



CaIPERS
Total Fund Monthly Update



MONTH ENDING JULY 31, 2012



CalPERS Total Fund Monthly Update

Month Ending July 31, 2012

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Section I
Asset Allocation and Risk

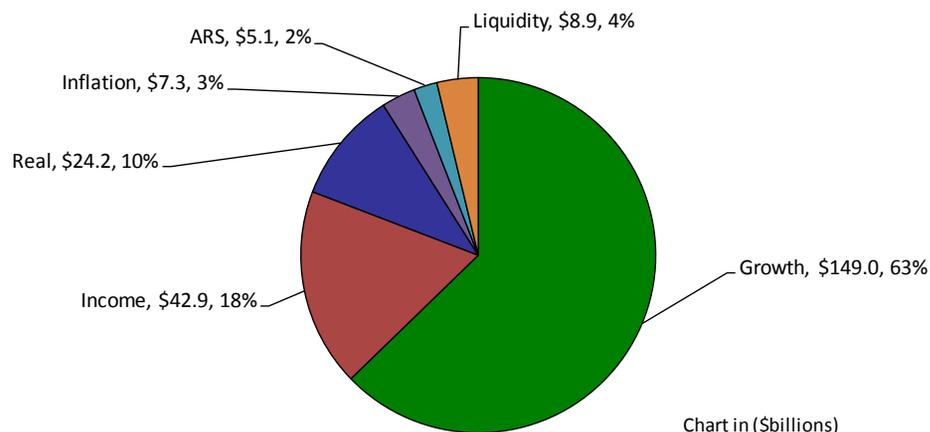


MONTH ENDING JULY 31, 2012



Section I: Asset Allocation and Risk

Asset Allocation and Unfunded Commitments (as of July 31, 2012)



Asset Allocation as of July 31, 2012											
	Growth	Public Equity ¹	Private Equity ¹	Income	Liquidity	Real	Real Estate	Forestland/ Infrastructure	Inflation	ARS ³	Total Fund
Strategic Target Range % ¹	56-70%	42-56%	10-18%	11-21%	1-7%	8-18%	7-13%	1-5%	1-7%		
Interim Strategic Target % ²	64%	50%	14%	17%	4%	11%	9%	2%	4%	N/A	N/A
Actual Investment %	63%	48%	15%	18%	4%	10%	9%	1%	3%	2%	N/A
Variance % (Strategic vs. Actual)	(1%)	(2%)	1%	1%	(0%)	(1%)	(0%)	(1%)	(1%)	N/A	N/A
Interim Strategic Target (\$billions)	\$152.0	\$118.7	\$33.2	\$40.4	\$9.5	\$26.1	\$21.4	\$4.7	\$9.5	N/A	\$237.5
Actual Investment (\$billions)	\$149.0	\$114.5	\$34.5	\$42.9	\$8.9	\$24.2	\$21.1	\$3.2	\$7.3	\$5.1	\$237.5
Variance \$(Interim Strategic vs. Actual) (\$billions)	(\$3.0)	(\$4.2)	\$1.3	\$2.5	(\$0.6)	(\$1.9)	(\$0.3)	(\$1.6)	(\$2.2)	N/A	N/A
% Passive	54%	71%	0%	0%	0%	6%	7%	0%	0%	0%	35%
% Active	46%	29%	100%	100%	100%	94%	93%	100%	100%	100%	65%
% Internal	64%	83%	0%	91%	100%	6%	7%	0%	100%	0%	64%
% External	36%	17%	100%	9%	0%	94%	93%	100%	0%	100%	36%

¹ Equity overlay and lending income are included in International Equity, undistributed lending income is included in Global Equity, currency overlay funds are included in Liquidity and the Global Equity Cash Account is included in Domestic Equity and Domestic Fixed Income Transition Account is included in Domestic Fixed Income.

² Interim strategic targets adopted by Board at the August 17th, 2011 Investment Committee meeting

³ This report provides invested dollars and not futures overlay; notional value of futures = \$5.3 billion

Unfunded Market Commitments as of July 31, 2012										
	Private Equity		Real Estate (as of May 31, 2012)		Infrastructure (as of May 31, 2012)		Forestland (as of May 31, 2012)		Corporate Governance (as of June 30, 2012)	
Funded	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation
Fair Market Value (FMV)	\$34.5	15%	\$21.1	9%	\$1.0	0%	\$2.1	1%	\$3.9	2%
Unfunded Commitment (UC)	\$11.3	5%	\$7.9	3%	\$3	0%	\$0	0%	\$2	0%
FMV + UC	\$45.8	19%	\$29.0	12%	\$1.3	1%	\$2.1	1%	\$4.2	2%

Section I: Asset Allocation and Risk

Top 20 Exposures: Public Markets (as of July 31, 2012)

