



CalPERS for California 2012

Supporting Economic
Opportunity in California



CalPERS for California

The California Public Employees Retirement System (CalPERS) is one of the largest investors in the world, with more than \$233 billion in assets as of June 30, 2012.

Approximately \$20.7 billion (8.9 percent) of these funds are invested in California-based companies and projects.

CalPERS for California highlights some of the broad ancillary benefits of all CalPERS investments in California.



Table of Contents

| | |
|--|-----------|
| Executive Summary | 3 |
| Introduction | 4 |
| Public Markets | 6 |
| Public Equities | 6 |
| Fixed Income | 9 |
| Private Markets | 12 |
| Private Equity | 14 |
| Real Estate | 18 |
| Infrastructure. | 21 |
| Conclusion | 23 |
| Location of CalPERS Investments in California | 24 |
| Endnotes | 28 |

Executive Summary

The California Public Employees' Retirement System (CalPERS), the nation's largest public pension fund, plays an important role in California's economy, providing retirement and health benefits to over 1.6 million public employees, retirees, and their families, and more than 3,100 employers.

As of June 30, 2012, CalPERS investment portfolio totals \$233.4 billion.¹ Of this amount, 8.9 percent, or \$20.7 billion, is invested in California, supporting approximately 1.5 million local jobs.

This represents an increase over June 30, 2011, when CalPERS had \$19.4 billion invested and supported 1.4 million jobs in California, although year-to-year comparisons ought to be interpreted as indicative, not conclusive, given the inherent difficulty in making employment estimates.

CalPERS investments in California are a direct result of the strength and diversity of California's economy and the quality of its companies, properties, and other opportunities. These 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, through the activities of the CalPERS Investment Office.

The ancillary benefits of CalPERS investments in California include the support of local jobs, infrastructure for communities and commerce, and business expansion and related economic activity.

CalPERS for California documents the scale and breadth of CalPERS investments in California and the resulting ancillary benefits, in alignment with the System's commitment to transparency and accountability.²

As of June 30, 2012, CalPERS invested:

- \$9.1 billion in 664 California-headquartered public companies, which employ 1,002,000 people in California.
- \$2.6 billion of fixed income capital in California, \$692 million of which is invested in 42 California-headquartered corporate bond issuers employing 178,000 people in California.³
- \$4.6 billion in 1,836 California-headquartered private companies, which employ 188,000 people in California.
- \$4.3 billion in 307 California-based real estate projects, which support 102,000 jobs in California.
- \$94.2 million in seven California-based infrastructure projects, which support 2,000 jobs in California.

CalPERS Investments in California by Asset Class: June 30, 2012

| | Total Portfolio Value (in billions) | Dollars Invested in California (in billions) | Percentage of Dollars Invested in California | Jobs in California ³ |
|-----------------------------|-------------------------------------|--|--|---------------------------------|
| Public Equities | \$112.7 | \$9.1 | 8.1% | 1,002,000 |
| Fixed Income | \$41.9 | \$2.6 | 6.2% | 178,000 |
| Private Equity | \$34.2 | \$4.6 | 13.5% | 188,000 |
| Real Estate | \$21.0 | \$4.3 | 20.5% | 102,000 |
| Infrastructure ¹ | \$1.0 | \$0.1 | 9.1% | 2,000 |
| Other ² | \$22.6 | — | — | — |
| All CalPERS Total | \$233.4 | \$20.7 | 8.9% | 1,472,000 |

¹The value for the CA infrastructure portfolio has been rounded for this chart. The actual value is \$94.2 million.

²CalPERS total portfolio value was \$233.4 billion at 6/30/2012. The five asset classes above do not comprise the entire portfolio. "Other" consists primarily of forestland, inflation linked securities, absolute return strategies, cash, and cash-equivalents.

³For methodologies calculating the number of jobs in California please refer to individual asset class sections within the report.

Introduction

CalPERS invests \$20.7 billion in companies, properties and projects located in California across five key asset classes including public equities, fixed income, private equities, real estate, and infrastructure. The companies, properties and projects in which CalPERS invests employ an estimated 1,472,000 workers in California, representing over 10 percent of the state workforce.⁴

The primary objective of CalPERS investments in California is to achieve appropriate risk-adjusted return on investment. Investment in California by CalPERS and its third-party investment managers is a consequence of the strength and diversity of California's economy and the quality of its companies, properties, and other investment opportunities.⁵

Specifically:

- At \$2 trillion,⁶ California represents 13 percent of U.S. Gross Domestic Product (GDP) and ranks as the world's ninth largest economy.⁷
- California is home to 53 Fortune 500 companies and 14 of the largest 500 corporations in the world.⁸
- California has received \$180.1 billion of \$1 trillion in private equity investments made from 2002-2011 in the U.S.⁹
- California exported \$159 billion of goods in 2011, representing 10.7 percent of U.S. total exported goods.¹⁰

CalPERS invests like other large institutions, diversifying its portfolio among categories of investments, called "asset classes", to reduce its exposure to any one market risk and maximize its return on investment.

Asset classes in this report include:

- **Public markets**
 - Public equities: investments in public companies domestically and internationally, for example through the New York Stock Exchange
 - Fixed income: investments in loans provided to governments, companies, and other borrowers

- **Private markets**

- Private equities: investments in private companies that are not publicly traded;
- Real estate: investments in commercial, residential and industrial property;
- Infrastructure: investments in real assets including bridges, toll roads, utilities, and airports.

CalPERS California Investments by Asset Class

| | Dollars invested (in Billions) | Percentage of dollars invested |
|-----------------|-----------------------------------|-----------------------------------|
| Public Equities | \$9.1 | 44% |
| Private Equity | \$4.6 | 22% |
| Real Estate | \$4.3 | 21% |
| Fixed Income | \$2.6 | 13% |
| Infrastructure* | \$0.1 | 0% |

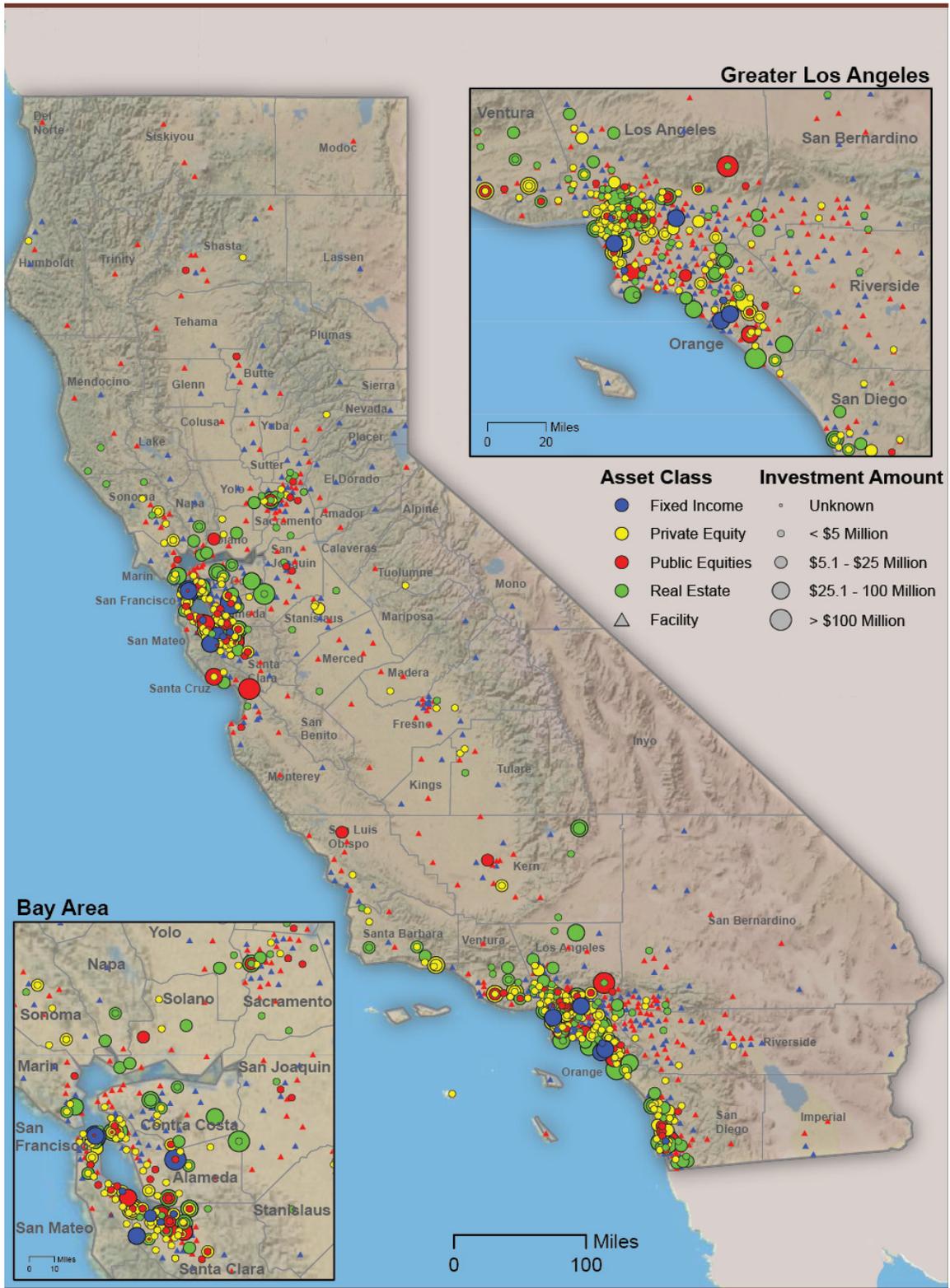
*The value of the CA infrastructure portfolio has been rounded for this chart. The actual value is \$94.2 million.

