

# Monthly Update- Performance & Risk AFFILIATE INVESTMENT FUNDS



April 30, 2015

## JUDGES' RETIREMENT SYSTEM II FUND (JRF II)

### JRF II Overview

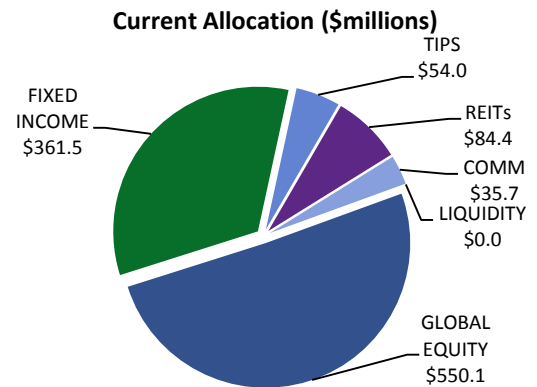
The JRF II provides retirement benefits to judges elected on or after November 9, 1994. This fund is invested in a moderately aggressive asset allocation strategy.

| JRF II             | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|--------------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY      | 50%                               | ± 5%           | 50.7%                 | 0.7%        |
| FIXED INCOME       | 34%                               | ± 5%           | 33.3%                 | (0.7%)      |
| TIPS <sup>2</sup>  | 5%                                | ± 3%           | 5.0%                  | 0.0%        |
| REITs <sup>3</sup> | 8%                                | ± 5%           | 7.8%                  | (0.2%)      |
| COMMODITIES        | 3%                                | ± 3%           | 3.3%                  | 0.3%        |
| LIQUIDITY          | 0%                                | +2%            | 0.0%                  | 0.0%        |

<sup>1</sup> Allocations approved by the Board at the October 2014 IC meeting

<sup>2</sup> TIPS: Treasury Inflation-Protected Securities

<sup>3</sup> REITs: Real Estate Investment Trusts



### Performance Summary

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 1,085.7                       | 2.5%       | 17         | 9.9%       | 31         | 9.5%       | (4)        | 7.0%       | 13         | 7.0%             | (2)        |

\* The JRF II has an inception date of December 1, 1996.

## LEGISLATORS' RETIREMENT FUND (LRF)

### LRF Overview

The LRF provides retirement benefits for Senators and Members of the Assembly (first elected prior to Nov 7, 1990), Constitutional Officers (first elected prior to Dec 31, 2012), and Legislative Statutory Officers (first appointed prior to Dec 31, 2012). This fund is closed to new membership and is invested in a conservative asset allocation strategy.

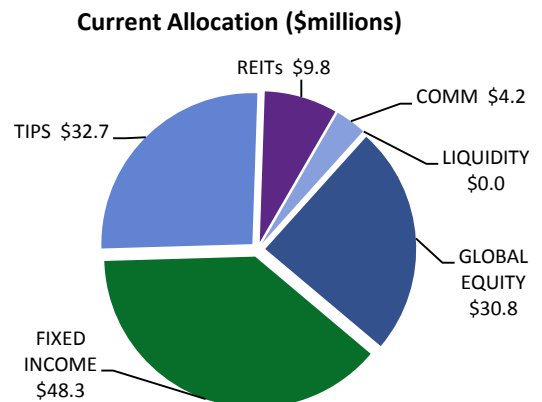
| LRF           | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|---------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY | 24%                               | ± 5%           | 24.5%                 | 0.5%        |
| FIXED INCOME  | 39%                               | ± 5%           | 38.4%                 | (0.6%)      |
| TIPS          | 26%                               | ± 3%           | 26.0%                 | 0.0%        |
| REITs         | 8%                                | ± 5%           | 7.8%                  | (0.2%)      |
| COMMODITIES   | 3%                                | ± 3%           | 3.3%                  | 0.3%        |
| LIQUIDITY     | 0%                                | +2%            | 0.0%                  | 0.0%        |

<sup>1</sup> Allocations approved by the Board at the October 2014 IC meeting

### Performance Summary

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 125.8                         | 2.5%       | 30         | 6.8%       | 52         | 7.8%       | 13         | 6.6%       | 34         | 8.7%             | (4)        |

\* The LRF has an inception date of July 1, 1998.



**PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)**

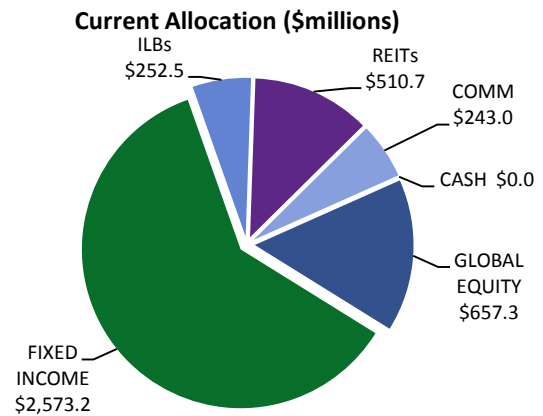
**LTCF Overview**

The LTCF provides voluntary long-term care insurance to participating members. This fund is invested in a conservative asset allocation strategy.

| LTCF              | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|-------------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY     | 15%                               | ± 4%           | 15.5%                 | 0.5%        |
| FIXED INCOME      | 61%                               | ± 5%           | 60.7%                 | (0.3%)      |
| ILBs <sup>2</sup> | 6%                                | ± 2%           | 6.0%                  | 0.0%        |
| REITs             | 12%                               | ± 4%           | 12.1%                 | 0.1%        |
| COMMODITIES       | 6%                                | ± 2%           | 5.7%                  | (0.3%)      |
| CASH              | 0%                                | +1%            | 0.0%                  | 0.0%        |

<sup>1</sup> Allocations approved by the Board at the April 2012 IC meeting

<sup>2</sup> ILBs: Inflation Linked Bonds



**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 4,236.6                       | 2.1%       | 24         | 4.9%       | 35         | 6.4%       | 11         | 5.8%       | 36         | 6.7%             | 7          |

\* The LTCF has an inception date of March 1, 1996.

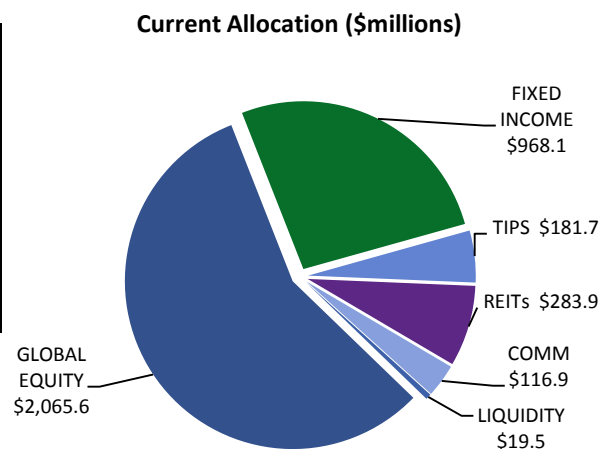
**CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBT)**

**CERBT Strategy 1 Overview**

The CERBT Strategy 1 Fund provides a vehicle for California public agencies to voluntarily pre-fund health, dental, and other non-pension retirement benefits. The CERBT Strategy 1 Fund is invested in a moderately aggressive asset allocation strategy.

| CERBT 1       | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|---------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY | 57%                               | ± 2%           | 56.8%                 | (0.2%)      |
| FIXED INCOME  | 27%                               | ±2%            | 26.6%                 | (0.4%)      |
| TIPS          | 5%                                | ± 2%           | 5.0%                  | 0.0%        |
| REITs         | 8%                                | ± 2%           | 7.8%                  | (0.2%)      |
| COMMODITIES   | 3%                                | ± 2%           | 3.2%                  | 0.2%        |
| LIQUIDITY     | 0%                                | +2%            | 0.5%                  | 0.5%        |

<sup>1</sup> Allocations approved by the Board at the October 2014 IC meeting



**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 3,635.7                       | 2.4%       | 34         | 9.8%       | 29         | 9.1%       | 7          | -          | -          | 4.6%             | 45         |

\* The CERBT Strategy 1 fund has an inception date of June 1, 2007.

