

CalPERS Trust Level Review

Trust Summary: Public Employees' Retirement Fund (PERF)



December 31, 2017

Investment Belief 6: Strategic asset allocation is the dominant determinant of portfolio risk and return. CalPERS strategic asset allocation process transforms the fund's targeted rate of return to the market exposures that staff will manage. CalPERS will aim to diversify its overall portfolio across distinct risk factors and return drivers.

PERF Objective

CalPERS' general investment goals are broad in nature. The overall objective of CalPERS' investment program is to provide members and beneficiaries with benefits as required by law. CalPERS has generated strong long-term returns by effectively managing investments to achieve the highest possible return at an acceptable level of risk. The CalPERS portfolio is diversified into several asset classes. A well-diversified portfolio helps reduce investment risk to the extent that losses in one area may be offset by gains in another.

The starting point and most important element of CalPERS' investment is our asset allocation - our diversification among stocks, bonds, cash and other investments. Asset allocation is not an asset-only or liability-only decision. All factors, including liabilities, benefit payments, operating expenses, and employer and member contributions are taken into account in determining the appropriate asset allocation mix. Our goal is to maximize returns at a prudent level of risk - an ever-changing balancing act between market volatility and long-term goals.

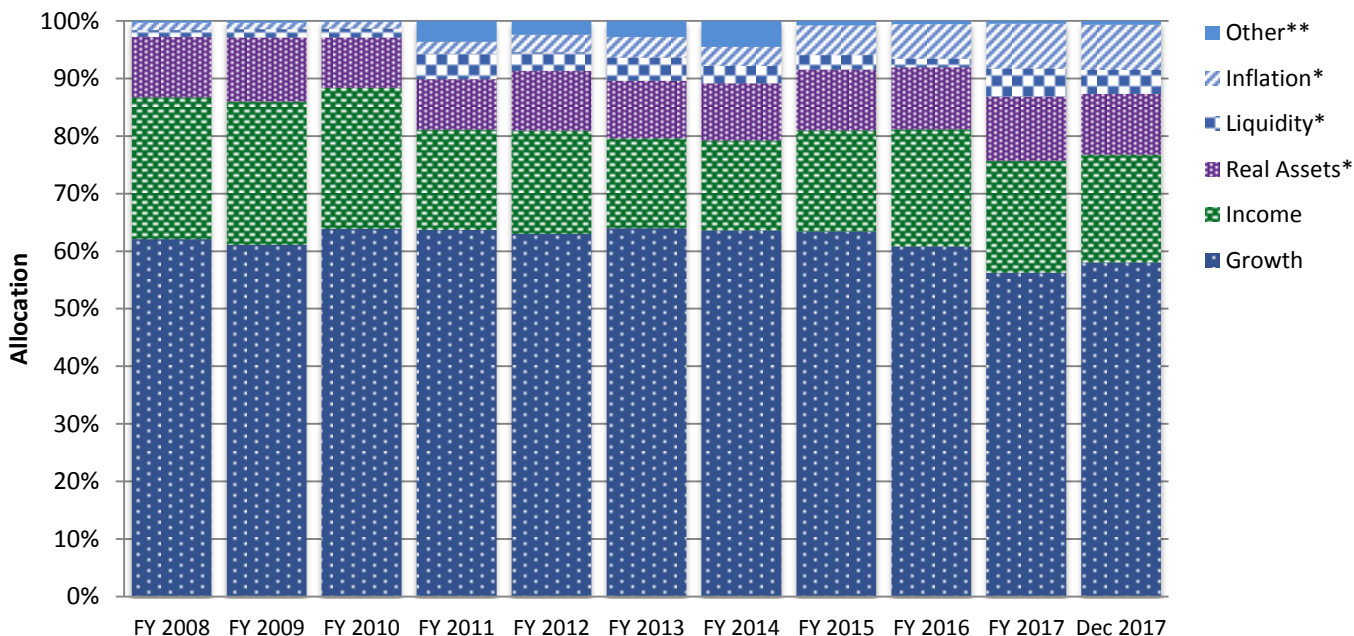
PERF Characteristics

Chief Investment Officer: Theodore Eliopoulos

Assets: \$350.0 Billion

- Investments span domestic and international markets
- Invest ~8% of CalPERS' total assets in California
- Utilize multiple asset classes to diversify investments
 - Global Equity
 - Private Equity
 - Income
 - Liquidity
 - Inflation Assets
 - Real Assets

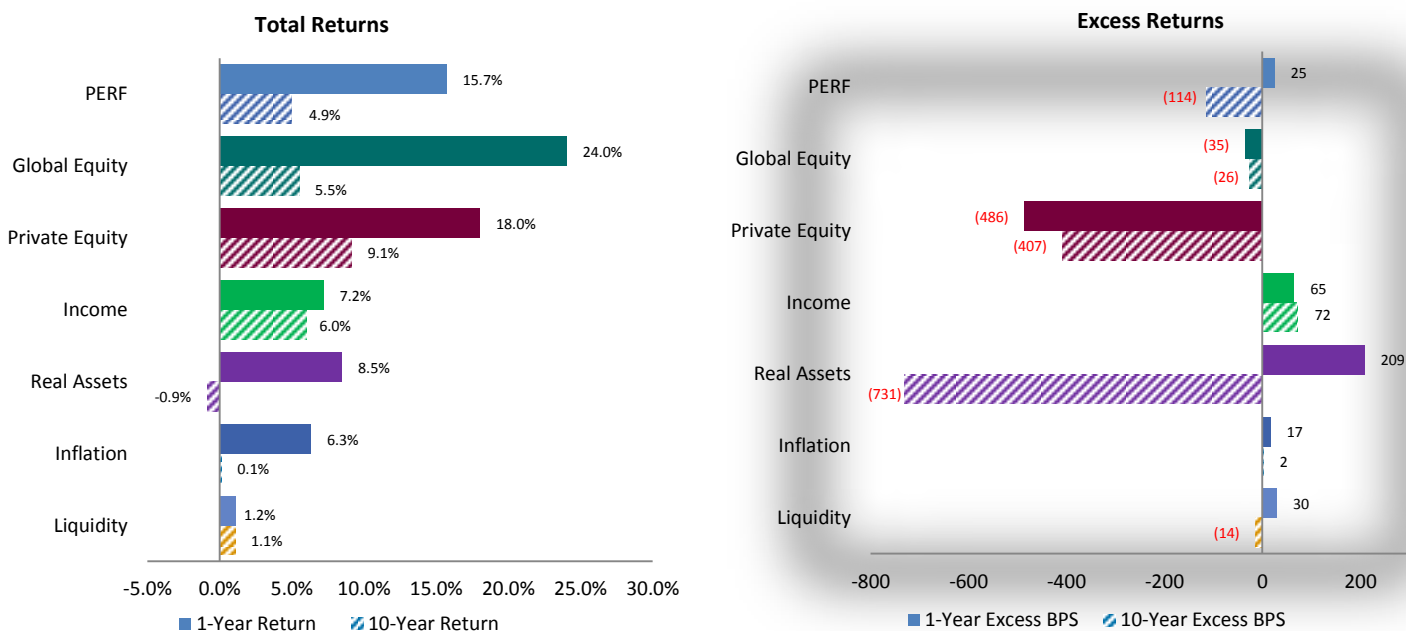
Actual Asset Allocation



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

** Trust Level includes TLPM, Absolute Return Strategies (ARS) and Plan Level Portfolios

PERF Performance



PERF Attribution

Total Fund Attribution: For the Year Ending December 31, 2017

	Average Weight %	Returns %			Contribution to Plan Excess (bps) ¹
		Total Return	Benchmark Return	Excess Return	
Total Excess Return (bps)					25
Program Contributions²					(11)
Global Equity	48.5%	24.0%	24.4%	-0.4%	(15)
Private Equity	8.0%	18.0%	22.9%	-4.9%	(36)
Income	19.0%	7.2%	6.6%	0.7%	13
Real Estate	9.1%	7.8%	6.7%	1.1%	12
Forestland	0.6%	0.8%	3.3%	-2.5%	(2)
Infrastructure	1.1%	18.2%	6.3%	11.9%	14
Inflation	8.4%	6.3%	6.2%	0.2%	1
Liquidity	4.7%	1.2%	0.9%	0.3%	2
Other					(0)
Allocation Management²					14
Public Proxy Performance³					22

¹ Contribution figures are calculated on monthly basis and aggregated over the respective period.

² Contribution from MAC and ARS Programs are included in Allocation Impact.

³ Impact of not obtaining full desired interim policy exposure to private asset classes and proxying these with public assets. Includes the impact of lagged reporting of private asset benchmarks relative to current month reporting of public proxies.

CalPERS Trust Level Review

Affiliate Investment Program Summary:

Judges Retirement Fund (JRF)

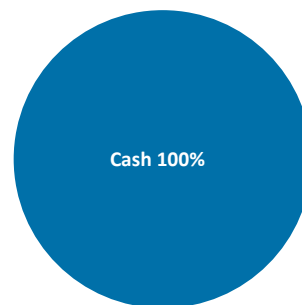


December 31, 2017

JRF Objective

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)



Strategic Asset Allocation

JRF	Current Allocation %	Target Allocation %	Variance %	Current Allocation (Millions)	Target Allocation (Millions)	Dollar Variance (Millions)
Cash	100.0%	100.0%	0.0%	\$ 42.9	\$ 42.9	\$ -
JRF	100.0%	100.0%	0.0%	\$ 42.9	\$ 42.9	\$ -

Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
12/31/2017	0.61	0.55	6	1.03	0.86	18	0.58	0.41	17	0.37	0.27	10	0.53	0.39	16
JRF Fund	0.61	0.55	6	1.03	0.86	18	0.58	0.41	17	0.37	0.27	10	0.53	0.39	14

Risk Summary

Historical 3 Year Standard Deviation	0.1%
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CalPERS Trust Level Review Affiliate Investment Program Summary: Judges Retirement System II Fund (JRS II)



