



## Finance and Administration Committee Agenda Item 4e

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March 15, 2016

**Item Name:** Semi-Annual Financial Report

**Program:** Financial Office

**Item Type:** Information Consent

### **Executive Summary**

This item represents the CalPERS Fiscal Year (FY) 2015-16 Fiscal Year to Date Financial Report to the Committee. As of December 31, 2015, the net position of the CalPERS Public Employees' Retirement Fund (PERF) was over \$291.5 billion, which represents a decrease of \$5.8 billion or 2 percent since December 31, 2014. Additionally, this represents a decrease of \$11.2 billion or 4 percent since June 30, 2015.

### **Strategic Plan**

This agenda item supports Goal B of the CalPERS 2012-2017 Strategic Plan, which is to cultivate a high-performing, risk-intelligent and innovative organization.

### **Background**

This agenda item is being presented to the Committee to present the financial position of PERF as of December 31, 2015.

### **Analysis**

As of December 31, 2015, the net position of the PERF was over \$291.5 billion, which represents a decrease of \$5.9 billion or 2 percent since December 31, 2014. Negative investment returns to global equities was the main driver for the decrease.

The net position at July 1, 2015 was \$302.8 billion compared to \$301.8 billion at July 1, 2014, an increase of \$1.0 billion. The slight year over year increase is attributable to an increase in employer rates partially offset by slowed economic growth of the fund's investments.

For the six months ended December 31, 2015, total income (including contributions and investments & other income) was approximately negative \$0.6 billion. Contribution revenue consisted of \$7.9 billion, which was offset by investment losses of \$8.5 billion. The total expenditure amount for this period (including pension benefits paid, termination and refund benefits, administration costs, investment management fees, and other investment expenses) was approximately \$10.6 billion. Overall, the net position of the PERF decreased \$11.2 billion or 4 percent.

### **Budget and Fiscal Impacts**

This item is provided to the Committee for informational purposes and has no direct impact on the CalPERS budget.

**Benefits and Risks**

There are no known risks associated with this item.

**Attachments**

Attachment 1 – Semi-Annual Financial Report

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**KRISTIN MONTGOMERY**

Controller  
Financial Office

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**CHERYL EASON**

Chief Financial Officer