

# CalPERS

## *CIO Quarterly Performance Report*

QUARTER ENDING SEPTEMBER 30, 2013

## CalPERS CIO Quarterly Performance Report

Quarter Ending September 30, 2013

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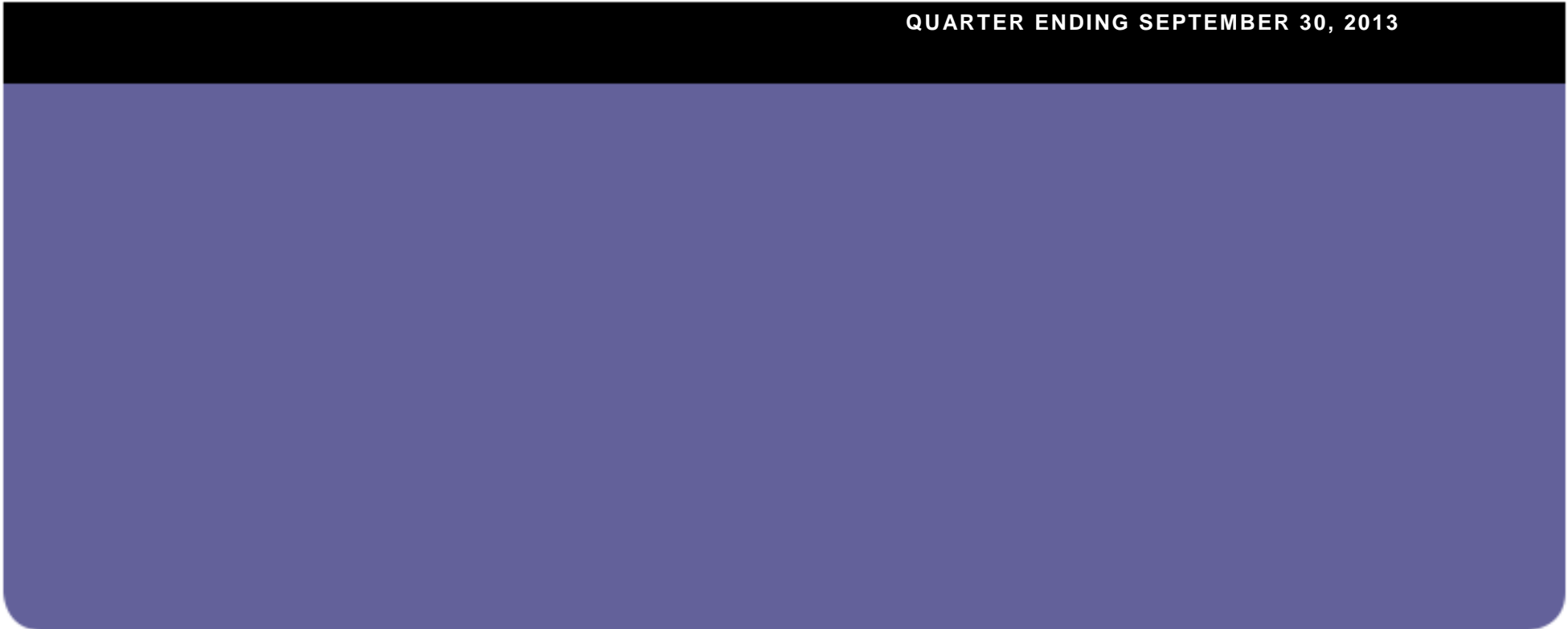
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*Section I*  
**Total Fund**

QUARTER ENDING SEPTEMBER 30, 2013



Section I: Total Fund

**Total Fund Summary**

	September 30, 2013			1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Fund Assets	Asset Allocation Target Range %	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) <sup>3</sup>	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>TOTAL FUND SUMMARY</b>																		
GROWTH	176,412	65.0	52 - 74	4.69	91	7.88	88	7.88	88	1,498	20.47	(19)	12.31	(46)	8.11	(151)	8.46	(75)
PUBLIC EQUITY	145,102	53.5	42 - 56	5.58	17	8.63	19	8.63	19	274	20.80	100	11.26	44	8.46	(39)	7.88	(32)
PRIVATE EQUITY	31,310	11.5	10 - 18	0.81	277	4.64	287	4.64	287	895	19.04	(397)	15.77	(291)	7.62	(505)	12.78	(144)
INCOME	40,399	14.9	11 - 21	1.34	(6)	0.60	5	0.60	5	20	(3.89)	102	4.37	61	9.02	180	6.47	75
REAL ASSETS	27,058	10.0	8 - 18	1.43	(165)	1.43	(172)	1.43	(172)	(444)	11.68	91	11.86	(19)	(6.77)	(1,045)	3.69	(528)
REAL ESTATE	23,652	8.7	7 - 13	1.56	(204)	1.56	(204)	1.56	(204)	(458)	12.36	89	13.59	(2)	(7.66)	(1,237)	3.02	(651)
FORESTLAND <sup>4</sup>	2,228	0.8	0 - 2	(0.48)	(141)	(0.48)	(141)	(0.48)	(141)	(32)	6.25	(311)	(2.84)	(643)	(1.32)	(336)		
INFRASTRUCTURE <sup>4</sup>	1,178	0.4	1 - 3	2.48	191	2.48	118	2.48	118	13	9.34	352	18.93	1,193	15.26	914		
INFLATION	9,395	3.5	1.5 - 8	0.86	(14)	2.65	(14)	2.65	(14)	(12)	(2.87)	9	5.45	132	1.28	(64)		
LIQUIDITY	11,986	4.4	1 - 7	0.46	(27)	0.12	(25)	0.12	(25)	(26)	(1.06)	(8)	1.36	(28)	1.05	(15)	2.30	(1)
ABSOLUTE RETURN STRATEGIES <sup>1</sup>	5,175	1.9		0.35	(10)	1.73	38	1.73	38	19	6.82	150	3.50	(189)	3.63	(228)	5.01	(286)
MULTI-ASSET CLASS <sup>5</sup>	516	0.2		1.04	43	0.04	(178)	0.04	(178)	(9)								
OVERLAY + TRANS + PLAN LEVEL	513	0.2																
<b>TOTAL FUND</b>	<b>271,454</b>	<b>100.0</b>		<b>3.37</b>	<b>45</b>	<b>5.40</b>	<b>57</b>	<b>5.40</b>	<b>57</b>	<b>1,464</b>	<b>13.74</b>	<b>140</b>	<b>10.24</b>	<b>18</b>	<b>6.62</b>	<b>(154)</b>	<b>7.22</b>	<b>(82)</b>
<i>CALPERS POLICY INDEX<sup>2</sup></i>				<i>2.93</i>		<i>4.84</i>		<i>4.84</i>			<i>12.34</i>		<i>10.06</i>		<i>8.16</i>		<i>8.03</i>	

TOTAL FUND 20-YEAR NET RATE OF RETURN 7.7

TOTAL FUND INCEPTION DATE NET RATE OF RETURN (07/01/1988) 8.65

	September 30, 2013			1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Fund Plus TAP Assets		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>TOTAL FUND PLUS TAP SUMMARY</b>																		
TOTAL FUND	271,454	99.96		3.37	45	5.40	57	5.40	57		13.74	140	10.24	18	6.62	(154)	7.22	(82)
TERMINATED AGENCY POOL <sup>6</sup>	114	0.04		0.95	N/A	(1.06)	N/A	(1.06)	N/A		N/A	N/A	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>3.37</b>		<b>5.40</b>		<b>5.40</b>			<b>13.74</b>		<b>10.24</b>		<b>6.62</b>		<b>7.22</b>	

<sup>1</sup> Absolute Return Strategies was excluded from Public Equity after July 1, 2011. Public Equity performance history does not include Absolute Return Strategies performance.

<sup>2</sup> See Section XII for components of CalPERS Policy Index. Current Asset Class Policy Benchmark performance is linked to their respective prior Policy Benchmark.

<sup>3</sup> Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

<sup>4</sup> Forestland and Infrastructure returns are reported on a quarterly basis.

<sup>5</sup> The Multi-Asset Class was initially funded in December 2012.

<sup>6</sup> The Terminated Agency Pool (TAP) was funded in July 2013 and exists to provide benefit payments to members who are employees of agencies that have terminated their contract with CalPERS.

*Section II*  
**Public Equity**

QUARTER ENDING SEPTEMBER 30, 2013

## Section II: Public Equity

**Public Equity Summary**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>PUBLIC EQUITY SUMMARY</b>																	
TOTAL INTERNAL DOMESTIC EQUITY	60,500	41.7	3.73	(4)	6.46	(6)	6.46	(6)	(35)	22.85	69	17.07	40	10.97	50	8.32	23
TOTAL INTERNAL INT'L DEVELOPED EQUITY	51,207	35.3	7.36	25	12.27	47	12.27	47	222	22.58	110	8.41	27	7.12	10		
TOTAL INTERNAL EMERGING MARKET EQUITY	7,265	5.0	6.85	10	4.02	13	4.02	13	9	0.62	(60)	(1.68)	(10)	7.26	4		
TOTAL EXTERNAL DOMESTIC TRADITIONAL EQUITY	5,670	3.9	3.35	19	5.75	46	5.75	46	25	24.07	296	16.47	(8)	10.22	(5)	7.29	(61)
EXTERNAL INT'L DEVELOPED TRADITIONAL EQUITY	7,721	5.3	7.92	89	10.96	77	10.96	77	55	21.27	337	9.13	242	8.26	152	9.30	25
EXTERNAL EMERGING MARKET EQUITY	4,200	2.9	6.96	23	4.76	58	4.76	58	22	1.31	101	(0.94)	20	7.67	58	13.79	120
TOTAL CORPORATE GOVERNANCE	4,716	3.3	6.89	135	9.25	295	9.25	295	132	29.41	375	11.10	(91)	7.83	70	7.11	(3)
TOTAL MANAGER DEVELOPMENTAL PROGRAM***	1,665	1.1	4.74	(52)	9.41	65	9.41	65	10	19.67	(43)	13.02	37	8.27	(80)	7.55	(97)
TOTAL EMERGING MANAGER FUND OF FUNDS****	1,115	0.8	5.57	52	9.07	178	9.07	178	19	22.83	218	14.36	114	11	69		
PUBLIC EQUITY CASH PORTFOLIO	1,030	0.7	4.86	(55)	7.56	(87)	7.56	(87)	(9)	19.38	(43)	11.90	109				
<b>TOTAL PUBLIC EQUITY*</b>	<b>145,102</b>	<b>100.0</b>	<b>5.58</b>	<b>17</b>	<b>8.63</b>	<b>19</b>	<b>8.63</b>	<b>19</b>	<b>274</b>	<b>20.80</b>	<b>100</b>	<b>11.26</b>	<b>44</b>	<b>8.46</b>	<b>(39)</b>	<b>7.88</b>	<b>(32)</b>

\*Absolute Return Strategies performance history is included in Public Equity prior to July 1, 2011. Ending market value and returns includes Public Equity Transition portfolio.

\*\* Value Added is the Excess BPS converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\*\* Venture portfolios not included in Manager Developmental Program ending market value and returns.

\*\*\*\* Total Emerging Manger Fund of Funds (FOF) Transition portfolios are included in Ending Market Value.



## Section II: Public Equity

**Internal Equity**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>INTERNAL DOMESTIC EQUITY</b>																	
CALPERS FOCUS LIST**	46	0.1	5.55	200	4.58	(162)	4.58	(162)	(1)	28.85	759						
DOMESTIC FUNDAMENTAL	5,173	8.6	3.58	(19)	5.93	(57)	5.93	(57)	(29)	27.71	556	18.11	140	12.00	151		
INT DOM FTSE 3000 PERF ACCTG	46,928	77.6	3.74	(2)	6.51	1	6.51	1	4	22.37	23	16.91	20	10.72	22	8.29	19
INT MICROCAP PERF ACCTG	300	0.5	5.62	8	11.89	(37)	11.89	(37)	(1)	37.30	929	19.25	816	15.98	555		
INTERNAL FAN LONG ONLY	615	1.0	4.92	116	8.89	239	8.89	239	14	25.46	331	16.99	28				
INTERNAL MINRISK US TMI 3000****	537	0.9	3.60	(16)	5.38	(111)	5.38	(111)	(6)								
INTERNAL VOLADJ US TMI 3000****	540	0.9	3.26	(50)	5.09	(140)	5.09	(140)	(7)								
SYNTHETIC ENHANCED EQUITY	6,361	10.5	3.60	8	6.27	46	6.27	46	28	22.87	230	17.64	214				
<b>TOTAL INTERNAL DOMESTIC EQUITY</b>	<b>60,500</b>	<b>100.0</b>	<b>3.73</b>	<b>(4)</b>	<b>6.46</b>	<b>(6)</b>	<b>6.46</b>	<b>(6)</b>	<b>(35)</b>	<b>22.85</b>	<b>69</b>	<b>17.07</b>	<b>40</b>	<b>10.97</b>	<b>50</b>	<b>8.32</b>	<b>23</b>
<b>INTERNAL INT'L DEVELOPED EQUITY</b>																	
CALPERS DEV EX US DBI	1,129	2.2	8.19	112	12.75	121	12.75	121	12	22.61	110.74						
FUNDAMENTAL DEVELOPED INTL(Ex Tobacco)	5,190	10.1	8.94	187	15.36	382	15.36	382	179	30.03	853	9.75	171	6.97	35		
INT DEVELOPED SMALL CAP INDEX PERF ACCTG	5,437	10.6	7.61	2	14.39	4	14.39	4	2	21.96	46	8.98	38	10.33	15		
INTERNAL GLBL ENV STRATEGY HSBCCCI	574	1.1	7.24	184	10.55	212	10.55	212	11	23.73	393	3.04	(795)				
INTERNAL INTL EQ PERF ACCTG	38,877	75.9	7.10	3	11.59	5	11.59	5	18	21.68	18	8.21	17	6.69	8		
<b>TOTAL INTERNAL INT'L DEVELOPED EQUITY</b>	<b>51,207</b>	<b>100.0</b>	<b>7.36</b>	<b>25</b>	<b>12.27</b>	<b>47</b>	<b>12.27</b>	<b>47</b>	<b>222</b>	<b>22.58</b>	<b>110</b>	<b>8.41</b>	<b>27</b>	<b>7.12</b>	<b>10</b>		
<b>INTERNAL EMERGING MARKET EQUITY</b>																	
CALPERS EMERGING MARKETS DBI**	945	13.0	6.60	(23)	1.98	(215)	1.98	(215)	(20)	(0.02)	(91)						
EMERGING MARKETS SMALL CAP INDEX FUND***	416	5.7	6.21	6	2.07	7	2.07	7	0								
FUNDAMENTAL EMERGING MARKETS	1,468	20.2	7.56	74	6.21	209	6.21	209	29	(1.64)	(254)	(1.67)	(3)	7.64	46		
INT EM SMALL CAP INDEX PERF ACCTG	340	4.7	6.15	(0)	3.39	140	3.39	140	5	5.15	273						
INTERNAL EMERGING MARKET PERF ACCTG	3,212	44.2	6.85	3	4.25	13	4.25	13	4	1.13	24	(1.58)	7	7.26	8		
STRUCTURED EMERGING MARKETS	884	12.2	6.53	(30)	2.95	(118)	2.95	(118)	(10)	0.82	(8)	(0.65)	99	7.75	57		
<b>TOTAL INTERNAL EMERGING MARKET EQUITY</b>	<b>7,265</b>	<b>100.0</b>	<b>6.85</b>	<b>10</b>	<b>4.02</b>	<b>13</b>	<b>4.02</b>	<b>13</b>	<b>9</b>	<b>0.62</b>	<b>(60)</b>	<b>(1.68)</b>	<b>(10)</b>	<b>7.26</b>	<b>4</b>		

