



Investment Committee

Agenda Item 6b

November 13, 2023

Item Name: Mid-Cycle Public Employees' Retirement Fund Asset Liability Management Review

Program: Total Fund Portfolio Management, Investment Office

Item Type: Information

Executive Summary

This agenda item provides the Investment Committee of the CalPERS Board of Administration with information on Total Fund Portfolio Management, including its role in managing the overall portfolio, its business objectives, and contribution to total portfolio performance and risk.

Investment Beliefs

- Strategic Asset Allocation is the dominant determinant of portfolio risk and return,
- Liabilities must influence the asset structure: Strategic Asset Allocation,
- A long-time investment horizon lets us invest in illiquid assets, opportunistic strategies,
- CalPERS must articulate its investment goals and performance measures and ensure clear accountability for their execution: SAA, Risk Budgets,
- CalPERS will take risk only where we have a strong belief, we will be rewarded for it, and
- Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives.

Background

The Annual Program Review provides the Committee with the following information:

- An overview of Total Fund Portfolio Management,
- Total Fund Portfolio Management contributions to managing total portfolio risk and performance, and
- Program updates and key initiatives.

Analysis

- Not Applicable

Budget and Fiscal Impacts

- Not Applicable

Benefits and Risks

- Not Applicable

Attachments

Attachment 1 – Asset Liability Management Mid-Cycle Review Presentation

Attachment 2 – Mid-Cycle Asset Liability Management Review

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