

# CalPERS

## *Total Fund Monthly Update – Performance & Risk*

**MONTH ENDING SEPTEMBER 30, 2013**

## **Total Fund Monthly Update – Performance & Risk**

Month Ending September 30, 2013

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Note: Section I reports on Total Fund unless otherwise noted.



*Section I*  
**Asset Allocation, Risk and  
Performance**

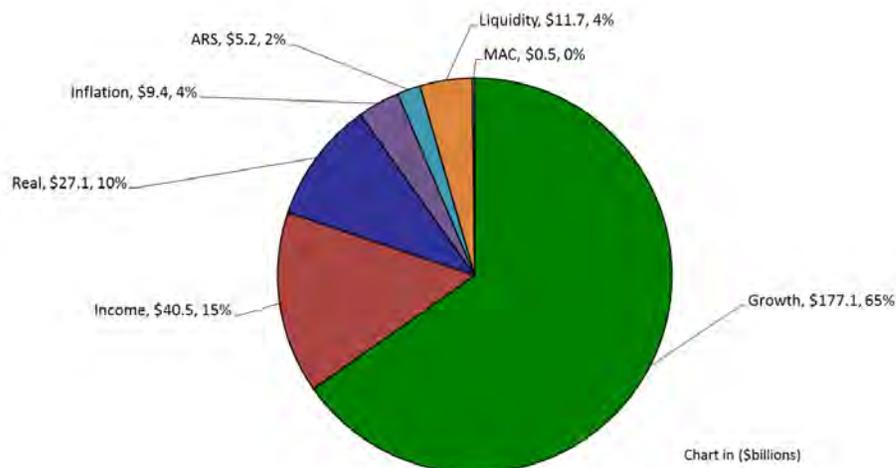


**MONTH ENDING SEPTEMBER 30, 2013**



Section I: Asset Allocation, Risk and Performance

**Asset Allocation and Unfunded Commitments (as of September 30, 2013)**



Asset Allocation as of September 30, 2013												
	Growth	Public Equity <sup>1</sup>	Private Equity <sup>1</sup>	Income	Liquidity	Real Assets	Real Estate	Forestland/ Infrastructure	Inflation	ARS <sup>3</sup>	Multi-Asset Class (MAC)	Total Fund
Strategic Target Range % <sup>1</sup>	56-70%	42-56%	10-18%	11-21%	1-7%	8-18%	7-13%	1-5%	1-7%			
Interim Strategic Target % <sup>2</sup>	64%	50%	14%	17%	4%	11%	9%	2%	4%	N/A	N/A	N/A
Actual Investment %	65%	54%	12%	15%	4%	10%	9%	1%	3%	N/A	N/A	N/A
Variance % (Strategic vs. Actual)	1%	4%	(2%)	(2%)	0%	(1%)	(0%)	(1%)	(1%)	N/A	N/A	N/A
Interim Strategic Target (\$billions)	\$173.7	\$135.7	\$38.0	\$46.1	\$10.9	\$29.9	\$24.4	\$5.4	\$10.9	N/A	N/A	\$271.5
Actual Investment (\$billions)	\$177.1	\$145.8	\$31.3	\$40.5	\$11.7	\$27.1	\$23.7	\$3.4	\$9.4	\$5.2	\$0.5	\$271.5
Variance \$(Interim Strategic vs. Actual) (\$billions)	\$3.4	\$10.1	(\$6.7)	(\$5.6)	\$0.8	(\$2.8)	(\$0.8)	(\$2.0)	(\$1.5)	N/A	N/A	N/A
% Passive	55%	67%	0%	0%	0%	0%	0%	0%	0%	0%	0%	36%
% Active	45%	33%	100%	100%	100%	100%	100%	100%	100%	100%	100%	64%
% Internal	68%	83%	0%	91%	100%	0%	0%	0%	100%	0%	0%	66%
% External	32%	17%	100%	9%	0%	100%	100%	100%	0%	100%	100%	34%

<sup>1</sup> 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, the Global Equity Cash Account is included in Domestic Equity, and the Domestic Fixed Income Transition Account is included in Domestic Fixed Income.

<sup>2</sup> Interim strategic targets adopted by Board at the August 17, 2011 Investment Committee meeting

<sup>3</sup> This report provides invested dollars and does not include futures overlay; notional value of futures = \$2.7 billion

Unfunded Market Commitments as of September 30, 2013										
	Private Equity		Real Estate (as of June 30, 2013)		Infrastructure (as of June 30, 2013)		Forestland (as of June 30, 2013)		Corporate Governance (as of August 31, 2013)	
Funded	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation	\$(in Billions)	% Allocation
Fair Market Value (FMV)	\$31.3	12%	\$23.7	9%	\$1.2	0%	\$2.2	1%	\$4.7	2%
Unfunded Commitment (UC)	\$13.2	5%	\$7.8	3%	\$4	0%	\$0	0%	\$1	0%
FMV + UC	\$44.5	16%	\$31.5	12%	\$1.6	1%	\$2.2	1%	\$4.8	2%