California is home to investment opportunities in each asset class, to which CalPERS deploys capital directly, using an in-house team of over 300 investment professionals and staff, or by employing the services of qualified third-party investment management companies.

California's large and vibrant economy will continue to attract a portion of CalPERS total investments and will benefit from the impacts that this capital brings to the state, including local employment, infrastructure for communities and commerce, and business development and expansion.

This report captures fiscal year end activity as of June 30, 2012 and describes the scale and breadth of the System's exposure to companies, properties and projects in California, highlighting the number of jobs that these investments support. The geographic characteristics of investments are used to document the deployment of capital by CalPERS to communities of interest such as low- to moderate-income areas.

CalPERS Investments by Asset Class in California



Public Markets

CalPERS invests the largest volume of its assets in total, and in California, in the public equity and fixed income markets.

The analysis below includes estimates of the number of workers employed in California by the companies in which CalPERS invests. These jobs are not created or sustained only by CalPERS investments. CalPERS owns approximately 0.3 percent of the largest California-headquartered companies in its portfolio. Nonetheless, CalPERS provides an important source of capital for use in all the activities of the public companies and fixed income opportunities in which it invests.

This research focuses on California-headquartered companies because it is readily apparent that the impacts these firms have on California are more significant than those headquartered elsewhere. Companies headquartered in California have 20 percent of their facilities located in-state compared to companies with headquarters outside of California, which have five percent of their facilities based locally.

PUBLIC EQUITIES

| | | |
|-----------------|--------------------|-----------------|
| Public Equities | Total Market Value | \$112.7 billion |
| | Value in CA | \$9.1 billion |
| | Percentage in CA | 8.1% |

CalPERS invests in public companies primarily as a long-term investor, without betting on market fluctuations. The largest proportion of its public equity portfolio is passively managed by an in-house team of investment professionals. CalPERS maintains some active equity management where there is potential to add value, using in-house expertise and by engaging the services of qualified third-party investment management companies.

The 664 California-headquartered public companies in which CalPERS invests employ an estimated 1,002,000 workers locally.¹¹ One-fifth of the facilities of California-headquartered companies (20 percent) are located in California. Nearly half of CalPERS public equity investments in California are in companies that manufacture products (43 percent).

CalPERS Public Equity Portfolio in California¹

| | | |
|---|-------------------|-----|
| Total Companies | 664 | |
| Median Company Size (Employees) | 732 | |
| Average CalPERS Investment (in millions) | \$13.8 | |
| Company Size (Employees) | 1-100 Employees | 13% |
| | 101-500 Employees | 30% |
| | >500 Employees | 57% |
| Company Size (Revenue, in millions) | <\$100 | 30% |
| | \$101 - \$500 | 30% |
| | Over \$500 | 40% |
| Median 1-Year Employee Growth ² | 5.5% | |
| Percentage Manufacturing Companies ³ | 43% | |
| Estimated Number of Jobs in California ⁴ | 1,002,000 | |
| Facilities in California | 15,055 | |
| Percentage of Facilities in California | 20% | |

¹ Analysis based on a 25 percent random sample (n=167). All data was collected from the Hoovers Inc. online database of publicly traded companies. Hoovers Inc. is a Dun & Bradstreet company.

² Median employee growth data from Hoovers Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³ Percentage of manufacturing companies data from Hoovers Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴ The number of jobs in California is estimated using the percentage of total company facilities in California. Given that 20 percent of sample facilities are in California, and assuming that employment is spread evenly by facility, 1,002,000=total jobs at California-headquartered companies x 20 percent.

CalPERS makes investments of more than \$100 million in 17 separate companies headquartered in California. These companies account for 75 percent of CalPERS public equity investments in California and 30 percent of the California workers employed at public companies in CalPERS portfolio.

CalPERS +\$100 Million Public Equity Investments in California

| Company Name | CalPERS Investment (in millions) ¹ | Total Market Capitalization (in millions) ² | CalPERS % of Market Value | Company Facilities in California ³ |
|----------------------------|---|--|---------------------------|---|
| Apple Inc. | \$1,738.4 | \$547,363 | 0.32% | 20% |
| Chevron Corp. | \$702.2 | \$207,006 | 0.34% | 25% |
| Wells Fargo & Co. | \$624.2 | \$176,421 | 0.35% | 16% |
| Oracle Corp. | \$505.8 | \$145,679 | 0.35% | 9% |
| Google Inc. | \$478.9 | \$189,650 | 0.25% | 18% |
| Intel Corp. | \$424.7 | \$133,596 | 0.32% | 17% |
| Cisco Systems Inc. | \$339.1 | \$92,426 | 0.37% | 15% |
| Occidental Petroleum Corp. | \$321.1 | \$69,469 | 0.46% | 15% |
| Qualcomm Inc. | \$297.6 | \$95,324 | 0.31% | 32% |
| Walt Disney Co. | \$289.7 | \$87,732 | 0.33% | 21% |
| Hewlett-Packard Co. | \$261.9 | \$39,778 | 0.66% | 8% |
| Visa Inc. | \$219.5 | \$82,736 | 0.27% | 34% |
| Amgen Inc. | \$178.2 | \$56,082 | 0.32% | 19% |
| eBay Inc. | \$167.5 | \$54,109 | 0.31% | 16% |
| Gilead Sciences Inc. | \$122.4 | \$38,776 | 0.32% | 27% |
| DIRECTV | \$113.8 | \$31,057 | 0.37% | 28% |
| McKesson Corp. | \$106.9 | \$22,125 | 0.48% | 9% |
| Total | \$6,891.9 | \$2,069,329 | 0.33% | 16%⁴ |

¹ CalPERS investment is Market Value at 6/30/2012

² Total Market Capitalization at 6/30/2012. Data from smartmoney.com Stock Quote key stats.

³ The percentage of facilities in California is determined using Hoovers, Inc. data and includes all company facilities with a California address.

⁴ Total company facilities in CA is calculated by dividing the total number of CA based facilities for the CalPERS +\$100 million public equity investments by their total number of facilities.

CalPERS invests in approximately 9,600 companies that have international headquarters outside of California. California operations comprise five percent of the total number of facilities globally for these companies.¹² While companies headquartered elsewhere likely employ millions of Californians, as evidenced by the approximately 75,000 facilities they operate in California compared to 15,000 for the 664 California-headquartered companies that employ 928,000 local workers, a precise jobs estimate was unable to be determined with available data.

Impacts of Global Equity Companies not Headquartered in California on the California Economy¹

| | |
|----------------------------------|-----------|
| Total Companies | 9,635 |
| Approximate Number of Facilities | 1,510,000 |
| Percentage of Facilities in CA | 5% |

¹ Analysis based on a 3 percent random sample (n=277) of companies not headquartered in California in the CalPERS Global Equity portfolio.

Case Study: CalPERS Investments in Companies Giving Back to their Communities

CalPERS invests \$5 billion in the top 10 corporate cash donors of 2011, as identified in the annual Chronicle of Philanthropy Corporate Giving Survey.¹³ Two of the top 10 companies – Wells Fargo and Chevron – are headquartered in California, and all 10 are located in the United States. The 10 companies give not only cash, but also match employee donations and provide products and services to the communities they work and live in.

While companies give throughout the US and internationally, there is a special emphasis on donations in the communities where they operate facilities. The top 10 corporate givers operate a total of over 45,000 facilities worldwide, with an average of 11 percent of facilities per company in California, and an estimated 300,000 employees in the state. Seven of the 10 companies have more than 10 percent of their facilities in California. The cumulative effects of approximately 5,000 facilities and 300,000 employees in California indicates these top 10 corporate donors provide a significant level of giving in the state.¹⁴ Donations by these 10 companies provide important support for job training, STEM (science, technology, engineering and math) education, healthcare services, and the environment – areas of particular importance to the continued well-being of California and its residents.

FIXED INCOME¹⁵

| | | |
|--------------|--------------------|----------------|
| Fixed Income | Total Market Value | \$41.9 billion |
| | Value in CA | \$2.6 billion |
| | Percentage in CA | 6.2% |

CalPERS has fixed income investments in California, managed in-house and externally, in four primary vehicles:

- **Corporate bonds:** Corporate bonds are debt securities issued by private and public corporations. Companies issue corporate bonds to raise money for a variety of purposes, such as building new plants or purchasing equipment.¹⁶
- **Credit enhancements:** Credit enhancements for companies or government entities effectively substitute the credit rating and liquidity of the credit enhancement provider for that of the borrower. Credit enhancement thereby lowers the cost of capital for the borrower.
- **Structured securities:** Structured securities are investments in a diverse group of loans and provide risk and return characteristics contingent on a range of underlying indices, interest rates or cash flows.¹⁷
- **Whole loans:** Whole loans include remaining California mortgages through the CalPERS Member Home Loan Program and commercial loans to California businesses.

