receive investments directly from CalPERS, or through contracted third-party investment managers, can be more directly attributed to the System than investments in public markets.

CalPERS is typically a larger investor among a more targeted group of institutions in any given deal, fund or partnership. Moreover, in the case of private equity, the investment managers supported by CalPERS (called “General Partners”) often join the boards of directors of the companies in which they invest and provide strategic advice, improved operating guidance, and access to broad networks that directly enhance the probability of business success.

At times, the investment managers that CalPERS enlists to support its efforts in private markets have also raised additional capital as a result of CalPERS anchor partnership commitment in their funds. While not all of these “co-investments” in private California-based companies, properties, and projects can be attributed to CalPERS, the opportunity to partner with CalPERS and its investment managers has proven to be attractive to other providers of capital.

The private markets section of *CalPERS for California* highlights four areas in which capital may be especially socially beneficial.¹⁴ This includes:

- Low- to Moderate-Income (LMI) Areas¹⁵
- High Unemployment Areas¹⁶
- High Minority Areas¹⁷
- Rural Areas¹⁸

Access to capital is an important factor in business and productivity growth, job and wealth creation, innovation, and sustainable community and economic development. The benefits of access to capital accrue to the direct recipients of investments, and to the areas in which they are located.

The proportion of CalPERS investments in LMI, High Unemployment, High Minority, and Rural Areas reflects the demand for capital in the asset classes in which CalPERS invests. For example, CalPERS invests in companies and properties in central business districts and other economic hubs that offer attractive investment opportunities. These areas tend to be more ethnically and economically diverse, but CalPERS investment is not a result of these characteristics. As with all the System’s investments, the decision of CalPERS and its third-party investment managers to support a California-based company, property or project is made solely on the basis of the financial merits of the particular investment opportunity.

Locating Investments in California

The analysis in this section uses the demographic and income characteristics of ZIP codes. If the ZIP code in which an investment is located is determined to be an LMI, High Unemployment, High Minority, or Rural Area, then the investment and the dollars associated with the investment are considered to be in the defined community.

In the case of High Unemployment, Rural, and High Minority Areas, the calculations are relatively straightforward. The data used to determine the appropriate status of relevant populations is available by ZIP code and uses 2010 U.S. Census and 2010 California Employment Development Department data.

Calculating the LMI status of a ZIP code is more complex. The following method is applied using U.S. Census Bureau 2006-2010 American Community Survey data for every tract in the United States:

1. The population in a census tract is assumed to be evenly distributed across the entire census tract. This includes the LMI population.
2. The number of census tracts and percentage of each census tract located in every ZIP code is determined using geographic information systems (GIS) data.
3. The percentage of the total population and LMI population from each census tract is attributed to the ZIP code in which it is located.
4. A total population number, and LMI population number, is calculated for every ZIP code by combining partial census tracts.
5. The ZIP code is considered to be LMI if the percentage of LMI population in a ZIP code is greater than 50 percent of the total.

In the United States 38 percent of all ZIP codes are classified as LMI using this analysis. In California, 49 percent of all ZIP codes are classified as LMI, including 85 percent in the “urban core” comprising the Central Business Districts of San Francisco, Oakland, Los Angeles and San Diego.¹⁹

PRIVATE EQUITY

Private Equity	Total Market Value	\$31.5 billion
	Value in CA	\$3.6 billion ²⁰
	Percentage in CA	11.5%

CalPERS is a significant investor in privately held California-based companies in a wide range of industries. Private companies are generally smaller than public companies and use capital to support rapid growth, whether by commercializing new technologies, expanding operations, or by realizing efficiencies in readiness for an acquisition or public listing.

CalPERS invests in private companies primarily through Limited Partnerships, or commingled funds. These investments are often structured as 10-year agreements with a professional investment manager. The manager, known as the General Partner, is the intermediary between investors with capital and businesses seeking capital.

CalPERS Private Equity Portfolio in California: June 30, 2014

Total Companies	1,537
CalPERS Investments (in millions)	\$3,614
Third-Party Co-Invested Dollars (in millions) ¹	\$47,048
Estimated Jobs in CA ²	190,000

¹Includes all other capital invested alongside CalPERS in the same companies in the same private equity fund, not the total market value of the company. Other co-invested dollars are determined only from \$3.5 billion in direct partnership investments for which information was available.

²Estimated jobs in California is determined by applying the total number of California jobs supported by the California Initiative to the entire California Private Equity portfolio.

The companies in CalPERS private equity portfolio that are headquartered in California are estimated to employ 190,000 workers in the state. An additional \$47 billion has been co-invested alongside CalPERS in the same California-based companies by other Limited Partners.

Of 337 third-party funds investing CalPERS assets in California-headquartered companies, 44 percent are managed by General Partners based in California, demonstrating CalPERS commitment to supporting the state's capital markets and financial infrastructure.

CalPERS private equity investments provide a unique ancillary benefit by deploying capital to areas that have traditionally had limited access to institutional private equity assets. Private equity investment has historically been clustered within geographic regions such as Silicon Valley. Specifically, nearly 95 percent of private equity capital invested in California has been in just six percent of ZIP codes across the state. As of June 30, 2014, 21 percent of the value of CalPERS private equity investments in California is directed to ZIP codes outside of the areas receiving the vast majority of investments from all sources of institutional private equity capital.

Sixty-eight percent of the value of CalPERS private equity investments in California is in High Minority Areas. CalPERS also has private equity investments in High Unemployment, LMI, and Rural Areas.

CalPERS invests in a wide range of companies, with investments in more than 11 different industries. The following chart shows the diversity of CalPERS California private equity portfolio with the distribution of sectors, including the heaviest concentrations in information technology, health care and consumer discretionary companies.

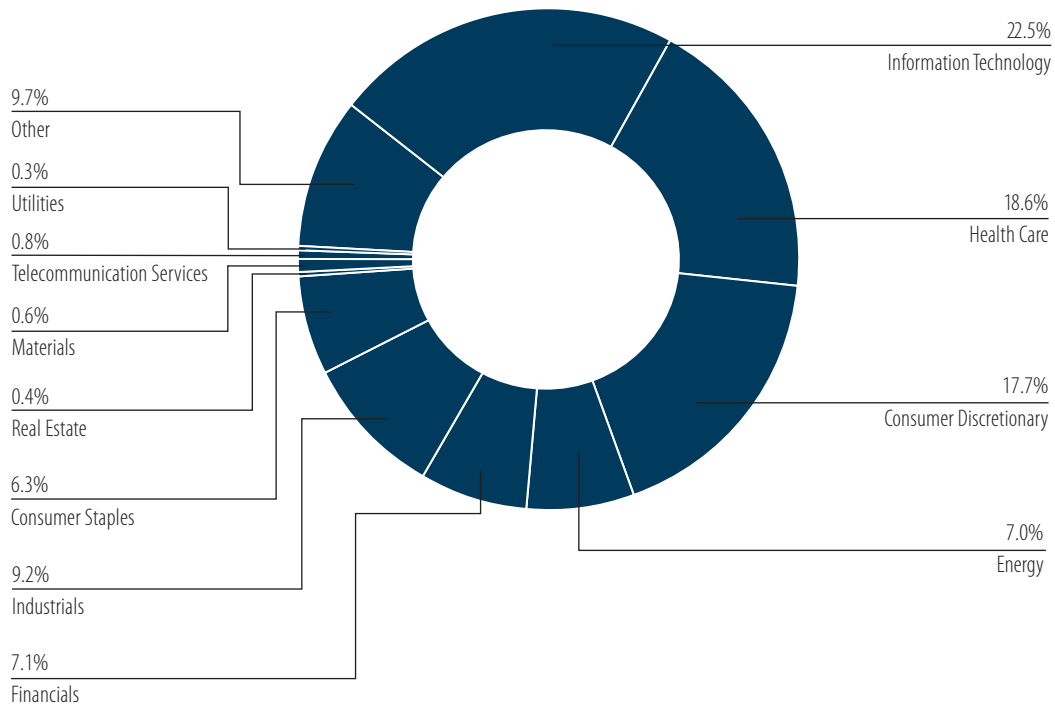
Private Equity Ancillary Benefits in California¹

