



Agenda Item 9a

August 17, 2015

ITEM NAME: Private Equity Cash Flow Distribution Examples

PROGRAM: Private Equity

ITEM TYPE: Program Review – Information

EXECUTIVE SUMMARY

This agenda item provides a high-level overview of the economic structure of CalPERS' Private Equity (PE) fund investments.

STRATEGIC PLAN

The agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability. This item provides information on PE fund investment structures to support CalPERS' Investment Committee (Committee) in its oversight capacity.

BACKGROUND

This item is being presented to the Committee in response to questions from members of the Committee and recent discussions regarding efforts to reduce costs and complexity across CalPERS' portfolio.

ANALYSIS

This item provides an overview of a typical PE fund structure with a focus on cash flows and profit sharing between Limited Partners and General Partners. This item is intended to illustrate a hypothetical example private equity fund. This item does not illustrate many other attributes and characteristics specific to PE commingled funds.

BUDGET AND FISCAL IMPACTS

Not Applicable

BENEFITS/RISKS

Not Applicable

ATTACHMENTS

Attachment 1 – Private Equity Cash Flow Distribution Examples

RÉAL DESROCHERS
Managing Investment Director
Private Equity

THEODORE ELIOPOULOS
Chief Investment Officer