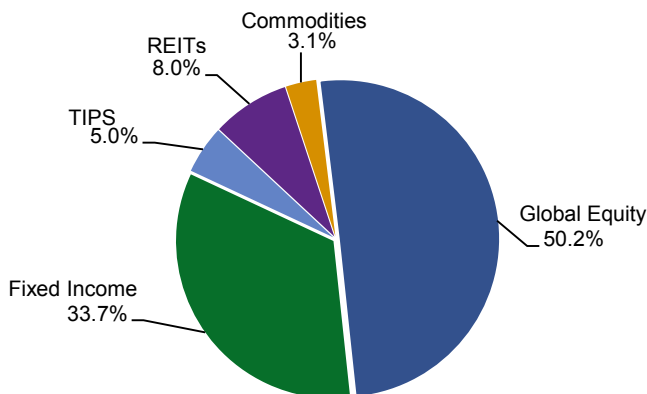
December 31, 2017

Strategic Asset Allocation

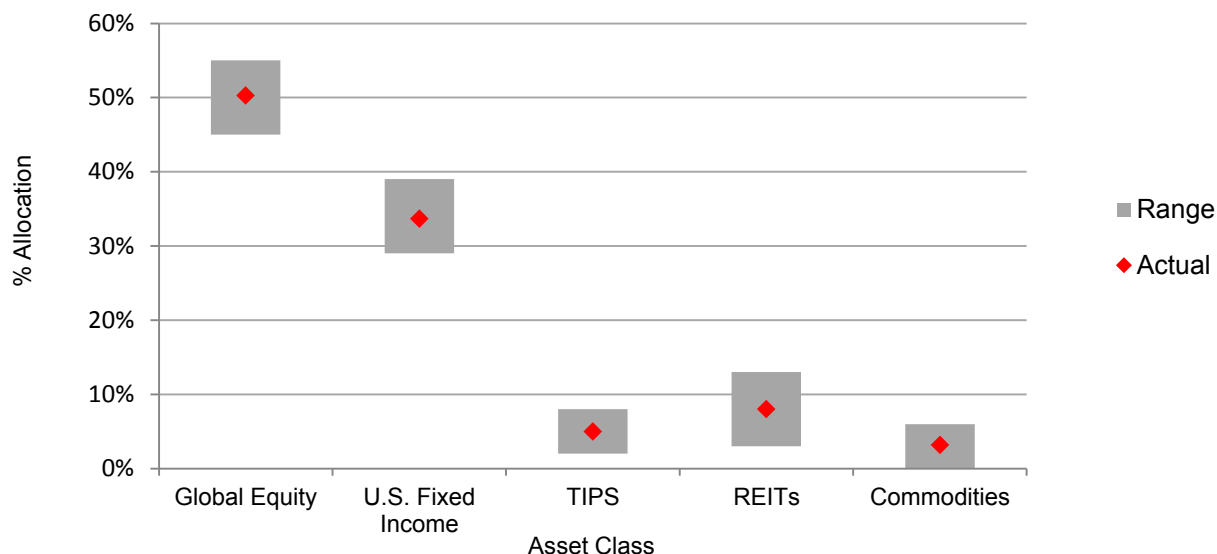
JRS II Objective

The JRS II was established to provide retirement, death, health and disability benefits for State Supreme and Appellate Court justices, Superior Court judges, and Municipal Court judges appointed or elected on or after November 9, 1994. Funds are allocated across five asset classes, with global equities comprising the predominant share of invested assets.

Actual Capital Allocation



Strategic Allocation Target Ranges



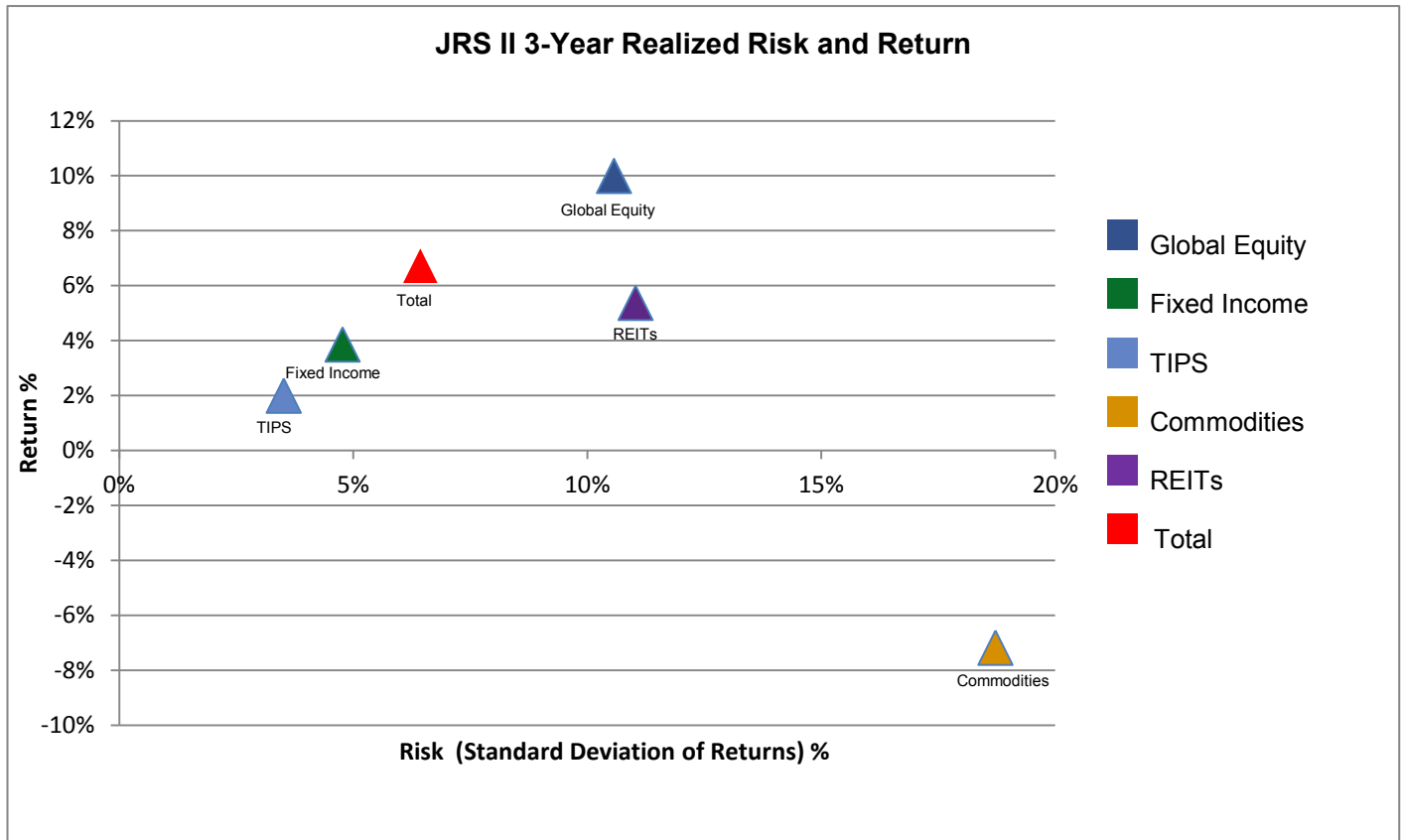
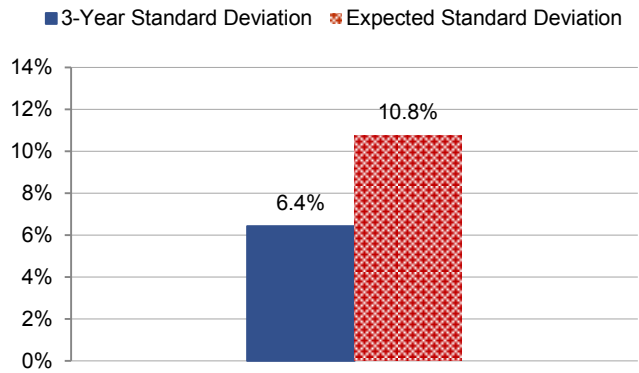
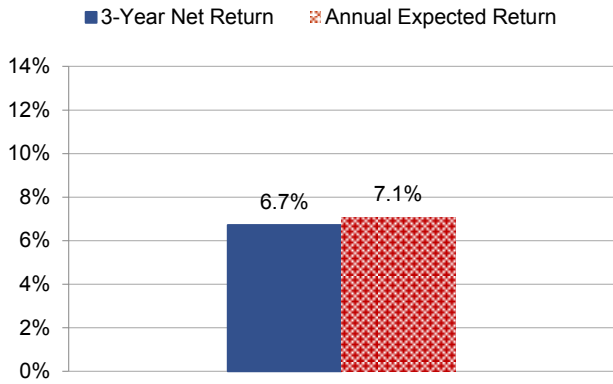
JRS II Asset Class	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	50.2%	50.0%	0.2%	\$ 745.8	\$ 742.1	\$ 3.7
U.S. Fixed Income	33.7%	34.0%	-0.3%	\$ 499.5	\$ 504.6	\$ (5.1)
TIPS	5.0%	5.0%	0.0%	\$ 73.8	\$ 74.2	\$ (0.4)
REITs	8.0%	8.0%	0.0%	\$ 118.5	\$ 118.7	\$ (0.3)
Commodities	3.1%	3.0%	0.1%	\$ 46.6	\$ 44.5	\$ 2.0
Cash	0.0%	0%	0.0%	\$ 0.0	\$ -	\$ 0.0
Total	100.0%	100.0%	0.0%	\$ 1,484.3	\$ 1,484.3	\$ -

Policy asset allocation targets were approved by the Investment Committee on October 13, 2014.

JRS II Risk and Return

Asset Liability Management Expectations

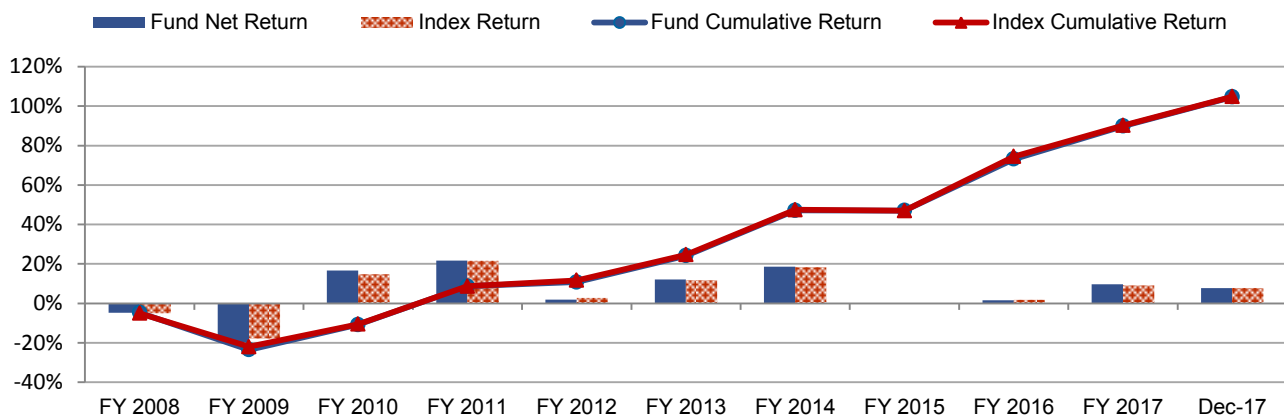
Per the current CalPERS Judges' Retirement System II Fund Statement of Investment Policy.



