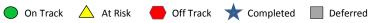
CalPERS 2016-17 Business Plan Mid-Year Report – Initiative Summary July 1, 2016 - December 31, 2016

Goal A Improve long-term pension and health benefit sustainability	End Date	Status
Investment Risk Management and Performance Attribution – Build effective investment risk and performance attribution review and decision processes within and across asset classes to ensure risks are fully understood, intended, and compensated	June 2017	
Risk Factor Development for Asset Liability Management – Develop a model that identifies and analyzes risk factors driving assets and liabilities and explore the potential for risk factor-based allocation	June 2017	
Redesign and Enhance the Actuarial Valuation System – Redesign and enhance the Actuarial Valuation System to increase capabilities, streamline processes, and create a more robust valuation system	June 2017	
Enhance Capital Allocation Framework – Enhance the Capital Allocation framework through improved risk factor modeling and greater understanding and ownership of trust-level investment risk and performance	June 2017	
Pension Rate Stabilization Prefunding Vehicle – Explore alternatives and provide recommendations for establishing a pension rate stabilization prefunding vehicle	June 2017	
Promote Access to High-Value Health Care Services – Explore feasibility to introduce incentives to promote access to quality and preventive services, increase treatment adherence, and adopt healthy behaviors	June 2017	
Provide Health Costs Education and Outreach – Provide employers with aggregate views of health data to identify major health care costs and assess impacts	December 2016	*
Complete Pilot to Improve Long-Term Care Hospital Transition Care for Senior Members – Assess the specialized hospital transition care management program to improve quality and reduce hospital readmissions for Preferred Provider Organization Health Plan members with Long-Term Care policies	September 2016	*
Investment Program Long-Term Planning – Explore long-term planning considerations including private assets business model, talent management, and office locations	June 2017	
External Manager Monitoring, Expectations, and Reduction Strategy – Develop enhanced governance and protocols to improve efficiencies and controls in assessing and engaging external managers and migrating additional asset types in house	June 2017	
Enhance Business Effectiveness, Resource Allocation, and Efficiency of Investment Programs – Enhance cost effectiveness, resource allocation, and efficiency of the investment program to increase net returns on assets	June 2017	
Enhance Investment Platform and Controls – Enhance the investment platform and internal controls environment to achieve optimum efficiency	June 2017	
Investment Beliefs and Environmental, Social, and Governance (ESG) Risk Integration – Develop a framework for the integration of CalPERS Investment Beliefs and ESG risk considerations into the investment decision-making process	June 2017	

Status Key:

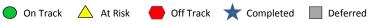


CalPERS 2016-17 Business Plan Mid-Year Report – Initiative Summary July 1, 2016 – December 31, 2016

Goal B Cultivate a high-performing, risk-intelligent, and innovative organization	End Date	Status
Complete Cost Effectiveness Measurement (CEM) Evaluation and Identify Enhancements – Evaluate and analyze 2014-15 CEM Benchmarking customer service reporting data to identify the feasibility of pension administration cost savings and performance improvements	June 2017	
Improve the Use of Data to Drive Business Insights – Provide self-service access and education to business intelligence data to support risk mitigation, planning, innovation, and organizational performance	June 2017	
Capture Customer Feedback – Utilize customer surveys to collect customer satisfaction data, and analyze the survey data to track and improve customer service	June 2017	
Improve Customer Engagement and Communications – Review core business processes and publications to enhance customer engagement and the overall end-to-end experience	June 2017	
Implement Financial Literacy Education for Members – Implement a plan to enhance members' understanding of key concepts related to financial literacy through increased education and training	June 2017	
Implement Digital Communication Strategy – Enhance digital communications capabilities to support outreach and communication to members, employers, and other stakeholders	June 2017	
Emerging Leader – Develop and implement a journey-level training program to prepare non-supervisory employees for future leadership roles	December 2016	\triangle
Organizational Health Index – Assess the Organizational Health Index survey results and identify and address high priority improvements to CalPERS culture	June 2017	
Expand Diversity Program – Develop and begin implementing a plan to expand the Diversity and Inclusion Program to recruit and empower a broad range of talents to meet organizational priorities	June 2017	
Compensation Policy Review – Develop recommendations to the incentive compensation programs and policies governed by the CalPERS Board of Administration	June 2017	
Master Enterprise Business Continuity Plan – Update master Business Continuity Program that accounts for enterprise priorities and can be executed post a major disruption	December 2016	*
Align Technology Planning to Business Priorities – Establish an approach to ensure technology planning aligns to business priorities	June 2017	
Enhance Enterprise Compliance Capabilities – Implement enhancements to enterprise compliance capabilities throughout the organization as described in the five-year compliance plan	June 2017	
Enhance Cyber Security Program – Implement risk mitigation strategies to enhance management of security events, access to information and data loss prevention to safeguard information assets	June 2017	

Status Key:





CalPERS 2016-17 Business Plan Mid-Year Report – Initiative Summary July 1, 2016 - December 31, 2016

Goal C Engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs	End Date	Status
Enhance External Partnerships – Develop partnerships with industry experts, the business community, employers, and stakeholders on key policy issues to strengthen awareness and understanding of CalPERS long-term strategic priorities and goals, and forge solutions in the best interests of the system's members and employers	June 2017	
Employer Excise Tax – Assess appropriately the impacts of excise tax and execute an outreach plan that provides stakeholders information on the excise tax policy and other Affordable Care Act components	June 2017	



