

Executive Summary

- The California Public Employees Retirement System (“CalPERS”) asked McLagan to assemble competitive compensation data for the following executive and investment management positions from its Board-approved compensation comparator group:

Chief Executive Officer
 Chief Actuary
 Chief Financial Officer
 General Counsel
 Chief Operating Officer
 Chief Health Director ⁽¹⁾

Chief Investment Officer
 Deputy Chief Investment Officer
 Chief Operating Investment Officer ⁽²⁾
 Managing Investment Director
 Investment Director
 Investment Manager
 Associate Investment Manager

- This report includes the competitive 25th, 50th (median), and 75th percentiles for base salary and base salary + cash incentives, and in few instances, base salary + cash incentives + long-term incentives. As with prior analyses, benefits have been excluded from this analysis.
- The results of our analysis are found on the following pages.

(1) The Chief Health Director position was requested by CalPERS to be reviewed in this analysis. McLagan does not cover this position in its compensation surveys and excluded this position.

(2) This position is not currently occupied at CalPERS. This data is included in the Appendix for reference.

Methodology

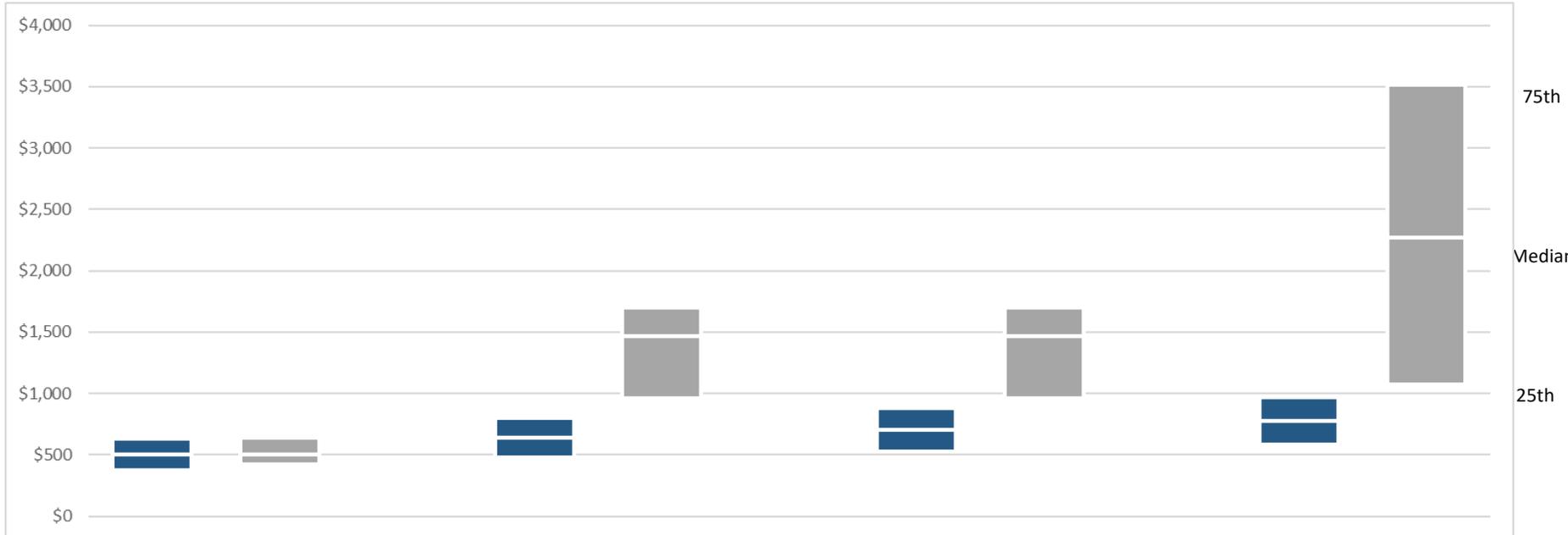
- McLagan assembled pay data from our 2022 Investment Management Compensation Survey Suite from US and Canadian public funds, endowments, advisory firms, banks, and insurance companies. Additionally, compensation data was assembled by CalPERS staff for the CA-based public agencies included in the executive peer group.
- It is important to note, that CalPERS approved new peer group weightings in 2022. McLagan assembled pay data for these peer groups, specifically for:
 - Executive positions:
 1. Leading US and Canadian public pension funds (*weighting = 1/3*).
 2. California-based agencies, including large local agencies, assembled by CalPERS staff (*weighting = 1/3*).
 3. For-Profit private sector firms, including the asset management business within banks and insurance companies (*weighting = 1/3*).
 4. Combined peer group of leading US and Canadian public pension funds, California-based agencies, and for-profit private sector firms.
 - Investment management positions:
 1. Large and complex institutional investors, including: US public funds, Canadian public funds, university endowments and US Corporate plan sponsors (*weighting = 2/3*).
 2. Private sector asset management organizations of comparable size (i.e., AUM \$150B - \$500B), including: investment management/advisory firms, insurance companies and banks (*weighting = 1/3*).
 3. Combined peer group of large and complex institutional investors and private sector asset management organizations of a similar size.

Executive Positions

Combined Peer Group Data

Combined Peer Group: CEO

\$000s

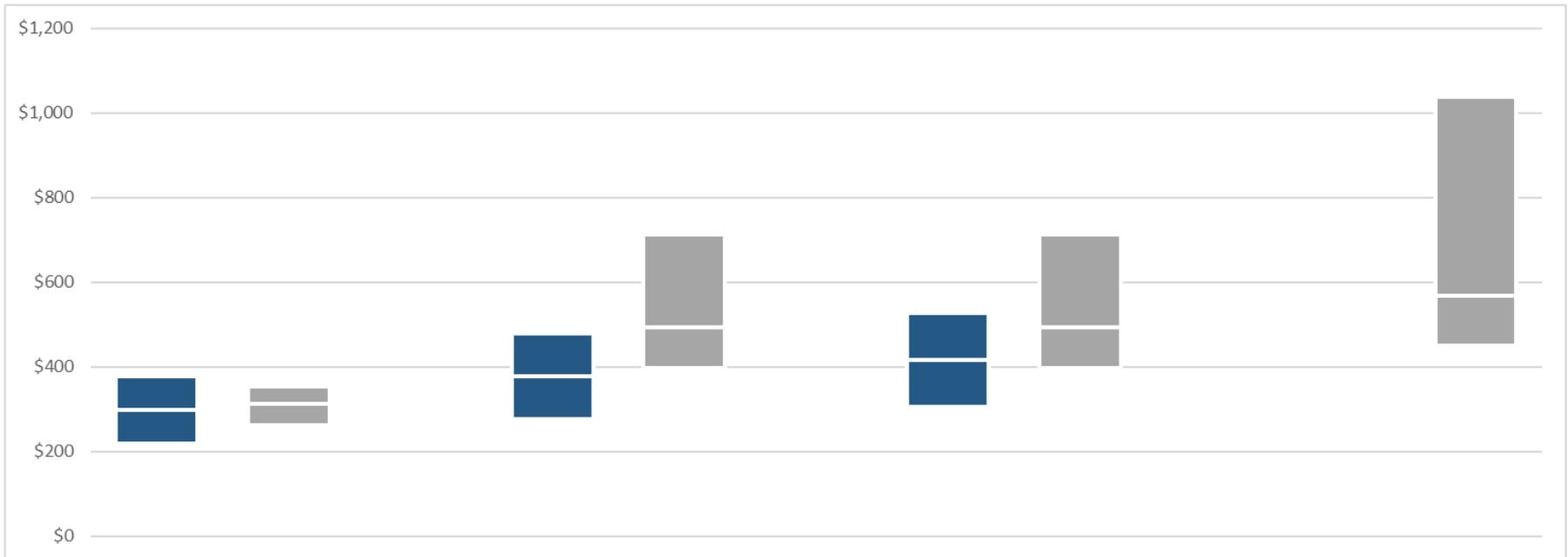


	Salary		Salary + Target		Salary + Max		Salary + Target TComp	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TComp
Max / 75th	\$629	\$641	\$799	\$1,701	\$880	\$1,701	\$968	\$3,514
Mid / Median	503	499	639	1,469	704	1,469	775	2,268
Min / 25th	377	418	479	960	528	960	581	1,071

Note: CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

Combined Peer Group: CFO

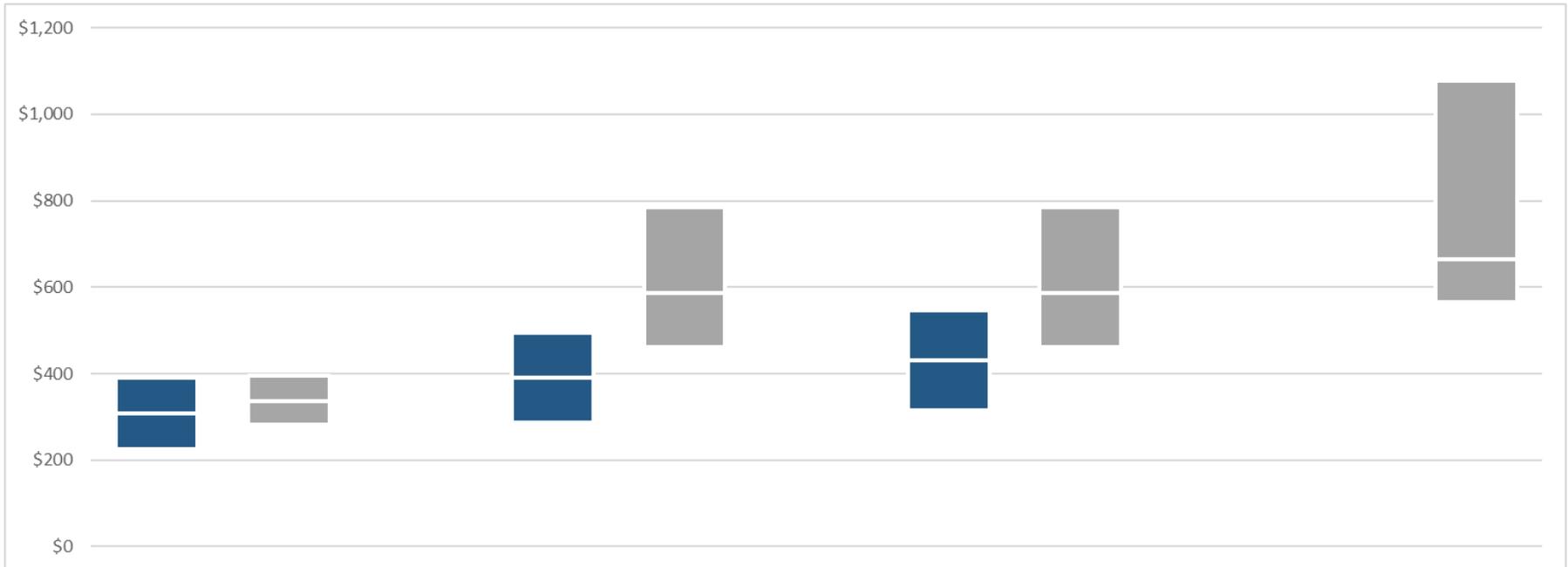
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$377	\$354	\$479	\$713	\$528	\$713	\$1,039
Mid / Median	297	312	378	494	416	494	567
Min / 25th	218	261	276	397	305	397	450

