

# LIVE WEBINAR

## 2025 CalPERS Returns, Fed Policy, and What Agencies Should Expect

Thursday, August 14 | 11 AM PT



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PUBLIC FINANCE CONSULTANT  
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HEAD OF MACRO ECONOMIC STRATEGIES  
ACADEMY SECURITIES

# Peter Tchir, Head of Macro Strategy



With more than 25 years in industry focusing on fixed income. His background helps bring a unique frame of reference to Academy's market strategy and analysis. Peter works closely with the Geopolitical Intelligence Group to provide market read-throughs on geostrategic risk.

- Our Macro Strategy Offering is designed to assist corporates & investors to navigate financial markets and the economy through thought-provoking commentary
- In tandem with our Geopolitical Intelligence Group, Peter distills geopolitical commentary into his market analysis to provide a unique take on current events in the context of financial markets and economics
- Peter is frequently cited and featured in news and media forums such as Bloomberg, CNBC, Financial Times, & Forbes, to name a few

# Agenda for Today's Webinar

- CalPERS Investment Return for 2024-25
- How Did We Get Here?
- Impact of Return
- Looking Forward

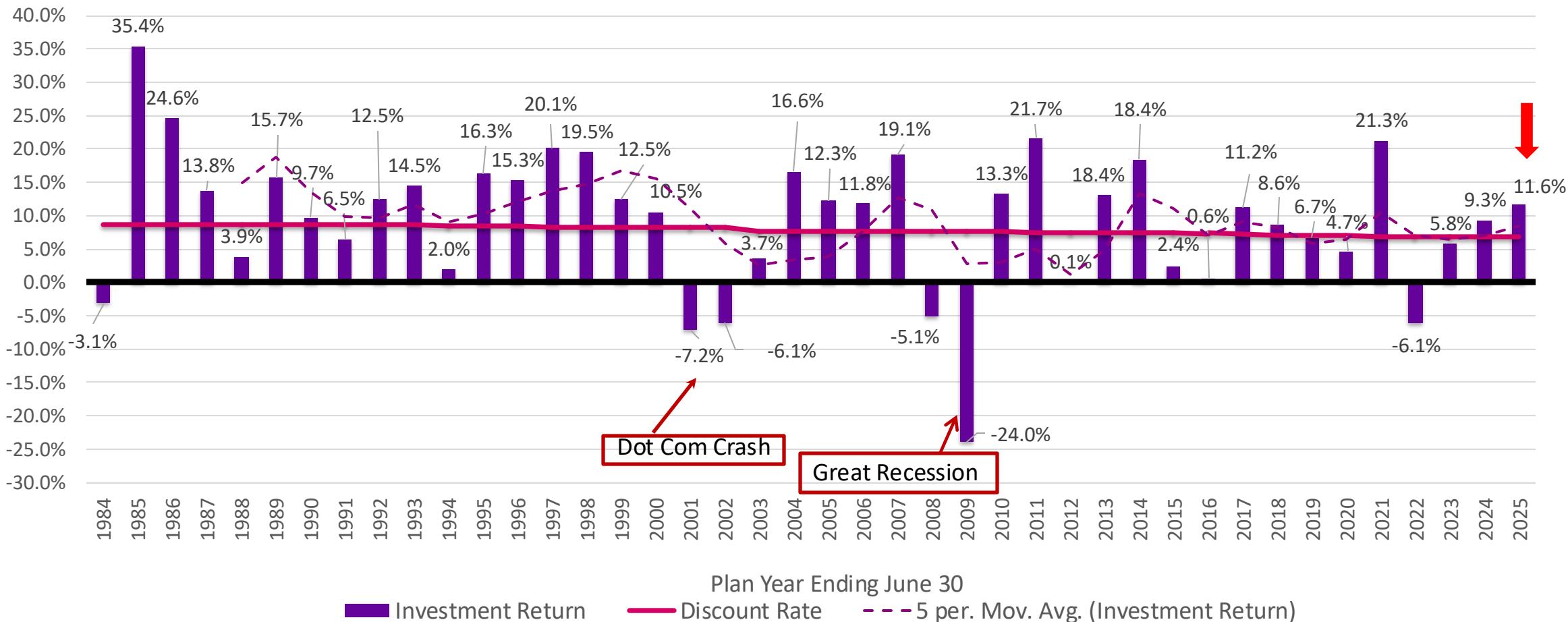
# CalPERS Investment Return



## Public Employers Retirement Fund (PERF) Summary

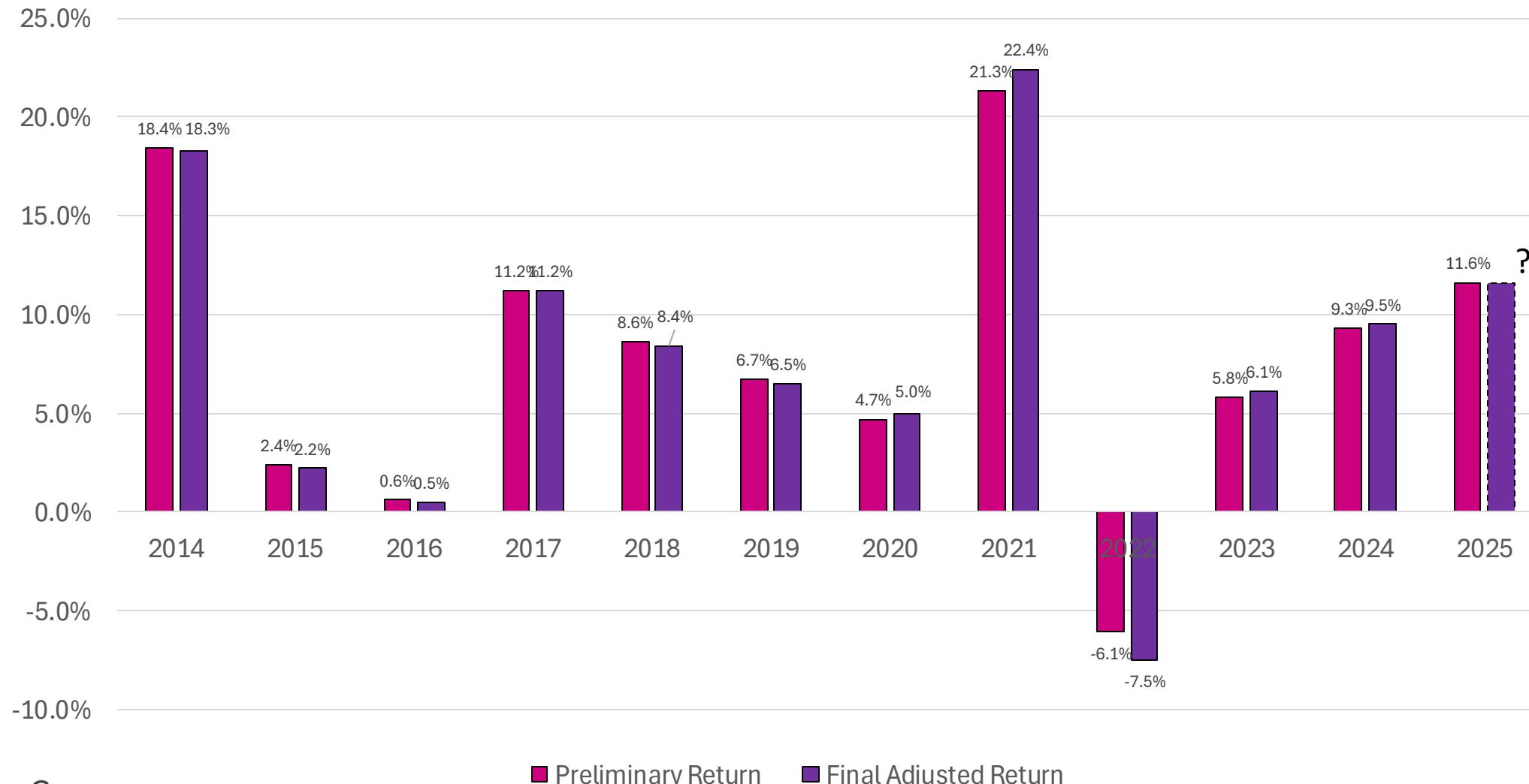
	6/30/2023	6/30/2024	6/30/2025
Market Value of Assets	\$462.8B	\$502.9B	\$555.8B
Official Preliminary Return	5.9%	9.3%	<b>11.6%</b>
Final Adjusted Return	6.1%	9.5%	?
Funded Status	72%	75%	<b>79%</b>

# CalPERS Historical Investment Returns (Official Preliminary Returns)\*



\* CalPERS Investment Office does not adjust reporting to final returns.

