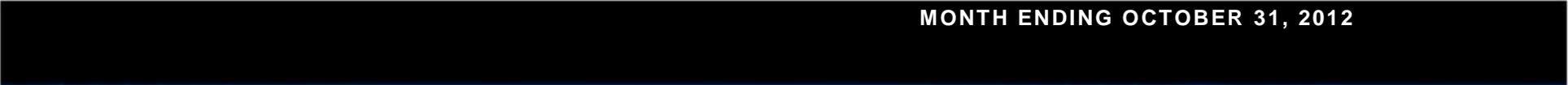




CaIPERS
Total Fund Monthly Update



MONTH ENDING OCTOBER 31, 2012



CalPERS Total Fund Monthly Update

Month Ending October 31, 2012

Section I: Asset Allocation and Risk

- Asset Allocation and Unfunded Commitments
- Top 20 Exposures: Public Markets
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Note: Sections I – IV report on the PERF unless otherwise noted.



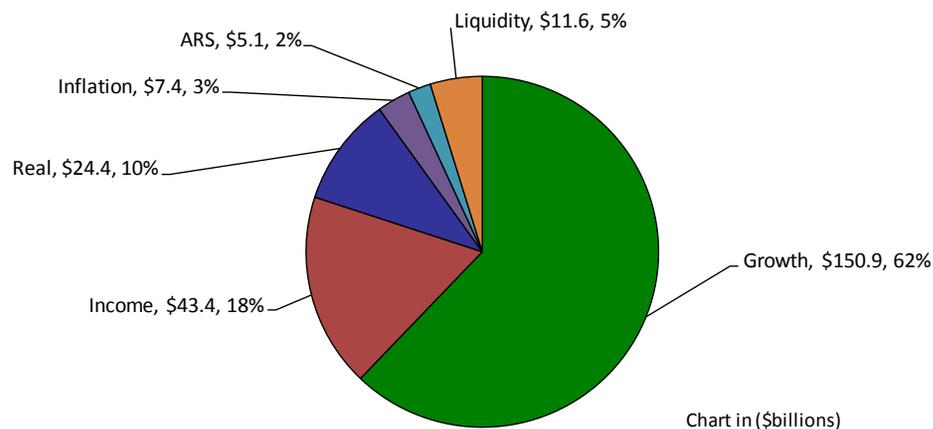
Section I
Asset Allocation and Risk

MONTH ENDING OCTOBER 31, 2012



Section I: Asset Allocation and Risk

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



Asset Allocation as of October 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 %	62%	49%	13%	18%	5%	10%	9%	1%	3%	2%	N/A
Variance % (Strategic vs. Actual)	(2%)	(1%)	(1%)	1%	1%	(1%)	(0%)	(1%)	(1%)	N/A	N/A
Interim Strategic Target (\$billions)	\$155.4	\$121.4	\$34.0	\$41.3	\$9.7	\$26.7	\$21.8	\$4.9	\$9.7	N/A	\$242.7
Actual Investment (\$billions)	\$150.9	\$118.7	\$32.1	\$43.4	\$11.6	\$24.4	\$21.2	\$3.2	\$7.4	\$5.1	\$242.7
Variance \$(Interim Strategic vs. Actual) (\$billions)	(\$4.5)	(\$2.7)	(\$1.8)	\$2.2	\$1.9	(\$2.3)	(\$0.6)	(\$1.7)	(\$2.3)	N/A	N/A
% Passive	54%	69%	0%	0%	0%	4%	5%	0%	0%	0%	34%
% Active	46%	31%	100%	100%	100%	96%	95%	100%	100%	100%	66%
% Internal	65%	83%	0%	91%	100%	4%	5%	0%	100%	0%	65%
% External	35%	17%	100%	9%	0%	96%	95%	100%	0%	100%	35%

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 17, 2011 Investment Committee meeting

³ This report provides invested dollars and does not include futures overlay; notional value of futures = \$5.0 billion

Unfunded Market Commitments as of October 31, 2012										
	Private Equity		Real Estate (as of August 31, 2012)		Infrastructure (as of August 31, 2012)		Forestland (as of August 31, 2012)		Corporate Governance (as of September 30, 2012)	
Funded	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation
Fair Market Value (FMV)	\$32.1	13%	\$21.2	9%	\$1.0	0%	\$2.1	1%	\$4.0	2%
Unfunded Commitment (UC)	\$10.9	4%	\$9.9	4%	\$5	0%	\$0	0%	\$1	0%
FMV + UC	\$43.1	18%	\$31.1	13%	\$1.6	1%	\$2.1	1%	\$4.1	2%