	Company Name ¹	Total Global Equity ²	Total Fixed Income ³	Market Value	% of Total Fund
1	APPLE INC	\$1645.7	\$0.0	\$1645.7	0.69%
2	EXXON MOBIL CORP	\$1290.4	\$0.0	\$1290.4	0.54%
3	GENERAL ELECTRIC CO	\$663.4	\$310.2	\$973.6	0.41%
4	AT&T INC	\$715.9	\$214.6	\$930.4	0.39%
5	MICROSOFT CORP	\$760.6	\$0.0	\$760.6	0.32%
6	WELLS FARGO & CO	\$579.2	\$158.1	\$737.2	0.31%
7	NESTLE SA REG	\$696.7	\$0.0	\$696.7	0.29%
8	WAL MART STORES INC	\$567.7	\$106.9	\$674.6	0.28%
9	PFIZER INC	\$588.4	\$82.0	\$670.4	0.28%
10	INTL BUSINESS MACHINES CORP	\$663.8	\$0.0	\$663.8	0.28%
11	CHEVRON CORP	\$659.4	\$0.0	\$659.4	0.28%
12	JPMORGAN CHASE & CO	\$445.1	\$180.6	\$625.7	0.26%
13	JOHNSON & JOHNSON	\$569.9	\$0.0	\$569.9	0.24%
14	VODAFONE GROUP PLC	\$499.4	\$66.7	\$566.1	0.24%
15	VERIZON COMMUNICATIONS INC	\$431.3	\$103.8	\$535.1	0.23%
16	COCA COLA CO	\$533.8	\$0.0	\$533.8	0.22%
17	PROCTER & GAMBLE CO	\$520.7	\$0.0	\$520.7	0.22%
18	NOVARTIS AG REG	\$487.6	\$0.0	\$487.6	0.21%
19	GOOGLE INC	\$480.7	\$0.0	\$480.7	0.20%
20	ORACLE CORP	\$476.6	\$0.0	\$476.6	0.20%

1 Only includes Global Equity & Fixed Income assets custodied with master custodian

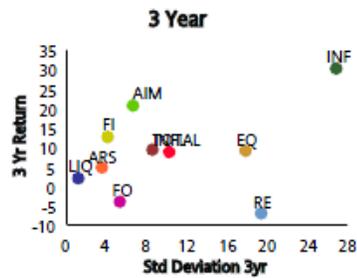
2 Source for Global Equity values: State Street Bank

3 Source for Global Fixed Income values: Blackrock Solutions

Section I: Asset Allocation and Risk

Total Fund Risk Profile (as of July 31, 2012)

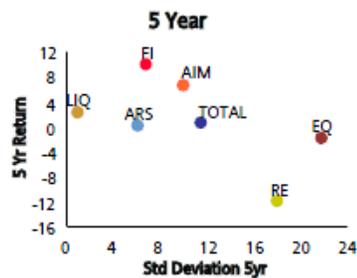
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-1.08	2.61	-0.41
PUBLIC EQUITY	0.42	0.61	0.69
INCOME	1.84	1.81	1.02
PRIVATE EQUITY	-0.57	15.36	-0.04
REAL ESTATE	-15.55	16.36	-0.95
LIQUIDITY	-0.21	0.25	-0.84
INFLATION	1.24	3.87	0.32
ABSOLUTE RETURN STRATEGY	-0.99	3.66	-0.27
FORESTLAND	-2.86	6.58	-0.43
INFRASTRUCTURE	22.70	26.95	0.84

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-2.59	3.14	-0.82
PUBLIC EQUITY	-0.95	1.06	-0.90
INCOME	0.32	3.29	0.10
PRIVATE EQUITY	-5.38	14.41	-0.37
REAL ESTATE	-16.54	14.48	-1.14
LIQUIDITY	-0.09	0.20	-0.44
INFLATION			
ABSOLUTE RETURN STRATEGY	-6.98	6.68	-1.05
FORESTLAND			
INFRASTRUCTURE			

Excess Return - The difference between the portfolio return and the index return for the given period

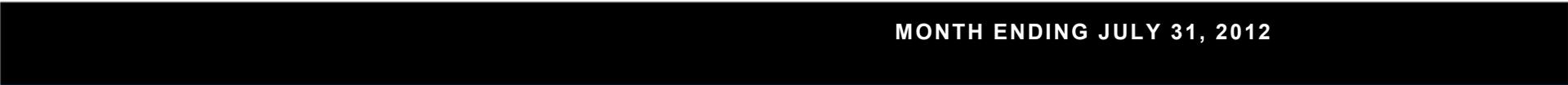
Tracking Error - Standard deviation of the Excess Return

Information Ratio - Excess Return divided by the Tracking Error

The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.