# CalPERS Historical Pattern of Prelim and Final Adjusted Investment Returns



# Approximate Return By Asset Class

CalPERS Portfolio

	Year Ended June 30,							Allocation	Approximate Return Attribution	
	2019	2020	2021	2022	2023	2024	2025			
Public Equity	6.1%	0.6%	36.3%	-13.1%	14.1%	17.5%	16.8%	37%	39%	6.5%
Fixed Income	7.7%	12.5%	-0.1%	-14.5%	0.0%	3.7%	6.5%	28%	30%	1.9%
Real Estate	3.7%	4.6%	2.6%	24.1%	-3.1%	-7.1%	2.7%	15%	13%	0.3%
Private Equity	9.6%	-5.1%	43.8%	21.3%	-2.3%	10.9%	14.3%	17%	18%	2.5%
Private Debt				0.3%	6.5%	17.0%	12.8%	8%	4%	0.5%
Leverage & Other								-5%	-6%	0.0%
<b>Prelim Return</b>	<b>6.7%</b>	<b>4.7%</b>	<b>21.3%</b>	<b>-6.1%</b>	<b>5.8%</b>	<b>9.3%</b>	<b>11.6%</b>	<b>100%</b>	<b>100%</b>	<b>11.6%</b>



April 15, 2025

“We must prepare for the possibility that current events here in the US could have a serious impact on our investment returns as of June 30 [2025] and into the fiscal year that begins after that.”

Marci Frost  
**CalPERS CEO**

# Polling Question #1

Are US Stocks Overvalued?

- 1) No
- 2) Yes, Mildly Overvalued
- 3) Yes, Approaching Dot Com Bubble Proportions