## Section I: Asset Allocation, Risk and Performance

**Net Performance vs. Expected Returns** (as of September 30, 2013)

Asset Class	Actual	1-Year Net	CalPERS Long-Term	Current Projected	Current	Expected	+/- One Standard
	Allocation	Asset Return	Expected Annual	Standard Deviation	+/- One Standard	Standard Deviation <sup>1</sup>	Deviation Range <sup>3</sup>
	(%)	(%)	Return <sup>1, 2</sup>	(%)	(%)	(%)	(%)
Public Equity	54	20.8	7.75	16.22	(8.47) - 23.97	16.00	(8.25) - 23.75
Private Equity	12	19.0	9.00	15.08	(6.08) - 24.08	26.00	(17.00) - 35.00
<b>Total Growth</b>	<b>65</b>	<b>20.5</b>					
<b>Income</b>	<b>15</b>	<b>(3.9)</b>	<b>3.75</b>	<b>5.76</b>	<b>(2.01) - 9.51</b>	<b>6.50</b>	<b>(2.75) - 10.25</b>
Real Estate	10	12.4	7.00	13.54	(6.54) - 20.54	14.00	(7.00) - 21.00
Forestland	1	6.3	7.00	13.60	(6.60) - 20.60	10.00	(3.00) - 17.00
Infrastructure	0	9.3	7.00	12.87	(5.87) - 19.87	10.00	(3.00) - 17.00
<b>Total Real Assets</b>	<b>10</b>	<b>11.7</b>					
Inflation Linked Bonds	3	(2.0)	3.50	5.93	(2.43) - 9.43	6.00	(2.50) - 9.50
Commodities	1	(4.6)	5.00	20.61	(15.61) - 25.61	21.00	(16.00) - 26.00
<b>Total Inflation</b>	<b>3</b>	<b>(2.9)</b>					
<b>Absolute Return Strategies (ARS)<sup>1</sup></b>	<b>2</b>	<b>6.8</b>		<b>3.56</b>	<b>(3.56) - 3.56</b>		
Liquidity	4	(1.1)	3.25	1.66	1.59 - 4.91	6.20	(2.95) - 9.45
<b>Multi-Asset Class (MAC)<sup>4</sup></b>	<b>0</b>			<b>4.83</b>	<b>(4.83) - 4.83</b>		
<b>Total Fund</b>	<b>100</b>	<b>13.7</b>	<b>7.38</b>	<b>11.39</b>	<b>(4.01) - 18.77</b>	<b>11.92</b>	<b>(4.54) - 19.30</b>

<sup>1</sup> 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.

<sup>2</sup> Compound return

<sup>3</sup> 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.

<sup>4</sup> Multi-Asset Class began funding in December 2012

## Section I: Asset Allocation, Risk and Performance

**Top 20 Exposures: Public Markets** (as of September 30, 2013)

	Company Name <sup>1</sup>	Total Global Equity <sup>2</sup>	Total Global Fixed Income <sup>3</sup>	Market Value (millions)	% of Total Fund
1	APPLE INC	\$1323.3	\$64.2	\$1387.6	0.51%
2	EXXON MOBIL CORP	\$1227.5		\$1227.5	0.45%
3	GENERAL ELECTRIC	\$751.7	\$280.3	\$1032.0	0.38%
4	MICROSOFT CORP	\$842.9	\$34.5	\$877.4	0.32%
5	WELLS FARGO & CO	\$731.5	\$127.5	\$859.0	0.32%
6	JPMORGAN CHASE & CO	\$677.5	\$153.1	\$830.6	0.31%
7	CHEVRON CORP	\$777.5	\$23.8	\$801.4	0.30%
8	JOHNSON & JOHNSON	\$793.6		\$793.6	0.29%
9	AT&T INC	\$651.7	\$138.0	\$789.7	0.29%
10	NESTLE SA REG	\$774.7		\$774.7	0.29%
11	GOOGLE INC	\$747.1		\$747.1	0.28%
12	VERIZON COMMUNICATIONS INC	\$467.8	\$274.1	\$741.9	0.27%
13	BANK OF AMERICA CORP	\$538.5	\$139.9	\$678.4	0.25%
14	ROYAL DUTCH SHELL*	\$661.7		\$661.7	0.24%
15	PFIZER INC	\$594.5	\$66.6	\$661.1	0.24%
16	PROCTER & GAMBLE CO	\$651.2		\$651.2	0.24%
17	VODAFONE GROUP PLC	\$588.1	\$53.8	\$641.9	0.24%
18	ROGERS CORP	\$642.6		\$636.7	0.23%
19	HSBC HOLDINGS PLC	\$631.7		\$631.7	0.23%
20	CITIGROUP INC	\$523.4	\$104.4	\$627.8	0.23%

\*Includes both Class A and Class B shares of common stock

<sup>1</sup> Only includes Global Equity and Fixed Income assets custodied with master custodian