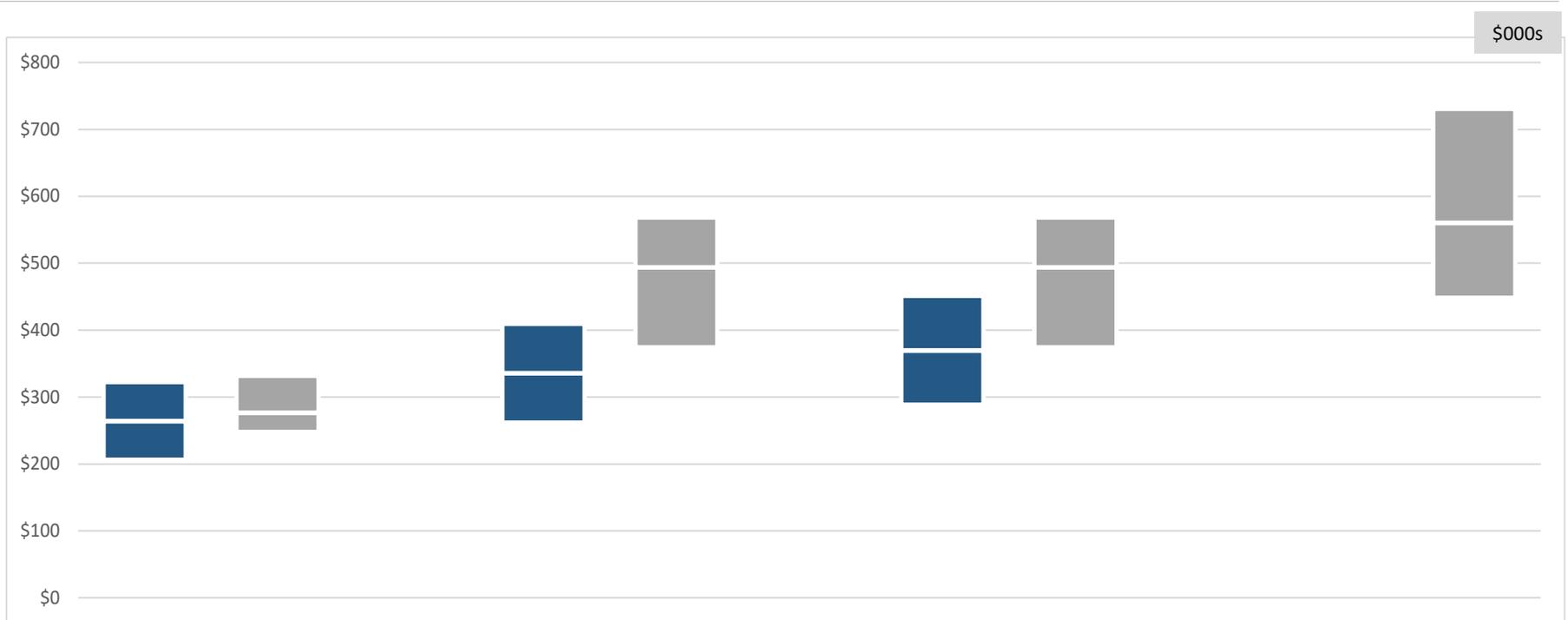
Combined Peer Group: General Counsel

\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$390	\$394	\$495	\$786	\$546	\$786	\$1,077
Mid / Median	308	336	391	587	431	587	665
Min / 25th	225	283	286	462	315	462	565

Combined Peer Group: Chief Actuary

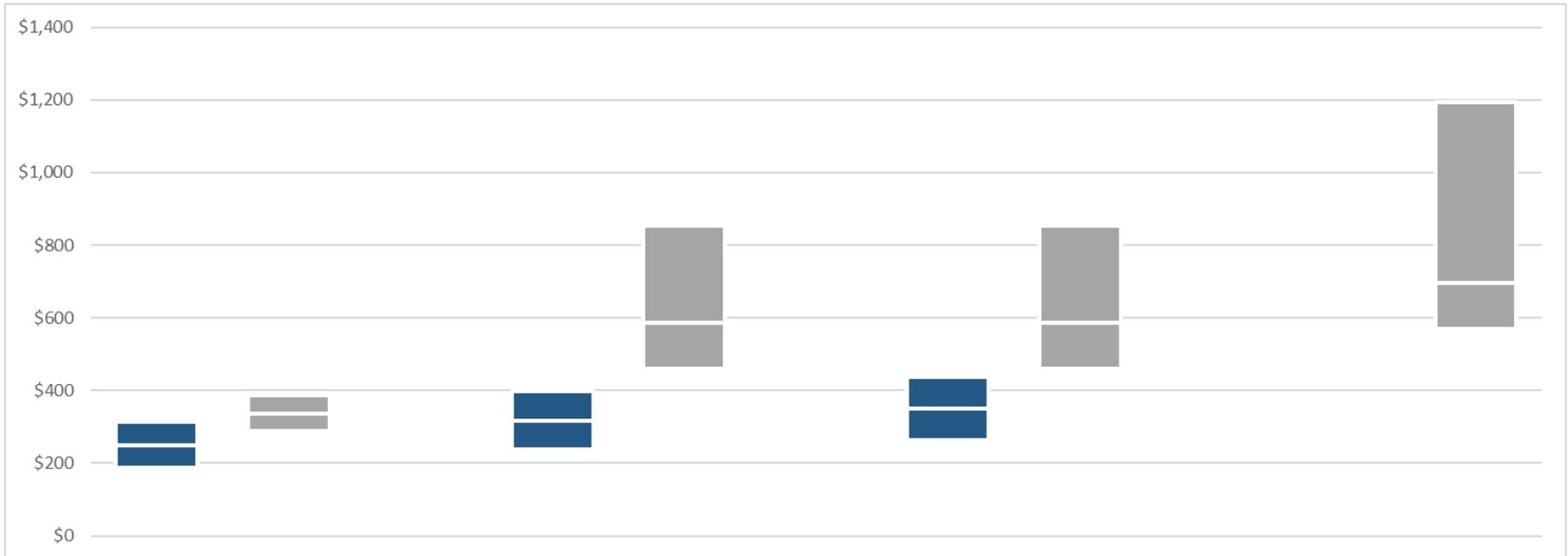


	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$322	\$332	\$409	\$569	\$451	\$569	\$731
Mid / Median	264	276	336	494	370	494	560
Min / 25th	206	248	262	374	288	374	448

Note: This data includes a weighting of 50% California-based agencies and 50% private sector firms. McLagan does not have compensation information available for US and Canadian public pension funds.

Combined Peer Group: COO

\$'000s

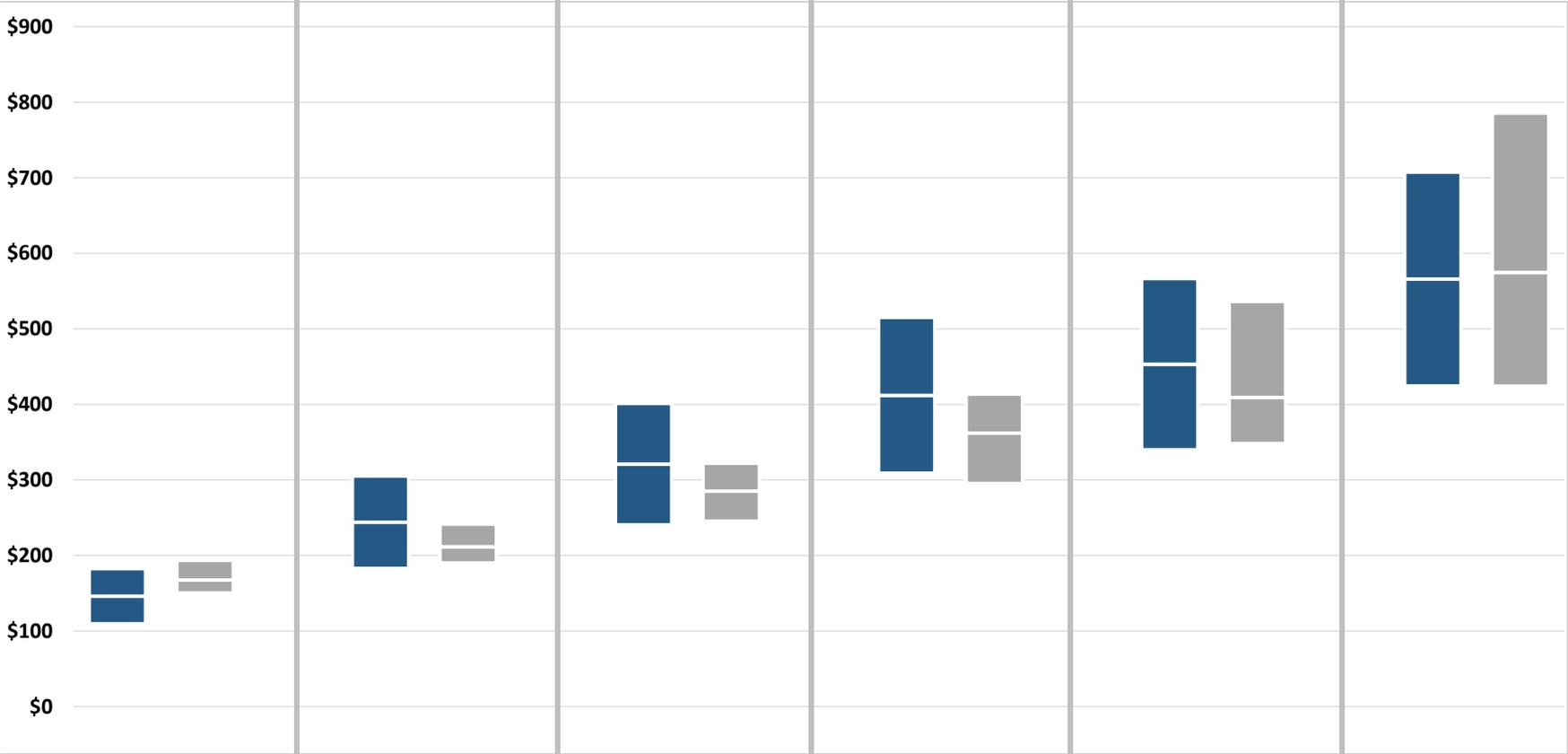


	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$313	\$388	\$397	\$855	\$438	\$855	\$1,195
Mid / Median	250	335	318	586	350	586	696
Min / 25th	188	289	238	459	263	459	570