Section I: Asset Allocation and Risk

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

	Company Name ¹	Total Global Equity ²	Total Global Fixed Income ³	Market Value	% of Total Fund
1	APPLE INC	\$1571.8	\$0	\$1571.8	0.65%
2	EXXON MOBIL CORP	\$1285.9	\$0	\$1285.9	0.53%
3	GENERAL ELECTRIC CO	\$661.9	\$317.5	\$979.4	0.40%
4	AT&T INC	\$635.2	\$214.5	\$849.7	0.35%
5	MICROSOFT CORP	\$732.5	\$0	\$732.5	0.30%
6	WELLS FARGO & CO	\$564.6	\$166.2	\$730.8	0.30%
7	HSBC HOLDINGS PLC	\$559.7	\$165.8	\$725.5	0.30%
8	JPMORGAN CHASE & CO	\$511.3	\$164.9	\$676.3	0.28%
9	PFIZER INC	\$585.7	\$80.0	\$665.7	0.27%
10	NESTLE SA REG	\$658.5	\$0	\$658.5	0.27%
11	CHEVRON CORP	\$647.1	\$0	\$647.1	0.27%
12	WAL MART STORES INC	\$541.5	\$102.7	\$644.2	0.27%
13	INTL BUSINESS MACHINES CORP	\$629.1	\$0	\$629.1	0.26%
14	JOHNSON & JOHNSON	\$564.3	\$0	\$564.3	0.23%
15	PROCTER & GAMBLE CO	\$548.1	\$0	\$548.1	0.23%
16	GOOGLE INC CL A	\$517.5	\$0	\$517.5	0.21%
17	NOVARTIS AG REG	\$492.4	\$0	\$492.4	0.20%
18	COCA-COLA CO	\$474.4	\$0	\$474.4	0.20%
19	ORACLE CORP	\$472.1	\$0	\$472.1	0.19%
20	BP PLC	\$470.0	\$0	\$470.0	0.19%

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

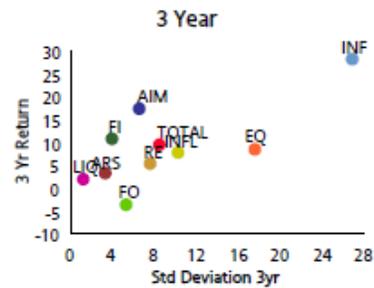
² Source for Global Equity values: State Street Bank

³ Source for Global Fixed Income values: Blackrock Solutions

Section I: Asset Allocation and Risk

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

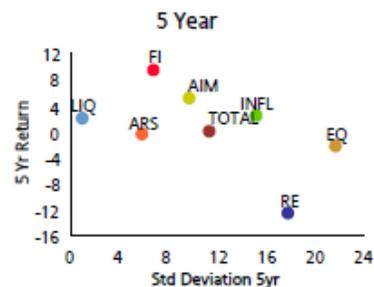
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	0.09	2.25	0.04
PUBLIC EQUITY	0.39	0.60	0.65
INCOME	1.15	1.61	0.71
PRIVATE EQUITY	2.20	15.31	0.14
REAL ESTATE	-5.22	6.10	-0.86
LIQUIDITY	-0.21	0.26	-0.82
INFLATION	1.20	3.90	0.31
ABSOLUTE RETURN STRATEGY	-2.43	3.43	-0.71
FORESTLAND	-3.14	6.59	-0.48
INFRASTRUCTURE	21.06	26.98	0.78

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
TOTAL FUND	-2.48	3.18	-0.78
PUBLIC EQUITY	-0.81	1.05	-0.77
INCOME	0.49	3.29	0.15
PRIVATE EQUITY	-5.50	14.75	-0.37
REAL ESTATE	-16.80	14.46	-1.16
LIQUIDITY	-0.09	0.21	-0.42
INFLATION	-0.82	6.46	-0.13
ABSOLUTE RETURN STRATEGY	-7.27	6.46	-1.13
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 0.25 is high.