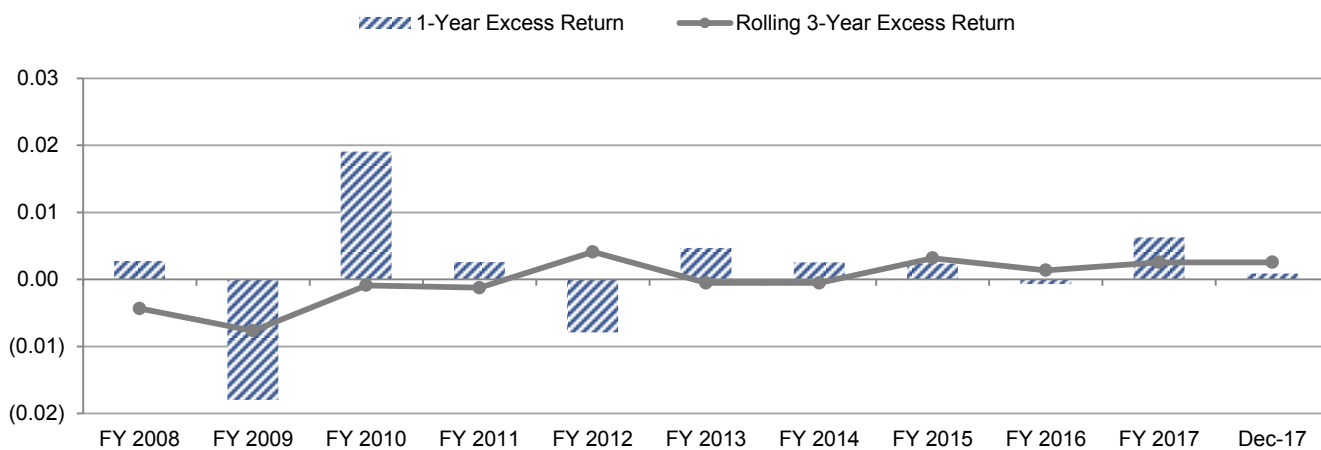
JRS II Performance Summary

As of 12/31/2017	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
Global Equity	11.67	11.62	5	24.47	24.38	9	9.99	9.87	12	11.72	11.60	12	5.38	5.32	6
Fixed Income	2.56	2.42	14	6.67	6.01	66	3.86	3.15	71	3.70	2.85	85	6.24	5.62	62
TIPS	2.19	2.14	5	3.11	3.01	10	2.00	2.05	(6)	0.08	0.13	(6)	-	-	-
REITs	5.74	5.74	(0)	11.43	11.42	1	5.37	5.38	(1)	7.22	7.20	2	4.37	4.03	35
Commodities	17.92	17.83	9	5.89	5.77	13	(7.18)	(7.52)	34	(12.15)	(12.16)	1	-	-	-
JRF II Fund	7.75	7.67	9	15.53	15.18	35	6.72	6.47	25	7.95	7.69	26	5.72	5.67	5

JRS II Cumulative Returns



JRS II 1-Yr Excess and Rolling 3-Yr Excess Returns



CalPERS Trust Level Review Affiliate Investment Program Summary: Legislators' Retirement System Fund (LRS)



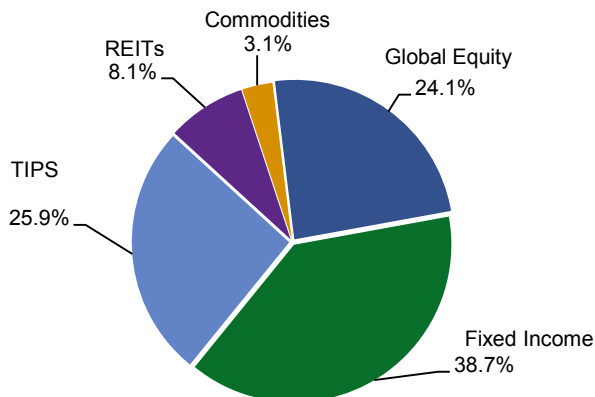
December 31, 2017

Strategic Asset Allocation

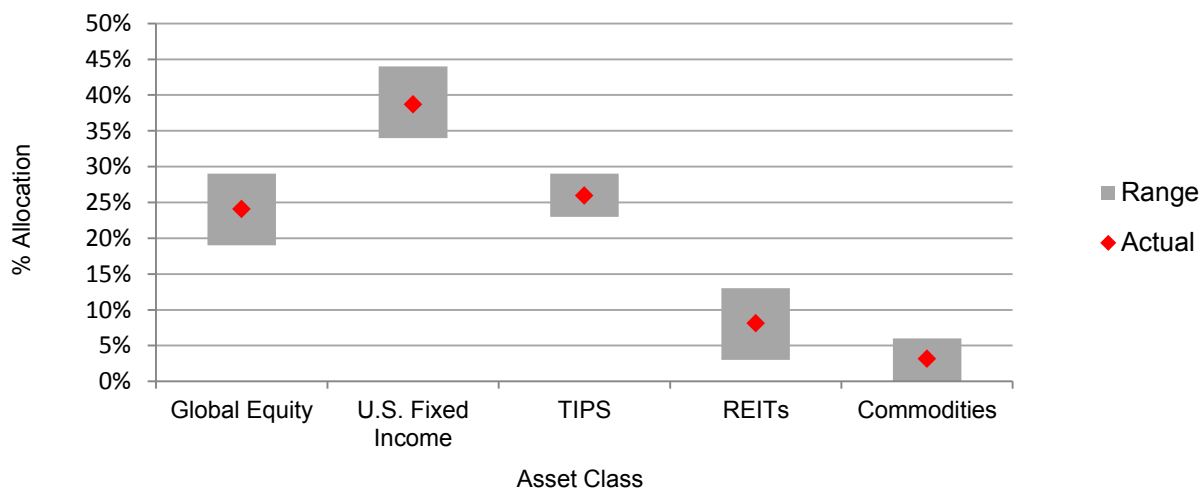
LRS Fund Objective

The Legislators' Retirement System Fund is a supplemental income plan that was available to members of the California Legislature serving prior to November 7, 1990; all elected constitutional officers; and legislative statutory officers. Funds are allocated across five asset classes under a fairly balanced investment strategy.

Actual Capital Allocation



Strategic Allocation Target Ranges



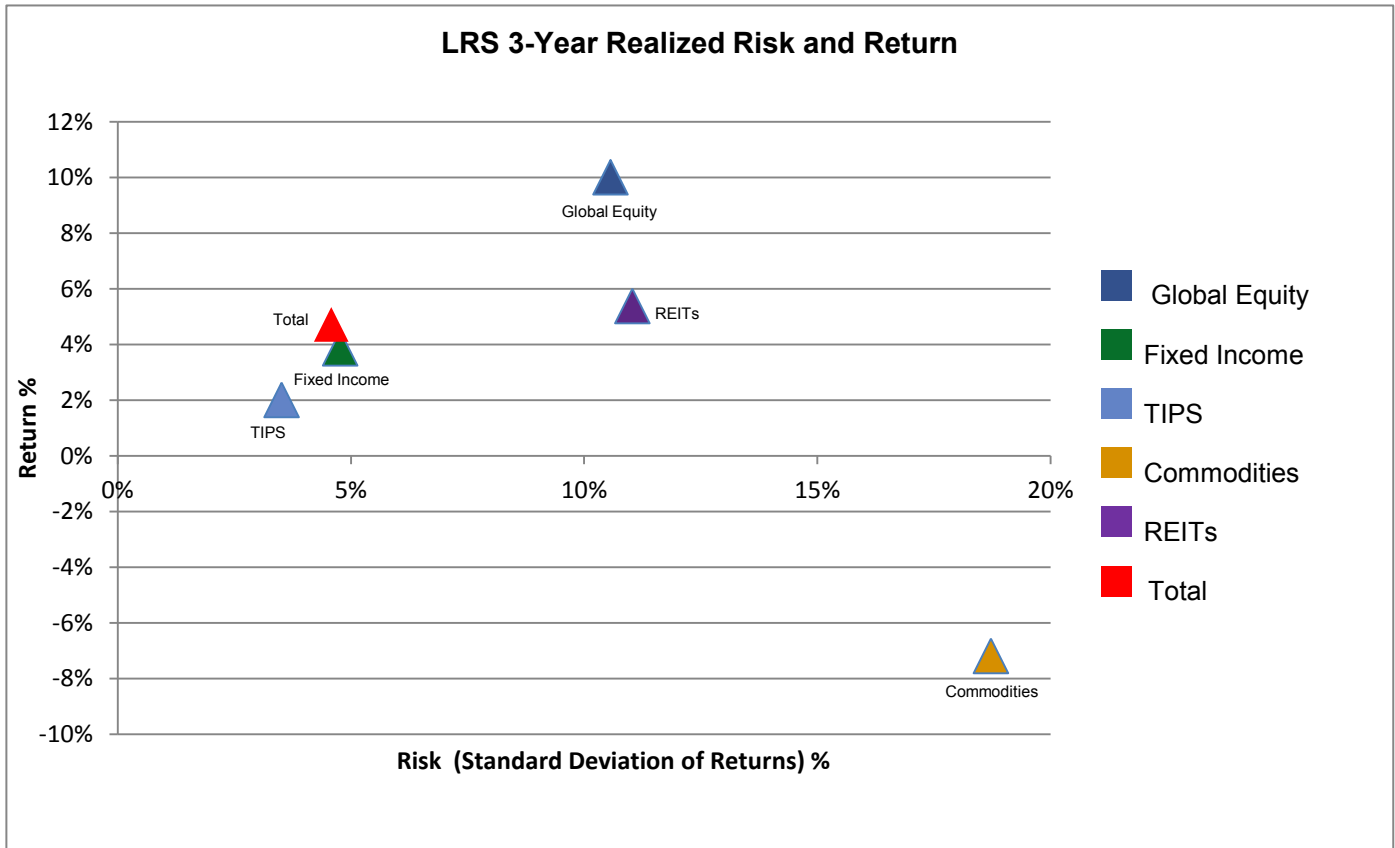
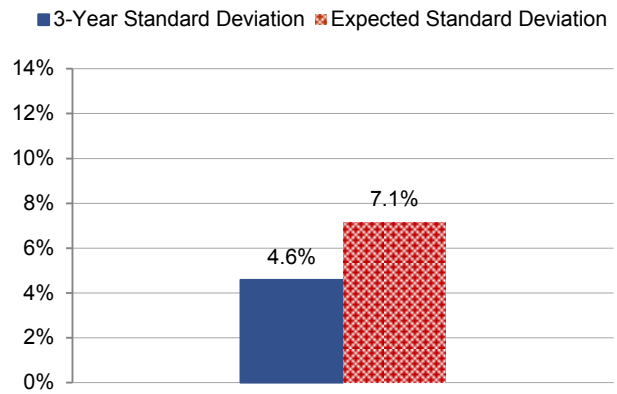
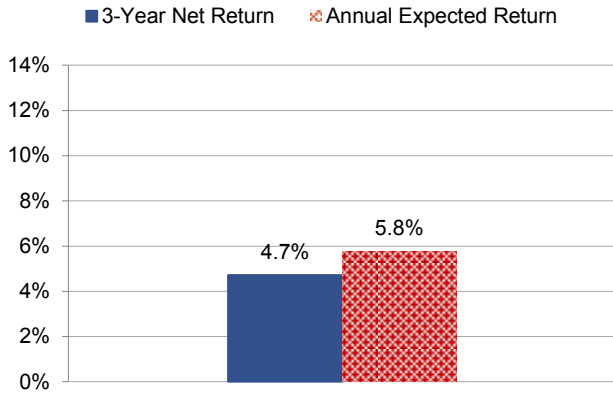
LRS Asset Allocation	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	24.1%	24.0%	0.1%	\$ 28.4	\$ 28.3	\$ 0.1
U.S. Fixed Income	38.7%	39.0%	-0.3%	\$ 45.7	\$ 46.0	\$ (0.3)
TIPS	25.9%	26.0%	-0.1%	\$ 30.6	\$ 30.7	\$ (0.1)
REITs	8.1%	8.0%	0.1%	\$ 9.6	\$ 9.4	\$ 0.1
Commodities	3.1%	3.0%	0.1%	\$ 3.7	\$ 3.5	\$ 0.2
Cash	0.0%	0%	0.0%	\$ 0.0	\$ -	\$ 0.0
Total	100.0%	100.0%	0.0%	\$ 118.1	\$ 118.1	\$ -