Section II
Investment Performance

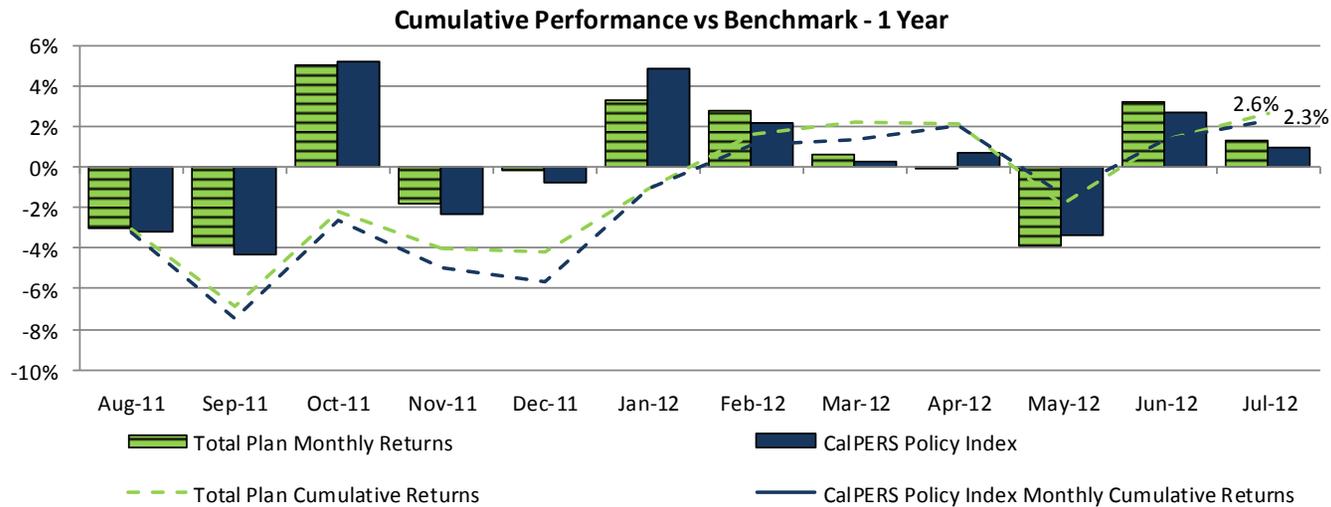
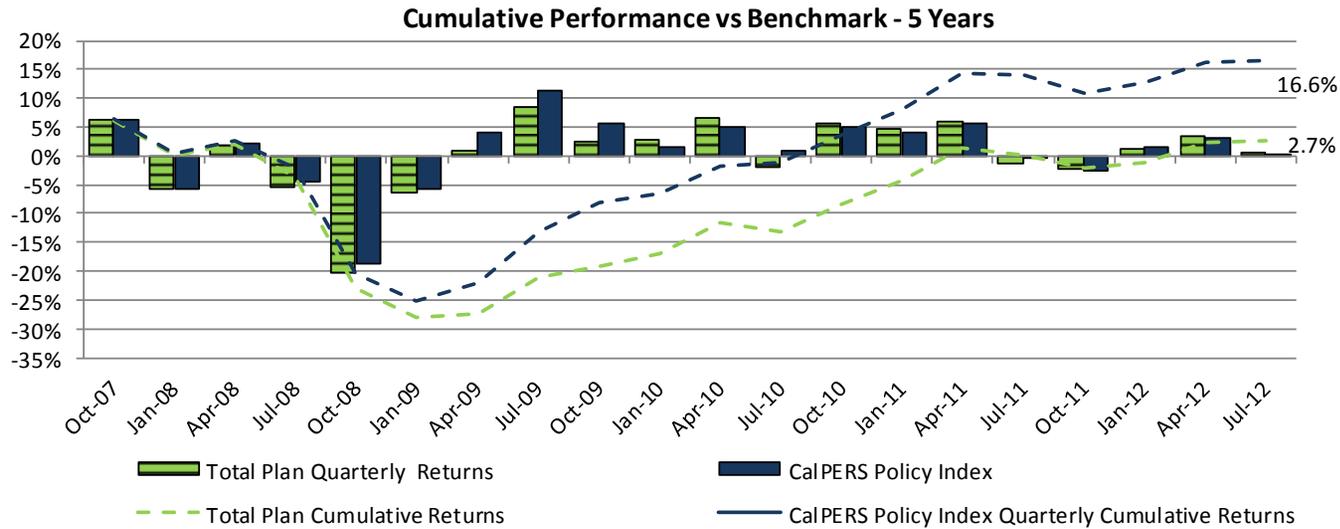


MONTH ENDING JULY 31, 2012



Section II: Investment Performance

Net Performance Summary (as of July 31, 2012)



Section II: Investment Performance

Net Performance Summary (as of July 31, 2012)

	Ending Market Value (\$millions)		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
	Value	% of Total Assets	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
TOTAL FUND SUMMARY														
GROWTH	148,456	62.5	1.1	29	1.1	29	(2.1)	51	11.3	7	(0.7)	(187)	7.2	(73)
PUBLIC EQUITY	113,947	48.0	1.1	(8)	1.1	(8)	(4.4)	(22)	8.9	41	(1.9)	(94)	6.6	(42)
PRIVATE EQUITY	34,509	14.5	0.9	163	0.9	163	5.6	528	20.5	(57)	6.5	(538)	10.3	(68)
INCOME	42,902	18.1	2.3	(6)	2.3	(6)	12.4	(89)	12.5	184	9.8	32	8.6	92
LIQUIDITY	8,903	3.7	0.5	(8)	0.5	(8)	3.8	(59)	1.9	(21)	2.2	(9)	2.6	5
REAL	24,225	10.2	0.2	(4)	0.2	(4)	12.8	166	(6.2)	(1,275)	(10.6)	(1,443)	3.2	(541)
REAL ESTATE	21,060	8.9	0.2	0	0.2	0	16.1	324	(7.1)	(1,555)	(11.9)	(1,654)	2.5	(662)
FORESTLAND	2,117	0.9	0.0	0	0.0	0	(11.0)	(1,219)	(4.1)	(286)				
INFRASTRUCTURE	1,048	0.4	0.0	(63)	0.0	(63)	8.4	197	30.0	2,270				
INFLATION	7,346	3.1	3.4	79	3.4	79	0.6	(115)	8.6	123				
COMMODITIES	3,321	1.4	6.0	(34)	6.0	(34)	(7.8)	(52)	4.7	66				
INFLATION LINKED BONDS	4,026	1.7	1.4	(2)	1.4	(2)	6.4	54	8.8	25				
ABSOLUTE RETURN STRATEGY	5,065	2.1	1.4	86	1.4	136	(1.3)	(665)	4.7	(99)	0.1	(698)	5.3	
OVERLAY & TRANSITION ACCOUNTS	585	0.2												
TOTAL FUND	237,483	100.0	1.3	29	1.3	29	2.6	28	9.2	(108)	0.5	(259)	6.8	(93)

Total Fund Inception to Date Net Return: 8.37%.

Inception date: 07/01/1988

Note: Returns for periods greater than one year are annualized.

