



Investment Committee

Agenda Item 6c

November 14, 2022

Item Name: Liquidity Management

Program: Total Fund Portfolio Management

Item Type: Information

Executive Summary

This agenda item presents an overview of CalPERS' liquidity management framework. During this session, CalPERS will review the goals and evolution of the framework and the liquidity available across current assets.

Strategic Plan

This agenda item supports the CalPERS 2022-2023 Business Plan and the 2022-2027 CalPERS Strategic Plan goal to strengthen the long term sustainability of the Plan. Under the 2022-2023 Business Plan, the Strategic Objective to mitigate the risk of significant investment loss while balancing contribution levels and volatility calls for constructing a total fund portfolio positioned to generate the required rate of return over the long term, by ensuring effective allocation of risk, leverage and liquidity. This agenda item will review how we manage and monitor liquidity.

Investment Beliefs

This agenda item supports the following CalPERS Investment Beliefs::

- Investment belief #1: "Liabilities must influence the asset structure"
- Investment belief #2: "A Long time investment horizon is a responsibility and an advantage".

This agenda item intends to provide transparency and information about CalPERS liquidity management framework and process.

Analysis

Not applicable

Budget and Fiscal Impacts

Not applicable

Benefits and Risks

Not applicable

Attachments

Attachment 1 – Liquidity Management

James Sterling Gunn

Managing Investment Director
Total Fund Portfolio Management

Dan Bienvenue

Deputy Chief Investment Officer
Capital Markets

Nicole Musicco

Chief Investment Officer