Finance and Administration Committee

Agenda Item 6b

November 18, 2025

Item Name: Modernizing Investment Data and Technology Update

Program: Investment Office

Item Type: Information

Executive Summary

This agenda item provides a status update on the Investment Data and Technology Modernization Initiative.

Strategic Plan

This agenda item supports the CalPERS Strategic Plan Goal, pension sustainability, to strengthen the long-term sustainability of the pension.

Investment Beliefs

This agenda item supports four of the CalPERS' Investment Beliefs:

- Investment Belief 5: CalPERS must articulate its investment goals and performance measures and ensure clear accountability for their execution.
- Investment Belief 8: Costs matter and need to be effectively managed.
- Investment Belief 9: Risk to CalPERS is multi-faceted and not fully captured through measures such as volatility or tracking error.
- Investment Belief 10: Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives.

Background

The purpose of this strategic initiative is to establish a modernized investment platform for improved fund performance. The objective of the modernized platform is to enable reduced operational risk, improved efficiency, and investment innovation to deliver a better portfolio.

The Initiative consists of four projects, including Capital Markets and Total Fund, Private Markets, Data Platform, and Developed Applications. The goal during 2025-26 is to continue to progress the overall Initiative with focus on Project 1: Capital Markets and Total Fund and Project 2: Private Markets and initiate Project 3: Data Platform.

During the June 2025 Investment Committee (IC) meeting, an update was provided on the Investment Data and Technology Modernization Initiative (Initiative), which is one of the strategic initiatives launched in 2022-23 by the Investment Office. The last presentation provided a status update on the Initiative.

Analysis

This presentation offers an update on the status of the strategic initiative. It includes a summary of the 2024-25 spend, the projected 2025-26 budget, accomplishments since the last update, and key milestones for the remainder of the fiscal year. Additionally, it provides a visual overview of the technology platforms under development and outlines the governance structure for the overall strategic initiative.

Budget and Fiscal Impacts

Funding of $10M, as part of the 2024-25 Investment Office budget, including $2.5M from the original budget approved at the April 2024 FAC and an additional $7.5M mid-year increase was approved at the November 2024 FAC.

Funding of $38M, as part of the 2025-26 Investment Office budget, was approved at the April 2025 FAC.

Benefits and Risks

The benefits of proceeding:

- The long-term outcome of this investment data and technology initiative will enable CalPERS to innovate, drive scale, improve efficiency and mitigate operational risks. This, in turn, will provide an opportunity to deliver improved returns.
- Mitigates operational risks tied to the implementation of the investment strategy, supporting the achievement of long-term investment returns.
- More timely/informed decisions leading to better outcomes and investment innovation.
- Improves staff utilization through leveraging technology to shift focus from low value-add repetitive operational tasks to higher value-add analytical outputs.

The risks of status quo:

- Increased levels of operational and financial risk.
- Increased manual processes and sub-optimal allocation of staff to high value add activities.
- Longer lead times to investment insights and potential impact on returns.
- Limited data and technology capabilities to support investment innovation.

Attachments

Attachment 1 – Modernizing Investment Data and Technology Update Presentation

Jennifer Hafner
Initiative Director

Robert Paterson
Investment Director

Stephen Gilmore
Chief Investment Officer