

CalPERS Update
April 21, 2020 - Webcast



Dean Albro, Management Services Director

Covid-19 Impact on CalPERS

- Members & Employees Safety
- Serve Members
- Pay Benefits
- Managing Investments

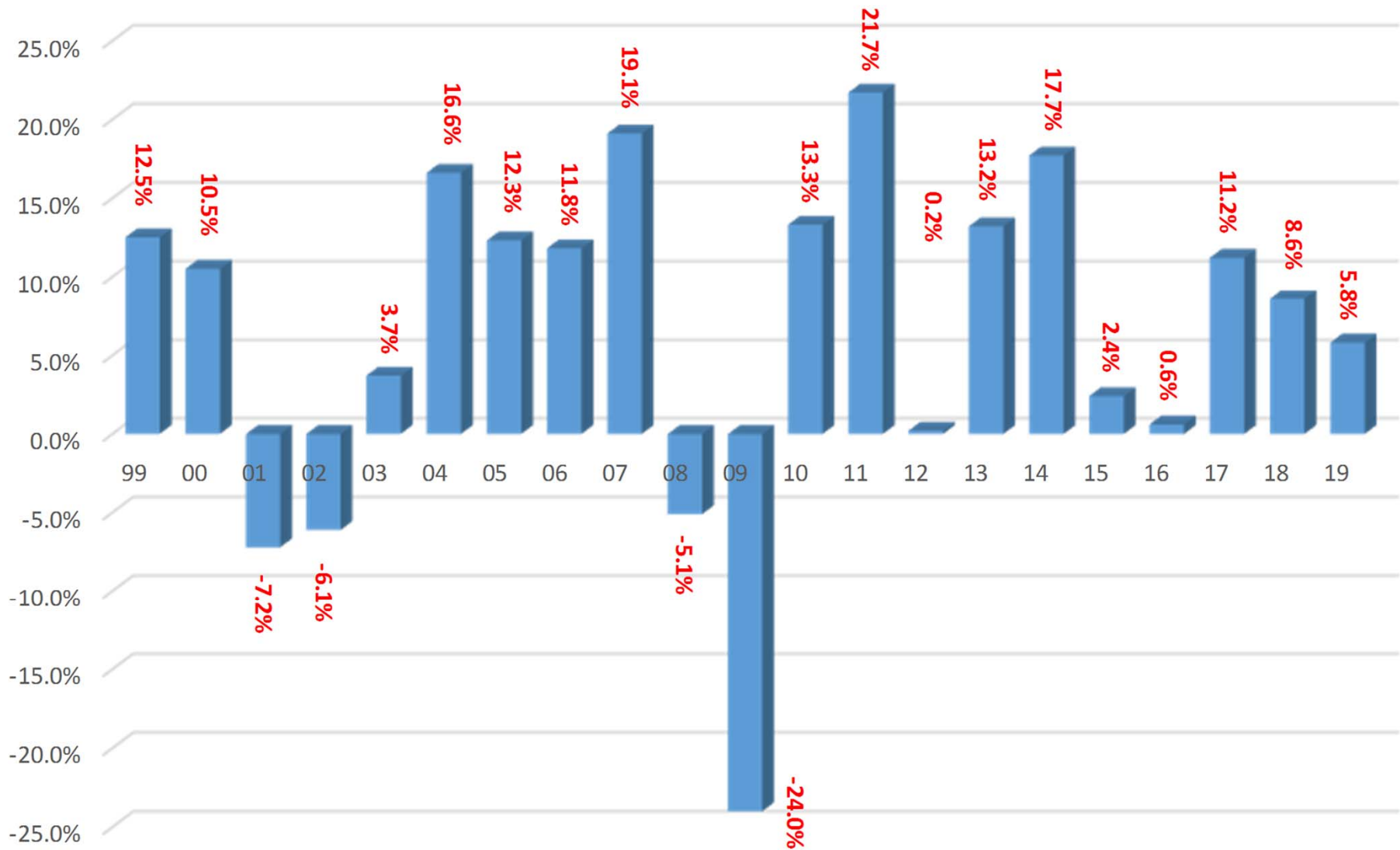


Better Prepared the 2008

- Healthy Liquidity
- Diversified Portfolio
- 7% Discount Rate
- Shortened Amortization to 20 year