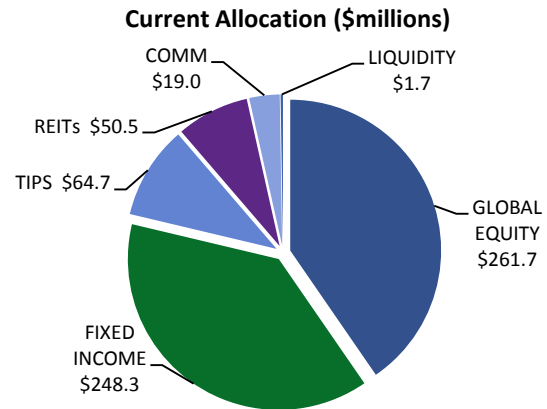
**CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBT)**

**CERBT Strategy 2 Overview**

The CERBT Strategy 2 Fund provides a vehicle for California public agencies to voluntarily pre-fund health, dental, and other non-pension retirement benefits. The CERBT Strategy 2 Fund is invested in a moderate asset allocation strategy.

| CERBT 2       | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|---------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY | 40%                               | ± 2%           | 40.4%                 | 0.4%        |
| FIXED INCOME  | 39%                               | ± 2%           | 38.3%                 | (0.7%)      |
| TIPS          | 10%                               | ± 2%           | 10.0%                 | 0.0%        |
| REITS         | 8%                                | ± 2%           | 7.8%                  | (0.2%)      |
| COMMODITIES   | 3%                                | ± 2%           | 3.3%                  | 0.3%        |
| LIQUIDITY     | 0%                                | +2%            | 0.3%                  | 0.3%        |

<sup>1</sup> Allocations approved by the Board at the October 2014 IC meeting



**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 648.0                         | 2.3%       | 29         | 8.1%       | 34         | -          | -          | -          | -          | 10.4%            | 21         |

\* The CERBT Strategy 2 fund has an inception date of October 1, 2011.

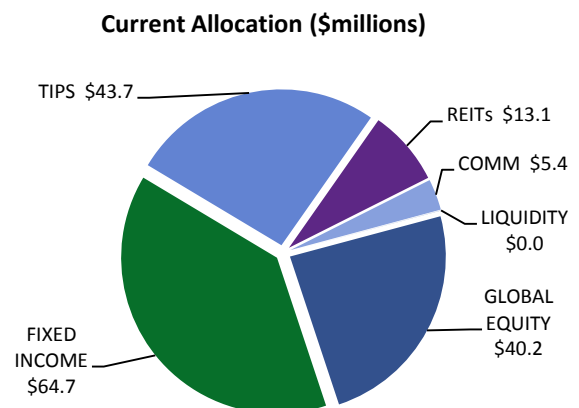
**CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBT)**

**CERBT Strategy 3 Overview**

The CERBT Strategy 3 Fund provides a vehicle for California public agencies to voluntarily pre-fund health, dental, and other non-pension retirement benefits. The CERBT Strategy 3 Fund is invested in a conservative asset allocation strategy.

| CERBT 3       | Strategic Target (%) <sup>1</sup> | Target Range % | Current Allocation(%) | Variance(%) |
|---------------|-----------------------------------|----------------|-----------------------|-------------|
| GLOBAL EQUITY | 24%                               | ± 2%           | 24.1%                 | 0.1%        |
| FIXED INCOME  | 39%                               | ± 2%           | 38.7%                 | (0.3%)      |
| TIPS          | 26%                               | ± 2%           | 26.1%                 | 0.1%        |
| REITS         | 8%                                | ± 2%           | 7.9%                  | (0.1%)      |
| COMMODITIES   | 3%                                | ± 2%           | 3.2%                  | 0.2%        |
| LIQUIDITY     | 0%                                | +2%            | 0.0%                  | 0.0%        |

<sup>1</sup> Allocations approved by the Board at the October 2014 IC meeting



**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 167.2                         | 2.5%       | 45         | 6.5%       | 43         | -          | -          | -          | -          | 7.6%             | 36         |

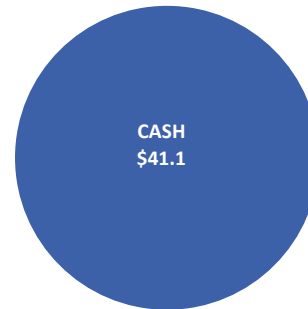
\* The CERBT Strategy 3 fund has an inception date of January 1, 2012.

