



# Investment Committee

## Agenda Item 6e

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**March 17, 2025**

**Item Name:** Total Fund Portfolio Management Investment Treasury Overview

**Program:** Total Fund

**Item Type:** Information

### **Executive Summary**

This agenda item provides Board education on portfolio operations and investment decision making by summarizing management's approach and implementation of the Liquidity Management Framework. The presentation describes the Liquidity and Financing Management functions within the broader Investment Treasury Program and how those functions support the strategic objectives of CalPERS.

### **Strategic Plan**

This agenda item supports the CalPERS Strategic Plan goal of strengthening the long-term sustainability of the pension fund. As defined in CalPERS Asset Liability Management (ALM) Policy, ALM is the process of balancing the expected cost of future pension payments with the expected future investment returns. The periodic review and evaluation of investment and actuarial assumptions are intended to strengthen the sustainability of the pension fund.

This agenda item additionally supports the Strategic Plan goal of Stakeholder Engagement by promoting collaboration, support, and transparency. Stakeholder input is a critical component to the ALM process.

### **Investment Beliefs**

- Investment Belief 2: A long-term 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**

The Investment Treasury Management Program is a natural by-product of the Board's decision to approve leverage in 2019. Robust liquidity management is key to ensuring prudent implementation of leverage and related complexities. Enhancements to balance sheet management are a natural outcome of efforts to solidify liquidity management processes and allow for reduction in funding costs.

## **Analysis**

Not applicable.

## **Budget and Fiscal Impacts**

Not applicable.

## **Benefits and Risks**

Not applicable.

## **Attachments**

Attachment 1 – Total Fund Portfolio Management Investment Treasury Overview presentation.

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