



CalPERS for California 2013

Supporting Economic
Opportunity in California



CalPERS for California

The California Public Employees' Retirement System (CalPERS) is one of the largest investors in the world, with more than \$258 billion in assets as of June 30, 2013.

Approximately \$20.8 billion (8.1 percent) of these funds are invested in California-based companies and projects.

CalPERS for California highlights some of the broad ancillary benefits of all CalPERS investments in California.



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Executive Summary

The California Public Employees' Retirement System (CalPERS), the nation's largest public pension fund, plays an important role in California's economy, providing retirement and health benefits to over 1.6 million public employees, retirees, and their families, and more than 3,100 employers.

As of June 30, 2013, CalPERS investment portfolio totals \$257.9 billion, an increase of 10 percent from the previous year.¹ Within CalPERS investment portfolio, 8.1 percent, or \$20.8 billion, is invested in California, supporting local jobs across the state. The market value of CalPERS California portfolio increased 5.6 percent in the 12 months since June 30, 2012.²

CalPERS investments in California are a direct result of the strength and diversity of California's economy and the quality of its companies, properties, and other opportunities. These investments must be consistent with the fiduciary responsibility of the CalPERS Board of Administration and its duty to protect the financial security of CalPERS members, through the activities of the CalPERS Investment Office.

The ancillary benefits of CalPERS investments in California include the support of local jobs, infrastructure for communities and commerce, and business expansion and related economic activity. CalPERS private markets invest-

ments in California have resulted in \$21.6 billion in total economic activity across the state, benefiting not only businesses and projects receiving capital from CalPERS, but also suppliers, workers and, through tax revenues, the economy broadly.

CalPERS for California documents the scale and breadth of CalPERS investments in California and the resulting ancillary benefits, in alignment with the CalPERS commitment to transparency and accountability.³

As of June 30, 2013, CalPERS invested:

- \$10.1 billion in 599 California-headquartered public companies, which employ 995,000 people in California.
- \$2.1 billion of fixed income capital in California, \$551 million of which is invested in 47 California-headquartered corporate bond issuers employing 219,000 people in California.⁴
- \$3.6 billion in 1,311 California-headquartered private companies, which employ 170,000 people in California.
- \$4.9 billion in 266 California-based real estate projects, which support 119,000 jobs in California.
- \$118.0 million in seven California-based infrastructure projects, which support 1,500 jobs in California.

CalPERS Investments in California by Asset Class: June 30, 2013

	Total Portfolio Value (in billions)	Dollars Invested in California (in billions)	Percentage of Dollars Invested in California	Annual Percentage Change in Dollars Invested in California
Public Equities	\$133.6	\$10.1	7.6%	11.0%
Fixed Income	\$40.2	\$2.1	5.2%	-19.2%
Private Equity	\$31.4	\$3.6	11.3%	-0.8%
Real Estate	\$22.4	\$4.9	21.9%	14.0%
Infrastructure ¹	\$1.1	\$0.1	10.7%	25.3%
Other ²	\$29.2	—	—	—
All CalPERS Total	\$257.9	\$20.8	8.1%	5.6%

¹The value for the CA infrastructure portfolio has been rounded for this chart. The actual value is \$118.0 million.

²CalPERS total portfolio value was \$257.9 billion at 6/30/2013. The five asset classes above do not comprise the entire portfolio. "Other" consists primarily of forestland, inflation linked securities, absolute return strategies, cash, and cash-equivalents.

All CalPERS investments in California support local communities, businesses, and workers. However the role that CalPERS capital plays in sustaining the activities of a public company differs substantially from a private company or project. Specifically, CalPERS is one of thousands of capital providers to public companies, with an indirect connection to the activities of these businesses.

As such, total jobs figures for CalPERS public markets and private markets are presented separately below, recognizing the different relationship between the capital CalPERS provides and employment outcomes.

**Jobs by Asset Class:
June 30, 2013¹**

Public Equities	995,000	
Fixed Income	219,000	<i>Note: Jobs already captured within Public Equities²</i>
Public Markets Total³	995,000	
Private Equity	170,000	
Real Estate	119,000	
Infrastructure	1,500	
Private Markets Total	290,500	

¹For methodologies calculating the number of jobs supported in California please refer to individual asset class sections within the report.

²The fixed income employment figure is based on publicly available data for this asset class, which was available for 14 companies that received direct corporate bond investment from CalPERS. These 14 companies are also present in CalPERS public equity portfolio. Job estimates cannot be combined as this would constitute double counting.

³It is important to note that the jobs at public companies are created and sustained by all sources of capital utilized by these companies, not just by CalPERS investment. Total jobs supported are calculated for CalPERS public markets investments to illustrate the presence and prominence of these public companies in California's economy and of their relative importance as investments in California by CalPERS.

Introduction

As of June 30, 2013 CalPERS invested \$20.8 billion in companies, properties and projects located in California across five key asset classes including public equities, fixed income, private equities, real estate, and infrastructure.

The primary objective of CalPERS investments in California is to achieve appropriate risk-adjusted return on investment. Investment in California by CalPERS and its third-party investment managers is a consequence of the strength and diversity of California's economy and the quality of its companies, properties, and other investment opportunities.⁵

Specifically:

- At \$2 trillion,⁶ California represents 13 percent of U.S. Gross Domestic Product (GDP) and ranks as the world's tenth largest economy.⁷
- California is home to 55 Fortune 500 companies and 14 of the largest 500 corporations in the world.⁸
- California has received \$368.3 billion of \$1 trillion in private equity investments made from 2003-2012 in the U.S.⁹
- California exported \$162 billion of goods in 2012, representing 10.5 percent of the U.S. total.¹⁰

CalPERS invests like other large institutions, diversifying its portfolio among categories of investments, called "asset classes", to reduce its exposure to any one market risk and maximize its return on investment.

Asset classes in this report include:

- **Public markets:**
 - Public equities: investments in public companies domestically and internationally, for example through the New York Stock Exchange
 - Fixed income: investments in loans provided to governments, companies, and other borrowers
- **Private markets:**
 - Private equities: investments in private companies that are not publicly traded;
 - Real estate: investments in commercial, residential and industrial property;
 - Infrastructure: investments in real assets including bridges, toll roads, utilities, and airports.

CalPERS California Investments by Asset Class: June 30, 2013

	Dollars invested (in Billions)	Percentage of dollars invested
Public Equities	\$10.1	49%
Fixed Income	\$2.1	10%
Private Equity	\$3.6	17%
Real Estate	\$4.9	24%
Infrastructure ¹	\$0.1	0%
Total	\$20.8	100%

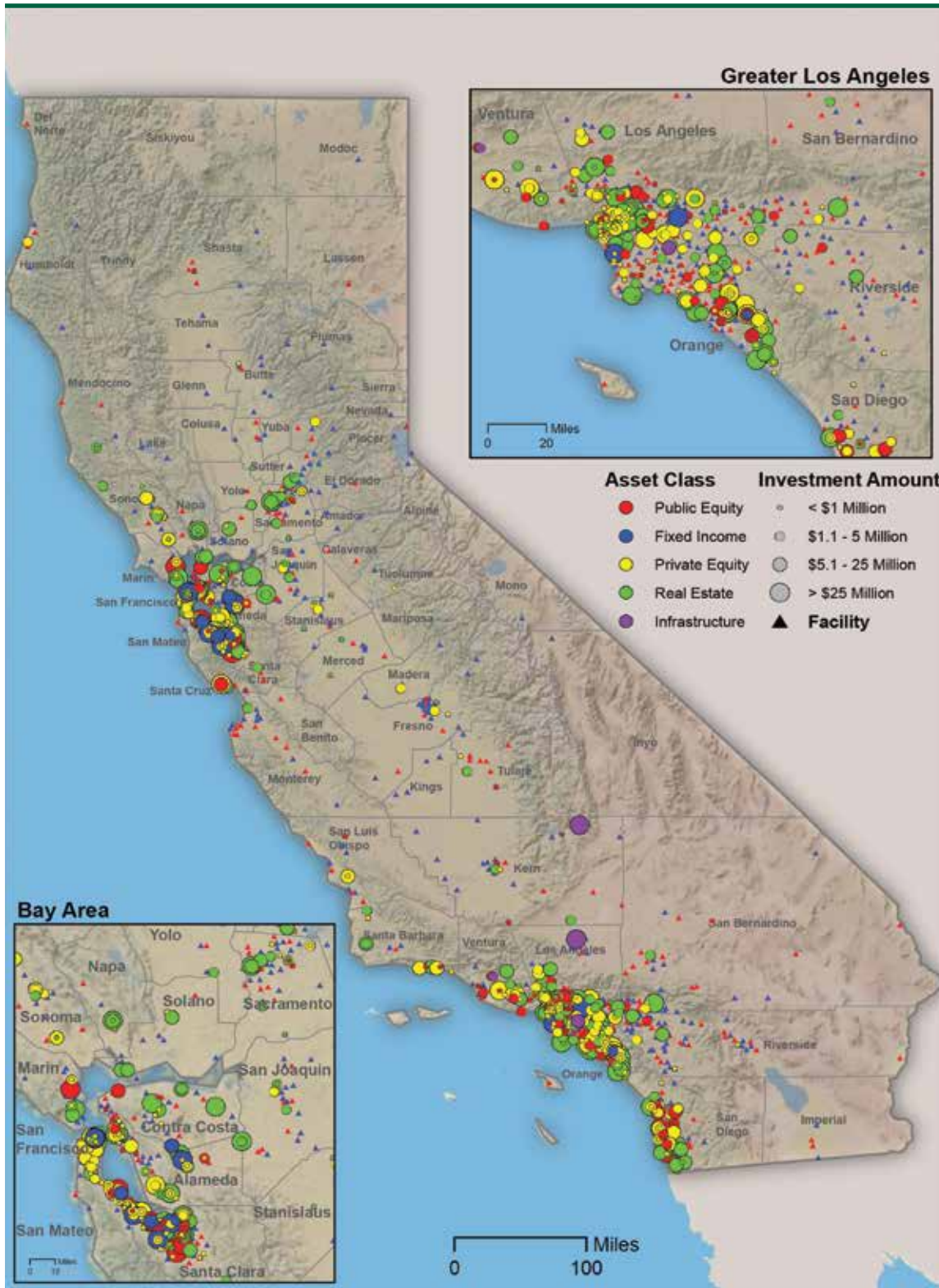
¹The value of the CA infrastructure portfolio has been rounded for this chart. The actual value is \$118.0 million.

