

The California Employers' Retiree Benefit Trust Strategic Asset Allocation (eff. 1/2007)

The CERBT is managed to a customized Asset Allocation Strategy exclusively by CalPERS' staff in a unitized fund structure. A unitized fund structure allows multiple participants to contribute to a pool of assets while maintaining historical records and producing individual Net Asset Values (NAVs) for each participant.

<u>Asset Class</u>	<u>CERBT Target</u>	<u>CERBT Range</u>	<u>CERBT</u>	<u>Management</u>
U. S. Equity	35%	30% - 40%	Pooled S&P 500 Equity Index Fund: CalPERS' S&P 500 Fund is actively managed to the S&P 500 ex Tobacco index to obtain a broad domestic equity market exposure.	internal
Int'l Equity	29%	24% - 34%	Equity Index Fund: CalPERS' International Equity Fund is passively managed to the FTSE Developed World ex U.S. & Tobacco Index to obtain exposure across international markets.	internal
<b>Total Equities</b>	<b>64%</b>	<b>54% - 74%</b>		
Global REITs	10%	7% - 13%	Global REIT Fund: CalPERS' Global REIT Fund is passively managed to the FTSE EPRA/NAREIT Developed Index to obtain a broad exposure to global real estate companies and REITs.	internal
<b>Total Real Estate</b>	<b>10%</b>	<b>7% - 13%</b>		
U. S. Fixed Income	20%	17% - 23%	USD Denominated Fixed Income Program: CalPERS' Domestic Fixed Income Fund is actively managed to the Barclays Long Liability Index, consisting of corporate, government, convertible, and mortgage-backed securities.	internal
High Yield	6%	3% - 9%	High Yield Fund: High yield bonds are actively managed against the Barclays High Yield Index and are a subset of CalPERS' Domestic Fixed Income Fund.	internal
<b>Total Fixed Income</b>	<b>26%</b>	<b>20% - 31%</b>		
Cash Equivalent	0%	0%	USD Denominated Short-Term Program: Contributions to the CERBT are managed on a short-term basis to exceed the total rate of return of the State Street Bank Short Term Investment Fund (SSB STIF).	internal
Actuarial Assumed Return:	7.75%			
Expected Risk:	11.91%			
Return/Risk:	0.65%			

What is definition of "internal" management?

*Funds that are "internally" managed are those funds managed exclusively by CalPERS' staff at CalPERS headquarters via internal trading desks and settling procedures.*