CalPERS Fixed Income Key Investment Classes in California

| | Dollars invested (in millions) | Percentage of dollars invested |
|-----------------------|-----------------------------------|-----------------------------------|
| Corporate Bonds | \$587 | 22% |
| Credit Enhancement | \$102 | 4% |
| Structured Securities | \$1,680 | 64% |
| Whole Loans | \$256 | 10% |
| Total | \$2,625 | 100% |

CalPERS Fixed Income portfolio includes corporate bond investments in 42 companies headquartered in California managed by CalPERS and external third-party investment managers. CalPERS invests \$543 million directly in 16 of these companies, without the assistance of external third-party investment managers. The 16 companies in which CalPERS invests directly are larger than companies invested in by other asset classes, with a median size of approximately 11,800 employees. These companies employ approximately 178,000 workers in California and operate 2,500 local facilities. This represents a significant increase in the number of workers supported by the fixed income asset class since June 30, 2011, and is reflective of the addition of several large California-headquartered corporate bond issuers to the portfolio.

**CalPERS Fixed Income Portfolio –
Corporate Bonds in California¹**

| | | |
|---|-------------------|---------|
| Total Companies | | 16 |
| Median Company Size (Employees) | | 11,790 |
| Average CalPERS Investment (in millions) | | \$33.9 |
| Company Size (Employees) | 1-100 Employees | 6% |
| | 101-500 Employees | 6% |
| | >500 Employees | 88% |
| Company Size (Revenue, in millions) | <\$100 | 12% |
| | \$101 - \$500 | 0% |
| | Over \$500 | 88% |
| Median 1-Year Employee Growth ² | | 0% |
| Percentage Manufacturing Companies ³ | | 19% |
| Estimated Number of Jobs in California ⁴ | | 178,000 |
| Facilities in California | | 2,480 |
| Percentage of Facilities in California | | 19% |

¹ Data from corporate bond issuers with headquarters in California as listed in the Hoovers Inc. database. This includes 16 companies and \$543 million of investments. This table does not include California corporate bond issuers receiving investment through external managers. There are 30 California corporate bond issuers receiving a total of \$43.8 million in investment from third-party investment managers with an average of \$1.4 million. Four of these 30 corporate bond issuers receiving investment from third-party investment managers also receive direct investment from CalPERS.

² Median employee growth data from Hoovers, Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³ Percentage of manufacturing companies data from Hoovers, Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴ California job data is estimated by multiplying total number of employees by the percentage of facilities in California..

CalPERS also invests in approximately 320 corporate bond issuers that are not headquartered in California, of which 52 percent have facilities in-state and employ local workers. In-state operations comprise 9 percent of the total number of facilities globally for these companies.¹⁸ These 320 companies operate approximately 15,000 facilities in California and likely employ hundreds of thousands of Californians when considering that the 16 California-headquartered companies operate approximately 2,500 facilities, with 178,000 local workers. However a precise jobs estimate was unable to be determined with available data.

Impacts of Fixed Income Corporate Bond Issuers not Headquartered in California on the California Economy¹

| | |
|----------------------------------|--------|
| Total Companies | 324 |
| Approximate Number of Facilities | 15,000 |
| Percentage of Facilities in CA | 10% |

¹ Analysis based on a 10 percent random sample (n=32) of companies not headquartered in California in the CalPERS Fixed Income portfolio.

Case Study: CalPERS Support of California Corporate Bond Issuers

CalPERS provides an important source of capital to California businesses through its investments in corporate bonds. Capital raised through corporate bond offerings allows California companies to build new facilities, hire additional staff, conduct research, and develop new and innovative products and services. CalPERS makes the majority of its investments in corporate bonds using an in-house team of professionals, with approximately 88% of capital invested

directly by CalPERS. For these in-house investments, CalPERS targets some of California's largest public companies with significant business operations across the state, representing billions in annual revenue, and thousands of employees and facilities. The top seven CalPERS corporate bond issuers headquartered in California, receiving greater than \$25 million in investment, are described below:

CalPERS +\$25 Million Fixed Income Corporate Bond Issuers in California

| Company Name | CalPERS Investment (in millions) ¹ | Company Annual Revenue (in millions) ² | Total Company Facilities in California ³ | Percentage of Company Facilities in California ⁴ |
|------------------------------------|---|---|---|---|
| Wells Fargo & Co. | \$161.7 | \$87,597 | 1,565 | 16% |
| Pacific Life Insurance Company | \$77.3 | \$8,346 | 12 | 27% |
| PG&E | \$68.1 | \$14,956 | 96 | 94% |
| DIRECTV | \$46.7 | \$27,226 | 31 | 28% |
| Hewlett-Packard Co. | \$42.2 | \$127,245 | 66 | 8% |
| Southern California Edison Company | \$38.8 | \$10,557 | 55 | 98% |
| Safeway Inc. | \$34.9 | \$43,630 | 587 | 32% |
| Total | \$469.70 | \$319,557 | 2,412 | 19% |

¹ CalPERS investment is Market Value at 6/30/2012

² Company annual revenue is determined using data from Hoovers, Inc.

³ Total company facilities in California is determined using data from Hoovers, Inc. and includes all facilities with a California address.

⁴ Percentage of facilities in California is determined using Hoovers, Inc. data.

Private Markets

CalPERS invests approximately 24 percent of its total assets in private markets inside and outside of California, including in private equity, real estate and infrastructure. Within California, the proportion of CalPERS assets in private market strategies is much greater, at 43 percent. Private market strategies encompass investments in companies, properties, and projects that cannot be accessed publicly.

The job creation and other ancillary benefits of private companies, properties and projects that receive investments directly from CalPERS, or through contracted third-party investment managers, can be more directly attributed to the System than investments in public markets.

CalPERS is typically a larger investor among a more targeted group of institutions in any given deal, fund or partnership. Moreover, in the case of private equity, the investment managers supported by CalPERS (called “General Partners”) often join the boards of directors of the companies in which they invest and provide strategic advice, improved operating guidance, and access to broad networks that directly enhance the probability of business success.

At times, the investment managers that CalPERS enlists to support its efforts in private markets have also raised additional capital as a result of CalPERS anchor partnership commitment in their funds. While not all of these “co-investments” in private California-based companies, properties, and projects can be attributed to CalPERS, the opportunity to partner with CalPERS and its investment managers has proven to be attractive to other providers of capital.

The private markets section of *CalPERS for California* highlights four areas in which capital may be especially socially beneficial.¹⁹ This includes:

- Low- to Moderate-Income (LMI) Areas²⁰
- High Unemployment Areas²¹
- High Minority Areas²²
- Rural Areas²³

Access to capital is an important factor in business and productivity growth, job and wealth creation, innovation, and sustainable community and economic development. The benefits of access to capital accrue to the direct recipients of investments, and to the areas in which they are located.

The proportion of CalPERS investments in LMI, High Unemployment, High Minority, and Rural Areas reflects the demand for capital in the asset classes in which CalPERS invests. For example, CalPERS invests in companies and properties in central business districts and other economic hubs that offer attractive investment opportunities. These areas tend to be more ethnically and economically diverse, but CalPERS investment is not a result of these characteristics. As with all the System’s investments, the decision of CalPERS and its third-party investment managers to support a California-based company, property or project is made solely on the basis of the financial merits of the particular investment opportunity.

Locating Investments in California

The analysis in this section uses the demographic and income characteristics of ZIP codes. If the ZIP code in which an investment is located is determined to be an LMI, High Unemployment, High Minority, or Rural Area, then the investment and the dollars associated with the investment are considered to be in the defined community.

In the case of High Unemployment, Rural, and High Minority Areas, the calculations are relatively straightforward. The data used to determine the appropriate status of relevant populations is available by ZIP code and uses 2010 U.S. Census and 2010 California Employment Development Department data.

Calculating the LMI status of a ZIP code is more complex. The following method is applied using U.S. Census Bureau 2006-2010 American Community Survey data for every tract in the United States:

1. The population in a census tract is assumed to be evenly distributed across the entire census tract. This includes the LMI population.
2. The number of census tracts and percentage of each census tract located in every ZIP code is determined using geographic information systems (GIS) data.
3. The percentage of the total population and LMI population from each census tract is attributed to the ZIP code in which it is located.
4. A total population number, and LMI population number, is calculated for every ZIP code by combining partial census tracts.
5. The ZIP code is considered to be LMI if the percentage of LMI population in a ZIP code is greater than 50 percent of the total.

In the United States 38 percent of all ZIP codes are classified as LMI using this analysis. In California, 49 percent of all ZIP codes are classified as LMI, including 85 percent in the “urban core” comprising the Central Business Districts of San Francisco, Oakland, Los Angeles and San Diego.²⁴

PRIVATE EQUITY

| | | |
|----------------|--------------------|-----------------------------|
| Private Equity | Total Market Value | \$34.2 billion |
| | Value in CA | \$4.6 billion ²⁵ |
| | Percentage in CA | 13.5% |

CalPERS is a significant investor in privately held California-based companies in a wide range of industries. Private companies are generally smaller than public companies and use capital to support rapid growth, whether by commercializing new technologies, expanding operations, or by realizing efficiencies in readiness for an acquisition or public listing.

CalPERS invests in private companies primarily through Limited Partnerships, or commingled funds. These investments are often structured as 10-year agreements with a professional investment manager. The manager, known as the General Partner, is the intermediary between investors with capital and businesses seeking capital.

The companies in CalPERS private equity portfolio that are headquartered in California are estimated to employ 188,000 workers in the state.²⁶ An additional \$29 billion has been co-invested alongside CalPERS in the same California-based companies by other Limited Partners.

Of 265 third-party funds investing CalPERS assets in California-headquartered companies, nearly half (46 percent) are managed by General Partners based in California, demonstrating CalPERS commitment to supporting the state's capital markets and financial infrastructure.