Investment Management Positions

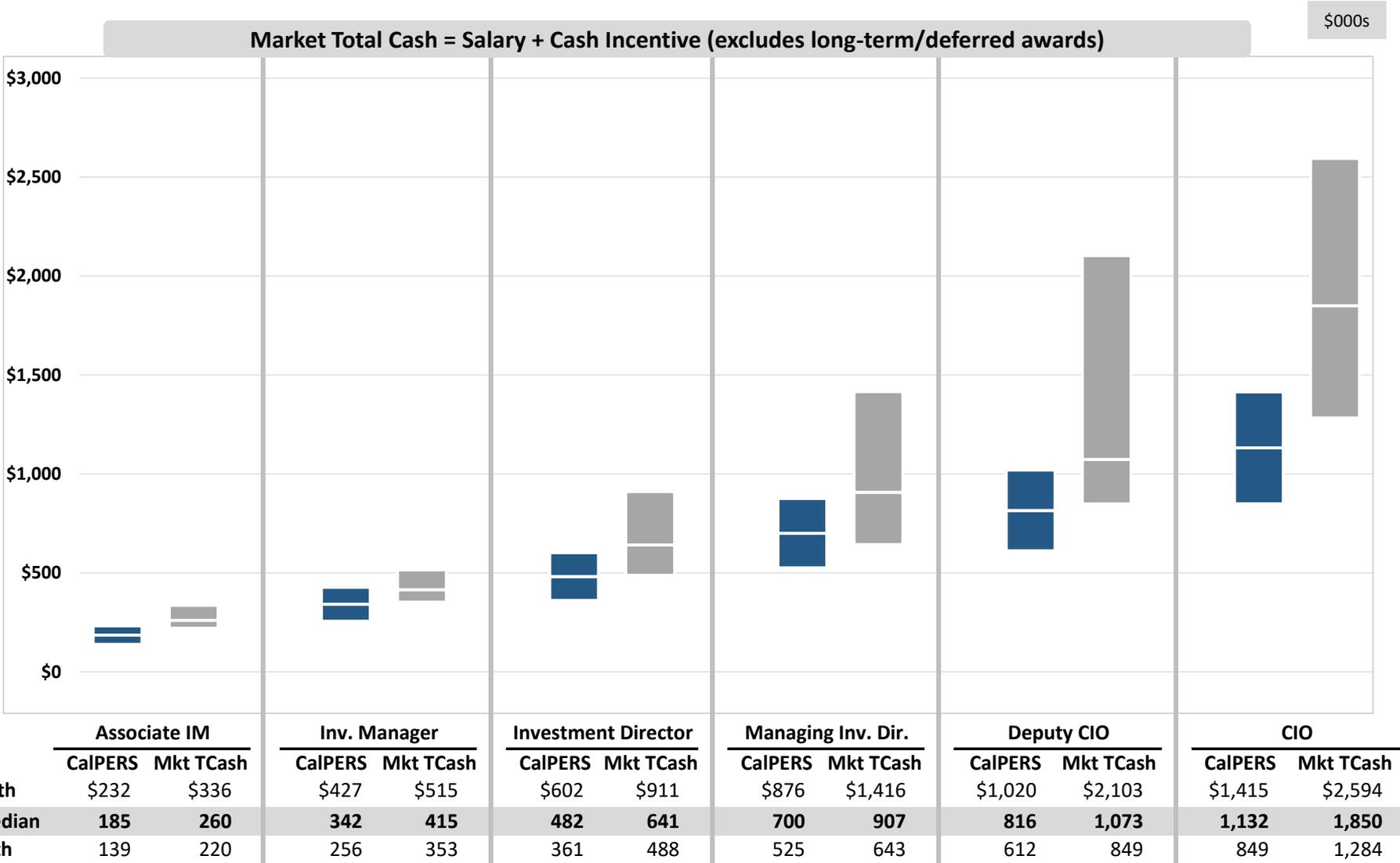
Investment Management Positions: Salary vs. Market Salary

\$000s



	Associate IM		Inv. Manager		Investment Director		Managing Inv. Dir.		Deputy CIO		CIO	
	CalPERS	Mkt Salary	CalPERS	Mkt Salary	CalPERS	Mkt Salary	CalPERS	Mkt Salary	CalPERS	Mkt Salary	CalPERS	Mkt Salary
Max / 75th	\$183	\$193	\$305	\$241	\$401	\$322	\$515	\$414	\$567	\$536	\$708	\$786
Mid / Median	146	167	244	212	321	285	412	362	453	409	566	575
Min / 25th	110	150	183	190	241	246	309	295	340	348	425	424

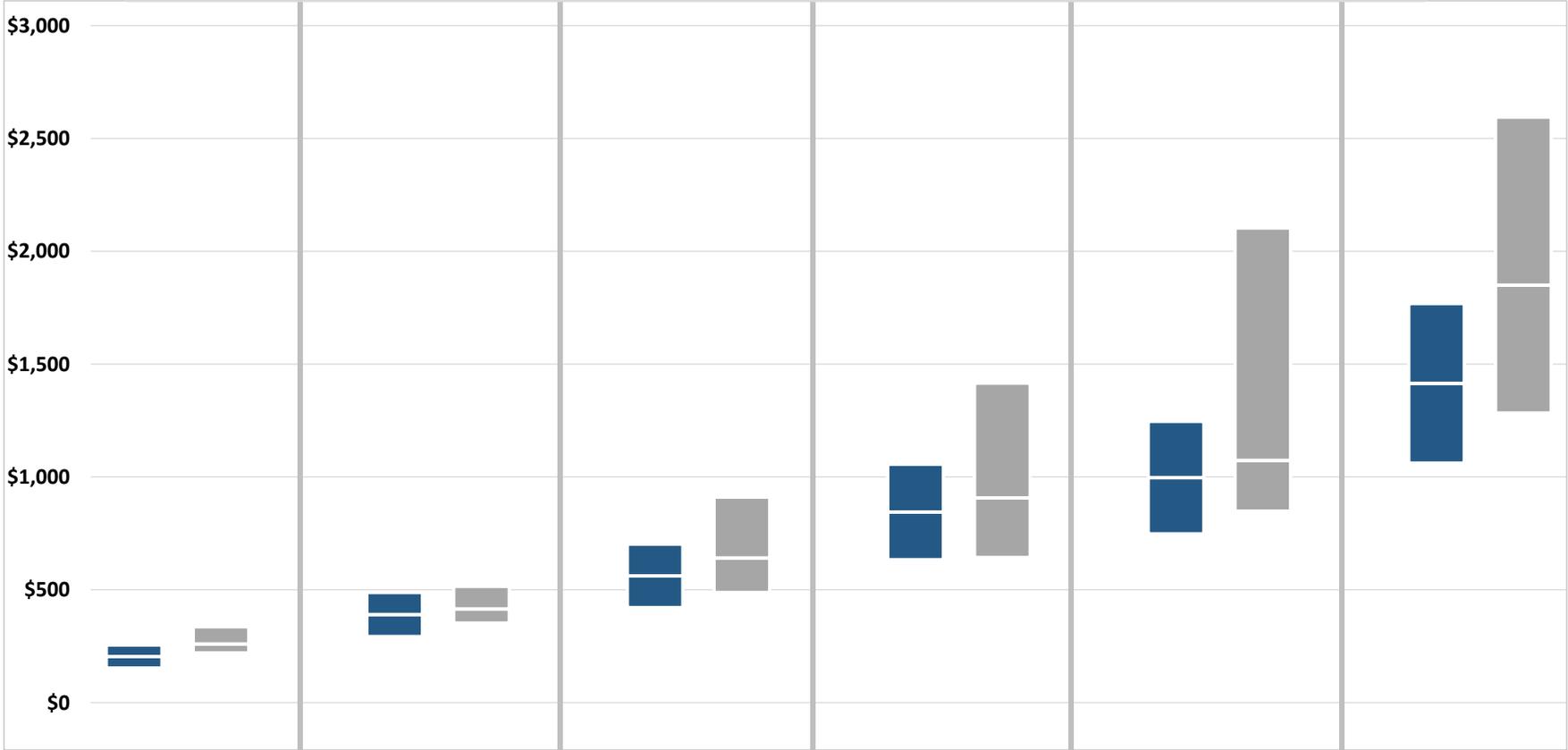
Investment Management Positions: Target T. Cash vs. Market T. Cash



Investment Management Positions: Maximum T. Cash vs. Market T. Cash

Market Total Cash = Salary + Cash Incentive (excludes long-term/deferred awards)

\$000s



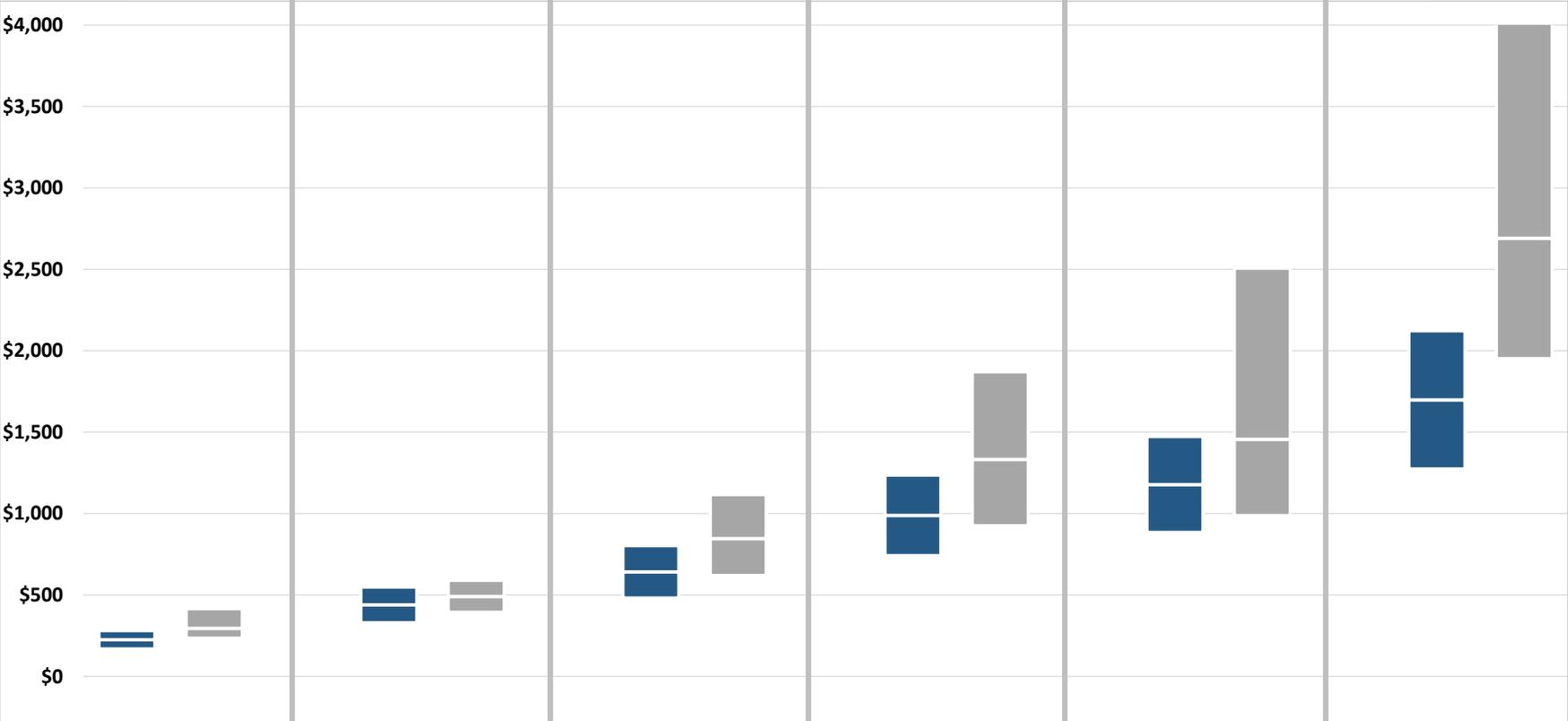
	Associate IM		Inv. Manager		Investment Director		Managing Inv. Dir.		Deputy CIO		CIO	
	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TCash
Max / 75th	\$256	\$336	\$488	\$515	\$702	\$911	\$1,056	\$1,416	\$1,246	\$2,103	\$1,769	\$2,594
Mid / Median	204	260	390	415	562	641	845	907	997	1,073	1,415	1,850
Min / 25th	153	220	293	353	421	488	633	643	748	849	1,061	1,284