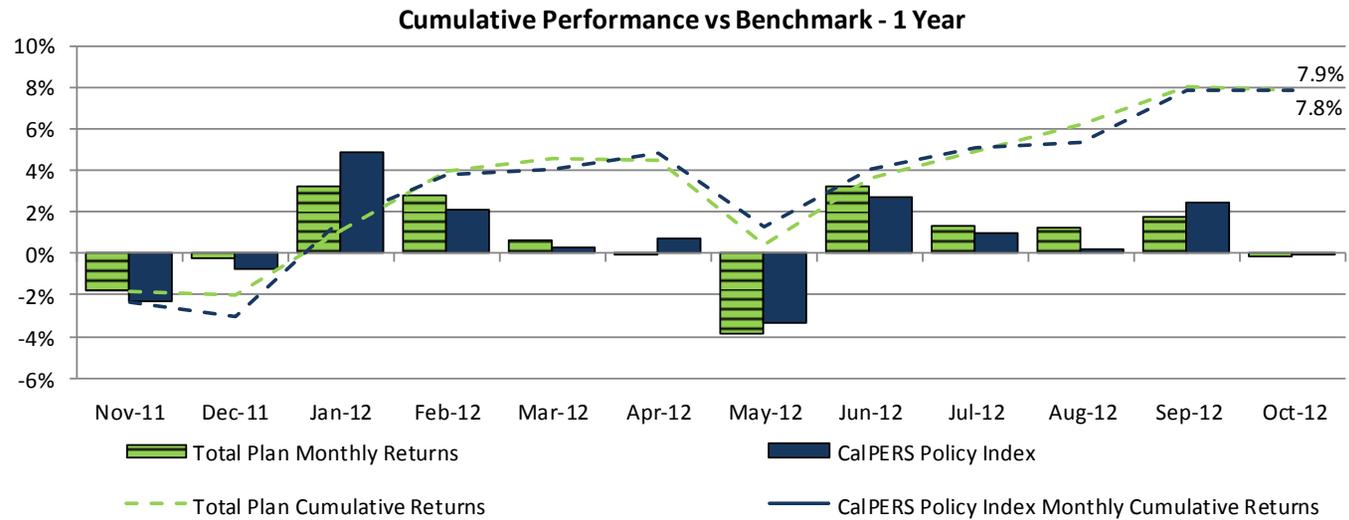
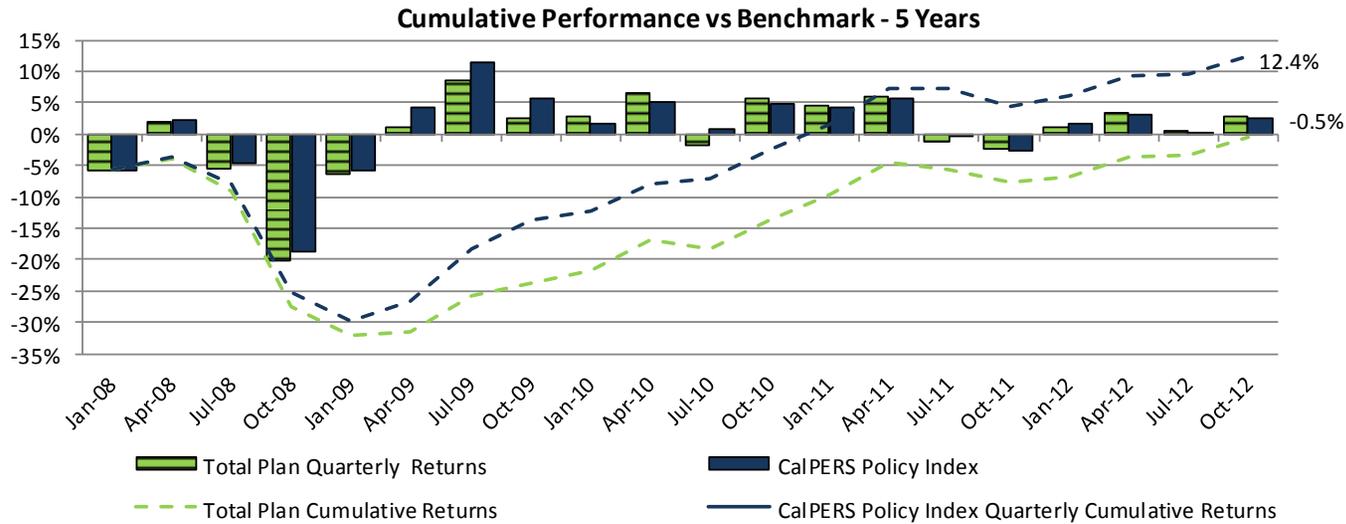
Section II
Investment Performance

MONTH ENDING OCTOBER 31, 2012



Section II: Investment Performance

Net Performance Summary (as of October 31, 2012)



Section II: Investment Performance

Net Performance Summary (as of October 31, 2012)

	Ending Market Value		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
	(\$millions)	% 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	150,095	61.8	(0.4)	(23)	5.0	51	7.4	(71)	10.2	52	(1.4)	(175)	8.1	(72)
PUBLIC EQUITY	117,949	48.6	(0.6)	(1)	6.4	(5)	8.8	(12)	8.3	39	(2.4)	(80)	7.6	(41)
PRIVATE EQUITY	32,146	13.2	0.4	(97)	0.3	294	2.6	(56)	17.2	219	5.0	(550)	10.6	(72)
INCOME	43,424	17.9	0.6	13	3.6	72	9.2	62	10.6	115	9.3	49	8.4	109
LIQUIDITY	11,590	4.8	(0.1)	8	0.3	(9)	1.9	(48)	1.8	(21)	1.9	(9)	2.5	3
REAL	24,375	10.0	0.0	(3)	1.0	(128)	10.3	12	4.6	(397)	(11.4)	(1,462)	3.3	(537)
REAL ESTATE	21,225	8.7	0.0	(2)	1.2	(137)	13.4	163	5.2	(522)	(12.7)	(1,680)	2.6	(659)
FORESTLAND	2,115	0.9	0.0	0	(0.2)	(85)	(11.5)	(1,264)	(3.8)	(314)				
INFRASTRUCTURE	1,035	0.4	0.0	(16)	(0.9)	(211)	3.7	(178)	28.1	2,106				
INFLATION	7,444	3.1	(0.7)	(20)	5.2	74	3.2	(199)	7.6	120	2.3	(82)		
COMMODITIES	1,564	0.6	(3.6)	49	6.2	(78)	(2.0)	(57)	3.6	48	(8.0)	3		
INFLATION LINKED BONDS	5,880	2.4	0.8	3	3.3	(20)	6.7	(37)	7.8	17				
ABSOLUTE RETURN STRATEGY	5,054	2.1	(0.5)	(92)	1.7	171	2.3	(291)	3.1	(243)	(0.5)	(727)	5.4	(326)
OVERLAY & TRANSITION ACCOUNTS	768	0.3												
TOTAL FUND	242,749	100.0	(0.2)	(12)	4.1	53	7.9	8	9.3	9	(0.1)	(248)	7.3	(86)

Total Fund Inception to Date Net Return: 8.40%.