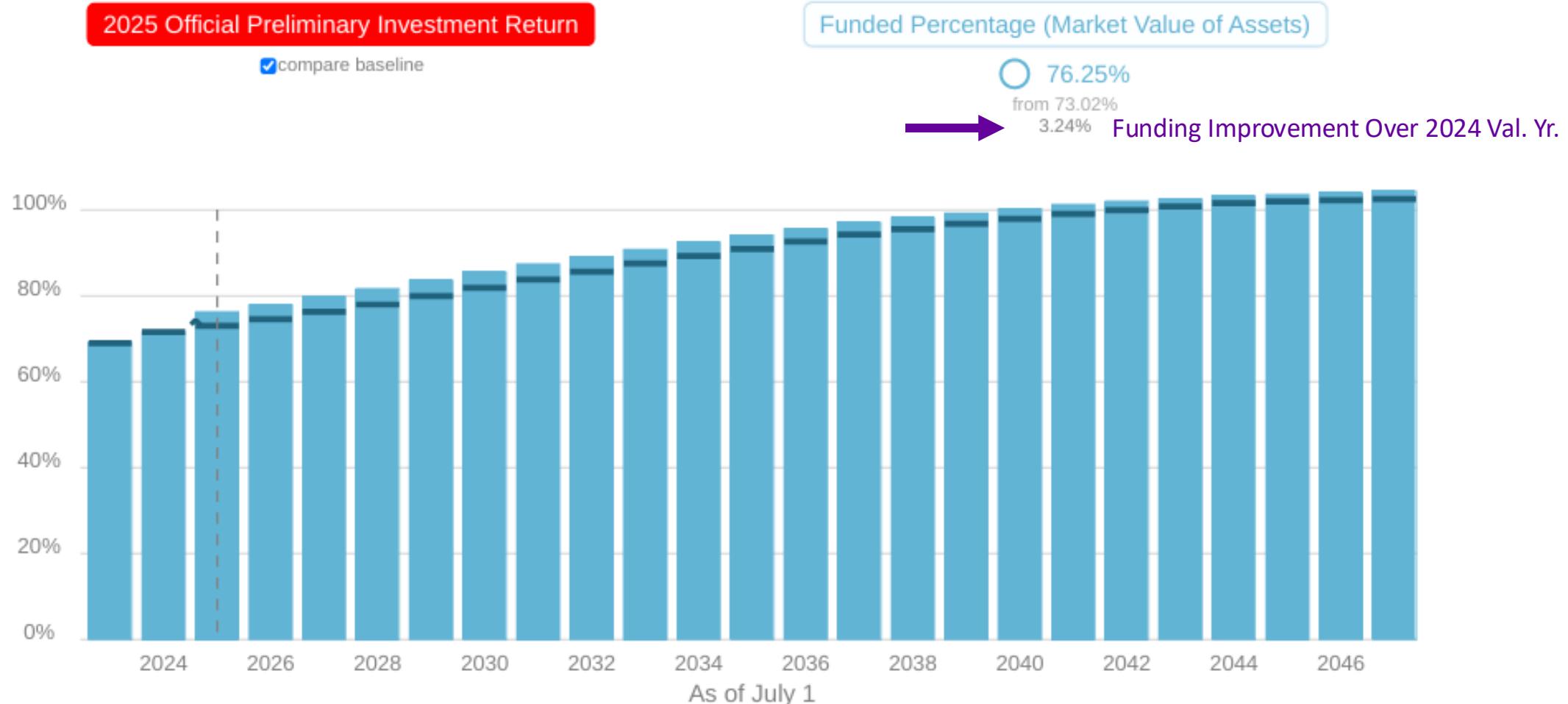
# Impact on Plans



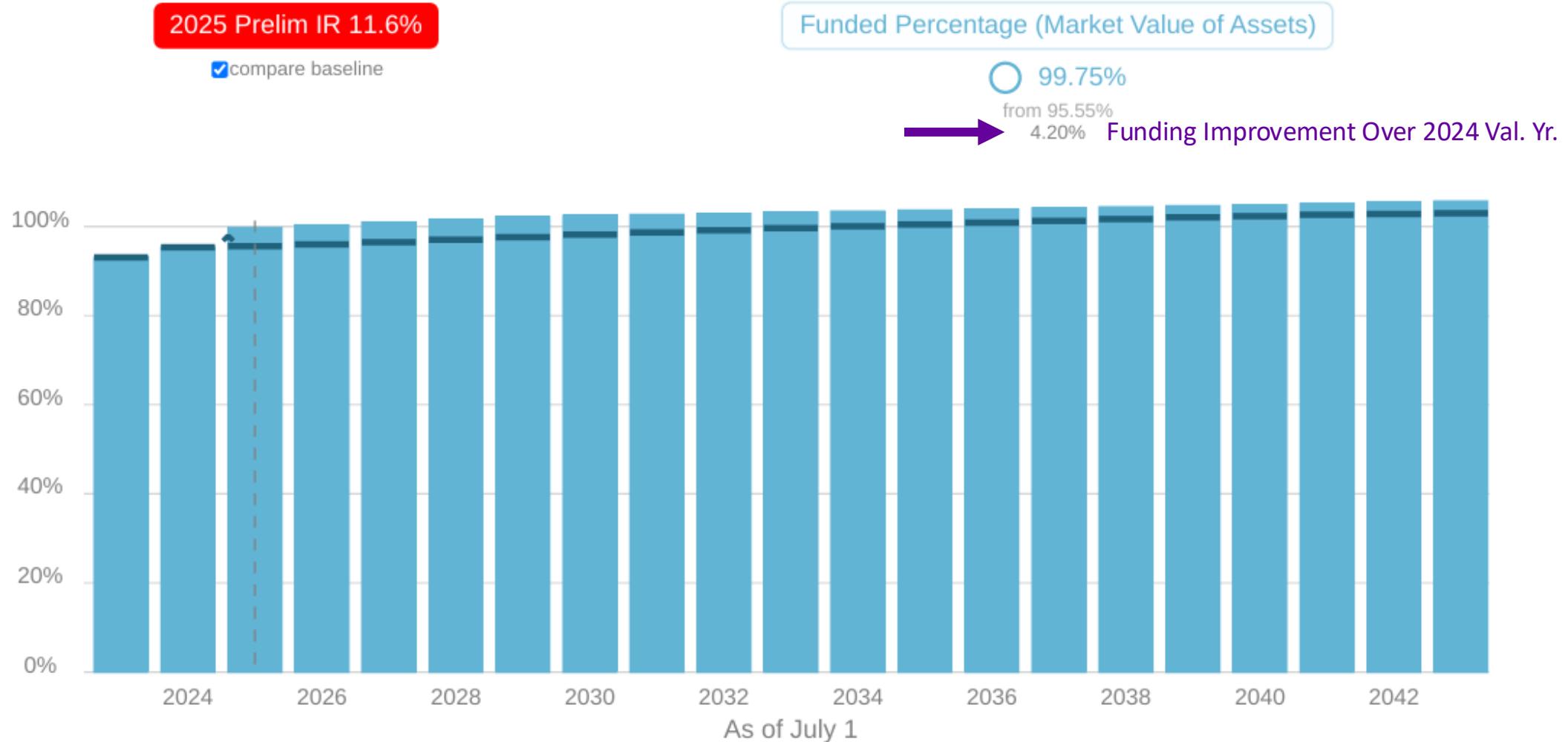
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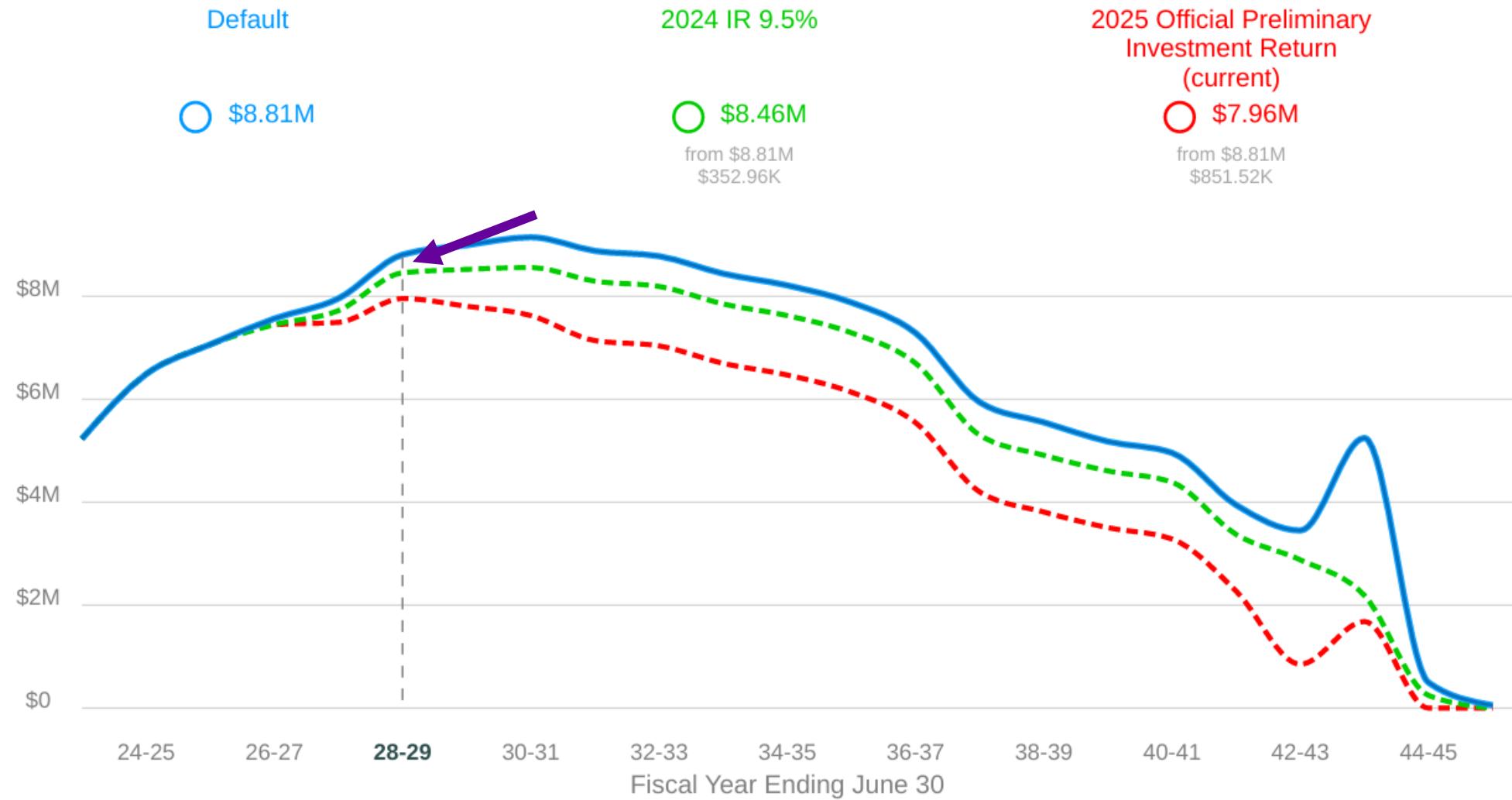
# Strong Returns Improve Funded Percentage – Average Funded Agency



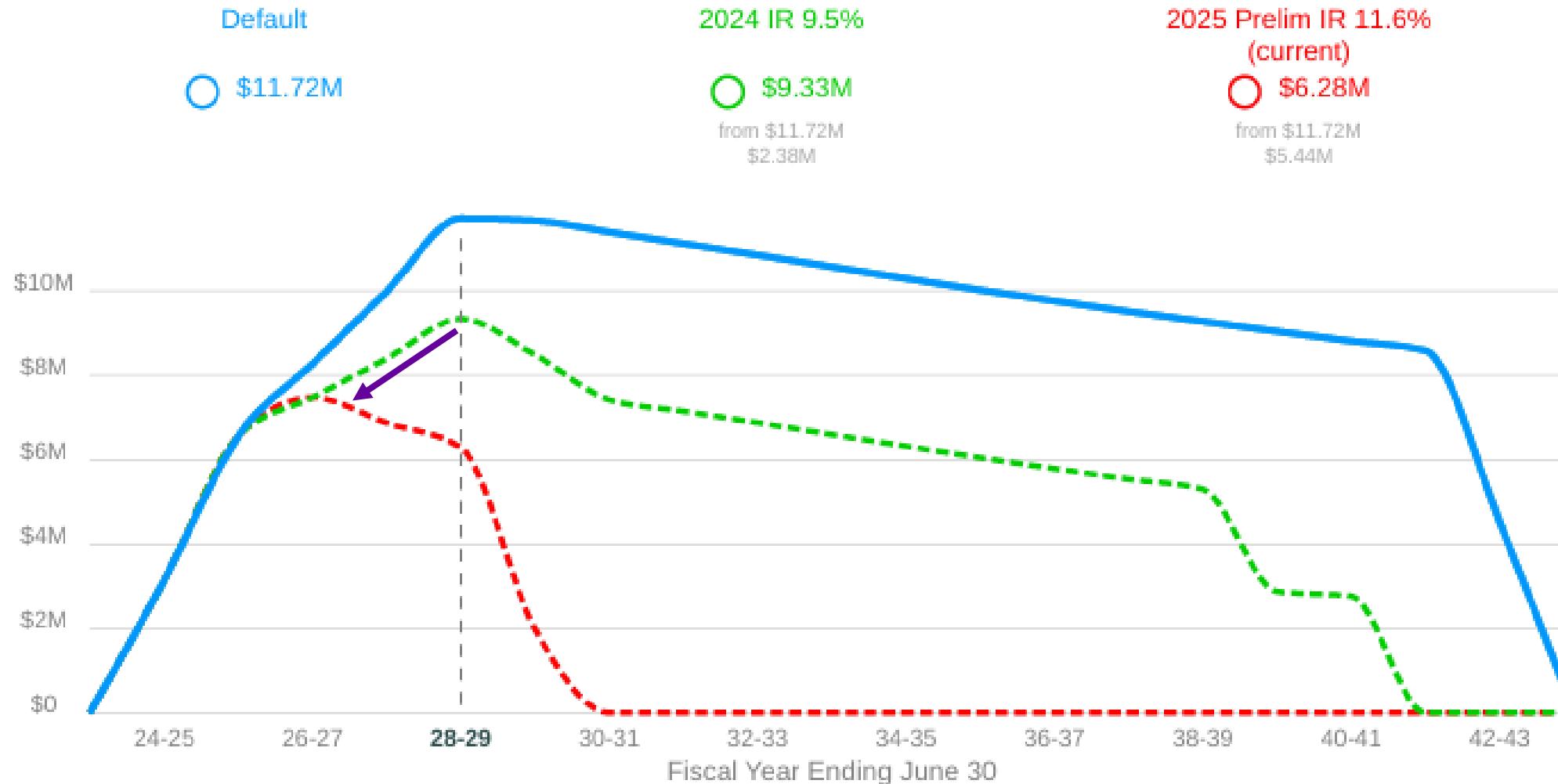
# Strong Returns Improve Funded Percentage – Well Funded Agency



