



Investment Committee

Agenda Item 6e

June 17, 2019

Item Name: CalPERS for California Annual Update

Program: Investment Manager Engagement Programs

Item Type: Information Consent

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 CalPERS 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 primary objective of CalPERS' investments in California is to achieve an appropriate risk-adjusted return on investment. All of CalPERS' investments must be consistent with the fiduciary responsibility of the CalPERS Board of Administration and its duty to protect the financial security of CalPERS members. As the world's fifth largest economy, California offers a wide array of attractive investment opportunities for all investors.

The *CalPERS for California* report tracks CalPERS' investments in California by asset class which totals \$33.5 billion. The online report includes two case studies of California investments including Private Equity's investment in Signature Coast, a woman-led, nationally ranked company in Northern California, and Real Estate's investment in 560 Mission Street, a commercial high-rise office building located in San Francisco.

Analysis

Key findings highlighted in the 2018 *CalPERS for California* report are:

- California investments totaled \$33.5 billion or 9.5% of the Total Fund.
- Over 246,000 jobs have been supported as a result of CalPERS' private asset class investments in California.

Trend of CalPERS' Investments in California

Over the last nine years CalPERS' investments in California have grown from \$17.1 billion to \$33.5 billion and continue to represent over 9% of all CalPERS' assets.

2010-2018 Comparison of California Investment									
Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
CalPERS' Assets (billions)	\$201	\$208	\$233	\$257	\$300	\$302	\$295	\$324	\$352
Dollars Invested in CA (billions)	\$17.1	\$19.4	\$19.7	\$20.8	\$25.7	\$27.8	\$27.3	\$30.1	\$33.5
Dollars Invested in CA as a percentage of CalPERS' Assets	8.5%	8.2%	8.9%	8.1%	8.5%	9.2%	9.3%	9.3%	9.5%

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Not Applicable.

Attachment

Attachment 1 - Weblink to the 2018 CalPERS for California Report

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