Investment Management Positions: Target T. Comp vs. Market T. Comp

Market Total Comp = Salary + Cash Incentive + Long-term/Deferred Awards

CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

\$000s



	Associate IM		Inv. Manager		Investment Director		Managing Inv. Dir.		Deputy CIO		CIO	
	CalPERS	Mkt Tcomp	CalPERS	Mkt Tcomp	CalPERS	Mkt Tcomp	CalPERS	Mkt Tcomp	CalPERS	Mkt Tcomp	CalPERS	Mkt Tcomp
Max / 75th	\$281	\$415	\$549	\$590	\$803	\$1,116	\$1,236	\$1,871	\$1,473	\$2,507	\$2,123	\$4,838
Mid / Median	225	295	439	491	642	846	989	1,332	1,178	1,456	1,698	2,691
Min / 25th	169	235	329	394	482	620	742	925	884	987	1,274	1,951

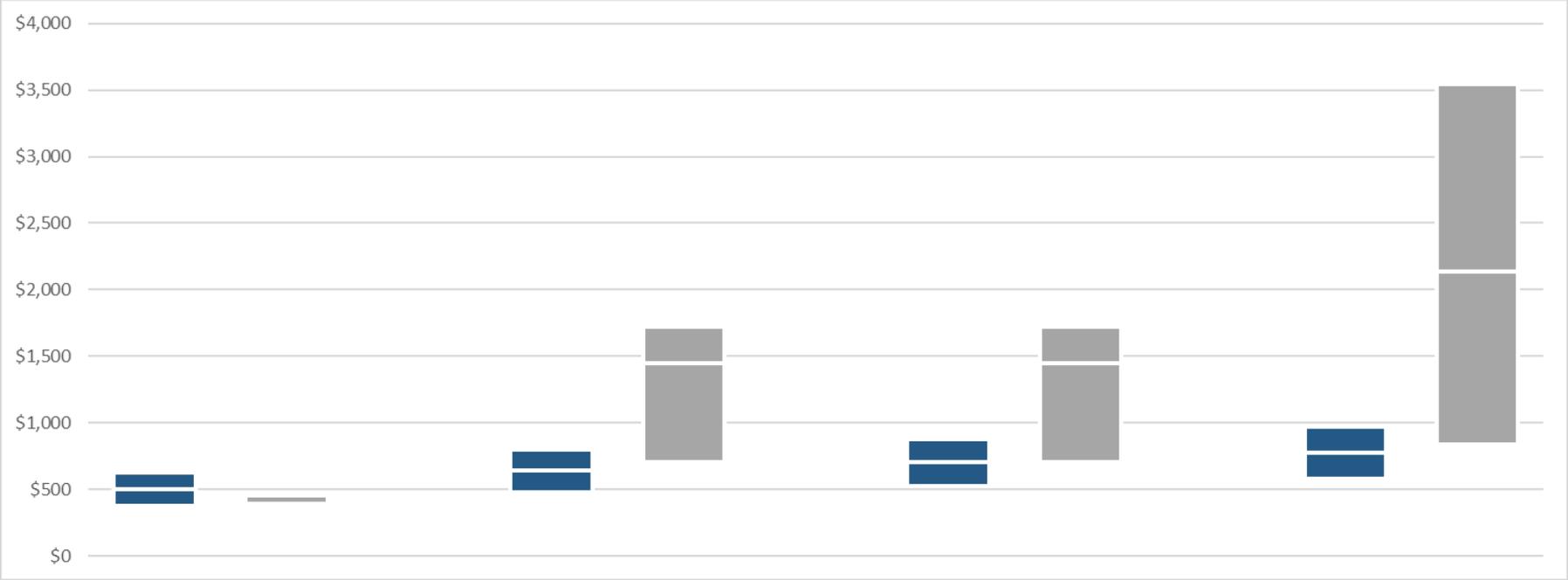
Appendix I: Executive Positions

Executive Positions

US & Canadian Public Fund Peer Group Data

Public Fund Peer Group: CEO

\$000s

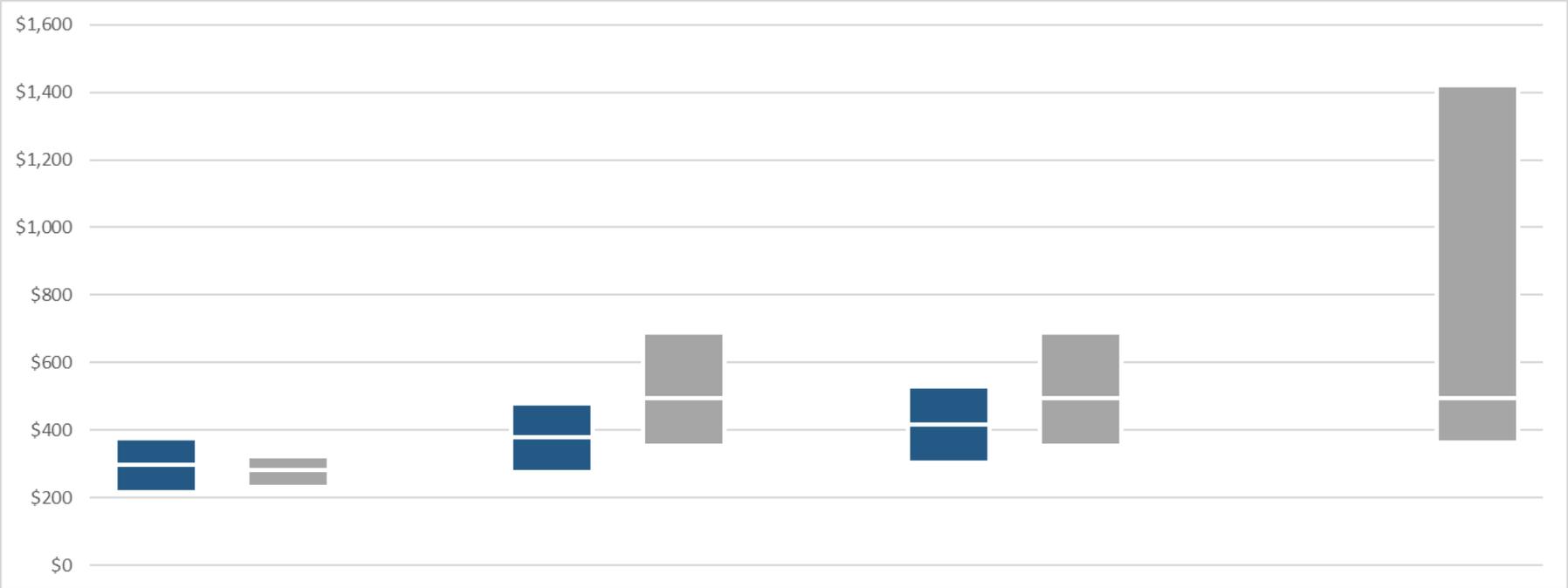


	Salary		Salary + Target		Salary + Max		Salary + Target TComp	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TComp
Max / 75th	\$629	\$478	\$799	\$1,725	\$880	\$1,725	\$968	\$3,543
Mid / Median	503	453	639	1,447	704	1,447	775	2,135
Min / 25th	377	389	479	706	528	706	581	836

Note: CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

Public Fund Peer Group: CFO

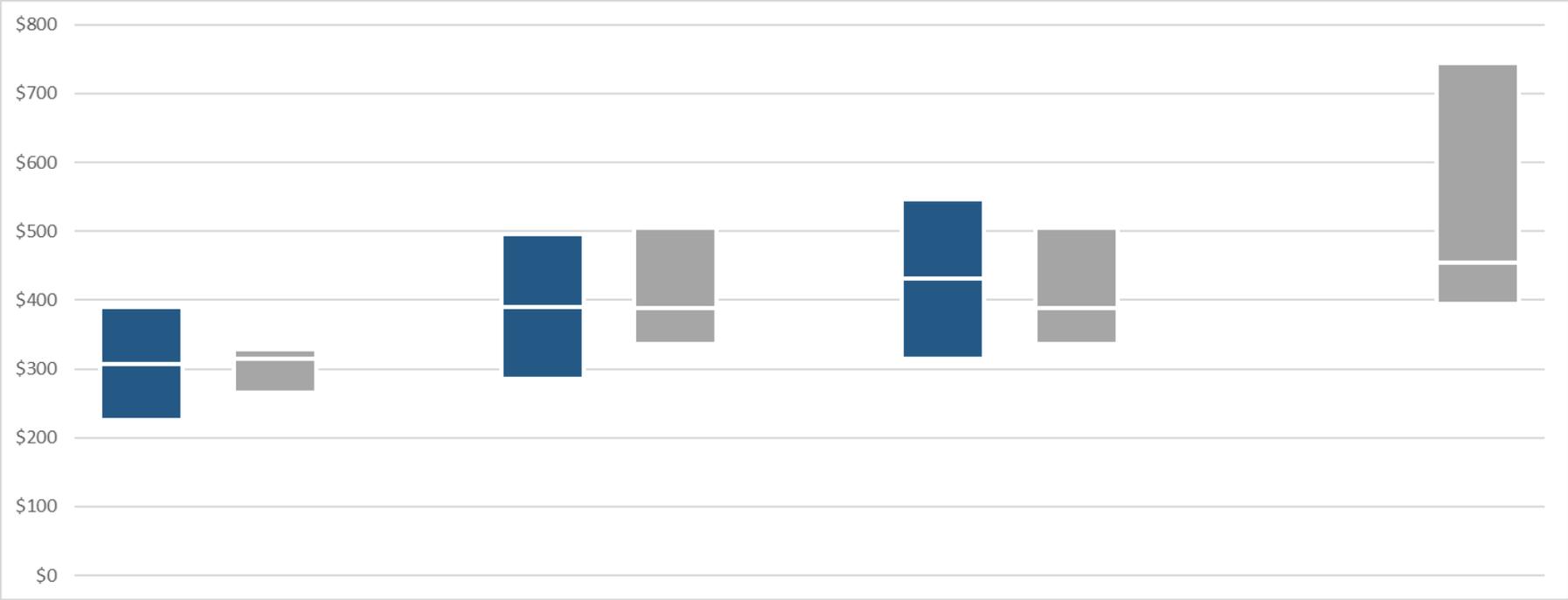
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$377	\$322	\$479	\$688	\$528	\$688	\$1,421
Mid / Median	297	283	378	494	416	494	494
Min / 25th	218	232	276	353	305	353	363