CalPERS private equity investments provide a unique ancillary benefit by deploying capital to areas that have traditionally had limited access to institutional private equity assets. Private equity investment has historically been clustered within geographic regions such as Silicon Valley. Specifically, nearly 95 percent of private equity capital invested in California has been in just six percent of ZIP codes across the state. As of June 30, 2012, 30 percent of the value of CalPERS private equity investments in California is directed to ZIP codes outside of the areas receiving the vast majority of investments from all sources of institutional private equity capital.

CalPERS Private Equity Portfolio in California

| | |
|--|----------|
| Total Companies | 1,836 |
| CalPERS Investments (in millions) | \$4,635 |
| Other Co-Invested Dollars (in millions) ¹ | \$29,537 |
| Estimated Jobs in CA ² | 188,000 |

¹ Includes all other capital invested alongside CalPERS in the same companies in the same private equity fund, not the total market value of the company. Other co-invested dollars are determined only from \$2.9 billion in investments for which information was available.

² Estimated jobs in California is determined by applying the total number of California jobs supported by the California Initiative to the entire California Private Equity portfolio.

Seventy percent of the value of CalPERS private equity investments in California is in High Minority Areas. CalPERS also has private equity investments in High Unemployment, LMI, and Rural Areas.

CalPERS invests in a wide range of companies, with investments in more than 15 different industries. The following chart shows the diversity of CalPERS California private equity portfolio with the distribution of sectors, including the heaviest concentrations in information technology, health care and consumer discretionary companies.

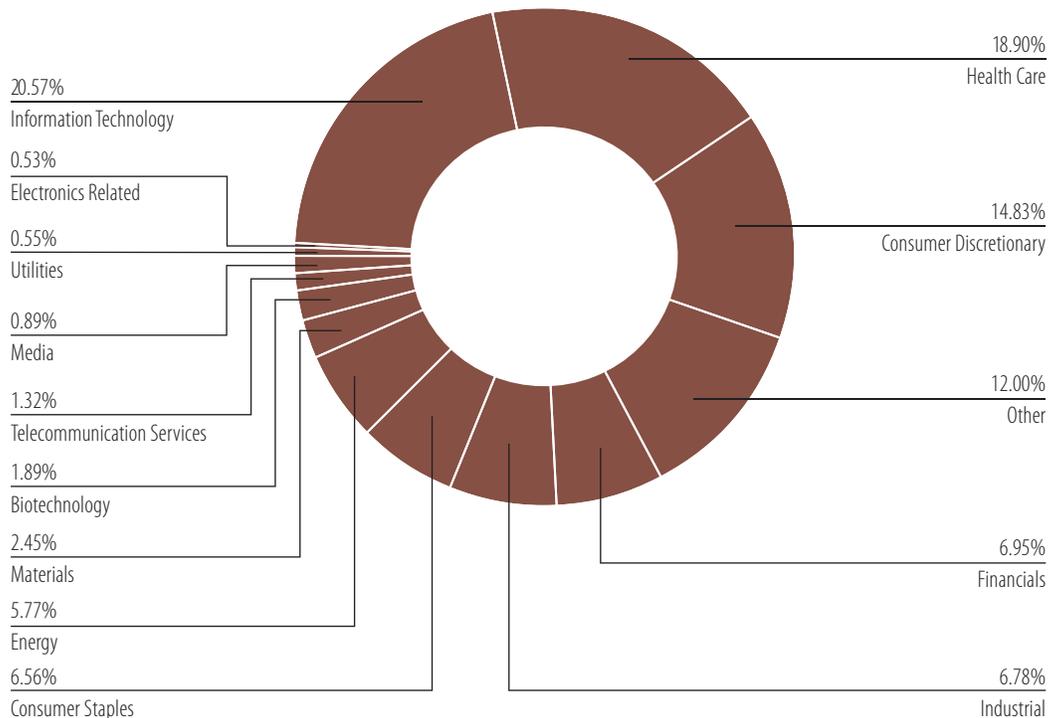
Private Equity Ancillary Benefits in California¹

| | Percentage of investments | Percentage of dollars |
|---|---------------------------|-----------------------|
| High Unemployment Areas | 14% | 18% |
| Rural Areas | 5% | 4% |
| High Minority Areas | 73% | 70% |
| LMI Areas | 27% | 29% |
| Limited Capital Access Areas ² | 17% | 30% |

¹Private equity ancillary benefits in California were determined using private equity California investment amounts and ZIP code data from direct partnerships and does not include data from other externally managed investments.

²According to data from Thomson Reuters analyzing all private equity transactions between 2002 and 2011, nearly 95 percent of all private equity in California has been committed to 6 percent of California ZIP codes. ZIP codes not included in this 6 percent are considered Limited Capital Access Areas.

California Private Equity Investments by Industry



Note: "Other" includes transportation, miscellaneous, and unclassified investments.

Case Study: CalPERS California Initiative

The CalPERS California Initiative (Initiative) is a private equity investment strategy providing capital to companies primarily in California with the goal of generating financial returns that meet or exceed industry benchmarks. As an ancillary objective, the Initiative invests in traditionally underserved areas where opportunities may have been bypassed, aiming to impact the economic infrastructure of the state. The Initiative was established in 2001 and has invested \$1 billion since inception, with \$334 million currently invested in 176 active companies reporting data in 2012.

The eighth annual examination of the ancillary benefits of the Initiative is available in a separate report on CalPERS website at <http://www.calpers.ca.gov/index.jsp?bc=/about/press/news/retirement/economic-engine/home.xml>.

Highlights include:

- 16,213 new jobs at 176 companies reporting data, for net employment growth of 23 percent since the time of investment
- Investment in areas that have not historically received institutional equity capital, with 47 percent of capital invested in companies located in these underserved markets
- Employment opportunities for economically disadvantaged workers, with 51 percent of all reporting company employees classified as low- to moderate-income.

Ancillary benefits for the Initiative are summarized in the following tables:

Since Inception California Initiative Results Job Support and Job Creation

| Ancillary Benefits ¹ | Overall California Initiative | The California Initiative within California | Percentage within California |
|---|-------------------------------|---|------------------------------|
| Total Jobs/ Employees Supported | 136,609 | 28,841 | 21% |
| Total Jobs Created Since Investment ² | 18,212 | 3,976 | 22% |
| Percentage Job Growth Since Investment ³ | 15% | 16% | n/a |

¹ Ancillary benefits are derived from data from all companies ever receiving investment under the California Initiative and includes both active and fully realized investments that have reported data. These ancillary benefits capture the entirety of the Initiative's Job Support and Job Creation ancillary benefits since inception.

² Total Jobs Created Since Investment represents net jobs created for the entire California Initiative portfolio and aggregates job losses and gains at both active and exited portfolio companies.

³ From 2001-2012 the U.S. private sector employment declined 1% and California private sector employment declined 2%.

**California Initiative Ancillary Benefits:
Active Portfolio Companies as of June 30, 2012¹**

| | Overall California Initiative | The California Initiative within California ² |
|--|-------------------------------|---|
| Total Companies | 176 | 130 |
| Total Dollars Invested | \$334,000,000 | \$239,000,000 |
| Total Jobs / Employees Supported | 86,432 | 21,594 |
| Total Jobs Created Since Investment | 16,213 | 4,420 |
| Percentage Job Growth Since Investment ³ | 23% | 26% |
| Percentage of Employees Classified as Low- to Moderate-Income | 51% | 52% |
| Percentage of Dollars Invested in Companies Located in Areas Underserved by Institutional Equity Capital | 47% | 52% |
| Percentage of Dollars Invested in Companies with at least one Female Officer | 24% | 25% |
| Percentage of Dollars Invested in Companies with at least one Minority Officer | 34% | 36% |

¹ Ancillary benefits are derived from data from active companies reporting as of June 30, 2012. These ancillary benefits capture the Initiative's ancillary benefits for companies currently within the California Initiative portfolio.

² The California Initiative invests in companies with operations and employees in and outside of California. This column examines the Initiative's ancillary benefits solely in California.

³ Percentage Job Growth Since Investment examines job growth only for the active portfolio companies within the California Initiative and does not include exited portfolio companies.

