

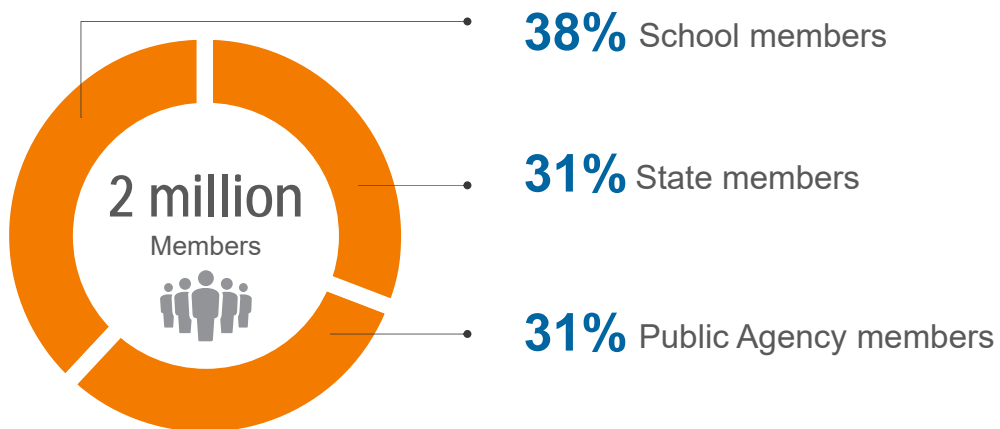
# CalPERS Priorities for the Future

**Marcie Frost**

CalPERS Chief Executive Officer



## Members Are Our Focus



## Partnering with California's Cities



## Where We Stand Today

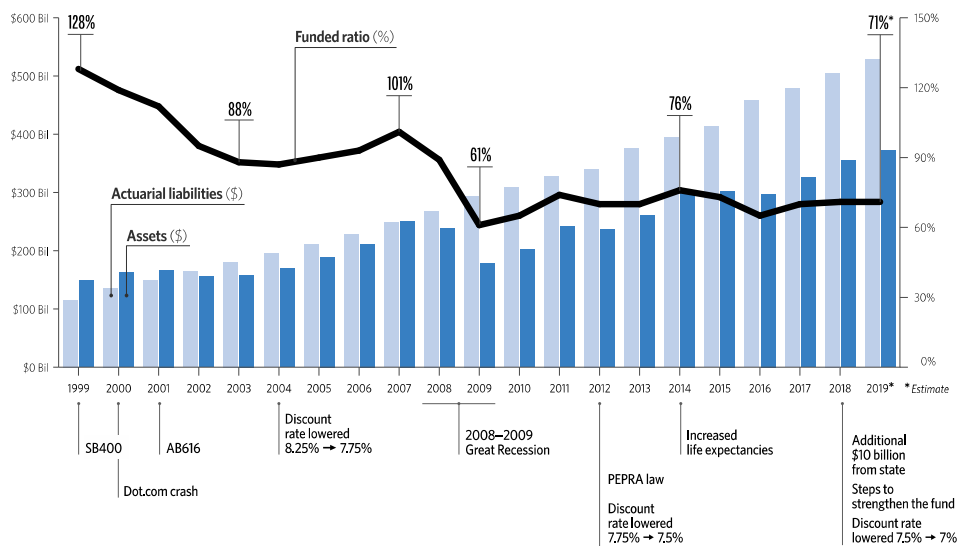


Fiscal Year 2018-19

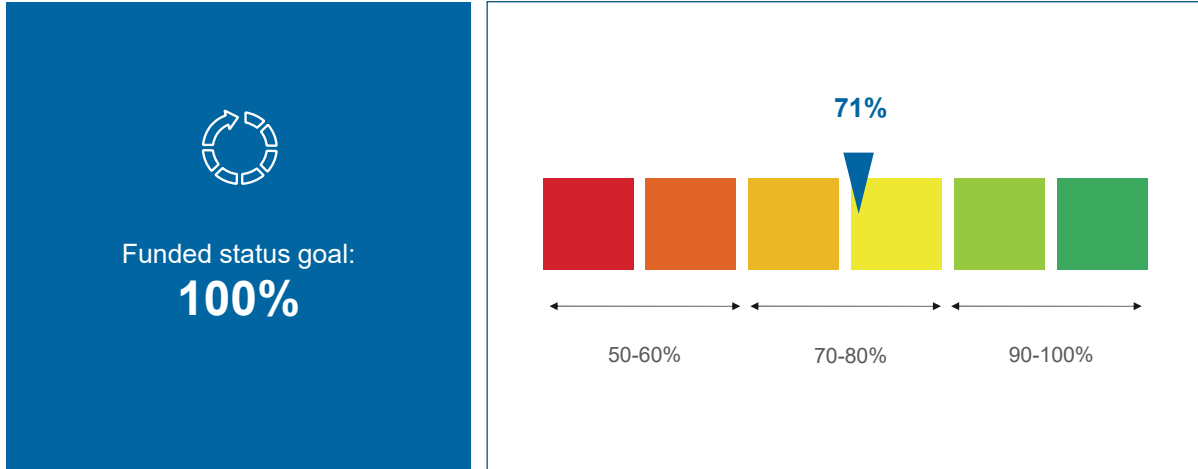