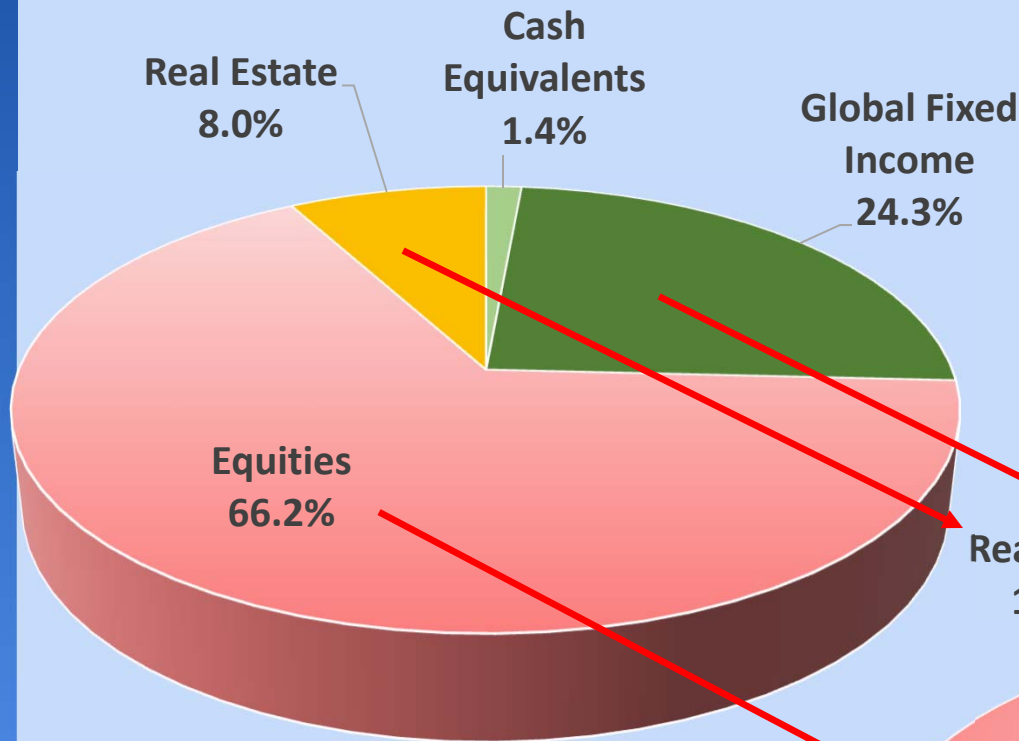


CalPERS History of Investment Returns

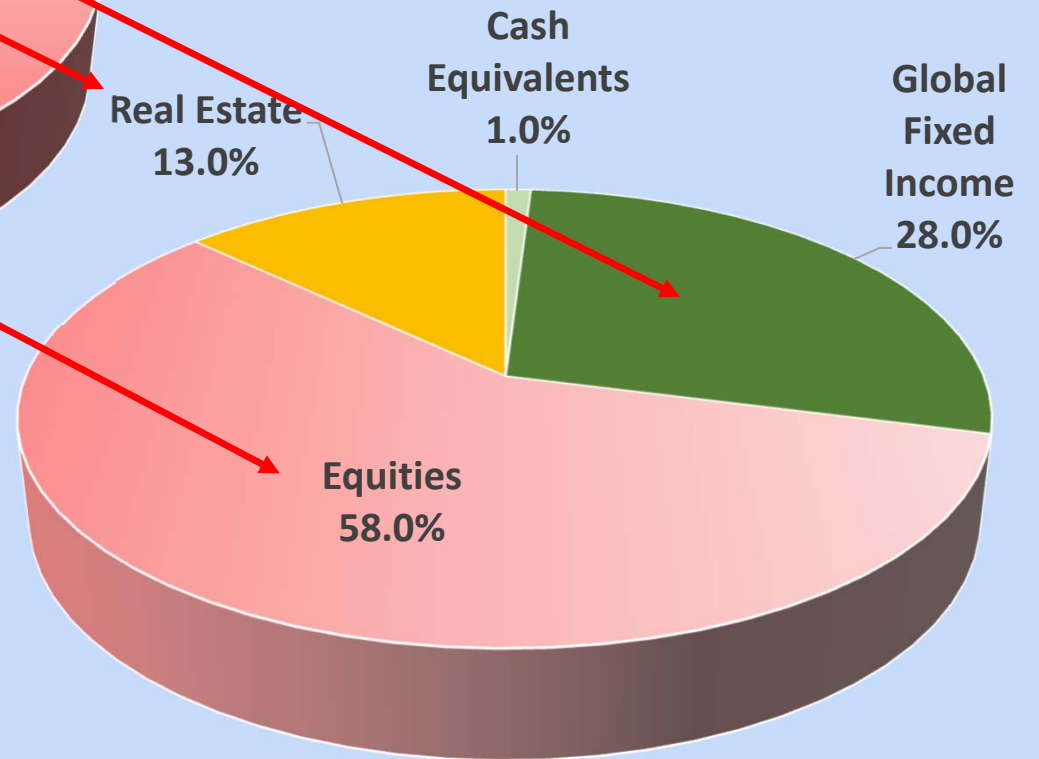


Asset Allocation 2007 vs. 2019

2007 CalPERS Investment



2019 CalPERS Investment



Reaction to Covid-19 in Public Markets

| Market Segment | | Percentage change March 31, 2020 | |
|----------------|--------------------------------------|----------------------------------|----------------|
| | | Fiscal YTD | S&P 500 (2/19) |
| Highest risk | Global Equities -Market Cap Weighted | -15.45% | -24.35% |
| | Global Equities -Factor Weighted | -13.05% | -20.54% |
| | High Yeild Corporate Bonds | -8.88% | -13.13% |
| Lowest risk | Long Spread Bonds | 1.87% | -3.92% |
| | Long US Treasury Bonds | 20.02% | 11.08% |
| | Liquidity / Cash Equivalent | 1.26% | 0.16% |

Citywide – CalPERS Impact Covid-19

CalPERS : March 31, 2020

| | | | |
|-------------------------------|----|--------------|---------|
| Market Value - June 30, 2019 | \$ | 370.2 | Billion |
| Market Value - March 31, 2020 | | <u>355.6</u> | Billion |
| YTD Annual Gain -3.9% | \$ | (14.6) | Billion |

City of Lompoc - CalPERS

| | | | |
|------------------------------------|----|-------|---------|
| Change in Market Value | \$ | (8.1) | Million |
| Projected Investment Earnings (7%) | | 14.9 | Million |
| Increase Unfunded Liabilities | \$ | 23.0 | Million |