# Impact on Annual Amortization Payment - Average Funded Plan



# Impact on Annual Amortization Payment - Well Funded Plan



# Looking Forward Headlines in the Crosshairs

# Polling Question #2

What are you most concerned about?

- 1) Poor Market Returns Driving up pension costs and draining liquidity
- 2) Stagnation or Decline in Sales Tax or Tourism Revenues
- 3) Unsustainable Inflation Raising Costs of Wages, Goods, Services and Energy
- 4) Unrealistic Demands from Labor Groups

# Investors Overwhelmingly Believe U.S. Stocks Are Overpriced, Survey Finds

Bank of America's latest global fund manager poll also found that a net 37% of investors were overweight emerging market stocks in August, the highest level since February 2023.

<https://www.barrons.com/advisor/articles/stock-market-bank-of-america-fund-manager-poll-august-cba58e14?mod=Searchresults>

## The US economy



Donald Trump's awful trade policy will outlast him

He thinks America is winning. It is not

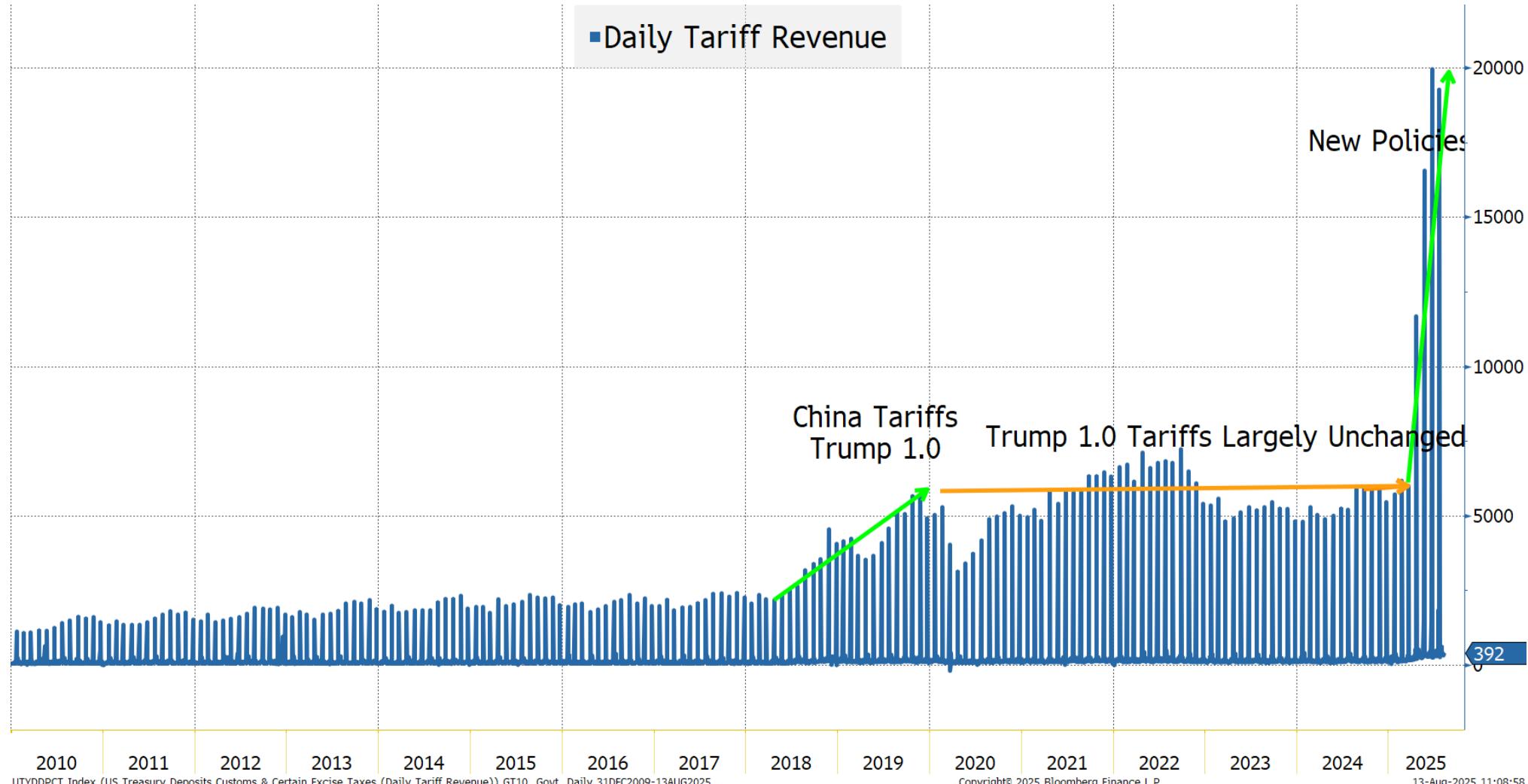


### Trump tariffs

Trump extends trade war truce with China

Global stocks rally as Washington and Beijing signal trade talks

# US July budget deficit up 20% year-over-year despite record Trump tariff income



# Free Market Enterprise?

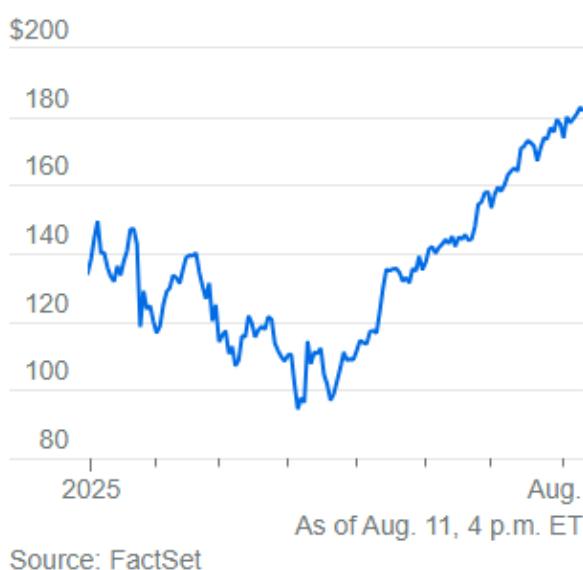
## Trump Expands His Trade Policy's 'Pay-for-Play' With Nvidia. Is It Worth It?

The federal government will take 15% of Nvidia's AI chip sales to China—\$2.76 billion. Is such a paltry sum worth all the risks?

⌚ Long Read

- The Deal Is 'Far Beyond Uncharted Waters.' Expect Legal Scrutiny.
- Trump Met With Intel CEO, Says Tan Will Bring 'Suggestions' Next Week
- Nvidia Gets a Little Bump for Its Sales Agreement With the U.S.
- The AI Trade Is More Than Just Nvidia and AMD. Watch Arista and Astera.

Nvidia hit a record closing high on Friday.

