
June 19, 2017**Item Name:** CalPERS for California Report 2016**Program:** Investment Manager Engagement Programs**Item Type:** Information**Executive Summary**

This agenda item provides the annual update on CalPERS' investments in California and the jobs supported by those investments.

Strategic Plan

This agenda item supports the CalPERS' Strategic Plan goal to improve long-term pension and health benefit sustainability. The CalPERS for California report is used by staff to reach out to stakeholders who are interested in CalPERS' investments in California. Engagement with stakeholders assists CalPERS to gain knowledge and establish collaborative relationships to better accomplish the System's investment objectives.

Investment Beliefs

This agenda item highlights recent work guided by:

- CalPERS Investment Belief 3: CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries;

Background

The *CalPERS for California* report tracks CalPERS' investments in California by asset class which totals \$27.3 billion. The report includes case studies of California investments including an update on Private Equity's *California Initiative*. The *California Initiative*, established in 2001, has invested \$1 billion in portfolio companies in traditionally underserved markets primarily located in California.

Analysis

Key findings highlighted in the 2016 *CalPERS for California* report are:

- California investments totaled \$27.3 billion or 9.3% of the Total Fund.
- Over 262,400 jobs have been supported as a result of CalPERS' private asset class investments in California.
- The companies headquartered in California receiving investment through CalPERS' global equity and fixed income investments employ over a million people.

Key findings highlighted in the *CalPERS California Initiative 2016* report are:

- Since the inception of the *California Initiative*, CalPERS has directed and invested over \$1 billion in 539 companies primarily in California.
- Companies receiving investment through the *California Initiative* provide quality jobs to employees, with benefits for health and retirement outpacing State and national levels.
- The *California Initiative* has invested in areas of the State that have historically not received institutional equity capital, with 17% of capital allocated to companies located in these underserved markets.

Trend of CalPERS' Investments in California

Over the last seven years CalPERS' investments in California have grown from \$17.1 billion to \$27.3 billion and continue to represent over 9% of all CalPERS' assets.

2010-2016 Comparison of California Investment							
Fiscal Year	2010	2011	2012	2013	2014	2015	2016
CalPERS' Assets (billions)	\$201	\$208	\$233	\$257	\$300	\$302	\$295
Dollars invested in CA (billions)	\$17.1	\$19.4	\$19.7	\$20.8	\$25.7	\$27.8	\$27.3
Dollars invested in CA as percentage of CalPERS' assets	8.5%	8.2%	8.9%	8.1%	8.5%	9.2%	9.3%

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Not Applicable.

Attachments

Attachment 1 – CalPERS for California and California Initiative 2016

Attachment 2 – CalPERS for California 2016

Attachment 3 – CalPERS California Initiative 2016

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