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 October 31, 2012*)

<u>Asset Class</u>	<u>Actual Allocation</u> (%)	<u>One-year Net Asset Return</u> (%)	<u>CalPERS Long-Term Expected Annual Return</u> ^{1,2} (%)	<u>Current Projected Standard Deviation</u> (%)	<u>Current +/- One Standard Deviation Range</u> (%)	<u>Expected Standard Deviation</u> ¹ (%)	<u>+/- One Standard Deviation Range</u> ³ (%)
Public Equity	49	8.8	7.75	19.90	(12.15) - 27.65	16.00	(8.25) - 23.75
Private Equity	13	2.6	9.00	21.88	(12.88) - 30.88	26.00	(17.00) - 35.00
Total Growth	62	7.4					
Income	18	9.2	3.75	5.80	(2.05) - 9.55	6.50	(2.75) - 10.25
Real Estate	10	13.4	7.00	15.41	(8.41) - 22.41	14.00	(7.00) - 21.00
Forestland	1	(11.5)	7.00	14.90	(7.90) - 21.90	10.00	(3.00) - 17.00
Infrastructure	0	3.7	7.00	16.03	(9.03) - 23.03	10.00	(3.00) - 17.00
Total Real	10	10.3					
Inflation Linked Bonds	2	(2.0)	3.50	6.31	(2.81) - 9.81	6.00	(2.50) - 9.50
Commodities	1	6.7	5.00	21.48	(16.48) - 26.48	21.00	(16.00) - 26.00
Total Inflation	3	3.2					
Absolute Return Strategy (ARS) ¹	2	2.3		3.22	(3.22) - 3.22		
Liquidity	5	1.9	3.25	1.93	1.32 - 5.18	6.20	(2.95) - 9.45
Total Fund	100	7.9	7.38	13.62	(6.24) - 21.00	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 OCTOBER 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 month of September:

- Global Equity
- Private Equity
- Real Assets
- Absolute Return Strategies
- Global Governance
- Policy and Business Services
- Asset Allocation
- Risk
- Investment Servicing

Section III: Investment Policy and Compliance

Policy Violations

Policy Violations:

New

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Event Description	Resolution (expected) or Next Steps
No items report					

Existing

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Event Description	Resolution (expected) or Next Steps
Fixed Income	7/10/2012	TBD	Statement of Investment Policy for Low Duration Fixed Income Program. Attachment A1, DDFI High Quality Libor (HQL). There is an asset and sector diversification limit of 10% for AAA rated structured securities.	Security SLM Student Loan Trust – "SLMA 2007-5 A3 (78443FAC1) 10/25/18" had a concentration greater than the 10% limit of the HQL Program.	The Program is currently not purchasing new securities and cash sweeping out of the fund has resulted a "denominator effect" resulting in a violation. This is a current pay security and is backed by FFELP student loans. At the current price, each cusip has a good discount margin relative to its WAL. Staff has recommended holding the bond due to the high quality of the collateral and relatively short WAL. Staff will closely monitor the bond to determine future action.
Fixed Income	7/17/2012	TBD	Statement of Investment Policy for Low Duration Fixed Income Program. Attachment A1, DDFI High Quality Libor (HQL). There is an asset and sector diversification limit of 10% for AAA rated structured securities.	Security "SLM Student Loan Trust – SLMA 2007-7 A2 (78444EAB5) 01/25/16" had a concentration greater than the 10% limit of the HQL Program.	The Program is currently not purchasing new securities and cash sweeping out of the fund has resulted a "denominator effect" resulting in a violation. This is a current pay security and is backed by FFELP student loans. At the current price, each cusip has a good discount margin relative to its WAL. Staff has recommended holding the bond due to the high quality of the collateral and relatively short WAL. 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
	No items to report			



Section IV
Investment Transactions

MONTH ENDING OCTOBER 31, 2012



Section IV: Investment Transactions

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

Program Area	Name of Investment	Commitment	Initial Funding Date of Partnership	Complies with Delegation Number	Due Diligence Report Received From
Real Assets	AEW Senior Housing Company LLC*	4,800,000	Apr-01	11-01-INV	N/A
*Additional commitment to existing investments					