<sup>2</sup> Source for Global Equity values: State Street Bank

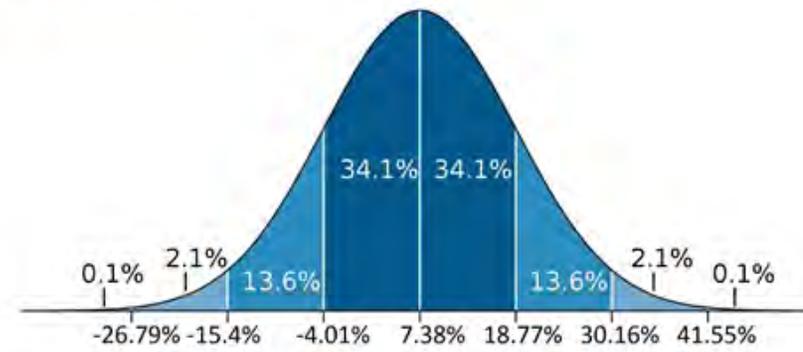
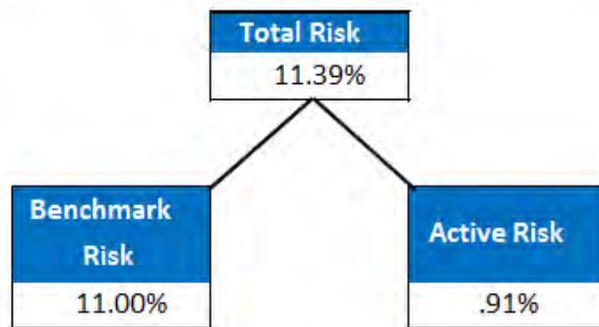
<sup>3</sup> Source for Global Fixed Income values: Blackrock Solutions

**Total Fund Risk Profile** (as of September 30, 2013)

# Total Fund Risk Profile

As of August 31, 2013

- Total Fund Forecast Risk is 11.39%
- Forecast Tracking Error is .91% and is within guidelines
- 10-Day Value-at-Risk is \$9.8 billion
- 10-Day Expected Shortfall is \$12.3 billion



Forecasted Distribution of Returns\*

\*Based on Forecasted Returns from 2010 Asset Liability Workshop of 7.4% and Predicted Risk of 12.18%

Note: Due to reporting constraints, data is as of August 31, 2013

**Total Fund Risk Profile** (as of September 30, 2013)

## Active Risk Summary Table

Asset Class	Market Value (\$millions)	Total Risk (%)	%Contribution to Total Risk	Active Risk	Correlation	Value-at-Risk (\$millions)	Conditional Value-at-Risk (\$millions)*
Private Equity	31,412	15.08	14.84	5.73	.95	1,500	1,941
Public Equity	137,053	16.22	72.93	.32	.99	7,151	9,071
Income	42,242	5.76	.93	.74	.12	808	1,016
Commodities	3,180	20.61	1.05	1.22	.48	208	264
Inflation-Linked Bonds	6,793	5.93	.58	1.24	.43	126	158
Real Assets	26,140	13.25	9.32	4.44	.82	1,111	1,425
Liquidity	11,515	1.66	-.015	.30	-.24	63	78
Absolute Return	5,210	3.56	.48	3.69	.79	54	68
MAC Program	511	4.83	.03	4.83	.35	8	10
Beta Overlay**	618	63.75	1.28	47.76	.98	126	162
Currency Overlay***	58	-	-1.26	-	-.41	302	380
<b>CalPERS PERF</b>	<b>264,896</b>	<b>11.39</b>	<b>100</b>	<b>.91</b>	<b>1.00</b>	<b>9,753</b>	<b>12,349</b>

\*10 day, 95% confidence Monte Carlo Value-at-Risk (VaR) simulation

\*\* Beta Overlay market value is collateral held in the portfolio

\*\*\* Currency Overlay market value is the net mark to market on the derivatives in the portfolio