	Percentage of investments	Percentage of dollars
High Unemployment Areas	15%	16%
Rural Areas	4%	4%
High Minority Areas	59%	68%
LMI Areas	20%	19%
Limited Capital Access Areas ²	12%	21%

¹Private equity ancillary benefits in California were determined using private equity California investment amounts and ZIP code data from direct partnerships and does not include data from other externally managed investments.

²According to data from Thomson Reuters analyzing all private equity transactions between 2002 and 2011, nearly 95 percent of all private equity in California has been committed to 6 percent of California ZIP codes. ZIP codes not included in this 6 percent are considered Limited Capital Access Areas.

California Private Equity Investments by Industry



Note: "Other" includes transportation, miscellaneous, and unclassified investments.

Case Study: CalPERS California Initiative

The CalPERS California Initiative (Initiative) is a private equity investment strategy providing capital to companies primarily in California with the goal of generating financial returns that meet or exceed industry benchmarks. As an ancillary objective, the Initiative invests in traditionally underserved areas where opportunities may have been bypassed, aiming to impact the economic infrastructure of the state. The Initiative was established in 2001 and has invested \$1 billion since inception, with \$309 million currently invested in 156 active companies reporting data in 2014.

The tenth annual examination of the ancillary benefits of the Initiative is available in a separate report on CalPERS website at <http://www.calpers.ca.gov/index.jsp?bc=/about/press/news/retirement/economic-engine/home.xml>.

Highlights at June 30, 2014 include:

- 24,513 total jobs created at 156 companies reporting data, for net employment growth of 35 percent since the time of investment.
- Investment in areas that have not historically received institutional equity capital, with 39 percent of capital invested in companies located in these underserved markets.
- Employment opportunities for economically disadvantaged workers, with 48 percent of all reporting company employees classified as low- to moderate-income.

Ancillary benefits for the Initiative are summarized in the following tables:

Since Inception California Initiative Results Job Support and Job Creation

Ancillary Benefits ¹	Overall California Initiative	The California Initiative within California	Percentage within California
Total Jobs/ Employees Supported	155,507	36,065	23%
Total Jobs Created Since Investment ²	27,256	10,433	38%
Percentage Job Growth Since Investment ³	21%	41%	n/a

¹Ancillary benefits are derived from data from all companies ever receiving investment under the California Initiative and includes both active and fully realized investments that have reported data. These ancillary benefits capture the entirety of the Initiative's Job Support and Job Creation ancillary benefits since inception.

²Total Jobs Created Since Investment represents net jobs created for the entire California Initiative portfolio and aggregates job losses and gains at both active and exited portfolio companies.

³From 2001-2014, U.S. private sector employment increased 5% and California private sector employment increased 6%.

**California Initiative Ancillary Benefits:
Active Portfolio Companies as of June 30, 2014¹**

	Overall California Initiative	The California Initiative within California ²
Total Companies	156	99
Total Dollars Invested	\$309,000,000	\$212,000,000
Total Jobs / Employees Supported	93,976	22,556
Total Jobs Created Since Investment	24,513	7,414
Percentage Job Growth Since Investment ³	35%	49%
Percentage of Employees Classified as Low- to Moderate-Income	48%	41%
Percentage of Dollars Invested in Companies Located in Areas Underserved by Institutional Equity Capital	39%	44%
Percentage of Dollars Invested in Companies with at least one Female Officer	32%	20%
Percentage of Dollars Invested in Companies with at least one Minority Officer	38%	30%

¹Ancillary benefits are derived from data from active companies reporting as of June 30, 2014. These ancillary benefits capture the Initiative's ancillary benefits for companies currently within the California Initiative portfolio.

²The California Initiative invests in companies with operations and employees in and outside of California. This column examines the Initiative's ancillary benefits solely in California.

³Percentage Job Growth Since Investment examines job growth only for the active portfolio companies within the California Initiative and does not include exited portfolio companies.

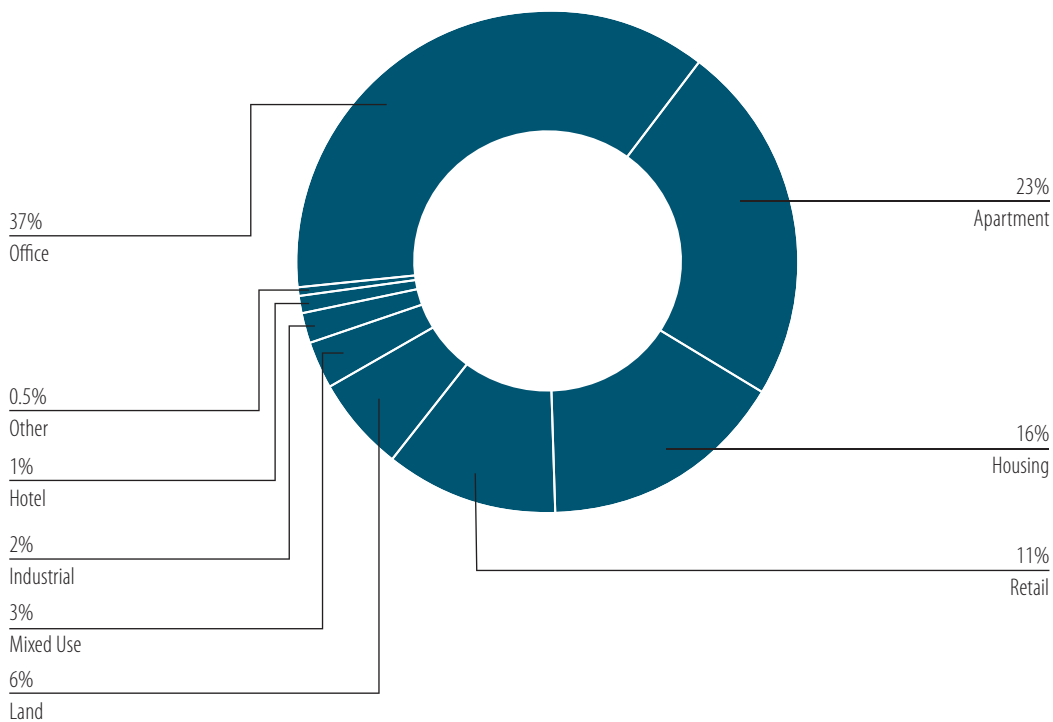
REAL ESTATE

Real Estate	Total Market Value	\$25.9 billion
	Value in CA	\$6.5 billion
	Percentage in CA	25%

CalPERS invests in real estate primarily through the funds and partnerships of third-party investment managers. CalPERS has a “core” portfolio of stabilized income producing real estate diversified by property type and geography. The portfolio also includes single family housing, senior housing, urban real estate, international investments and natural resources (vineyards and agriculture).