California is home to investment opportunities in each asset class, to which CalPERS deploys capital directly, using an in-house team of over 300 investment professionals and staff, or by employing the services of qualified third-party investment management companies.

California's large and vibrant economy will continue to attract a portion of CalPERS total investments and will benefit from the impacts that this capital brings to the state, including local employment, infrastructure for communities and commerce, and business development and expansion.

This report captures fiscal year-end activity as of June 30, 2013 and describes the scale and breadth of the System's exposure to companies, properties and projects in California, highlighting the number of jobs that these investments support. The geographic characteristics of investments are used to document the deployment of capital by CalPERS to communities of interest such as low-to moderate-income areas.

CalPERS Investments by Asset Class in California



Public Markets

CalPERS invests the largest volume of its assets in total, and in California, in the public equity and fixed income markets.

The analysis below includes estimates of the number of workers employed in California by the companies in which CalPERS invests. These jobs are not created or sustained only by CalPERS investments. CalPERS owns approximately 0.3 percent of the largest California-headquartered companies in its portfolio. Nonetheless, CalPERS provides an important source of capital for use in all the activities of the public companies and fixed income opportunities in which it invests.

This research focuses on California-headquartered companies because it is readily apparent that the impacts these firms have on California are more significant than those headquartered elsewhere. Companies headquartered in California have 24 percent of their facilities located in-state compared to companies with headquarters outside of California, which have four percent of their facilities based locally.

PUBLIC EQUITIES

Public Equities	Total Market Value	\$133.6 billion
	Value in CA	\$10.1 billion
	Percentage in CA	7.6%

CalPERS invests in public companies primarily as a long-term investor, without betting on market fluctuations. The largest proportion of its public equity portfolio is passively managed by an in-house team of investment professionals. CalPERS maintains some active equity management where there is potential to add value, using in-house expertise and by engaging the services of qualified third-party investment management companies.

The 599 California-headquartered public companies in which CalPERS invests employ an estimated 995,000 workers locally. Nearly one-quarter of the facilities of

California-headquartered companies (24 percent) are located in California. Nearly half of CalPERS public equity investments in California are in companies that manufacture products (49 percent).

CalPERS Public Equity Portfolio in California: June 30, 2013¹

Total Companies		599
Median Company Size (Employees)		891
Average CalPERS Investment (in millions)		\$16.9
Company Size (Employees)	1-100 Employees	12%
	101-500 Employees	27%
	>500 Employees	61%
Company Size (Revenue, in millions)	< \$100	34%
	\$101 - \$500	29%
	Over \$500	37%
Median 1-Year Employee Growth ²		1.9%
Percentage Manufacturing Companies ³		49%
Estimated Number of Jobs in California ⁴		995,000
Facilities in California		11,157
Percentage of Facilities in California		24%

¹Analysis based on a 25 percent random sample (n=150). All data was collected from the Hoovers Inc. online database of publicly traded companies. Hoovers Inc. is a Dun & Bradstreet company.

²Median employee growth data from Hoovers Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³Percentage of manufacturing companies data from Hoovers Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴The number of jobs in California is estimated using the percentage of total company facilities in California. Given that 24 percent of sample facilities are in California, and assuming that employment is spread evenly by facility, 995,000=total jobs at California-headquartered companies x 24 percent.

CalPERS makes investments of more than \$100 million in 19 separate companies headquartered in California. These companies account for 77 percent of CalPERS public equity investments in California and 43 percent of the California workers employed by public companies in CalPERS portfolio.

CalPERS +\$100 Million Public Equity Investments in California

Company Name	CalPERS Investment (in millions) ¹	Total Market Capitalization (in millions) ²	CalPERS % of Market Value	Company Facilities in California ³
Apple Inc.	\$1,262.9	\$457,637	0.28%	18%
Chevron Corp.	\$851.2	\$229,698	0.37%	24%
Google Inc.	\$828.4	\$243,260	0.34%	21%
Wells Fargo & Co.	\$807.6	\$222,867	0.36%	16%
Cisco Systems Inc.	\$490.1	\$121,958	0.40%	12%
Oracle Corp.	\$418.6	\$150,617	0.28%	16%
Intel Corp.	\$388.8	\$118,597	0.33%	16%
Walt Disney Co.	\$380.5	\$118,352	0.32%	23%
Qualcomm Inc.	\$372.7	\$117,335	0.32%	32%
Visa Inc.	\$314.9	\$101,142	0.31%	32%
Occidental Petroleum Corp.	\$293.2	\$78,167	0.38%	16%
Gilead Sciences Inc.	\$251.5	\$100,677	0.25%	23%
Amgen Inc.	\$248.8	\$86,530	0.29%	17%
Hewlett-Packard Co.	\$226.9	\$44,807	0.51%	9%
eBay Inc.	\$204.3	\$66,733	0.31%	17%
DIRECTV	\$122.1	\$33,813	0.36%	24%
McKesson Corp.	\$115.5	\$32,526	0.36%	7%
Facebook Inc.	\$108.6	\$93,789	0.12%	27%
CBRE Group Inc.	\$107.5	\$7,557	1.42%	11%
Total	\$7,793.95	\$2,426,064	0.32%	16%⁴

¹CalPERS investment is Market Value at 6/30/2013

²Total Market Capitalization at 6/30/2013.

³The percentage of facilities in California is determined using Hoovers, Inc. data and includes all company facilities with a California address.

⁴Total company facilities in CA is calculated by dividing the total number of CA based facilities for the CalPERS +\$100 million public equity investments by their total number of facilities.

CalPERS invests in approximately 9,400 companies that have international headquarters outside of California. California operations comprise approximately four percent of the total number of facilities globally for these companies.¹¹ While companies headquartered elsewhere likely employ millions of Californians, as evidenced by the approximately 74,000 facilities they operate in California compared to 11,000 for the 599 California-headquartered companies that employ 995,000 local workers, a precise jobs estimate was unable to be determined with available data.

Impacts of Global Equity Companies not Headquartered in California on the California Economy¹

Total Companies	9,411
Approximate Number of Facilities	1,907,000
Percentage of Facilities in CA	4%

¹Analysis based on a 3 percent random sample (n=282) of companies not headquartered in California in the CalPERS Global Equity portfolio.

FIXED INCOME¹²

Fixed Income	Total Market Value	\$40.2 billion
	Value in CA	\$2.1 billion
	Percentage in CA	5.2%

CalPERS has fixed income investments in California, managed in-house and externally, in four primary vehicles:

- **Corporate bonds:** Corporate bonds are debt securities issued by private and public corporations. Companies issue corporate bonds to raise money for a variety of purposes, such as building new plants or purchasing equipment.¹³

- **Credit enhancements:** Credit enhancements for companies or government entities effectively substitute the credit rating and liquidity of the credit enhancement provider for that of the borrower. Credit enhancement thereby lowers the cost of capital for the borrower.
- **Structured securities:** Structured securities are investments in a diverse group of loans and provide risk and return characteristics contingent on a range of underlying indices, interest rates or cash flows.¹⁴
- **Whole loans:** Whole loans include remaining California mortgages through the CalPERS Member Home Loan Program and commercial loans to California businesses.

CalPERS Fixed Income Key Investment Classes in California: June 30, 2013

	Dollars invested (in millions)	Percentage of dollars invested
Corporate Bonds	\$551	26%
Credit Enhancements	\$102	5%
Structured Securities	\$1,270	61%
Whole Loans	\$169	8%
Total	\$2,092	100%

CalPERS Fixed Income portfolio includes corporate bond investments in 47 companies headquartered in California managed by CalPERS and external third-party investment managers. CalPERS invests \$512 million directly in 14 of these companies, without the assistance of external third-party investment managers. The 14 companies in which CalPERS invests directly are larger than companies invested in by other asset classes, with a median size of approximately 37,300 employees. These companies employ approximately 219,000 workers in California and operate 2,700 local facilities.

**CalPERS Fixed Income Portfolio –
Corporate Bonds in California: June 30, 2013¹**

Total Companies		14
Median Company Size (Employees)		37,290
Average CalPERS Investment (in millions)		\$31.9
Company Size (Employees)	1-100 Employees	0%
	101-500 Employees	0%
	>500 Employees	100%
Company Size (Revenue, in millions)	<\$100	0%
	\$101 - \$500	0%
	Over \$500	100%
Median 1-Year Employee Growth ²		-1%
Percentage Manufacturing Companies ³		43%
Estimated Number of Jobs in California ⁴		219,000
Facilities in California		2,675
Percentage of Facilities in California		19%

¹Data from corporate bond issuers with headquarters in California as listed in the Hoovers Inc. database. This includes 14 companies and \$512 million of investments. This table does not include California corporate bond issuers receiving investment through external managers. There are 35 California corporate bond issuers receiving a total of \$39.1 million in investment from third-party investment managers with an average of \$767,000. Two of these 35 corporate bond issuers receiving investment from third-party investment managers also receive direct investment from CalPERS.