Section IV: Investment Transactions

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

Firm Name	The Carlyle Group	The Carlyle Group
Asset Class	Private Equity	Private Equity
Fund	Carlyle Europe Technology Partners II, L.P.	Carlyle /Riverstone Global Energy and Power Fund II, L.P.
Placement Agent Firm	Lee Carson	Lee Carson
SEC/FINRA	Yes	Yes
SOS	Yes	Yes
Estimated Placement Agent Compensation	Mr. Carson is an internal employee of The Carlyle Group. He is paid an annual salary and a discretionary year-end bonus, which is not contingent on a CalPERS commitment.	Mr. Carson is an internal employee of The Carlyle Group. He is paid an annual salary and a discretionary year-end bonus, which is not contingent on a CalPERS commitment.
Transaction Type	Amendment	Amendment

Section IV: Investment Transactions

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

Firm Name	The Carlyle Group	Baillie Gifford Overseas Limited
Asset Class	Private Equity	Global Equity
Fund	Carlyle /Riverstone Global Energy and Power Fund III, L.P.	Baillie Gifford Overseas Limited
Placement Agent Firm	Lee Carson	Baillie Gifford International LLC (wholly owned subsidiary of Baillie Gifford Overseas Limited)
SEC/FINRA	Yes	No (registered with FSA)
SOS	Yes	No
Estimated Placement Agent Compensation	Mr. Carson is an internal employee of The Carlyle Group. He is paid an annual salary and a discretionary year-end bonus, which is not contingent on a CalPERS commitment.	\$6,100
Transaction Type	Amendment	Amendment

Section IV: Investment Transactions

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

	PERF - Public Markets					
	Public Equity	REIT	Income	Inflation	ARS	Liquidity
Beginning Market Value	119,448,510,880	1,406,111,535	43,182,134,831	7,510,915,909	5,090,562,142	10,445,211,728
+ Purchases	1,477,072,717	-	2,799,339,642	1,895,438,316	-	1,504,008,000
- Sales	(1,226,760,424)	(346,951,552)	(2,770,172,504)	(103,301,888)	(4,237,561)	(1,542,649,000)
+ Unitized Fund Purchases	-	-	-	-	-	-
- Unitized Fund Sales	420,396,091	-	-	973,392,449	-	-
+/- Other Changes in MV	(1,395,753,121)	(1,059,159,983)	217,215,851	(2,832,783,570)	(32,087,311)	1,171,143,923
Ending Market Value	118,723,466,143		43,428,517,820	7,443,661,216	5,054,237,270	11,577,714,651

	PERF - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
Beginning Market Value	32,833,994,654	20,158,895,552	2,115,370,535	1,034,940,125
+ Contributions	342,484,208	548,040,025	-	7,375,129
- Distributions	(865,868,926)	186,541,776	-	(32,957,635)
+ Unitized Fund Purchases	-	-	-	-
- Unitized Fund Sales	-	-	-	-
+/- Other Changes in MV	(164,212,080)	331,375,456	-	25,582,506
Ending Market Value	32,146,397,856	21,224,852,808	2,115,370,535	1,034,940,125

	Total PERF		
	Total Public Markets	Total Private Markets	Total PERF
Beginning Market Value	187,083,447,025	56,143,200,866	243,226,647,892
+ Contributions	7,675,858,675	897,899,361	8,573,758,036
- Distributions	(5,994,072,929)	(712,284,785)	(6,706,357,714)
+ Unitized Fund Purchases	-	-	-
- Unitized Fund Sales	1,393,788,540	-	1,393,788,540
+/- Other Changes in MV	(3,931,424,212)	192,745,883	(3,738,678,330)
Ending Market Value	186,227,597,099	56,521,561,325	242,749,158,424

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 October 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	40	0	10	36	5	3	3	8	105
New Proposal During the Month	21	1	25	9	10	5	0	2	73
Reinstated Proposal During Month	0	0	0	0	0	0	0	0	0
Decisions During the Month	31	0	18	19	11	4	1	4	88
End of Month Proposals	30	1	17	26	4	4	2	6	90
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	2	0	3	3	1	0	0	0	9
Screening	31	0	5	28	4	3	3	8	82
Due Diligence	5	0	2	5	0	0	0	0	12
Approved	2	0	0	0	0	0	0	0	2
Subtotal	40	0	10	36	5	3	3	8	105
New Proposals During the Month									
Subtotal	21	1	25	9	10	5	0	2	73
Reinstated Proposals During Month									
Subtotal	0	0	0	0	0	0	0	0	0
Decisions During the Month									
Committed	3	0	0	1	0	0	0	0	4
Declined	22	0	18	0	1	1	1	4	47
Failed to Materialize	0	0	0	0	0	2	0	0	2
Referred	6	0	0	18	10	1	0	0	35
Subtotal	31	0	18	19	11	4	1	4	88
End of Month Proposals									
Submitted	1	1	14	11	1	0	0	1	29
Screening	24	0	3	10	3	4	2	5	51
Due Diligence	4	0	0	5	0	0	0	0	9
Approved	1	0	0	0	0	0	0	0	1
Subtotal	30	1	17	26	4	4	2	6	90