Section II: Investment Performance

Net Performance vs. Long-Term Expected Returns (*one year period ending July 31, 2012*)

<u>Asset Class</u>	<u>Actual</u>	<u>One-year Net</u>	<u>CalPERS Long-Term</u>	<u>Current Projected</u>	<u>Current</u>	<u>Expected</u>	<u>+/- One Standard</u>
	<u>Allocation</u>	<u>Asset Return</u>	<u>Expected Annual</u>	<u>Standard Deviation</u>	<u>+/- One Standard</u>	<u>Standard Deviation¹</u>	<u>Deviation Range³</u>
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Public Equity	48	(4.4)	7.75	20.37	(12.62) - 28.12	16.00	(8.25) - 23.75
Private Equity	15	5.6	9.00	22.46	(13.46) - 31.46	26.00	(17.00) - 35.00
Total Growth	63	(2.1)					
Income	18	12.4	3.75	6.14	(2.39) - 9.89	6.50	(2.75) - 10.25
Real Estate	10	16.1	7.00	16.84	(9.84) - 23.84	14.00	(7.00) - 21.00
Forestland	1	(11.0)	7.00	15.84	(8.84) - 22.84	10.00	(3.00) - 17.00
Infrastructure	0	8.4	7.00	16.56	(9.56) - 23.56	10.00	(3.00) - 17.00
Total Real	10	12.8					
Inflation Linked Bonds	2	(7.8)	3.50	6.20	(2.70) - 9.70	6.00	(2.50) - 9.50
Commodities	1	6.4	5.00	17.85	(12.85) - 22.85	21.00	(16.00) - 26.00
Total Inflation	3	0.6					
Absolute Return Strategy (ARS)¹	2	(1.3)		3.29	(3.29) - 3.29		
Liquidity	4	3.8	3.25	2.07	1.18 - 5.32	6.20	(2.95) - 9.45
Total Fund	100	2.6	7.38	14.65	(7.27) - 22.03	11.92	(4.54) - 19.30

¹ Investment Committee Meeting December 2010 excluding ARS which was not forecasted. These are the capital markets assumptions used in the 2010 Strategic Asset Allocation Study.

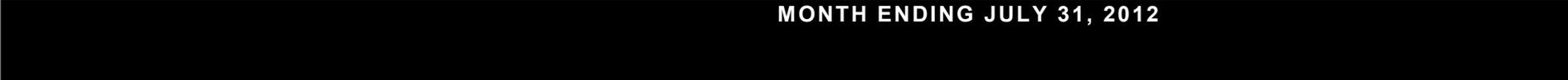
² Compound return

³ Standard Deviation is a measure of variability of returns around the expected average return. Returns are expected to be within minus one and plus one standard deviation 67% of the time, or two out of every three years.

Note: The Global Equity Transition Account is included in Domestic Equity, the Fixed Income Transition Account is included in Domestic Fixed Income, and the currency overlay funds are included in Liquidity for Asset Allocation purposes.



Section III
Investment Policy and Compliance



MONTH ENDING JULY 31, 2012



Policy Violations

Material Exceptions to Policy

According to policy requirements, the following is a summary of investment policy violations as reported by the program areas.

The following program areas had no violations to report for the period:

- Public Equity
- Private Equity
- Liquidity
- Inflation
- Real Estate
- Forestland
- Infrastructure - Per the new Infrastructure Policy effective as of August 15, 2011, as stated in Section V.F.2, the requirement to meet various policy parameters will be applicable for the Infrastructure Program only when the NAV exceeds \$3 billion.
- Absolute Return Strategies

The following program area had violations to report for the period:

- **Income**
 - **New Compliance Policy Issues:**
 - SHORT DURATION PROGRAM
AAA Structured Securities with less than or equal to 1.5 Weighted Average Life, less than 15% of the program.

Policy Violations

IDENTIFIED SECURITY THAT EXCEEDED LIMIT:

MBNA Credit Card Master Trust Note – MBNANT 2006-A5 A5 (55264TDX6) 10/15/15 - \$70mm current face (15.83% of SDF Program)

Date of violation – 7/18/12

Date staff was notified of violation – 7/18/12

Staff Recommendation:

With the Short Duration Program currently not purchasing new securities and cash swept out of the fund, a “denominator effect” has resulted. We own \$70mm current face of this security which represents 15.83% of the fund. The estimated Weighted Average Life is 0.83yr with an expected maturity date of 5/15/13.

Staff recommends holding the bond due to the high quality and the short Weighted Average Life of the bond. Staff will closely monitor the bond to determine future action.

HIGH QUALITY LIBOR PROGRAM

Structured Securities with less than 10% of the program.

IDENTIFIED SECURITIES THAT EXCEEDED LIMIT:

SLM Student Loan Trust – SLMA 2007-5 A3 (78443FAC1) 10/25/18 - \$134.9mm current face (11.8% of HQL Program)

Date of violation – 7/10/12

Date staff was notified of violation – 7/10/12

Policy Violations

IDENTIFIED SECURITIES THAT EXCEEDED LIMIT:

Nelnet Student Loan Trust – NSLT 2006-3 A3 (64031AAC0) 06/15/19 - \$95.9mm current face (10.2% of HQL Program)

SLM Student Loan Trust – SLMA 2007-1A A3 (78443VAC6) 07/25/18 - \$101.7mm current face (10.8% of HQL Program)

SLM Student Loan Trust – SLMA 2007-7 A2 (78444EAB5) 01/25/16 - \$95mm current face (10.1% of HQL Program)

Date of violation – 7/17/12

Date staff was notified of violation – 7/17/12

Staff Recommendation:

With the High Quality Libor Program currently not purchasing new securities and cash swept out of the fund, a “denominator effect” has resulted. These are current pay securities and are backed by the FFELP student loans. It has a current Weighted Average Life of 1 year.

Staff recommends holding the bond due to the high quality of the collateral and a relatively short Weighted Average Life. At the current price, each cusip has a good discount margin relative to its Weighted Average Life. Staff will closely monitor the bond to determine future action.