²Median employee growth data from Hoovers, Inc. is measured as the percentage difference between the most current reported employee numbers, and the numbers reported approximately one year prior.

³Percentage of manufacturing companies data from Hoovers, Inc. A company is classified as a manufacturer if they produce any kind of physical good.

⁴California job data is estimated by multiplying total number of employees by the percentage of facilities in California.

CalPERS also invests in approximately 300 corporate bond issuers that are not headquartered in California, of which 70 percent have facilities in-state and employ local workers. In-state operations comprise 8 percent of the total number of facilities globally for these companies. These 300 companies operate approximately 18,000 facilities in California and likely employ hundreds of thousands of Californians when considering that the 14 California-headquartered companies operate approximately 2,700 facilities, with 219,000 local workers. However a precise jobs estimate was unable to be determined with available data.¹⁵

Impacts of Fixed Income Corporate Bond Issuers not Headquartered in California on the California Economy¹

Total Companies	300
Approximate Number of Facilities	18,000
Percentage of Facilities in CA	8%

¹Analysis based on a 10 percent random sample (n=30) of companies not headquartered in California in the CalPERS Fixed Income portfolio.

Private Markets

CalPERS invests approximately 22 percent of its total assets in private markets inside and outside of California, including in private equity, real estate and infrastructure. Within California, the proportion of CalPERS assets in private market strategies is much greater, at 41 percent. Private market strategies encompass investments in companies, properties, and projects that cannot be accessed publicly.

The job creation and other ancillary benefits of private companies, properties and projects that receive investments directly from CalPERS, or through contracted third-party investment managers, can be more directly attributed to the System than investments in public markets.

CalPERS Private Equity invests in either partnership or separate account structures, up to 25 percent of the total capital raised for any one vehicle. The investment managers funded by CalPERS often join the boards of directors of the companies in which they invest and provide strategic advice, improved operating guidance, and access to broad networks that directly enhance the probability of business success.

At times, the investment managers that CalPERS enlists to support its efforts in private markets have also raised additional capital from third-party investors as a result of CalPERS anchor partnership commitment in their funds. While not all of these third-party investments made alongside CalPERS in private California-based companies, properties, and projects can be attributed to CalPERS, the opportunity to partner with CalPERS and its investment managers has proven to be attractive to other providers of capital.

The private markets section of *CalPERS for California* highlights four areas in which capital may be especially socially beneficial.¹⁶ This includes:

- Low- to Moderate-Income (LMI) Areas¹⁷
- High Unemployment Areas¹⁸
- High Minority Areas¹⁹
- Rural Areas²⁰

Access to capital is an important factor in business and productivity growth, job and wealth creation, innovation, and sustainable community and economic development. The benefits of access to capital accrue to the direct recipients of investments, and to the areas in which they are located.

The proportion of CalPERS investments in LMI, High Unemployment, High Minority, and Rural Areas reflects the demand for capital in the asset classes in which CalPERS invests. For example, CalPERS invests in companies and properties in central business districts and other economic hubs that offer attractive investment opportunities. These areas tend to be more ethnically and economically diverse, but CalPERS investment is not a result of these characteristics. As with all the System's investments, the decision of CalPERS and its third-party investment managers to support a California-based company, property or project is made solely on the basis of the financial merits of the particular investment opportunity.

Locating Investments in California

The analysis in this section uses the demographic and income characteristics of ZIP codes. If the ZIP code in which an investment is located is determined to be an LMI, High Unemployment, High Minority, or Rural Area, then the investment and the dollars associated with the investment are considered to be in the defined community.

In the case of High Unemployment, Rural, and High Minority Areas, the calculations are relatively straightforward. The data used to determine the appropriate status of relevant populations is available by ZIP code and uses 2010 U.S. Census and 2010 California Employment Development Department data.

Calculating the LMI status of a ZIP code is more complex. The following method is applied using U.S. Census Bureau 2006-2010 American Community Survey data for every tract in the United States:

1. The population in a census tract is assumed to be evenly distributed across the entire census tract. This includes the LMI population.
2. The number of census tracts and percentage of each census tract located in every ZIP code is determined using geographic information systems (GIS) data.
3. The percentage of the total population and LMI population from each census tract is attributed to the ZIP code in which it is located.
4. A total population number, and LMI population number, is calculated for every ZIP code by combining partial census tracts.
5. The ZIP code is considered to be LMI if the percentage of LMI population in a ZIP code is greater than 50 percent of the total.

In the United States 38 percent of all ZIP codes are classified as LMI using this analysis. In California, 49 percent of all ZIP codes are classified as LMI, including 85 percent in the “urban core” comprising the Central Business Districts of San Francisco, Oakland, Los Angeles and San Diego.²¹

PRIVATE EQUITY

Private Equity	Total Market Value	\$31.4 billion
	Value in CA	\$3.6 billion ²²
	Percentage in CA	11.3%

CalPERS is a significant investor in privately held California-based companies in a wide range of industries. Private companies are generally smaller than public companies and use capital to support rapid growth, whether by commercializing new technologies, expanding operations, or by realizing efficiencies in readiness for an acquisition or public listing.

CalPERS invests in private companies primarily through Limited Partnerships, or commingled funds. These Limited Partnerships are often structured as long-term agreements with a professional investment manager. The manager, known as the General Partner, is the intermediary between investors with capital and businesses seeking capital.

CalPERS Private Equity Portfolio in California: June 30, 2013

Total Companies	1,311
CalPERS Investments (in millions)	\$3,550
Third-Party Co-Invested Dollars (in millions) ¹	\$30,360
Estimated Jobs in CA ²	170,000

¹Includes all other capital invested alongside CalPERS in the same companies in the same private equity fund, not the total market value of the company. Other co-invested dollars are determined only from \$3 billion in investments for which information was available.

²Estimated jobs in California is determined by applying the total number of California jobs supported by the California Initiative to the entire California Private Equity portfolio.

The companies in CalPERS Private Equity portfolio that are headquartered in California are estimated to employ 170,000 workers in the state.²³ An additional \$30 billion has been co-invested alongside CalPERS in the same California-based companies by other Limited Partners.

Of the 221 third-party funds investing CalPERS assets in California-headquartered companies, 43 percent are located in California, demonstrating CalPERS commitment to supporting the state's capital markets and financial infrastructure.

CalPERS Private Equity investments provide a unique ancillary benefit by deploying capital to areas that have traditionally had limited access to institutional private equity assets. Private equity investment has historically been clustered in places with an abundance of financial opportunities. Specifically, nearly 95 percent of private equity capital invested in California has been in just six percent of ZIP codes across the state. As of June 30, 2013, 29 percent of the value of CalPERS Private Equity investments in California is directed to ZIP codes outside of the areas receiving the vast majority of investments from all sources of institutional private equity capital. Seventy-four percent of the value of CalPERS Private Equity investments in California is in High Minority Areas. CalPERS also has private equity investments in High Unemployment, LMI, and Rural Areas.

CalPERS invests in a wide range of companies, with investments in more than 15 different industries. The following chart shows the diversity of CalPERS California private equity portfolio with the distribution of sectors, including the heaviest concentrations in information technology, health care and consumer discretionary companies.

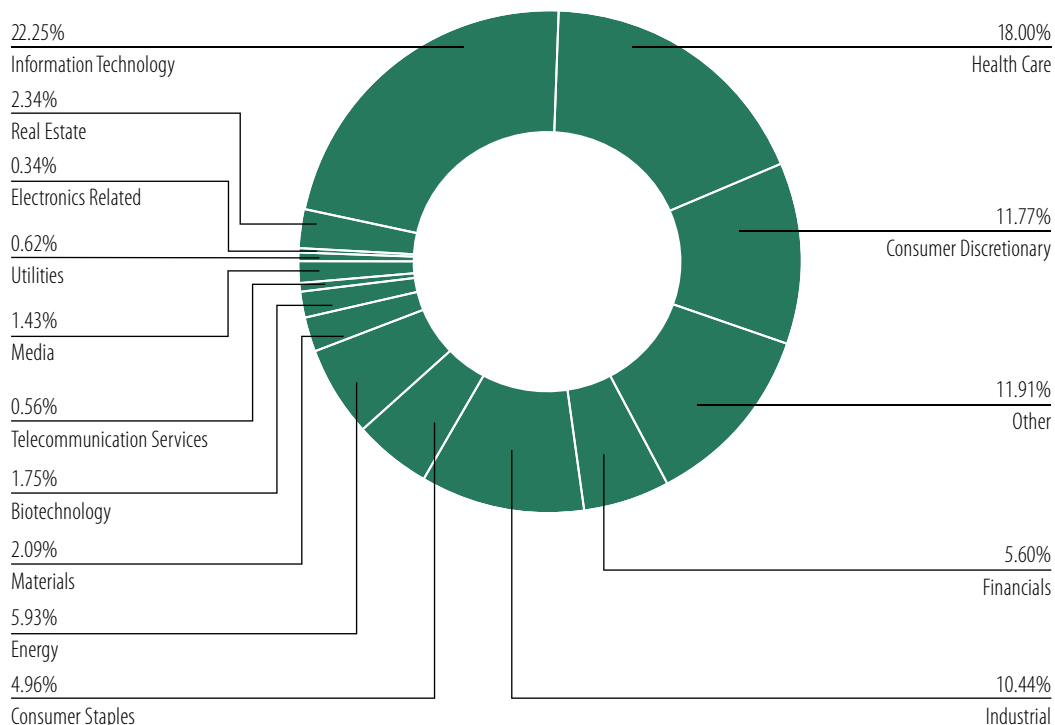
Private Equity Ancillary Benefits in California¹

	Percentage of investments	Percentage of dollars
High Unemployment Areas	13%	18%
Rural Areas	5%	6%
High Minority Areas	80%	74%
LMI Areas	27%	28%
Limited Capital Access Areas ²	18%	29%

¹Private equity ancillary benefits in California were determined using private equity California investment amounts and ZIP code data from direct partnerships and does not include data from other externally managed investments.

