

CalPERS for California Report

Sustainable Investments

November 18, 2024

Executive Summary

Purpose of Report

Document CalPERS' Total Fund investments in California and the ancillary benefits resulting from CalPERS investments statewide. The report fulfills the responsibility of staff in the Total Fund Investment Policy.

The report assess the following ancillary benefits and economic impacts:

- Local jobs created or supported
- Investments in communities of interest such as low to moderate income communities, and areas with high unemployment

\$60.8B

CalPERS' Total Fund investments in California

170,591

Estimated jobs supported in California from CalPERS' private market investments

Key Observations Across Total Fund

CalPERS' Investments in California and Ancillary Benefits by Asset Class: June 30, 2023										
	Total Portfolio Value (Billions)	\$ Invested in California (Billions)	% Invested in California	Estimated jobs supported in California	High Unemployment areas		High Minority areas		LMI areas	
					By # of investments	By \$ invested	By # of investments	By \$ invested	By # of investments	By \$ invested
Public Equity	\$200.9	\$29.9	14.9%	--	--	--	--	--	--	--
Fixed Income	\$123.7	\$6.3	5.1%	--	--	--	--	--	--	--
Private Equity	\$60.2	\$3.1	5.1%	18,019	3%	1%	36%	35%	9%	6%
Real Assets	\$68.8	\$20.0	29.1%	141,481	--	--	--	--	--	--
Real Estate	--	\$19.5	--	140,022	4%	7%	57%	66%	22%	24%
Infrastructure	--	\$0.4	--	1,459	--	--	--	--	--	--
Private Debt	\$10.9	\$1.5	13.8%	11,091	7%	8%	30%	36%	21%	14%
Short-Term Investments	\$1.5	--	--	--	--	--	--	--	--	--
Total	\$465.9	\$60.8	13.1%	170,591	--	--	--	--	--	--
Breakout of Total Private Markets Economic Impact in California										
Direct Effects			Indirect Effects			Induced Effects			Total Economic Impact	
\$24.5B			\$12.0B			\$8.8B			\$45.2B	

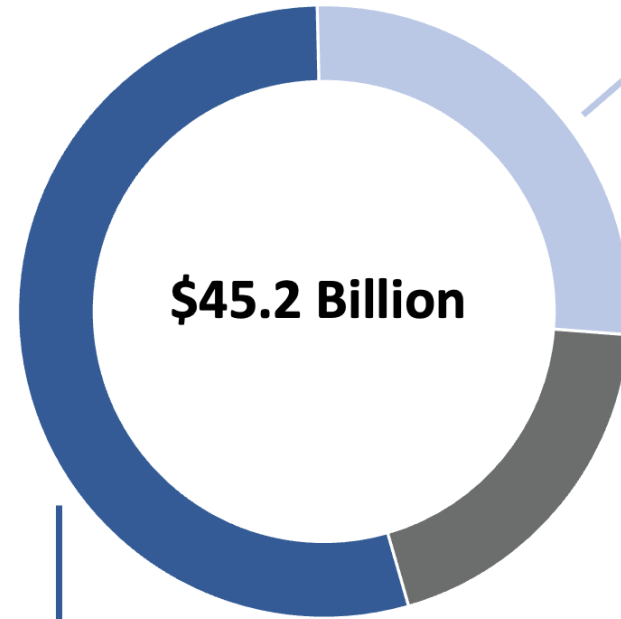
Sources: CalPERS for California 2023 report; CalPERS Annual Comprehensive Financial Report, Fiscal Year Ended June 30, 2023; The Total Economic Impact and estimated number of jobs supported by the Private Markets investments are calculated using the IMPLAN Version 7.3 economic multiplier model software package.



Economic Impact of CalPERS Private Markets

Breakout of Total Economic Impact

- CalPERS' private markets investments in California generate an estimated \$45.2 billion in economic activity across the state through the multiplier effect
- Includes the direct effects, indirect effects, and induced effects within the California economy



Direct Effects - \$24.5 Billion
 Direct effects capture capital recipients' increase in output of goods and services resulting from investments in California businesses and projects.