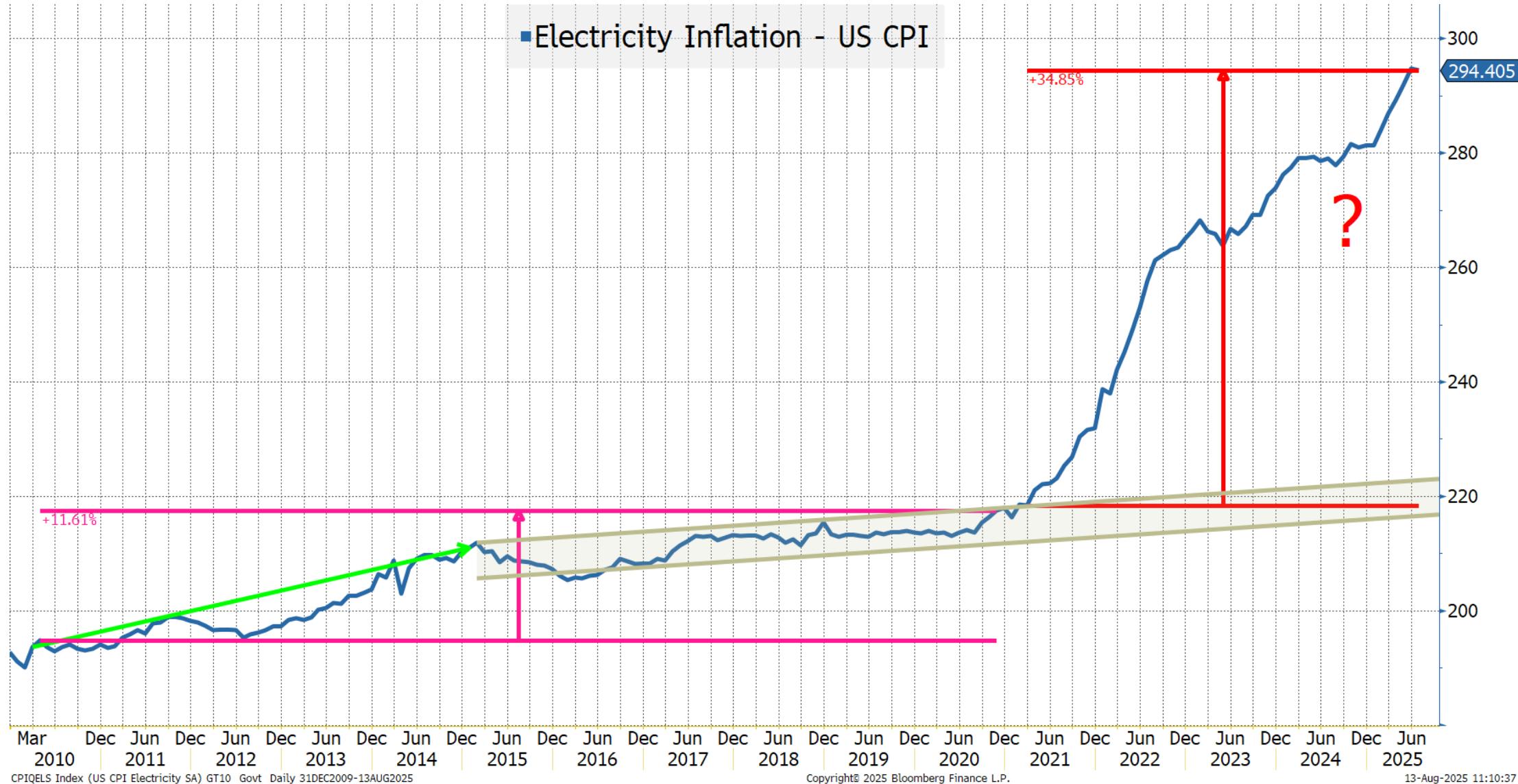


# Understanding the Economic Impact of US Dollar Decline in 2025

BY JOHN ZADEH ON JULY 3, 2025

The US dollar has experienced its worst start to a year since 1973, marking a significant shift in its trajectory. This decline follows a prolonged 15-year upward cycle, which is unusually long compared to typical 5-year uptrends. With the dollar already declining approximately 10% from recent highs, many economists believe we may be witnessing the beginning of a new downward cycle that could have far-reaching implications for the impact of US dollar decline on economy globally.

# Electricity Inflation



# America may soon be in recession, according to a famous rule

But is it right?

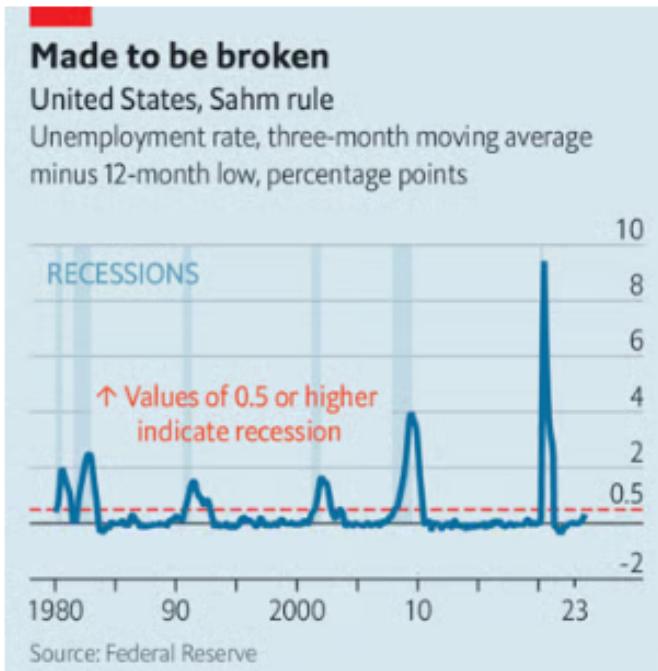


IMAGE: THE ECONOMIST

Like all good rules, it is parsimonious. If the unemployment rate increases by half a percentage point from its trough of the past 12 months, the economy is said to be in a recession. To smooth out the figures, which jump around, both the current unemployment rate and the trough are measured as three-month moving averages. At present the Sahm indicator stands at 0.33 percentage points. It would not take much for it to reach the half-point mark. If the unemployment rate, which hit 3.9% in October, rises to 4.0% this month and 4.1% next month, the

economy would, according to the Sahm rule, be in a recession.



**THANK YOU**

# CalPERS Valuation Report Webinar – September 18

# Contact Information



# Pension Client Contact Information

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# Academy Securities Resources

# Geopolitical Intelligence Group

Academy Securities provides direct access to the nation's foremost experts in foreign policy & national security. Our advisors have served at the highest levels of government and maintain strong relationships with current officials, providing relevant and reliable perspectives on the geostrategic risk landscape and its impacts on financial markets.

## Recent Geopolitical Insights

[Around the World: Status of the Gaza Ceasefire Discussions, Russia](#)  
[Ukraine Ceasefire Talks in Turkey, Trade Deal with China and the](#)  
[Race for Rare Earths and AI](#)

[SITREP: U.S. Repositions Nuclear Submarines in Response To](#)  
[Russian Threats](#)

[Academy Podcast: Around the World with Academy Securities](#)  
(Available on Apple Podcasts/Spotify)

*Please reach out to your Academy representative to get access to  
our timely geopolitical insights.*

### Topics of Discussion

- Cyber Risks & Artificial Intelligence
- Supply Chain Risk
- Chinese Military Expansion
- Russia/Ukraine Conflict
- Counter-terrorism
- Alliance Challenges
- Aerospace Defense
- Great Power Competition
- Chemical, Biological, Nuclear

### Resources Offered

- Monthly 'Around the World' risk analysis
- Immediate analysis on geopolitical events
- Keynote Speaker Events
- Webinars
- One-on-One Meetings
- Client Dinners