## How Contributions Are Paid



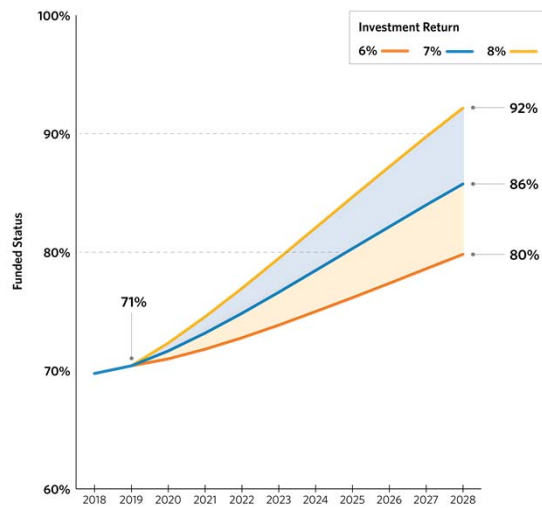
## How We Got Here – 20-Year Look



## Strong Progress but Challenges Ahead

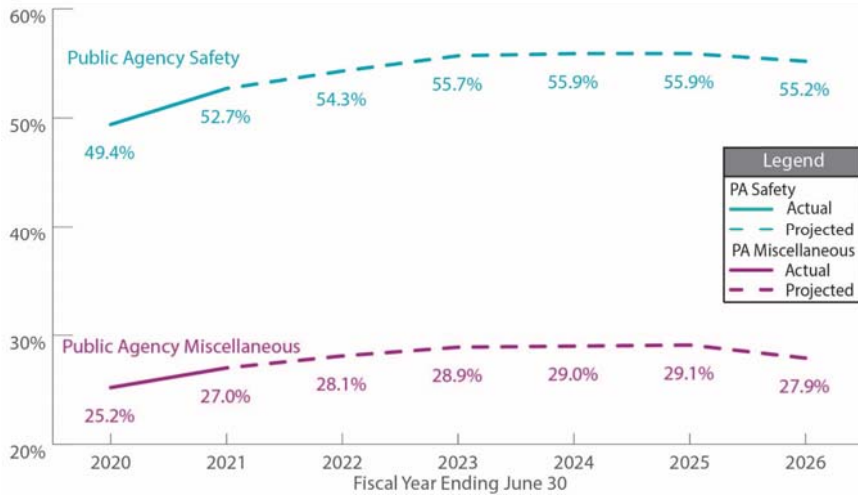


## Funded Status Projections (As of June 30)



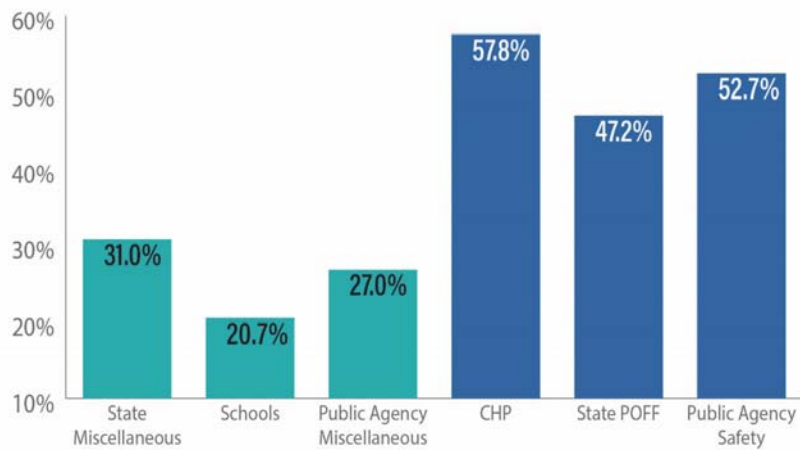
## Public Agency Employer Contributions

Average of Public Agency Total Employer Contribution Rates (FY 2019-20 to 2025-26)