Indirect Effects - \$12.0 Billion
 Indirect effects capture the economic activity resulting from increased output from capital recipients. The increase in outputs increases the demand for goods and services from suppliers, causing suppliers to hire additional employees and purchase additional goods in order to meet that demand.

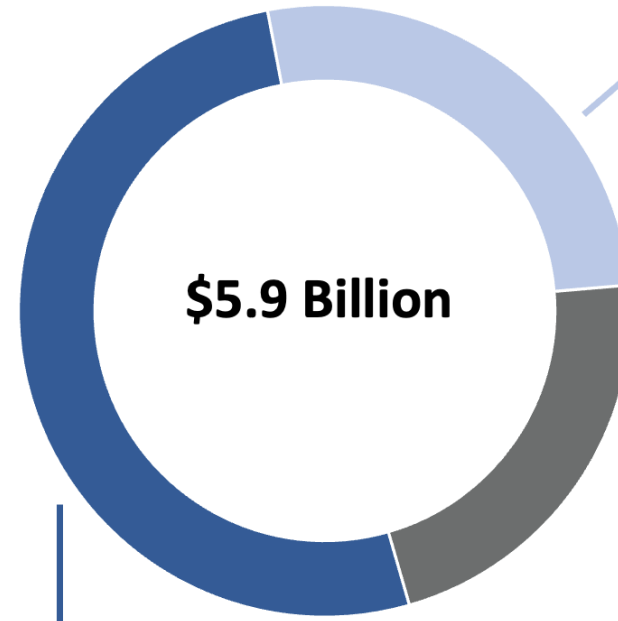
Induced Effects - \$8.8 Billion
 Induced effects capture the additional household spending that occurs in California as a result of increases in incomes. The additional output by capital recipients increases household income for employees at:

- Companies receiving capital from CalPERS;
- Their suppliers; and
- Other companies that benefit broadly from the growth of the companies receiving CalPERS' investment capital and their suppliers.

Economic Impact of CalPERS Private Equity

Breakout of Total Economic Impact

- CalPERS' private equity investments in California generate an estimated \$5.9 billion in economic activity across the state through the multiplier effect
- Includes the direct effects, indirect effects, and induced effects within the California economy



Direct Effects - \$3.1 Billion
 Direct effects capture capital recipients' increase in output of goods and services resulting from investments in California businesses and projects.

Indirect Effects - \$1.3 Billion
 Indirect effects capture the economic activity resulting from increased output from capital recipients. The increase in outputs increases the demand for goods and services from suppliers, causing suppliers to hire additional employees and purchase additional goods in order to meet that demand.

Induced Effects - \$1.6 Billion
 Induced effects capture the additional household spending that occurs in California as a result of increases in incomes. The additional output by capital recipients increases household income for employees at:

- Companies receiving capital from CalPERS;
- Their suppliers; and
- Other companies that benefit broadly from the growth of the companies receiving CalPERS' investment capital and their suppliers.

