



## Finance and Administration Committee

# Agenda Item 5c

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**September 14, 2021**

**Item Name:** Treasury Analysis and Liquidity Status Report

**Program:** Financial Office

**Item Type:** Information Consent

### **Executive Summary**

This is the Semi-Annual Treasury Analysis and Liquidity Status Report for the period ending June 30, 2021. The report shows CalPERS maintained adequate liquidity coverage levels for all funds in normal and stressed environments.

### **Strategic Plan**

This agenda item supports the CalPERS 2017-2022 Strategic Plan, which is to cultivate a risk-intelligent organization.

### **Background**

The Treasury Management Policy (Policy) requires the Treasury Management Program (Program) to provide the Finance and Administration Committee (Committee) with an update on fund liquidity status. The Semi-Annual Treasury Analysis and Liquidity Status Report (Attachment 1) fulfills this obligation by providing liquidity coverage ratio analysis and cash flow forecasting analysis for the Public Employees' Retirement Fund (PERF), Legislators' Retirement Fund (LRF), Judges' Retirement Fund I (JRF I), Judges' Retirement Fund II (JRF II), Health Care Fund (HCF), and the Long Term Care Fund (LTCF) to be known as (All Funds).

### **Analysis**

#### **Liquidity Coverage Analysis**

The report confirms the liquidity coverage for All Funds remained above the threshold in the normal environment. In addition, All Funds maintained adequate Level I liquidity if a stressed or crisis event had occurred.

## **Cash Flow Forecasting Accuracy Analysis**

Cash flow forecasting accuracy for the PERF was in the 90<sup>th</sup> percentile for distributions and was in the 85<sup>th</sup> percentile for contributions. In February and March 2020, the PERF received additional employer discretionary unfunded accrued liability payments. Investment cash flow estimates for the PERF continue to be improving, but the asset allocation changes and unexpected inflows from real estate and private asset classes caused forecast volatility.

Cash flow forecasting accuracy for the LRF, JRF I, and LTCF was in the 90<sup>th</sup> percentile. JRF II's forecasting accuracy for contributions was in the 90<sup>th</sup> percentile. JRF II's forecasting accuracy for distributions was in the 90<sup>th</sup> percentile, except for January and February, which was due to the timing of monetary credit payments. HCF's forecasting accuracy distributions was in the 90<sup>th</sup> percentile. HCF's forecasting accuracy for contributions was in the 50<sup>th</sup> percentile due to the timing of the CRF monthly transfer.

## **Budget and Fiscal Impacts**

Not Applicable

## **Benefits and Risks**

Not Applicable

## **Attachments**

Attachment 1 – Semi-Annual Treasury Analysis and Liquidity Status Report

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