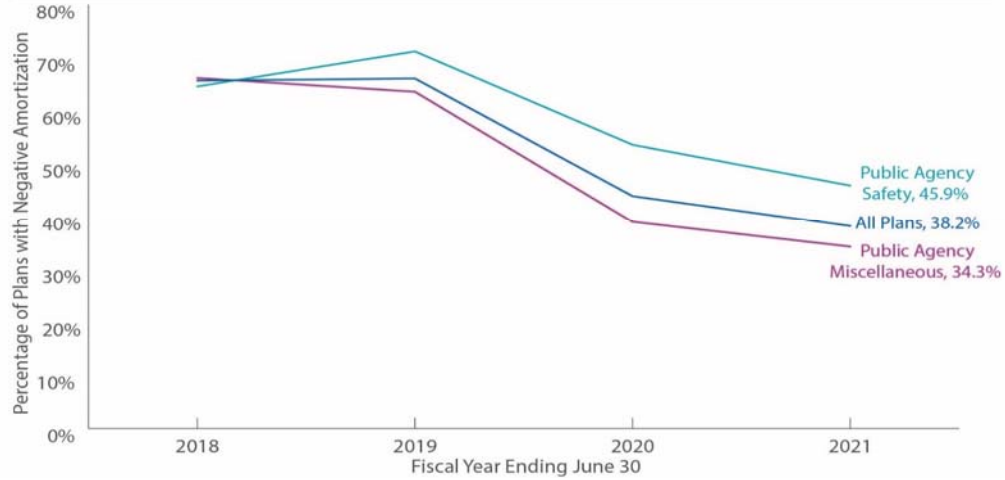
## Recent Trends-Contribution Rates

Employer Contribution Rates Based on June 30, 2018 Valuations\*



## Recent Trends-Negative Amortization

Percentage of Plans with Negative Amortization by Contribution Year



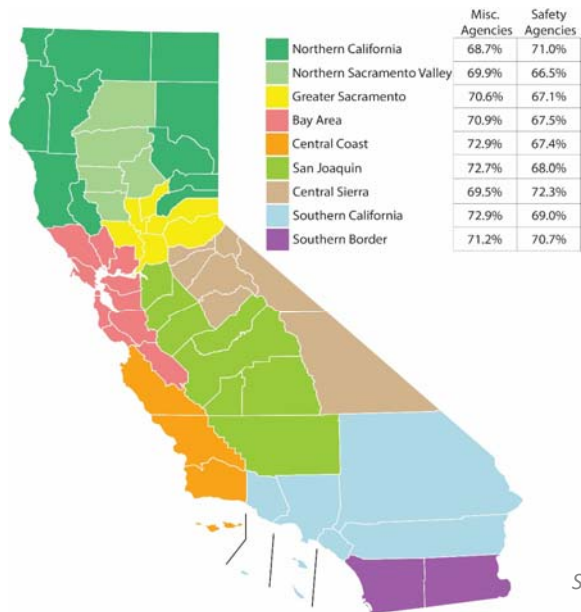
## Recent Trends-Additional Discretionary Payments