**JUDGES' RETIREMENT FUND (JRF)****JRF Overview**

The JRF provides retirement benefits to judges elected prior to November 9, 1994. The State currently funds the system on a pay-as-you-go basis. The JRF is closed to new membership and is currently 100% invested in STIF.

**Current Allocation (\$millions)**

| JRF  | Strategic Target (%) | Target Range % | Current Allocation(%) | Variance(%) |
|------|----------------------|----------------|-----------------------|-------------|
| CASH | 100%                 | -              | 100.0%                | 0.0%        |

**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 41.1                          | 0.1%       | 7          | 0.1%       | (1)        | 0.1%       | 1          | 1.6%       | 13         | 3.0%             | 11         |

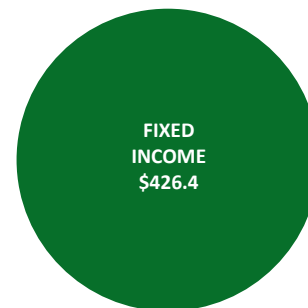
\* The JRF has an inception date of July 1, 1992.

**PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)****HCF Overview**

The HCF provides a vehicle for administering the CalPERS self-insured health care programs. Investments of the HCF are a non-operational use of reserves until needed for claims. A portion of the reserves is held at the State Treasurer's Office and the remainder is 100% invested in a U.S. fixed income fund.

**Current Allocation (\$millions)**

| HCF          | Strategic Target (%) | Target Range % | Current Allocation(%) | Variance(%) |
|--------------|----------------------|----------------|-----------------------|-------------|
| FIXED INCOME | 100%                 | -              | 100.0%                | 0.0%        |

**Performance Summary**

| Ending Market Value (\$millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            | Since Inception* |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------|------------|
|                                  | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return       | Excess BPS |
| \$ 426.4                         | 3.9%       | 70         | 3.5%       | 89         | 4.7%       | 55         | 5.1%       | 39         | 4.8%             | (75)       |

\* The HCF has an inception date of August 1, 1997.

**SUPPLEMENTAL INCOME PLANS (SIP) - PERFORMANCE SUMMARY****SIP Overview**

The SIP is comprised of the Public Employees' Deferred Compensation Fund (457 Plan) and the Supplemental Contributions Program Fund (SCP). As of March 16, 2015, the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (POFF) accounts have been closed. The 457 Plan is a pretax defined contribution plan for public agency and school employers. The SCP is an after-tax program available to State employees, school employees, and contracting agencies.