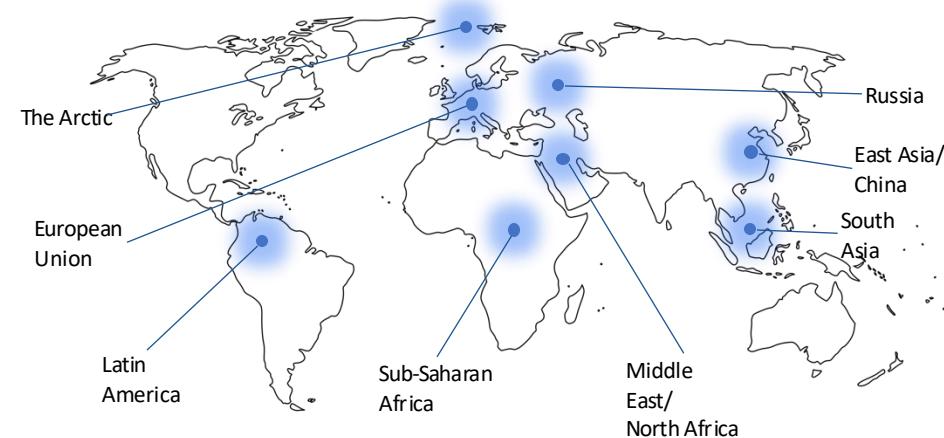


**Major General (Ret.) James A. "Spider" Marks** is Head of Geopolitical Strategy and Academy Securities' Senior Advisory Board Member. He served over 30 years in the Army holding every command position from infantry platoon leader to commanding general and was the senior intelligence officer in the LA Riots, the Balkans, Korea, and Operation Iraqi Freedom. He culminated his career as the Commanding General of the US Army Intelligence Center and School.



**Lieutenant General (Ret.) Robert S. Walsh** served in the Marine Corps for over 35 years, completing his career as the Commanding General of the Marine Corps Combat Development Command and the Deputy Commandant for Combat Development & Integration. In his last assignment, he was responsible for strategic planning and executing the reorganization of the Marine Corps to meet the new National Defense Strategy roles and missions.

## REGIONAL EXPERTISE



# Fixed Income Investment Services

## Highly Experienced Team with Nationwide Distribution



- Rates Liquidity team exemplifies Academy's mission to hire, train, and mentor post-9/11 Veterans
  - Military Veterans paired with Industry Veterans
    - Pat Hackett **M** Paul Haddock **A**
    - Kimberly Cash **N** Caroline Mixon **AF**
  - Matt McQuillen (GE Capital), Joe Tarditi (BAML, JEF), Mike DiMeglio (BAMIL, BNY, GE Capital), Kim Lupica (BAML)
  - 25 years average industry experience
  - 6 Fixed Income offices nationwide with 32 generalist sales professionals

## Products and Services Overview

### Corporate Debt

- IG Corporate Bonds & MTN Notes
- Commercial Paper, Yankee and Domestic CD's

### U.S. Treasury Debt

- Bills, Fixed Coupon Notes & Bonds
- TIPs, IOs & POs, Floating Rate Notes

### GSE Debt

- Dealer: FFCB, FHLB, FHLMC, FNMA, IADB, IBRD, IFC, TVA
- Discount Notes, Bullets, Callables

### Institutional Money Market Funds

- Academy share classes/JPMorgan partnership
- Prime, Gov't, Treasury, Treasury+

# Academy Asset Management

- Academy Asset Management is the nation's first post-9/11 veteran-owned and operated institutional asset manager, specializing in fixed-income funds and separately managed accounts.
- Our leadership and team members bring rigorous military training combined with deep expertise in global capital markets. Mission-driven and guided by a strong ethical foundation, we operate with a high degree of accountability and a relentless focus on our clients' success.
- Academy Asset Management has offices in New York, Chicago, and San Diego. To learn more, visit [www.academyassetmanagement.com](http://www.academyassetmanagement.com).



# Market Commentary

Academy Securities offers market intelligence and unique perspectives helping clients stay informed and make strategic decisions through:

- **Geopolitical Intelligence Group** – *Around the World / Geopolitical Podcast*
- **Macro Strategy Commentary** – *T Report* by Peter Tchir
- **Weekly Academy UST Market Analysis**
- **Weekly GSE & SSA Callable and Bullet Update**