Key Observations of CalPERS' Private Equity

CalPERS PE in California

5.1%

CalPERS PE investments in California

143

Investments in California

\$35.7B

Invested alongside CalPERS in California by other investors

\$3.1B

CalPERS' PE investments in California

18,019

Estimated jobs supported in California

\$5.9B

Total Economic Impact of PE investments in California

Ancillary benefits

3%

Investments in High Unemployment Areas

36%

Investments in High Minority Areas

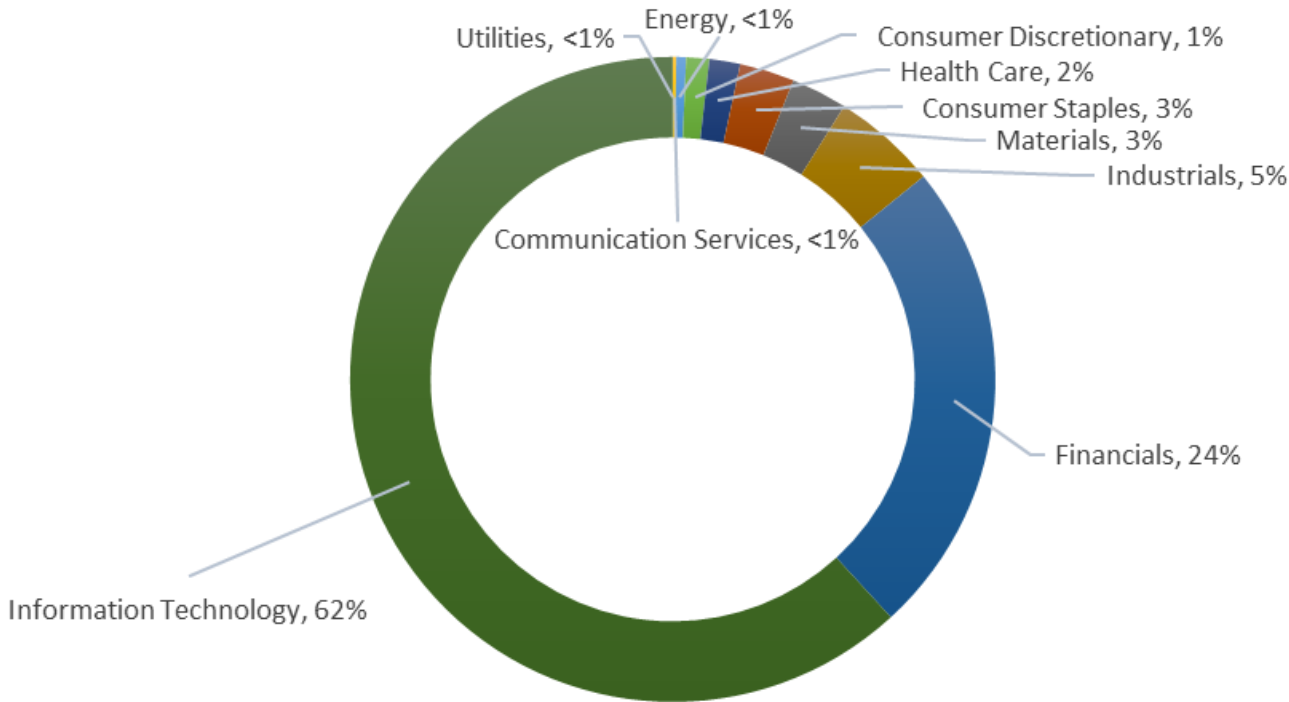
9%

Investments in Low-and Moderate-Income Areas

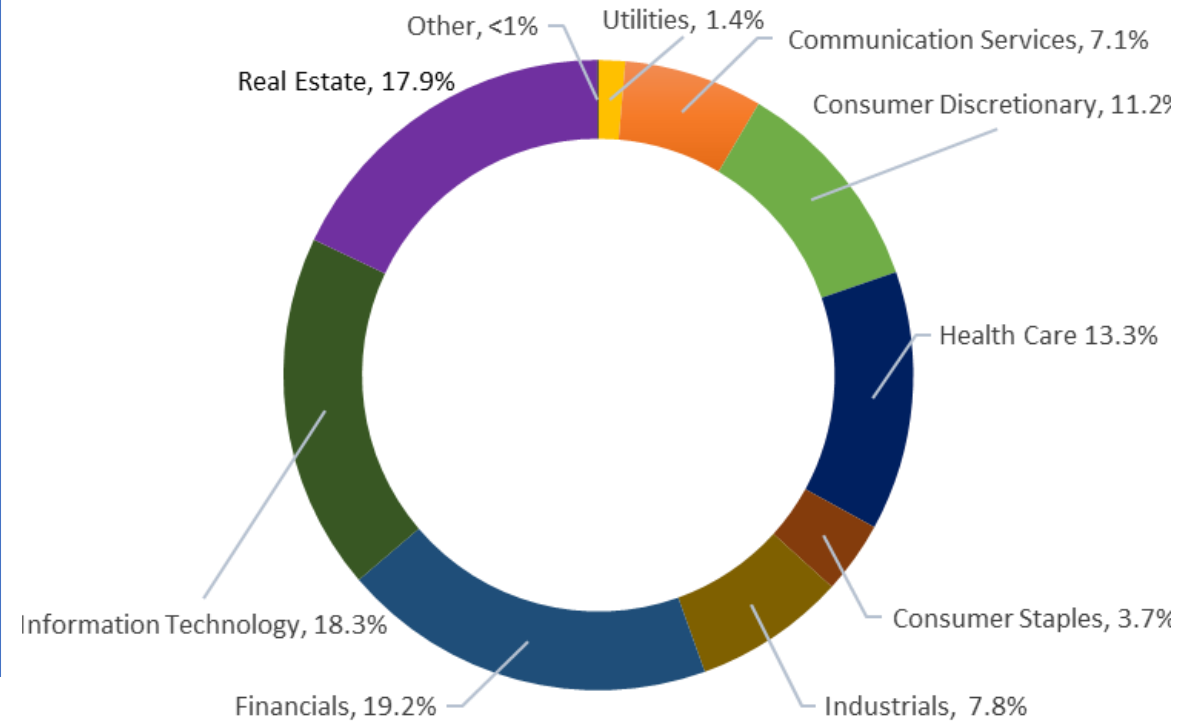
Annex

Private Markets Sector Exposures

CalPERS' Private Equity Investments by Type

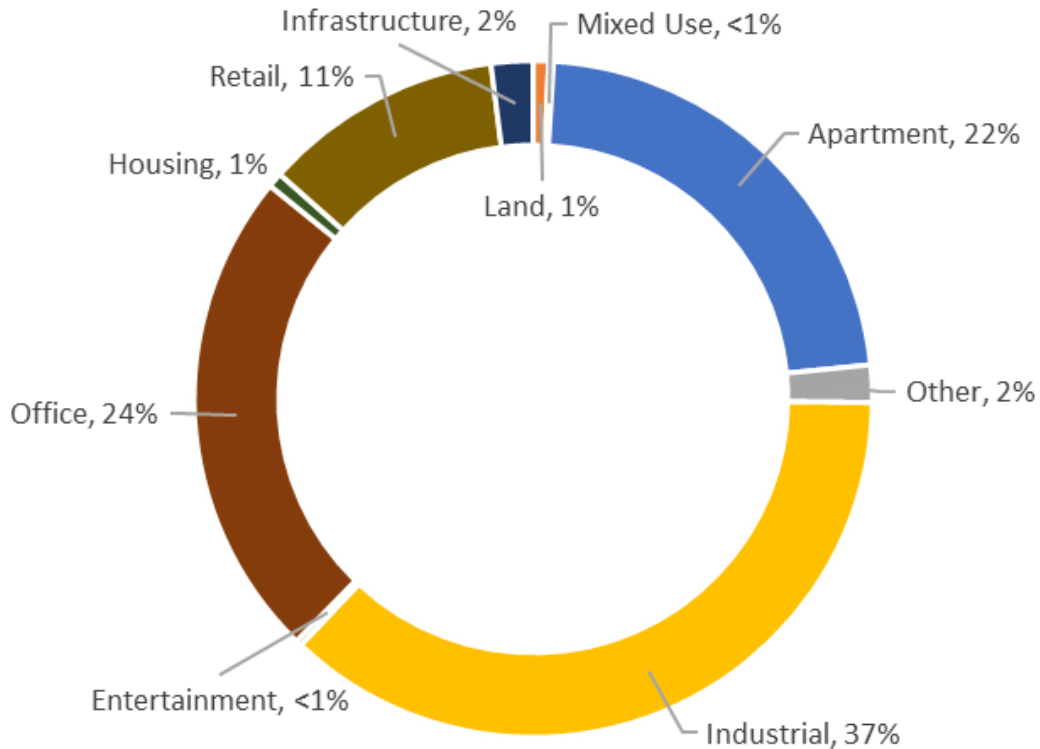


CalPERS' Private Debt Investments by Type



Private Markets Sector Exposures (cont'd)

CalPERS' Real Asset Investments by Type



CalPERS' Infrastructure Investments by Type