Section III: Investment Policy and Compliance

Disclosure of Closed Session Action Items

	Investment Committee Meeting	Agenda Item	Investment Committee Action	Vote
	Nothing to report			



Section IV
Investment Transactions

MONTH ENDING JULY 31, 2012



Section IV: Investment Transactions

Items Completed Under Delegated Authority *(for the month of July 31, 2012)*

Program Area	Name of Investment	Commitment	Initial Funding Date of Partnership	Complies with Delegation Number	Due Diligence Report Received From
No Items to report					

Section IV: Investment Transactions

Disclosure of Placement Agent Fees *(for the month of July 31, 2012)*

Summary							
Program Area	Firm Name	Fund	Placement Agent Firm	REGISTERED		Estimated Placement Agent Compensation	Transaction Type
				SEC/FINRA	Secretary of State		
Real Assets	RREEF America LLC	CalEast Europe	DWS Investments Distributors, Inc	Yes	Yes	¹	Amendment
<i>Notes:</i> ¹ RREEF pays DWS allocated expenses plus 8.4% of such expenses or the actual fees paid through other agreements, if higher, for general services provided; fees are not contingent on a CalPERS investment.							

Detailed Disclosure		
Firm Name	Fund	Estimated Placement Agent Compensation
RREEF America LLC	CalEast Europe	RREEF America LLC utilizes DWS Investment Distributors, Inc. ("DWS"), an affiliated registered broker-dealer, in order to comply with federal securities laws governing the offer and sale of securities. RREEF and DWS are registered with the SEC as an investment adviser and broker-dealer, respectively. Both are affiliates of Deutsche Bank AG, a large global banking institution with substantial domestic operations and numerous domestic and foreign affiliates. Pursuant to a Service Agreement between RREEF and DWS, RREEF pays DWS investment Distributors, Inc. allocated expenses plus a mark-up for general services provided, which are not specifically related to a CalPERS investment.

Section IV: Investment Transactions

Investment Transactions Summary – Estimated Values (for the month of July 31, 2012)

	PERF - Public Markets					
	Public Equity	REIT	Income	Inflation	ARS	Liquidity
Beginning Market Value	113,203,447,138	1,333,093,155	41,949,492,627	7,101,886,539	5,110,195,381	7,608,976,989
+ Purchases	986,581,592	-	1,117,882,996	-	-	4,690,448,627
- Sales	(920,766,187)	-	(793,952,876)	-	(110,502,267)	(4,044,503,207)
+ Unitized Fund Purchases	29,526,933,438	-	-	-	-	-
- Unitized Fund Sales	(29,248,336,618)	-	-	-	-	-
+/- Other Changes in MV	961,045,686	47,299,029	634,082,454	244,492,548	65,359,531	666,463,140
Ending Market Value	114,508,905,048	1,380,392,184	42,907,505,201	7,346,379,087	5,065,052,645	8,921,385,550

	PERF - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	34,249,052,876	19,679,796,918	2,116,960,620	1,048,145,068
+ Contributions	449,381,743	249,310,768	-	606,589
- Distributions	(535,961,036)	(137,280,594)	-	(9,301,304)
+ Unitized Fund Purchases	-	-	-	-
- Unitized Fund Sales	-	-	-	-
+/- Other Changes in MV	346,198,065	(112,030,173)	-	8,694,715
Ending Market Value	34,508,671,648	19,679,796,918	2,116,960,620	1,048,145,068

	Total PERF		
	Total Public Markets	Total Private Markets	Total PERF
Beginning Market Value	176,307,091,829	57,093,955,482	233,401,047,311
+ Contributions	6,794,913,215	699,299,100	7,494,212,315
- Distributions	(5,869,724,537)	(682,542,934)	(6,552,267,471)
+ Unitized Fund Purchases	29,526,933,438	-	29,526,933,438
- Unitized Fund Sales	(29,248,336,618)	-	(29,248,336,618)
+/- Other Changes in MV	2,618,742,389	242,862,607	2,861,604,995
Ending Market Value	180,129,619,715	57,353,574,254	237,483,193,970

Note: Numbers will not tie exactly to the Asset Allocation/Performance categories due to classification differences.

Section IV: Investment Transactions

Investment Proposal Activity Summary (for the month of July 31, 2012)

	Private Asset Classes				Public Asset Classes				Total
	Private Equity	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	
Start of Month Proposals	26	2	20	37*	13	1	4	5	108
New Proposal During the Month	20	0	7	6	7	5	0	3	48
Reinstated Proposal During Month	0	0	0	0	0	0	0	0	0
Decisions During the Month	16	2	17	1	13	4	1	3	57
End of Month Proposals	30	0	10	42	7	2	3	5	99

Status Details

Status	Private Asset Classes				Public Asset Classes				Total
	Private Equity	Forestland	Infrastructure	Real Estate	ARS	Global Equities	Commodities	Global Fixed Income	
Start of Month Proposals									
Submitted	3	0	1	3	0	0	1	0	8
Screening	21	2	18	28	13	1	3	5	91
Due Diligence	2	0	1	6	0	0	0	0	9
Approved	0	0	0	0	0	0	0	0	0
Subtotal	26	2	20	37	13	1	4	5	108
New Proposals During the Month									
Subtotal	20	0	7	6	7	5	0	3	48
Reinstated Proposals During Month									
Subtotal	0	0	0	0	0	0	0	0	0
Decisions During the Month									
Committed	0	0	1	0	0	0	0	0	1
Declined	16	2	15	0	0	0	1	3	37
Failed to Materialize	0	0	0	0	0	1	0	0	1
Referred	0	0	1	1	13	3	0	0	18
Subtotal	16	2	17	1	13	4	1	3	57
End of Month Proposals									
Submitted	0	0	1	0	0	0	0	0	1
Screening	27	0	7	36	7	2	3	5	87
Due Diligence	3	0	2	6	0	0	0	0	11
Approved	0	0	0	0	0	0	0	0	0
Subtotal	30	0	10	42	7	2	3	5	99