# Resource Contacts

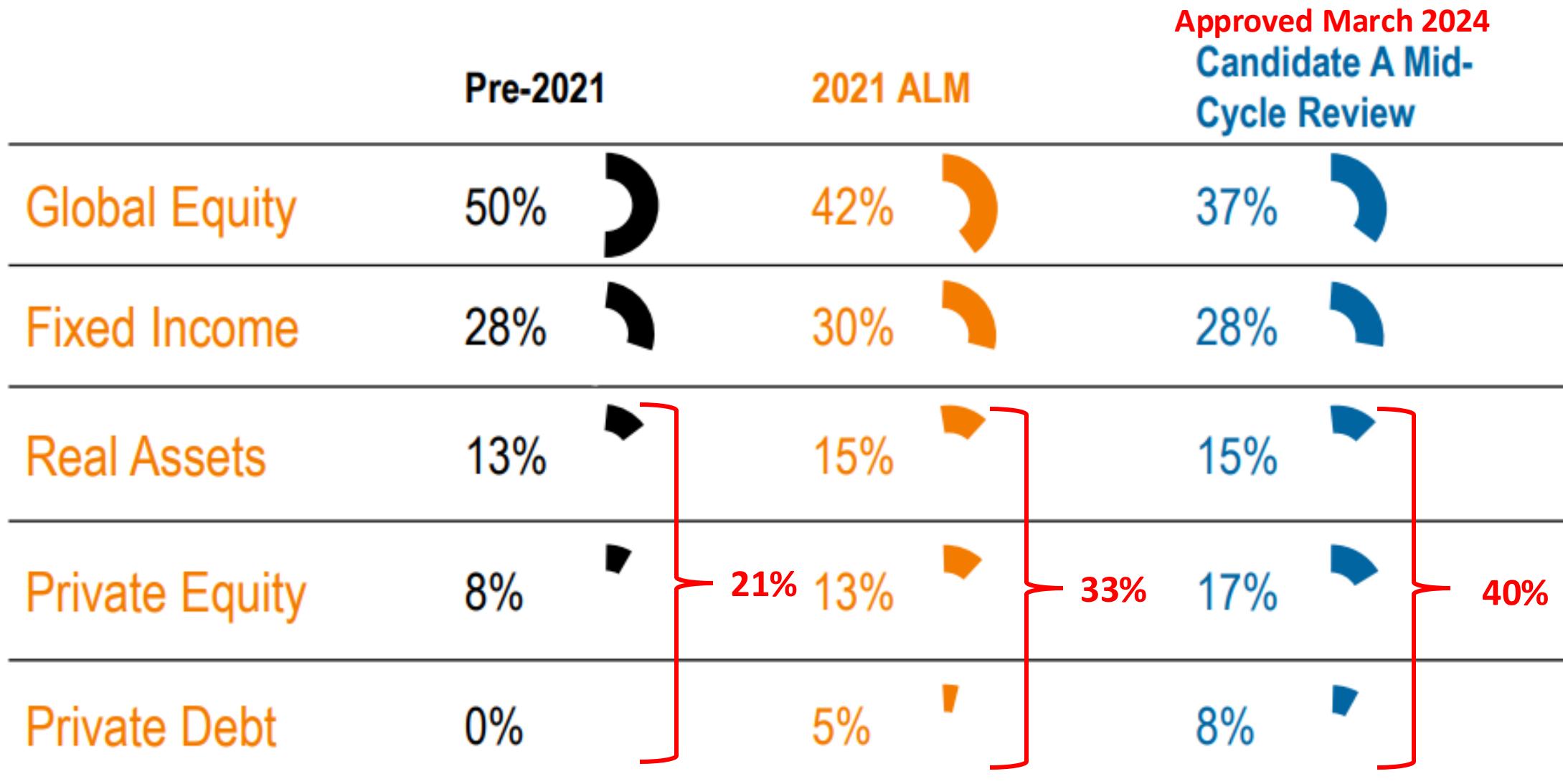


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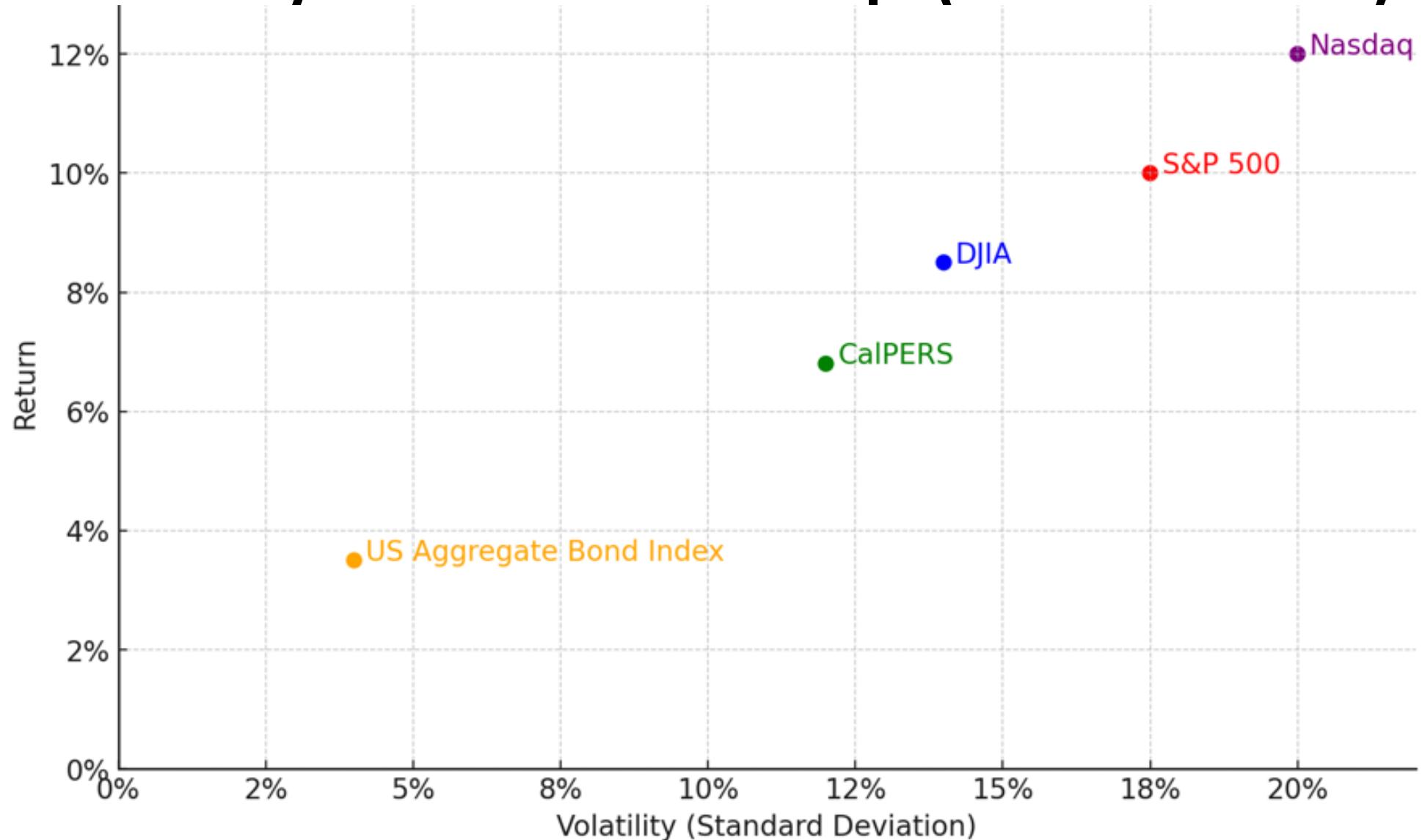
**Susan Munson, Managing Director**  
**(949) 669-2780 |** **[smunson@academysecurities.com](mailto:smunson@academysecurities.com)**

# Reference

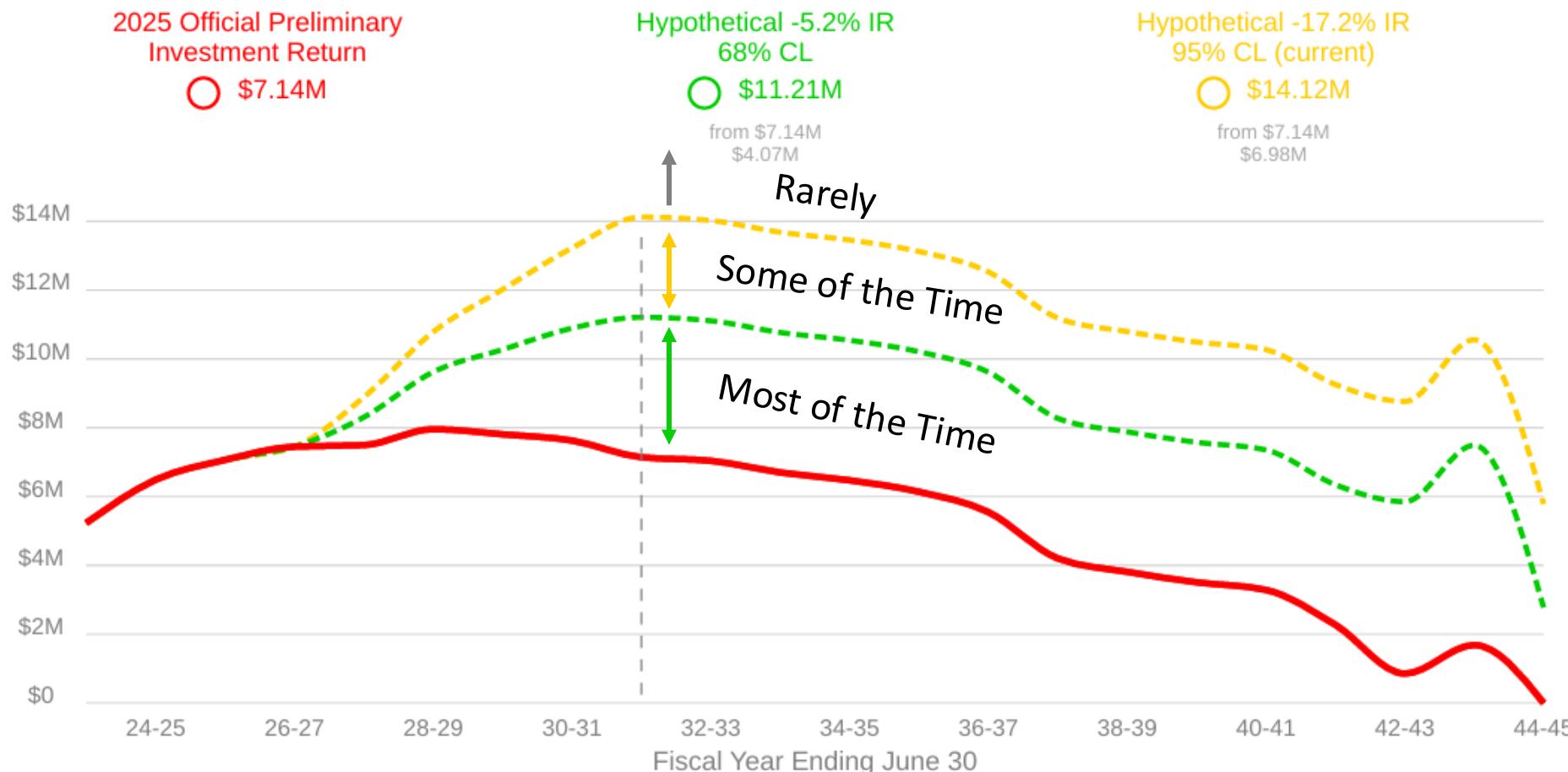
# New Strategic Asset Allocation As of March 2024