Policy asset allocation targets were approved by the Investment Committee on October 13, 2014.

LRS Risk and Return

Asset Liability Management Expectations

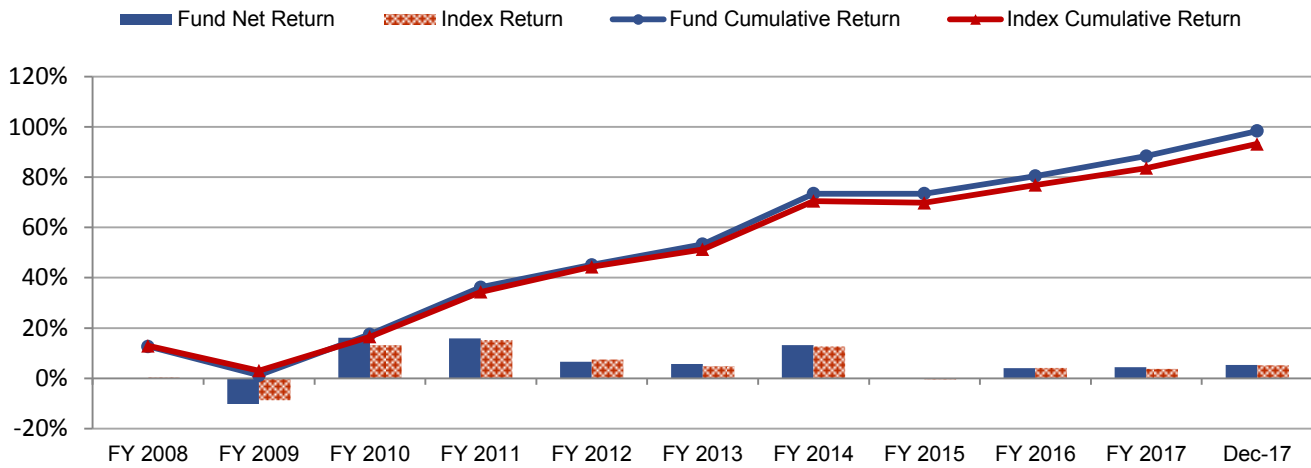
Per the current CalPERS Legislators' Retirement System Fund Statement of Investment Policy.



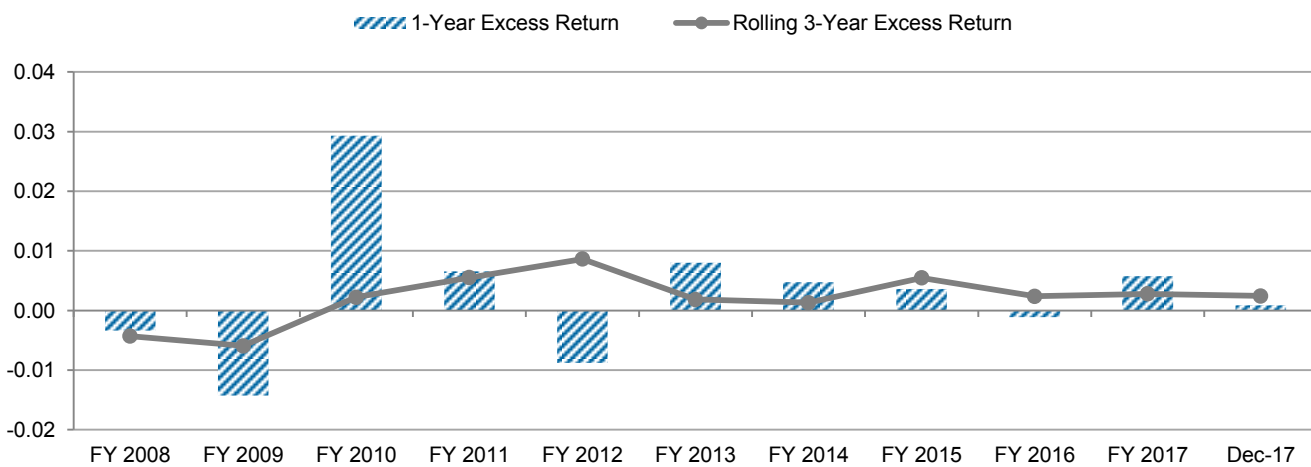
LRS Performance Summary

As of 12/31/2017	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
Global Equity	11.67	11.62	5	24.47	24.38	9	10.01	9.87	14	11.73	11.60	13	5.57	5.51	6
Fixed Income	2.57	2.42	14	6.67	6.01	66	3.86	3.15	71	3.70	2.85	85	6.25	5.62	63
TIPS	2.19	2.14	5	3.11	3.01	11	2.01	2.05	(4)	0.08	0.13	(5)	3.62	3.53	9
REITs	5.74	5.74	(0)	11.43	11.42	1	5.38	5.38	(0)	7.23	7.20	3	-	-	-
Commodities	17.92	17.83	9	5.89	5.77	13	(7.19)	(7.52)	33	(12.16)	(12.16)	0	-	-	-
LRS Fund	5.31	5.22	9	10.18	9.82	35	4.72	4.47	24	5.13	4.77	35	5.39	5.13	26

LRS Cumulative Returns



LRS 1-Yr Excess and Rolling 3-Yr Excess Returns



CalPERS Trust Level Review

Affiliate Investment Program Summary:

Health Care Fund (HCF)

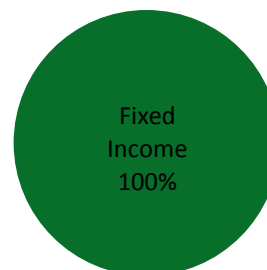


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HCF Objective

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)



Strategic Asset Allocation

HCF	Current Allocation %	Target Allocation %	Variance %	Current Allocation (Millions)	Target Allocation (Millions)	Dollar Variance (Millions)
Fixed Income	100.0%	100.0%	0.0%	\$ 450.1	\$ 450.1	\$ -
HCF	100.0%	100.0%	0.0%	\$ 450.1	\$ 450.1	\$ -

Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
12/31/2017	1.22	1.24	(2)	3.58	3.54	4	2.28	2.24	4	2.46	2.10	36	4.24	4.01	23
HCF Fund	1.22	1.24	(2)	3.58	3.54	4	2.28	2.24	4	2.46	2.10	36	4.24	4.01	23

Risk Summary

Historical 3 Year Standard Deviation	2.8%
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CalPERS Trust Level Review

Affiliate Investment Program Summary:

Long-Term Care Fund (LTCF)



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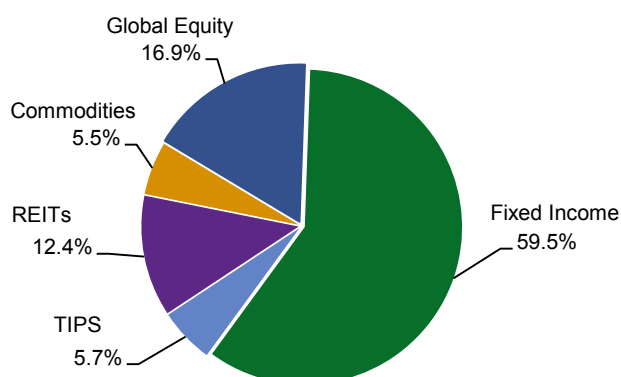
Strategic Asset Allocation

LTCF Objective

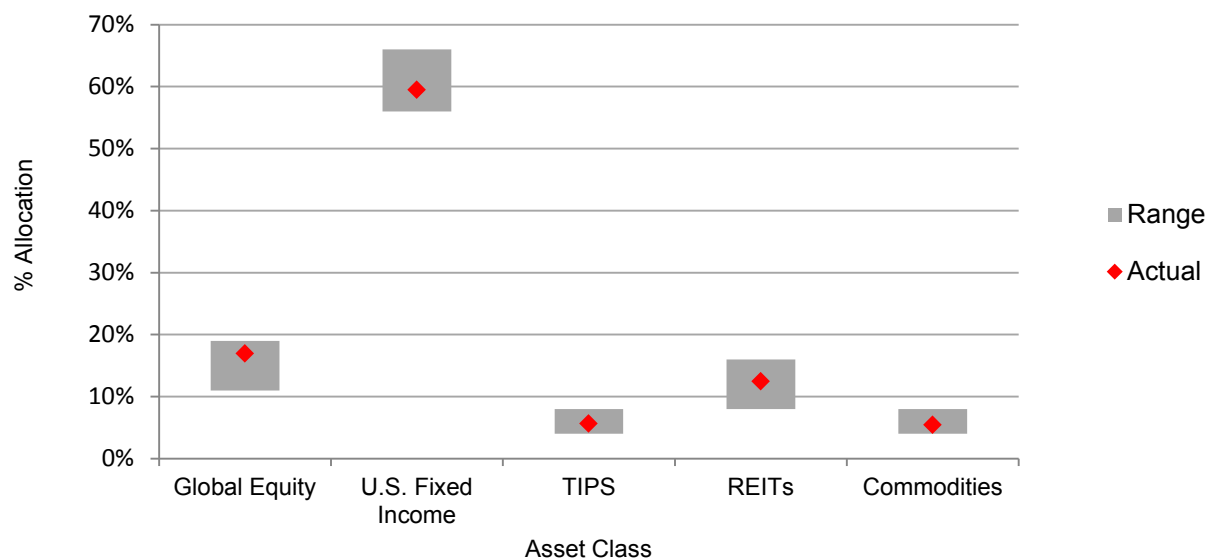
CalPERS offers optional long-term care benefits to members, funded entirely by enrollee premiums. The Long-Term Care Program was established to administer and finance the program. Funds are allocated across five asset classes, predominantly in fixed income.