²According to data from Thomson Reuters analyzing all private equity transactions between 2002 and 2011, nearly 95 percent of all private equity in California has been committed to 6 percent of California ZIP codes. ZIP codes not included in this 6 percent are considered Limited Capital Access Areas.

California Private Equity Investments by Industry



Note: "Other" includes transportation, miscellaneous, and unclassified investments.

Case Study: CalPERS California Initiative

The CalPERS California Initiative (Initiative) is a private equity investment strategy providing capital to companies primarily in California with the goal of generating financial returns that meet or exceed industry benchmarks. As an ancillary objective, the Initiative invests in traditionally underserved areas where opportunities may have been bypassed, aiming to impact the economic infrastructure of the state. The Initiative was established in 2001 and has invested \$1 billion since inception, with \$380 million currently invested in 176 active companies reporting data in 2013.

The ninth annual examination of the ancillary benefits of the Initiative is available in a separate report on CalPERS website at <http://www.calpers.ca.gov/index.jsp?bc=/about/press/news/retirement/economic-engine/home.xml>.

Highlights at June 30, 2013 include:

- 18,979 total jobs created at 176 companies reporting data, for net employment growth of 25 percent since the time of investment
- Investment in areas that have not historically received institutional equity capital, with 47 percent of capital invested in companies located in these underserved markets
- Employment opportunities for economically disadvantaged workers, with 50 percent of all reporting company employees classified as low- to moderate-income.

Ancillary benefits for the Initiative are summarized in the following tables:

Since Inception California Initiative Results Job Support and Job Creation

Ancillary Benefits ¹	Overall California Initiative	The California Initiative within California	Percentage within California
Total Jobs/ Employees Supported	149,542	33,063	22%
Total Jobs Created Since Investment ²	22,689	7,975	35%
Percentage Job Growth Since Investment ³	18%	32%	n/a

¹Ancillary benefits are derived from data from all companies ever receiving investment under the California Initiative and includes both active and fully realized investments that have reported data. These ancillary benefits capture the entirety of the Initiative's Job Support and Job Creation ancillary benefits since inception.

²Total Jobs Created Since Investment represents net jobs created for the entire California Initiative portfolio and aggregates job losses and gains at both active and exited portfolio companies.

³From 2001-2013, U.S. private sector employment increased 3% and California private sector employment declined 0.1%.

**California Initiative Ancillary Benefits:
Active Portfolio Companies as of June 30, 2013¹**

	Overall California Initiative	The California Initiative within California ²
Total Companies	176	116
Total Dollars Invested	\$380,000,000	\$270,000,000
Total Jobs / Employees Supported	95,897	22,980
Total Jobs Created Since Investment	18,979	6,288
Percentage Job Growth Since Investment ³	25%	38%
Percentage of Employees Classified as Low- to Moderate-Income	50%	48%
Percentage of Dollars Invested in Companies Located in Areas Underserved by Institutional Equity Capital	47%	52%
Percentage of Dollars Invested in Companies with at least one Female Officer	30%	22%
Percentage of Dollars Invested in Companies with at least one Minority Officer	29%	28%

¹Ancillary benefits are derived from data from active companies reporting as of June 30, 2013. These ancillary benefits capture the Initiative's ancillary benefits for companies currently within the California Initiative portfolio.

²The California Initiative invests in companies with operations and employees in and outside of California. This column examines the Initiative's ancillary benefits solely in California.

³Percentage Job Growth Since Investment examines job growth only for the active portfolio companies within the California Initiative and does not include exited portfolio companies.

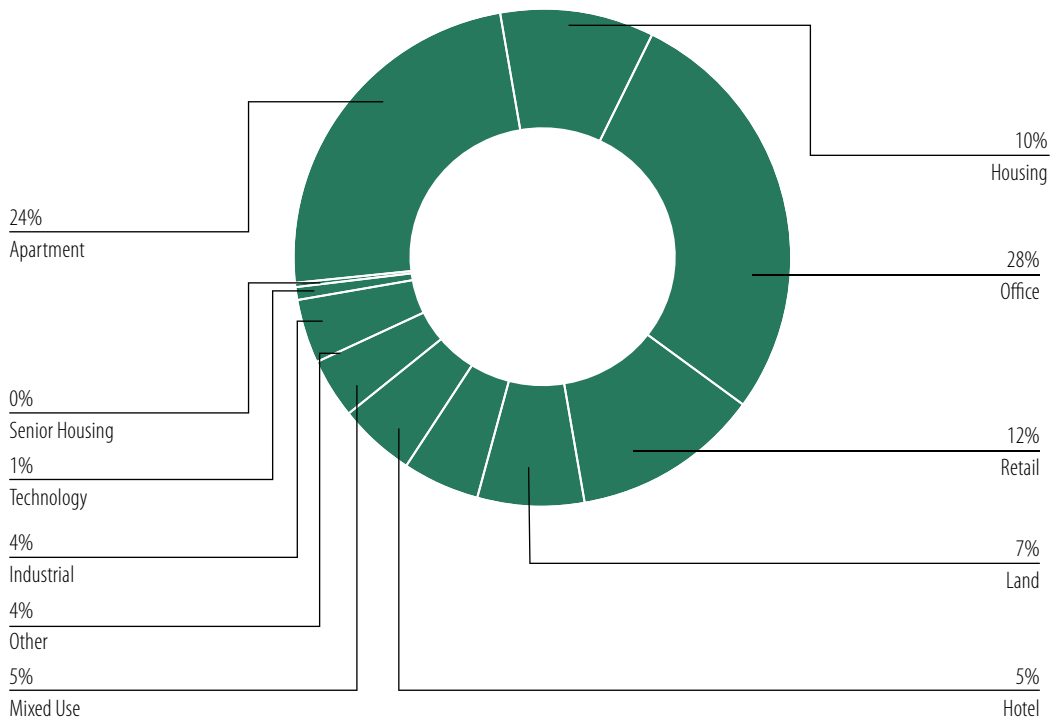
REAL ESTATE

Real Estate	Total Market Value	\$22.4 billion
	Value in CA	\$4.9 billion
	Percentage in CA	21.9%

CalPERS invests in real estate primarily through the funds and partnerships of third-party investment managers. CalPERS has a “core” portfolio of stabilized income producing real estate diversified by property type and geography. The portfolio also includes single family housing, senior housing, urban real estate, international investments and natural resources (vineyards and agriculture).

The real estate asset class is more heavily weighted to California than any other asset class. The portfolio in California includes a diverse group of assets that provide ancillary benefits in the areas in which they are located, including the creation of construction jobs and economic activity connected to construction, the accommodation of new retail, industrial and commercial employers and the anchoring of communities with real assets. The following chart shows the distribution of CalPERS California real estate investments, including the heaviest concentrations in office, apartment, retail, and housing properties.

California Real Estate Investments by Property Type



An additional \$2.6 billion in capital from other institutions is co-invested alongside CalPERS in California real estate. CalPERS real estate investments support 119,000 jobs statewide.²⁴

CalPERS California real estate projects in the development and construction phase support a total of 20,000 jobs. The construction of CalPERS California real estate projects not only supports workers within the construction industry, but also indirectly supports workers throughout the state.²⁵

Additionally, CalPERS California real estate investment portfolio includes income-generating properties with high occupancy levels such as neighborhood retail centers and office buildings. These properties provide critical infrastructure and operating space to retail and professional service providers supporting a total of 96,000 jobs. CalPERS properties with high occupancy levels also support workers within property management and other related industries.²⁶

CalPERS Real Estate Portfolio in California: June 30, 2013

CalPERS CA Portfolio Value (in millions)	\$4,868
Other Co-Invested Dollars (in millions) ¹	\$2,606
Number of Investments	266
Estimated Jobs in California ²	119,000

¹Value includes all other capital invested alongside CalPERS in the same real estate investments in the same third-party funds, partnerships and real estate investment trusts.

²See endnotes for estimated jobs in California methodology.

Forty-nine percent of CalPERS California real estate investments dollars are located in LMI areas. Real estate investments are often in Central Business Districts and concentrated urban areas, where property investments of all types are more readily available. These urban districts typically include a larger proportion of LMI, High Unemployment, and High Minority Areas.

Real Estate Ancillary Benefits in California¹

	Percentage of investments	Percentage of invested dollars
High Unemployment Areas	46%	40%
Rural Areas	16%	8%
High Minority Areas	75%	79%
LMI Areas	49%	49%

¹Ancillary benefits are based on the 260 California real estate investments for which valid ZIP code data was available.

Case Study: One Wilshire

One Wilshire is a 30-story 663,000 square foot office tower and data center located in downtown Los Angeles, at the eastern end of Wilshire Boulevard, the iconic commercial pathway that connects Los Angeles's major business districts to one another.

One Wilshire is the most densely networked point of connectivity on the West Coast, housing over 300 domestic and international telecommunications service providers, making it the single most important telecommunications hub in the Western United States.

In 2013, GI Partners acquired One Wilshire for \$437.5 million through its \$1 billion discretionary core real estate fund TechCore, LLC managed on behalf of CalPERS. One Wilshire represented an attractive investment opportunity as a marquee telecom asset with stable cash flows resulting from major anchor tenants, long-term lease commitments, and an outstanding history of tenant retention.