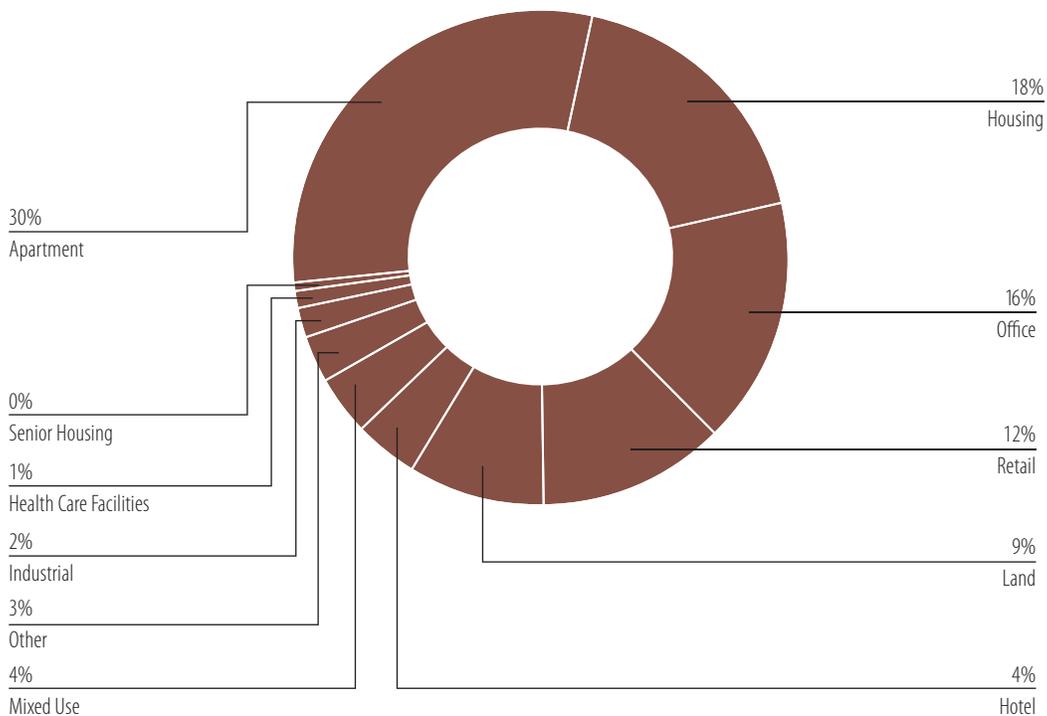
REAL ESTATE

| | | |
|-------------|--------------------|----------------|
| Real Estate | Total Market Value | \$21.0 billion |
| | Value in CA | \$4.3 billion |
| | Percentage in CA | 20.5% |

CalPERS invests in real estate primarily through the funds and partnerships of third-party investment managers. CalPERS has a “core” portfolio of stabilized income producing real estate diversified by property type and geography. The portfolio also includes single family housing, senior housing, urban real estate, international investments and natural resources (vineyards and agriculture).

The real estate asset class is more heavily weighted to California than any other asset class. The portfolio in California includes a diverse group of assets that provide ancillary benefits in the areas in which they are located, including the creation of construction jobs and economic activity connected to construction, the accommodation of new retail, industrial and commercial employers and the anchoring of communities with real assets. The following chart shows the distribution of CalPERS California real estate investments, including the heaviest concentrations in apartment, housing, office, and retail properties.

California Real Estate Investments by Property Type



An additional \$3.2 billion in capital from other institutions is co-invested alongside CalPERS in California real estate. CalPERS real estate investments support 102,000 jobs statewide.²⁷

CalPERS California real estate projects in the development and construction phase support a total of 17,000 jobs. The construction of CalPERS California real estate projects not only supports workers within the construction industry, but also indirectly supports workers throughout the state.²⁸

Additionally, CalPERS California real estate investment portfolio includes income-generating properties with high occupancy levels such as neighborhood retail centers and office buildings. These properties provide critical infrastructure and operating space to retail and professional service providers supporting a total of 85,000 jobs. CalPERS properties with high occupancy levels also support workers within property management and other related industries.²⁹

CalPERS Real Estate Portfolio in California

| | |
|--|---------|
| CalPERS CA Portfolio Value (in millions) | \$4,312 |
| Other Co-Invested Dollars (in millions) ¹ | \$3,207 |
| Number of Investments | 307 |
| Estimated Jobs in California ² | 102,000 |

¹Value includes all other capital invested alongside CalPERS in the same real estate investments in the same third-party funds, partnerships and real estate investment trusts.

²See endnotes for estimated jobs in California methodology.

Forty-eight percent of CalPERS California real estate investments dollars are located in LMI areas. Real estate investments are often in Central Business Districts and concentrated urban areas, where property investments of all types are more readily available. These urban districts typically include a larger proportion of LMI, High Unemployment, and High Minority Areas.

Real Estate Ancillary Benefits in California¹

| | Percentage of investments | Percentage of dollars |
|-------------------------|---------------------------|-----------------------|
| High Unemployment Areas | 37% | 39% |
| Rural Areas | 19% | 9% |
| High Minority Areas | 74% | 74% |
| LMI Areas | 53% | 48% |

¹ Ancillary benefits are based on the 255 California real estate investments for which valid ZIP code data was available.

Case Study: CalPERS Real Estate Metropolitan Lofts

Metropolitan Lofts (Met Lofts) is an eight-story contemporary loft-style apartment residence located in the South Park District - a rapidly growing residential and entertainment district within the cultural and economic center of downtown Los Angeles.

Met Lofts was built in 2005 for \$68 million with significant financial assistance from CalPERS, who led the financing of the project. The property presented an attractive investment opportunity given its desirable location near premier downtown attractions and ability to maximize rental revenue through design and quality interior furnishings and amenities. In February 2011, CalPERS purchased the remaining interest in the property with Klein Financial Corporation.

The property includes 266 units and over 8,500 square feet of ground level retail space supporting two prominent restaurants as well as two live-work units. Designed by the architectural firm Johnson Fain, Met Lofts features a contemporary design that incorporates public art displays through LED light artwork that can be viewed blocks away. Met Lofts received a National Association of Home Builders Pillars of Industry award for best new loft in the United States.

Met Lofts provides housing to low-income tenants with 20 percent of Met Lofts apartments dedicated to individuals and families earning less than 50 percent of the area median income, addressing a critical shortage in affordable housing within the city. Met Loft's unique design and support of low-income individuals has served as a model for affordable housing development and has generated significant interest from other communities interested in meeting their own demand for affordable housing.

CalPERS investment in Met Lofts and other downtown LA properties has helped create a new urban transit oriented housing market in the South Park District, reshaping an area once considered an underserved community.

INFRASTRUCTURE

| | | |
|----------------|--------------------|----------------|
| Infrastructure | Total Market Value | \$1.03 billion |
| | Value in CA | \$94.2 million |
| | Percentage in CA | 9.1% |

CalPERS searches for infrastructure opportunities in sectors including transportation, energy, natural resources, utilities, water, communications and certain social infrastructure projects, investing both directly, and in partnership with third-party investment managers. CalPERS considers infrastructure investments to have the potential to benefit local economic development and essential community services across the state.

CalPERS invests \$94.2 million in infrastructure assets in California. More than 94 percent (\$88.6 million) of these investments are in projects providing reliable water supplies to drought-prone areas.

Other institutions co-invested \$95 million alongside CalPERS in California infrastructure projects. CalPERS infrastructure investments support 2,000 jobs statewide.³⁰

CalPERS Infrastructure Portfolio in California

| | |
|--|--------|
| CalPERS CA Portfolio Value (in millions) | \$94.2 |
| Other Co-Invested Dollars (in millions) ¹ | \$95 |
| Number of Investments | 7 |
| Estimated Jobs in California ² | 2,000 |

¹Value includes all other capital invested alongside CalPERS in the same infrastructure projects.

²See endnotes for estimated jobs in California methodology.

CalPERS Infrastructure Outreach Efforts in California

On September 12, 2011 the CalPERS Board of Administration approved the allocation of up to \$800 million for investment in California infrastructure over three years with the goal of investing in essential infrastructure assets. CalPERS seeks to invest in opportunities that meet its risk-adjusted return objectives and have the potential to benefit the local economies and essential community services of California.

Soon thereafter CalPERS developed an outreach plan to engage state and local governments in exploring the role pension systems could play in facilitating infrastructure investment in California. This plan included four infrastructure roundtable meetings facilitated by CalPERS and direct discussions with various state and national agencies exploring specific investments.

The four roundtable discussions held across California from March to May 2012 were widely attended events with stakeholders and industry participants, providing an open forum for exploring infrastructure investments, including in transportation, water, and energy within California. Key findings emerging from these discussions included:

- There is a vast unmet need for investment in California infrastructure and current sources for funding will not be sufficient to maintain the existing stock and finance new projects.
- California represents an attractive destination for infrastructure investment with the ninth largest economy worldwide, positive demographic trends, high-quality public agencies, and legislation enabling public private partnerships.
- Supportive public policy and legislation can enhance future funding and investment opportunities.

In addition to the roundtables, CalPERS has engaged in discussion with the Governor's and Legislative Offices, convened a special meeting with Chambers of Commerce from across the state, and hosted a workshop at the Port of Long Beach examining port infrastructure investments. CalPERS has met with the Urban Land Institute, the Clinton Global Initiative, the Center for American Progress, American Federation of Labor and Congress of Industrial Organizations, American Federation of Teachers, and the Service Employees International Union to explore infrastructure investment opportunities.

CalPERS has also participated in the creation of the new West Coast Infrastructure Exchange (WCX), an organization bringing together key stakeholders in California, Oregon, Washington, and British Columbia. The WCX is focused on addressing the region's 30-year \$1 trillion infrastructure gap by facilitating increased opportunities for infrastructure investments along the West Coast. The WCX also aims to address regional policy objectives related to economic competitiveness, job creation, and climate change.

CalPERS infrastructure outreach efforts have established a continuing dialogue with private and public sector leaders throughout California. This will assist CalPERS and other pension systems in identifying opportunities for investment that add financial value and also stimulate economic growth.

For more on CalPERS infrastructure outreach efforts, please visit:

<http://www.calpers.ca.gov/eip-docs/about/press/news/invest-corp/infrastructure-outreach.pdf>

Conclusion

CalPERS is the nation's largest pension system and, like all institutional investors, plays an important role in sustaining and growing all of the companies, properties and projects in which it invests, not least in California.

CalPERS invests \$20.7 billion (8.9 percent) of its \$233 billion in assets in California, including in the state's underserved communities.