Note: All risk statistics are as of August 31, 2013

## Section I: Asset Allocation, Risk and Performance

**Net Performance Summary (as of September 30, 2013)**

			1 Month		FYTD		1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (\$millions)	% of Total Fund 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
<b>TOTAL FUND SUMMARY</b>														
GROWTH	176,412	65.0	4.7	91	7.9	89	20.5	(18)	12.3	(47)	8.1	(151)	8.5	(75)
PUBLIC EQUITY	145,102	53.5	5.6	17	8.6	20	20.8	100	11.3	45	8.5	(39)	7.9	(32)
PRIVATE EQUITY	31,310	11.5	0.8	277	4.6	287	19.0	(397)	15.8	(292)	7.6	(506)	12.8	(144)
INCOME	40,399	14.9	1.3	(6)	0.6	5	(3.9)	101	4.4	61	9.0	180	6.5	75
LIQUIDITY	11,986	4.4	0.5	(27)	0.1	(25)	(1.1)	(7)	1.4	(28)	1.1	(15)	2.3	(1)
REAL	27,058	10.0	1.4	(165)	1.4	(172)	11.7	90	11.9	(20)	(6.8)	(1,045)	3.7	(528)
REAL ESTATE	23,652	8.7	1.6	(204)	1.6	(204)	12.4	89	13.6	(2)	(7.7)	(1,237)	3.0	(651)
FORESTLAND	2,228	0.8	(0.5)	(141)	(0.5)	(141)	6.3	(311)	(2.8)	(643)	(1.3)	(337)		
INFRASTRUCTURE	1,178	0.4	2.5	191	2.5	118	9.3	352	18.9	1,193	15.3	914		
INFLATION	9,395	3.5	0.9	(14)	2.7	(14)	(2.9)	9	5.5	132	1.3	(64)		
COMMODITIES	1,249	0.5	(3.4)	2	3.4	(137)	(4.6)	(48)	3.1	(45)	(8.1)	44		
INFLATION - LINKED BONDS	5,857	2.2	2.7	0	2.3	1	(2.0)	53	4.9	36	5.5	21		
TACTICAL INFLATION ASSETS	2,404	0.9	(1.2)	(27)										
ABSOLUTE RETURN STRATEGIES	5,175	1.9	0.4	(11)	1.7	37	6.8	150	3.5	(189)	3.6	(228)	5.0	(286)
MULTI-ASSET CLASS	516	0.2	1.0	44	0.0	(178)								
OVERLAY+TRANSITION+PLAN LEVEL PORTFOLIOS	513	0.2												
<b>TOTAL FUND</b>	<b>271,454</b>	<b>100.0</b>	<b>3.4</b>	<b>44</b>	<b>5.4</b>	<b>56</b>	<b>13.7</b>	<b>140</b>	<b>10.2</b>	<b>18</b>	<b>6.6</b>	<b>(154)</b>	<b>7.2</b>	<b>(81)</b>