Citywide – CalPERS Impact Covid-19

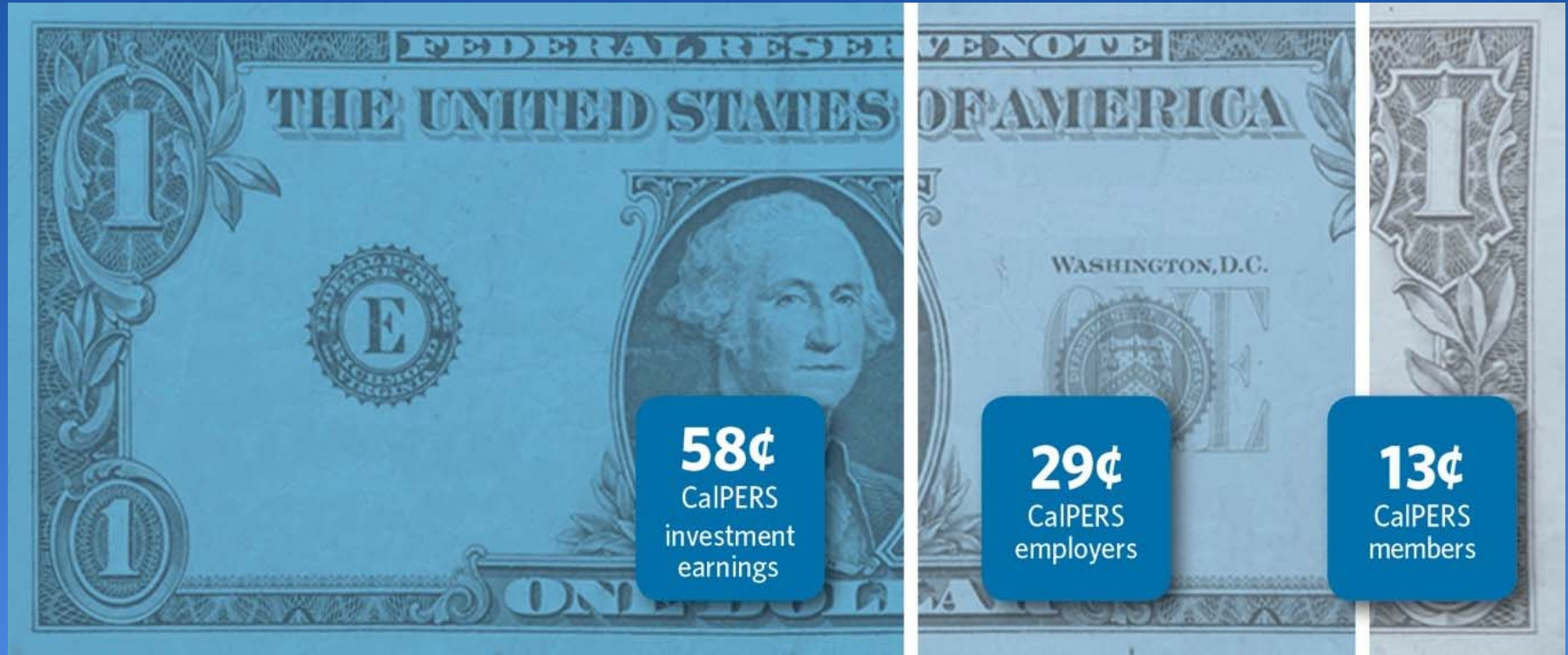
CalPERS : April 17, 2020

| | | | |
|-------------------------------|----|--------------|---------|
| Market Value - June 30, 2019 | \$ | 370.2 | Billion |
| Market Value - April 17, 2020 | | <u>385.7</u> | Billion |
| YTD Annual Gain (Loss) 4.2% | \$ | 15.5 | Billion |

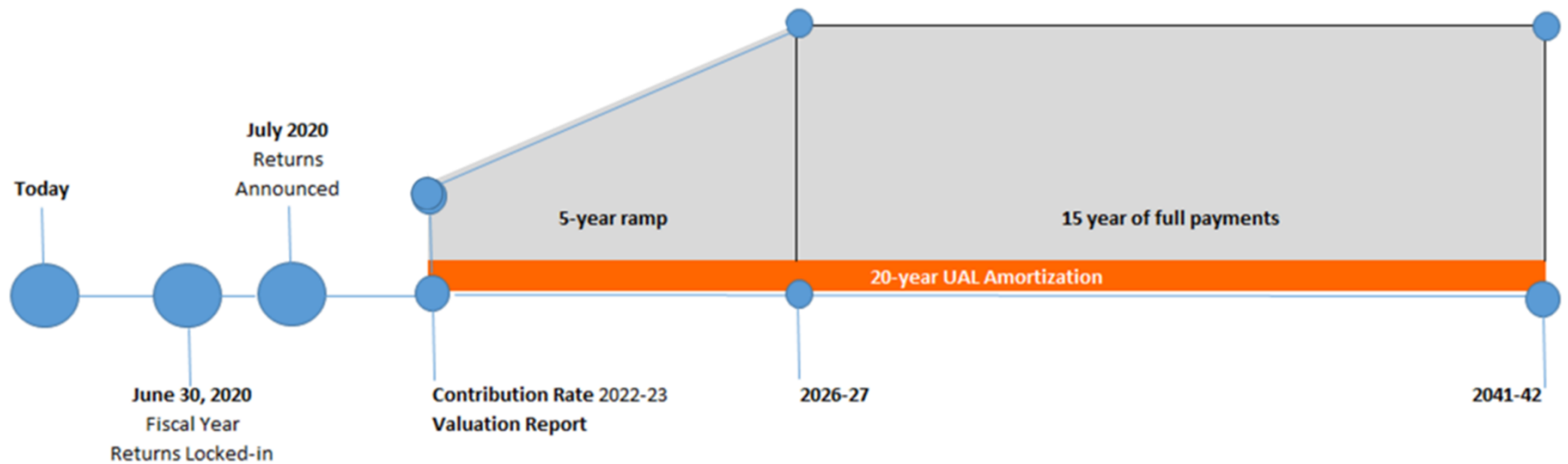
City of Lompoc - CalPERS

| | | | |
|------------------------------------|----|------|---------|
| Change in Market Value | \$ | 8.6 | Million |
| Projected Investment Earnings (7%) | | 14.9 | Million |
| Increase Unfunded Liabilities | \$ | 6.3 | Million |
| Increase Contributions Citywide | \$ | 0.8 | Million |