The Fund is managed by State Street Global Advisors.

Actual Capital Allocation



Strategic Allocation Target Ranges



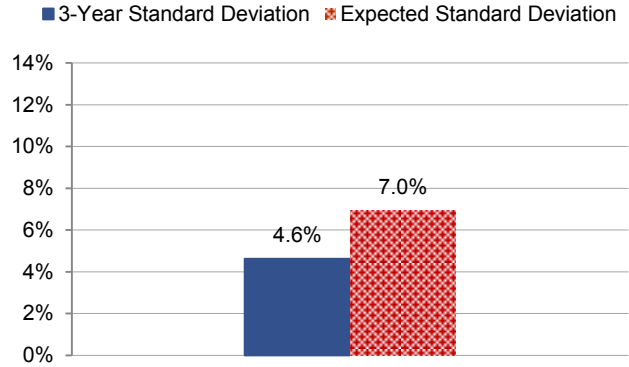
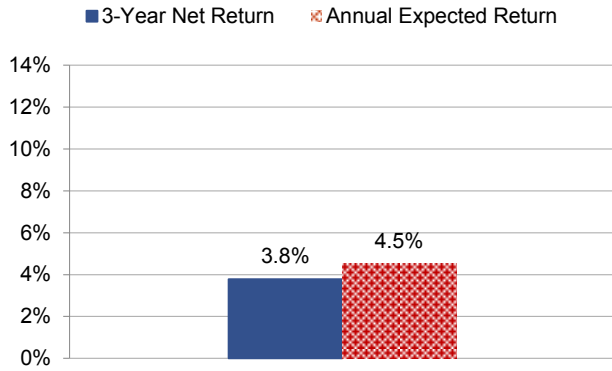
LTCF Asset Allocation	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	16.9%	15.0%	1.9%	\$ 775.8	\$ 686.8	\$ 89.0
U.S. Fixed Income	59.5%	61.0%	-1.5%	\$ 2,723.8	\$ 2,793.1	\$ (69.3)
TIPS	5.7%	6.0%	-0.3%	\$ 259.5	\$ 274.7	\$ (15.2)
REITs	12.4%	12.0%	0.4%	\$ 569.5	\$ 549.5	\$ 20.0
Commodities	5.5%	6.0%	-0.5%	\$ 250.1	\$ 274.7	\$ (24.7)
Cash	0.0%	0%	0.0%	\$ 0.1	\$ -	\$ 0.1
Total	100.0%	100.0%	0.0%	\$ 4,578.8	\$ 4,578.8	\$ -

Policy asset allocation targets were approved by the Investment Committee on April 16, 2012.

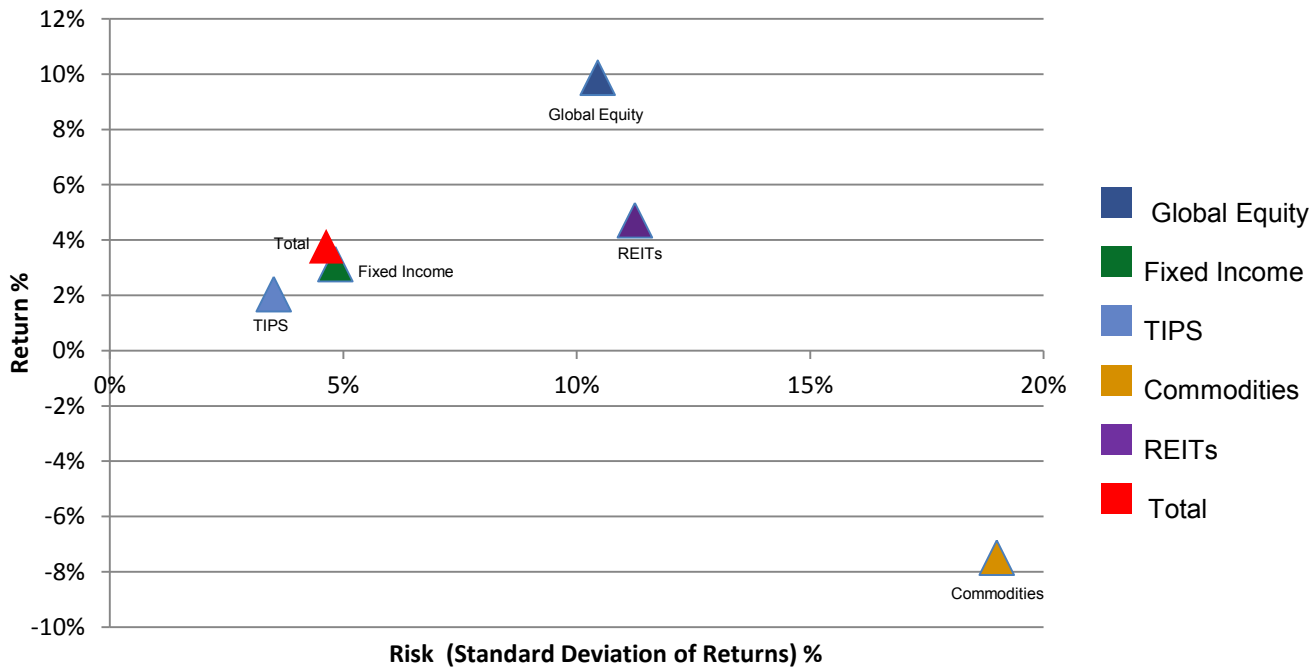
LTCF Risk and Return

Asset Liability Management Expectations

Per the current CalPERS Long-Term Care Fund Statement of Investment Policy.



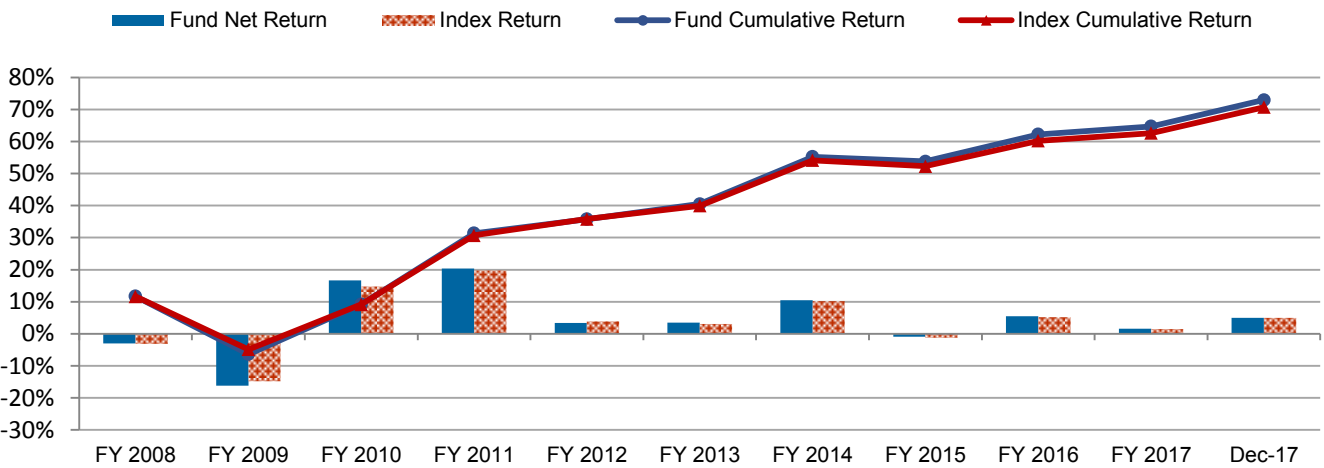
Long-Term Care Fund 3-Year Realized Risk and Return



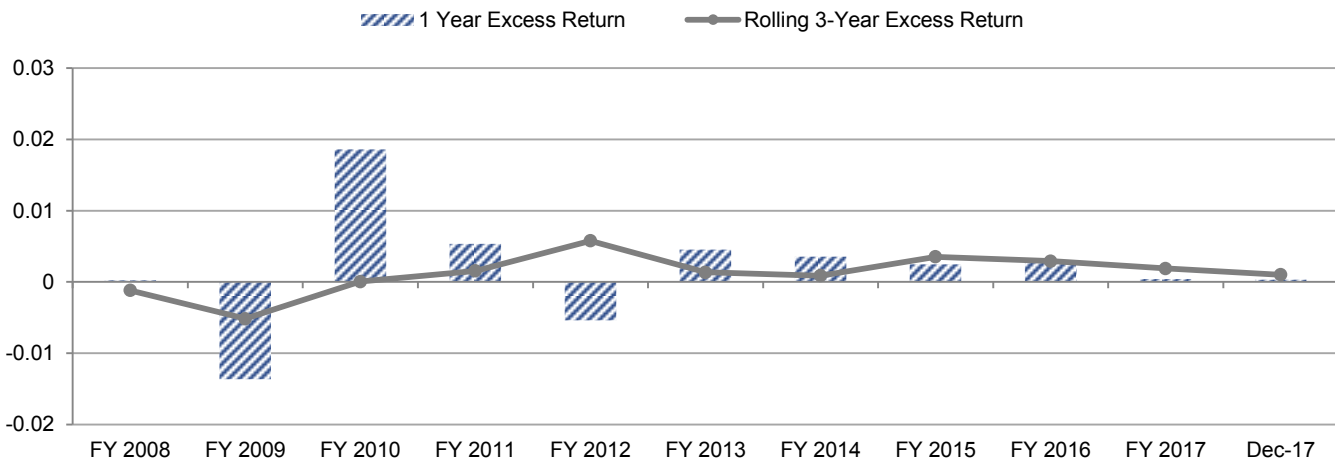
LTCF Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
12/31/2017															
Global Equity	11.52	11.34	18	24.32	23.95	37	9.86	9.52	34	11.32	11.00	32	5.39	5.26	13
Fixed Income	2.38	2.42	(4)	5.95	6.01	(7)	3.13	3.15	(2)	2.88	2.85	3	5.81	5.62	19
TIPS	2.14	2.14	1	3.01	3.01	0	2.04	2.05	(1)	0.13	0.13	(0)	3.63	3.53	10
REITs	5.77	5.41	36	11.07	10.27	80	4.72	3.95	77	6.48	5.77	70	3.75	3.33	43
Commodities	17.71	17.83	(13)	5.48	5.77	(28)	(7.49)	(7.52)	3	(12.20)	(12.16)	(4)	-	-	-
LTC Fund	5.00	4.97	3	9.12	8.90	22	3.77	3.67	10	3.69	3.46	22	3.93	3.81	12