**Total Fund Inception to Date Net Return: 8.65%**

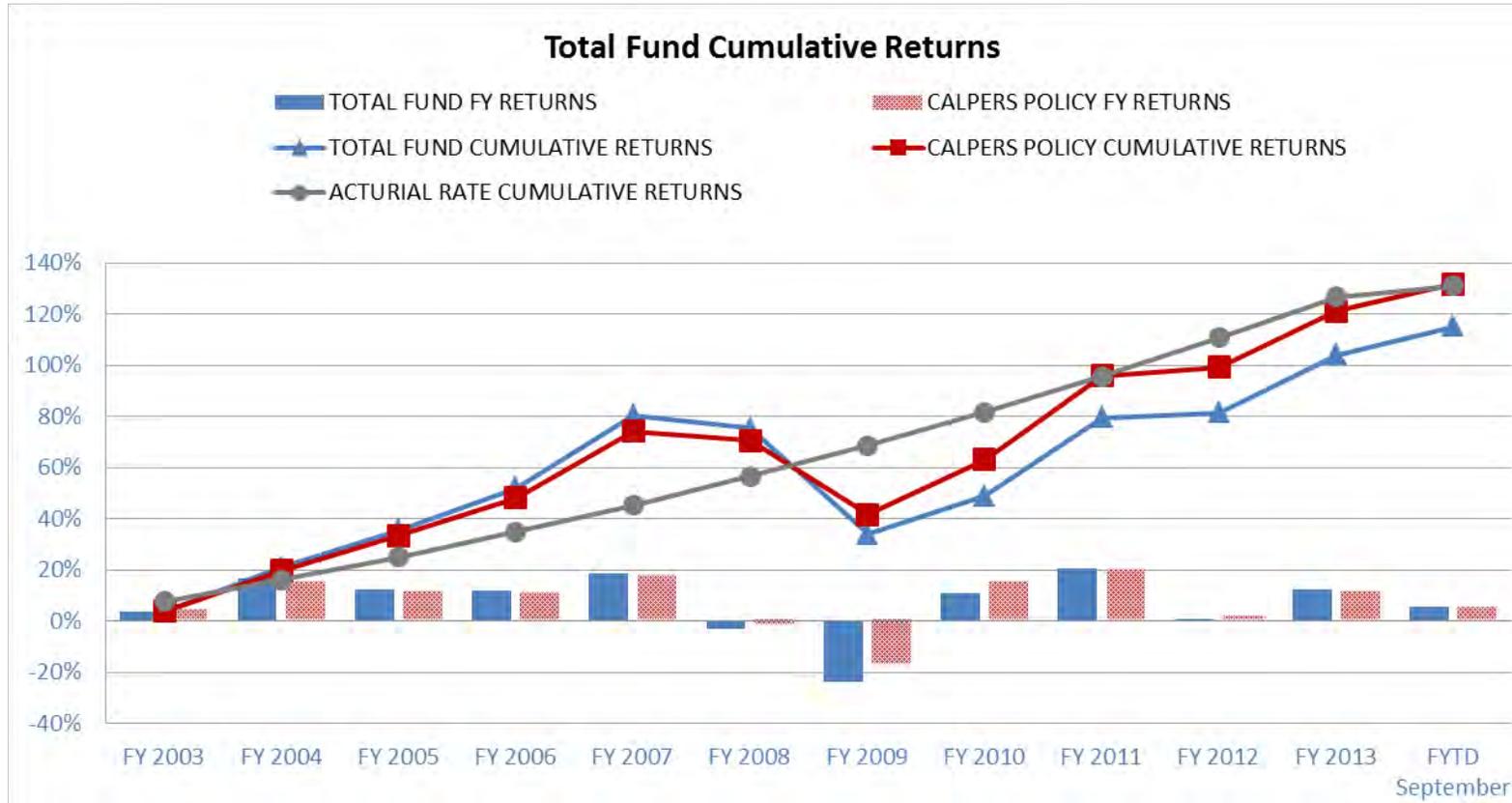
Inception date: 07/01/1988

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

			1 Month		FYTD		1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (\$millions)	% of Total Fund Plus TAP 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
<b>TOTAL FUND PLUS TAP SUMMARY</b>														
TOTAL FUND	271,454	99.96	3.4	44	5.4	56	13.7	140	10.2	18	6.6	(154)	7.2	(81)
TERMINATED AGENCY POOL	114	0.04	1.0	N/A	(1.1)	N/A		N/A		N/A		N/A		N/A
<b>TOTAL FUND PLUS TAP</b>	<b>271,568</b>	<b>100.0</b>	<b>3.4</b>		<b>5.4</b>		<b>13.7</b>		<b>10.2</b>		<b>6.6</b>		<b>7.2</b>	

Section I: Asset Allocation, Risk and Performance

**Net Performance Summary** (as of September 30, 2013)



Inflation, Liquidity and Real Assets were created July 1, 2011 from existing portfolios; therefore historical values are being represented from prior years.

Note: Actuarial Rate of Return FY 2003-12 was 7.75%. FY 2012-FYTD rate is 7.5%.



*Section II*  
**Investment Transactions**

**MONTH ENDING SEPTEMBER 30, 2013**



## Section II: Investment Transactions

**Investment Transactions Summary – Estimated Values (as of September 30, 2013)**

	Total Fund - Public Markets						MAC
	Public Equity	REIT	Income	Inflation	ARS	Liquidity	
<b>Beginning Market Value</b>	138,054,277,965	25,519	39,967,912,752	9,326,961,925	5,177,790,133	10,657,547,984	511,134,500
<b>+ Purchases</b>	2,437,304,768	-	1,006,220,828	609,068,120	-	2,693,307,000	-
<b>- Sales</b>	(2,057,625,077)	-	(836,909,512)	(608,791,493)	21,613,317	(502,782,000)	-
<b>+ Unitized Fund Purchases</b>	472,787	-	-	-	-	38,000,000	-
<b>- Unitized Fund Sales</b>	(35,554,887)	-	-	-	-	-	-
<b>+/- Other Changes in MV</b>	7,438,242,195	907	361,322,828	68,128,603	(24,678,574)	(1,221,947,816)	5,299,500
<b>Ending Market Value</b>	145,837,117,752	26,426	40,498,546,895	9,395,367,155	5,174,724,876	11,664,125,168	516,434,000

	Total Fund - Private Markets			
	Private Equity	Real Estate	Forestland	Infrastructure
<b>Beginning Market Value</b>	31,431,263,367	22,443,586,024	2,242,059,323	1,134,580,072
<b>+ Contributions</b>	355,517,254	575,114,970	-	223,774,632
<b>- Distributions</b>	(806,638,765)	(349,834,227)	(1,005,889)	(48,236,451)
<b>+/- Other Changes in MV</b>	329,863,513	983,197,786	(13,168,410)	(132,466,118)
<b>Ending Market Value</b>	31,310,005,369	23,652,064,552	2,227,885,024	1,177,652,135

	Total Public Markets	Total Private Markets	Total Fund
<b>Beginning Market Value</b>	203,695,650,778	57,251,488,786	260,947,139,564
<b>+ Contributions</b>	6,745,900,716	1,154,406,855	7,900,307,571
<b>- Distributions</b>	(3,984,494,764)	(1,205,715,332)	(5,190,210,096)
<b>+ Unitized Fund Purchases</b>	38,472,787	-	38,472,787
<b>- Unitized Fund Sales</b>	(35,554,887)	-	(35,554,887)
<b>+/- Other Changes in MV</b>	6,626,367,643	1,167,426,770	7,793,794,413
<b>Ending Market Value</b>	213,086,342,273	58,367,607,080	271,453,949,353

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

## Section II: Investment Transactions

**Investment Transactions Summary – Affiliate and Other Funds – Estimated Values (as of August 31, 2013)**

	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
<b>Beginning Market Value</b>	2,308,207,679	433,440,525	59,856,458	389,801,956	3,723,189,803	6,113,337
<b>+ Unitized Fund Purchases</b>	69,700,000	8,660,000	1,140,000	180	42,044,545	-
<b>- Unitized Fund Sales</b>	-	(9,500,000)	(1,140,000)	-	(36,325,279)	-
<b>+/- Other Changes in MV</b>	99,151,643	16,375,851	1,675,410	4,134,840	79,744,193	(6,113,287)
<b>Ending Market Value</b>	2,477,059,322	448,976,376	61,531,868	393,936,976	3,808,653,262	50