Section V
Affiliate and Other Funds

MONTH ENDING JULY 31, 2012



Section V: Affiliate and Other Funds

Asset Allocation (for the month of July 31, 2012)

Asset Allocation as of July 31, 2012									
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	High Yield	REITs	Commodities	Cash
Defined Benefit Plans									
<i>Legislators' Retirement System</i>									
Target Ranges %	27-37%	N/A	N/A	37-47%	11-19%	N/A	6-10%	1-5%	N/A
Strategic Target %	32%			42%	15%		8%	3%	0%
Actual Investment %	32%			42%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	(0%)	0%	0%	0%	0%
<i>Judges' I Retirement System</i>									
Variance % (Strategic vs. Actual)	0%	0%	0%	0%	0%		0%	0%	0%
<i>Judges' II Retirement System</i>									
Target Ranges %	58-68%	N/A	N/A	15-25%	4-8%		6-10%	1-5%	N/A
Strategic Target %	63%			20%	6%		8%	3%	0%
Actual Investment %	63%			20%	6%		8%	3%	0%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	0%	(0%)		0%	0%	0%

Note: Allocation targets approved at the August 15, 2011 Investment Committee meeting.

Section V: Affiliate and Other Funds

Asset Allocation (for the month of July 31, 2012)

Asset Allocation as of July 31, 2012									
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	High Yield	REITs	Commodities	Cash
Health and Other Post-Employment Benefit Trusts									
Long-Term Care Fund									
Target Ranges %	N/A	20-30%	14-24%	25-35%*	11-19%		6-10%	1-5%	N/A
Strategic Target %		25%	19%	30%	15%		8%	3%	0%
Actual Investment %		25%	19%	30%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)	0%	0%	(0%)	(0%)	(0%)		0%	0%	0%
CERBT Strategy 1									
Target Ranges %	N/A	30-40%	26-36%	13-23%*	3-7%		6-10%	1-5%	N/A
Strategic Target %		35%	31%	18%	5%		8%	3%	0%
Actual Investment %		35%	31%	18%	5%		8%	3%	0%
Variance % (Strategic vs. Actual)	0%	(0%)	(0%)	(0%)	(0%)		0%	0%	0%
CERBT Strategy 2									
Target Ranges %	N/A	15-25%	25-35%	19-29%	11-19%		6-10%	1-5%	N/A
Strategic Target %		20%	30%	24%	15%		8%	3%	0%
Actual Investment %		20%	30%	24%	15%		8%	3%	0%
Variance % (Strategic vs. Actual)	0%	(0%)	(0%)	0%	(0%)		0%	0%	0%
CERBT Strategy 3									
Target Ranges %	N/A	7.8-17.8%	14.2-24.2%	37-47%	11-19%		6-10%	1-5%	N/A
Strategic Target %		12.8%	19.2%	42%	15%		8%	3%	0%
Actual Investment %		12.6%	18.8%	42%	15%		8%	3%	1%
Variance % (Strategic vs. Actual)	0%	(0%)	(0%)	(0%)	(0%)		0%	0%	1%
Health Care Bond Fund									
Variance % (Strategic vs. Actual)	0%	0%	0%	0%	0%		0%	0%	0%
Contingency Reserve Fund									
Variance % (Strategic vs. Actual)	0%	0%	0%	0%	0%		0%	0%	0%

* In 2011 the Affiliate Funds were transitioned to new asset allocation policy targets and ranges (approved by the Investment Committee 8/15/11). \$157,979 high yield remains in SK99 due to illiquidity of the positions.

Section V: Affiliate and Other Funds

Asset Allocation (for the month of July 31, 2012)

Asset Allocation as of July 31, 2012					
	Global Equity	Fixed Income	TIPS	Commodities	REITs
<i>Defined Contribution Plans</i>					
Conservative					
Target Range %	25-35%	48-58%	11-19%	1-3%	0%
Strategic Target %	30%	53%	15%	2%	0%
Actual Investment %	30%	53%	15%	2%	0%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	0%
Moderate					
Target Range %	55-65%	23-33%	3-7%	2-6%	2-4%
Strategic Target %	60%	28%	5%	4%	3%
Actual Investment %	60%	28%	5%	4%	3%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)
Aggressive					
Target Range %	79-91%	3-7%	0%	3-7%	3-7%
Strategic Target %	85%	5%	0%	5%	5%
Actual Investment %	84%	5%	0%	5%	5%
Variance % (Strategic vs. Actual)	1%	0%	0%	(0%)	(0%)
Income					
Target Range %	25-35%	48-58%	11-19%	1-3%	0%
Strategic Target %	30%	53%	15%	2%	0%
Actual Investment %	30%	53%	15%	2%	0%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	0%
2005					
Target Range %	32-42%	40-50%	12-20%	1-3%	0%
Strategic Target %	37%	45%	16%	2%	0%
Actual Investment %	37%	45%	16%	2%	0%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	0%
2010					
Target Range %	39-49%	32-42%	11-19%	1-3%	1-3%
Strategic Target %	44%	37%	15%	2%	2%
Actual Investment %	44%	37%	15%	2%	2%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	(0%)
2015					
Target Range %	45-55%	28-38%	8-14%	1-5%	2-4%
Strategic Target %	50%	33%	11%	3%	3%
Actual Investment %	50%	33%	11%	3%	3%
Variance % (Strategic vs. Actual)	(0%)	0%	0%	(0%)	(0%)