| 457 Deferred Compensation Plan | Ending Market Value (millions) | FYTD       |            | 3-YR       |            | 5-YR       |            | 10-YR      |            |
|--------------------------------|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                |                                | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS | Net Return | Excess BPS |
| CALPERS TARGET INCOME FUND     | \$ 92.8                        | 2.1%       | (16)       | 4.3%       | (33)       | 5.0%       | (69)       | -          | -          |
| CALPERS TARGET 2015 FUND       | \$ 84.9                        | 2.0%       | (17)       | 5.7%       | (58)       | 6.1%       | (85)       | -          | -          |
| CALPERS TARGET 2020 FUND       | \$ 111.7                       | 2.0%       | (18)       | 6.8%       | (59)       | 6.7%       | (84)       | -          | -          |
| CALPERS TARGET 2025 FUND       | \$ 75.2                        | 1.9%       | (17)       | 7.8%       | (65)       | 7.3%       | (86)       | -          | -          |
| CALPERS TARGET 2030 FUND       | \$ 73.5                        | 1.8%       | (17)       | 8.9%       | (71)       | 8.1%       | (87)       | -          | -          |
| CALPERS TARGET 2035 FUND       | \$ 40.4                        | 1.8%       | (14)       | 9.8%       | (78)       | 8.6%       | (92)       | -          | -          |
| CALPERS TARGET 2040 FUND       | \$ 35.0                        | 1.7%       | (11)       | 10.5%      | (78)       | 9.0%       | (94)       | -          | -          |
| CALPERS TARGET 2045 FUND       | \$ 10.6                        | 1.8%       | (11)       | 10.6%      | (78)       | 9.1%       | (93)       | -          | -          |
| CALPERS TARGET 2050 FUND       | \$ 4.5                         | 1.8%       | (11)       | 10.6%      | (78)       | 9.1%       | (94)       | -          | -          |
| CALPERS TARGET 2055 FUND*      | \$ 2.7                         | 1.8%       | (4)        | -          | -          | -          | -          | -          | -          |
| SSgA RUSSELL ALL CAP INDEX SL* | \$ 500.0                       | 7.4%       | (25)       | -          | -          | -          | -          | -          | -          |
| SSgA GBL ALL CAP EQ EX-US SL*  | \$ 66.6                        | (1.3%)     | (22)       | -          | -          | -          | -          | -          | -          |
| SSgA US BOND INDEX SL*         | \$ 61.1                        | 3.1%       | (9)        | -          | -          | -          | -          | -          | -          |
| SSgA US SHORT TERM BOND*       | \$ 39.8                        | 0.4%       | (43)       | -          | -          | -          | -          | -          | -          |
| SSgA REAL ASSET NL*            | \$ 3.7                         | (8.6%)     | (35)       | -          | -          | -          | -          | -          | -          |
| SSgA STIF                      | \$ 111.4                       | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>SCP</b>                     |                                |            |            |            |            |            |            |            |            |
| CALPERS TARGET INCOME FUND     | \$ 24.3                        | 2.0%       | (28)       | 4.3%       | (38)       | 5.0%       | (69)       | -          | -          |
| CALPERS TARGET 2015 FUND       | \$ 23.8                        | 1.9%       | (28)       | 5.6%       | (63)       | 6.1%       | (85)       | -          | -          |
| CALPERS TARGET 2020 FUND       | \$ 29.9                        | 1.8%       | (30)       | 6.7%       | (65)       | 6.7%       | (85)       | -          | -          |
| CALPERS TARGET 2025 FUND       | \$ 26.6                        | 1.8%       | (27)       | 7.8%       | (69)       | -          | -          | -          | -          |
| CALPERS TARGET 2030 FUND       | \$ 18.2                        | 1.7%       | (29)       | 8.8%       | (81)       | 8.0%       | (94)       | -          | -          |
| CALPERS TARGET 2035 FUND**     | \$ 8.7                         | 1.7%       | (18)       | -          | -          | -          | -          | -          | -          |
| CALPERS TARGET 2040 FUND       | \$ 3.7                         | 1.6%       | (24)       | 10.4%      | (84)       | 9.0%       | (94)       | -          | -          |
| CALPERS TARGET 2045 FUND**     | \$ 0.9                         | 1.7%       | (14)       | -          | -          | -          | -          | -          | -          |
| CALPERS TARGET 2050 FUND**     | \$ 0.0                         | 1.7%       | (18)       | -          | -          | -          | -          | -          | -          |
| CALPERS TARGET 2055 FUND*      | \$ 0.0                         | -          | -          | -          | -          | -          | -          | -          | -          |
| SSgA RUSSELL ALL CAP INDEX SL* | \$ 2.7                         | 7.3%       | (36)       | -          | -          | -          | -          | -          | -          |
| SSgA GBL ALL CAP EQ EX-US SL*  | \$ 0.3                         | (1.4%)     | (33)       | -          | -          | -          | -          | -          | -          |
| SSgA US BOND INDEX SL*         | \$ 0.3                         | 3.0%       | (20)       | -          | -          | -          | -          | -          | -          |
| SSgA US SHORT TERM BOND*       | \$ 0.2                         | 0.3%       | (54)       | -          | -          | -          | -          | -          | -          |
| SSgA Real Asset NL*            | \$ 0.1                         | (8.7%)     | (46)       | -          | -          | -          | -          | -          | -          |
| SSgA STIF                      | \$ 1.0                         | -          | -          | -          | -          | -          | -          | -          | -          |

\*Transitioned to SSgA on October 7, 2013.

\*\*If the ending market value (EMV) falls to zero in any one month, the inception date resets to the next month with an EMV. Performance is then calculated

\*\*If the ending market value (EMV) falls to zero in any one month, the inception date resets to the next month with an EMV. Performance is then calculated from the new inception date.

Additional information for the POFF is available at <https://poffsup.ingplans.com/eportal/welcome.do>

Additional information for the 457 Plan and SCP is available at <https://calpers.ingplans.com/eportal/welcome.do>