



Investment Committee

Agenda Item 8a

February 16, 2021

Item Name: Asset Liability Management: Timeline, Concepts, and Framework

Program: Trust Level Portfolio Management & Implementation

Item Type: Information

Executive Summary

This agenda item initiates the CalPERS 2021 Asset Liability Management program, and provides an overview of key concepts, milestones, and deliverables.

Strategic Plan

This agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability. It provides information regarding the Asset Liability Management program and supports the CalPERS Investment Committee (IC) in their oversight capacity.

Investment Beliefs

This agenda item supports the following CalPERS' Investment:

- Belief 2: A long term investment horizon is a responsibility and an advantage;
- Belief 6: Strategic asset allocation is the dominant determinant of portfolio risk and return;
- Belief 7: CalPERS will take risk only where we have a strong belief we will be rewarded for it; and
- Belief 8: Costs matter and need to be effectively managed.

Background

Aligned with the Asset Liability Management Policy, this item presents a review of key Asset Liability Management concepts and itemizes key milestones and deliverables of the Asset Liability Management program.

Analysis

Not Applicable.

Attachments

Attachment 1 – ALM: Timeline, Concepts, and Framework

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