Long-Term Care Fund Cumulative Returns



Long-Term Care Fund 1-Yr Excess and Rolling 3-Yr Excess Returns



CalPERS Trust Level Review Affiliate Investment Program Summary: CERBT Strategy 1



December 31, 2017

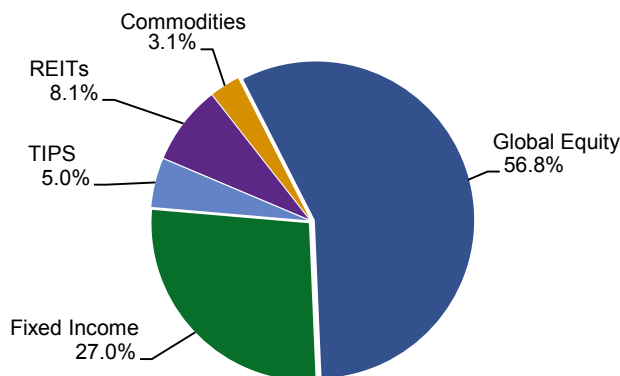
Strategic Asset Allocation

CERBT Strategy 1 Objective

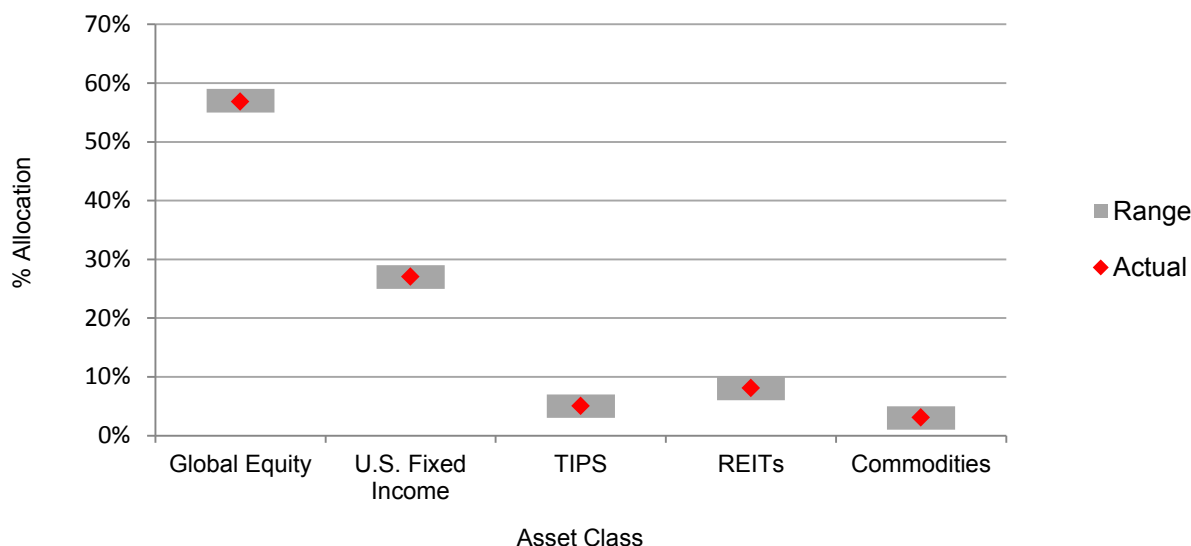
The California Employer Retirees' Benefit Trust (CERBT) was established in March 2007 for public employers to pre-fund their retiree health and other post-employment benefit obligations. Employers may choose among three different CERBT investment strategies. Compared with Strategies 2 and 3, this portfolio consists of a higher percentage of equities than bonds and other assets.

Fixed income, TIPS and commodities asset classes are managed by CalPERS staff. Global equity and REITs are managed by State Street Global Advisors.

Actual Capital Allocation



Strategic Allocation Target Ranges



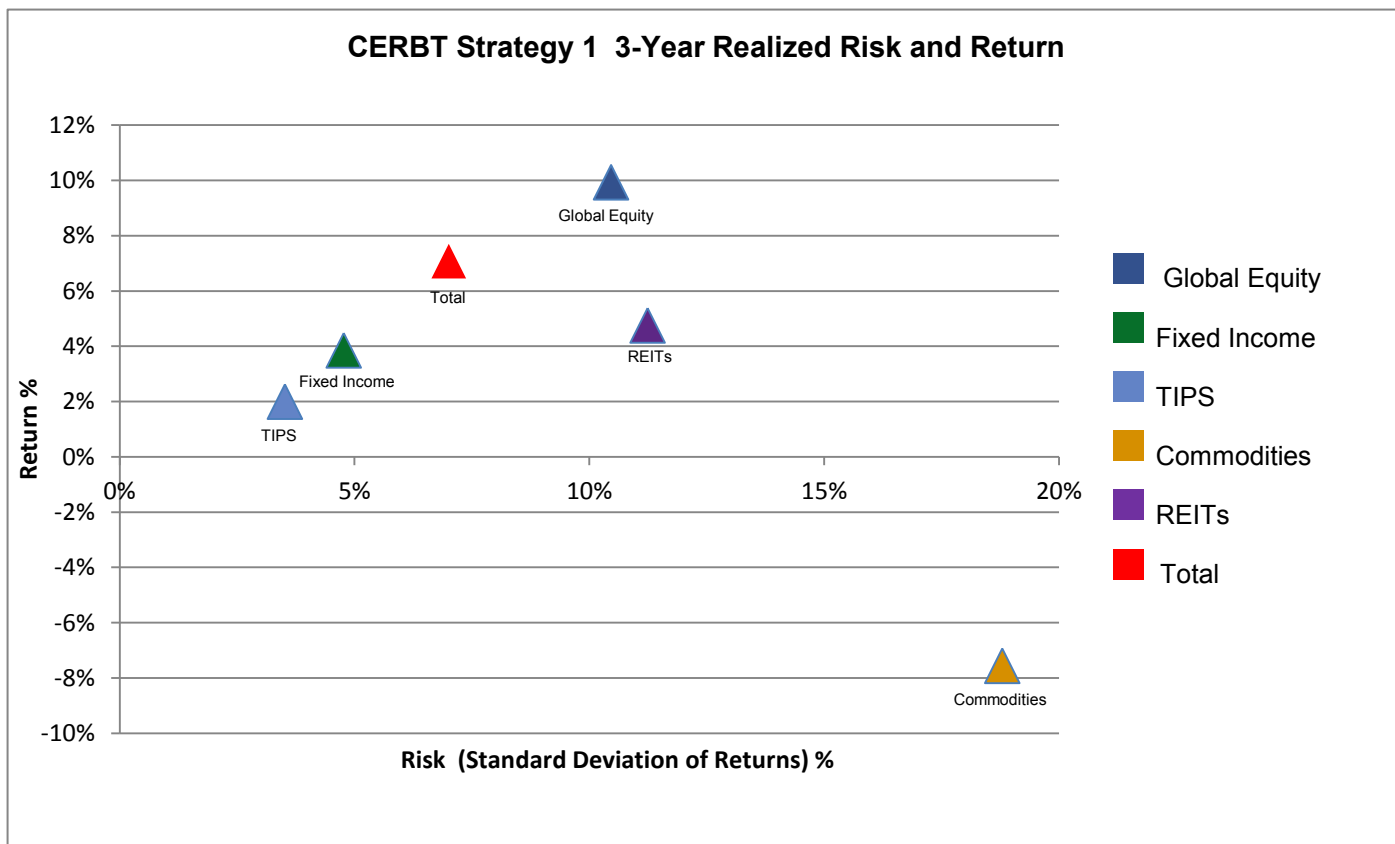
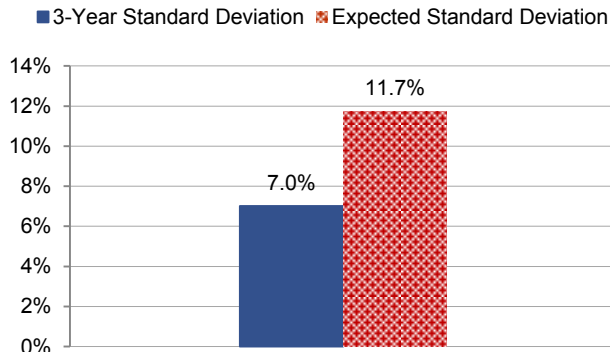
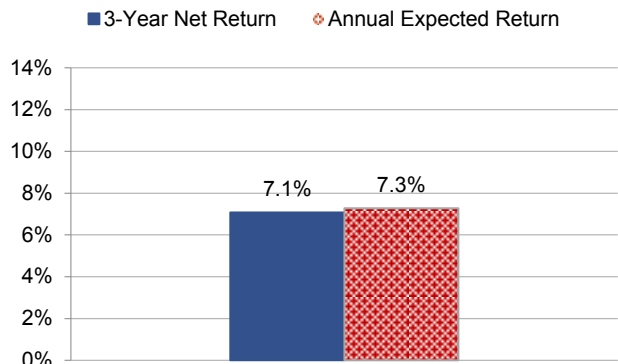
CERBT S1 Asset Allocation	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	56.8%	57.0%	-0.2%	\$ 3,698.6	\$ 3,711.6	\$ (13.0)
U.S. Fixed Income	27.0%	27.0%	0.0%	\$ 1,759.9	\$ 1,758.1	\$ 1.7
TIPS	5.0%	5.0%	0.0%	\$ 325.7	\$ 325.6	\$ 0.1
REITs	8.1%	8.0%	0.1%	\$ 525.0	\$ 520.9	\$ 4.1
Commodities	3.1%	3.0%	0.1%	\$ 199.9	\$ 195.3	\$ 4.5
Cash	0.0%	0.0%	0.0%	\$ 2.5	\$ -	\$ 2.5
Total	100.0%	100.0%	0.0%	\$ 6,511.6	\$ 6,511.6	\$ -

Policy asset allocation targets were approved by the Investment Committee on October 13, 2014.