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Funded September 2012

\*\*\* Funded October 2012

\*\*\*\* Funded April 2013

## Section II: Public Equity

**External Equity**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>EXTERNAL DOMESTIC TRADITIONAL EQUITY</b>																	
BOSTON COMPANY	712	12.6	2.94	52	5.53	211	5.53	211	15	29.50	746	16.67	26	10.42	152	9.79	212
FIRST QUADRANT LONG/SHORT	1,288	22.7	2.88	(66)	5.04	(116)	5.04	(116)	(15)	22.64	138	17.17	57	10.44	1		
JP MORGAN LG/SH DOM EQUITY	1,027	18.1	4.16	104	6.82	150	6.82	150	15	25.27	564	17.00	82	12.66	278		
PZENA INVESTMENT MANAGEMENT	594	10.5	2.90	49	3.78	36	3.78	36	2	31.45	941	16.46	4	11.61	271	7.68	(62)
STUX LARGE CORE	651	11.5	3.70	16	7.17	97	7.17	97	6	21.55	29						
T ROWE PRICE	1,398	24.7	3.44	(10)	5.93	(27)	5.93	(27)	(4)	20.25	(102)	16.43	(3)	10.38	35		
<b>TOTAL EXTERNAL DOMESTIC TRADITIONAL EQUITY</b>	<b>5,670</b>	<b>100.0</b>	<b>3.35</b>	<b>19</b>	<b>5.75</b>	<b>46</b>	<b>5.75</b>	<b>46</b>	<b>25</b>	<b>24.07</b>	<b>296</b>	<b>16.47</b>	<b>(8)</b>	<b>10.22</b>	<b>(5)</b>	<b>7.29</b>	<b>(61)</b>
<b>EXTERNAL INT'L DEVELOPED TRADITIONAL EQUITY</b>																	
ARROWSTREET CAPITAL	3,314	42.9	8.59	158	11.57	144	11.57	144	44	25.93	885	10.05	375	12.97	617	13.49	432
BAILLIE GIFFORD OVERSEAS LIMITED	2,171	28.1	7.47	46	10.94	80	10.94	80	16	16.77	(32)	9.24	295	9.25	245	12.11	293
GRANTHAM, MAYO, VAN OTTERLOO & CO	704	9.1	7.82	75	12.29	84	12.29	84	5	21.94	62	8.18	2	8.01	8	9.37	(38)
NOMURA ASSET MANAGEMENT	541	7.0	7.13	13	5.54	(152)	5.54	(152)	(8)	12.75	(311)	5.58	(44)	8.38	4	8.59	19
PYRAMIS GLOBAL	991	12.8	7.17	10	11.18	(28)	11.18	(28)	(2)	21.11	(20)	9.44	129	6.91	21		
<b>TOTAL EXTERNAL INT'L DEVELOPED TRADITION EQ</b>	<b>7,721</b>	<b>100.0</b>	<b>7.92</b>	<b>89</b>	<b>10.96</b>	<b>77</b>	<b>10.96</b>	<b>77</b>	<b>55</b>	<b>21.27</b>	<b>337</b>	<b>9.13</b>	<b>242</b>	<b>8.26</b>	<b>152</b>	<b>9.30</b>	<b>25</b>
<b>EXTERNAL EMERGING MARKET EQUITY</b>																	
ALLIANCE BERNSTEIN INTL	730	17.4	8.20	147	4.99	81	4.99	81	6	(5.18)	(548)	(6.19)	(506)	3.77	(332)	11.45	(115)
DIMENSIONAL FUND ADVISORS	935	22.3	6.61	(12)	3.65	(53)	3.65	(53)	(5)	1.36	106	(0.65)	49	7.98	89	14.45	185
GENESIS ASSET MANAGERS	1,307	31.1	6.48	(25)	5.31	112	5.31	112	14	4.06	376	2.38	351	12.01	492	15.96	337
LAZARD EMERGING MKTS	1,017	24.2	7.08	35	4.94	76	4.94	76	7	3.13	283	1.16	229	8.80	171		
DIMENSIONAL FUND ADVISORS EM SMALL CAP	108	2.6															
ASHMORE EMERGING MARKETS SMALL CAP	104	2.5															
<b>TOTAL EXTERNAL EMERGING MARKET EQUITY</b>	<b>4,200</b>	<b>100.0</b>	<b>6.96</b>	<b>23</b>	<b>4.76</b>	<b>58</b>	<b>4.76</b>	<b>58</b>	<b>22</b>	<b>1.31</b>	<b>101</b>	<b>(0.94)</b>	<b>20</b>	<b>7.67</b>	<b>58</b>	<b>13.79</b>	<b>120</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

## Section II: Public Equity

**Corporate Governance**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>CORPORATE GOVERNANCE</b>																	
BLUM STRATEGIC PARTNERS II	0	0.0	(1.49)	(214)	(2.13)	(407)	(2.13)	(407)	(0)	55.79	4,779	3.79	(421)	6.63	(137)		
BLUM STRATEGIC PARTNERS III	41	0.9	5.68	503	2.40	46	2.40	46	0	2.81	(519)	(16.10)	(2,410)	(5.47)	(1,347)		
BLUM STRATEGIC PARTNERS IV	183	3.9	5.42	478	4.26	231	4.26	231	4	38.00	3,000	4.26	(374)	5.33	(267)		
CARTICA CAPITAL PARTNERS, LP	422	8.9	3.28	(348)	1.27	(316)	1.27	(316)	(13)	9.65	917	8.98	982				
CORPORATE GOVERNANCE PASSTHROUGH	5	0.1	55.01	5,501	133.96	13,396	133.96	13,396	4	18,579.58	1,857,958	1,599.04	159,904	684.04	68,404		
GOVERNANCE FOR OWNERS	301	6.4	12.23	502	20.05	634	20.05	634	17	42.50	2,035	8.86	47	8.86	270		
KNIGHT VINKE INSTITUTIONAL PARTNERS	203	4.3	5.12	(199)	21.63	864	21.63	864	16	35.79	1,508	(1.50)	(942)	(2.78)	(866)		
NEW MOUNTAIN CAPITAL	370	7.8	3.61	48	5.20	(5)	5.20	(5)	(0)	29.78	1,044	15.93	(33)	15.22	521		
RELATIONAL INVESTORS	0	0.0															
RELATIONAL INVESTORS MID-CAP FUND	1,753	37.2	5.88	119	8.71	175	8.71	175	24	38.23	1,124	19.97	273	19.74	679		
TAIYO CYPRESS FUND	248	5.3	8.95	99	7.64	232	7.64	232	5	24.89	(3,704)	9.39	(352)	9.84	795		
TAIYO FUND MGMT	918	19.5	10.29	233	13.51	819	13.51	819	68	37.80	(2,413)	14.06	115	10.96	907	9.70	794
TAIYO PEARL FUND (PUBLIC)	256	5.4	7.71	771	4.55	455	4.55	455	11	11.17	1,117	5.34	534	7.39	739		
<b>TOTAL CORPORATE GOVERNANCE</b>	<b>4,716</b>	<b>100.0</b>	<b>6.89</b>	<b>135</b>	<b>9.25</b>	<b>295</b>	<b>9.25</b>	<b>295</b>	<b>132</b>	<b>29.41</b>	<b>375</b>	<b>11.10</b>	<b>(91)</b>	<b>7.83</b>	<b>70</b>	<b>7.11</b>	<b>(3)</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

## Section II: Public Equity

**Emerging Manager Program**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market		Net		Net		Net		\$ Value Added (MM) *	Net		Net		Net		Net	
	Value (MM)	% of Total Assets	Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps		Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps
<b>MANAGER DEVELOPMENTAL PROGRAM**</b>																	
PIEDMONT STRATEGIC CORE	263	15.8	2.71	(83)	6.06	(13)	6.06	(13)	(0)	16.19	(508)	13.02	(331)				
QUOTIENT LARGE CORE	145	8.7	3.44	(11)	7.43	123	7.43	123	2	26.40		17.68		11.00			
QUOTIENT LARGE ESG	146	8.8	4.44	90	7.78	158	7.78	158	2	27.18	591						
QUOTIENT SMALL CORE	66	4.0	6.23	16	8.72	(93)	8.72	(93)	(1)	26.10	(576)	15.15	(308)	7.96	(315)		
REDWOOD LARGE GROWTH	273	16.4	4.59	(8)	10.97	194	10.97	194	5	20.11	(19)	17.06	33	9.50	(238)		
SOURCECAP INTERNATIONAL	451	27.1	6.17	(114)	13.68	16	13.68	16	1	23.52	(74)	15.79	688				
TOBAM GLOBAL	182	10.9	3.78	(130)	10.12	172	10.12	172	3	21.15	46						
VICTORIA EMERGING MARKETS MDP II	138	8.3	6.71	(2)	3.16	(102)	3.16	(102)	(1)	(1.19)	(149)						
<b>TOTAL MANAGER DEVELOPMENTAL PROGRAM</b>	<b>1,665</b>	<b>100.0</b>	<b>4.74</b>	<b>(52)</b>	<b>9.41</b>	<b>65</b>	<b>9.41</b>	<b>65</b>	<b>10</b>	<b>19.67</b>	<b>(43)</b>	<b>13.02</b>	<b>37</b>	<b>8.27</b>	<b>(80)</b>	<b>7.55</b>	<b>(97)</b>

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market		Net		Net		Net		\$ Value Added (MM) *	Net		Net		Net		Net	
	Value (MM)	% of Total Assets	Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps		Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps	Rate of Return	Excess Bps
<b>FIS EMERGING MANAGER FUND OF FUNDS</b>																	
ATIVO INTERNATIONAL	28	6.9	7.13	7	12.31	100	12.31	100	0	26.01	456	10.55	267	10.93	360		
CUPPS CAPITAL	11	2.7	8.29	346	19.49	1,024	19.49	1,024	1	33.05	1,179						
FIS GROUP TRANSITION	84	20.5	5.42	542	7.36	736	7.36	736	6								
HANOVERIAN EAFE	42	10.2	7.77	37	11.87	30	11.87	30	0	22.11	(166)						
HERNDON INTERNATIONAL	32	7.7	5.90	(108)	10.33	16	10.33	16	0	10.90	(607)	4.36	(206)				
HERNDON LARGE VALUE	48	11.7	2.94	53	5.04	162	5.04	162	1	16.73	(531)	15.69	(73)	12.81	391		
LOMBARDIA SMALL VALUE	12	2.9	5.52	(12)	8.53	74	8.53	74	0	31.27	(46)	18.75	62	12.14	215		
MARQUE MILLENIUM	45	10.8	3.96	155	8.33	491	8.33	491	2	25.49	345						
SOMERSET EM	16	3.8	4.56	(195)	(0.98)	(674)	(0.98)	(674)	(1)	1.11	13						
THOMAS WHITE INTL	32	7.8	5.75	(123)	6.62	(355)	6.62	(355)	(1)	14.55	(243)						
VICTORIA EMERGING MARKETS	19	4.5	6.41	(9)	4.39	(138)	4.39	(138)	(0)	0.44	(54)	(1.42)	(109)				
VISION LARGE GROWTH	44	10.6	3.75	(92)	7.92	(112)	7.92	(112)	(0)	17.08	(322)						
<b>TOTAL FIS EMERGING MANAGER FUND OF FUNDS***</b>	<b>412</b>	<b>100.0</b>	<b>5.29</b>	<b>111</b>	<b>8.03</b>	<b>189</b>	<b>8.03</b>	<b>189</b>	<b>7</b>	<b>17.08</b>	<b>121</b>	<b>11.36</b>	<b>28</b>	<b>8.41584</b>	<b>44</b>		

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Venture portfolios not included in Manager Developmental Program ending market value and returns.

\*\*\* Total Emerging Manger FOF Transition portfolios are included in Ending Market Value.