	Defined Contribution and Deferred Compensation Plans	Defined Benefit Plans			PERF-Other Funds
	Supplemental Income Plans (457/SCP/POFF)	Judges' Retirement Fund	Judges' Retirement System II Fund	Legislators' Retirement System Fund	Terminated Agency Pool
<b>Beginning Market Value</b>	786,627,247	47,890,753	805,701,228	120,909,024	112,717,377
<b>+ Unitized Fund Purchases</b>	16,051,315	-	20,797,000	2,280,000	-
<b>- Unitized Fund Sales</b>	(15,907,551)	-	(14,465,000)	(2,949,000)	-
<b>+/- Other Changes in MV</b>	(143,764)	(1,134)	33,207,286	3,385,279	1,069,193
<b>Ending Market Value</b>	786,627,247	47,889,619	845,240,514	123,625,303	113,786,570

	Unitized Funds					Affiliated and Other Funds
	Public Equity	REIT	Income*	Inflation	Liquidity*	
<b>Beginning Market Value</b>	91,102,255,663	97,784,244	39,489,475,394	1,437,103,478	4,478,259,124	2,966,268,631
<b>+ Purchases</b>	704,497,854	3,340,966	18,194,393,873	277,543,592	23,397,646,041	119,894,659
<b>- Sales</b>	(160,051,870)	(1,295,453)	(19,108,869,327)	(245,543,592)	(24,784,166,000)	(113,049,993)
<b>+/- Other Changes in MV</b>	4,353,094,424	5,783,930	1,386,704,797	(65,605,855)	599,145,583	86,939,258
<b>Ending Market Value</b>	95,999,796,071	105,613,688	39,961,704,737	1,403,497,623	3,690,884,749	3,060,052,556

\* Maturities may be included due to the volume of transactions



*Section III*  
**Affiliate and Other Funds**

**MONTH ENDING SEPTEMBER 30, 2013**



**Asset Allocation** (as of September 30, 2013)

<b>Asset Allocation as of September 30, 2013</b>				
<b>Defined Benefit Plans</b>	<b>Target Range %</b>	<b>Strategic Target %</b>	<b>Actual Investment %</b>	<b>Variance % (Strategic vs. Actual)</b>
<b>Legislators' Retirement System</b>				
Global Equity	27-37%	32%	32%	0%
Domestic Fixed	37-47%	42%	42%	0%
TIPS	11-19%	15%	15%	0%
REITs	6-10%	8%	8%	0%
Commodities	1-5%	3%	3%	0%
Cash	N/A	0%	0%	0%
<b>Judges' I Retirement System</b>				
Global Equity	N/A	N/A	N/A	N/A
Domestic Fixed	N/A	N/A	N/A	N/A
TIPS	N/A	N/A	N/A	N/A
REITs	N/A	N/A	N/A	N/A
Commodities	N/A	N/A	N/A	N/A
Cash	100%	100%	100%	0%
<b>Judges' II Retirement System</b>				
Global Equity	58-68%	63%	63%	0%
Domestic Fixed	15-25%	20%	20%	0%
TIPS	4-8%	6%	6%	0%
REITs	6-10%	8%	8%	0%
Commodities	1-5%	3%	3%	0%
Cash	N/A	3%	3%	0%

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

**Asset Allocation** (as of September 30, 2013)

<b>Asset Allocation as of September 30, 2013</b>				
<b>Health and Other Post-Employment Benefit Trusts</b>	<b>Target Range %</b>	<b>Strategic Target %</b>	<b>Actual Investment %</b>	<b>Variance % (Strategic vs. Actual)</b>
<b>Long-Term Care Fund</b>				
Global Equity	11-19%	15%	16%	1%
Domestic Fixed	56-66%	61%	60%	(1%)
TIPS	4-8%	6%	6%	0%
REITs	8-16%	12%	12%	0%
Commodities	4-8%	6%	6%	0%
Cash	N/A	0%	0%	0%
<b>CERBT Strategy 1</b>				
Global Equity	61-71%	66%	66%	0%
Domestic Fixed	13-23%	18%	18%	0%
TIPS	3-7%	5%	5%	0%
REITs	6-10%	8%	8%	0%
Commodities	1-5%	3%	3%	0%
Cash	N/A	0%	0%	0%
<b>CERBT Strategy 2</b>				
Global Equity	45-55%	50%	50%	0%
Domestic Fixed	19-29%	24%	24%	0%
TIPS	11-19%	15%	15%	0%
REITs	6-10%	8%	8%	0%
Commodities	1-5%	3%	3%	0%
Cash	N/A	0%	0%	0%
<b>CERBT Strategy 3</b>				
Global Equity	27-37%	32%	32%	0%
Domestic Fixed	37-47%	42%	42%	0%
TIPS	11-19%	15%	15%	0%
REITs	6-10%	8%	8%	0%
Commodities	1-5%	3%	3%	0%
Cash	N/A	0%	0%	0%
<b>Health Care Bond Fund</b>				
Domestic Fixed	100%	100%	100%	0%
<b>Contingency Reserve Fund</b>				
Cash	100%	100%	100%	0%

