



Beyond 60/40: Private Assets and Innovative Investment Strategies

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Defining Private Assets

- Ownership in non-publicly traded companies or physical assets
- Typically held over longer-investment horizons with limited liquidity
- Increasingly important part of Global markets

Allocation	Asset
50%	Global Equity
28%	Fixed Income
13%	Real Assets
8%	Private Equity
0%	Private Debt
1%	Liquidity

Prior Strategic Asset Allocation



*Increased allocation
to Private Markets
in new SAA*

Allocation	Asset
42%	Global Equity
30%	Fixed Income
15%	Real Assets
13%	Private Equity
5%	Private Debt
0%	Liquidity

Current Strategic Asset Allocation, incl 5% allocation to Leverage. As of 07/01/2022

Advantages of the Private Markets

Assets align with
our long-term
horizon

Provides
diversification
for CalPERS'
total portfolio

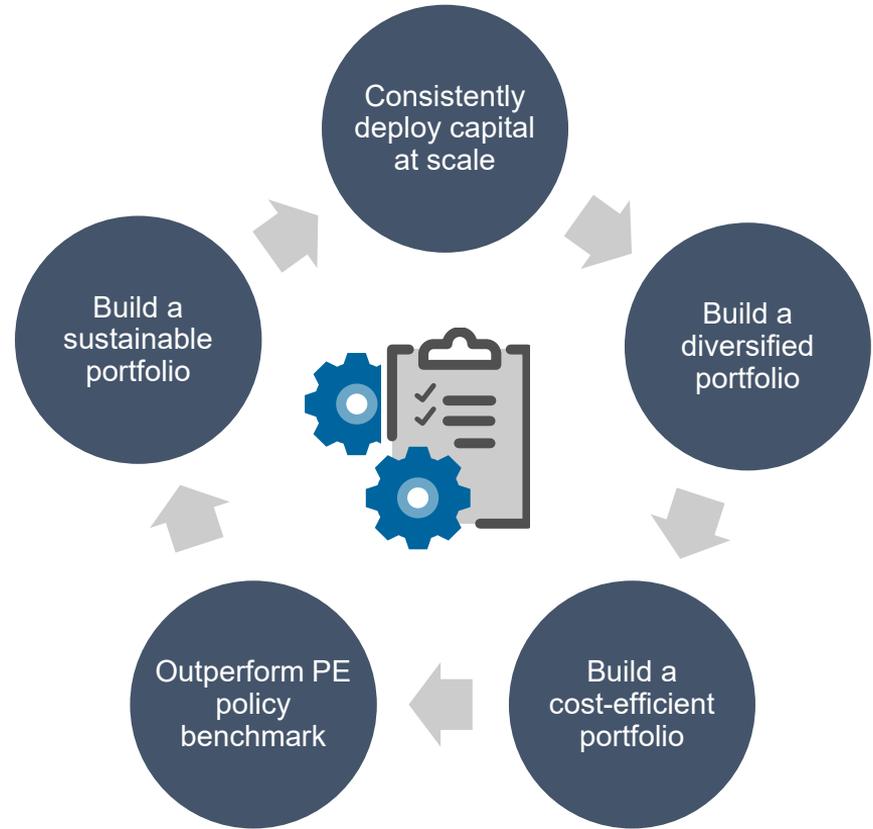
Greater control
through selection
of high-quality
managers and
investments we
are underwriting

Increasing
cost-efficiency
through
co-investments
and direct
investments

Spotlight on Private Equity: Strategic Priorities

Private Equity Program Objective:

Consistently deploy capital at scale to build a diversified, cost-efficient portfolio of high-conviction investments that outperforms the PE policy benchmark



Moving Private Markets towards ESG

ESG Data Convergence Initiative

Goal:

Standardized set of ESG metrics and mechanism for comparative reporting in Private Equity

Progress to Date:

- Over **250 GPs and LPs**, representing **\$25 T+**, joined initiative and aligned on **initial set of 6 metrics**
- 2,000+ companies included in the inaugural year's benchmark
- Moving industry towards greater transparency, including our own PE portfolio



GHG Emissions



Work-related Injuries



Renewable Energy



Net-new Hires



Diversity of Board Members



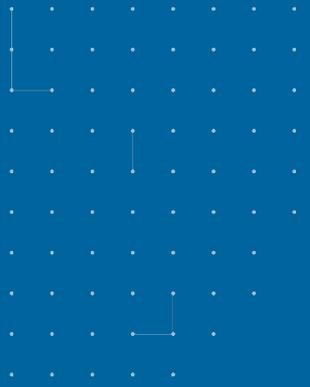
Employee Engagement



Growth and Innovation

Strategies and investment deals focused on higher growth, higher risk and reward opportunities that might not fit within traditional private equity deals





Questions