Public Agency Additional Discretionary Payments by Fiscal Year



\*ADPs from July 1, 2019 through September 30, 2019

## Funded Ratio by Region



Average of CalPERS  
Public Agency Plans  
As of June 30, 2018 Valuations

Source: 2019 Annual Funding Levels and Risk Report 13

## Three Key Risks



Investment  
risk

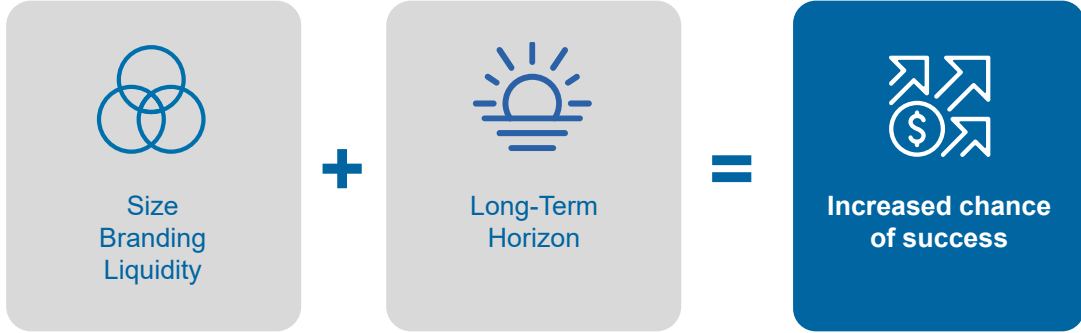


Employer  
affordability

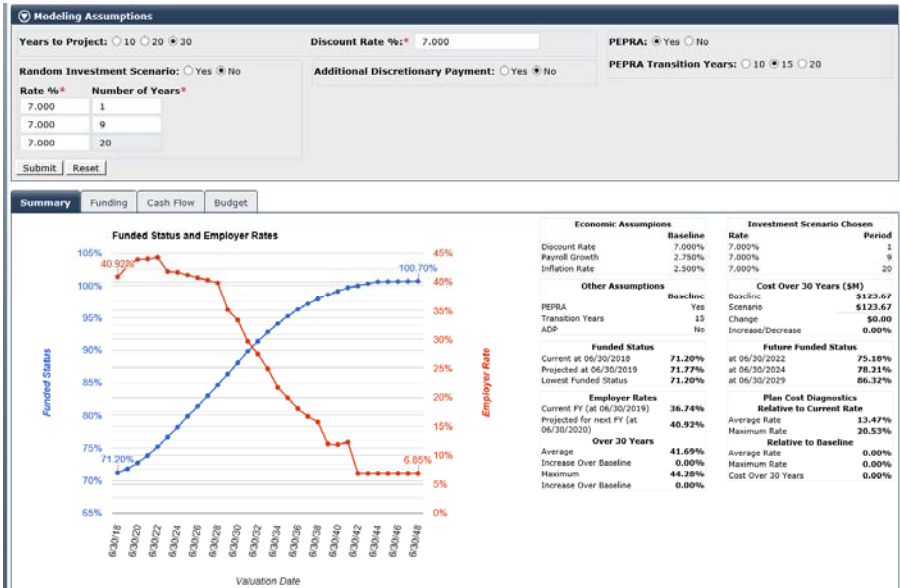


Climate risk

# Investment Focus: CalPERS Advantages



# Introducing "Pension Outlook" Tool





## Health Priorities

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Address rising  
Rx costs



Engage in  
health policy



Contain costs  
and drive quality



Improve health  
outcomes

## How We're Addressing Climate Risk

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Three-channel strategic  
approach supported  
by partnerships:

### Engagement

Ceres - Investor  
Network on Climate Risk  
Principles for Responsible  
Investments  
UN Net-Zero Asset  
Owner Alliance

### Advocacy

UN Global Investors for  
Sustainable Development  
Alliance  
Council for Inclusive  
Capitalism at the  
Vatican

### Integration

Global Peer Exchange  
Task-force on  
Climate-related Financial  
Disclosure