Public Fund Peer Group: General Counsel

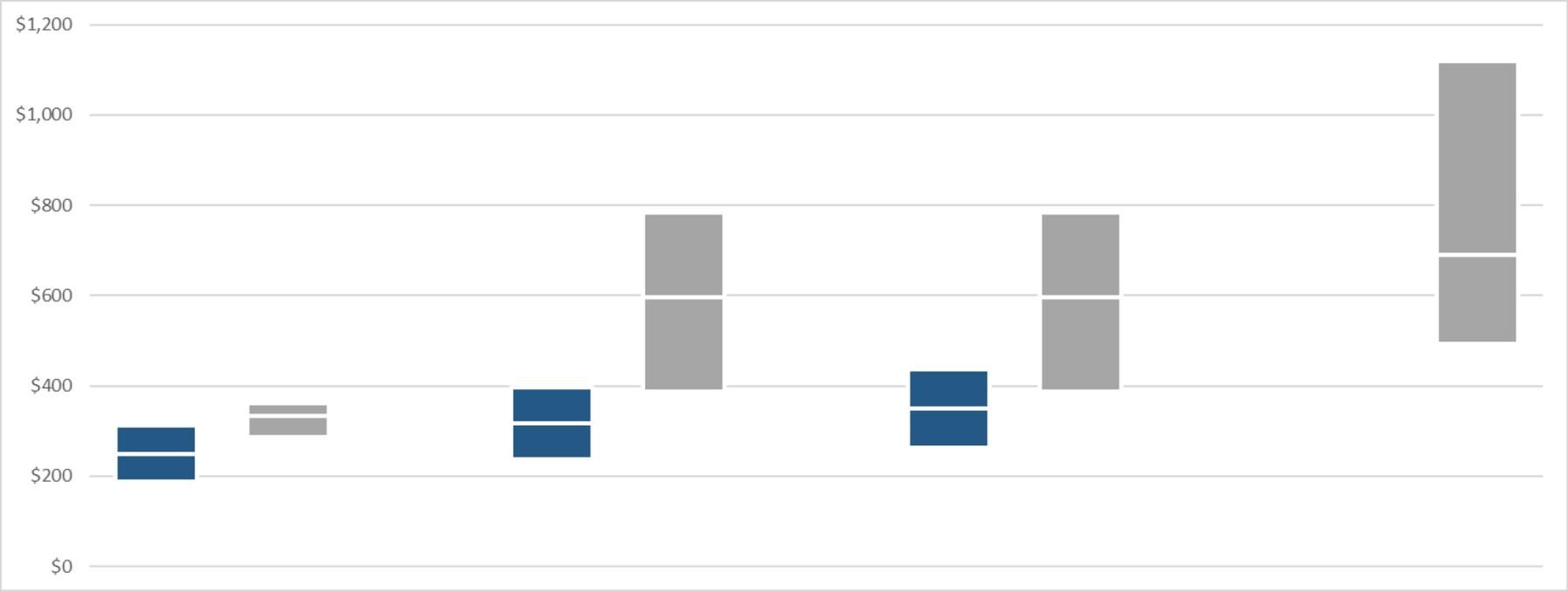
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$390	\$328	\$495	\$505	\$546	\$505	\$744
Mid / Median	308	315	391	388	431	388	454
Min / 25th	225	265	286	337	315	337	394

Public Fund Peer Group: COO

\$000s



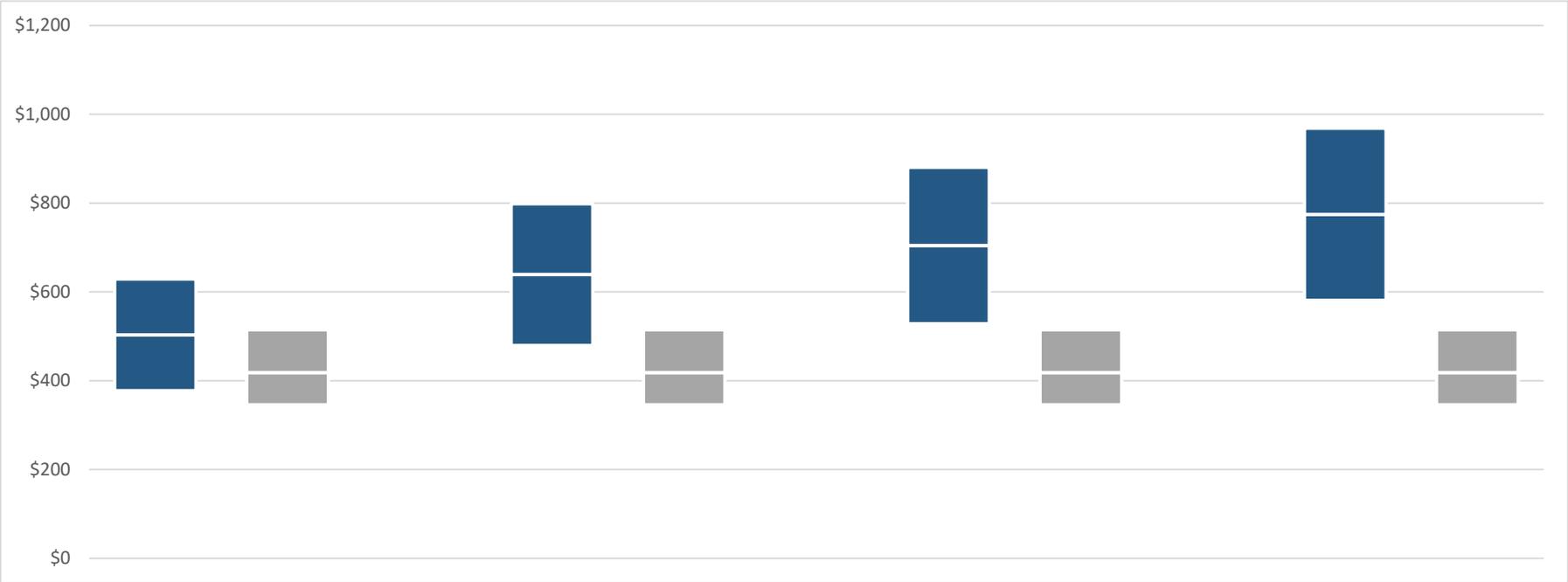
	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$313	\$362	\$397	\$785	\$438	\$785	\$1,119
Mid / Median	250	333	318	597	350	597	691
Min / 25th	188	286	238	386	263	386	493

Executive Positions

California-based Agencies Peer Group Data

California-based Agencies Peer Group: CEO

\$000s

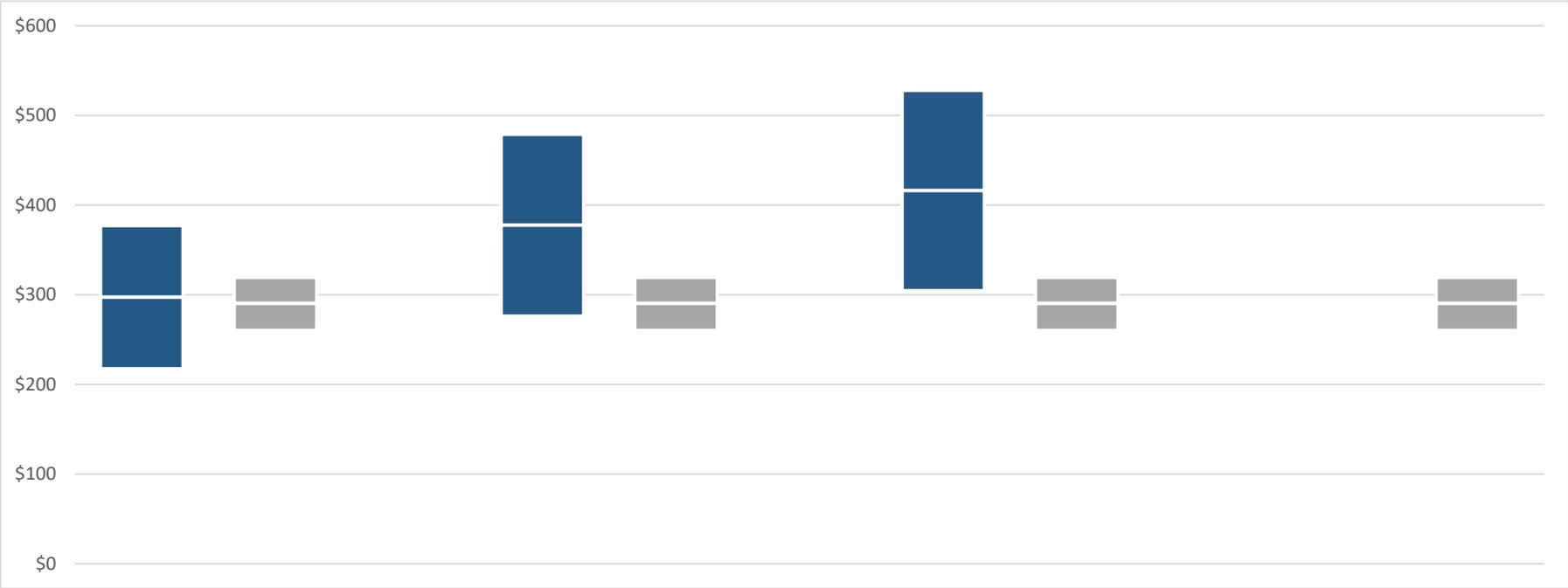


	Salary		Salary + Target		Salary + Max		Salary + Target TComp	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TComp
Max / 75th	\$629	\$515	\$799	\$515	\$880	\$515	\$968	\$515
Mid / Median	503	418	639	418	704	418	775	418
Min / 25th	377	346	479	346	528	346	581	346