Funding CalPERS



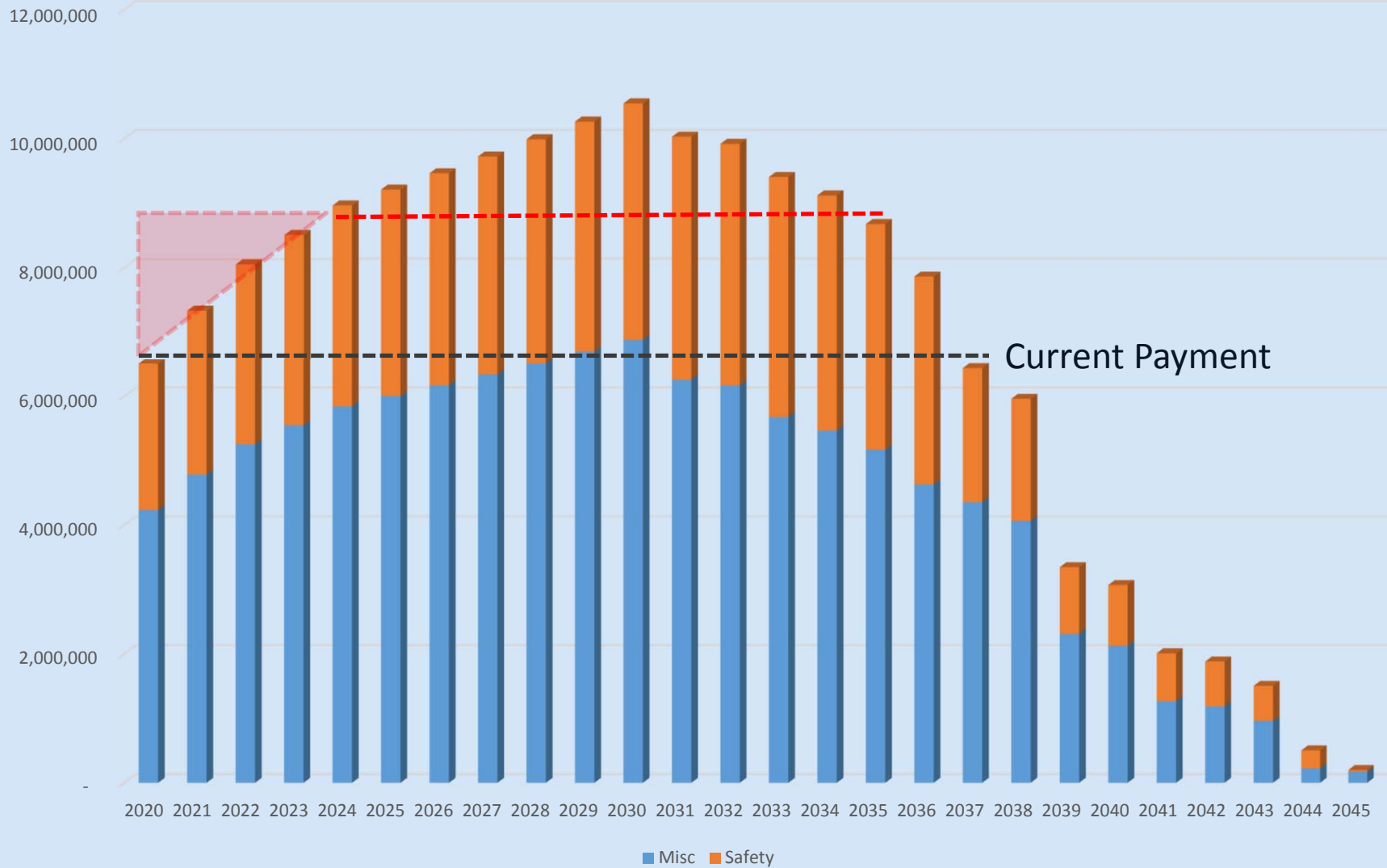
Citywide – CalPERS Funding



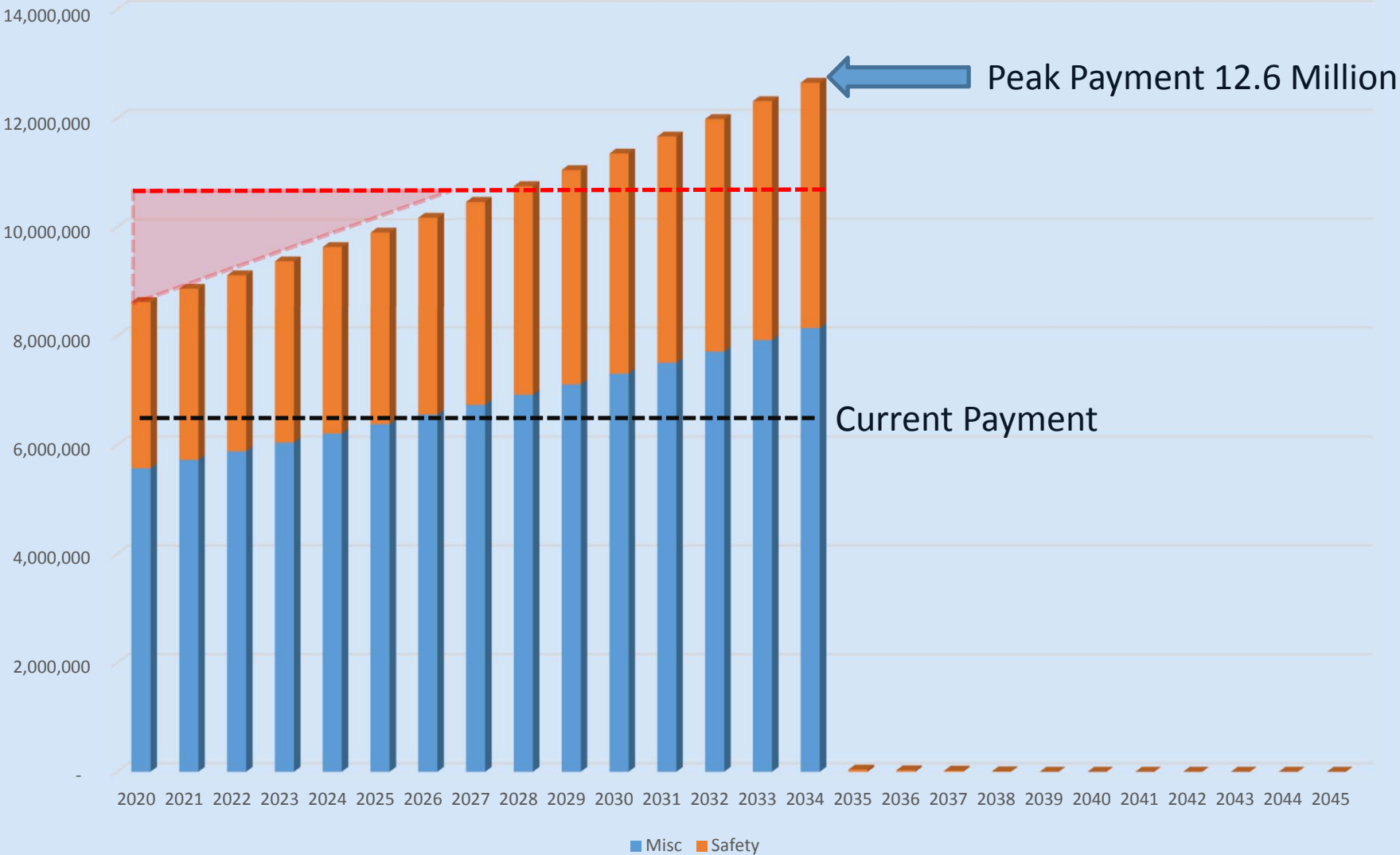
Funding CalPERS

| Year | CalPERS 20 Yr Phase-in | Straight Line 15 Yr | Straight Line 20 Yr |
|---------|---------------------------|------------------------|------------------------|
| 2021 | - | \$647,156 | \$558,215 |
| 2022 | - | 647,156 | 558,215 |
| 2023 | 151,000 | 647,156 | 558,215 |
| 2024 | 302,000 | 647,156 | 558,215 |
| 2025 | 452,443 | 647,156 | 558,215 |
| 2026 | 603,000 | 647,156 | 558,215 |
| 2027 | 754,000 | 647,156 | 558,215 |
| 2028-35 | 754,000 | 647,156 | 558,215 |
| 2036-40 | 754,000 | | 558,215 |
| 2041-42 | 754,000 | | |
| | \$ 13,572,443.0 | \$9,707,345.33 | \$11,164,304.67 |
| | Savings | \$3,865,097.67 | \$2,408,138.33 |