Section V
Affiliate and Other Funds

MONTH ENDING OCTOBER 31, 2012



Section V: Affiliate and Other Funds

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

Asset Allocation as of October 31, 2012								
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	REITs	Commodities	Cash
Defined Benefit Plans								
Legislators Retirement System								
Target Ranges %	27-37%	N/A	N/A	37-47%	11-19%	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%
Judges I Retirement System								
Target Ranges %								100%
Strategic Target %								100%
Actual Investment %								100%
Variance % (Strategic vs. Actual)	0%	0%	0%	0%	0%	0%	0%	0%
Judges II Retirement System								
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 October 31, 2012)

Asset Allocation as of October 31, 2012								
	Global Equity	Domestic Equity	International Equity	Domestic Fixed	TIPS	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 %		24%	19%	30%	15%	8%	3%	0%
Variance % (Strategic vs. Actual)	0%	(1%)	(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 %		34%	31%	18%	5%	8%	3%	0%
Variance % (Strategic vs. Actual)	0%	(1%)	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 %		12.5%	19.3%	42%	15%	8%	3%	0%
Variance % (Strategic vs. Actual)	0%	(0.3%)	0.1%	0%	0%	0%	(0%)	0%
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). high yield remains in SK99 due to illiquidity of the positions.

Section V: Affiliate and Other Funds

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

Asset Allocation as of October 31, 2012					
	Global Equity	Fixed Income	TIPS	Commodites	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 %	31%	52%	15%	2%	0%
Variance % (Strategic vs. Actual)	1%	(1%)	(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 %	62%	27%	5%	4%	3%
Variance % (Strategic vs. Actual)	2%	(1%)	(0%)	(0%)	0%
Aggressive					
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%
Income					
Target Range %	25-35%	48-58%	11-19%	1-3%	0%
Strategic Target %	30%	53%	15%	2%	0%
Actual Investment %	31%	52%	15%	2%	0%
Variance % (Strategic vs. Actual)	1%	(1%)	(0%)	0%	0%
2005					
Target Range %	32-42%	40-50%	12-20%	1-3%	0%
Strategic Target %	37%	45%	16%	2%	0%
Actual Investment %	38%	44%	16%	2%	0%
Variance % (Strategic vs. Actual)	1%	(1%)	(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 %	46%	36%	15%	2%	2%
Variance % (Strategic vs. Actual)	2%	(1%)	(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 %	52%	32%	11%	3%	3%
Variance % (Strategic vs. Actual)	2%	(1%)	(0%)	(0%)	0%

Section V: Affiliate and Other Funds

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

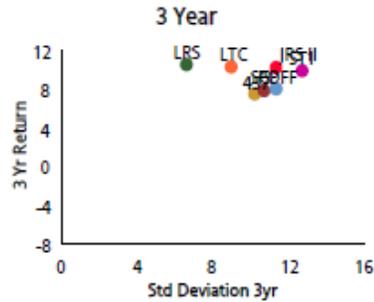
Asset Allocation as of October 31, 2012					
	Global Equity	Fixed Income	TIPS	Commodities	REITs
<i>Defined Contribution Plans</i>					
2020					
Target Range %	52-62%	25-35%	4-8%	2-6%	2-4%
Strategic Target %	57%	30%	6%	4%	3%
Actual Investment %	58%	29%	6%	4%	3%
Variance % (Strategic vs. Actual)	1%	(1%)	(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 %	67%	22%	2%	5%	4%
Variance % (Strategic vs. Actual)	1%	(1%)	(0%)	(0%)	0%
2030					
Target Range %	68-80%	11-21%	0%	3-7%	3-7%
Strategic Target %	74%	16%	0%	5%	5%
Actual Investment %	75%	15%	0%	5%	5%
Variance % (Strategic vs. Actual)	1%	(1%)	0%	(0%)	0%
2035					
Target Range %	76-88%	6-10%	0%	3-7%	3-7%
Strategic Target %	82%	8%	0%	5%	5%
Actual Investment %	83%	7%	0%	5%	5%
Variance % (Strategic vs. Actual)	1%	(1%)	0%	(0%)	0%
2040					
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%
2045					
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%
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%

Note: 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 October 31, 2012)

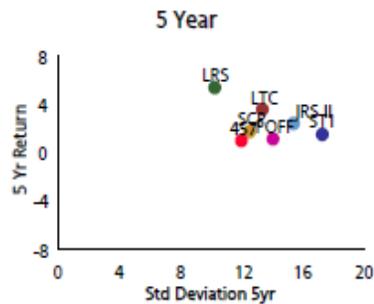
3 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.17	0.57	0.31
CERBT STRATEGY 1 FUND	-0.03	0.36	-0.09
457 AGGREGATE	-0.64	0.70	-0.91
JUDGES' RETIREMENT SYSTEM II FUND	-0.02	0.64	-0.03
BALANCED GROWTH - POFF	-1.38	0.91	-1.51
CERBT STRATEGY 2			
LEGISLATORS' RETIREMENT SYSTEM FUND	0.21	0.86	0.24
CERBT STRATEGY 3			
SCP AGGREGATE	-1.10	0.78	-1.41