CERBT Strategy 1 Risk and Return

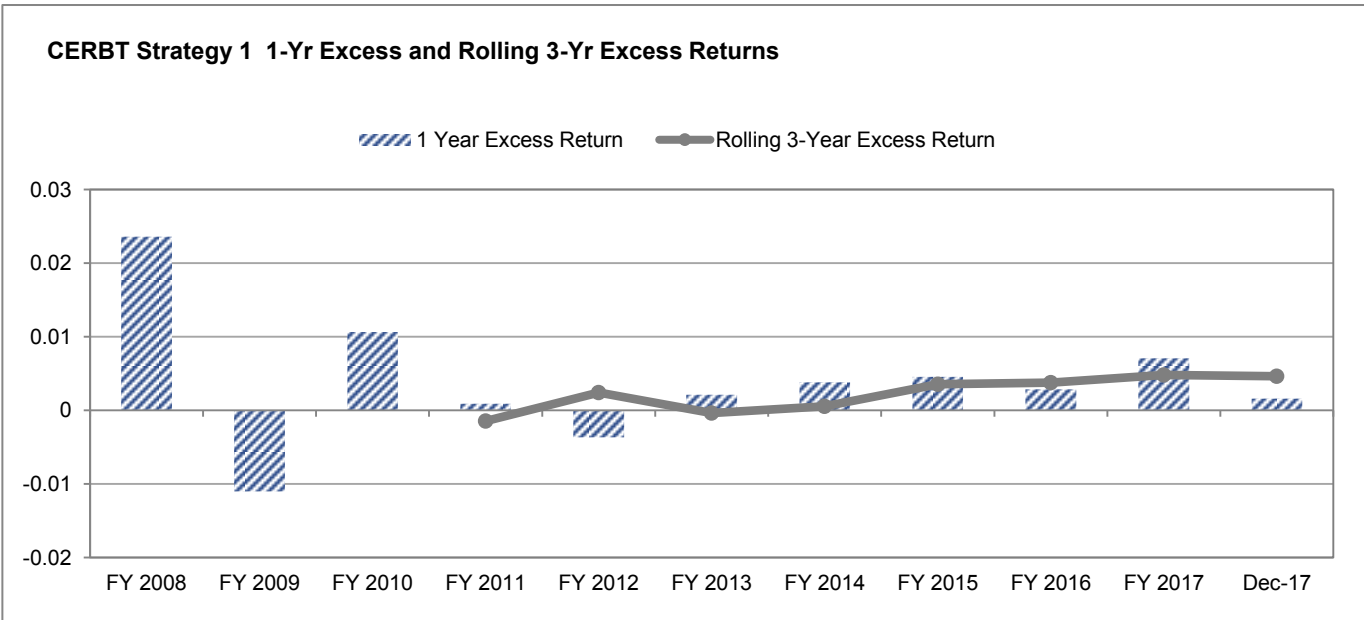
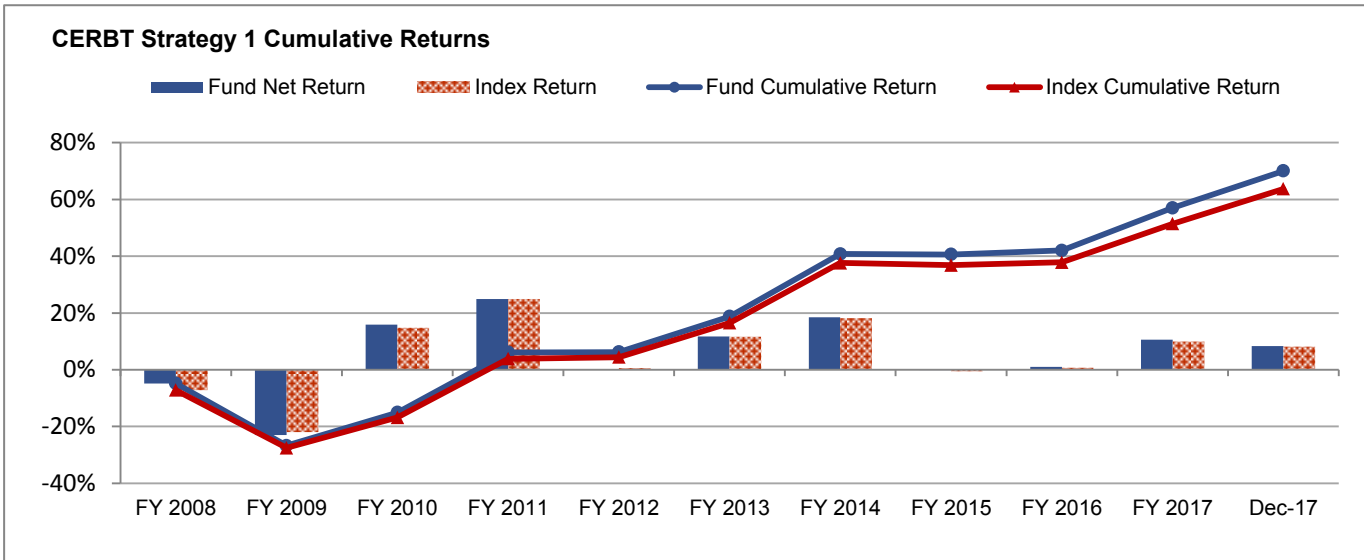
Asset Liability Management Expectations

Per the current CERBT Fund Statement of Investment Policy.



CERBT Strategy 1 Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
Global Equity	11.55	11.34	21	24.39	23.95	44	9.93	9.52	41	11.38	11.00	38	5.29	5.12	18
Fixed Income	2.56	2.42	14	6.68	6.01	67	3.85	3.15	70	3.71	2.85	86	6.25	5.62	62
TIPS	2.19	2.14	5	3.11	3.01	10	2.00	2.05	(5)	0.08	0.13	(5)	-	-	-
REITs	5.80	5.41	39	11.13	10.27	86	4.75	3.95	81	6.51	5.77	74	4.05	3.33	73
Commodities	17.92	17.83	9	5.86	5.77	9	(7.56)	(7.52)	(4)	(12.35)	(12.16)	(19)	-	-	-
CERBT S1 Fund	8.29	8.13	16	16.66	16.15	51	7.08	6.62	46	8.08	7.64	44	5.34	5.05	30



CalPERS Trust Level Review

Affiliate Investment Program Summary:

CERBT Strategy 2



December 31, 2017

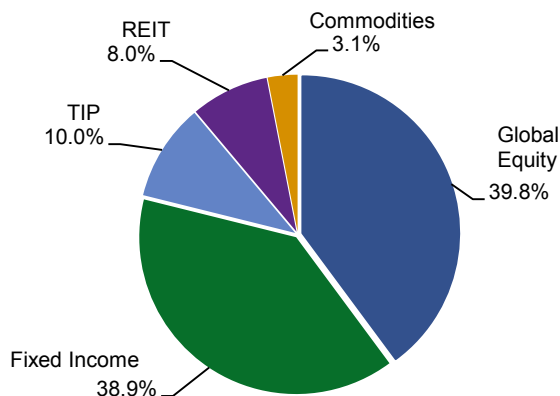
Strategic Asset Allocation

CERBT Strategy 2 Objective

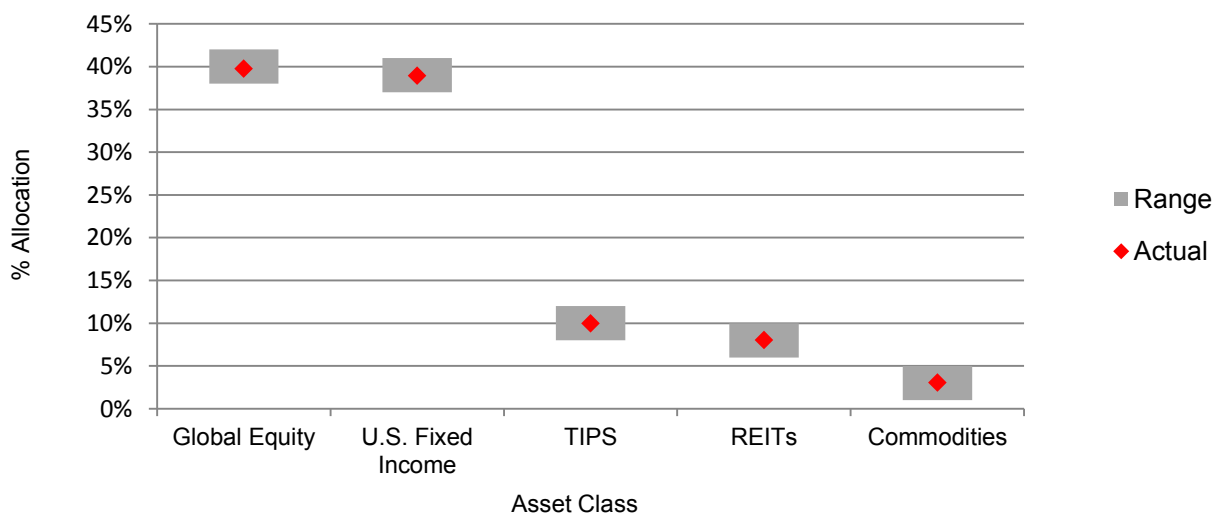
The California Employer Retirees' Benefit Trust (CERBT) was established in March 2007 for public employers to pre-fund their retiree health and other post-employment benefit obligations. Employers may choose among three different CERBT investment strategies. Compared with Strategies 1 and 3, this portfolio consists of a more moderate allocation of equities, bonds, and other assets.

Fixed income, TIPS and commodities asset classes are managed by CalPERS staff. Global equity and REITs are managed by State Street Global Advisors.

