

Investment Beliefs

Summary of Discussion

This session explores how some of CalPERS' beliefs can be best mapped to its investment framework and aligned policies through a strategic dialogue between Board and staff, with reference to global best practice. The focus is on two topic areas:

- First, how should CalPERS' beliefs on liabilities and multi-faceted risk be interpreted, including:
 - Liability risk and mission impairment risk (explicit link to benefit payment mission)
 - Operationalizing these risks through a multiple lenses concept
 - Building a coherent hierarchy of decision-making, incorporating portfolio roles and objectives while considering how factors and asset classes can be aligned
- Second, how should CalPERS' beliefs on long-term time horizon, stakeholder involvement, and three forms of capital be interpreted, including dialogue regarding:
 - The successful implementation of global governance principles and policies
 - The long-horizon focus and integration of financial and extra-financial factors
 - Creating clarity around the implementation of these beliefs in order to strengthen the hierarchy of decisions

A key outcome of the session should be settled views between the Board and staff on how CalPERS' beliefs should be implemented.

The materials for this session include:

- External Presenter Biographies
 - PowerPoint Presentations
 - Background Information
 - *The Wrong Type of Snow*
 - *Pension Fund as Universal Owners: Opportunity Beckons and Leadership Calls*
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