## Section II: Public Equity

**Emerging Manager Program**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>LEADING EDGE EMERGING MANAGER FUND OF FUNDS</b>																	
AFFINITY INVESTMENT ADVISORS	43	8.6	2.87	46	5.59	216	5.59	216	1	21.09	(95)						
CUPPS SMALL GROWTH	62	12.3	7.10	63	14.45	299	14.45	299	2	39.28	750			18.58	642		
LOGAN LARGE GROWTH	51	10.2	5.39	72	11.39	236	11.39	236	1	22.99	269			11.55	(33)		
MARKSTON LARGE CORE	66	13.1	2.78	(77)	4.92	(128)	4.92	(128)	(1)	20.71	(55)			11.04	108		
NICHOLAS SMALL GROWTH	63	12.6	9.52	305	14.45	300	14.45	300	2	41.64	987						
PHOCAS SMALL VALUE	41	8.1	6.85	122	11.65	386	11.65	386	1	32.94	121			12.13	214		
PIERMONT CAPITAL MANAGEMENT, LLC	68	13.5	5.19	(44)	5.94	(185)	5.94	(185)	(1)	27.28	(445)						
WESTWOOD EMERGING MARKETS	109	21.6	6.54	(19)	9.49	531	9.49	531	5	6.94	664						
<b>TOTAL LEADING EDGE EMERGING MANAGER FUND OF FUNDS**</b>	<b>504</b>	<b>100.0</b>	<b>5.86</b>	<b>46</b>	<b>9.56</b>	<b>215</b>	<b>9.56</b>	<b>215</b>	<b>10</b>	<b>23.59</b>	<b>295</b>	<b>14.52</b>	<b>159</b>	<b>11.22</b>	<b>78</b>		
<b>PROGRESS EMERGING MANAGER FUND OF FUNDS</b>																	
CHANNING	31	15.5	6.91	128	12.34	456	12.34	456	1	39.13	740						
GW CAPITAL	33	16.7	4.90	(73)	6.80	(98)	6.80	(98)	(0)	29.11	(262)			18.17	6		
HUBER	47	23.6	3.40	(223)	7.80	1	7.80	1	0	37.76	604			32.34	1,423		
NICHOLS	26	13.0	6.51	4	11.55	10	11.55	10	0	29.86	(191)			21.85	367		
OMT	33	16.8	5.00	(147)	10.90	(56)	10.90	(56)	(0)	36.15	438			19.87	186		
RIVERBRIDGE	29	14.4	7.43	96	13.01	156	13.01	156	0	34.40	262			23.42	524		
<b>TOTAL PROGRESS EMERGING MANAGER FUND OF FUNDS**</b>	<b>199</b>	<b>100.0</b>	<b>5.43</b>	<b>(57)</b>	<b>10.00</b>	<b>63</b>	<b>10.00</b>	<b>63</b>	<b>1</b>	<b>34.41</b>	<b>265</b>	<b>21.21</b>	<b>308</b>				

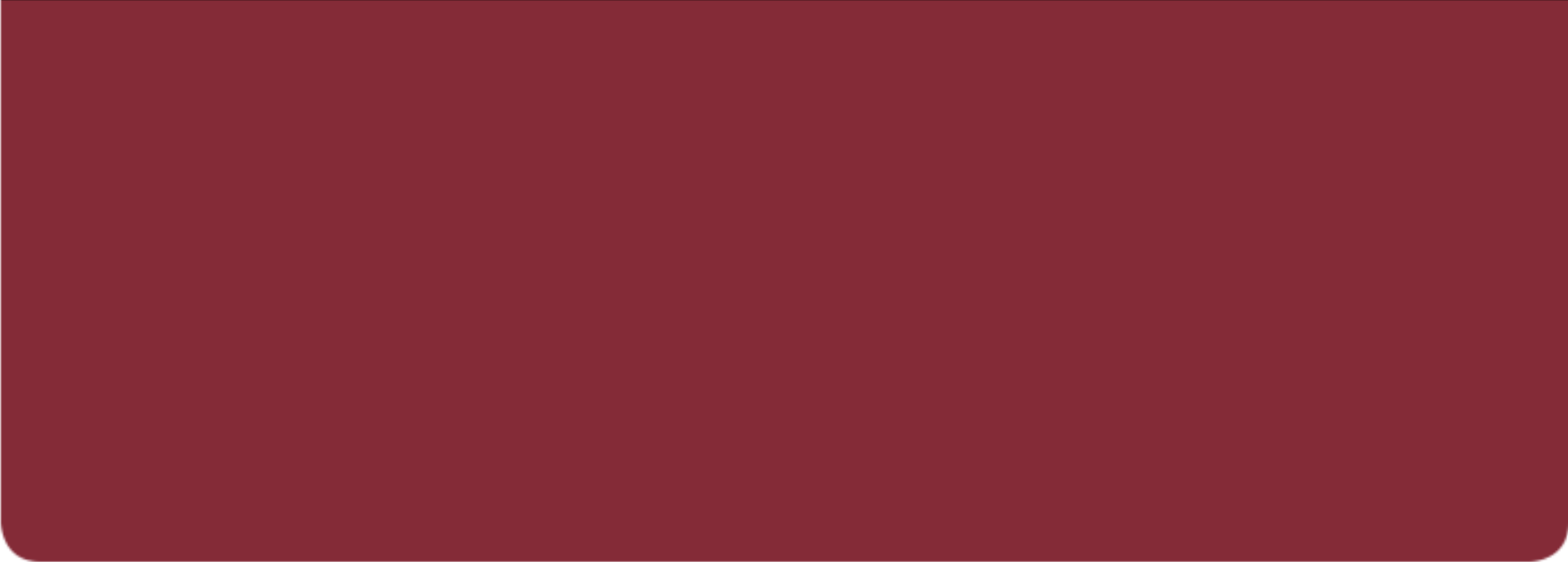
\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Total Emerging Manger FOF Transition portfolios are included in Ending Market Value.



*Section III*  
**Total Private Equity**

QUARTER ENDING SEPTEMBER 30, 2013



## Section III: Private Equity

**Private Equity Summary & Performance by Strategy**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-YR	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>TOTAL PRIVATE EQUITY SUMMARY *</b>																	
PE PARTNERSHIP INVESTMENTS	31,281	99.9	0.80	277	4.64	287	4.64	287	894	19.04	(396)	15.92	(277)	7.67	(500)	12.94	(128)
PRIVATE EQUITY DISTRIBUTION STOCK ***	29	0.1	5.58	755	6.14	437	6.14	437	2	2.38	(2,062)	(18.69)	(3,737)	4.74	(793)	3.86	(1,035)
<b>TOTAL PRIVATE EQUITY</b>	<b>31,310</b>	<b>100.0</b>	<b>0.81</b>	<b>277</b>	<b>4.64</b>	<b>287</b>	<b>4.64</b>	<b>287</b>	<b>895</b>	<b>19.04</b>	<b>(397)</b>	<b>15.77</b>	<b>(291)</b>	<b>7.62</b>	<b>(505)</b>	<b>12.78</b>	<b>(144)</b>

PRIVATE EQUITY STRATEGY *	September 30, 2013		3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
BUYOUT	18,905	60.4	4.11	4.11	17.40	15.66	7.57	17.19
CREDIT RELATED	4,455	14.2	3.45	3.45	27.44	21.45	14.33	15.24
GROWTH EXPANSION	5,223	16.7	9.35	9.35	24.60	15.78	3.75	8.61
OPPORTUNISTIC	713	2.3	0.38	0.38	4.13	11.60	1.20	5.89
VENTURE CAPITAL	1,708	5.5	1.68	1.68	3.71	6.20	1.30	4.32
<b>TOTAL PRIVATE EQUITY STRATEGY</b>	<b>31,281</b>	<b>100.0</b>	<b>4.64</b>	<b>4.64</b>	<b>19.04</b>	<b>15.92</b>	<b>7.67</b>	<b>12.94</b>

\* Private Equity time weighted rate of returns are computed by State Street Bank and are based on General Partners' most recent received financial statements and any cash adjustments received prior to two business days before the end of the quarter.

\*\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\*\* Private Equity Stock Distribution Portfolio is highly concentrated and significant tracking errors are expected due to its use of the Global Equity based Private Equity Policy Benchmark.

## Section III: Private Equity

**Private Equity Top 20 General Partner by Exposure**

	September 30, 2013	
	Ending Market Value (MM)	% of Total Private Equity
<b>TOP 20 PRIVATE EQUITY PARTNERS EXPOSURE *</b>		
Apollo Management	3,269	10.9
Carlyle Group	2,982	9.5
TPGCapital	2,117	6.8
Blackstone Group	1,448	4.6
KKRand Co.	1,084	3.5
California Emerging Ventures	924	3.0
Advent International	871	2.8
Yucaipa	852	2.7
CVCCapital Partners	784	2.6
CFIG	744	2.4
First Reserve	702	2.3
OakHill Capital Partners	692	2.2
Silver Lake	660	2.2
Hellman and Friedman Capital Partners	540	1.7
Bridgepoint Capital	515	1.7
57 STARS	502	1.6
Health Evolution Partners	496	1.6
KMCP	492	1.6
AresManagement LLC	480	1.6
Green Equity Investors	468	1.5
<b>TOP 20 PRIVATE EQUITY PARTNERS EXPOSURE</b>	<b>20,621</b>	<b>66.6</b>
<b>OTHER PRIVATE EQUITY PARTNERS EXPOSURE</b>	<b>10,660</b>	<b>34.1</b>
<b>TOTAL PRIVATE EQUITY PARTNERS EXPOSURE</b>	<b>31,281</b>	<b>100.0</b>

\* Private Equity Partners exposure data is based on General Partners' most recent received financial statements and any cash adjustments received prior to two business days before the end of the quarter.



## Section III: Private Equity

**Private Equity Performance by General Partner**

	September 30, 2013		3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
	(MM)							
<b>PRIVATE EQUITY GENERAL PARTNERS *</b>								
57 STARS	502	1.6	2.50	2.50	11.87	10.31	7.87	
Aberdare	46	0.1	55.20	55.20	58.82	11.57	3.83	
Advent International	871	2.8	3.49	3.49	23.69	18.98	11.24	35.63
Affinity Equity Partners	152	0.5	(2.18)	(2.18)	13.62	29.29	4.22	
Aisling Capital	101	0.3	11.33	11.33	24.65	4.19	(1.39)	12.04
AltaCalifornia Partners	6	0.0	7.96	7.96	69.43	4.46	1.89	
AltaPartners	0	0.0	(0.63)	(0.63)	(1.86)	(1.72)	(3.39)	
American River Ventures	0	0.0						
ApaxEurope	1	0.0	11.89	11.89	61.10	19.37	15.63	29.78
Apollo Management	3,269	10.5	8.19	8.19	52.16	31.85	19.24	20.66
ArcLight	151	0.5	6.30	6.30	22.12	12.61	9.40	
AresManagement LLC	480	1.5	(0.55)	(0.55)	17.53	22.34	13.96	15.42
AsiaAlternative Assets	320	1.0	4.91	4.91	9.83	16.69	11.37	
Audax Group	148	0.5	5.27	5.27	9.50	15.84	11.18	
Aurora Capital Group	295	0.9	2.24	2.24	2.50	13.54	9.53	10.24
Avenue Capital Partners	345	1.1	3.16	3.16	16.49	11.51	7.04	7.52
Bankof America	53	0.2	0.00	0.00	4.75	7.35	0.17	(18.47)
Baring	73	0.2	(3.15)	(3.15)	5.39	16.15	(8.63)	
Bastion Capital	49	0.2	(19.61)	(19.61)	(12.26)	8.22	5.84	
Birch Hill Equity Partners	174	0.6	6.56	6.56	4.12	5.58	6.83	
Blackstone Group	1,448	4.6	4.90	4.90	24.10	14.92	8.50	17.29
Bridgepoint Capital	515	1.6	10.13	10.13	18.00	14.46	(1.38)	14.22
California Emerging Ventures	924	3.0	(0.12)	(0.12)	1.23	9.13	2.68	7.35
Capital Dynamics	233	0.7	(4.79)	(4.79)	(20.54)	(14.84)	(10.48)	
Carlyle Group	2,982	9.5	2.48	2.48	13.73	14.64	4.76	17.56
CERBERUS	230	0.7	0.00	0.00	28.99			
CFIG	744	2.4	7.82	7.82	12.65	12.11	7.51	
Clarus Ventures	66	0.2	8.11	8.11	31.36	11.00	5.10	
CLEARLAKE CAPITAL	16	0.0	15.42	15.42				
Clearwater Capital	141	0.5	3.56	3.56	5.25	6.89	3.31	

\* Private Equity time weighted rate of returns are computed by State Street Bank and are based on General Partners' most recent received financial statements any cash adjustments received prior to two business days before the end of the quarter.

## Section III: Private Equity

**Private Equity Performance by General Partner**

PRIVATE EQUITY GENERAL PARTNERS *	September 30, 2013		3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value		Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
	(MM)	% of Total Assets						
Clessidra Capital	96	0.3	5.47	5.47	55.01	8.45	(6.12)	
Coller Capital	259	0.8	0.12	0.12	3.94	10.24	2.61	8.02
Conversus	11	0.0	3.70	3.70	22.82	24.27	4.95	
Craton Equity Partners	26	0.1	(14.07)	(14.07)	(21.14)	(10.37)	(9.38)	
Crimson Capital China	0	0.0						
Currency	90	0.3	2.66	2.66	(1.34)			
CVCCapital Partners	784	2.5	8.37	8.37	18.86	14.40	5.02	17.35
Darby Overseas Investments	19	0.1	11.52	11.52	23.06	(1.25)	(2.83)	
DFJ	12	0.0	(2.00)	(2.00)	(20.01)	(24.86)	(20.23)	(12.44)
Distributed Stock	0	0.0	0.00	0.00	0.00			
EM Alternatives	73	0.2	0.21	0.21	12.49	9.90	2.93	
Essex Woodlands Health Ventures	91	0.3	0.21	0.21	26.48	6.38		
Exxel Group	0	0.0	0.00	0.00	0.00	0.00	(0.35)	59.42
Fenway Partners	1	0.0	0.00	0.00	0.00	0.00	(1.37)	13.33
First Reserve	702	2.2	1.27	1.27	10.25	11.62	1.44	32.16
Francisco Partners	205	0.7	4.82	4.82	8.98	13.22	9.14	14.37
GaelPartners, LLC	14	0.0	(3.99)	(3.99)	(5.39)	15.51	12.94	
Garage Ventures	4	0.0	2.94	2.94	(24.66)	(15.37)	(7.14)	
Generation Partners	0	0.0	(3.56)	(3.56)	(15.24)	(13.72)	(15.33)	(2.84)
Gleacher	0	0.0	123.60	123.60	(78.64)	(38.59)	(23.70)	(2.48)
Granite Global Ventures	76	0.2	14.85	14.85	10.10	21.14	11.86	
Green Equity Investors	468	1.5	1.43	1.43	20.78	43.51	31.54	33.23
GTCR	0	0.0	0.00	0.00	24.99	25.47		
Hamilton Lane	340	1.1	0.26	0.26	16.86	15.02	5.16	
Health Evolution Partners	496	1.6	(4.07)	(4.07)	(6.24)	5.13	(3.79)	
Hellman and Friedman Capital Partners	540	1.7	8.71	8.71	29.65	14.64	10.31	24.54
Huntsman Gay Capital	108	0.3	52.97	52.97	78.38	34.09	14.98	
Inner City Venture	24	0.1	(1.63)	(1.63)	14.42	16.08	18.08	15.17
Insight Capital	148	0.5	7.30	7.30	9.71	21.51	18.59	
Khosla Ventures	314	1.0	1.61	1.61	1.87	16.36		

\* Private Equity time weighted rate of returns are computed by State Street Bank and are based on General Partners' most recent received financial statements and any cash adjustments received prior to two business days before the end of the quarter.