The real estate asset class is more heavily weighted to California than any other asset class. The portfolio in California includes a diverse group of assets that provide ancillary benefits in the areas in which they are located, including the creation of construction jobs and economic activity connected to construction, the accommodation of new retail, industrial and commercial employers and the anchoring of communities with real assets. The following chart shows the distribution of CalPERS California real estate investments, including the heaviest concentrations in office, apartment, retail, and housing properties.

California Real Estate Investments by Property Type



An additional \$2.7 billion in capital from other institutions is co-invested alongside CalPERS in California real estate. CalPERS real estate investments support an estimated 129,000 jobs statewide.²¹

CalPERS California real estate projects in the development and construction phase support a total of 26,000 jobs. The construction of CalPERS California real estate projects not only supports workers within the construction industry, but also indirectly supports workers throughout the state.²²

Additionally, CalPERS California real estate investment portfolio includes income-generating properties with high occupancy levels such as neighborhood retail centers and office buildings. These properties provide critical infrastructure and operating space to retail and professional service providers supporting a total of 99,000 jobs. CalPERS properties with high occupancy levels also support workers within property management and other related industries.²³

Fifty percent of CalPERS California real estate investments dollars are located in LMI areas. Real estate investments are often in Central Business Districts and concentrated urban areas, where property investments of all types are more readily available. These urban districts typically include a larger proportion of LMI, High Unemployment, and High Minority Areas.

Real Estate Ancillary Benefits in California¹

	Percentage of investments	Percentage of invested dollars
High Unemployment Areas	49%	35%
Rural Areas	14%	8%
High Minority Areas	74%	68%
LMI Areas	50%	43%

¹Ancillary benefits are based on the 247 California real estate investments for which valid ZIP code data was available.

**CalPERS Real Estate Portfolio in California:
June 30, 2014**

CalPERS CA Portfolio Value (in millions)	\$6,474
Other Co-Invested Dollars (in millions) ¹	\$2,705
Number of Investments	253
Estimated Jobs in California ²	129,000

¹Value includes all other capital invested alongside CalPERS in the same real estate investments in the same third-party funds, partnerships and real estate investment trusts.

²See endnotes for estimated jobs in California methodology.

Case Study: Canyon Catalyst Fund

For more than 20 years, CalPERS has supported the development of California's future investment managers, known as emerging managers, through dedicated programs and investment. CalPERS invests in emerging managers²⁴ to:

- Generate appropriate risk adjusted investment returns by identifying early stage funds with strong potential for success.
- Access unique investment opportunities that may otherwise be overlooked.
- Cultivate the next generation of external investment management talent.

In September 2012, as part of CalPERS Real Estate Emerging Manager Program, Canyon Capital Realty Advisors was selected to manage a \$200 million discretionary capital allocation, the Canyon Catalyst Fund (Canyon). Canyon seeks to identify, support, and invest with California-based real estate emerging managers in attractive investment opportunities, exclusively in California.

Beyond serving as an investment vehicle, Canyon provides mentorship and support to emerging managers to accelerate their learning and growth. As part of this mentorship and support Canyon carefully selects professionals from its experienced team to serve as advisors to its emerging managers and also provides vital back-office resources, including legal, compliance, accounting, and investor relations.

To date Canyon has selected four emerging managers to partner with, three of whom are women- or minority-owned, highlighting CalPERS and Canyon's commitment to diversity and inclusion. The four emerging managers are described in the table below.

As of June 30, 2014 Canyon and its four emerging managers had invested \$87 million in nine California-based real estate projects, supporting job creation and redevelopment across the state.

One of the projects receiving investment through Canyon is Rancho Las Palmas, a 158,156 square foot neighborhood shopping center in Rancho Mirage, CA. In partnership with Paragon Commercial Group, Canyon has invested \$10.4 million to acquire and redevelop the property, which had suffered from poor tenant occupancy. The redevelopment will include a new highway entry point to improve access and a new stoplight to improve traffic flow. The project is expected to create significant ancillary benefits for the local community, including supporting 58 new jobs, and has garnered significant praise from Rancho Mirage City Council Members.

CalPERS partnership with Canyon and investment in projects like Rancho Las Palmas demonstrates its commitment to supporting California's emerging managers while acquiring properties that produce stable sources of investment income and provide vital economic infrastructure for the state.

Canyon Catalyst Fund Emerging Manager	Investment Strategy	Geographic Focus	Commitment Amount	Woman- or Minority-Owned Firm
Pacshore Partners	Office and Mixed-Use Properties	Southern California	\$30 Million	Minority-Owned Firm
Rubicon Point Partners	Office and Datacenter Properties	Northern California	\$50 Million	Woman-Owned Firm
Paragon Commercial Group	Retail Properties	Statewide	\$30 Million	n/a
Sack Properties	Multifamily Properties	Statewide	\$50 Million	Woman-Owned Firm

INFRASTRUCTURE

Infrastructure	Total Market Value	\$1.8 billion
	Value in CA	\$107.7 million
	Percentage in CA	6.0%

CalPERS searches for infrastructure opportunities in sectors including transportation, energy, power, and water, investing both directly, and in partnership with third-party investment managers. CalPERS considers infrastructure investments to have the potential to benefit local economic development and provide essential community services within the state.

CalPERS has \$107.7 million invested through commingled funds in infrastructure assets in California. More than 93 percent (\$100.5 million) of these investments are in projects providing reliable water supplies to drought-prone areas.

Other institutions co-invested \$15.4 million alongside CalPERS in California infrastructure projects. CalPERS infrastructure investments support 1,300 jobs statewide.²⁵

CalPERS Infrastructure Portfolio in California: June 30, 2014

CalPERS CA Portfolio Value (in millions)	\$107.7
Other Co-Invested Dollars (in millions) ¹	\$15.4
Number of Investments	7
Estimated Jobs in California ²	1,300

¹Value includes all other capital invested alongside CalPERS in the same infrastructure projects.

²See endnotes for estimated jobs in California methodology.

