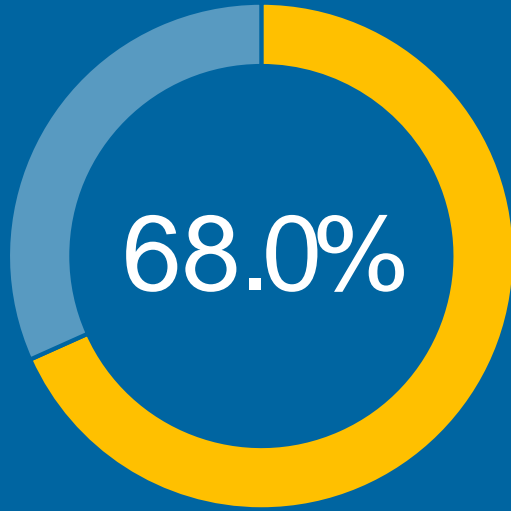


Los Angeles Countywide City Managers Meeting

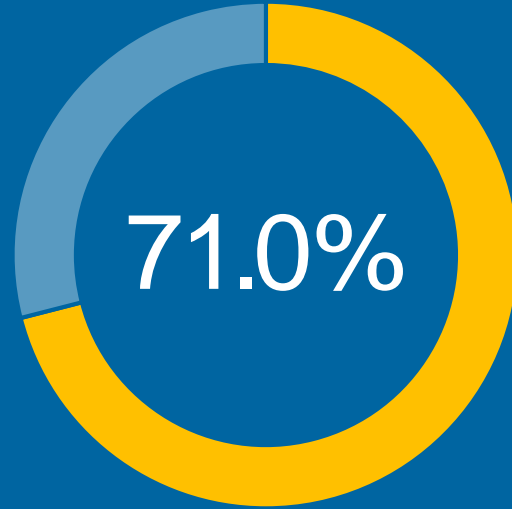
CalPERS Perspective: **Focus on the Future**

Michael Cohen, CalPERS CFO





Funded Status
June 30, 2017



Funded Status
June 30, 2018

Lower Discount Rate

Lowered the discount rate from 7.5% to 7% over three years
(assumed rate of return)

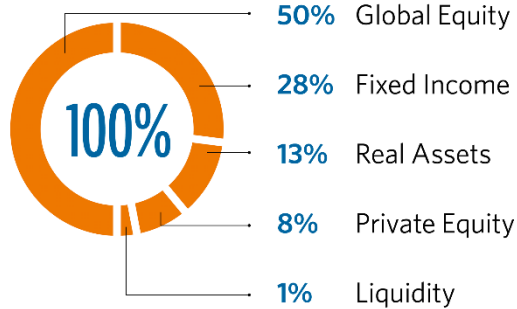
7.5%



7%

New Asset Allocation

Adopted new strategic asset allocation effective July 1, 2018



Shorter Amortization

Shortened the amortization period for employers to pay their unfunded liability

30 yrs. → 20 yrs.

=

significant long-term savings

Options for Accelerating the Funding of Your Plans

Ad Hoc

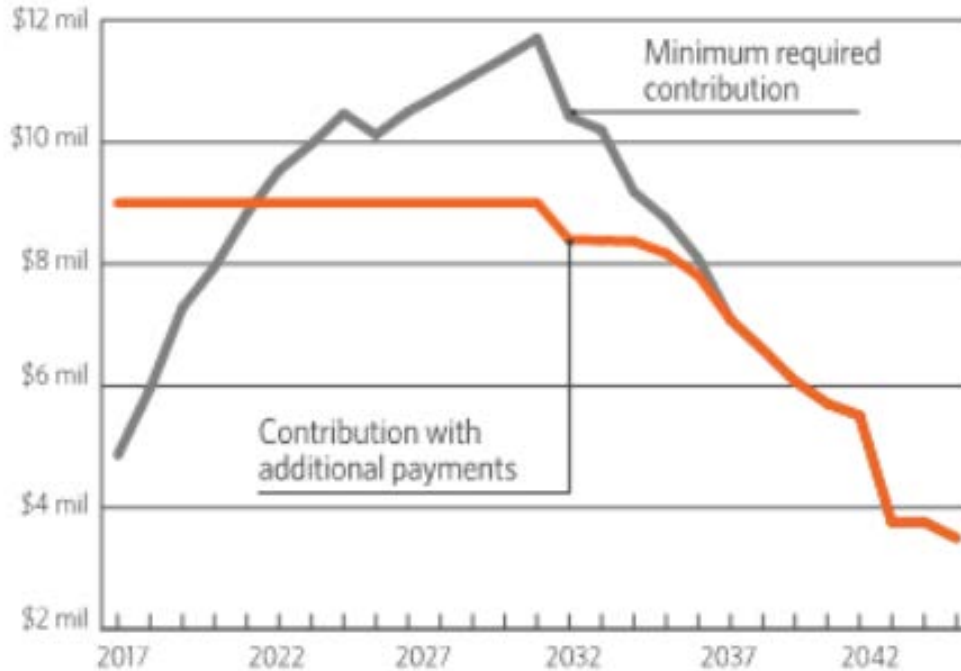
Additional Discretionary
Payments (ADPs)

Fresh Start

Full or partial

**IRS
Section 115
Trusts**

Additional payments vs Minimum Payment of UAL



\$27 billion invested

Private Equity

16.1%

2017-18 fiscal-year return

10.5%

20-year return

As of June 30, 2018

Engagement vs. Divestment



Funding Tools



Investments



Partnerships