## Section III: Private Equity

**Private Equity Performance by General Partner**

	September 30, 2013		3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market		Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
	Value (MM)	% of Total Assets						
<b>PRIVATE EQUITY GENERAL PARTNERS *</b>								
KKRand Co.	1,084	3.5	1.99	1.99	18.06	13.64	4.20	11.64
Kline Hawkes California	60	0.2	(2.65)	(2.65)	(10.43)	(11.43)	(6.77)	1.34
KMCP	492	1.6	76.91	76.91	107.05	40.32	27.95	17.09
KPS	113	0.4	5.73	5.73	37.23	19.01	19.65	
Levine Leichtman Capital Partners	145	0.5	(1.13)	(1.13)	6.47	10.35	3.06	3.51
Lexington Partners	51	0.2	2.14	2.14	8.25	14.01	4.65	14.48
LimeRock	141	0.4	(1.69)	(1.69)	(4.24)	6.64	0.23	
LionCapital	135	0.4	(6.27)	(6.27)	(5.43)	(8.81)	(5.92)	
Lombard Investments	31	0.1	19.83	19.83	34.55	45.58	23.13	29.23
Madison Dearborn Partners	297	0.9	(3.16)	(3.16)	20.15	19.76	6.04	13.80
Magnum Capital	82	0.3	3.93	3.93	(4.87)	(4.59)	(4.36)	
MHR	361	1.2	12.82	12.82	55.77	34.11	10.42	18.13
NewMountain Capital LLC	405	1.3	4.10	4.10	14.37	15.98	10.91	
NGEN	0	0.0	(9.48)	(9.48)	(87.48)	(64.86)	(53.18)	
Nogales	5	0.0	(0.09)	(0.09)	24.84	(10.09)	(17.04)	(13.02)
OakHill Capital Partners	692	2.2	8.60	8.60	19.38	15.57	4.41	
Oaktree Capital Management	208	0.7	1.22	1.22	9.83			
Pacific Community Ventures	2	0.0	(27.78)	(27.78)	(6.60)	0.89	(19.59)	(10.27)
PAGAsi	40	0.1	8.21	8.21	41.68			
Palladium	175	0.6	4.80	4.80	25.36	29.67	22.61	
Permira	287	0.9	8.63	8.63	17.37	27.97	(3.61)	21.20
Pinnacle Ventures	11	0.0	1.70	1.70	17.34	7.68	4.41	
Polish Enterprise	134	0.4	32.27	32.27	30.12	15.88	(2.60)	11.99
Providence Equity Partners	321	1.0	(1.50)	(1.50)	(1.12)	6.42	1.24	4.78
Rhone Partners	67	0.2	86.77	86.77	109.20	45.89	18.94	
Richardson Financial Group	17	0.1	3.05	3.05	(2.86)	23.62	1.76	
RIVERSTONE GLOBAL ENERGY	211	0.7	7.03	7.03				
Riverstone LLC	47	0.2	2.35	2.35				
Riverwood Capital LLC	140	0.4	0.15	0.15	27.10	8.31		
Sageview Capital LLC	73	0.2	0.00	0.00	0.00			

\* Private Equity time weighted rate of returns are computed by State Street Bank and are based on General Partners' most recent received financial statements and any cash adjustments received prior to two business days before the end of the quarter.

## Section III: Private Equity

**Private Equity Performance by General Partner**

	September 30, 2013		3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>PRIVATE EQUITY GENERAL PARTNERS *</b>								
SAIFPartners	222	0.7	(1.19)	(1.19)	(3.17)	3.82	9.33	
Silver Lake	660	2.1	6.07	6.07	6.56	14.19	6.95	14.20
Standard Life	325	1.0	4.70	4.70	11.59	9.09	(4.81)	
Tailwind	58	0.2	3.56	3.56	24.90	15.18	11.38	
Technology Partners	1	0.0	39.73	39.73	52.86	(16.83)	(12.94)	
TheResolute Fund	168	0.5	3.47	3.47	24.21	12.74	6.79	
THLEquity Advisors	242	0.8	6.06	6.06	19.08	15.42	4.10	9.32
TowerBrook Capital Partners	356	1.1	1.49	1.49	1.96	18.97	12.47	34.34
TPGCapital	2,117	6.8	0.79	0.79	17.25	12.49	7.36	10.51
Unclassified	172	0.6	22.38	22.38				
VantagePoint Venture Partners	73	0.2	(0.27)	(0.27)	(19.79)	(7.77)	(5.29)	
W Capital Partners	81	0.3	(1.89)	(1.89)	(0.54)	10.94	11.73	
Wayzata Opportunities Fund	259	0.8	1.36	1.36	15.92	14.55	15.82	
Wellspring Capital Management	27	0.1	2.26	2.26	(1.93)			
Welsh and Carson and Anderson and Stowe	259	0.8	3.54	3.54	15.71	15.23	6.12	12.95
WLRRecovery	325	1.0	(0.41)	(0.41)	10.32	1.38	0.04	16.89
Yucaipa	852	2.7	3.06	3.06	17.62	8.63	6.21	5.89
<b>PRIVATE EQUITY PARTNERSHIP INVESTMENTS **</b>	<b>31,281</b>	<b>100.0</b>	<b>4.64</b>	<b>4.64</b>	<b>19.04</b>	<b>15.92</b>	<b>7.67</b>	<b>12.94</b>

\* Private Equity time weighted rate of returns are computed by State Street Bank and are based on General Partners' most recent received financial statements and any cash adjustments received prior to two business days before the end of the quarter.

\*\* Private Equity Partnership Investments totals include Currency and unclassified investments.



*Section IV*  
**Income**

**QUARTER ENDING SEPTEMBER 30, 2013**



## Section IV: Income

**Global Income Summary & Domestic Income**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>TOTAL GLOBAL FIXED INCOME SUMMARY</b>																	
TOTAL DOMESTIC FIXED INCOME	36,565	90.5	1.11	(3)	0.31	13	0.31	13	47	(3.64)	113	4.67	55	9.36	185	6.52	75
FI TOTAL INTERNATIONAL	3,835	9.5	3.56	(7)	3.80	(8)	3.80	(8)	(3)	(6.77)	(50)	1.36	87	6.03	173	5.60	71
<b>TOTAL GLOBAL FIXED INCOME</b>	<b>40,399</b>	<b>100.0</b>	<b>1.34</b>	<b>(6)</b>	<b>0.60</b>	<b>5</b>	<b>0.60</b>	<b>5</b>	<b>20</b>	<b>(3.89)</b>	<b>102</b>	<b>4.37</b>	<b>61</b>	<b>9.02</b>	<b>180</b>	<b>6.47</b>	<b>75</b>

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>DOMESTIC FIXED INCOME</b>																	
BB INTERNAL HIGH YIELD*	277	0.8	0.86	6	1.18	(34)	1.18	(34)	(1)	3.62	(30)	7.72	13				
CALPERS MORTGAGE - LINE ITEM IN PERF*	8,836	24.2	1.41	4	1.10	8	1.10	8	8	(0.97)	10	3.22	41	5.83	88		
DURATION MANAGEMENT*	4,192	11.5	0.70	(50)	(1.70)	(98)	(1.70)	(98)	(41)	(9.09)	(97)	3.83	1	5.31	(114)	4.84	(95)
EQUITABLE CCMF	6	0.0	0.62	(75)	1.98	96	1.98	96	0	11.55	1,262	8.85	604	8.14	319	8.31	362
GOVERNMENTS*	8,050	22.0	1.15	(5)	(0.79)	(6)	(0.79)	(6)	(5)	(8.21)	(9)	3.55	(27)				
HIGH YIELD BOND MANAGERS ACCOUNTING*	642	1.8	1.11	19	2.67	46	2.67	46	3	10.20	326	11.12	207	13.47	89		
HIGH YIELD MORTGAGE*	229	0.6	0.70	(22)	(4.16)	(637)	(4.16)	(637)	(15)	16.41	948	10.10	105	8.54	(404)		
HIGH YIELD SOVEREIGN*	17	0.0	3.20	(11)	(0.60)	(92)	(0.60)	(92)	(0)	(0.06)	861						
HIGH YIELD*	155	0.4	1.99	107	1.29	(92)	1.29	(92)	(2)	7.36	42	7.49	(155)	14.99	241	15.01	656
HIGHLAND CLN - LONGHORN A*	326	0.9	0.49	(43)	1.90	(31)	1.90	(31)	(1)	7.11	17	8.82	(22)	7.35	(523)		
HIGHLAND CLN - LONGHORN B*	132	0.4	(0.09)	(101)	(1.24)	(345)	(1.24)	(345)	(5)	14.43	750	14.54	550	7.88	(470)		
INTERNAL INV-GRADE CORP*	8,775	24.0	0.52	(3)	0.77	40	0.77	40	37	(1.93)	274	6.79	131	12.76	135	7.14	74
LONG DURATION CORPORATES*	931	2.5	1.50	35	3.00	282	3.00	282	25	5.68	1,045	12.82	869	18.62	833		
LONG DURATION MTG*	2,335	6.4	1.63	48	0.90	72	0.90	72	17	(3.51)	126	4.93	80	9.84	333		
MHLP-BRS*	155	0.4	2.66	129	3.69	268	3.69	268	4	21.18	2,225	5.06	225	7.05	210	5.87	119
NON-TRADITIONAL HIGH YIELD*	168	0.5	0.92	(0)	2.92	71	2.92	71	1	1.17	(577)	(2.75)	(1,180)				
OPPORTUNISTIC*	107	0.3								(17.28)		(26.55)		(20.23)			
PERS INTERNAL BONDS SOVEREIGN*	1,213	3.3	3.57	26	0.51	20	0.51	20	2	(8.40)	27	3.58	43	6.94	(63)	6.31	(39)
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>36,546</b>	<b>100.0</b>	<b>1.11</b>	<b>(3)</b>	<b>0.31</b>	<b>13</b>	<b>0.31</b>	<b>13</b>	<b>47</b>	<b>(3.64)</b>	<b>113</b>	<b>4.67</b>	<b>55</b>	<b>9.36</b>	<b>185</b>	<b>6.52</b>	<b>75</b>

\* Unitized portfolios owned by other retirement plans. Ending Market Value represents the PERF's ownership in the portfolio.

\*\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

## Section VI: Income

**International Fixed Income & External High Yield**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>FI TOTAL INTERNATIONAL***</b>																	
ALLIANCE BERNSTEIN INSTITUTIONAL INVESTM	544	14.2	3.38	(24)	3.55	(33)	3.55	(33)	(2)	(6.16)	11	0.77	29	5.85	154		
BARING ASSET MANAGEMENT	538	14.0	3.55	(8)	3.96	8	3.96	8	0	(6.88)	(61)	0.78	30	4.92	61	4.97	8
INT INTL FIXED INCOME	1,209	31.5	3.67	4	4.12	24	4.12	24	2	(5.08)	120						
PIMCO	1,020	26.6	3.57	(6)	3.87	(1)	3.87	(1)	(0)	(7.67)	(140)	2.56	207	7.46	316		
ROGGE GLOBAL PARTNERS	524	13.7	3.48	(15)	3.08	(80)	3.08	(80)	(4)	(7.33)	(105)	0.26	(23)	4.77	47	5.16	27
<b>FI TOTAL INTERNATIONAL</b>	<b>3,835</b>	<b>100.0</b>	<b>3.56</b>	<b>(7)</b>	<b>3.80</b>	<b>(8)</b>	<b>3.80</b>	<b>(8)</b>	<b>(3)</b>	<b>(6.77)</b>	<b>(50)</b>	<b>1.36</b>	<b>87</b>	<b>6.03</b>	<b>173</b>	<b>5.60</b>	<b>71</b>

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) **	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>EXTERNAL HIGH YIELD FIXED INCOME</b>																	
COLUMBIA HIGH YIELD*	380		1.24	22	2.77	(3)	2.77	(3)	(0)	9.02	(47)	11.10	86				
HIGH YIELD NOMURA*	401		0.98	6	2.47	26	2.47	26	1	11.35	441	12.08	303	15.52	294	9.95	150
LOGAN CIRCLE HY*	109		1.02	0	2.70	(10)	2.70	(10)	(0)	9.62	13	10.04	(20)				

\* Unitized portfolios owned by multiple retirement plans. Portfolios roll up to the PERF High Yield Bond Managers portfolio.

\*\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\*\* Ending market value and returns includes Fixed Income Transition portfolio.



*Section V*  
**Real Assets**

**QUARTER ENDING SEPTEMBER 30, 2013**





## Section V: Real Assets

**Real Assets Performance Summary & Real Estate Performance Summary**

	September 30, 2013		1-Month****		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) ***	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>REAL ASSETS*</b>																	
FORESTLAND**	2,228	8.2	(0.48)	(141)	(0.48)	(141)	(0.48)	(141)	(32)	6.25	(311)	(2.84)	(643)	(1.32)	(336)		
INFRASTRUCTURE**	1,178	4.4	2.48	191	2.48	118	2.48	118	13	9.34	352	18.93	1,193	15.26	914		
REAL ESTATE**	23,652	87.4	1.56	(204)	1.56	(204)	1.56	(204)	(458)	12.36	89	13.59	(2)	(7.66)	(1,237)	3.02	(651)
<b>TOTAL REAL ASSETS</b>	<b>27,058</b>	<b>100.0</b>	<b>1.43</b>	<b>(165)</b>	<b>1.43</b>	<b>(172)</b>	<b>1.43</b>	<b>(172)</b>	<b>(444)</b>	<b>11.68</b>	<b>91</b>	<b>11.86</b>	<b>(19)</b>	<b>(6.77)</b>	<b>(1,045)</b>	<b>3.69</b>	<b>(528)</b>

	September 30, 2013		1-Month****		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) ***	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>REAL ESTATE*</b>																	
PRIVATE REAL ESTATE**	23,652	100.0	1.56	(204)	1.56	(204)	1.56	(204)	(458)	12.00	54	13.90	29	(7.91)	(1,262)	3.20	(633)
<b>TOTAL REAL ESTATE*</b>	<b>23,652</b>	<b>100.0</b>	<b>1.56</b>	<b>(204)</b>	<b>1.56</b>	<b>(204)</b>	<b>1.56</b>	<b>(204)</b>	<b>(458)</b>	<b>12.36</b>	<b>89</b>	<b>13.59</b>	<b>(2)</b>	<b>(7.66)</b>	<b>(1,237)</b>	<b>3.02</b>	<b>(651)</b>

	September 30, 2013		1-Month****		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) ***	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>PRIVATE REAL ESTATE<sup>1*</sup></b>																	
LEGACY REAL ESTATE EX PUBLIC**	6,878	29.1	0.88	(272)	0.88	(272)	0.88	(272)	(180)	4.65	(681)	7.97	(564)	(14.05)	(1,876)	(1.69)	(1,122)
STRATEGIC REAL ESTATE**	16,774	70.9	1.86	(174)	1.86	(174)	1.86	(174)	(275)	15.38	391	17.68	407	2.99	(172)	15.70	617
<b>PRIVATE REAL ESTATE**</b>	<b>23,652</b>	<b>100.0</b>	<b>1.56</b>	<b>(204)</b>	<b>1.56</b>	<b>(204)</b>	<b>1.56</b>	<b>(204)</b>	<b>(458)</b>	<b>12.00</b>	<b>54</b>	<b>13.90</b>	<b>29</b>	<b>(7.91)</b>	<b>(1,262)</b>	<b>3.20</b>	<b>(633)</b>

\* The Total Real Assets reflects the ending market value and rate of returns reported for March 31, 2013 published by State Street Bank. Ending Market Values and Returns includes the Real Estate Transition portfolio.

\*\*Partnership Market Values and Returns are based on the General Partners' March 31, 2013 financial statements and reported by CalPERS Portfolio Analytics.

