



Investment Committee

Agenda Item 5c

June 10, 2024

Item Name: Private Debt Annual Program Review

Program: Private Debt

Item Type: Information

Executive Summary

This item provides the Investment Committee of the CalPERS Board of Administration (Committee) with updates on Private Debt's strategy, positioning, performance, key initiatives and the current market environment of the asset class.

Additional information is provided as follows:

1. Private Debt Investment Update Presentation (Attachment 1).
2. Private Debt Annual Program Review by Wilshire Associates (Attachment 2).

Strategic Plan

This item supports CalPERS Strategic Plan goal of improving long-term pension and health benefit sustainability by supporting the Committee in its oversight role for CalPERS' investment program.

Investment Beliefs

This item supports the following CalPERS' Investment Beliefs:

- Investment Belief 2: A long investment horizon is a responsibility and an advantage
- Investment Belief 7: CalPERS will take risk only where we have a strong belief we will be rewarded for it
- Investment Belief 8: Costs matter and need to be effectively managed
- Investment Belief 10: Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives

Background

Private Debt was given an SAA effective July 1, 2022. This agenda item provides the Committee with an update on the following:

- The Private Debt program overview, strategy and portfolio positioning as of 3/31/24

- The Private Debt market observations, current concerns and investment themes
- The Private Debt performance as of 3/31/24
- Key initiatives related to the business and integration of governance and sustainability

Analysis

Not Applicable

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

Not Applicable

Attachments

Attachment 1 – Private Debt Annual Program Review

Attachment 2 – Private Debt Annual Program Review (Wilshire Associates)

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