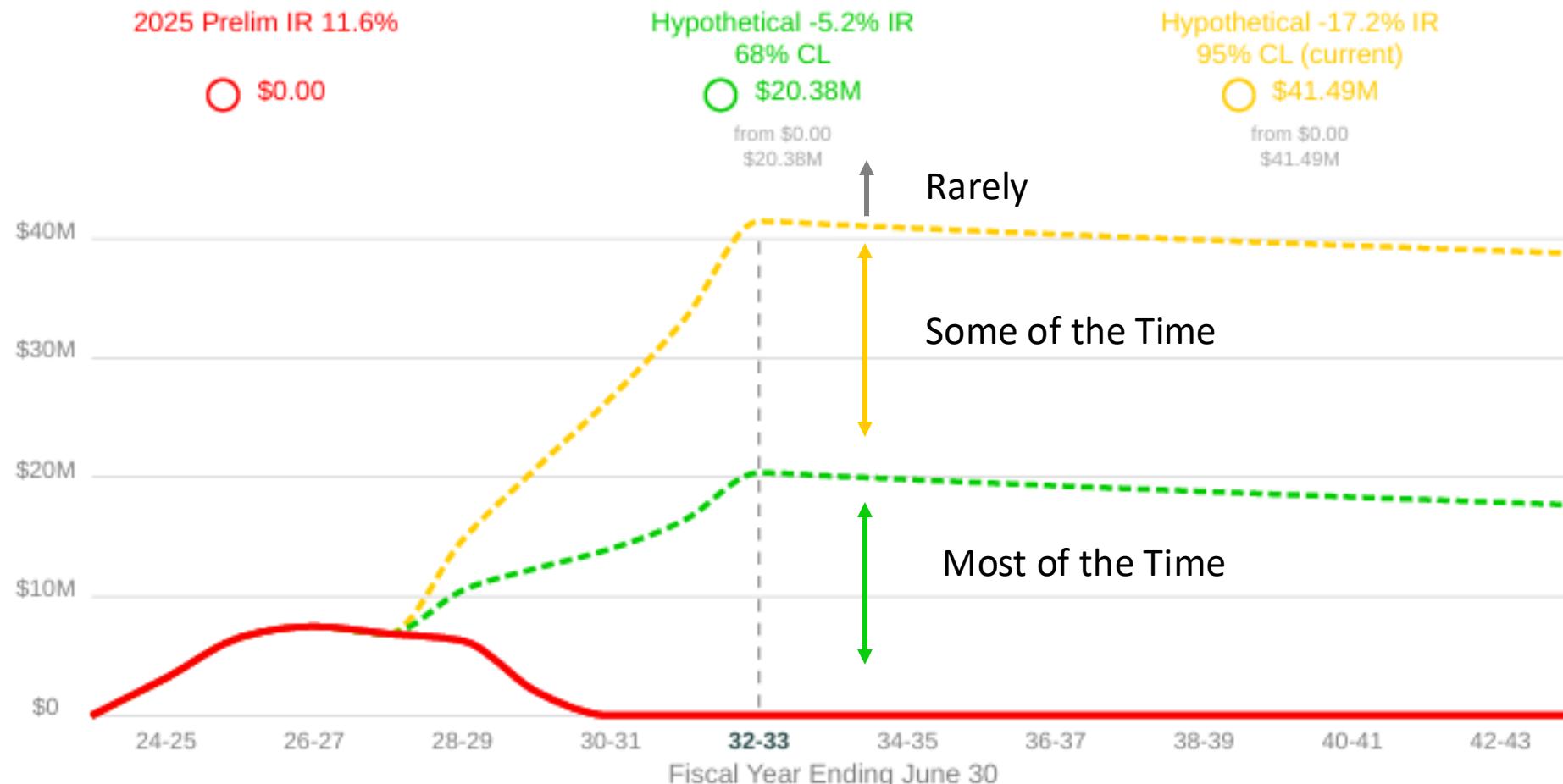
# Relative Risk/Return Relationship (Risk Tolerance)



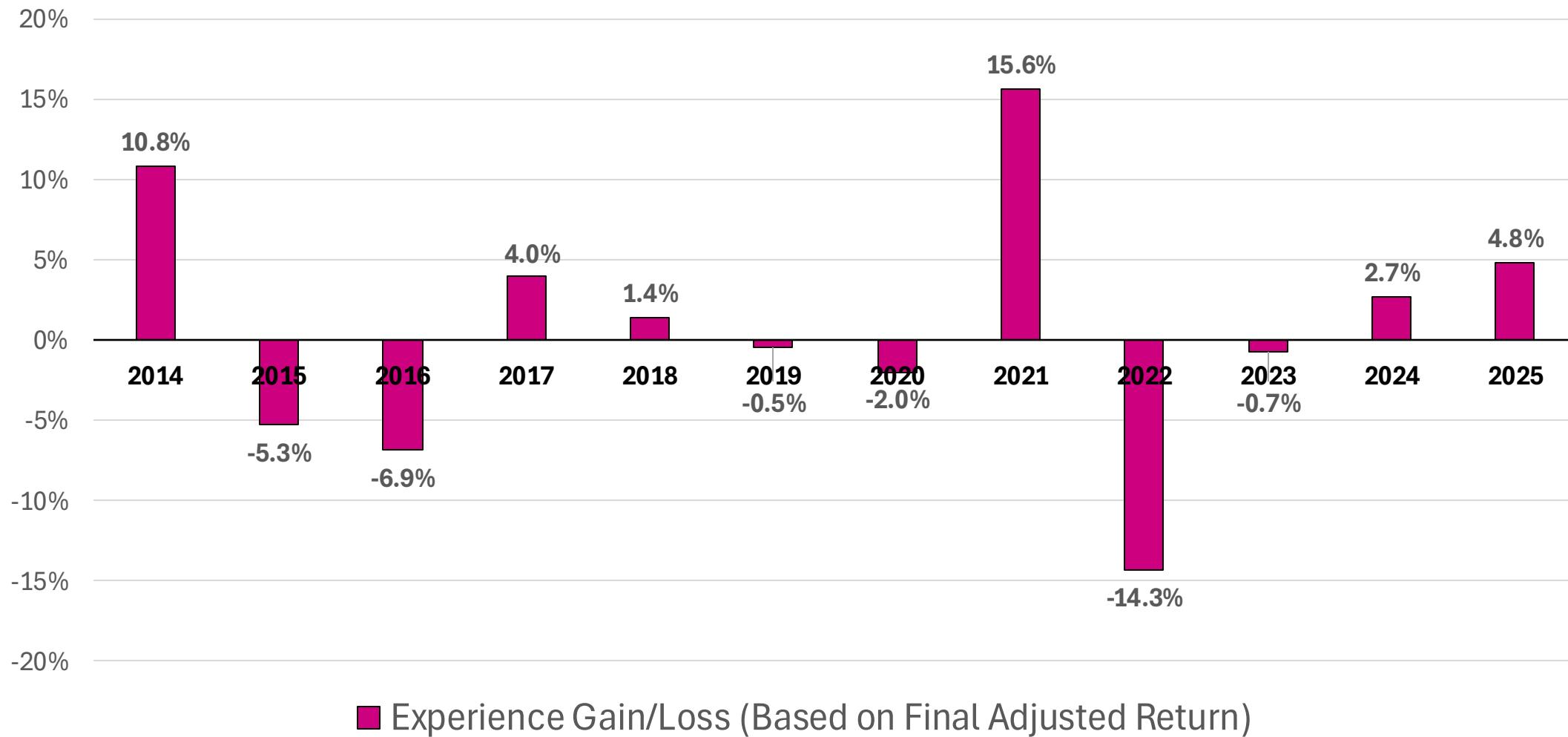
# Average Funded Plan - Stress Test



# Highly Funded Plan – Stress Test



# CalPERS Investment Experience Gain/Loss





# Disclaimer

While tested against actuarial valuation results, the software results will not necessarily match actuarial valuation results, as no two actuarial models are identical. The software offers financially sound projections and analysis; however, outputs do not guarantee compliance with standards under the Government Accounting Standards Board or Generally Accepted Accounting Principles. The software and this presentation are not prepared in accordance with standards as promulgated by the American Academy of Actuaries, nor do outputs or this presentation constitute Statements of Actuarial Opinion. TrueComp has used census data, plan provisions, and actuarial assumptions provided by Customer and/or Customer's actuary to develop the software for Customer. TrueComp has relied on this information without audit.