\*\*\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\*\*\* Forestland, Infrastructure and Private Real Estate returns are reported on a quarterly basis.

<sup>1</sup> Real Asset performance returns are calculated at the Partnership level. Individual assets have been transferred among existing Partnerships at different time periods (especially in FY 04-05 and 10-11).

Based on the Board of Administration's approval of the Real Assets Strategic Plan, and the transfer of assets, the Legacy and Strategic level returns are materially impacted.

## Section V: Real Assets

**Real Estate Top 20 Partnership Exposure**

	June 30, 2013	
	Ending Market Value (MM)	% of Total Private Real Estate
<b>TOP 20 REAL ESTATE PARTNERS EXPOSURE</b>		
GI Partners	4,234	17.9
Miller Capital Advisory	3,057	12.9
GID Investment Advisors, LLC	2,484	10.5
CommonWealth Partners	2,039	8.6
CIM	1,804	7.6
Hines	1,369	5.8
First Washington	1,267	5.4
ARA Management	758	3.2
Starwood Capital	588	2.5
Institutional Housing Partners	430	1.8
Resmark Equity Partners	399	1.7
Fortress Investment Group	310	1.3
IL & FS Investment Advisors	301	1.3
Secured Capital Japan	252	1.1
Klein Financial Corporation	247	1.0
Centerline Urban Capital Advisor	236	1.0
Canyon Capital Realty Advisors	211	0.9
Shea Homes	199	0.8
Newland	191	0.8
Aetos Capital	151	0.6
<b>TOP 20 REAL ESTATE PARTNERS EXPOSURE</b>	<b>20,526</b>	<b>86.8</b>
<b>OTHER REAL ESTATE PARTNERS EXPOSURE</b>	<b>3,126</b>	<b>13.2</b>
<b>TOTAL REAL ESTATE PARTNERS EXPOSURE</b>	<b>23,652</b>	<b>100.0</b>

\*Partnership Market Values and Returns are based on the General Partners' June 30, 2013 financial statements and reported by CalPERS Portfolio Analytics.

## Section V: Real Assets

**Real Estate Partnerships Performance by Strategy**

	June 30, 2013		QTR	FYTD	1 Yr	3 Yr	5 Yr
	Ending Market Value (MM)	% of Total Strategic Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>STRATEGIC REAL ESTATE PARTNERS*</b>							
AGI-TMG Housing Partners I, LLC	68	0.4	(0.2)	(0.2)	58.5		
ARA Asia Dragon Fund	444	2.6	(0.5)	(0.5)	8.3	9.8	14.4
ARA Asia Dragon Fund II	27	0.2	(0.8)	(0.8)			
ARA China Long Term Hold	286	1.7	(7.3)	(7.3)			
Bentall Kennedy OpCo	97	0.6	0.7	0.7	4.7		
CalEast Canada LP	141	0.8	0.9	0.9	9.0		
CalEast Industrial Investors, LLC	342	2.0	3.2	3.2	8.8		
CalEast Solstice, LLC	2,482	14.8	2.7	2.7	5.2		
CalWest - CalPERS	418	2.5	0.4	0.4			
Canyon Catalyst Fund, LLC	17	0.1	(2.8)	(2.8)			
Canyon Johnson Urban Fund III	176	1.1	4.8	4.8	15.6	8.3	
CIM Fund III, L.P.	867	5.2	0.6	0.6	21.0	19.3	
CIM Urban Real Estate Fund, L.P.	431	2.6	(0.1)	(0.1)	(3.5)	10.5	(1.9)
CIM Urban REIT, LLC	492	2.9	1.0	1.0	8.5	11.8	5.7
Fifth Street Properties	5	0.0	(3.8)	(3.8)	5.4	1.7	(16.0)
FSP - Base	470	2.8	3.1	3.1			
FSP - DT 2011	500	3.0	1.3	1.3	16.6		
FSP - DT 2012 and Beyond	15	0.1					
Global Retail Investors, LLC	1,087	6.5	4.0	4.0	20.2	37.0	13.0
GRI - Base	93	0.6	0.5	0.5			
GRI - DT 2011	86	0.5	5.0	5.0	12.4		
HC Green Development Fund, L.P.	68	0.4	124.7	124.7	120.2	22.9	
HCB Interests II, L.P.	373	2.2	6.7	6.7	39.4	21.6	
HCB LTH	554	3.3	(8.1)	(8.1)	7.3		
HCC Interests, L.P.	55	0.3	(0.9)	(0.9)	3.3		
Hines CalPERS Russia Long Term Hold	225	1.3					
IMI - Base	2,775	16.5	1.2	1.2			
IMI - DT 2011	282	1.7	3.1	3.1	11.4		
IMP - Base	221	1.3	1.0	1.0			
IMP - DT 2011	445	2.7	1.3	1.3	18.6		
IMP - DT 2012 and Beyond	18	0.1					
Institutional Core Multifamily Investors	106	0.6	0.6	0.6			
Institutional Logistics Partners, LLC	68	0.4	1.1	1.1			
Institutional Multifamily Partners	1,778	10.6	1.0	1.0	27.3		
National Office Partners LLC (CWP)	1,049	6.3	1.2	1.2	44.0		
TechCore, LLC	149	0.9	2.2	2.2			
Xander Co-Investment	43	0.3	(30.8)	(30.8)	(56.2)	(28.5)	(25.4)
Xander JV Fund I (India Realty)	17	0.1	(10.0)	(10.0)	(7.1)	(2.1)	
<b>TOTAL STRATEGIC PARTNERS</b>	<b>16,774</b>	<b>100</b>	<b>1.9</b>	<b>1.9</b>	<b>15.6</b>	<b>18.3</b>	<b>2.8</b>

\*Partnership Market Values and Returns are based on the General Partners' June 30, 2013 financial statements and as reported by CalPERS Portfolio Analytics.

## Section V: Real Assets

**Real Estate Partnerships Performance by Strategy**

	June 30, 2013		QTR	FYTD	1-Yr	3-Yr	5-Yr
	Ending Market Value (MM)	% of Total Legacy Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>LEGACY PARTNERS*</b>							
301 Capitol Mall, L.P.	14	0.2	(0.6)	(0.6)	(20.9)		
Aetos Asia Real Estate Securities	3	0.0	0.0	0.0	(0.4)	3.5	1.0
Aetos Capital Asia TE II, Ltd.	142	2.1	(2.9)	(2.9)	(8.0)	(7.5)	(16.1)
Aetos Capital Asia TE, L.P.	6	0.1	3.0	3.0	(6.6)	(19.7)	(17.8)
AEW Senior Housing Company, LLC	87	1.3	2.6	2.6	(11.1)	11.5	2.7
AEW-SHP Managed Portfolio	113	1.6	(13.1)	(13.1)	65.9		
American Value Partners Fund I, L.P.	47	0.7	4.0	4.0	13.7	14.6	
Apollo Real Estate Finance Corporation	49	0.7	1.4	1.4	2.3	0.7	(3.4)
AREA Real Estate Investment Fund V, L.P.	39	0.6	(0.1)	(0.1)	7.6	8.6	(10.6)
BRIDGE Urban Infill Land Development, LLC (BUILD)	25	0.4	(0.3)	(0.3)	22.1	16.1	(3.1)
Buchanan Urban Investors II, LLC	40	0.6	(5.3)	(5.3)	56.7	34.7	(10.3)
California Smart Growth Fund IV, L.P.	61	0.9	2.7	2.7	13.9	19.9	(9.2)
CalSmart, LLC (Canyon)	18	0.3	(6.7)	(6.7)	30.4		
CBRE Strategic Partners Europe Fund III	39	0.6	(2.4)	(2.4)	(11.6)	(13.6)	
CBRE Strategic Partners UK Fund II	-25	-0.4					
CBRE Strategic Partners UK Fund III	19	0.3	0.9	0.9	(7.8)	(7.7)	(39.3)
Centerline Urban Capital I, LLC	186	2.7	0.7	0.7	38.3	68.0	11.3
CityView LA Urban Fund I, L.P.	26	0.4	(1.1)	(1.1)	7.6	3.6	
CMR Commercial Mortgage Fund, LLC	7	0.1					
CUIP Properties, LLC	-1	0.0					
DB Real Estate Global Opportunities IB, L.P.	6	0.1	(10.2)	(10.2)	(24.0)	(10.7)	(14.0)
European Property Investors, L.P.	16	0.2	(0.2)	(0.2)	(13.2)	1.5	5.4
Fillmore East Fund, L.P.	8	0.1	(0.5)	(0.5)	(10.3)		
Fortress Holiday Investment Fund, L.P.	112	1.6	0.6	0.6	3.0	18.7	9.4
Fortress Investment Fund IV (Fund A), L.P.	108	1.6	0.6	0.6	27.8	17.9	4.0
Fortress Residential Investment Deutschland (Fund A)	72	1.0	0.0	0.0	26.1	17.9	1.2
Fortress RIC Colvestment Fund, L.P.	17	0.3	(5.7)	(5.7)	48.2	18.9	5.4
GI Partners Fund II, L.P.	487	7.1	(1.5)	(1.5)	15.8	12.9	6.5
GI Partners Fund III, L.P.	527	7.7	4.6	4.6	18.3	19.6	
Global Innovation Partners, LLC	10	0.1					
Guggenheim Structured Real Estate III, L.P.	26	0.4	1.3	1.3	5.0	3.8	(6.2)
Hampshire Partners Fund VI, L.P.	17	0.2	(0.5)	(0.5)	(9.4)	(2.4)	(11.7)
Harbert European Real Estate Fund II, L.P.	57	0.8	4.2	4.2	6.5	10.4	4.5
HCM Holdings II, L.P.	46	0.7	(1.1)	(1.1)	(5.7)		
HCM Holdings, L.P.	50	0.7	2.1	2.1	8.1	2.4	(5.1)
Hearthstone Housing Partners II, LLC	69	1.0	(5.2)	(5.2)	2.2	3.6	(5.5)
Hearthstone Housing Partners III, LLC	24	0.4	1.2	1.2	9.7	(12.8)	
Hearthstone Multi-State Residential Value-Added III	-8	-0.1					
Hearthstone Path-of-Growth Fund, LLC	64	0.9	0.9	0.9	9.1	(28.3)	
Hines European Development Fund II, L.P.	-2	0.0					
Hines European Development Fund, L.P.	-2	0.0					

\*Partnership Market Values and Returns are based on the General Partners' June 30, 2013 financial statements and as reported by CalPERS Portfolio Analytics.

## Section V: Real Assets

**Real Estate Partnerships Performance by Strategy**

	June 30, 2013		QTR	FYTD	1-Yr	3-Yr	5-Yr
	Ending Market Value (MM)	% of Total Legacy Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>LEGACY PARTNERS*</b>							
IHP Investment Fund I, L.P.	157	2.3	2.7	2.7	2.7	2.1	(15.7)
IHP Investment Fund II, L.P.	55	0.8	7.3	7.3	49.4	15.4	(30.6)
IHP Investment Fund III, L.P.	216	3.1	(3.4)	(3.4)	(11.5)	(7.1)	(26.1)
IL & FS India Realty Fund II, LLC	201	2.9	0.4	0.4	6.6	5.1	
IL & FS India Realty Fund, LLC	100	1.5	3.3	3.3	3.3	(11.5)	(2.2)
JER Europe Fund III, L.P.	12	0.2	5.6	5.6	5.8	(0.1)	(28.1)
JER US Debt Co-Investment Vehicle, L.P.	50	0.7	8.1	8.1	26.6	34.7	
KAREC California Development Program, LLC	248	3.6	0.1	0.1	(55.8)	(28.5)	(27.4)
KC 2011, LLC	179	2.6	1.3	1.3	(3.7)		
KSC Affordable Housing Investment Fund, LLC	68	1.0	1.0	1.0	9.0	3.0	1.2
LaSalle Asia Opportunity Fund III, L.P.	87	1.3	5.4	5.4	16.8	14.4	
LaSalle French Fund II, L.P.	30	0.4	3.7	3.7	(20.5)	(0.4)	(8.8)
LaSalle Japan Logistics Fund II, L.P.	27	0.4	4.4	4.4	13.4	40.4	
Market Street Capital Partners/Divco West	98	1.4	2.6	2.6	23.8	14.8	(3.3)
Meriwether Farms, LLC	64	0.9	(0.8)	(0.8)	(14.0)	(62.1)	(52.4)
MGPA Asia Fund II	75	1.1	(3.0)	(3.0)	0.2	9.0	(5.4)
MGPA Europe Parallel Fund II, L.P.	45	0.7	(13.6)	(13.6)	(16.7)	(2.5)	(13.6)
Newland National Partners III, LLC	145	2.1	(2.1)	(2.1)	(5.6)		
Newland National Partners IV, LLC	45	0.7	(8.0)	(8.0)	(21.9)	(37.1)	(43.3)
Niam Nordic Investment Fund III	33	0.5	(1.1)	(1.1)	6.3	6.6	5.2
Niam Nordic Investment Fund IV	90	1.3	0.9	0.9	18.3	20.8	7.6
NNP Whitney Ranch	-28	-0.4					
ORA Multifamily Investments I, LLC	187	2.7	(0.1)	(0.1)	4.4		
ORA Residential Investments I, L.P.	212	3.1	1.4	1.4	39.3	17.5	0.5
Pacific Vineyard Partners, LLC	31	0.5	(0.9)	(0.9)	(14.8)	(26.3)	(25.6)
PERS-400 R Street	16	0.2	4.5	4.5	15.5	21.3	22.6
PLA Retail Fund I, L.P.	82	1.2	0.9	0.9	16.8	10.3	2.9
PRECO Account Partnership III, L.P.	53	0.8	(0.6)	(0.6)	(13.6)	3.7	(17.2)
Principal Mortgage Value Investors, L.P.	6	0.1	8.4	8.4	109.9	35.8	(23.6)
Rockpoint Real Estate Fund II, L.P.	19	0.3	3.3	3.3	11.4	12.0	(13.4)
Rockpoint Real Estate Fund III, L.P.	110	1.6	4.2	4.2	15.6	29.9	
RREEF Global Opportunities Fund II, LLC	102	1.5	7.8	7.8	(10.0)	6.5	(11.7)
Savanna Real Estate Fund I, L.P.	43	0.6	4.2	4.2	14.3	13.3	5.8
SDL Hospitality Co-Invest Fund, L.P.	163	2.4	(0.4)	(0.4)	(5.4)	2.6	(1.5)
Secured Capital Japan Real Estate Partners Asia, L.P.	202	2.9	(0.9)	(0.9)	(5.4)	(8.1)	(8.0)
Secured Capital Japan Real Estate Partners II, L.P.	50	0.7	(0.8)	(0.8)	(4.8)	(15.2)	(10.9)
Shea Capital I, LLC	85	1.2	(1.6)	(1.6)	(32.2)	(8.5)	(24.4)
Shea Mountain House, LLC	114	1.7	1.5	1.5	(21.9)	(0.9)	
Starwood Capital Hospitality Fund I-2, L.P.	188	2.7	0.2	0.2	0.0	1.9	(7.1)
Starwood Capital Hospitality Fund II Global, L.P.	237	3.4	1.9	1.9	14.8	13.7	
Stockbridge Hollywood Park Co-Investors, L.P.	101	1.5	(0.2)	(0.2)	(0.3)	(0.6)	1.9
Stockbridge Real Estate Fund II-B, L.P.	20	0.3	6.8	6.8	4.6	4.7	(47.0)
Strategic Partners Value Enhancement Fund, L.P.	38	0.6	(1.3)	(1.3)	(3.9)	8.8	(1.2)
Sun Apollo India Real Estate Fund, LLC	23	0.3	(7.7)	(7.7)	2.0	2.9	(3.7)
TPG Hospitality Investments IV, LLC	129	1.9	4.5	4.5	39.6		
Urban America L.P. II	44	0.6	(3.2)	(3.2)	(22.3)	(4.1)	(7.9)
Windsor Realty Fund VII, L.P.	21	0.3	1.7	1.7	8.6	(6.1)	(26.5)
<b>TOTAL LEGACY PARTNERS</b>	<b>6,879</b>	<b>100</b>	<b>0.9</b>	<b>0.9</b>	<b>5.8</b>	<b>8.2</b>	<b>(12.8)</b>

\*Partnership Market Values and Returns are based on the General Partners' June 30, 2013 financial statements and as reported by CalPERS Portfolio Analytics.

