



Investment Committee

Agenda Item 6a

September 14, 2020

Item Name: CalPERS Trust Level Review and Annual Program Reviews

Program: Total Fund

Item Type: Information

Executive Summary

This agenda item provides the Investment Committee of the CalPERS Board of Administration (Committee) with an update on economic conditions, commentary on performance and risk positioning across CalPERS' funds, and a review of investment and business objectives for the investment program.

Additional information is provided as follows:

1. A presentation of routine semi-annual trust level review information and annual program review highlights (Attachment 1).
2. An update on the total risk the organization has chosen to be exposed to through asset allocation, policy benchmarks, and active management (Attachment 2).
3. Performance of each portfolio within the Public Employees' Retirement Fund (Attachment 3).
4. Global Investment Performance Standard (GIPS) Asset Owner Reports and Independent Verifier's Reports as of June 30, 2020 (Attachment 4).
5. Official fund level performance prepared by CalPERS' Financial Office (Attachment 5).

Strategic Plan

This agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability by supporting the Committee in its oversight role for CalPERS' investment program.

Investment Beliefs

This agenda item supports several of CalPERS Investment Beliefs, including Investment Belief 10, that strong processes, teamwork, and deep resources are needed to achieve CalPERS' goals and objectives. This agenda item is the result of clear, well-established reporting processes designed to support effective governance of CalPERS' investment program. Further, this item itself is an example of CalPERS' commitment to teamwork, reflecting collaboration and input by over ten individual teams.

Background

This agenda item provides information to:

- Support the Committee in fulfilling several of the responsibilities delegated to it by CalPERS Board of Administration, such as oversight of performance, cost effectiveness, and sustainable investment considerations.
- Fulfill reporting requirements as set forth by the Committee in CalPERS' investment policy statements
- Fulfill reporting requirements established by Government Code §20235

Analysis

Not Applicable

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

Not Applicable

Attachments

Attachment 1 – CalPERS Trust Level Review & Annual Program Reviews Presentation
Attachment 2 – CalPERS Trust Level Risk Management Summary
Attachment 3 – Public Employees' Retirement Fund Portfolio & Partnership Report
Attachment 4 – GIPS Asset Owner Reports and Independent Verifier's Reports
Attachment 5 – Official Fund Level Performance Prepared by CalPERS Financial Office

Arnold B. Phillips

Interim Deputy Chief Investment Officer

Dan Bienvenue

Interim Chief Investment Officer