Case Study: Antelope Valley Water Bank

Antelope Valley Water Bank (Water Bank) is a 1,838 acre groundwater storage bank located in Kern County, Southern California, in close proximity to two of the largest north-south aqueducts in the state of California. The Water Bank stores surface water in underground aquifers during wet years, which is then extracted for use during dry years, allowing the Bank's customers—primarily California's public water agencies—to effectively manage the reliability of their water supplies.

Once complete, the Water Bank will be one of the largest groundwater storage banks in California with pumping systems, pipeline network, and water recharge facilities that will support 500,000 acre feet, equivalent to approximately 163 billion gallons of total storage capacity and 32.6 billion gallons per year of recharge and extraction capacity. To date, the first phase of construction for the Water Bank has been completed, providing 13 billion gallons per year of recharge capacity and 6.5 billion gallons per year of extraction capacity.

CalPERS has invested \$88 million in the Water Bank through its \$205 million discretionary infrastructure fund with CIM Group, a Los Angeles-based real estate and infrastructure fund manager. The Water Bank represents an attractive investment opportunity that, when complete, will help manage California's water supply in a challenging environment characterized by a highly variable hydrological cycle, a growing population and increasing water usage, as well as shifts in water demand resulting from continuing urbanization in city centers.

CalPERS investment in the Water Bank demonstrates its commitment to investing in California Infrastructure to produce stable, attractive returns while also addressing California's long-term infrastructure needs.

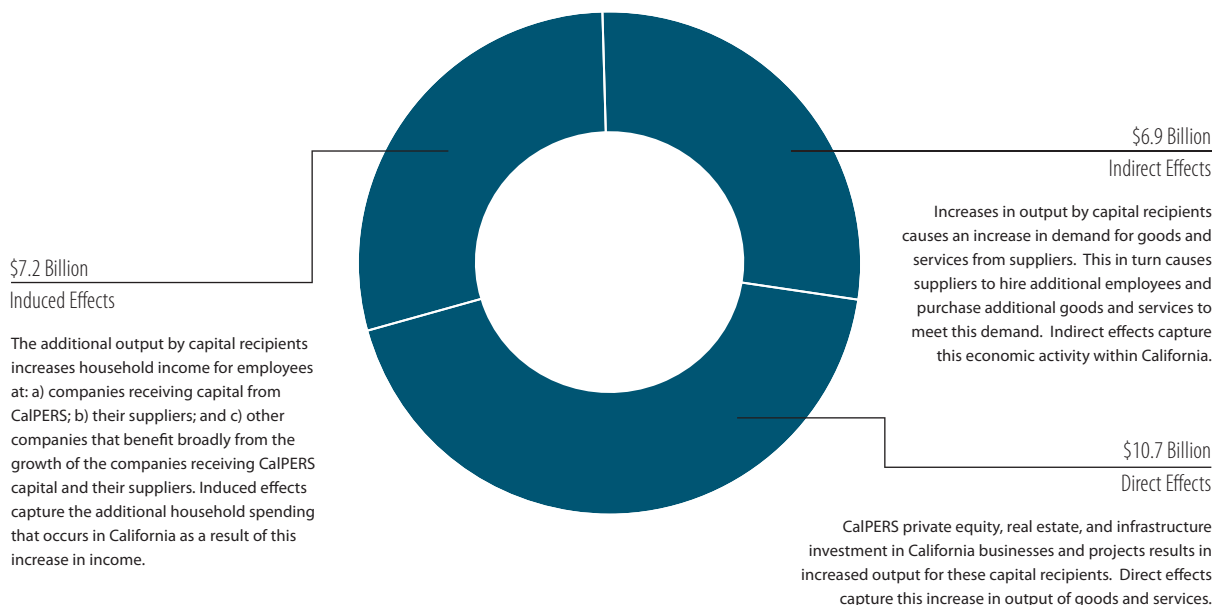
The Economic Impact of CalPERS Private Markets Investments in California

CalPERS private markets investments in California generate \$24.7 billion in economic activity across the state through the “multiplier effect”, which accounts for the way in which CalPERS capital reverberates throughout California’s economy. CalPERS investments result in direct effects, indirect effects, and induced effects within the California economy as described in the diagram below.

The total economic impact of CalPERS private markets investments in California represents the summation of these economic ripple effects (direct effects, indirect effects, and induced effects) and is calculated using the IMPLAN Version 3.0 economic multiplier model software package. IMPLAN utilizes social accounts to analyze the consequences of projected economic transactions in a particular region.²⁶ Used by over 2,000 public and private institutions, IMPLAN is a widely employed and accepted regional economic analysis tool.

CalPERS California private markets investments in private equity, real estate, and infrastructure are input separately into the IMPLAN economic multiplier model using the specific industries and sectors receiving investment. CalPERS public markets investments are intentionally excluded from this analysis due to the more indirect relationship between the investment of capital by CalPERS and the use of this capital by recipient public companies.²⁷ A more detailed explanation of the methodology employed for estimating the total economic impact of CalPERS private markets investments in California is included in the report’s endnotes.

CalPERS Total Economic Impact in California: \$24.7 billion²⁸



Conclusion

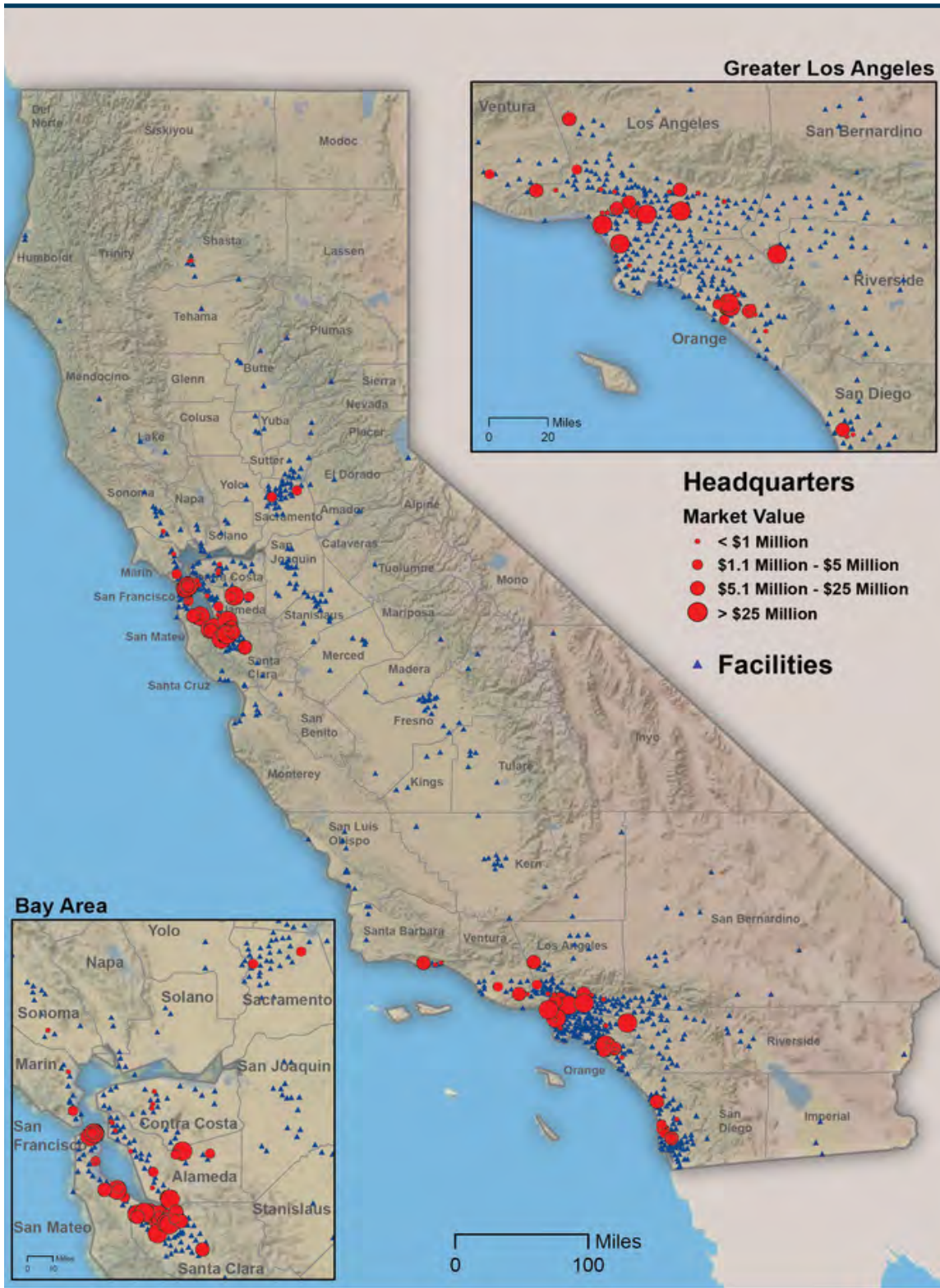
CalPERS is the nation's largest pension system and, like all institutional investors, plays an important role in sustaining and growing all of the companies, properties and projects in which it invests, not least in California.