## Section V: Real Assets

**Forestland & Infrastructure Partnerships Performance by Strategy**

	June 30, 2013		QTR	FYTD	1-Yr	3-Yr	5-Yr
	Ending Market Value (MM)	% of Total Forestland Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>FORESTLAND PARTNERS*</b>							
Lincoln Timber Company (Campbell)	1,741	78.2	(0.3)	(0.3)	5.8	(6.2)	(3.8)
Sylvanus LLC (Global Forest Partners)	487	21.8	(1.2)	(1.2)	8.0	12.7	10.7
<b>TOTAL FORESTLAND</b>	<b>2,228</b>	<b>100.0</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>6.3</b>	<b>(2.8)</b>	<b>(1.3)</b>
	June 30, 2013		QTR	FYTD	1-Yr	3-Yr	5-Yr
	Ending Market Value (MM)	% of Total Infrastructure Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>INFRASTRUCTURE PARTNERS*</b>							
Alinda Infrastructure Fund I, L.P.	96	8.2	3.3	3.3	8.6	5.1	2.5
Alinda Infrastructure Fund II, L.P.	190	16.1	(1.2)	(1.2)	(0.5)	5.0	
CIM Infrastructure Fund	314	26.7	3.4	3.4	7.8	29.9	34.1
Carlyle Infrastructure Partner LP	70	5.9	(1.2)	(1.2)	(1.1)	4.5	(3.3)
Global Infrastructure Partners II, L.P. (GIP II)	96	8.2	9.4	9.4			
Infrastructure Direct Investments <sup>32</sup>	412	35.0	2.8	2.8	13.3	27.3	
<b>TOTAL INFRASTRUCTURE</b>	<b>1,178</b>	<b>100.0</b>	<b>2.5</b>	<b>2.5</b>	<b>9.4</b>	<b>18.9</b>	<b>15.3</b>

\*Partnership Market Values and Returns are based on the General Partners' June 30, 2013 financial statements and as reported by CalPERS Portfolio Analytics.



*Section VI*  
**Inflation**

**QUARTER ENDING SEPTEMBER 30, 2013**



## Section VI: Inflation

**Inflation Summary**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>INFLATION</b>																	
CORE INFLATION LINKED BONDS	5,857	62.3	2.67	(1)	2.32	1	2.32	1	1	(2.03)	53	4.90	37	5.50	22		
INTERNAL COMMODITIES PERF ACCTG	1,249	13.3	(3.37)	3	3.41	(137)	3.41	(137)	(16)	(4.63)	(48)	3.14	(45)	(8.05)	44		
TACTICAL INFLATION ASSETS***	2,290	24.4	(1.24)	(26)	3.04	24	3.04	24	5								
<b>TOTAL INFLATION **</b>	<b>9,395</b>	<b>100.0</b>	<b>0.86</b>	<b>(14)</b>	<b>2.65</b>	<b>(14)</b>	<b>2.65</b>	<b>(14)</b>	<b>(12)</b>	<b>(2.87)</b>	<b>9</b>	<b>5.45</b>	<b>132</b>	<b>1.28</b>	<b>(64)</b>		

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Policy Benchmark for Total Inflation is a static 75/25% ratio. Actual program weights differ significantly resulting in an un-intuitive degree of excess performance.

\*\*\* Funded January 2013.

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
<b>TACTICAL INFLATION ASSETS</b>																	
TACTICAL COMMODITIES***	1,160	50.7	(3.30)	9	4.22	(55)	4.22	(55)	(7)								
TACTICAL TIPS***	1,129	49.3	0.98	(47)	0.08	(62)	0.08	(62)	(6)								
<b>TACTICAL INFLATION ASSETS***</b>	<b>2,290</b>	<b>100.0</b>	<b>(1.24)</b>	<b>(26)</b>	<b>3.04</b>	<b>24</b>	<b>3.04</b>	<b>24</b>	<b>5</b>								

\*\*\* Funded January 2013.





*Section VII*  
**Liquidity**

QUARTER ENDING SEPTEMBER 30, 2013



## Section VII: Liquidity

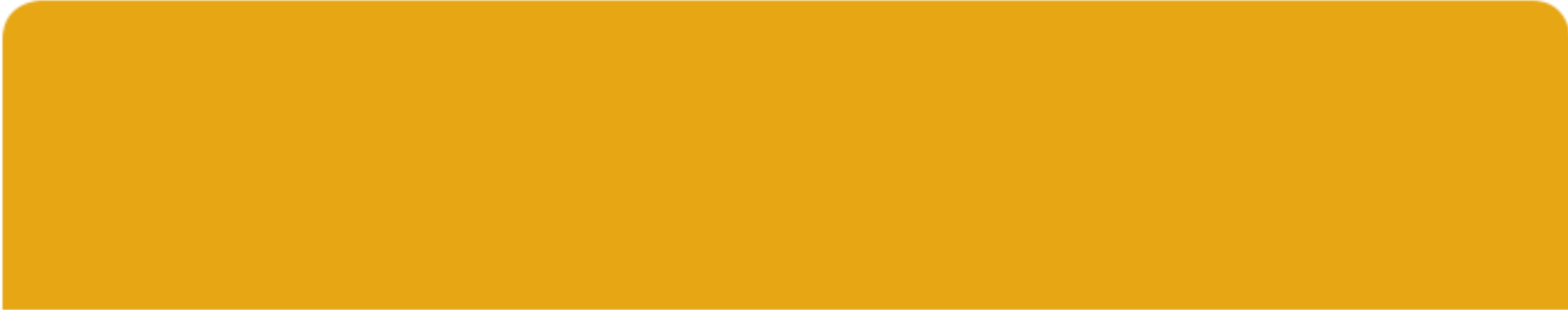
**Liquidity Summary**

LIQUIDITY	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
PERS ACTIVE RESERVE ADJUSTMENT***	(162)	(1.3)			0.00		0.00			(0.02)		(0.08)		(0.26)		(1.80)	
PERS INTERNAL SHORT TERM PORTFOLIO	3,263	27.2	0.00	1	0.02	4	0.02	4	2	0.10	13	0.14	11	0.31	7	1.90	8
STO - SMIF CALPERS	2,368	19.8		1		2		2	0	0.23	26	0.36	33	0.71	48	2.09	27
UST 2-10-Yr**	6,408	53.5	0.82	(16)	0.26	(23)	0.26	(23)	(15)	(1.45)	(12)						
<b>TOTAL LIQUIDITY</b>	<b>11,986</b>	<b>100.0</b>	<b>0.46</b>	<b>(27)</b>	<b>0.12</b>	<b>(25)</b>	<b>0.12</b>	<b>(25)</b>	<b>(26)</b>	<b>(1.06)</b>	<b>(8)</b>	<b>1.36</b>	<b>(28)</b>	<b>1.05</b>	<b>(15)</b>	<b>2.30</b>	<b>(1)</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* UST 2-10-Yr portfolio was funded in June 2011; therefore the positive performance is having an impact on the Composite's 1, 3, 5 and 10-Yr returns.

\*\*\* This portfolio offsets the TARF balances allocated to external managers. TARF is being included in PERS Internal Short Term Portfolio.



*Section VIII*  
**Absolute Return Strategies**

QUARTER ENDING SETEMBER 30, 2013



## Section VIII: Absolute Return Strategies

**ARS Equitization & Total ARS Summary**

ABSOLUTE RETURN EQUITIZATION STRATEGIES	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
TOTAL ARS****	5,175	87.6	0.35	(10)	1.73	38	1.73	38	19	6.82	150	3.50	(189)	3.63	(228)	5.01	(286)
ARS OVERLAY PORTFOLIO**	735	12.4															
<b>TOTAL ARS WITH EQUITIZATION</b>	<b>5,910</b>	<b>100.0</b>	<b>2.61</b>	<b>(280)</b>	<b>7.59</b>	<b>(85)</b>	<b>7.59</b>	<b>(85)</b>	<b>(52)</b>	<b>22.05</b>	<b>225</b>	<b>11.06</b>	<b>(100)</b>	<b>8.11</b>	<b>(177)</b>	<b>7.25</b>	<b>(262)</b>

ABSOLUTE RETURN STRATEGIES SUMMARY*** (3rd Week Estimates included in Total PERF)	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
DIRECT INVESTMENTS	3,706	71.6	0.25	(21)	2.38	102	2.38	102	37	6.39	107	4.06	(133)	4.47	(144)	5.49	(169)
FUND OF HEDGE FUNDS	1,469	28.4	0.61	15	0.25	(111)	0.25	(111)	(17)	7.78	246	2.16	(324)	1.60	(431)		
<b>TOTAL ARS</b>	<b>5,175</b>	<b>100.0</b>	<b>0.35</b>	<b>(10)</b>	<b>1.73</b>	<b>38</b>	<b>1.73</b>	<b>38</b>	<b>19</b>	<b>6.82</b>	<b>150</b>	<b>3.50</b>	<b>(189)</b>	<b>3.63</b>	<b>(228)</b>	<b>5.01</b>	<b>(286)</b>

ABSOLUTE RETURN STRATEGIES SUMMARY*** (Preliminary month-end returns provided by International Fund Services (IFS))	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
DIRECT INVESTMENTS	3,697	71.6	0.65	19	1.65	29	1.65	29		5.98	66	3.83	(156)	4.48	(143)	5.65	(153)
FUND OF HEDGE FUNDS	1,469	28.4	1.03	57	1.14	(22)	1.14	(22)		8.14	282	2.79	(260)	2.18	(373)		
<b>TOTAL ARS</b>	<b>5,166</b>	<b>100.0</b>	<b>0.76</b>	<b>30</b>	<b>1.49</b>	<b>13</b>	<b>1.49</b>	<b>13</b>		<b>6.63</b>	<b>131</b>	<b>3.54</b>	<b>(185)</b>	<b>3.84</b>	<b>(207)</b>	<b>5.29</b>	<b>(258)</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Portfolio market value and returns roll directly to Total Fund and the Absolute Return Equitization strategy. The portfolio funded October 2011 and the returns are not shown on the report at the portfolio level because the returns are not meaningful (N/M).

\*\*\* Absolute Return Strategies(ARS) Program Performance Review is based on the Absolute Total Return Strategy and not the Absolute Return Equitization Strategy.

## Section VIII: Absolute Return Strategies

**Direct Investments**

	September 30, 2013		1-Month	3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
<b>DIRECT INVESTMENTS</b> <b>(Preliminary month-end returns provided by IFS)</b>									
Aspect Alternative Fund LLLP	244	6.6	(2.81)	(7.07)	(7.07)	(11.30)			
Black River Commodity Multi - Strategy Fund LLC*	10	0.3	0.00	0.00	0.00	(19.45)	(13.58)	(9.36)	
Black River Commodity Trading Fund (Onshore) Ltd	210	5.7	(0.63)	(2.82)	(2.82)	(0.26)	2.08		
Black River Fixed Income Relative Value Opportunity Fund Ltd	432	11.7	0.02	1.47	1.47	5.74	6.93	10.96	
BlueTrend Fund LP	251	6.8	(0.78)	(2.06)	(2.06)	(13.53)	(1.64)	5.18	
Breton Hill Eureka Fund, LP	217	5.9	0.45	(2.03)	(2.03)	11.72			
Brookside Capital Partners Fund, L.P. *	16	0.4	0.00	5.46	5.46	13.93	21.74	14.60	12.84
Canyon Value Realization Fund L.P. *	5	0.1	0.77	0.51	0.51	24.27	10.19	9.85	
Chatham Eureka Fund LP	552	14.9	(0.19)	2.10	2.10	8.22	5.09		
Deephaven Global Multi-Strategy Fund LLC *	2	0.1	0.00	52.67	52.67	53.70	10.48	3.24	
Lansdowne Eureka Fund, LP	263	7.1	0.56	6.36	6.36	11.67			
O'Connor Global Fundamental Market Neutral Long Short LLC - A1	50	1.4	0.73	0.21	0.21	0.33	2.04	2.87	
OZ Domestic Partners II, L.P. *	22	0.6	1.80	2.76	2.76	2.26	5.94	7.04	
OZ Eureka Fund, LP	666	18.0	2.15	3.99	3.99	16.91	10.13		
PFM Diversified Eureka Fund, L.P	323	8.7	3.66	7.16	7.16	18.54	5.66		
Standard Pacific Eureka Fund, L.P	97	2.6	4.45	3.14	3.14	11.54			
SuttonBrook Eureka Fund LP	13	0.4	0.00	(0.53)	(0.53)	(3.28)	(6.59)		
Symphony Eureka Fund LP	322	8.7	0.73	2.53	2.53	6.68	7.23		
Tennenbaum Multi-Strategy SPV (Cayman) LTD *	0	-	68.70	68.70	68.70	(43.65)	(17.80)		
Wayzata (AIS Highbury Liquidating Fund)	1	0.0	0.00	19.78	19.78	(49.35)			
<b>TOTAL DIRECT INVESTMENTS</b>	<b>3,697</b>	<b>100.0</b>	<b>0.65</b>	<b>1.65</b>	<b>1.65</b>	<b>5.98</b>	<b>3.83</b>	<b>4.48</b>	<b>5.65</b>

\* Manager is no longer actively managed and has "stub" positions in illiquid or quasi-illiquid assets held in hedge funds that have been redeemed or transferred out of by CalPERS.