Section V: Affiliate and Other Funds

Asset Allocation (for the month of July 31, 2012)

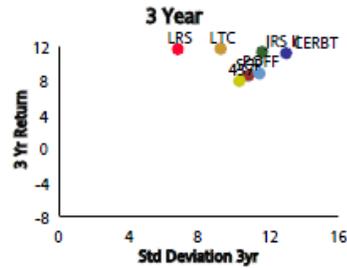
Asset Allocation as of July 31, 2012					
	Global Equity	Fixed Income	TIPS	Commodites	REITs
<i>Defined Contribution Plans</i>					
2020					
Target Range %	52-62%	25-35%	4-8%	2-6%	2-4%
Strategic Target %	57%	30%	6%	4%	3%
Actual Investment %	57%	30%	6%	4%	3%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)
2025					
Target Range %	61-71%	18-28%	1-3%	3-7%	2-6%
Strategic Target %	66%	23%	2%	5%	4%
Actual Investment %	66%	23%	2%	5%	4%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)
2030					
Target Range %	68-80%	11-21%	0%	3-7%	3-7%
Strategic Target %	74%	16%	0%	5%	5%
Actual Investment %	74%	16%	0%	5%	5%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)
2035					
Target Range %	76-88%	6-10%	0%	3-7%	3-7%
Strategic Target %	82%	8%	0%	5%	5%
Actual Investment %	82%	8%	0%	5%	5%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)
2040					
Target Range %	79-91%	3-7%	0%	3-7%	3-7%
Strategic Target %	85%	5%	0%	5%	5%
Actual Investment %	84%	5%	0%	5%	5%
Variance % (Strategic vs. Actual)	1%	0%	0%	(0%)	(0%)
2045					
Target Range %	79-91%	3-7%	0%	3-7%	3-7%
Strategic Target %	85%	5%	0%	5%	5%
Actual Investment %	84%	5%	0%	5%	5%
Variance % (Strategic vs. Actual)	1%	0%	0%	(0%)	(0%)
2050					
Target Range %	79-91%	3-7%	0%	3-7%	3-7%
Strategic Target %	85%	5%	0%	5%	5%
Actual Investment %	85%	5%	0%	5%	5%
Variance % (Strategic vs. Actual)	0%	0%	0%	(0%)	(0%)

* Policy target weights are compared to actual target weights for internally managed risk-based and target date asset allocation plans. Asset allocation strategies are not applicable to some SIP core funds (e.g., Total Bond Return Fund).

Section V: Affiliate and Other Funds

Asset Allocation (for the month of July 31, 2012)

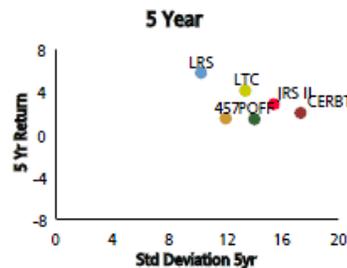
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.30	0.60	0.50
CERBT TRUST AGGREGATE	0.02	0.39	0.06
457 AGGREGATE	-0.67	0.70	-0.96
JUDGES' RETIREMENT SYSTEM II FUND	0.12	0.68	0.18
BALANCED GROWTH - POFF	-1.40	0.90	-1.56
LEGISLATORS' RETIREMENT SYSTEM FUND	0.44	0.92	0.48
SCP AGGREGATE	-1.18	0.77	-1.53

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	-0.05	1.01	-0.05
CERBT TRUST AGGREGATE	0.23	1.08	0.21
457 AGGREGATE	-0.55	0.79	-0.70
JUDGES' RETIREMENT SYSTEM II FUND	-0.20	1.03	-0.20
BALANCED GROWTH - POFF	-1.23	1.07	-1.15
LEGISLATORS' RETIREMENT SYSTEM FUND	0.07	1.65	0.04
SCP AGGREGATE			

Excess Return - The difference between the portfolio return and the index return for the given period

Tracking Error - Standard deviation of the Excess Return

Information Ratio - Excess Return divided by the Tracking Error

The information ratio is used to measure risk adjusted returns; industry practice suggests that below 0.15 is considered low, between 0.15 and 0.25 is medium, and above 0.35 is high.

Section V: Affiliate and Other Funds

Net Performance Summary (for the month July 31, 2012)

	Ending Market Value (\$millions)	1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
		Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
DEFINED BENEFIT PLANS													
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.0	(4)	0.2	5	1.1	22	2.0	14
JUDGES RETIREMENT SYSTEM II FUND	660	1.8	(4)	1.8	(4)	3.8	(71)	11.2	12	2.8	(21)	7.0	26
LEGISLATOR'S RETIREMENT SYSTEM FUND	124	2.1	(4)	2.1	(4)	7.9	(70)	11.5	44	5.7	8	7.4	26
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS SUPPLEMENTAL INCOME 457 PLAN	957	0.6	(27)	0.6	(27)	1.7	(135)	7.8	(67)	1.4	(55)	4.9	
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	1.0	(37)	1.0	(37)	1.7	(155)	8.5	(118)				
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	469	1.0	(44)	1.0	(44)	1.5	(184)	8.7	(140)	1.4	(124)	5.3	(102)
HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (GERBT) TRUST AGGREGATE	2,135	1.9	(5)	1.9	(5)	2.7	(32)	11.1	2	1.9			
CALPERS HEALTH CARE BOND FUND	394	1.5	11	1.5	11	7.2	(6)	7.6	72	6.9			
LONG TERM CARE FUND	3,589	2.1	(3)	2.1	(3)	5.2	(47)	11.6	30	4.0	(5)	7.5	47
RESERVE FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	0	0.0	(4)	0.2	5	1.1	22	2.0	15
SECURITIES LENDING COLLATERAL													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	9,677	0.1	7	0.08	7	0.7	60	2.81	268	0.97	11	2.02	13