**Asset Allocation** (as of September 30, 2013)

<b>Asset Allocation as of September 30, 2013</b>				
<b>Defined Contribution Plans</b>	<b>Target Range %</b>	<b>Strategic Target %</b>	<b>Actual Investment %</b>	<b>Variance % (Strategic vs. Actual)</b>
<b>Conservative</b>				
Global Equity	25-35%	30%	32%	(2%)
Fixed Income	48-58%	53%	52%	1%
TIPS	11-19%	15%	15%	0%
Commodities	1-3%	2%	2%	0%
REITs	0%	0%	0%	0%
<b>Moderate</b>				
Global Equity	55-65%	60%	62%	(2%)
Fixed Income	23-33%	28%	27%	1%
TIPS	3-7%	5%	5%	0%
Commodities	2-6%	4%	4%	0%
REITs	2-4%	3%	3%	0%
<b>Aggresivie</b>				
Global Equity	79-91%	85%	86%	(1%)
Fixed Income	3-7%	5%	5%	0%
TIPS	0%	0%	0%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%
<b>Income</b>				
Global Equity	25-35%	30%	32%	(2%)
Fixed Income	48-58%	53%	52%	1%
TIPS	11-19%	15%	15%	0%
Commodities	1-3%	2%	2%	0%
REITs	0%	0%	0%	0%

**Asset Allocation** (as of September 30, 2013)

<b>Asset Allocation as of September 30, 2013</b>				
<b>Defined Contribution Plans</b>	<b>Target Range %</b>	<b>Strategic Target %</b>	<b>Actual Investment %</b>	<b>Variance % (Strategic vs. Actual)</b>
<b>2005</b>				
Global Equity	30-40%	35%	37%	(2%)
Fixed Income	42-52%	47%	46%	1%
TIPS	12-20%	16%	16%	0%
Commodities	1-3%	2%	2%	0%
REITs	0%	0%	0%	0%
<b>2010</b>				
Global Equity	38-48%	43%	45%	(2%)
Fixed Income	32-42%	37%	36%	1%
TIPS	12-20%	16%	15%	1%
Commodities	1-3%	2%	2%	0%
REITs	0%	2%	2%	0%
<b>2015</b>				
Global Equity	43-53%	48%	50%	(2%)
Fixed Income	29-39%	34%	33%	1%
TIPS	9-15%	12%	12%	0%
Commodities	1-5%	3%	3%	0%
REITs	2-4%	3%	3%	0%
<b>2020</b>				
Global Equity	50-60%	55%	57%	(2%)
Fixed Income	26-36%	31%	30%	1%
TIPS	5-9%	7%	7%	0%
Commodities	2-6%	4%	4%	0%
REITs	2-4%	3%	3%	0%
<b>2025</b>				
Global Equity	59-69%	64%	65%	(1%)
Fixed Income	19-29%	24%	23%	1%
TIPS	2-4%	3%	3%	0%
Commodities	3-7%	5%	5%	0%
REITs	2-6%	4%	4%	0%

**Asset Allocation** (as of September 30, 2013)

<b>Asset Allocation as of September 30, 2013</b>				
<b>Defined Contribution Plans</b>	<b>Target Range %</b>	<b>Strategic Target %</b>	<b>Actual Investment %</b>	<b>Variance % (Strategic vs. Actual)</b>
<b>2030</b>				
Global Equity	66-78%	72%	73%	(1%)
Fixed Income	12-22%	17%	16%	1%
TIPS	0-2%	1%	1%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%
<b>2035</b>				
Global Equity	75-87%	81%	82%	(1%)
Fixed Income	7-11%	9%	8%	1%
TIPS	0%	0%	0%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%
<b>2040</b>				
Global Equity	79-91%	85%	86%	(1%)
Fixed Income	3-7%	5%	5%	0%
TIPS	0%	0%	0%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%
<b>2045</b>				
Global Equity	79-91%	85%	86%	(1%)
Fixed Income	3-7%	5%	5%	0%
TIPS	0%	0%	0%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%
<b>2050</b>				
Global Equity	79-91%	85%	86%	(1%)
Fixed Income	3-7%	5%	5%	0%
TIPS	0%	0%	0%	0%
Commodities	3-7%	5%	5%	0%
REITs	3-7%	5%	5%	0%