## Section VIII: Absolute Return Strategies

**Fund of Funds**

FUND OF FUNDS (Preliminary month-end returns provided by IFS)	September 30, 2013		1-Month	3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
ASIAN FUND OF FUNDS	465	31.7	1.01	1.25	1.25	11.36	2.15	0.62	
EUROPEAN FUND OF FUNDS	416	28.3	0.49	0.34	0.34	5.35	2.53	2.15	
FUND OF EMERGING HEDGE FUNDS	588	40.0	1.44	1.64	1.64	7.98	3.54	3.76	
<b>TOTAL FUND OF FUNDS</b>	<b>1,469</b>	<b>100.0</b>	<b>1.03</b>	<b>1.14</b>	<b>1.14</b>	<b>8.14</b>	<b>2.79</b>	<b>2.18</b>	

ASIAN FUND OF FUNDS (Preliminary month-end returns provided by IFS)	September 30, 2013		1-Month	3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
PAAMCO 1848 Fund LP - Blue Diamond Separate Investment	176	37.8	(0.40)	(0.59)	(0.59)	6.70	1.40		
Vision Blue Diamond Fund, LP	289	62.2	1.90	2.50	2.50	14.88	2.67	1.14	
<b>TOTAL ASIAN FUND OF FUNDS</b>	<b>465</b>	<b>100.0</b>	<b>1.01</b>	<b>1.25</b>	<b>1.25</b>	<b>11.36</b>	<b>2.15</b>	<b>0.62</b>	

EUROPEAN FUND OF FUNDS (Preliminary month-end returns provided by IFS)	September 30, 2013		1-Month	3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
AIS Highbury Fund, LP	108	26.0	0.08	(0.07)	(0.07)	2.40	1.23	0.68	
ERAAM Highbury Fund, LP	287	69.0	0.67	0.34	0.34	6.77	3.62	4.05	
Ermitage Highbury Fund, LP	21	5.0	0.22	2.12	2.12	6.74	2.01	0.84	
<b>TOTAL EUROPEAN FUND OF FUNDS</b>	<b>416</b>	<b>100.0</b>	<b>0.49</b>	<b>0.34</b>	<b>0.34</b>	<b>5.35</b>	<b>2.53</b>	<b>2.15</b>	

FUND OF EMERGING HEDGE FUNDS (Preliminary month-end returns provided by IFS)	September 30, 2013		1-Month	3-Months	FYTD	1-Yr	3-Yr	5-Yr	10-Yr
	Ending Market Value	% of Total Assets	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return	Net Rate of Return
47 Degrees North 1848 Fund, LP	177	30.1	0.65	0.42	0.42	(0.45)	0.42	0.90	
PAAMCO 1848 Fund, LP - 1848 Separate Investment	174	29.6	2.02	2.14	2.14	15.19	6.72	5.56	
Rock Creek 1848 Fund, LP	237	40.3	1.60	2.24	2.24	10.59	4.07	5.21	
<b>TOTAL FUND OF EMERGING HEDGE FUNDS</b>	<b>588</b>	<b>100.0</b>	<b>1.44</b>	<b>1.64</b>	<b>1.64</b>	<b>7.98</b>	<b>3.54</b>	<b>3.76</b>	



*Section IX*  
**Total Fund Portfolios**

**QUARTER ENDING SEPTEMBER 30, 2013**



Section IX: Total Fund Portfolios

**Multi-Asset Class, Currency Overlay Summary & Plan Level Portfolios Performance**

MULTI-ASSET CLASS	September 30, 2013		1-Month		3-Months		FYTD		1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
STANDARD LIFE INVESTMENTS MAC LP**	516	100.0	1.04	43	0.04	(178)	0.04	(178)								
<b>TOTAL MULTI-ASSET CLASS</b>	<b>516</b>	<b>100.0</b>	<b>1.04</b>	<b>43</b>	<b>0.04</b>	<b>(178)</b>	<b>0.04</b>	<b>(178)</b>								

CURRENCY OVERLAY	September 30, 2013		1-Month		3-Months		FYTD		1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
ACTIVE CURRENCY OVERLAY - INTERNALLY MAN	(15)															
INTERNAL TRADE - FX	(306)															

PLAN LEVEL PORTFOLIOS	September 30, 2013		1-Month		3-Months		FYTD		1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
CALPERS PLAN LEVEL GLOBAL FIXED INCOME	80		(4.57)	(549)	(6.94)	(915)	(6.94)	(915)	7.03	10	(0.90)	(994)	2.15	(1,042.79)		
GLOBAL EQUITY PLAN LEVEL TRANSITION	0															
MHLP PERSONAL LOANS	19		0.23	(114)	(1.96)	(297)	(1.96)	(297)								
INFLATION ASSETS TRANSITION																

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Funded in December 2012





*Section X*  
**Affiliate Investment Programs**

**QUARTER ENDING SEPTEMBER 30, 2013**



## Section X: Affiliate Investment Programs

**Affiliate Investment Programs Summary**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>AFFILIATE INVESTMENT PROGRAMS</b>																	
CERBT STRATEGY 1 FUND	2,477	26.3	4.23	6	5.85	4	5.85	4	1	11.64	22	9.90	5	7.95	(2)		
CERBT STRATEGY 2	449	4.8	3.58	5	4.62	5	4.62	5	0	8.15	37						
CERBT STRATEGY 3	62	0.7	2.80	4	3.16	5	3.16	5	0	3.80	31						
JUDGES' RETIREMENT SYSTEM II FUND	845	9.0	4.11	3	5.75	3	5.75	3	0	11.91	40	10.04	(1)	8.62	22	7.24	0
LEGISLATORS' RETIREMENT SYSTEM FUND	124	1.3	2.81	2	3.24	3	3.24	3	0	4.33	59	7.85	21	8.81	80	6.66	5
LONG-TERM CARE FUND	3,809	40.5	2.10	5	2.05	14	2.05	14	5	0.56	42	6.31	20	7.19	44	6.45	17
<b>SUPPLEMENTAL INCOME PLANS</b>																	
BALANCED GROWTH - POFF	502	5.3	3.12	2	5.06	9	5.06	9	0	11.97	31	9.75	(10)	7.27	(52)	6.48	(17)
<b>TOTAL AFFILIATE INVESTMENT PROGRAMS **</b>	<b>9,404</b>	<b>100.0</b>	<b>3.07</b>	<b>2</b>	<b>3.97</b>	<b>6</b>	<b>3.97</b>	<b>6</b>	<b>4</b>	<b>6.75</b>	<b>24</b>	<b>8.21</b>	<b>0</b>	<b>7.64</b>	<b>28</b>	<b>6.55</b>	<b>13</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* The 457 and SCP Program returns and EMV are included in the Total AIP Composite but removed in this report in July 2012 per a request from AIP.

## Section X: Affiliate Investment Programs

**Judges II Retirement System, Legislators' Retirement System Fund & Long-Term Care Fund**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>JUDGES' RETIREMENT SYSTEM II FUND</b>																	
JRS II CASH	0	0.0		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.03	(7)	0.08	(2)	0.27	10	1.81	9
JRS II COMMODITIES	25	3.0	(2.74)	66	3.41	(137)	3.41	(137)	(0)	(4.63)	(48)						
JRS II DOMESTIC FIXED INCOME	170	20.1	1.11	(3)	0.30	12	0.30	12	0	(3.66)	110	4.74	61	9.10	159	5.73	38
JRS II GLOBAL EQUITY	532	62.9	5.41	0	8.49	6	8.49	6	0	20.05	25	11.72	5	7.91	4	7.42	6
JRS II REITS	67	7.9	5.80	3	2.49	5	2.49	5	0	10.97	2	10.45	(5)	2.09	37		
JRS II TIPS	51	6.0	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13						
<b>TOTAL JUDGES' RETIREMENT SYSTEM II FUND</b>	<b>845</b>	<b>100.0</b>	<b>4.11</b>	<b>3</b>	<b>5.75</b>	<b>3</b>	<b>5.75</b>	<b>3</b>	<b>0</b>	<b>11.91</b>	<b>(40)</b>	<b>10.04</b>	<b>(1)</b>	<b>8.62</b>	<b>22</b>	<b>7.24</b>	<b>0</b>

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>LEGISLATORS' RETIREMENT SYSTEM FUND</b>																	
LRS CASH	0	0.0		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.03	(7)	0.08	(2)	0.27	11	1.89	17
LRS COMMODITIES	4	3.0	(2.74)	66	3.41	(137)	3.41	(137)	(0)	(4.63)	(48)						
LRS DOMESTIC FIXED INCOME	52	42.2	1.11	(3)	0.30	12	0.30	12	0	(3.66)	110	4.74	61	9.11	159	5.82	1
LRS GLOBAL EQUITY	39	31.9	5.41	0	8.49	6	8.49	6	0	20.05	25	12.15	5	7.96	4	7.17	6
LRS REITS	10	7.9	5.80	3	2.49	5	2.49	5	0	10.97	2						
LRS TIPS	19	15.0	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13	4.00	(3)	5.51	20		
<b>TOTAL LEGISLATORS' RETIREMENT SYSTEM FUND</b>	<b>124</b>	<b>100.0</b>	<b>2.81</b>	<b>2</b>	<b>3.24</b>	<b>3</b>	<b>3.24</b>	<b>3</b>	<b>0</b>	<b>4.33</b>	<b>(59)</b>	<b>7.85</b>	<b>21</b>	<b>8.81</b>	<b>80</b>	<b>6.66</b>	<b>5</b>

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>LONG-TERM CARE FUND</b>																	
LTC CASH	0	0.0		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.03	(7)	0.08	(2)	0.27	11	1.73	2
LTC COMMODITIES	229	6.0	(3.39)	(0)	4.74	(3)	4.74	(3)	(0)	(2.43)	171						
LTC DOMESTIC FIXED INCOME	2,288	60.1	1.17	2	0.24	6	0.24	6	1	(4.41)	36	4.47	34	8.94	143	5.79	46
LTC GLOBAL EQUITY	620	16.3	5.43	4	8.38	10	8.38	10	1	18.57	(11)	12.28	2	8.25	2	7.62	2
LTC REITS	459	12.0	5.52	1	1.94	14	1.94	14	1	9.80	36	10.06	6	1.82	37		
LTC TIPS	213	5.6	1.45	(0)	0.69	(1)	0.69	(1)	(0)	(6.15)	(5)	3.93	(10)	5.47	16		
<b>TOTAL LONG-TERM CARE FUND</b>	<b>3,809</b>	<b>100.0</b>	<b>2.10</b>	<b>5</b>	<b>2.05</b>	<b>14</b>	<b>2.05</b>	<b>14</b>	<b>5</b>	<b>0.56</b>	<b>(42)</b>	<b>6.31</b>	<b>20</b>	<b>7.19</b>	<b>44</b>	<b>6.45</b>	<b>17</b>

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

## Section X: Affiliate Investment Programs

**CERBT Strategies 1, 2 & 3**

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>CERBT STRATEGY 1</b>																	
CERBT S1 CASH	2	0.1		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.03	(7)	0.08	(2)	0.25	9		
CERBT S1 COMMODITIES	75	3.0	(2.74)	66	3.41	(137)	3.41	(137)	(1)	(4.63)	(48)						
CERBT S1 DOMESTIC FIXED INCOME	450	18.2	1.11	(3)	0.30	12	0.30	12	1	(3.66)	110	4.74	61	9.11	160		
CERBT S1 GLOBAL EQUITY	1,629	65.8	5.44	5	8.37	10	8.37	10	2	18.69	2	11.92	7	8.14	5		
CERBT S1 REITs	197	7.9	5.54	3	1.93	14	1.93	14	0	9.75	31	10.04	5	1.97	53		
CERBT S1 TIPS	124	5.0	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13						
<b>CERBT STRATEGY 1</b>	<b>2,477</b>	<b>100.0</b>	<b>4.23</b>	<b>6</b>	<b>5.85</b>	<b>4</b>	<b>5.85</b>	<b>4</b>	<b>1</b>	<b>11.64</b>	<b>22</b>	<b>9.90</b>	<b>5</b>	<b>7.95</b>	<b>(2)</b>		

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>CERBT STRATEGY 2</b>																	
CERBT S2 CASH	2	0.4		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.02	(7)						
CERBT S2 COMMODITIES	13	3.0	(2.74)	66	3.41	(137)	3.41	(137)	(0)	(4.63)	(48)						
CERBT S2 DOMESTIC FIXED INCOME	108	24.1	1.11	(3)	0.30	12	0.30	12	0	(3.66)	110						
CERBT S2 GLOBAL EQUITY	222	49.5	5.43	4	8.35	7	8.35	7	0	19.44	3						
CERBT S2 REITs	36	7.9	5.54	2	1.92	13	1.92	13	0	9.76	32						
CERBT S2 TIPS	67	15.0	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13						
<b>CERBT STRATEGY 2</b>	<b>449</b>	<b>100.0</b>	<b>3.58</b>	<b>5</b>	<b>4.62</b>	<b>5</b>	<b>4.62</b>	<b>5</b>	<b>0</b>	<b>8.15</b>	<b>37</b>						

	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
<b>CERBT STRATEGY 3</b>																	
CERBT S3 CASH	0	0.1		(0)	(0.00)	(2)	(0.00)	(2)	(0)	0.03	(7)						
CERBT S3 COMMODITIES	2	3.0	(2.74)	66	3.41	(137)	3.41	(137)	(0)	(4.63)	(48)						
CERBT S3 DOMESTIC FIXED INCOME	26	42.2	1.11	(3)	0.30	12	0.30	12	0	(3.66)	110						
CERBT S3 GLOBAL EQUITY	20	31.7	5.43	4	8.34	6	8.34	6	0	19.22	(20)						
CERBT S3 REITs	5	7.9	5.54	3	1.92	13	1.92	13	0	9.58	14						
CERBT S3 TIPS	9	15.0	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13						
<b>TOTAL CERBT STRATEGY 3</b>	<b>62</b>	<b>100.0</b>	<b>2.80</b>	<b>4</b>	<b>3.16</b>	<b>5</b>	<b>3.16</b>	<b>5</b>	<b>0</b>	<b>3.80</b>	<b>31</b>						

\* Value Added is the Excess BPS converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