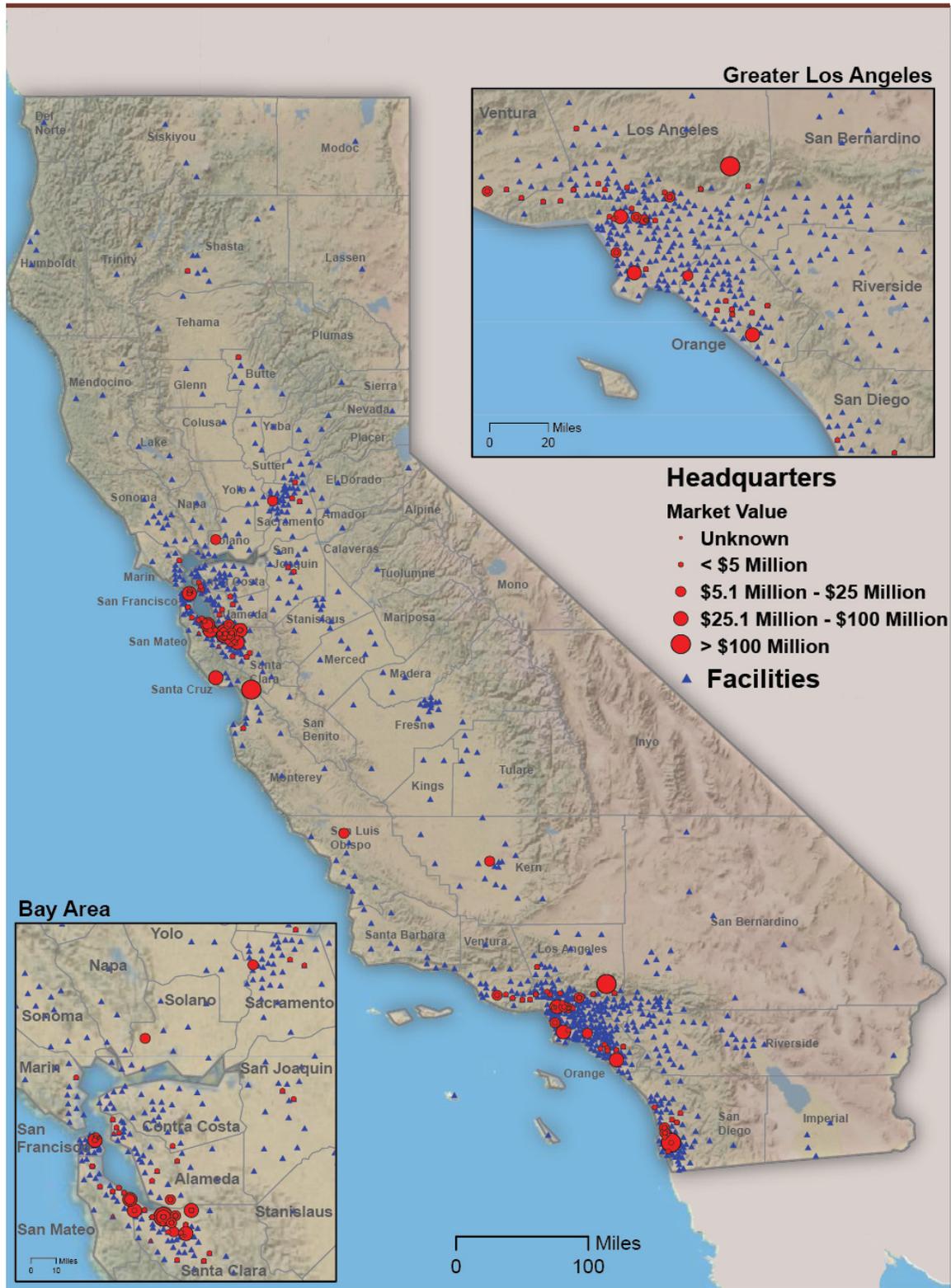
CalPERS provides significant ancillary benefits to California as a result of the scale and breadth of its local investments. For example, CalPERS has:

- Invested in the 10 largest corporate donors whose giving supports the communities in which they are located, including in California.
- Provided credit enhancements assisting California governments in more readily financing vital projects.
- Spurred growth in private companies, providing the capital needed to create more jobs and economic activity in the state.
- Funded affordable housing and other projects that have revitalized urban areas, including in downtown LA.
- Conducted outreach efforts and supported the creation of the West Coast Infrastructure Exchange with the goal of addressing a \$1 trillion infrastructure gap.

CalPERS will continue to pursue California-based investment opportunities grounded in the historic strength of the state economy, seeking attractive risk-adjusted financial returns. *CalPERS for California* demonstrates CalPERS ongoing commitment to rigorously track and report on these efforts.

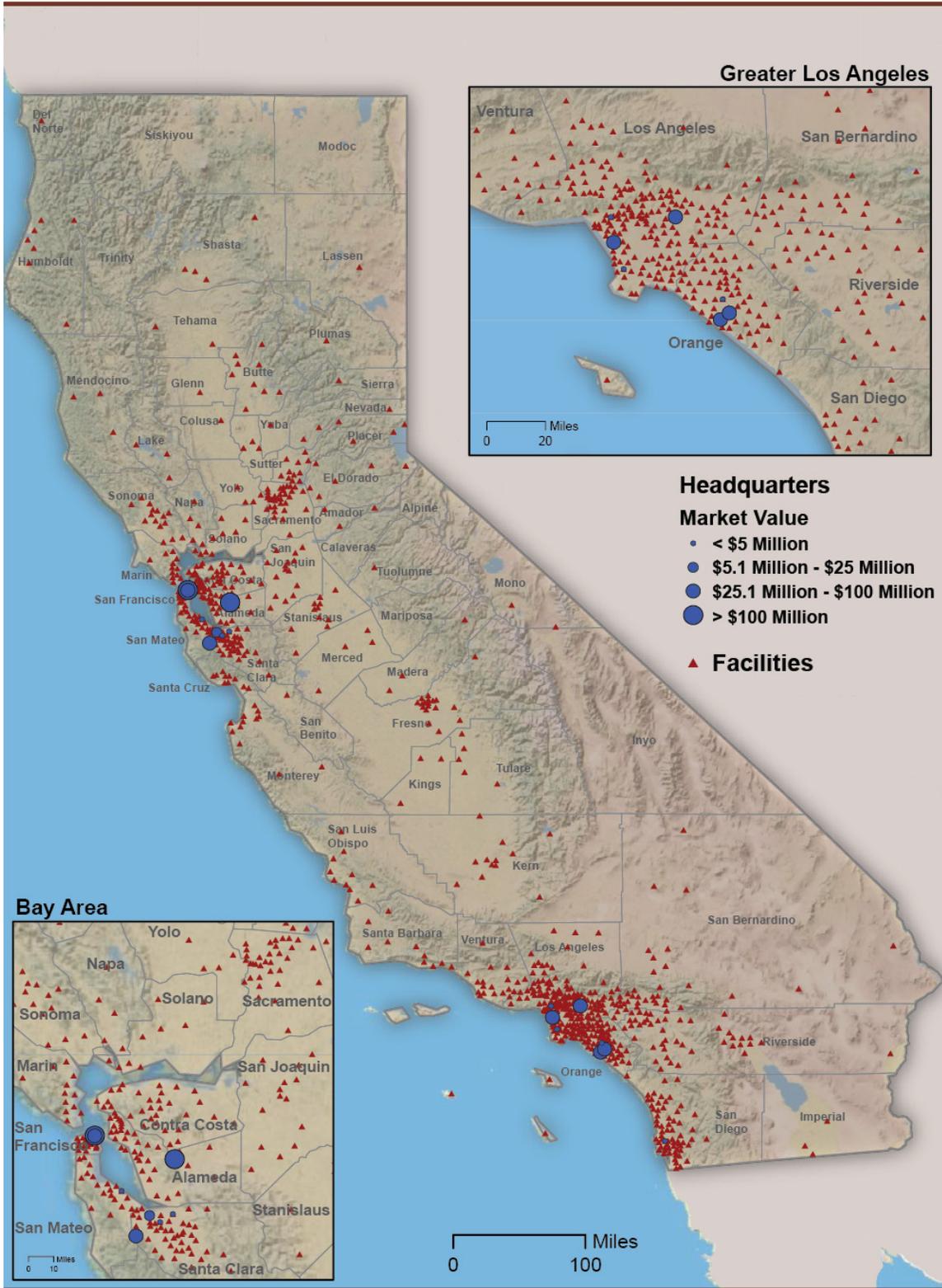
Location of CalPERS Investments in California*