The property is recognized as one of the most vital connectivity points in the world, with underground fiber-optic cable routes between North America and Asia. Beyond serving as a data center, the property also includes office, storage and retail space and includes a five-level subterranean parking garage. While a majority of the building is occupied by telecommunications firms, a third of the space is occupied by law firms, stockbrokers and other non-telecommunications businesses.

Originally built in 1967 and renovated in 1992, One Wilshire became the hub of telecommunications for the Western United States during the growth of the internet in the 1990s as telecoms sought to locate at One Wilshire to be in close proximity to AT&T's switching center on Grand Avenue at Olive Street in Los Angeles. While other data centers emerged during this time, One Wilshire remains the premier site.

CalPERS investment in One Wilshire, through its partnership with GI Partners, demonstrates its commitment to acquiring high-quality, stable, income-producing properties while also supporting vital economic infrastructure for California.

INFRASTRUCTURE

Infrastructure	Total Market Value	\$1.1 billion
	Value in CA	\$118.0 million
	Percentage in CA	10.7%

CalPERS searches for infrastructure opportunities in sectors including transportation, energy, power, and water, investing both directly, and in partnership with third-party investment managers. CalPERS considers infrastructure investments to have the potential to benefit local economic development and provide essential community services within the state.

CalPERS has \$118.0 million invested through commingled funds in infrastructure assets in California. More than 94 percent (\$110.8 million) of these investments are in projects providing reliable water supplies to drought-prone areas.

Other institutions co-invested \$17 million alongside CalPERS in California infrastructure projects.²⁷ CalPERS infrastructure investments support 1,500 jobs statewide.²⁸

CalPERS Infrastructure Portfolio in California: June 30, 2013

CalPERS CA Portfolio Value (in millions)	\$118.0
Other Co-Invested Dollars (in millions) ¹	\$17.0
Number of Investments	7
Estimated Jobs in California ²	1,500

¹Value includes all other capital invested alongside CalPERS in the same infrastructure projects.

²See endnotes for estimated jobs in California methodology.

CalPERS Infrastructure Outreach Efforts in California: Financial Advisors Discussion

In 2011, the CalPERS Board of Administration approved the allocation of up to \$800 million for investment in California infrastructure over three years. As part of CalPERS ongoing outreach efforts to identify attractive infrastructure investment opportunities with the potential to benefit California, CalPERS convened a discussion with financial advisors engaged in infrastructure projects statewide at CalPERS headquarters on April 22, 2013.

The discussion sought to make financial advisors aware of the availability of CalPERS capital for infrastructure projects in California, inform CalPERS staff of potential projects, and explore how CalPERS could support some of these investment opportunities. Participants included 15 financial advisors, CalPERS Board Members Bill Slaton, Richard Costigan, and Steve Cooney representing the State Treasurer's Office, CalPERS investment staff, and other interested parties.

The meeting reaffirmed that a significant unmet need for infrastructure investment exists in California, with a forecast funding gap of \$450 billion over the next decade. In order to address this unmet need, attendees concluded that new funding sources would be key in supplementing existing tax exempt bonds and diminishing federal resources for in-state infrastructure investment.

Financial advisors highlighted the transportation sector, specifically toll roads, as a potential opportunity for investment. Ideas for new financial tools were also examined, including a Public Pension Financing Model allowing for public sector engagement with pension systems early on to secure limited debt financing during project construction and long-term debt financing at project completion.

Best practices in financing public/private infrastructure were also examined and attendees highlighted the need for the public sector to institutionalize sound, reliable project delivery mechanisms that are equipped to address a wide variety of stakeholder issues.

CalPERS is committed to continuing its outreach to financial advisors and others and will engage with a diverse array of stakeholders in an effort to identify attractive risk-adjusted infrastructure investment opportunities for its beneficiaries.

For more information on CalPERS California infrastructure outreach, please visit the Targeted Investment Programs webpage at:

<http://www.calpers.ca.gov/index.jsp?bc=/investments/targeted-programs/home.xml>

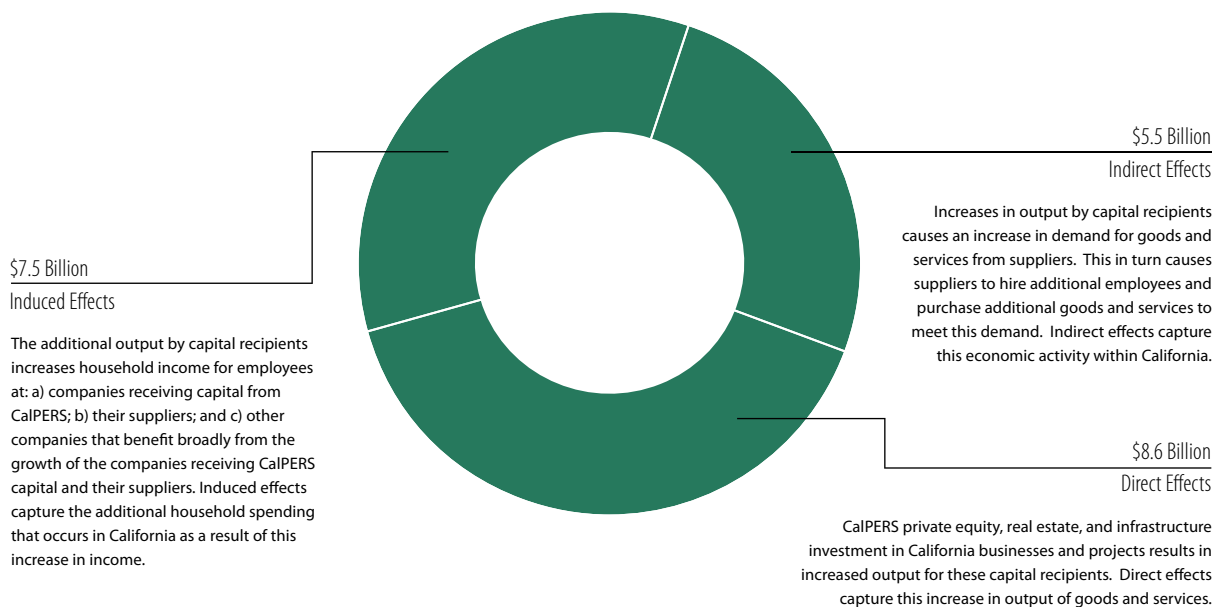
The Economic Impact of CalPERS Private Markets Investments in California

CalPERS private markets investments in California generate \$21.6 billion in economic activity across the state through the “multiplier effect”, which accounts for the way in which CalPERS capital reverberates throughout California’s economy. CalPERS investments result in direct effects, indirect effects, and induced effects within the California economy as described in the diagram below.

The total economic impact of CalPERS private markets investments in California represents the summation of these economic ripple effects (direct effects, indirect effects, and induced effects) and is calculated using the IMPLAN Version 3.0 economic multiplier model software package. IMPLAN utilizes social accounts to analyze the consequences of projected economic transactions in a particular region.²⁹ Used by over 2,000 public and private institutions, IMPLAN is a widely employed and accepted regional economic analysis tool.

CalPERS California private markets investments in private equity, real estate, and infrastructure are input separately into the IMPLAN economic multiplier model using the specific industries and sectors receiving investment. CalPERS public markets investments are intentionally excluded from this analysis due to the more indirect relationship between the investment of capital by CalPERS and the use of this capital by recipient public companies.³⁰ A more detailed explanation of the methodology employed for estimating the total economic impact of CalPERS private markets investments in California is included in the report’s end notes.