## Section III: Affiliate and Other Funds

**Net Performance Summary (as of September 30, 2013)**

	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
<b>DEFINED BENEFIT PLANS</b>													
JUDGES' RETIREMENT FUND	48	0.0	0	0.0	(2)	0.0	(6)	0.1	(1)	0.3	10	1.8	12
JUDGES' RETIREMENT SYSTEM II FUND	845	4.1	3	5.8	3	11.9	40	10.0	(2)	8.6	21	7.2	0
LEGISLATORS' RETIREMENT SYSTEM FUND	124	2.8	2	3.2	3	4.3	59	7.9	21	8.8	81	6.7	4
<b>DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS</b>													
CALPERS SUPPLEMENTAL INCOME 457 PLAN	1,118	3.1	(4)	4.8	(7)	12.1	(49)	9.0	(65)	6.9	(36)	5.5	(38.0)
SUPPLEMENTAL CONTRIBUTIONS PLAN	20	3.0	(4)	4.7	(7)	11.0	(39)	8.9	(60)	8.1	(100)	N/A	N/A
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	502	3.1	(3)	4.9	(3)	11.4	(24)	9.2	(66)	6.7	(114)	5.8	(89)
<b>HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS</b>													
CERBT STRATEGY 1	2,477	4.2	5	5.9	4	11.6	22	9.9	5	8.0	(2)	N/A	N/A
CERBT STRATEGY 2	449	3.6	5	4.6	5	8.2	37	N/A	N/A	N/A	N/A	N/A	N/A
CERBT STRATEGY 3	62	2.8	4	3.2	5	3.8	31	N/A	N/A	N/A	N/A	N/A	N/A
CALPERS HEALTH CARE BOND FUND	394	1.1	12	0.8	23	(0.6)	104	3.7	85	6.2	75	N/A	N/A
LONG - TERM CARE FUND	3,809	2.1	5	2.1	14	0.6	42	6.3	20	7.2	44	6.5	17
<b>RESERVE FUNDS</b>													
CONTINGENCY RESERVE FUND	0	0.0	0	0.0	(2)	0.0	(6)	0.1	(1)	0.3	10	1.8	12
<b>SECURITIES LENDING COLLATERAL REINVESTMENT POOLS</b>													
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	11,955	0.0	2	0.44	42	1.1	102	1.34	123	1.05	90	1.97	23

## Section II: Affiliate and Other Funds

**Gross Performance Summary (as of September 30, 2013)**

	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
<b>DEFINED BENEFIT PLANS</b>													
JUDGES' RETIREMENT FUND	48	0.0	0	0.0	(2)	0.0	(6)	0.1	(1)	0.3	10	1.8	12
JUDGES' RETIREMENT SYSTEM II FUND	845	4.1	3	5.8	3	11.9	40	10.0	(2)	8.6	21	7.2	0
LEGISLATORS' RETIREMENT SYSTEM FUND	124	2.8	2	3.2	3	4.3	59	7.9	21	8.8	81	6.7	4
<b>DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS</b>													
<b>1 Month</b>													
<b>FYTD</b>													
<b>1-Yr</b>													
<b>3-Yr</b>													
<b>5-Yr</b>													
<b>10-Yr</b>													
CALPERS SUPPLEMENTAL INCOME 457 PLAN	1,118	3.1	312	4.9	7	12.7	7	9.6	(9)	7.5	18	N/A	N/A
SUPPLEMENTAL CONTRIBUTIONS PLAN	20	3.0	1	4.9	9	11.7	29	9.5	(6)	8.6	(49)	N/A	N/A
STATE PEACE OFFICERS' & FIREFIGHTERS' (POFF) SUPPLEMENTAL PLAN	502	3.1	1	5.1	9	12.0	31	9.8	(10)	7.3	(52)	6.5	(16)
<b>HEALTH AND OTHER POST-EMPLOYMENT BENEFIT FUNDS</b>													
<b>1 Month</b>													
<b>FYTD</b>													
<b>1-Yr</b>													
<b>3-Yr</b>													
<b>5-Yr</b>													
<b>10-Yr</b>													
CERBT STRATEGY 1	2,477	4.2	5	5.9	4	11.6	22	9.9	5	8.0	(2)	N/A	N/A
CERBT STRATEGY 2	449	3.6	5	4.6	5	8.2	37	N/A	N/A	N/A	N/A	N/A	N/A
CERBT STRATEGY 3	394	2.8	4	3.2	5	3.8	31	N/A	N/A	N/A	N/A	N/A	N/A
CALPERS HEALTH CARE BOND FUND	394	1.1	12	0.8	23	(0.6)	104	3.7	85	6.2	75	4.6	N/A
LONG - TERM CARE FUND	3,809	2.1	5	2.1	14	0.6	42	6.3	20	7.2	44	6.5	17
<b>RESERVE FUNDS</b>													
<b>1 Month</b>													
<b>FYTD</b>													
<b>1-Yr</b>													
<b>3-Yr</b>													
<b>5-Yr</b>													
<b>10-Yr</b>													
CONTINGENCY RESERVE FUND	0	0.0	0	0.0	(2)	0.0	(6)	0.1	(1)	0.3	10	1.8	12
<b>SECURITIES LENDING COLLATERAL</b>													
<b>1 Month</b>													
<b>FYTD</b>													
<b>1-Yr</b>													
<b>3-Yr</b>													
<b>5-Yr</b>													
<b>10-Yr</b>													
SECURITIES LENDING COLLATERAL REINVESTMENT POOLS	11,955	0.0	2	0.44	42	1.1	102	1.34	123	1.05	90	1.97	23



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