CalPERS invests \$25.7 billion (8.5 percent) of its \$300 billion in assets in California, including in the state's underserved communities. CalPERS private markets investments in California generate \$24.7 billion in economic activity and provide significant ancillary benefits resulting from the magnitude and breadth of CalPERS presence in the state.

CalPERS will continue to pursue California-based investment opportunities grounded in the historic strength of the state economy, seeking attractive risk-adjusted financial returns. *CalPERS for California* demonstrates CalPERS ongoing commitment to rigorously track and report on these efforts.

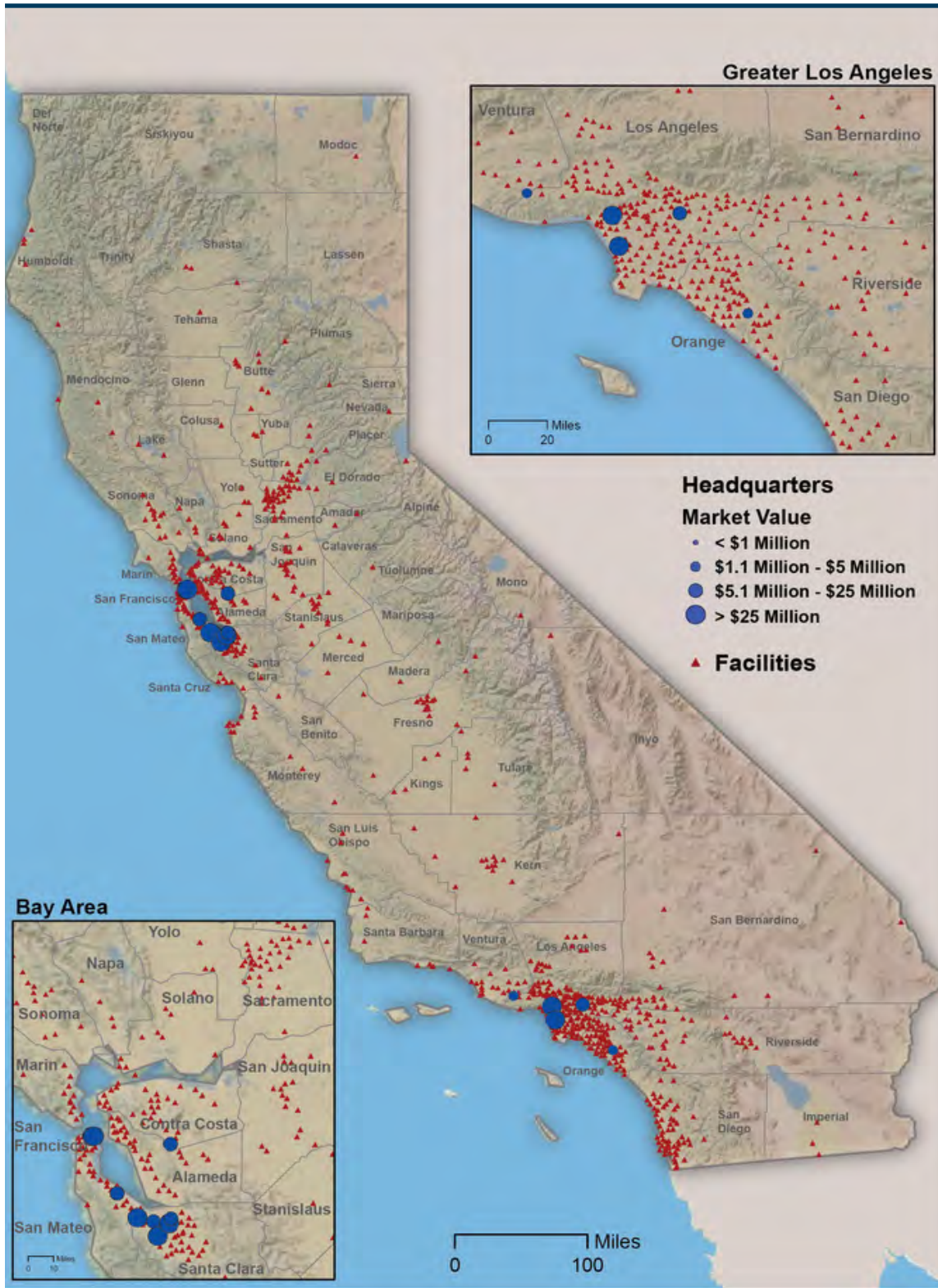
Location of CalPERS Investments in California*