CalPERS Total Economic Impact in California: \$21.6 billion³¹



Conclusion

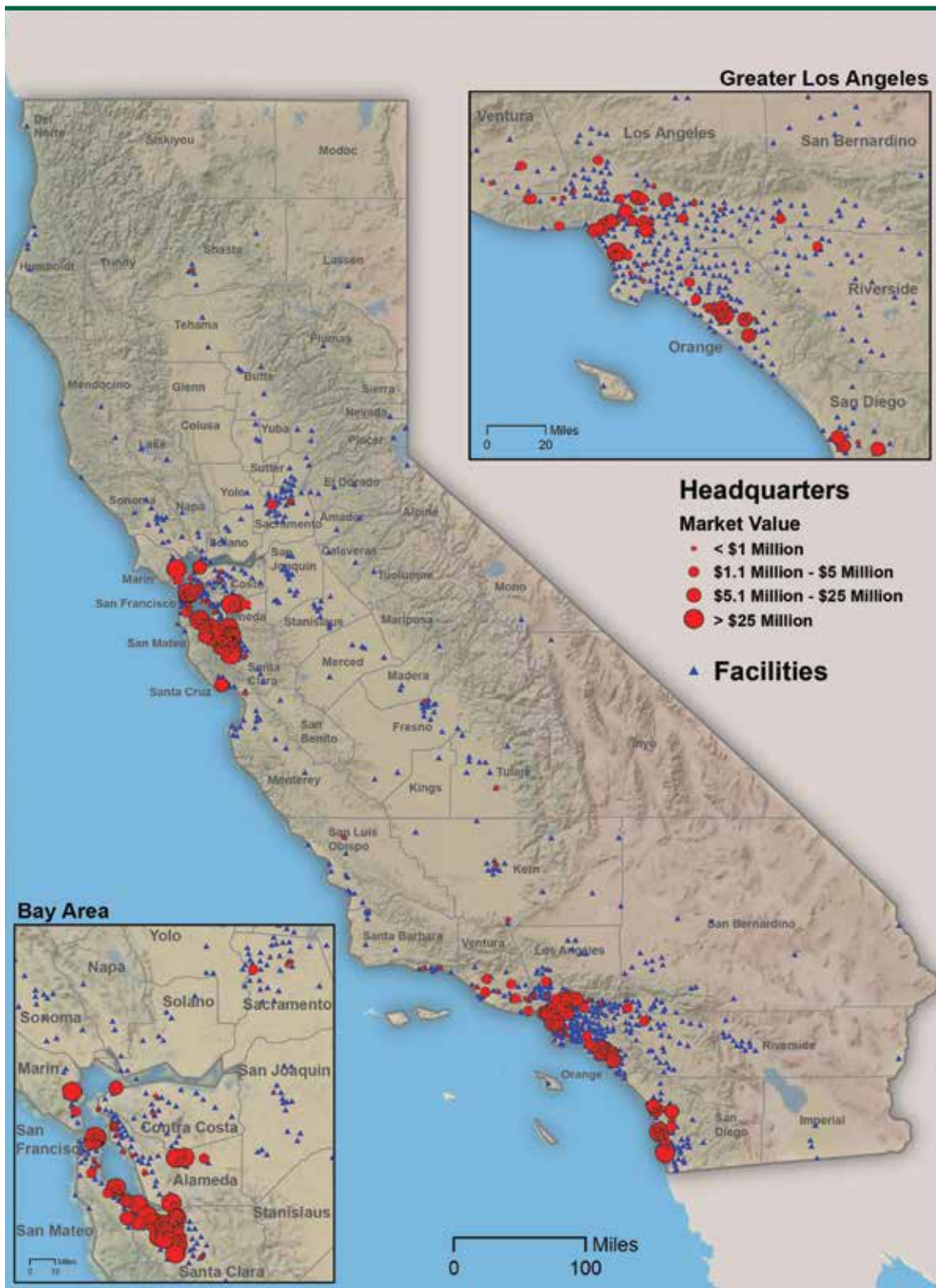
CalPERS is the nation's largest pension system and, like all institutional investors, plays an important role in sustaining and growing all of the companies, properties and projects in which it invests, not least in California.

CalPERS invests \$20.8 billion (8.1 percent) of its \$258 billion in assets in California, including in the state's underserved communities. CalPERS private markets investments in California generate \$21.6 billion in economic activity and provide significant ancillary benefits resulting from the magnitude and breadth of CalPERS presence in the state.

CalPERS will continue to pursue California-based investment opportunities grounded in the historic strength of the state economy, seeking attractive risk-adjusted financial returns. CalPERS for California demonstrates CalPERS ongoing commitment to rigorously track and report on these efforts.

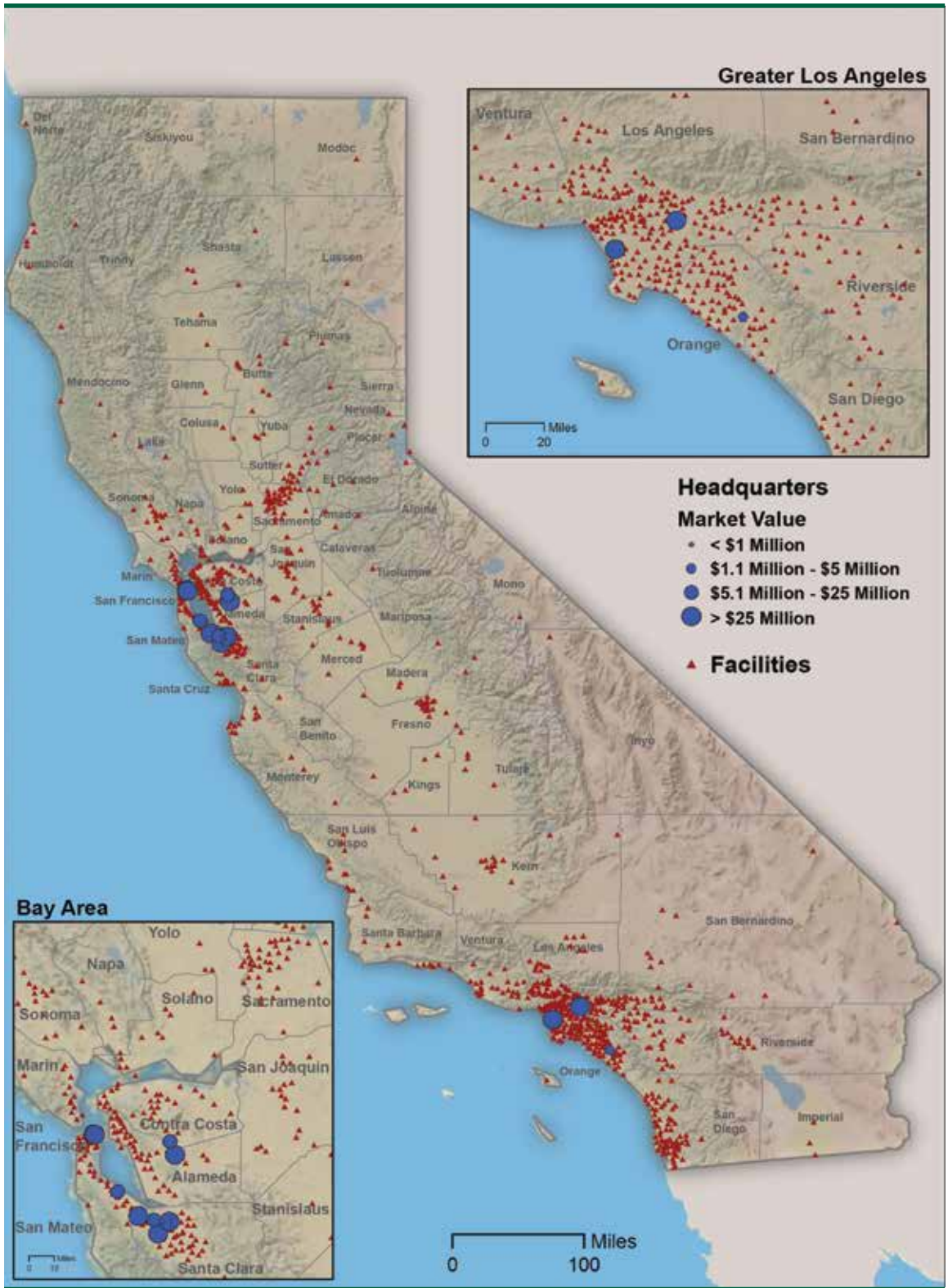
Location of CalPERS Investments in California*

CalPERS Public Equity Investments in California

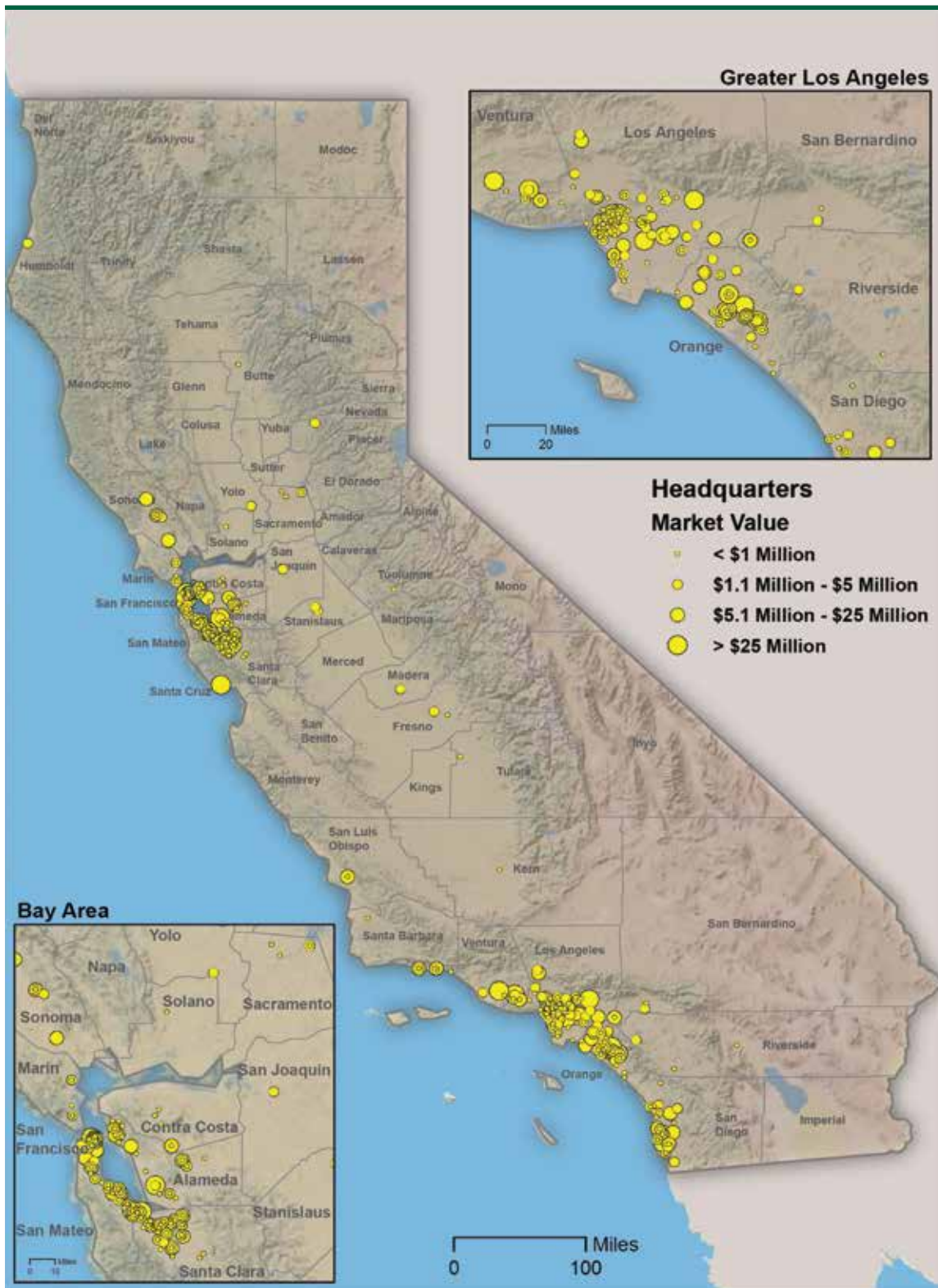


* These maps only contain information on CalPERS investments headquartered in California.