Note: CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

California-based Agencies Peer Group: CFO

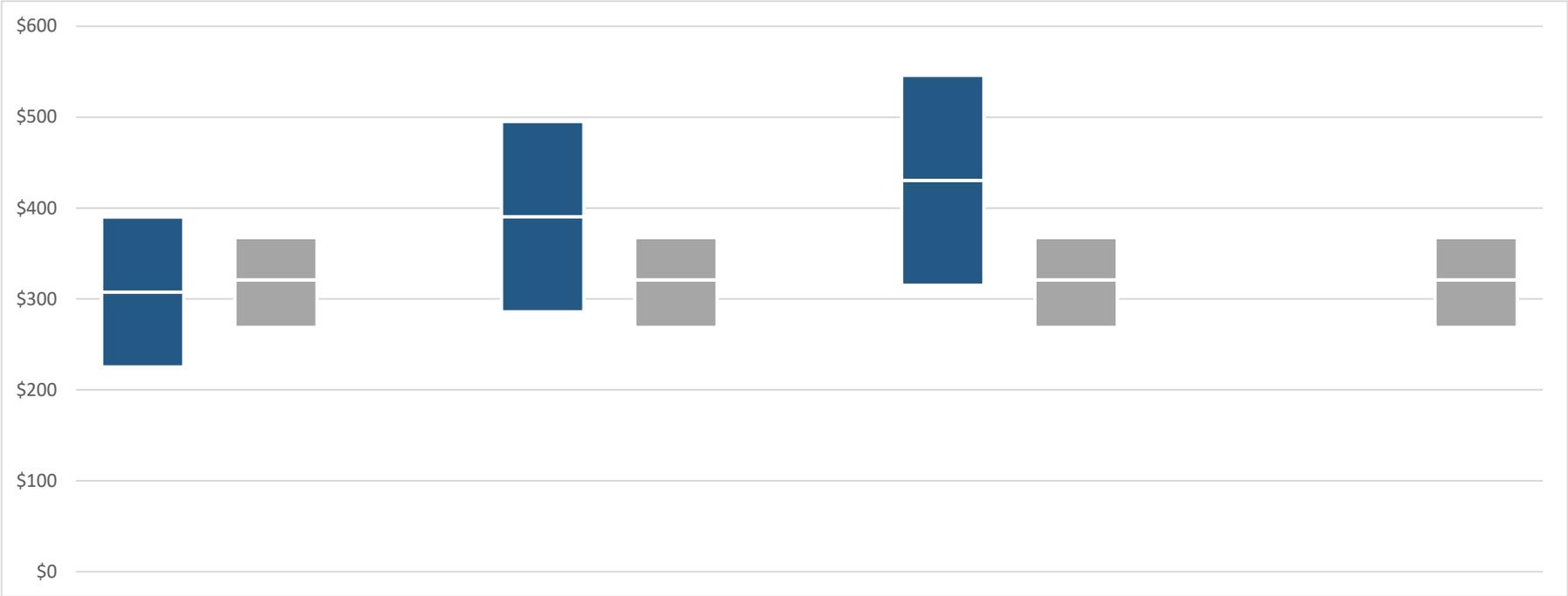
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$377	\$319	\$479	\$319	\$528	\$319	\$319
Mid / Median	297	290	378	290	416	290	290
Min / 25th	218	260	276	260	305	260	260

California-based Agencies Peer Group: General Counsel

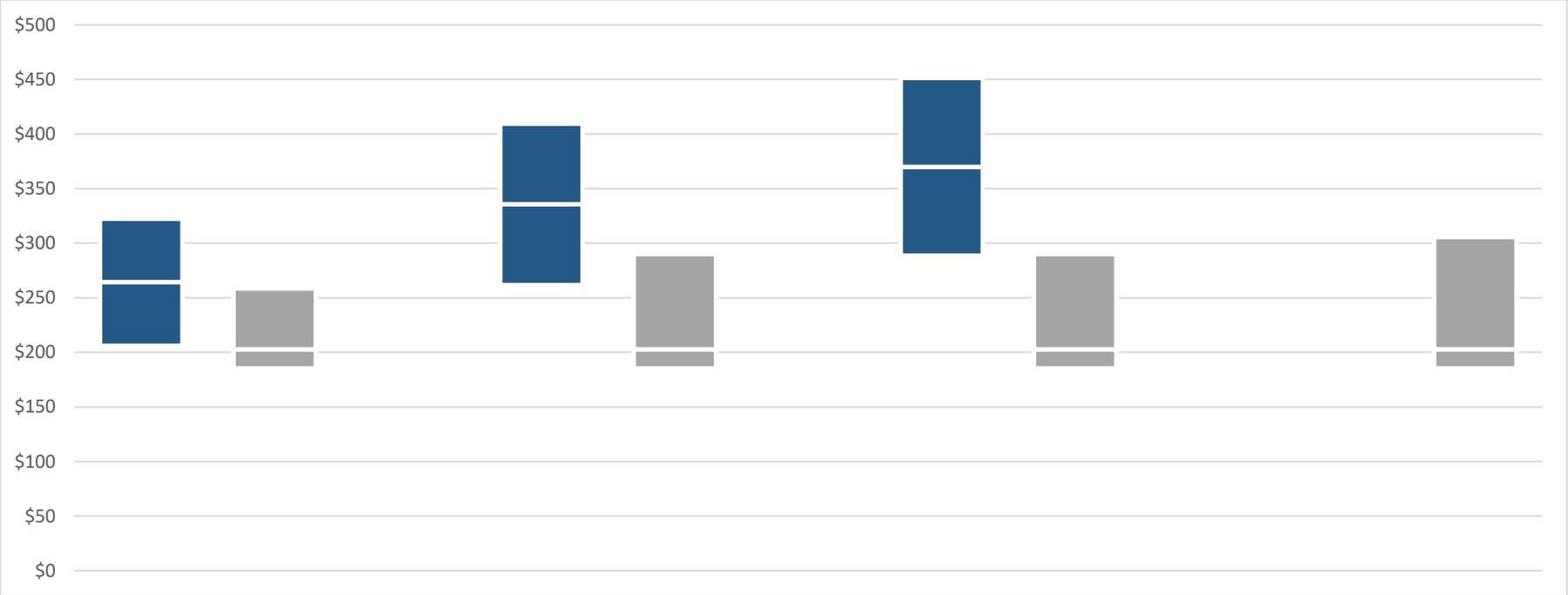
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$390	\$367	\$495	\$367	\$546	\$367	\$367
Mid / Median	308	321	391	321	431	321	321
Min / 25th	225	269	286	269	315	269	269

California-based Agencies Peer Group: Chief Actuary

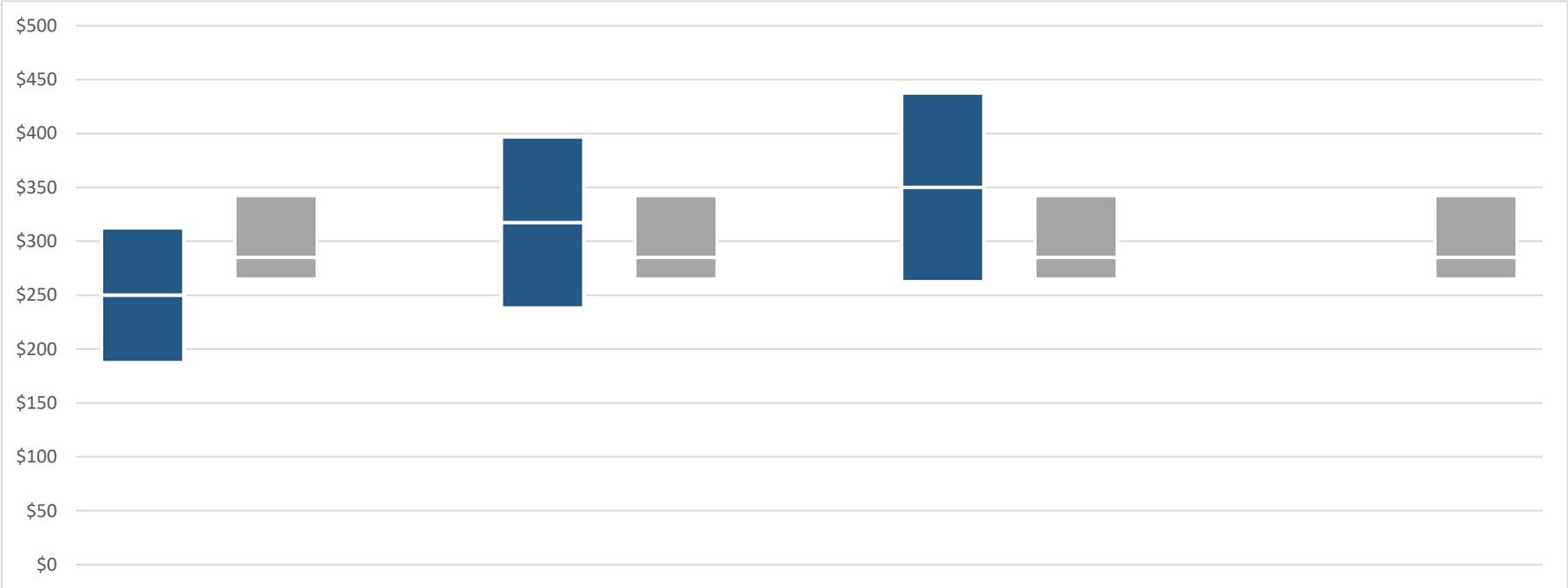
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$322	\$259	\$409	\$290	\$451	\$290	\$306
Mid / Median	264	203	336	203	370	203	203
Min / 25th	206	185	262	185	288	185	185

California-based Agencies Peer Group: COO

\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$313	\$342	\$397	\$342	\$438	\$342	\$342
Mid / Median	250	285	318	285	350	285	285
Min / 25th	188	265	238	265	263	265	265