CalPERS Public Equity Investments in California

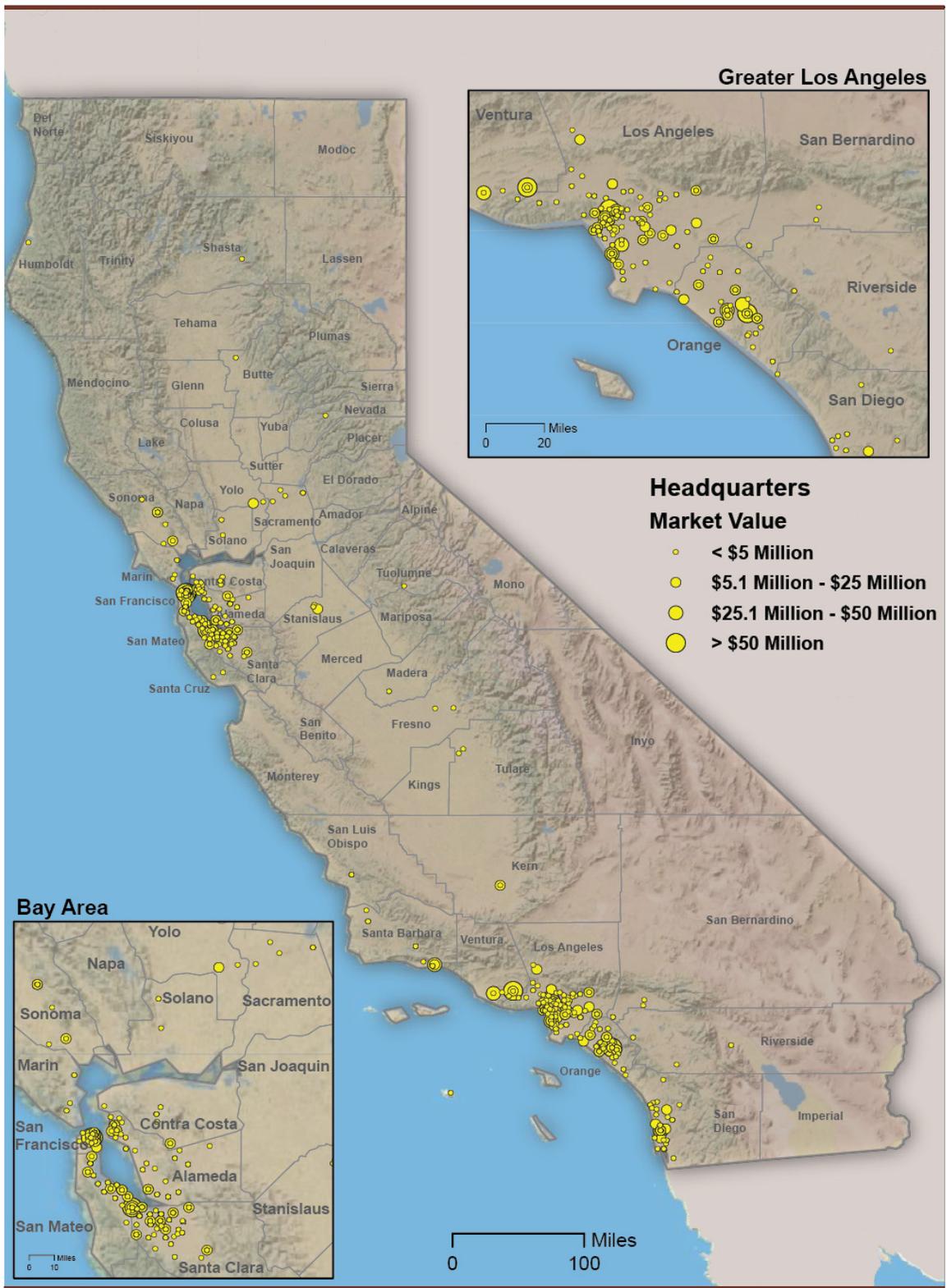


* These maps only contain information on CalPERS investments headquartered in California.

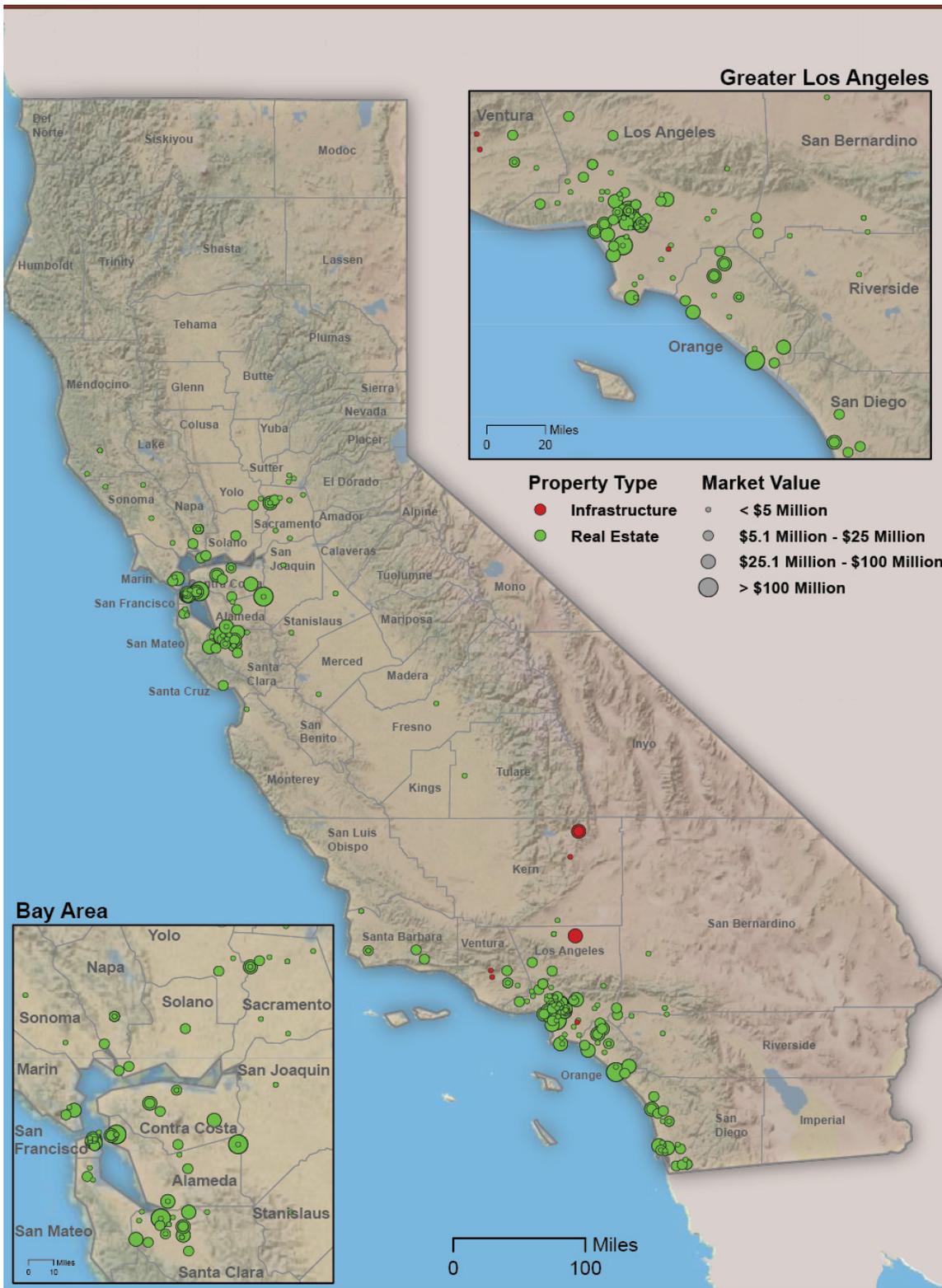
CalPERS Fixed Income Investments in California



CalPERS Private Equity Investments in California



CalPERS Real Estate and Infrastructure Investments in California



Endnotes

¹ CalPERS Total Fund Monthly Update: Month Ending June 30, 2012, available at <http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/201208/item04c1-02.pdf>

² CalPERS 2011-12 Business Plan, available at <http://www.calpers.ca.gov/eip-docs/about/strategic-business/2012-final-report.pdf>

³ CalPERS has made corporate bond investments in 42 California-headquartered companies. Of the 42 companies, 16 have received direct investments from CalPERS and 30 have received investment indirectly through CalPERS external managers, with four companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 16 companies receiving direct investments from CalPERS. The average size of these investments is \$33.9 million. The average size of external manager corporate bond investments in California companies is \$1.4 million.

⁴ Bureau of Labor Statistics. As of June 30, 2012, California's workforce included 14.3 million workers.

⁵ The capital that CalPERS invests in California is usually not explicitly directed to the state, but is the consequence of a typical institutional investment process weighing the financial merits of particular companies, properties and projects, regardless of location. The size and dynamism of California's economy are the primary drivers of CalPERS significant exposure to local communities and the related benefits that this brings, like job creation.

The research methods in this report are fully documented in footnotes. The difficulty of directly attributing ancillary benefits to CalPERS is especially notable and explains why public market and private market investments are discussed separately in CalPERS for California.

The data in this report offers a snapshot of CalPERS investments and has been analyzed by Pacific Community Ventures (PCV), a third-party research organization.

⁶ U.S. Bureau of Economic Analysis, Regional Economic Accounts, available at www.bea.gov/regional/index.htm

⁷ 2012-2013 Mid-Year Economic Forecast and Industry Outlook, The Keyser Center for Economic Research at <http://laedc.org/wp-content/uploads/2012/04/LAEDC2012-2013Mid-YearEconomicForecastReport.pdf>.

⁸ CNNMoney, Fortune 500 and Fortune 500 Global, available at <http://money.cnn.com/magazines/fortune/fortune500/2012/>

⁹ Private Equity Growth Council, <http://www.privateequityatwork.com/state-by-state/>

¹⁰ U.S. Census Bureau, available at www.census.gov/foreign-trade/statistics/state/data/ca.html

¹¹ The decline in estimated jobs in California, as compared to June 30, 2011, results from a smaller proportion of company facilities being located in California: 20% at June 30, 2012 vs. 21% at June 30, 2011.