5 Year Risk Profile



TRACKING ERROR

	Excess Return (%)	Tracking Error	Information Ratio
LONG-TERM CARE FUND	0.02	1.01	0.02
CERBT STRATEGY 1 FUND	0.32	1.06	0.30
457 AGGREGATE	-0.57	0.78	-0.74
JUDGES' RETIREMENT SYSTEM II FUND	-0.15	1.03	-0.14
BALANCED GROWTH - POFF	-1.11	1.08	-1.03
CERBT STRATEGY 2			
LEGISLATORS' RETIREMENT SYSTEM FUND	0.15	1.65	0.09
CERBT STRATEGY 3			
SCP AGGREGATE	-1.23	0.75	-1.63

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 0.25 is high.

CERBT Strategy 2 Inception date 10/1/2011. 3 and 5yr Tracking Error unavailable due to insufficient return history

CERBT Strategy 3 Inception date 1/1/2012. 3 and 5yr Tracking Error unavailable due to insufficient return history

Section V: Affiliate and Other Funds

Net Performance Summary (for the month October 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	(1)	0.0	(4)	0.2	4	0.9	19	2.0	12
JUDGES RETIREMENT SYSTEM II FUND	701	(0.2)	8	5.7	18	9.6	10	10.1	(2)	2.3	(14)	7.5	(11)
LEGISLATORS RETIREMENT SYSTEM FUND	126	0.2	9	4.8	32	9.8	24	10.5	21	5.2	15	7.7	16
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS SUPPLEMENTAL INCOME 457 PLAN	987	(0.9)	(21)	3.2	(37)	7.9	(77)	7.4	(64)	0.8	(57)	5.3	(44.0)
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	(0.8)	(20)	3.7	(41)	8.2	(76)	7.8	(110)	1.6	(122)		
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	477	(0.9)	(24)	3.8	(50)	8.3	(93)	8.0	(138)	1.0	(111)	5.7	(94)
HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CERBT STRATEGY 1	1,879	(0.3)	5	5.7	8	10.3	(3)	9.8	(4)	1.3	32		
CERBT STRATEGY 2	360	0.1	5	5.4	13	9.6	10						
CERBT STRATEGY 3	33	0.3	7	4.9	28								
CALPERS HEALTH CARE BOND FUND	398	0.3	12	2.5	71	6.5	120	6.8	67	6.4	4		
LONG TERM CARE FUND	3,720	(0.0)	6	5.0	23	10.4	23	10.2	18	3.4	2	7.9	6
RESERVE FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	(1)	0.0	(4)	0.2	4	0.9	19	2.0	12
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	10,982	0.2	19	0.40	36	1.0	86	1.65	152	0.82	20	2.00	15

Section V: Affiliate and Other Funds

Gross Performance Summary (for the month October 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	(1)	0.0	(4)	0.2	4	0.9	19	2.0	12
JUDGES RETIREMENT SYSTEM II FUND	701	(0.2)	8	5.7	18	9.6	10	10.1	(2)	2.3	(14)	7.5	(11)
LEGISLATORS RETIREMENT SYSTEM FUND	126	0.2	9	4.8	32	9.8	24	10.5	21	5.2	15	7.7	16
DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CALPERS SUPPLEMENTAL INCOME 457 PLAN	987	(0.9)	(88)	3.4	(18)	8.5	(21)	8.0	(9)				
SUPPLEMENTAL CONTRIBUTIONS PLAN	19	(0.8)	(16)	3.8	(24)	8.6	(32)	8.3	(60)				
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	477	(0.9)	(19)	4.0	(30)	8.8	(43)	8.5	(79)	1.7	(39)	6.5	(20)
HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CERBT STRATEGY 1	1,879	(0.3)	5	5.7	8	10.3	(3)	9.8	(4)	1.3	32		
CERBT STRATEGY 2	360	0.1	5	5.4	13	9.6	10						
CERBT STRATEGY 3	398	0.3	7	4.9	28								
CALPERS HEALTH CARE BOND FUND	398	0.3	12	2.5	71	6.5	120	6.8	67	6.4	4		
LONG TERM CARE FUND	3,720	(0.0)	6	5.0	23	10.4	23	10.2	18	3.4	2	7.9	6
RESERVE FUNDS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
CONTINGENCY RESERVE FUND	6	0.0	0	0.0	(1)	0.0	(4)	0.2	4	0.9	19	2.0	12
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS													
		1 Month		FYTD		1 Yr		3 Yr		5 Yr		10 Yr	
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	10,982	0.2	19	0.40	36	1.0	86	1.65	152	0.82	20	2.00	15

Section V: Affiliate and Other Funds

Policy Violations (for the month of October 31, 2012)

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 month of September:

- o Affiliate Investments

Policy Violations:

New

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Event Description	Resolution (expected) or Next Steps
No items report					

Section V: Affiliate and Other Funds

Policy Violations (for the month of October 31, 2012)