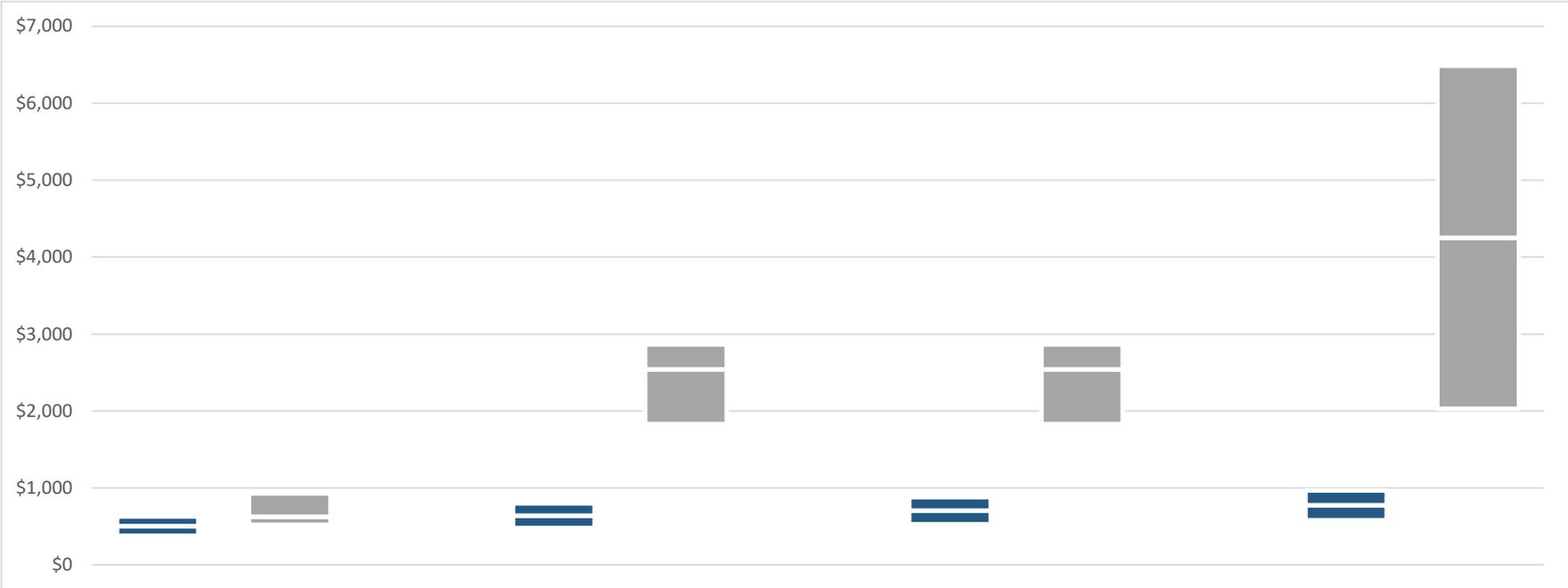
\$000s

Executive Positions

Private Sector Peer Group Data

Private Sector Peer Group: CEO

\$000s

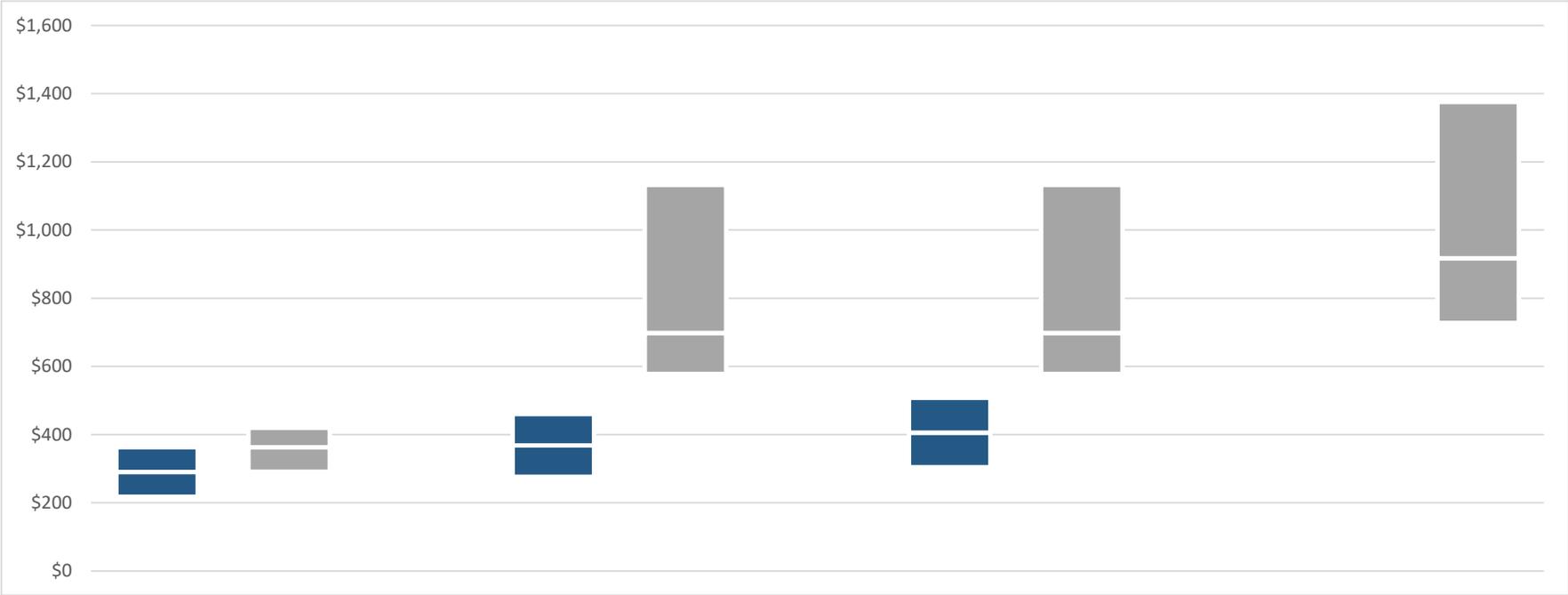


	Salary		Salary + Target		Salary + Max		Salary + Target TComp	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	CalPERS	Mkt TComp
Max / 75th	\$629	\$930	\$799	\$2,864	\$880	\$2,864	\$968	\$6,485
Mid / Median	503	625	639	2,542	704	2,542	775	4,250
Min / 25th	377	520	479	1,829	528	1,829	581	2,030

Note: CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

Private Sector Peer Group: CFO

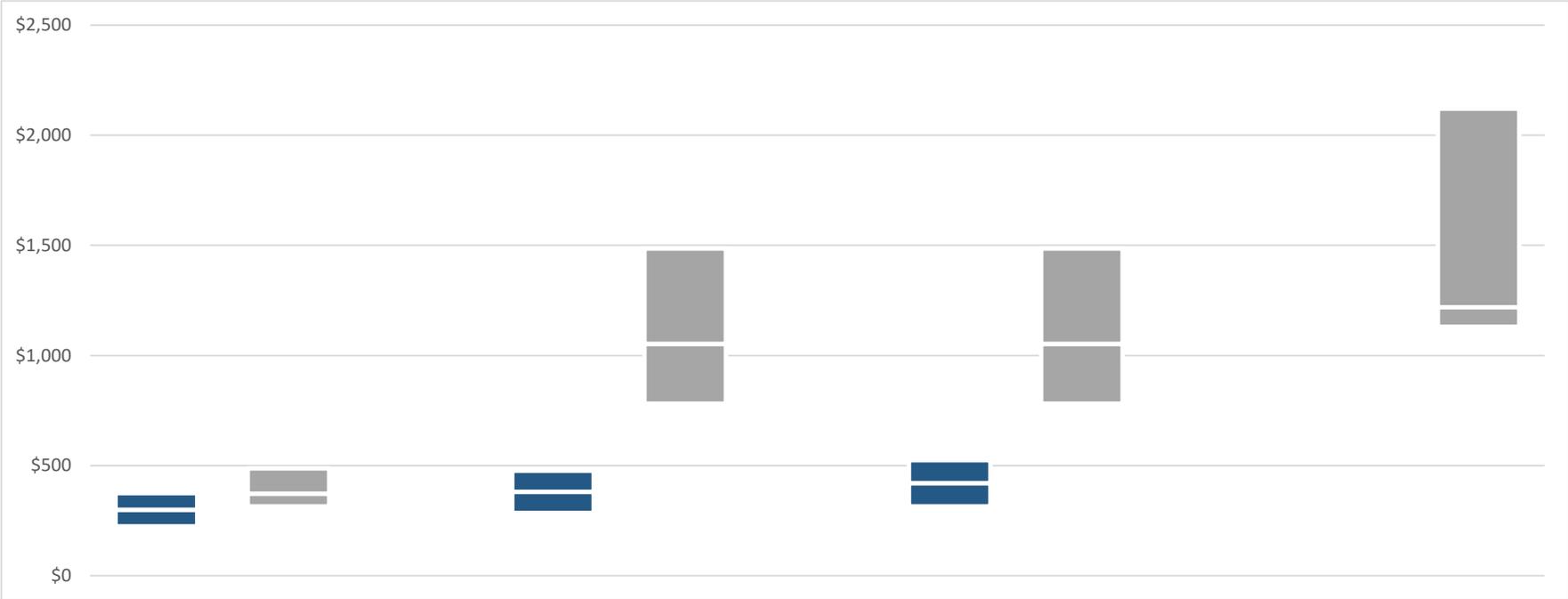
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	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$377	\$420	\$479	\$1,132	\$528	\$1,132	\$1,376
Mid / Median	297	363	378	698	416	698	918
Min / 25th	218	291	276	578	305	578	728

Private Sector Peer Group: General Counsel

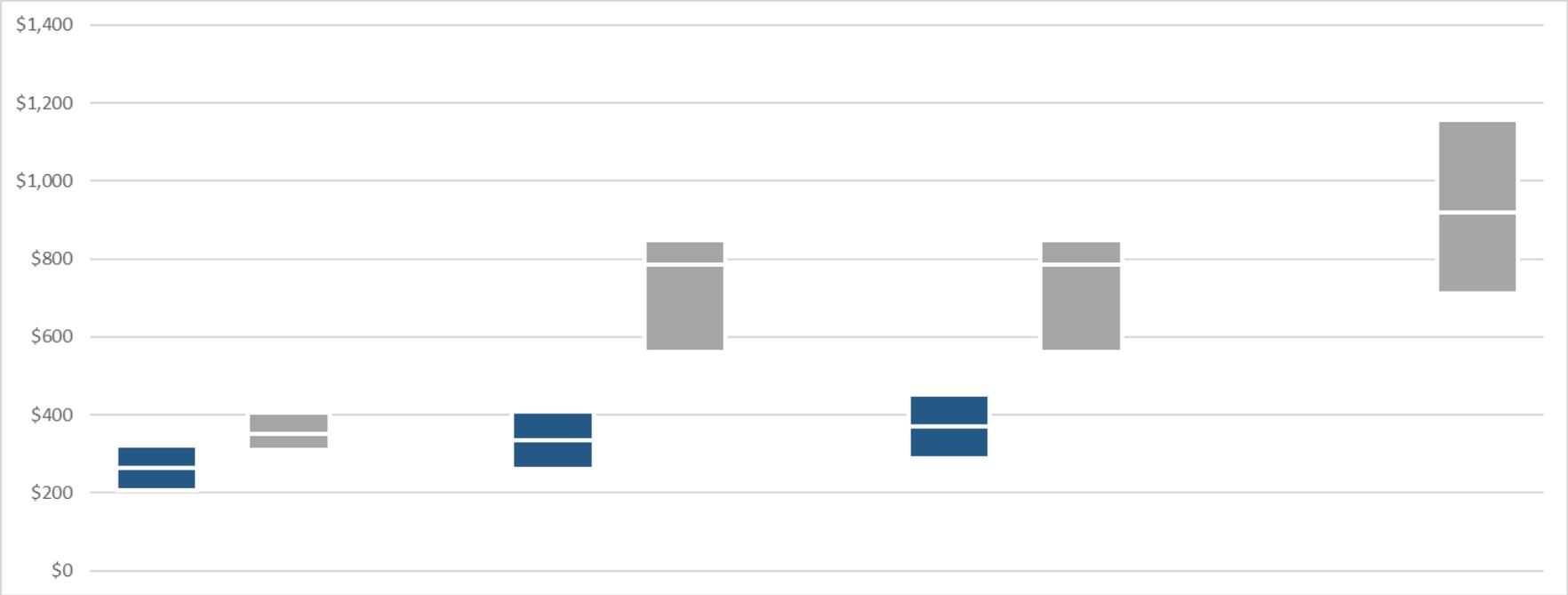
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$390	\$488	\$495	\$1,485	\$546	\$1,485	\$2,120
Mid / Median	308	373	391	1,053	431	1,053	1,219
Min / 25th	225	315	286	782	315	782	1,032