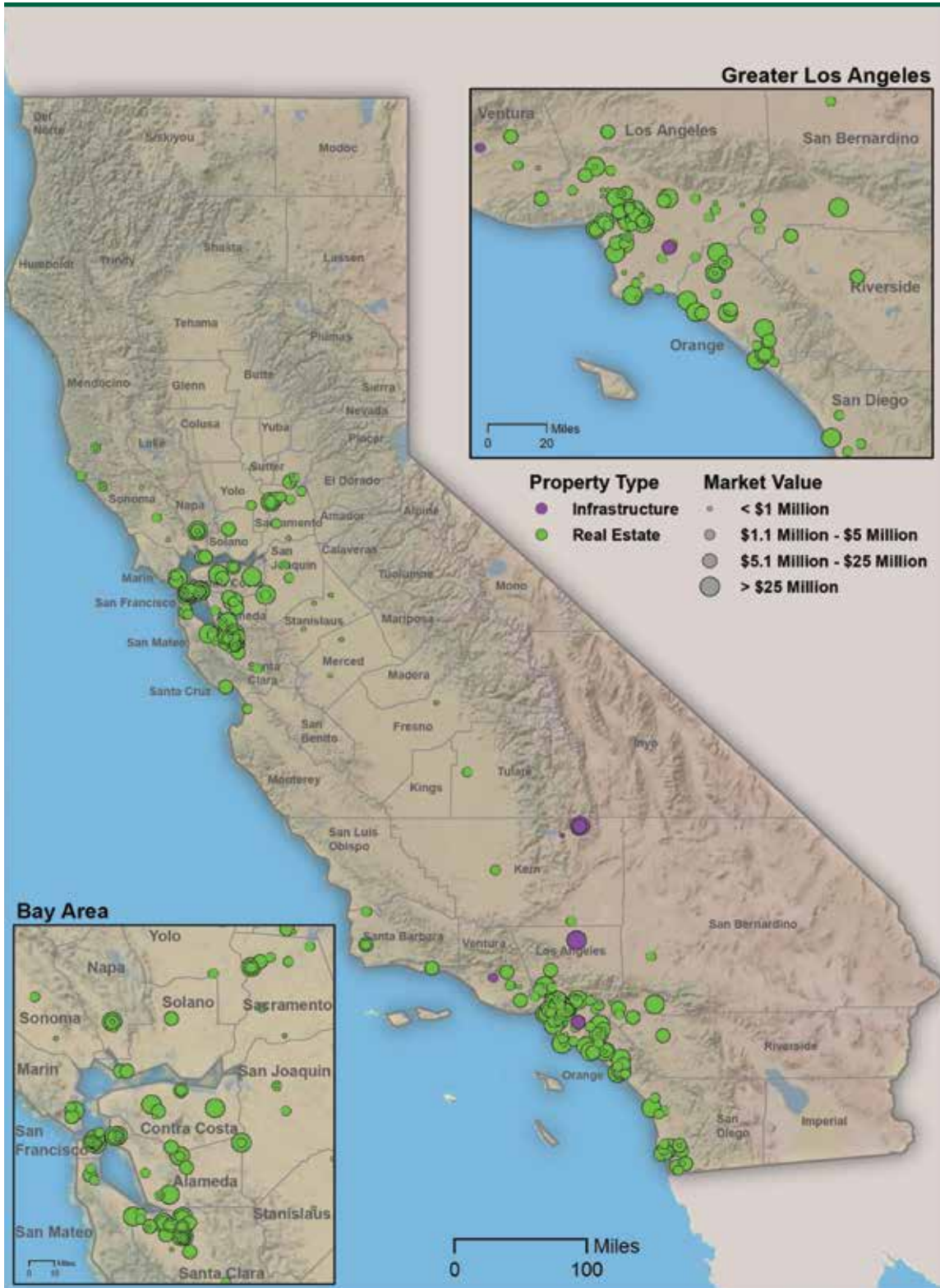
CalPERS Fixed Income Investments in California



CalPERS Private Equity Investments in California



CalPERS Real Estate and Infrastructure Investments in California



Endnotes

¹CalPERS Total Fund Monthly Update: Month Ending June 30, 2013, available at <http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/201208/item04c1-02.pdf>

²As a result of a reporting error within the private equity asset class the 2012 CalPERS for California report incorrectly identified a total of \$4.2 billion in private equity investment in California and \$20.7 billion of total investment in California. The correct investment amounts for CalPERS California private equity investments and CalPERS total investments in California were \$3.6 billion and \$19.7 billion, each respectively. The annual percentage change in dollars invested in California for CalPERS California private equity investments and for all of CalPERS investments in California is calculated using the corrected figures.

³CalPERS 2011-12 Business Plan, available at <http://www.calpers.ca.gov/eip-docs/about/strategic-business/2012-final-report.pdf>

⁴CalPERS has made corporate bond investments in 47 California-headquartered companies. Of the 47 companies, 14 have received direct investments from CalPERS and 35 have received investment indirectly through CalPERS external managers, with two companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 14 companies receiving direct investments from CalPERS. The average size of these investments is \$31.9 million. The average size of external manager corporate bond investments in California companies is \$767,000.

⁵The capital that CalPERS invests in California is usually not explicitly directed to the state, but is the consequence of a typical institutional investment process weighing the financial merits of particular companies, properties and projects, regardless of location. The size and dynamism of California's economy are the primary drivers of CalPERS significant exposure to local communities and the related benefits that this brings, like job creation.

The research methods in this report are fully documented in footnotes. The difficulty of directly attributing ancillary benefits to CalPERS is especially notable and explains why public market and private market investments are discussed separately in CalPERS for California.

The data in this report offers a snapshot of CalPERS investments and has been analyzed by Pacific Community Ventures (PCV), a third-party research organization.

⁶U.S. Bureau of Economic Analysis, Regional Economic Accounts, available at www.bea.gov/regional/index.htm

⁷2012-2013 Mid-Year Economic Forecast and Industry Outlook, The Keyser Center for Economic Research at <http://cdn.laedc.org/wp-content/uploads/2013/07/LAEDC-2013-2014-Mid-Year-Economic-Forecast.pdf>.

⁸CNNMoney, Fortune 500 and Fortune 500 Global, available at <http://money.cnn.com/magazines/fortune/fortune500/index.html>

⁹Private Equity Growth Council, <http://www.privateequityat-work.com/state-by-state/>

¹⁰U.S. Census Bureau, available at www.census.gov/foreign-trade/statistics/state/data/ca.html

¹¹The analysis is based on a 3% sample of all non-California headquartered companies (n=282). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely underestimates the actual number of California employees, since more employees are typically located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly overestimate the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹²The fixed income asset class includes five distinct investment programs. Only publicly available data was used to conduct analysis for this asset class, which was available only for companies that issued corporate bonds. According to the state of domicile, 47 corporate bond issuers (and \$551 million in investments) are considered California companies.

¹³CalPERS has made corporate bond investments in 47 California-headquartered companies. Of the 47 companies, 14 have received direct investments from CalPERS and 35 have received investment indirectly through CalPERS external managers, with two companies receiving investments both directly and indirectly. The jobs estimate for fixed income is based only on the 14 companies receiving direct investments from CalPERS. The average size of these investments is \$31.9 million. The average size of external manager corporate bond investments in California companies is \$767,000.

The 14 companies that received direct corporate bond investment from CalPERS are also part of CalPERS Public Equity portfolio. Job estimates cannot be combined as this would constitute double counting of 14 large companies.

¹⁴The classification of a California-based structured security investment was derived using security composition data from Bloomberg. The total structured security market value for each of CalPERS investments was multiplied by the percentage composition of the structured security based in California.

¹⁵The analysis is based on a 10 percent sample of all non-California headquartered companies (n=30). Assumptions about the entire portfolio should therefore be considered illustrative, but not conclusive. The employment assumption for California-headquartered public companies (that employees are spread evenly at all facilities) likely underestimates the actual number of California employees, since more employees are typically located in facilities at, or closer to, a company's headquarters. The same analysis would likely significantly overestimate the number of California employees of companies headquartered elsewhere – a problem compounded by the smaller sample size and larger number of companies.

¹⁶To determine the dollar amounts invested in these areas, the market value of each investment is attributed to the ZIP code provided for a given company, property or project. Dollars invested in all ZIP codes that match the given criteria are summed and reported as a percentage of the total market value for each asset class invested in California.

¹⁷Low- to Moderate-Income (LMI) Areas are predominantly (50 percent or more) composed of LMI residents (38 percent of U.S. ZIP codes fall into this category). A census tract is determined to be LMI based on the following criteria:

- Median income of the tract is at or below 80 percent of the metropolitan statistical area median or below 80 percent of the statewide, non-metropolitan area median income
- At least 20 percent of the population lives in poverty
- The unemployment rate is at least 1.5 times the national average (based on US Census Bureau and 2006-10 American Community Survey data, consistent with research on the California Initiative. 1.5 times the 2006-10 national average of 6.8 percent is 10.2 percent)

See the Milken Institute Center for Capital Access and Job Formation for extensive literature on the lack of access to capital in LMI communities, at www.milkeninstitute.org.