¹² The analysis is based on a 3% sample of all non-California headquartered companies (n=277). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely *underestimates* the actual number of California employees, since more employees are typically located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly *overestimate* the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹³ The Chronicle of Philanthropy. Corporate Giving Survey. <http://philanthropy.com/article/Big-Companies-Gave-4-More/133073/>

¹⁴ Estimated jobs numbers were determined by multiplying the number of total employees at each company by the percentage of facilities that company operates in California. This calculation assumes that employees are split evenly across facilities.

¹⁵ The fixed income asset class includes five distinct investment programs. Only publicly available data was used to conduct analysis for this asset class, which was available only for companies that issued corporate bonds. According to the state of domicile obtained from Hoovers Inc., 42 corporate bond issuers (and \$587 million in investments) are considered California companies.

¹⁶ CalPERS has made corporate bond investments in 42 California-headquartered companies. Of the 42 companies, 16 have received direct investments from CalPERS and 30 have received investment indirectly through CalPERS external managers, with four companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 16 companies receiving direct investments from CalPERS. The average size of these investments is \$33.9 million. The average size of external manager corporate bond investments in California companies is \$1.4 million.

6 of the 11 companies that received direct corporate bond investment from CalPERS are also part of CalPERS Public Equity portfolio. Job estimates cannot be combined as this would constitute double counting of 6 large companies.

¹⁷The classification of a California-based structured security investment was derived using security composition data from Bloomberg. The total structured security market value for each of CalPERS investments was multiplied by the percentage composition of the structured security based in California.

¹⁸The analysis is based on a 10 percent sample of all non-California headquartered companies (n=32). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely underestimates the actual number of California employees, since more employees are typically located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly overestimate the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹⁹To determine the dollar amounts invested in these areas, the market value of each investment is attributed to the ZIP code provided for a given company, property or project. Dollars invested in all ZIP codes that match the given criteria are summed and reported as a percentage of the total market value for each asset class invested in California.

²⁰Low- to Moderate-Income (LMI) Areas are predominantly (50 percent or more) composed of LMI residents (38 percent of U.S. ZIP codes fall into this category). A census tract is determined to be LMI based on the following criteria:

- Median income of the tract is at or below 80 percent of the metropolitan statistical area median or below 80 percent of the statewide, non-metropolitan area median income
- At least 20 percent of the population lives in poverty
- The unemployment rate is at least 1.5 times the national average (based on US Census Bureau and 2006-10 American Community Survey data, consistent with research on the California Initiative. 1.5 times the 2006-10 national average of 6.8 percent is 10.2 percent)

See the Milken Institute Center for Capital Access and Job Formation for extensive literature on the lack of access to capital in LMI communities, at www.milkeninstitute.org.

²¹High unemployment areas are defined by the State of California Employment Training Panel as being 15 percent higher than the California average. At June 30, 2012, the California average unemployment rate was 10.70 percent; therefore any ZIP code with an unemployment rate above 12.31 percent is considered a High Unemployment Area.

²²High Minority Areas are defined as ZIP codes in which the percentage of the minority population is higher than the median percentage of the minority population in all California ZIP codes (above 25 percent). See 'MBDA Study Finds Capital Access Remains Major Barrier to Success for Minority-Owned Firms' for more information on access to capital in minority communities. US Department of Commerce Minority Business Development Agency, January 29, 2010, available at www.mbda.gov/pressroom/press-releases/mbda-study-finds-capital-access-remains-major-barrier-success-minority-owne. According to the MBDA study, minority-owned firms receive fewer loans and smaller equity investments than non-minority owned firms, even when controlling for firm size.

²²Rural areas are defined as ZIP codes in which the percentage of the rural population is higher than the median percentage of the rural population in all California ZIP codes (above six percent). See 'Advancing Rural America', U.S. Small Business Administration Office of Advocacy, available at www.sba.gov/advo/research/rural_sb.html for more information on access to capital in rural areas. According to the SBA, rural businesses access to capital has historically been limited and may be constrained further as bank mergers replace community banks with larger entities that are less interested in non-credit card small-sized loans'.

²³The boundaries of the Central Business Districts (CBD) of Los Angeles, Oakland, San Diego and San Francisco were determined using GIS technology. All ZIP codes that overlapped the CBD were included in this analysis. There are a total of 20 ZIP codes that overlap the four CBDs. Seventeen (85 percent) of those ZIP codes are predominantly comprised of LMI census tracts.

²⁴This includes CalPERS private equity direct investments, California Emerging Ventures and partnership investments in California. This number may differ from total portfolio numbers in other CalPERS reports due to varying standards for defining a California company.

²⁵There are fewer jobs supported in the private equity portfolio when compared to June 30, 2011 as a result of a larger amount of capital invested in direct holding companies at June 30, 2012.

²⁷ Estimated jobs supported by CalPERS real estate investments in California are determined using the IMPLAN Version 3.0 economic multiplier model software package. IMPLAN is used by hundreds of government agencies, colleges and universities, non-profit organizations, corporations, and business development and community planning organizations for analyzing economic impacts (for more information visit www.implan.com).

To determine jobs supported by CalPERS California real estate investments, the IMPLAN model examines the State of California as the geographic area of study, capturing and accounting for economic benefits resulting from CalPERS real estate investments statewide. Methodologies specific to property type and development phase were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from the construction/operation of various property types. The methodologies are described below:

Construction of Residential and Non-Residential Properties

Total net asset values for residential and non-residential properties including apartments, single-family housing, senior housing, office, and retail under the predevelopment, development, and redevelopment categories were uploaded directly into the IMPLAN model for analysis where they are matched with construction activities.

Sales of Goods and Services at Non-Residential Properties with Current Occupants

Property square footage data for retail properties with current occupants is multiplied by industry data on retail sales. Property square footage data for other non-residential properties with current occupants including in the office and industrial sectors are multiplied by property-specific industry data on rental income. Total rental income amounts are subsequently divided by a rent-to-revenue ratio to derive total sales of goods/services for each tenant property. Total sales of goods and services at tenant properties are then uploaded into the IMPLAN model for analysis where they match industry activities.

Rental/Leasing of Non-Residential Properties with Current Occupants

Property square footage data for non-residential properties with current occupants including office, industrial, and retail are multiplied by industry data on property-specific rental income. The total rental income amounts are uploaded directly into the IMPLAN model for analysis where they match with rental, leasing, and property management activities.

As with other asset classes, this analysis does not imply that the jobs created and sustained by CalPERS investments in real estate are directly attributable to the System. Rather, it is an estimate of employment directly related to the properties in question, for which CalPERS investments play an important enabling role.

Estimated California Jobs from CalPERS California Real Estate Investments

| | |
|--|---------|
| Construction of Residential and Non-Residential Properties | 17,000 |
| Sales of Goods and Services at Non-Residential Properties with Current Occupants | 82,000 |
| Rental/Leasing of Non-Residential Properties with Current Occupants | 3,000 |
| Total Estimated Jobs in California | 102,000 |

The following table outlines rental income per square foot, retail sales per square foot, rent-to-revenue ratios, and IMPLAN industry codes used in this analysis.

| Industry | Rental Income per Square Foot | Retail Sales per Square Foot | Rent-to-Revenue Ratio | IMPLAN Industry Codes and Descriptions |
|-----------------|--------------------------------------|-------------------------------------|------------------------------|--|
| Retail | \$27.11 | \$341.00 | — | 34: Construction of new nonresidential commercial and health care structures 360: Real estate establishments 329: Retail Stores - General merchandise |
| Office | \$23.66 | — | 4% | 34: Construction of new nonresidential commercial and health care structures 360: Real estate establishments 367-380: Various professional services (legal, accounting, architectural, technical, scientific, etc) |
| Apt, Housing | — | — | — | 37: Construction of new residential permanent site single - and multi-family structures |
| Industrial | \$6.04 | — | 2.10% | 35: Construction of new, nonresidential manufacturing structures 360: Real estate establishments 319: Wholesale trade business |

Sources: Cassidy Turley, IBIS World, and RetailSails

²⁸ CalPERS California real estate projects in the development and construction phase indirectly support workers across the state through the purchase of goods and services needed for construction of these projects and through the personal consumption by construction workers tasked to these particular projects.

²⁹ CalPERS California investments in income generating real estate properties directly support tenant businesses through the provision of critical infrastructure and operating space. Additionally, tenant businesses indirectly support workers across the state through the purchase of goods and services needed for day-to-day business operations and through the personal consumption of workers at their businesses on household purchases.

³⁰ California infrastructure supports an estimated 2,000 jobs statewide. This estimate is derived from the IMPLAN Version 3.0 economic multiplier model software package. Stage of development, land acquisition costs, and development costs were examined for California infrastructure projects. For each project, net asset values less land development costs were inputted directly into the IMPLAN model using IMPLAN Industry Code 36: Construction of other new non-residential structures.

CalPERS Profile

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with assets of approximately \$255 billion.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million members and more than 3,000 school and public employers. The System also operates 8 Regional Offices located in Fresno, Glendale, Orange, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek. Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of approximately 1.1 million active and inactive members and more than 500,000 retirees, beneficiaries, and survivors from State, school and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees who dedicate their careers to public service. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and 5 years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death.

Today CalPERS offers additional programs, including a deferred compensation retirement savings plan, member education services, and an employer trust for post-retirement benefits. Learn more at our website at www.calpers.ca.gov.



California Public Employees' Retirement System

400 Q Street | Sacramento, CA 95811

www.calpers.ca.gov

For more information, please contact:

Pacific Community Ventures | www.pacificcommunityventures.org

