Finance and Administration Committee

Agenda Item 6b

September 15, 2026

Item Name: Modernizing Investment Data and Technology Update

Program: Investment Office

Item Type: Information Item

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 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.

During the April 2026 Finance and Administration Committee (FAC) meeting, an update was provided on the Investment Data and Technology Modernization Initiative (Initiative) and funding request for FY 2026-27 was approved.

The goal during 2026-27 is to continue to progress the overall Initiative with focus on Project 1: Capital Markets and Total Fund, Project 2: Private Markets, and Project 3: Data Platform.

Analysis

This presentation offers an update on the status of the strategic initiative. It includes accomplishments since the last update, and key milestones for the current fiscal year. Additionally, it provides an overview of Project 3 (Data Platform).

Budget and Fiscal Impacts

- Funding of $70.9M, as part of the 2026-27 Investment Office budget, was approved at the April 2026 FAC.
- Funding of $38M, as part of the 2025-26 Investment Office budget, was approved at the April 2025 FAC.
- 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.

Benefits and Risks

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.

Risk of Status Quo

- Lack of funding will not allow the Initiative to progress.
- 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 – Investment Data and Technology Modernization Initiative Presentation

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