Private Sector Peer Group: Chief Actuary

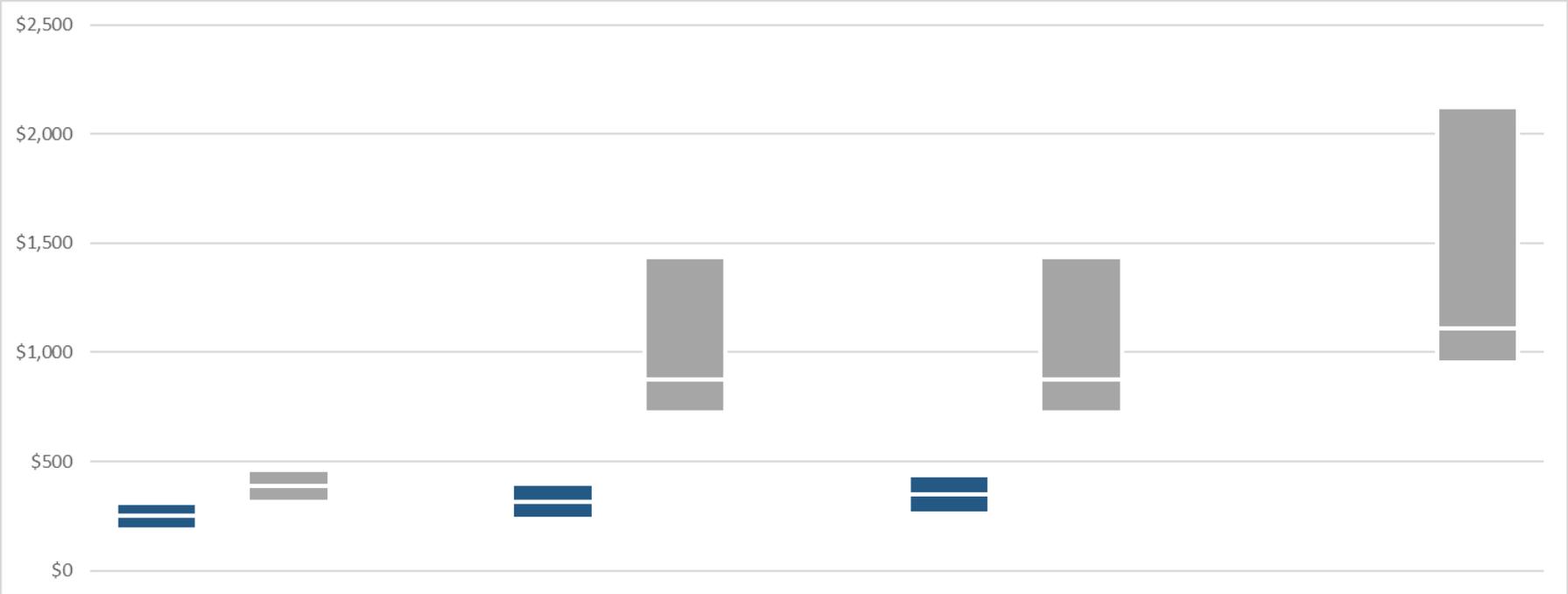
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$322	\$405	\$409	\$847	\$451	\$847	\$1,156
Mid / Median	264	350	336	785	370	785	918
Min / 25th	206	310	262	563	288	563	711

Private Sector Peer Group: COO

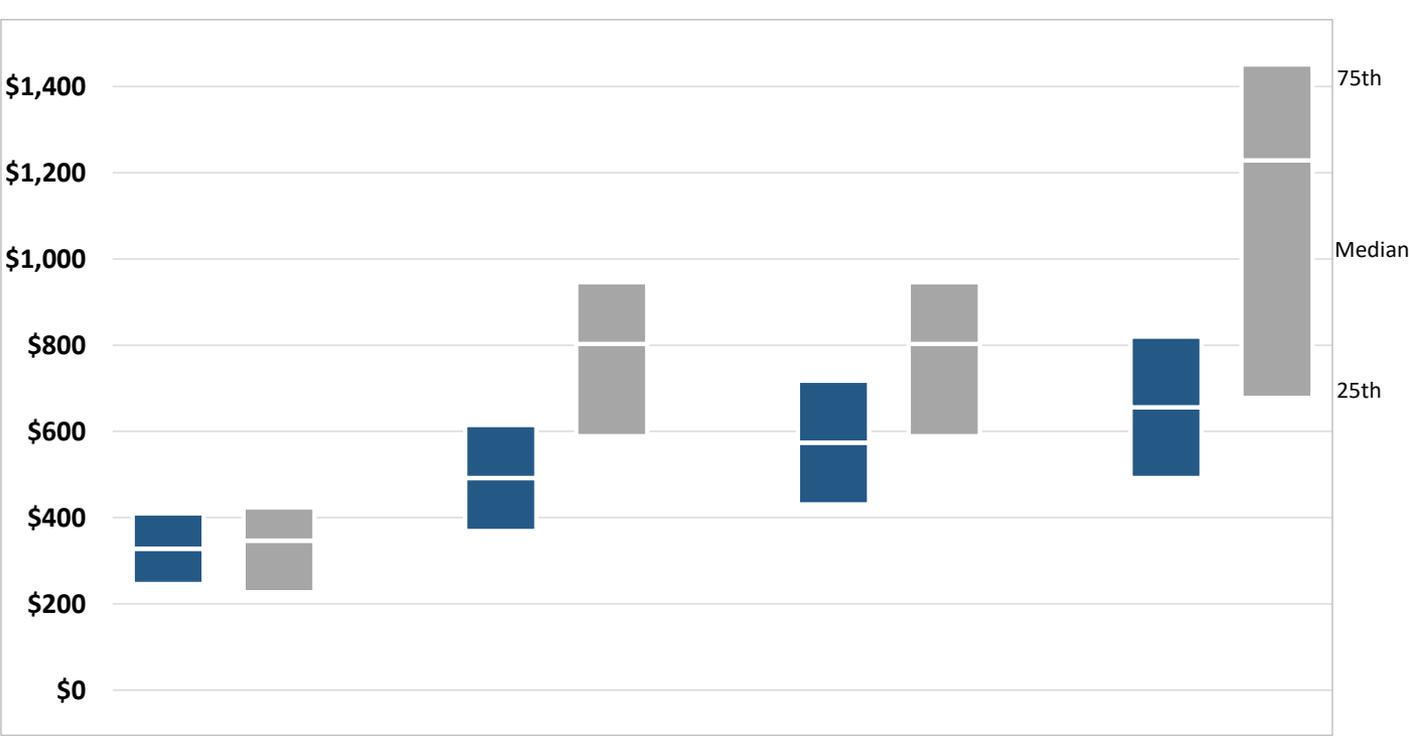
\$000s



	Salary		Salary + Target		Salary + Max		Market T. Comp
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash	Mkt
Max / 75th	\$313	\$459	\$397	\$1,437	\$438	\$1,437	\$2,124
Mid / Median	250	387	318	875	350	875	1,111
Min / 25th	188	316	238	725	263	725	952

Appendix II: Additional Investment Position

Investment Management Positions: Chief Operating Investment Officer



\$000s

	Salary		Salary + Target Tcash		Salary + Max TCash		Salary + Target TComp	
	CalPERS	Mkt Salary	CalPERS	Mkt Tcash	CalPERS	Mkt Tcash	CalPERS	Mkt Tcomp
Max / 75th	\$410	\$424	\$615	\$946	\$718	\$946	\$820	\$1,451
Mid / Median	328	347	492	803	574	803	656	1,228
Min / 25th	246	227	369	589	431	589	492	678

Note: CalPERS Total Comp = Salary + Annual Incentive at Target + Long-term at Target

Appendix III: Peer Groups

Executive Management Peer Group
Summary

Executive Management Peer Group Summary				
	Public Sector	Cali-based Agency	Private Sector	Combined
Government				
Leading US Public Funds	✓			✓
Leading Canadian Public Funds	✓			✓
CA-based Agencies		✓		✓
For Profit				
Banks			✓	✓
Insurance Companies			✓	✓

Executive Management Peer Group
California-based Agencies

California-based Agency Comparators		
Agency	Governed by a Board	Independent Pay Authority
Bay Area Rapid Transit (BART)	✓	✓
City of Los Angeles	✓	
County of Los Angeles	✓	✓
Covered California (California Health Benefit Exchange)	✓	
East Bay Municipal Utility District	✓	✓
Los Angeles County Employee Retirement System (LACERA)	✓	✓
Los Angeles Department of Water and Power (LADWP)	✓	
Sacramento Municipal Utility District (SMUD)	✓	
San Diego City Employees' Retirement System (SDCERS)	✓	
Santa Barbara County Employees' Retirement System (SBCERS)	✓	
State Compensation Insurance Fund (SCIF)	✓	

Executive Management Peer Group
Public Firms

Public Sector		
		AUM (\$B)
Canadian Pension Plan Investment Board	Canadian Pension Fund	\$482
CA State Teachers' Retirement System	US Public Fund	328
Caisse de depot et placement du Quebec	Canadian Pension Fund	300
Ontario Teachers Pension Board	Canadian Pension Fund	193
British Columbia Investment Management Corp	Canadian Pension Fund	168
State of Wisconsin Investment Board	US Public Fund	166
Teacher Retirement System of Texas	US Public Fund	160
Virginia Retirement System	US Public Fund	107
State Teachers Retirement System of Ohio	US Public Fund	97
OMERS	Canadian Pension Fund	92
Healthcare of Ontario Pension Plan	Canadian Pension Fund	91

Investment Management Peer Group

Leading Institutional Managers		
		AUM (\$B)
CA State Teachers' Retirement System	US Public Fund	\$327.6
Ontario Teachers Pension Board	Canadian Pension Fund	192.7
Canadian Pension Plan Investment Board	Canadian Pension Fund	168.5
British Columbia Investment Management Corp	Canadian Pension Fund	168.3
State of Wisconsin Investment Board	US Public Fund	165.6
Teacher Retirement System of Texas	US Public Fund	160.0
Virginia Retirement System	US Public Fund	107.2
State Teachers Retirement System of Ohio	US Public Fund	96.7
OMERS	Canadian Pension Fund	92.0
Healthcare of Ontario Pension Plan	Canadian Pension Fund	91.2
Caisse de depot et placement du Quebec	Canadian Pension Fund	90.0
General Motors Asset Management	US Corp. Plan Sponsor	70.6
Harvard Management Company	US Endowment	58.1
Yale University Investments	US Endowment	48.3
Stanford Management Company	US Endowment	41.9
Princeton University	US Endowment	37.0
MIT Investment Management Company	US Endowment	30.6
Duke University	US Endowment	30.1
DuPont Capital Management	US Corp. Plan Sponsor	21.3
University of Michigan	US Endowment	21.2
Washington University in St. Louis	US Endowment	15.8
University of Virginia Investment Mgmt	US Endowment	15.0
Columbia University	US Endowment	14.4

Private Sector Firms			
	AUM		
	25th	50th	75th
Advisory Firms, Banks and Insurance Companies	\$140.1	\$202.4	\$331.7