



Finance and Administration Committee

Agenda Item 5c

April 16, 2019

Item Name: Semi-Annual Financial Reporting

Program: Financial Reporting

Item Type: Information Consent

Executive Summary

This item represents the CalPERS Fiscal Mid-Year (mid-FY) 2018-19 Financial Report to the Committee. As of December 31, 2018, the net position of the CalPERS Public Employees' Retirement Fund decreased by 4 percent since December 31, 2017 due to unfavorable market conditions.

Strategic Plan

This agenda item supports efforts to strengthen the long-term sustainability of the pension fund.

Background

This agenda item is being presented to the Committee to provide mid-year updates and report on any issues related to CalPERS financial reporting.

Analysis

As of December 31, 2018, the net position of PERF was over \$339.1 billion, which represents a decrease of \$13.9 billion (or 4 percent) since December 31, 2017. Negative investment returns for global equities resulting from unfavorable market conditions, were the main driver for the decrease.

Contributions as of mid-FY 2018-19 were \$11.5 billion, compared to \$12.2 billion, as of mid-FY 2017-18. This reduction reflects the higher than normal state contribution from its \$6.0 billion supplemental payment last year. Benefit payments as of mid-FY 2018-19 were \$11.9 billion, compared to \$11.1 billion as of mid-FY 2017-18.

The total income amount excluding contributions for the fiscal year to mid-FY 2018-19 (including investments & other income) was approximately negative \$13.9 billion. The total expenditure amount excluding benefit payments for this period (including termination and refund benefits, administration costs, investment management fees, and other investment expenses) was approximately \$0.7 billion.

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 (PERF)

Michele Nix
Controller

Michael Cohen
Chief Financial Officer