Section V: Affiliate and Other Funds

Gross Performance Summary (for the month July 31, 2012)

	Ending Market Value (\$millions)	1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
		Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps	Fund Rate of Return	Excess Return in Bps
DEFINED BENEFIT PLANS													
JUDGES RETIREMENT FUND	56	0.0	0	0.0	0	0.0	(4)	0.2	5	1.1	22	2.0	14
JUDGES RETIREMENT SYSTEM II FUND	660	1.8	(4)	1.8	(4)	3.8	(71)	11.2	12	2.8	(21)	7.0	26
LEGISLATOR'S RETIREMENT SYSTEM FUND	124	2.1	(4)	2.1	(4)	7.9	(70)	11.5	44	5.7	8	7.4	26
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS SUPPLEMENTAL INCOME 457 PLAN	957	0.7	(22)	0.7	(22)	2.3	(82)	8.4	(12)				
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	1.0	(33)	1.0	(33)	2.1	(113)	9.0					
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	469	1.0	(39)	1.0	(39)	1.9	(136)	9.3	(28)	2.1	(48)	6.0	(28)
HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (GERBT) STRATEGY 1 FUND	2,135	1.9	(5)	1.9	(5)	2.7	(32)	11.1	2	1.9			
CALPERS HEALTH CARE BOND FUND	394	1.5	11	1.5	11	7.2	(6)	7.6		6.9			
LONG TERM CARE FUND	3,589	2.1	(3)	2.1	(3)	5.2	(47)	11.6	47	0.0	(5)	7.5	47
RESERVE FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	0	0.0	(4)	0.2	15	1.1	22	2.0	15
SECURITIES LENDING COLLATERAL													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	9,677	0.1	7	0.08	7	0.7	60	9.27	268	0.97	11	2.02	13

Policy Violations *(for the month of July 31, 2012)*

- **Securities Lending (Cont'd.)**
 - **Existing Compliance Issues:**
IDENTIFIED SECURITIES THAT DID NOT MEET RATING:
 CCESS Group – (00432CDM0) 04/25/17
 Date of violation – 10/10/11
 SLM Student Loan Trust – (78443DAA0) 09/15/22
 Date of violation – 05/28/10
 Gryphon (SIV) – (40052TAA7) 08/01/20
 Date of violation – 08/29/07
 Ironside Holdings (SIV) – (IRONSZ\$09) 12/01/53
 Date of violation – 12/21/07

The above securities were purchased by external managers and downgraded by Fitch, Moody's and S&P in prior periods.

Staff Recommendation:

Staff expects the remaining three Asset-Backed Securities to pay down over the next 14 to 18 months. The SIVs are currently under review and staff is working to maximize value and will continue to update the Board accordingly.

Section V: Affiliate and Other Funds

Investment Transactions Summary (for the month of July 31, 2012)

	Health and Other Post-Employment Benefit Funds					Reserve Fund
	CERBT Strategy 1 Fund	CERBT Strategy 2 Fund	CERBT Strategy 3 Fund	Health Care Bond Fund	Long Term Care Fund	Contingency Reserve Fund
Beginning Market Value	1,750,310,556	296,954,762	6,150,130	487,334,327	3,507,526,870	6,111,292
+ Purchases	-	-	-	-	-	-
- Sales	-	-	-	-	-	-
+ Unitized Fund Purchases	66,885,000	2,780,000	1,410,000	972	9,015,000	-
- Unitized Fund Sales	-	(2,020,000)	(35,000)	(100,000,000)	-	-
+/- Other Changes in MV	7,122,227	5,399,514	215,818	6,689,567	72,371,974	334
Ending Market Value	1,824,317,783	303,114,276	7,740,948	394,024,866	3,588,913,844	6,111,626

	Defined Contribution and Deferred Compensation Plans	Defined Benefit Plans		
	Supplemental Income Plans (457/SCP/POFF)	Judges Retirement Fund	Judges Retirement System II Fund	Legislator's Retirement System Fund
Beginning Market Value	1,160,757,836	55,871,529	642,405,055	122,386,450
+ Purchases	-	-	-	-
- Sales	-	-	-	-
+ Unitized Fund Purchases	7,431,469	-	5,709,675	-
- Unitized Fund Sales	(7,700,591)	-	-	(545,000)
+/- Other Changes in MV	12,281,983	3,058	11,592,450	2,609,212
Ending Market Value	1,172,770,697	55,874,587	659,707,180	124,450,662

	Unitized Funds					
	Public Equity	REIT	Income*	Inflation	Liquidity*	Affiliated and Other Funds
Beginning Market Value	74,486,078,849	1,869,478,435	37,993,741,449	3,363,009,641	5,737,032,571	4,784,982,264
+ Purchases	156,226,633	4,118,518	22,813,560,428	158,953,240	19,394,929,861	327,430,079
- Sales	(21,600,166)	(115)	(21,918,843,859)	(152,934,900)	(18,397,000,000)	(393,608,639)
+/- Other Changes in MV	763,539,960	65,217,207	606,728,279	196,244,602	(1,206,807,709)	55,196,302
Ending Market Value	75,384,245,275	1,938,814,045	39,495,186,297	3,565,272,583	5,528,154,723	4,774,000,006

* Maturities may be included due to the volume of transactions



CalPERS Investment Office
Investment Servicing Division
400 Q Street
Sacramento, CA. 95814