CalPERS Public Equity Investments in California

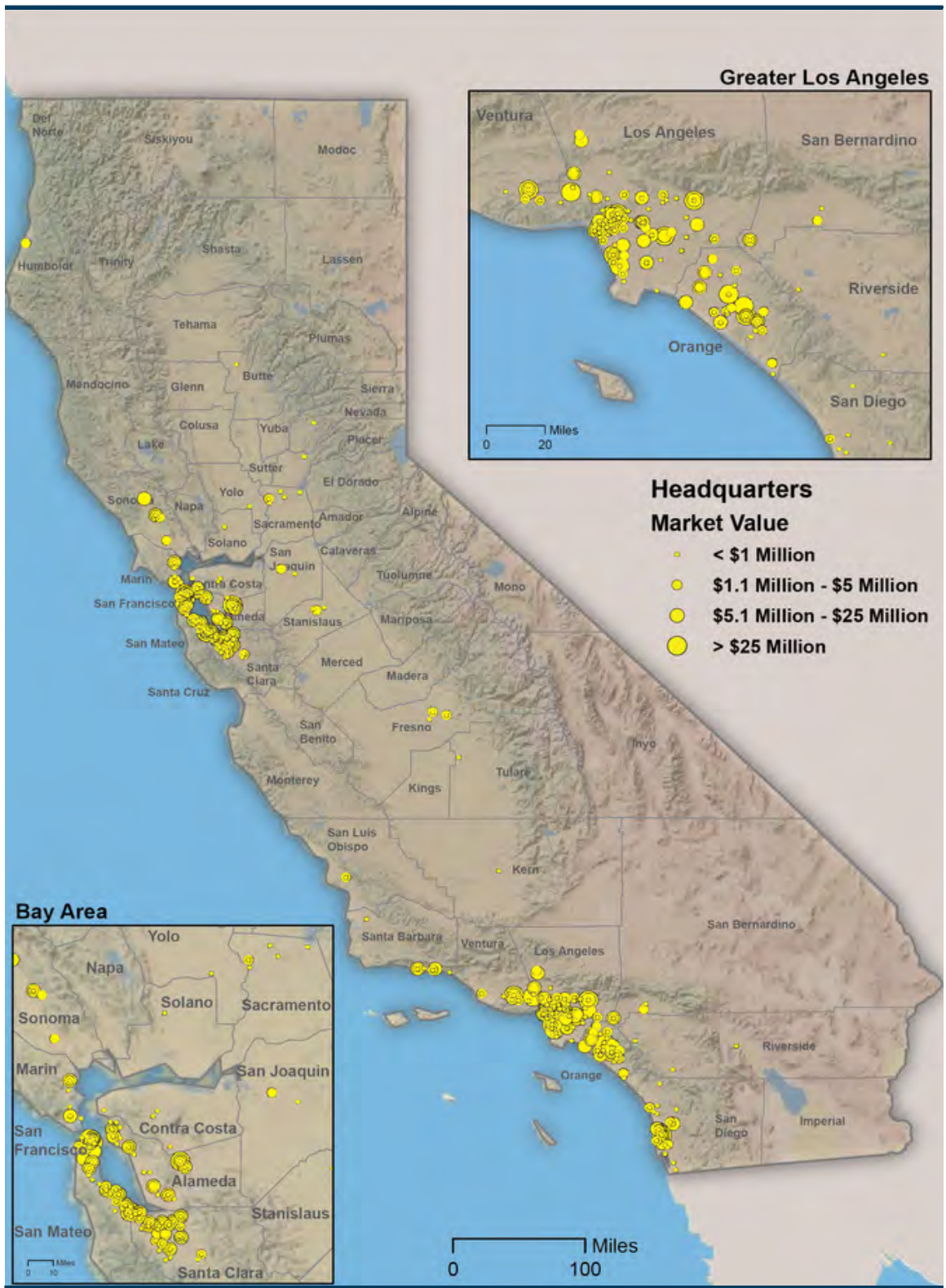


* These maps only contain information on CalPERS investments headquartered in California.

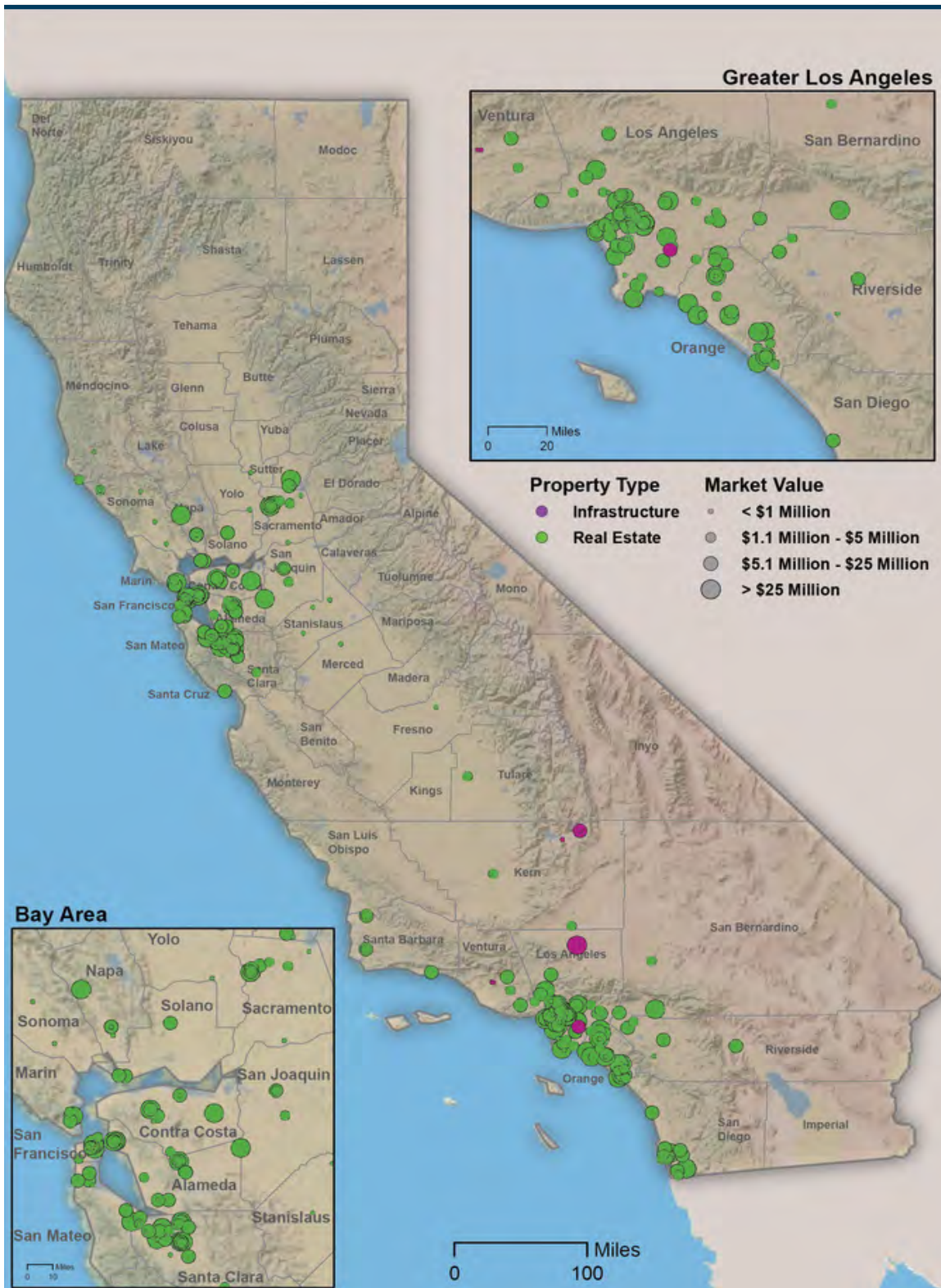
CalPERS Fixed Income Investments in California



CalPERS Private Equity Investments in California



CalPERS Real Estate and Infrastructure Investments in California



Endnotes

¹CalPERS Total Fund Monthly Update: Month Ending June 30, 2014, available at <https://www.calpers.ca.gov/eip-docs/about/committee-meetings/agendas/invest/201408/item07a-05.pdf>

²CalPERS has made corporate bond investments in 61 California-headquartered companies. Of the 61 companies, 14 have received direct investments from CalPERS and 50 have received investment indirectly through CalPERS external managers, with three companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 14 companies receiving direct investments from CalPERS. The average size of these investments is \$37.8 million. The average size of external manager corporate bond investments in California companies is \$1.5 million.