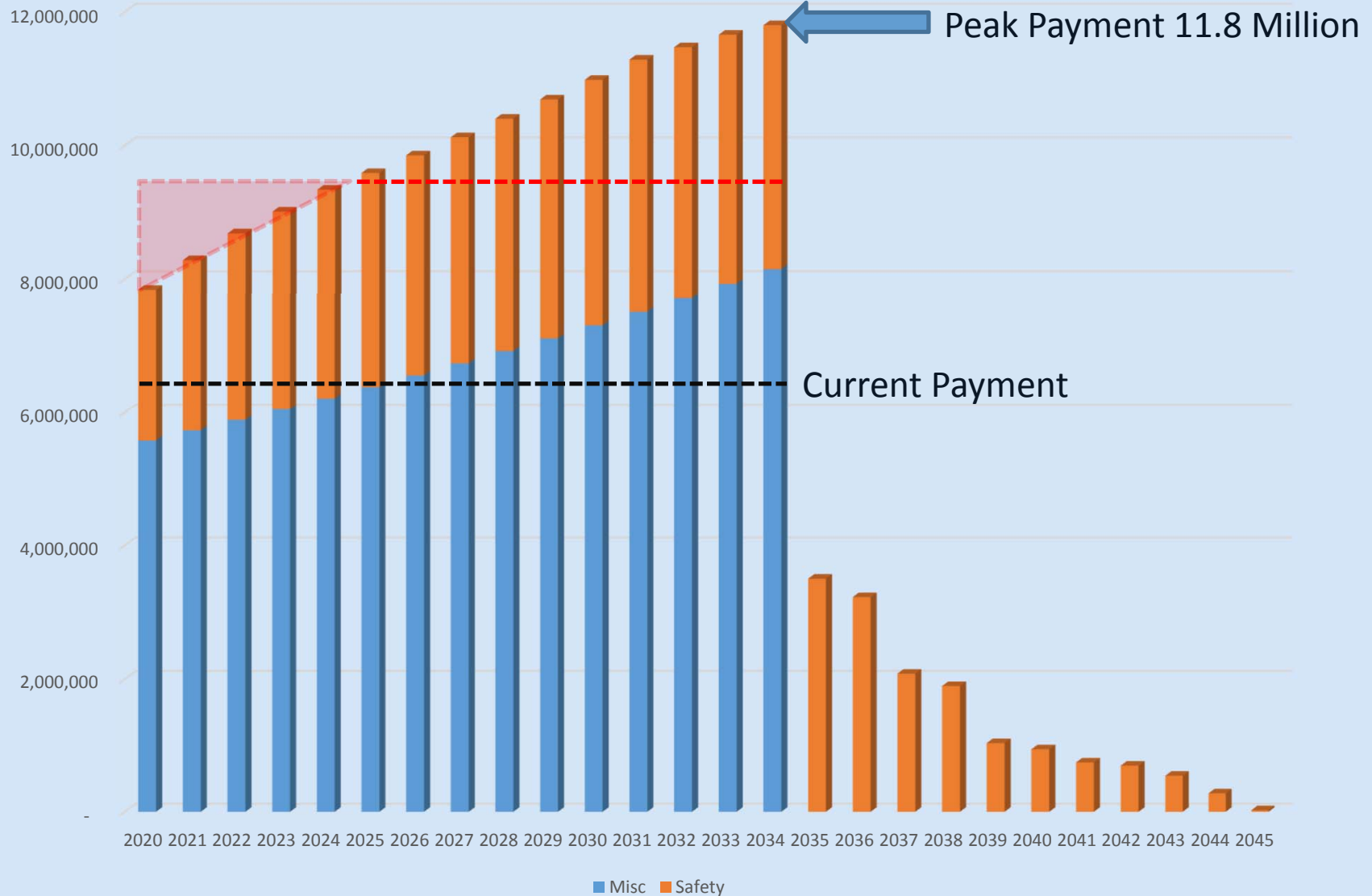
CalPERS Current Payment Schedule

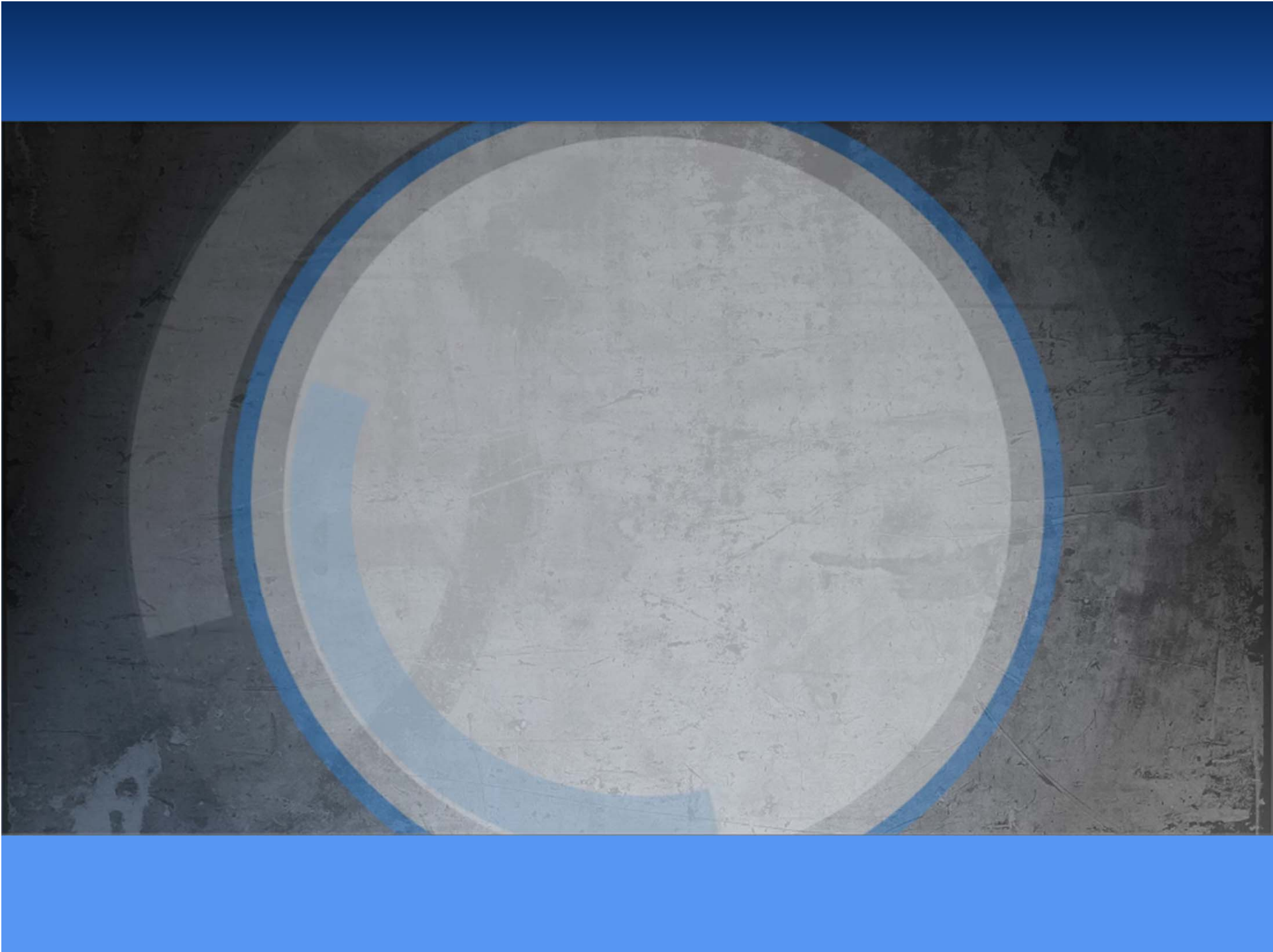


CalPERS 15 Year Payment Schedule



CalPERS 15 Year Misc. Payment Schedule







Thank you

General Fund – Public Safety Payments (Surplus)

- 0 thru 1 Million 20%
- 1 thru 2 Million 40%
- 2 thru 3 Million 60%
- 3 thru 4 Million 80%
- Above 4 Million 100%

Example: FY 2020-21 (2.5 Million Surplus)

- 0 - 1 Million @ 20% = \$200,000
- 1 - 2 Million @ 40% = \$400,000
- 2 - 2.5 Million @ 60% = \$300,000

Total = \$900,000
Reserves 1.6 Million