Existing

Program Area or Asset Class	Event Date	Resolution Date	Policy Violated	Event Description	Resolution (expected) or Next Steps
Fixed Income (Sec Lending)	2/7/2012	TBD	Statement of Investment Policy for Securities Lending. Attachment B, Delegated Cash Collateral Re-Investment Guidelines. Cash collateral received must be invested in securities that receive the required credit quality level. ABS Minimum Credit Rating must be Aaa/AAA/AAA	Security "SLM Student Loan Trust – SLMA_07-3_A2 (78443YAB2) 10/25/17" was downgraded by S&P and no longer meets rating standards specified by the policy.	On February 8, 2012, staff placed an indicative bid on the bond to brokers and bid levels provided were not attractive. Staff has recommended holding the bond for now but will closely monitor the bond to determine future action.
Fixed Income (Sec Lending)	10/10/2011	TBD	Statement of Investment Policy for Securities Lending. Attachment B, Delegated Cash Collateral Re-Investment Guidelines. Cash collateral received must be invested in securities that receive the required credit quality level.	Security "ACCESS Group – (00432CDM0) 04/25/17" was downgraded and no longer meets rating standards specified by the policy.	This violation will remain open until the securities are sold or completely paid down. Staff expects this Asset-Backed Security to pay down over the next 14 to 18 months.
Fixed Income (Sec Lending)	5/28/2010	TBD	Statement of Investment Policy for Securities Lending. Attachment B, Delegated Cash Collateral Re-Investment Guidelines. Cash collateral received must be invested in securities that receive the required credit quality level.	Security "SLM Student Loan Trust – (78443DAA0) 09/15/22" was downgraded and no longer meets rating standards specified by the policy.	This violation will remain open until the securities are sold or completely paid down. Staff expects this Asset-Backed Security to pay down over the next 14 to 18 months.
Fixed Income (Sec Lending)	8/29/2007	TBD	Statement of Investment Policy for Securities Lending. Attachment B, Delegated Cash Collateral Re-Investment Guidelines. Cash collateral received must be invested in securities that receive the required credit quality level.	Security "Gryphon (SIV) – (40052TAA7) 08/01/20" was downgraded and no longer meets rating standards specified by the policy.	This is a restructured SIV which is in runoff mode, with no structure maturity date. It is currently under review and Staff is working to maximize value and will continue to update the Board accordingly.
Fixed Income (Sec Lending)	12/21/2007	TBD	Statement of Investment Policy for Securities Lending. Attachment B, Delegated Cash Collateral Re-Investment Guidelines. Cash collateral received must be invested in securities that receive the required credit quality level.	Security "Ironside Holdings (SIV) – (IRONSZ\$09) 12/01/53" was downgraded and no longer meets rating standards specified by the policy.	This is a restructured SIV which is in runoff mode, with no structure maturity date. It is 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 October 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	1,876,081,526	359,474,753	30,934,245	396,616,053	3,711,325,163	6,112,392
+ Purchases	-	-	-	-	-	-
- Sales	-	-	-	-	-	-
+ Unitized Fund Purchases	8,000,000	1,100,000	1,990,000	492	9,145,000	-
- Unitized Fund Sales	(3,033,589)	(1,100,000)	-	-	(129,633)	-
+/- Other Changes in MV	(2,421,454)	547,949	(398)	1,287,800	(650,698)	494
Ending Market Value	1,878,626,483	360,022,702	32,923,847	397,904,345	3,719,689,832	6,112,886

	Defined Contribution and Deferred Compensation Plans	Defined Benefit Plans		
	Supplemental Income Plans (457/SCP/POFF)	Judges Retirement Fund	Judges Retirement System II Fund	Legislators Retirement System Fund
Beginning Market Value	1,217,675,135	55,881,587	696,816,878	125,942,902
+ Purchases	-	-	-	-
- Sales	-	-	-	-
+ Unitized Fund Purchases	7,610,375	-	5,810,000	-
- Unitized Fund Sales	(5,491,153)	-	-	(572,000)
+/- Other Changes in MV	(11,834,173)	4,515	(1,364,461)	261,132
Ending Market Value	1,207,960,184	55,886,102	701,262,417	125,632,034

	Unitized Funds					Affiliated and Other Funds
	Public Equity	REIT	Income*	Inflation	Liquidity*	
Beginning Market Value	77,256,028,479	1,626,859,485	43,400,001,461	3,692,679,008	6,579,417,420	4,979,061,899
+ Purchases	198,515,779	16,038,467	22,749,231,052	2,877,455,629	15,750,539,609	43,331,200
- Sales	(102,747,390)	(209,397)	(21,580,849,127)	(4,131,367,305)	(14,233,949,725)	(34,014,843)
+/- Other Changes in MV	(824,408,762)	6,893,540	(486,928,047)	(641,197,560)	(3,002,004,882)	(33,183,423)
Ending Market Value	76,527,388,106	1,649,582,094	44,081,455,339	1,797,569,773	5,094,002,422	4,955,194,833

* Maturities may be included due to the volume of transactions



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