## Section X: Affiliate Investment Programs

**Supplemental Income Plan 457**

SUPPLEMENTAL INCOME PLAN 457	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	\$ Value Added (MM) *	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps	Gross Rate of Return	Excess Bps
CALPERS AGGRESSIVE	61	5.5	4.22	1	6.95	27	6.95	27	0	17.42	43	11.86	(33)				
CALPERS CONSERVATIVE	39	3.4	1.83	5	2.70	9	2.70	9	0	5.02	45	6.57	29				
CALPERS MODERATE	123	11.0	3.12	2	5.06	9	5.06	9	0	11.97	31	9.75	(10)				
CALPERS TARGET 2005 FUND	2	0.2	2.03	2	3.04	3	3.04	3	0	5.97	34	7.08	15				
CALPERS TARGET 2010 FUND	17	1.5	2.44	2	3.69	5	3.69	5	0	7.93	29	8.09	2				
CALPERS TARGET 2015 FUND	34	3.1	2.65	1	4.07	5	4.07	5	0	9.11	27	8.60	(7)				
CALPERS TARGET 2020 FUND	48	4.3	2.87	1	4.59	8	4.59	8	0	10.72	29	9.28	(4)				
CALPERS TARGET 2025 FUND	23	2.0	3.33	3	5.46	16	5.46	16	0	12.97	39	10.13	(11)				
CALPERS TARGET 2030 FUND	27	2.4	3.67	3	6.12	23	6.12	23	0	15.12	43	11.07	(14)				
CALPERS TARGET 2035 FUND	9	0.8	4.05	1	6.67	25	6.67	25	0	16.65	42	11.62	(30)				
CALPERS TARGET 2040 FUND	15	1.4	4.22	1	6.95	27	6.95	27	0	17.43	44	11.86	(33)				
CALPERS TARGET 2045 FUND	3	0.3	4.22	1	6.95	27	6.95	27	0	17.50	51	11.85	(34)				
CALPERS TARGET 2050 FUND	1	0.1	4.22	0	6.95	27	6.95	27	0	17.42	42	11.82	(37)				
CALPERS TARGET INCOME FUND	14	1.2	1.83	5	2.70	9	2.70	9	0	5.02	45	6.49	22				
INTERNATIONAL INDEX	19	1.7	7.11	4	11.61	7	11.61	7	0	21.70	20	8.21	11	6.70	(5)		
PIMCO SHORT-TERM BOND FUND	21	1.9	0.24	22	0.49	42	0.49	42	0	1.05	84	1.27	104				
PYRAMIS SELECT INTERNATIONAL	38	3.4	7.20	14	11.25	(20)	11.25	(20)	(0)	21.61	30	9.63	144				
S&P 500 EQUITY INDEX FUND	242	21.7	3.13	(0)	5.25	1	5.25	1	0	19.39	5	16.31	5	10.17	15	7.68	12
SMALL/MID EQUITY INDEX FUND	154	13.8	5.72	(0)	9.07	(1)	9.07	(1)	(0)	29.85	6	18.72	28	12.88	20		
SSgA STIF	128	11.4	(0.00)	(1)	(0.00)	(2)	(0.00)	(2)	(0)	0.04	(6)	0.09	(2)				
THE BOSTON COMPANY SMID GROWTH	9	0.8	5.09	(132)	12.97	103	12.97	103	0	29.46	(249)	22.72	293				
THE BOSTON COMPANY SMID VALUE	4	0.4	4.33	(75)	8.70	227	8.70	227	0	27.77	19	15.13	(200)				
TIPS SECURITIES	29	2.6	1.38	(7)	0.59	(11)	0.59	(11)	(0)	(5.97)	13	4.06	3	5.57	26		
TOTAL RETURN BOND FUND	56	5.1	1.07	12	0.80	23	0.80	23	0	(0.64)	105	3.71	85	6.16	75		
<b>TOTAL 457 AGGREGATE**</b>	<b>1,118</b>	<b>100.0</b>	<b>3.12</b>	<b>1</b>	<b>4.90</b>	<b>7</b>	<b>4.90</b>	<b>7</b>	<b>0</b>	<b>12.70</b>	<b>7</b>	<b>9.56</b>	<b>(9)</b>	<b>7.47</b>	<b>17</b>		

\* Value Added is the excess bps converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* SSB does not have the gross returns for the 5-Yr and 10-Yr time periods due to not having the appropriate gross level data for the underlying portfolios.



*Section XI*  
**Other Programs**

**QUARTER ENDING SEPTEMBER 30, 2013**



## Section XI: Other Programs

**Securities Lending Program & Short Term Liquidity Performance Summary**

SECURITIES LENDING PROGRAM	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)	% of Total Assets	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
CALPERS ESEC CASH COLLATERAL EXTERNAL COLLATERAL PORTFOLIO**	9,037	75.6	0.01	0	0.03	1	0.03	1	1	0.16	3	0.19	7				
INTERNAL ACTIVE SHORT TERM	247	2.1	0.48		35.02		35.02			68.91							
	2,671	22.3	0.02	3	0.04	6	0.04	6	1	0.17	20						
<b>SEC LENDING INT &amp; EXT REINVEST</b>	<b>11,955</b>	<b>100.0</b>	<b>0.02</b>	<b>2</b>	<b>0.44</b>	<b>42</b>	<b>0.44</b>	<b>42</b>	<b>60</b>	<b>1.13</b>	<b>103</b>	<b>1.34</b>	<b>122</b>	<b>1.05</b>	<b>89</b>	<b>1.97</b>	<b>23</b>

SHORT TERM LIQUIDITY	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	\$ Value Added (MM) *	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
SHORT TERM LIQUIDITY	3,691		0.00	1	0.01	3	0.01	3	1	0.09	12						

TERMINATED AGENCY POOL	September 30, 2013		1-Month		3-Months		FYTD			1-Yr		3-Yr		5-Yr		10-Yr	
	Ending Market Value (MM)		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps		Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps	Net Rate of Return	Excess Bps
TERMINATED AGENCY POOL***	114		0.95	N/A	-1.06	N/A	(1.06)	N/A		N/A		N/A		N/A		N/A	

\* Value Added is the Excess BPS converted into a dollar value by multiplying the excess bps by the fiscal year-to-date average market value.

\*\* Structured Investment Vehicle

\*\*\* Terminated Agency Pool funded July 2013



*Section XII*  
**Asset Class Benchmarks &  
Definitions**



**QUARTER ENDING SEPTEMBER 30, 2013**





## Section XII: Asset Class Benchmarks &amp; Definitions

**Asset Class Benchmarks**

<b>BENCHMARK</b>	<b>TARGET WEIGHTS OF BENCHMARK COMPONENTS AS OF JULY 1, 2011</b>	<b>BENCHMARK COMPONENTS PRIOR TO JUNE 30, 2011</b>
<b>Total Fund*</b>	<b>Growth 63%</b> <b>Income 16%</b> <b>Real Assets 13%</b> <b>Inflation 4%</b> <b>Liquidity 4%</b>	<b>Global Equity* 49%</b> <b>Fixed Income* 20%</b> <b>AIM* 14%</b> <b>Real Estate* 10%</b> <b>Inflation Linked 5%</b> <b>Cash 2%</b>
<b>Growth Benchmark</b>	<b>Public Equity 78%</b> FTSE All World <b>Private Equity 22%</b> (67% FTSE U.S. TMI + 33% FTSE AW ex US TMI) + 3% 1 Qtr Lag	<b>Global Equity* (Public Equity)</b> 95% FTSE All World + 5% 12 mo. T-Bill <b>AIM* (Private Equity)</b> Wilshire 2500 + 3% 1 Qtr Lag and Linked to Custom Young Fund on June 30, 2009
<b>Income Benchmark</b>	90% Barclays Long Liability + 10% Barclays International Fixed Income	90% Barclays Long Liability + 10% Barclays International Fixed Income
<b>Liquidity Benchmark</b>	<b>Liquidity Portfolio 75%</b> Barclays Treasury 2 - 10 Yr <b>Cash 25%</b> 1 Month T-Bill	<b>Liquidity Portfolio</b> Barclays Treasury 2 - 10 Yr <b>Cash</b> STIF

\*Benchmark linked to prior policy benchmarks from inception

## Section XII: Asset Class Benchmarks &amp; Definitions

**Asset Class Benchmarks**

<b>BENCHMARK</b>	<b>TARGET WEIGHTS OF BENCHMARK COMPONENTS AS OF JULY 1, 2011</b>	<b>BENCHMARK COMPONENTS PRIOR TO JUNE 30, 2011</b>
<b>Real Assets Benchmark</b>	<p><b>Real Estate 77%</b> NCREIF ODCE (Net) + FTSE EPRA NAREIT Global</p> <p><b>Infrastructure 15%</b> CPI + 4% 1 Month Lag</p> <p><b>Forestland 8%</b> NCREIF Timberland (Gross) 1 Qtr lag</p>	<p><b>Real Estate*</b> 90% NCREIF Property Index + 10% FTSE EPRA NAREIT Global</p> <p><b>Infrastructure (Inflation Linked Asset Class)</b> CPI + 5% 1 Month Lag</p> <p><b>Forestland (Inflation Linked Asset Class)</b> NCREIF Timberland (Gross) 1 Qtr lag (Performance Reporting purposes) CPI + 5% 1 Month Lag (Incentive Compensation purposes)</p>
<b>Inflation Benchmark</b>	<p><b>Inflation Linked Bonds Portfolio 75%</b> 67% Barclays Capital Global Inflation US + 33% Barclays Capital Global Inflation (U.K., France, Italy, Germany, Canada)</p> <p><b>Commodities Portfolio 25%</b> S&amp;P 500 Total Return Index</p>	<p><b>Inflation Linked Bonds Portfolio</b> 67% Barclays Capital Global Inflation US + 33% Barclays Capital Global Inflation (U.K., France, Italy, Germany, Canada)</p> <p><b>Commodities Portfolio</b> S&amp;P 500 Total Return Index</p>

\*Benchmark linked to prior policy benchmarks from inception

## Section XII: Asset Class Benchmarks &amp; Definitions

**Total Fund Policy Benchmark Target Weights Transition Schedule**

ASSET CLASS	Q1 2013	Q2 2013	Q3 2013	Q4 2013	POLICY TARGETS*
Global Equity	50%	50%	50%	50%	49%
Private Equity	<u>14%</u>	<u>14%</u>	<u>14%</u>	<u>14%</u>	<u>14%</u>
<b>GROWTH</b>	<b>64%</b>	<b>64%</b>	<b>64%</b>	<b>64%</b>	<b>63%</b>
<b>INCOME</b>	<b>17%</b>	<b>17%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>
Infrastructure/Forestland	2%	2%	2%	2%	3%
Real Estate	<u>9%</u>	<u>9%</u>	<u>9%</u>	<u>9%</u>	<u>10%</u>
<b>REAL ASSETS</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>11%</b>	<b>13%</b>
<b>INFLATION</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>
<b>LIQUIDITY</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>	<b>4%</b>
<b>TOTAL FUND POLICY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Policy Targets Date has yet to be determined but has tentatively been targeted for the end of calendar year 2013 through the Strategic Asset Allocation Process

## **Definitions**

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**CASH IN** – The total contributions, net of temporary returns of capital, made by CalPERS towards investments.

**CASH OUT** – The total distributions received by CalPERS from its investments.

**CONTRIBUTIONS** – The total amount of cash that has been called from limited partners.

**DISTRIBUTIONS** – The total amount of cash and stock that has been paid out to limited partners.

**EXCESS BPS** – Excess basis points (BPS) is the difference between the portfolio or composite return and the benchmark return multiplied by 100 to convert the Excess BPS to a whole number.

### Excess BPS Calculation

$$\text{Excess BPS} = (\text{Portfolio or Composite Return} - \text{Benchmark Return}) \times 100$$

**INTERNAL RATE OF RETURN (IRR)** – Dollar weighted rate of return that shows profitability as a percentage, showing the return on each dollar invested. IRR equates the present value of a partnership's estimated cash flows (CF) with the present value of the partnership's costs. Before fees (BF) IRR is calculated before all expensed fees such as Asset Management, Disposition, Incentive Fees, etc. After fees (AF) IRR is calculated after all expensed fees such as Asset Management, Disposition, Incentive Fees, etc.

IRR is the quarterly discount rate that makes the following relationship hold:

$$\text{Present Value (inflows)} = \text{Present Value (investment costs)}$$

### IRR Calculation

$$= CF_0 + CF_1 / (1+IRR) + CF_2 / (1+IRR)^2 + CF_3 / (1+IRR)^3 \dots CF_n / (1+IRR)^n$$

**Definitions**

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**IRR COMPARED TO TIME WEIGHTED RATE OF RETURN (TWRR)** - According to the Global Investment Performance Standards (GIPS); using IRR is a more accurate method than TWRR to measure private equity funds. An IRR reflects the effects of the timing of cash flows in a portfolio. The IRR is required for private equity assets because the firm controls the cash flows into and out of the portfolio. A time-weighted rate of return (TWRR) will not offer the best measure for an investor to compare returns between private equity funds because the TWRR will not capture the critical effects of cash flow management within the control of the private equity manager.

**INVESTMENT MULTIPLE** – A measure of a fund’s performance showing the fund’s total value as a multiple of its cost basis. The computation is as follows:

Investment Multiple Calculation

(Distributions + Market Value) / Contributions

**MARKET VALUE: PRIVATE ASSETS** - An opinion of value as of a certain date as stated by either the investment advisor or independent appraiser. Market value differs from amount funded or net investment in that the value includes unrealized gains or losses during the holding period.

**MARKET VALUE: PUBLIC ASSETS AT SECURITY LEVEL** - Ending market value in the performance system is calculated as the shares \* price + income accrual. Market Value is generally computed by the Custodian based on CalPERS pricing hierarchy.

**MARKET VALUE: PUBLIC ASSETS AT PORTFOLIO LEVEL** - Ending market value in the performance system is calculated as the sum of the underlying securities’ ending market values as described above +/- any open receivables or payables (uninvested assets). This is consistent with the Net Asset Value or Total Net Assets reported in accounting.

**REALIZED GAIN OR LOSS** – The gain or loss CalPERS realized from the disposition of an asset.

## **Definitions**

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**RATE OF RETURNS** - CalPERS performance uses a daily Modified-Dietz methodology which is geometrically linked to produce time-weighted returns for longer periods.

### Daily Return Calculation

Rate of Return<sub>Daily</sub> = Dollar Value Added / Average Balance

Where:

Dollar Value Added = Gains/losses due to price appreciation and income

Average Balance = Beginning Market Value + Net Cash Flows

Daily returns are then geometrically linked to produce multi-period returns. The linking formula is as follows:

$$R_{Monthly} = ((1 + R_1) \times (1 + R_2) \times \dots (1 + R_n)) - 1$$

**TOTAL EXPOSURE** – Total Exposure is the current reported value of investments plus remaining amount of unfunded commitments.

**UNREALIZED GAIN OR LOSS** – The difference between an asset's cost and market value.

**VALUE ADDED** – Value Added is the Excess BPS converted into a dollar value by multiplying the excess bps multiplied by the fiscal year-to-date average market value.

### Value Added Calculation

Value Added = ((Portfolio or Composite Return – Benchmark Return) x 100) x fiscal year-to-date average market value

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