¹⁸High unemployment areas are defined by the State of California Employment Training Panel as being 15 percent higher than the California average. At March 31, 2013, the

California average unemployment rate was 9.4 percent; therefore any ZIP code with an unemployment rate above 10.8 percent is considered a High Unemployment Area.

¹⁹High Minority Areas are defined as ZIP codes in which the percentage of the minority population is higher than the median percentage of the minority population in all California ZIP codes (above 25 percent). See 'MBDA Study Finds Capital Access Remains Major Barrier to Success for Minority-Owned Firms' for more information on access to capital in minority communities. US Department of Commerce Minority Business Development Agency, January 29, 2010, available at www.mbda.gov/pressroom/press-releases/mbda-study-finds-capital-access-remains-major-barrier-success-minority-owne. According to the MBDA study, minority-owned firms receive fewer loans and smaller equity investments than non-minority owned firms, even when controlling for firm size.

²⁰Rural areas are defined as ZIP codes in which the percentage of the rural population is higher than the median percentage of the rural population in all California ZIP codes (above six percent). See 'Advancing Rural America', U.S. Small Business Administration Office of Advocacy, available at www.sba.gov/advo/research/rural_sb.html for more information on access to capital in rural areas. According to the SBA, rural businesses access to capital has historically been limited and may be constrained further as bank mergers replace community banks with larger entities that are less interested in non-credit card small-sized loans'.

²¹The boundaries of the Central Business Districts (CBD) of Los Angeles, Oakland, San Diego and San Francisco were determined using GIS technology. All ZIP codes that overlapped the CBD were included in this analysis. There are a total of 20 ZIP codes that overlap the four CBDs. Seventeen (85 percent) of those ZIP codes are predominantly comprised of LMI census tracts.

²²This includes CalPERS direct private equity partnership investments, direct investments, and externally managed investments. This number may differ from total portfolio numbers in other CalPERS reports due to varying standards for defining a California company.

²³There are fewer jobs supported in the private equity portfolio when compared to June 30, 2012 as a result of a decrease in private equity investment in California at June 30, 2013.

²⁴Estimated jobs supported by CalPERS real estate investments in California are determined using the IMPLAN Version 3.0 economic multiplier model software package. IMPLAN is used by hundreds of government agencies, colleges and universities, non-profit organizations, corporations, and business development and community planning organizations for analyzing economic impacts (for more information visit www.implan.com).

To determine jobs supported by CalPERS California real estate investments, the IMPLAN model examines the State of California as the geographic area of study, capturing and accounting for economic benefits resulting from CalPERS real estate investments statewide. Methodologies specific to property type and development phase were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from the construction/operation of various property types. The methodologies are described below:

Construction of Residential and Non-Residential Properties

Total net asset values for residential and non-residential properties including apartments, single-family housing, senior housing, office, and retail under the predevelopment, development, and redevelopment categories were uploaded directly into the IMPLAN model for analysis where they are matched with construction activities.

Sales of Goods and Services at Non-Residential Properties with Current Occupants

Property square footage data for retail properties with current occupants is multiplied by industry data on retail sales. Property square footage data for other non-residential properties with current occupants including in the office and industrial sectors are multiplied by property-specific industry data on rental income. Total rental income amounts are subsequently divided by a rent-to-revenue ratio to derive total sales of goods/services for each tenant property. Total sales of goods and services at tenant properties are then uploaded into the IMPLAN model for analysis where they match industry activities.

Rental/Leasing of Non-Residential Properties with Current Occupants

Property square footage data for non-residential properties with current occupants including office, industrial, and retail are multiplied by industry data on property-specific rental income. The total rental income amounts are uploaded directly into the IMPLAN model for analysis where they match with rental, leasing, and property management activities.

As with other asset classes, this analysis does not imply that the jobs created and sustained by CalPERS investments in real estate are directly attributable to the System. Rather, it is an estimate of employment directly related to the properties in question, for which CalPERS investments play an important enabling role.

Estimated California Jobs from CalPERS California Real Estate Investments

Construction of Residential and Non-Residential Properties	20,000
Sales of Goods and Services at Non-Residential Properties with Current Occupants	96,000
Rental/Leasing of Non-Residential Properties with Current Occupants	3,000
Total Estimated Jobs in California	119,000

The following table outlines rental income per square foot, retail sales per square foot, rent to revenue ratios, and IMPLAN industry codes used in this analysis.

Industry	Rental Income per Square Foot	Retail Sales per Square Foot	Rent-to-Revenue Ratio	IMPLAN Industry Codes and Descriptions
Retail	\$26.13	\$341.00	—	34: Construction of new nonresidential commercial and health care structures 329: Retail Stores - General merchandise 360: Real estate establishments
Office	\$24.39	—	4%	34: Construction of new nonresidential commercial and health care structures 360: Real estate establishments 367-380: Various professional services (legal, accounting, architectural, technical, scientific, etc)
Apt, Housing	—	—	—	37: Construction of new residential permanent site single - and multi-family structures
Industrial	\$6.20	—	2.1%	35: Construction of new, nonresidential manufacturing structures 319: Wholesale trade business 360: Real estate establishments

Sources: Cassidy Turley, IBIS World, and RetailSails

²⁵CalPERS California real estate projects in the development and construction phase indirectly support workers across the state through the purchase of goods and services needed for construction of these projects and through the personal consumption by construction workers tasked to these particular projects.

²⁶CalPERS California investments in income generating real estate properties directly support tenant businesses through the provision of critical infrastructure and operating space. Additionally, tenant businesses indirectly support workers across the state through the purchase of goods and services needed for day-to-day business operations and through the personal consumption of workers at their businesses on household purchases.

²⁷The total co-investment amount of CalPERS California infrastructure investments was incorrectly reported in the 2012 CalPERS for California report, as such the current co-investment amount should not be compared to what was previously reported.

²⁸California infrastructure supports an estimated 1,500 jobs statewide. This estimate is derived from the IMPLAN Version 3.0 economic multiplier model software package. Stage of development, land acquisition costs, and development costs were examined for California infrastructure projects. For each project, net asset values less land development costs were inputted directly into the IMPLAN model using IMPLAN Industry Code 36: Construction of other new non-residential structures.

²⁹Social accounts describe the structure and function of a specific economy. IMPLAN employs input-output analysis in conjunction with region specific social accounts or Social Accounting Matrices (SAM) and multipliers to analyze economic impacts.

³⁰IMPLAN cannot be applied to CalPERS public markets investments in California, for the following reasons:

- Attribution: CalPERS cannot directly tie its provision of capital to the operations and economic activity occurring at California headquartered public companies given it is one of many investors in these businesses.
- Overestimation: Applying the IMPLAN economic multiplier model to CalPERS public markets investments in California would overstate CalPERS total economic impact.
- Area of Study Limitations: IMPLAN is an input-output economic multiplier model that requires a set geographic area of study. As California headquartered public companies have a significant number of facilities and operations in and outside of California it is difficult to specify what proportion of CalPERS investment in these companies is injected directly into California's economy, limiting the accuracy of the resulting total economic impact figure.

³¹To determine the total economic impact of CalPERS California private markets investments in private equity, real estate, and infrastructure, the IMPLAN model examines the State of California as the geographic area of study, capturing and accounting for economic benefits resulting from CalPERS investments statewide. Methodologies specific to each asset class were used in determining the input values for the IMPLAN model to best capture the economic impacts resulting from the CalPERS investments. The methodologies are described below:

Private Equity Investments

CalPERS private equity investment amounts in California private companies are uploaded directly into the IMPLAN model alongside an industry spending pattern that matches each company's industry or sector. Only CalPERS direct partnership investments and investments through third party investment managers were included in this analysis. Sector/industry data was only available for \$2.9 billion of CalPERS California private equity investments. The \$2.9 billion CalPERS invests in California private companies is distributed across 66 industries based upon each company's industry and the amount of capital that company has received.

Real Estate Investments

CalPERS investment amounts in California real estate projects are uploaded into the IMPLAN model to capture the economic impacts resulting from the construction/operation of various property types. The same methodology that is used to calculate jobs supported by CalPERS California real estate investments is used to calculate the total economic impact resulting from CalPERS California real estate investments. This methodology is described in greater detail above in end note 24.

Infrastructure Investments

CalPERS investment amounts in California infrastructure projects are uploaded into the IMPLAN model to capture the economic impacts resulting from the construction/operation of various projects. The same methodology that is used to calculate jobs supported by CalPERS California infrastructure investments is used to calculate the total economic impact resulting from CalPERS California infrastructure investments. This methodology is described in greater detail above in end note 28.

CalPERS Profile

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with assets of approximately \$255 billion.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million members and more than 3,000 school and public employers. The System also operates 8 Regional Offices located in Fresno, Glendale, Orange, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek. Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of approximately 1.1 million active and inactive members and more than 500,000 retirees, beneficiaries, and survivors from State, school and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees who dedicate their careers to public service. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and 5 years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death.

Today CalPERS offers additional programs, including a deferred compensation retirement savings plan, member education services, and an employer trust for post-retirement benefits. Learn more at our website at www.calpers.ca.gov.



California Public Employees' Retirement System

400 Q Street | Sacramento, CA 95811

www.calpers.ca.gov

For more information, please contact:

Pacific Community Ventures | www.pacificcommunityventures.org

