

Enterprise Risk Management Dashboard as of September 4, 2012 - FINAL

| California Public Employees' Retirement System | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------|---------------|--|-------------------|-------------------|-----------------------|--|---------------------------------|-------------------|---------------|--------|-----------------------------|-------------------------------------|---------------|--------|--|--|--|----|--|--|--|--------------------------|----|
| Residual Risk Report | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic | | | Operational | | | Financial / Reporting | | | Investments | | | Ethics / Legal / Compliance | | | | | | | | | | | | |
| FY2012-13 July | Projected Sept | Risk Tread | Domain | FY2012-13 July | Projected Sept | Risk Tread | Domain | FY2012-13 July | Projected Sept | Risk Tread | Domain | FY2012-13 July | Projected Sept | Risk Tread | Domain | | | | | | | | | |
| | | | Health Care Reform | 1 | | | | Business Planning | 11 | | | | Cash Management | 22 | | | | Investment Policy | # | | | | Fraud | 34 |
| | | | Health Care PPD Funding | 2 | | | | Organization | 12 | | | | Financial / Administrative Controls | 23 | | | | Leverage | # | | | | Compliance with Laws and | 35 |
| | | | Health Care Costs (Top Risk) | 3 | | | | Procurement and Contract | 13 | | | | Fiscal Planning | 24 | | | | Counterparty Exposure | # | | | | Policy Compliance | 36 |
| | | | Long Term Care Program | 4 | | | | Business Continuity Management | 14 | | | | Reporting | 25 | | | | Investment Risk Management (Top Risk) | 31 | | | | Ethical Conduct | 37 |
| | | | Employer Pension Contribution (Top Risk) | 5 | | | | Performance Management | 15 | | | | Administrative Accounting | 26 | | | | Liquidity | # | | | | Legislative / Regulatory | 38 |
| | | | Actuarial | 6 | | | | Operational Controls | 16 | | | | Investment Accounting | 27 | | | | Investment Controls and Systems (Top Risk) | # | | | | | |
| | | | Governance / Leadership | 7 | | | | Technology / Systems Management | 17 | | | | | | | | | | | | | | | |
| | | | Strategy and Policy | 8 | | | | Information Security (Top Risk) | 18 | | | | | | | | | | | | | | | |
| | | | Stakeholder Perception (Top Risk) | 9 | | | | Customer Service (Top Risk) | 19 | | | | | | | | | | | | | | | |
| | | | Pension Legislation | 10 | | | | Human Resources Management | # | | | | | | | | | | | | | | | |
| | | | | | | | Pension Reform Implementation (Top Risk) | 21 | | | | | | | | | | | | | | | | |

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| Residual Risk - Considering risk responses and the remaining risk exposure. | Tread - Considering risk management plans and environmental factors, the residual risk tread over the next 3-6 months. |
| Minimal | Decrease |
| Moderate | Remain constant |
| Elevated | Increase |
| High | |