³The capital that CalPERS invests in California is usually not explicitly directed to the state, but is the consequence of a typical institutional investment process weighing the financial merits of particular companies, properties and projects, regardless of location. The size and dynamism of California's economy are the primary drivers of CalPERS significant exposure to local communities and the related benefits that this brings, like job creation.

The research methods in this report are fully documented in footnotes. The difficulty of directly attributing ancillary benefits to CalPERS is especially notable and explains why public market and private market investments are discussed separately in CalPERS for California.

The data in this report offers a snapshot of CalPERS investments and has been analyzed by Pacific Community Ventures (PCV), a third-party research organization.

⁴U.S. Bureau of Economic Analysis, Regional Economic Accounts, available at www.bea.gov/regional/index.htm.

⁵2015 Economic Forecast and Industry Outlook, The Kyser Center for Economic Research at <http://laedc.org/wp-content/uploads/2014/07/LAEDC-October-2014-Forecast-Report.pdf>

⁶CNNMoney, Fortune 500 and Fortune 500 Global, available at <http://money.cnn.com/magazines/fortune/fortune500/index.html>

⁷Private Equity Growth Council, <http://www.privateequityatwork.com/state-by-state/>.

⁸U.S. Census Bureau, available at www.census.gov/foreign-trade/statistics/state/data/ca.html

⁹The analysis is based on a 3% sample of all non-California headquartered companies (n=283). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely underestimates the actual number of California employees, since more employees are typically located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly overestimate the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹⁰The fixed income asset class includes five distinct investment programs. Only publicly available data was used to conduct analysis for this asset class, which was available only for companies that issued corporate bonds. According to the state of domicile, 61 corporate bond issuers (and \$598 million in investments) are considered California companies.

¹¹CalPERS has made corporate bond investments in 61 California-headquartered companies. Of the 61 companies, 14 have received direct investments from CalPERS and 50 have received investment indirectly through CalPERS external managers, with three companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 14 companies receiving direct investments from CalPERS. The average size of these investments is \$37.8 million. The average size of external manager corporate bond investments in California companies is \$1.5 million.

The 14 companies that received direct corporate bond investment from CalPERS are also part of CalPERS Public Equity portfolio. Job estimates cannot be combined as this would constitute double counting of 14 large companies.

¹²The classification of a California-based structured security investment was derived using security composition data from Bloomberg. The total structured security market value for each of CalPERS investments was multiplied by the percentage composition of the structured security based in California.

¹³The analysis is based on a 10 percent sample of all non-California headquartered companies (n=32). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely underestimates the actual number of California employees, since more employees are typically

located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly overestimate the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹⁴To determine the dollar amounts invested in these areas, the market value of each investment is attributed to the ZIP code provided for a given company, property or project. Dollars invested in all ZIP codes that match the given criteria are summed and reported as a percentage of the total market value for each asset class invested in California.

¹⁵Low- to Moderate-Income (LMI) Areas are predominantly (50 percent or more) composed of LMI residents (38 percent of U.S. ZIP codes fall into this category). A census tract is determined to be LMI based on the following criteria:

- Median income of the tract is at or below 80 percent of the metropolitan statistical area median or below 80 percent of the statewide, non-metropolitan area median income
- At least 20 percent of the population lives in poverty
- The unemployment rate is at least 1.5 times the national average (based on US Census Bureau and 2006-10 American Community Survey data, consistent with research on the California Initiative. 1.5 times the 2006-10 national average of 6.8 percent is 10.2 percent)

See the Milken Institute Center for Capital Access and Job Formation for extensive literature on the lack of access to capital in LMI communities, at www.milkeninstitute.org.

¹⁶High unemployment areas are defined by the State of California Employment Training Panel as being 15 percent higher than the California average. At June 30, 2014, the California average unemployment rate was 7.4 percent; therefore any ZIP code with an unemployment rate above 8.5 percent is considered a High Unemployment Area.

¹⁷High Minority Areas are defined as ZIP codes in which the percentage of the minority population is higher than the median percentage of the minority population in all California ZIP codes (above 24 percent). See 'MBDA Study Finds Capital Access Remains Major Barrier to Success for Minority-Owned Firms' for more information on access to capital in minority communities. US Department of Commerce Minority Business Development Agency, January 29, 2010, available at www.mbda.gov/pressroom/press-releases/mbda-study-finds-capital-

[access-remains-major-barrier-success-minority-owne](#). According to the MBDA study, minority-owned firms receive fewer loans and smaller equity investments than non-minority owned firms, even when controlling for firm size.

¹⁸Rural areas are defined as ZIP codes in which the percentage of the rural population is higher than the median percentage of the rural population in all California ZIP codes (above 3.67 percent). See 'Advancing Rural America', U.S. Small Business Administration Office of Advocacy, available at www.sba.gov/advo/research/rural_sb.html for more information on access to capital in rural areas. According to the SBA, rural businesses access to capital has historically been limited and may be constrained further as bank mergers replace community banks with larger entities that are less interested in non-credit card small-sized loans.

¹⁹The boundaries of the Central Business Districts (CBD) of Los Angeles, Oakland, San Diego and San Francisco were determined using GIS technology. All ZIP codes that overlapped the CBD were included in this analysis. There are a total of 20 ZIP codes that overlap the four CBDs. Seventeen (85 percent) of those ZIP codes are predominantly comprised of LMI census tracts.

²⁰This includes CalPERS direct private equity partnership investments, direct investments, and externally managed investments. This number may differ from total portfolio numbers in other CalPERS reports due to varying standards for defining a California company.

²¹Estimated jobs supported by CalPERS real estate investments in California are determined using the IMPLAN Version 3.0 economic multiplier model software package. IMPLAN is used by hundreds of government agencies, colleges and universities, non-profit organizations, corporations, and business development and community planning organizations for analyzing economic impacts (for more information visit www.implan.com).

To determine jobs supported by CalPERS California real estate investments, the IMPLAN model examines the State of California as the geographic area of study, capturing and accounting for economic benefits resulting from CalPERS real estate investments statewide. Methodologies specific to property type and development phase were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from the construction/operation of various property types. The methodologies are described as follows:

Construction of Residential and Non-Residential Properties

Total net asset values for residential and non-residential properties including apartments, single-family housing, senior housing, office, and retail under the pre development, development, and redevelopment categories were uploaded directly into the IMPLAN model for analysis where they are matched with construction activities.

Sales of Goods and Services at Non-Residential Properties with Current Occupants

Property square footage data for retail properties with current occupants is multiplied by industry data on retail sales. Property square footage data for other non-residential properties with current occupants including in the office and industrial sectors are multiplied by property-specific industry data on rental income. Total rental income amounts are subsequently divided by a rent-to-revenue ratio to derive total sales of goods/services for each tenant property. Total sales of goods and services at tenant properties are then uploaded into the IMPLAN model for analysis where they match industry activities.

Rental/Leasing of Non-Residential Properties with Current Occupants

Property square footage data for non-residential properties with current occupants including office, industrial, and retail are

multiplied by industry data on property-specific rental income. The total rental income amounts are uploaded directly into the IMPLAN model for analysis where they match with rental, leasing, and property management activities.

As with other asset classes, this analysis does not imply that the jobs created and sustained by CalPERS investments in real estate are directly attributable to the System. Rather, it is an estimate of employment directly related to the properties in question, for which CalPERS investments play an important enabling role.

Estimated California Jobs from CalPERS California Real Estate Investments

Construction of Residential and Non-Residential Properties	26,000
Sales of Goods and Services at Non-Residential Properties with Current Occupants	99,000
Rental/Leasing of Non-Residential Properties with Current Occupants	4,000
Total Estimated Jobs in California	129,000

The following table outlines rental income per square foot, retail sales per square foot, rent to revenue ratios, and IMPLAN industry codes used in this analysis.

Industry	Rental Income per Square Foot	Retail Sales per Square Foot	Rent-to-Revenue Ratio	IMPLAN Industry Codes and Descriptions
Retail	\$29.66	\$341.00	—	34: Construction of new nonresidential commercial and health care structures 329: Retail Stores - General merchandise 360: Real estate establishments
Office	\$26.22	—	4%	34: Construction of new nonresidential commercial and health care structures 360: Real estate establishments 367-380: Various professional services (legal, accounting, architectural, technical, scientific, etc)
Apt, Housing	—	—	—	37: Construction of new residential permanent site single - and multi-family structures
Industrial	\$6.36	—	2.1%	35: Construction of new, nonresidential manufacturing structures 319: Wholesale trade business 360: Real estate establishments

Sources: Cassidy Turley, IBIS World, and RetailSails

²² CalPERS California real estate projects in the development and construction phase indirectly support workers across the state through the purchase of goods and services needed for construction of these projects and through the personal consumption by construction workers tasked to these particular projects.

²³ CalPERS California investments in income generating real estate properties directly support tenant businesses through the provision of critical infrastructure and operating space. Additionally, tenant businesses indirectly support workers across the state through the purchase of goods and services needed for day-to-day business operations and through the personal consumption of workers at their businesses on household purchases.

²⁴ Emerging managers within the real estate asset class are defined based on the following criteria:

- Less than \$1 billion in assets under management
- Four or fewer current or prior institutional funds
- Headquartered and investing in California

- Demonstrable track record of success and ability to co-invest meaningful capital

²⁵ California infrastructure supports an estimated 1,300 jobs statewide. This estimate is derived from the IMPLAN Version 3.0 economic multiplier model software package. Stage of development, land acquisition costs, and development costs were examined for California infrastructure projects. For each project, net asset values less land development costs were inputted directly into the IMPLAN model using IMPLAN Industry Code 36: Construction of other new non-residential structures.

²⁶ Social accounts describe the structure and function of a specific economy. IMPLAN employs input-output analysis in conjunction with region specific social accounts or Social Accounting Matrices (SAM) and multipliers to analyze economic impacts.

²⁷ IMPLAN cannot be applied to CalPERS public markets investments in California, for the following reasons:

- Attribution: CalPERS cannot directly tie its provision of capital to the operations and economic activity occurring

at California headquartered public companies given it is one of many investors in these businesses.

- Overestimation: Applying the IMPLAN economic multiplier model to CalPERS public markets investments in California would overstate CalPERS total economic impact.
- Area of Study Limitations: IMPLAN is an input-output economic multiplier model that requires a set geographic area of study. As California headquartered public companies have a significant number of facilities and operations in and outside of California it is difficult to specify what proportion of CalPERS investment in these companies is injected directly into California's economy, limiting the accuracy of the resulting total economic impact figure.

²⁸To determine the total economic impact of CalPERS California private markets investments in private equity, real estate, and infrastructure, the IMPLAN model examines the State of California as the geographic area of study, capturing and accounting for economic benefits resulting from CalPERS investments statewide. Methodologies specific to each asset class were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from the CalPERS investments. The methodologies are described below.

Private Equity Investments

CalPERS private equity investment amounts in California private companies are uploaded directly into the IMPLAN model alongside an industry spending pattern that matches each company's industry or sector. Only CalPERS direct partnership

investments and investments through third party investment managers were included in this analysis. Sector/industry data was available for \$2.9 billion of CalPERS California private equity investments. The \$2.9 billion CalPERS invests in California private companies is distributed across 59 industries based upon each company's industry and the amount of capital that company has received. For the \$731 million of investments where sector/industry data was not available, our analysis assumes they reflect the same industry/sector distribution as the wider portfolio. Accordingly, the remaining \$731 million has been distributed pro rata amongst the portfolio's 59 sectors.

Real Estate Investments

CalPERS investment amounts in California real estate projects are uploaded into the IMPLAN model to capture the economic impacts resulting from the construction/operation of various property types. The same methodology that is used to calculate jobs supported by CalPERS California real estate investments is used to calculate the total economic impact resulting from CalPERS California real estate investments. This methodology is described in greater detail above in endnote 21.

Infrastructure Investments

CalPERS investment amounts in California infrastructure projects are uploaded into the IMPLAN model to capture the economic impacts resulting from the construction/operation of various projects. The same methodology that is used to calculate jobs supported by CalPERS California infrastructure investments is used to calculate the total economic impact resulting from CalPERS California infrastructure investments. This methodology is described in greater detail above in endnote 25.

CalPERS Profile

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with assets of approximately \$255 billion.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million members and more than 3,000 school and public employers. The System also operates 8 Regional Offices located in Fresno, Glendale, Orange, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek. Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of approximately 1.1 million active and inactive members and more than 500,000 retirees, beneficiaries, and survivors from State, school and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees who dedicate their careers to public service. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and 5 years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death.

Today CalPERS offers additional programs, including a deferred compensation retirement savings plan, member education services, and an employer trust for post-retirement benefits. Learn more at our website at www.calpers.ca.gov.



California Public Employees' Retirement System

400 Q Street | Sacramento, CA 95811

www.calpers.ca.gov

For more information, please contact:

Pacific Community Ventures | www.pacificcommunityventures.org