Actual Capital Allocation



Strategic Allocation Target Ranges



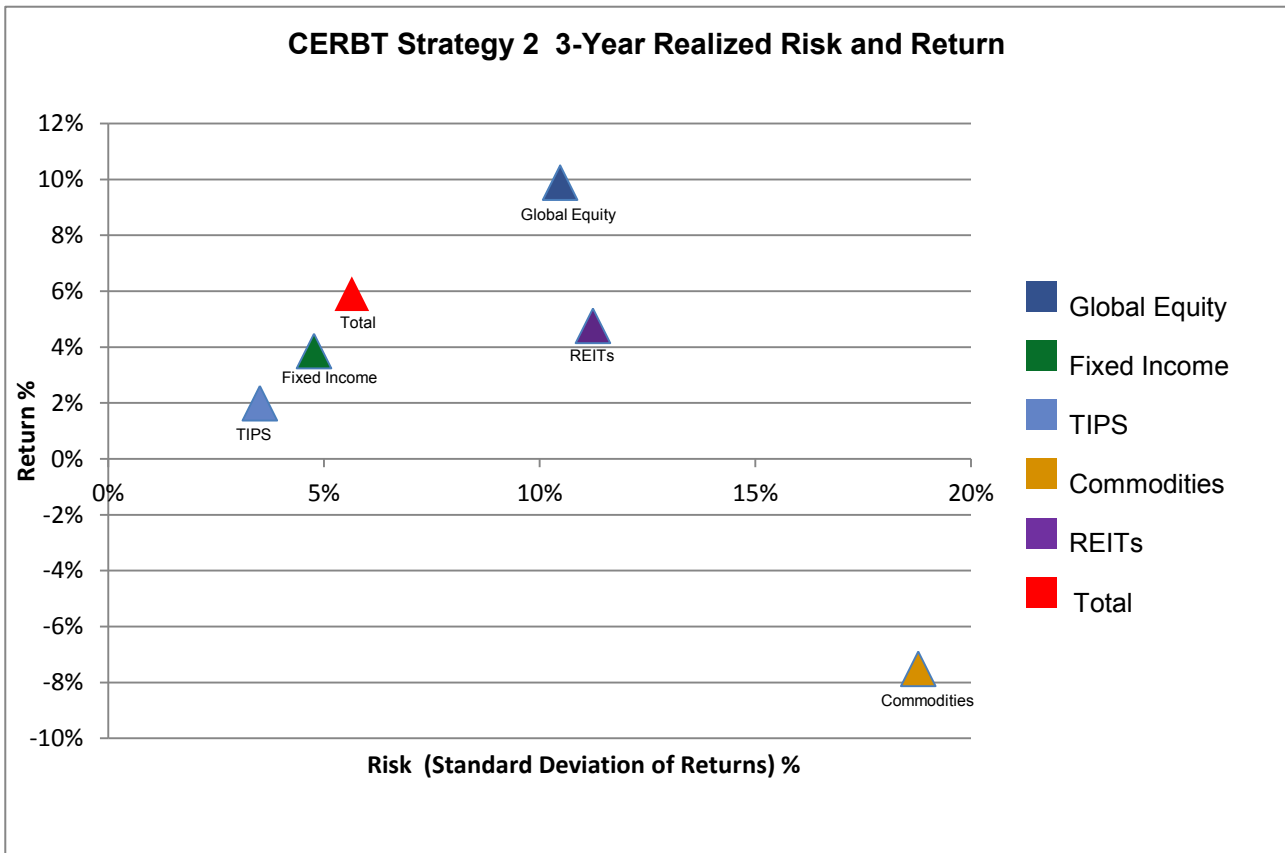
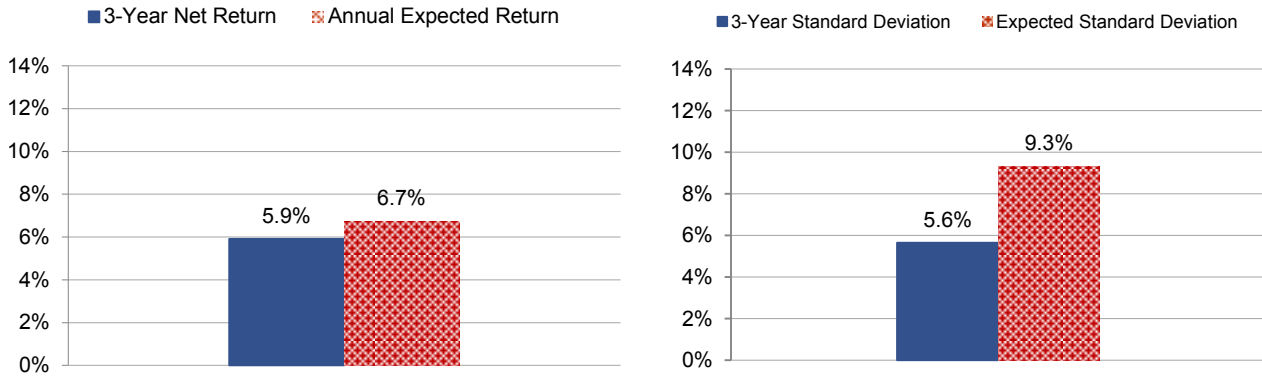
CERBT S2 Asset Allocation	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	39.8%	40.0%	-0.2%	\$ 403.0	\$ 405.5	\$ (2.4)
U.S. Fixed Income	38.9%	39.0%	-0.1%	\$ 394.7	\$ 395.3	\$ (0.7)
TIPS	10.0%	10.0%	0.0%	\$ 101.2	\$ 101.4	\$ (0.2)
REITs	8.0%	8.0%	0.0%	\$ 81.5	\$ 81.1	\$ 0.4
Commodities	3.1%	3.0%	0.1%	\$ 31.0	\$ 30.4	\$ 0.5
Cash	0.2%	0%	0.2%	\$ 2.4	\$ -	\$ 2.4
Total	100.0%	100.0%	0.0%	\$ 1,013.7	\$ 1,013.7	\$ -

Policy asset allocation targets were approved by the Investment Committee on October 13, 2014.

CERBT Strategy 2 Risk and Return

Asset Liability Management Expectations

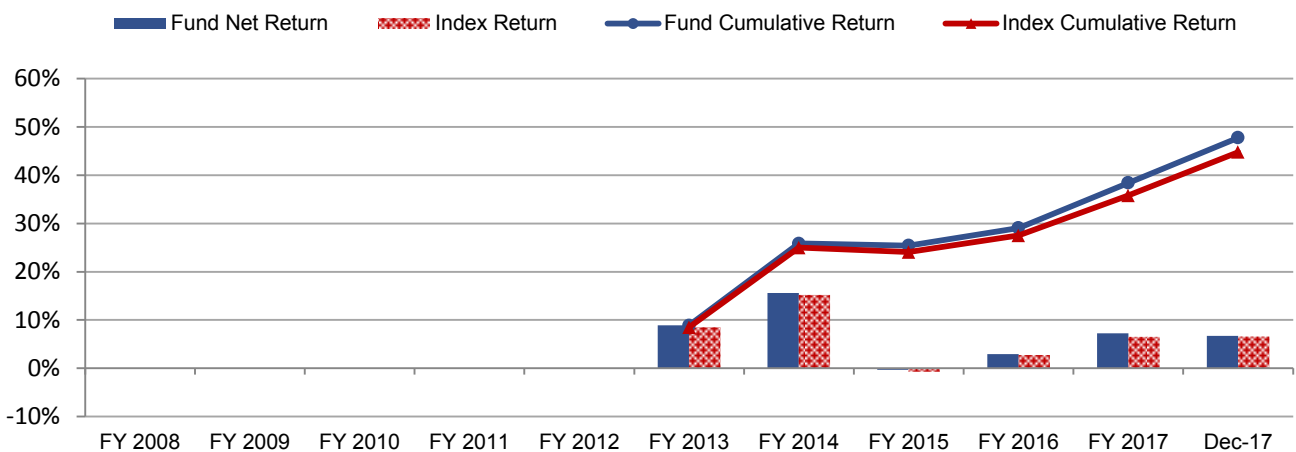
Per the current CERBT Fund Statement of Investment Policy.



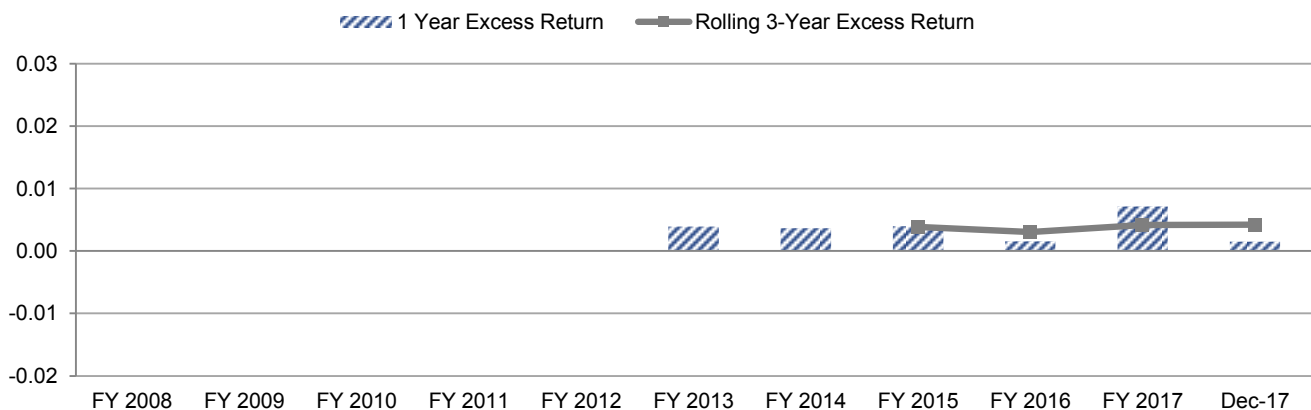
CERBT Strategy 2 Performance Summary

As of 12/31/2017	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
Global Equity	11.53	11.34	19	24.37	23.95	42	9.88	9.52	36	11.35	11.00	35	-	-	-
Fixed Income	2.57	2.42	14	6.68	6.01	67	3.86	3.15	71	3.71	2.85	86	-	-	-
TIPS	2.18	2.14	4	3.10	3.01	9	1.99	2.05	(6)	0.06	0.13	(8)	-	-	-
REITs	5.78	5.41	37	11.10	10.27	83	4.76	3.95	82	6.49	5.77	71	-	-	-
Commodities	17.96	17.83	13	5.89	5.77	12	(7.51)	(7.52)	1	(12.31)	(12.16)	(15)	-	-	-
CERBT S2 Fund	6.75	6.60	15	13.45	12.94	51	5.91	5.49	42	6.50	6.09	41	-	-	-

CERBT Strategy 2 Cumulative Returns



CERBT Strategy 2 1-Yr Excess and Rolling 3-Yr Excess Returns



CalPERS Trust Level Review

Affiliate Investment Program Summary:

CERBT Strategy 3



December 31, 2017

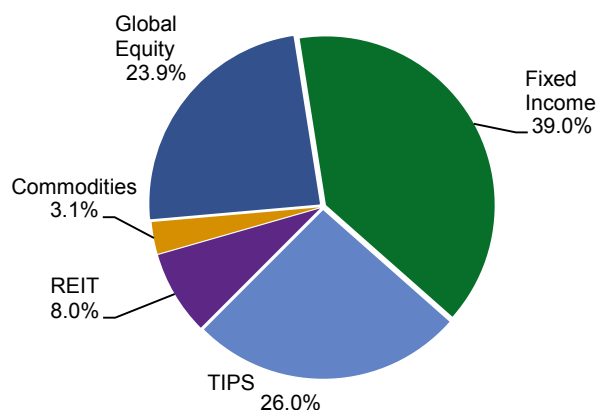
Strategic Asset Allocation

CERBT Strategy 3 Objective

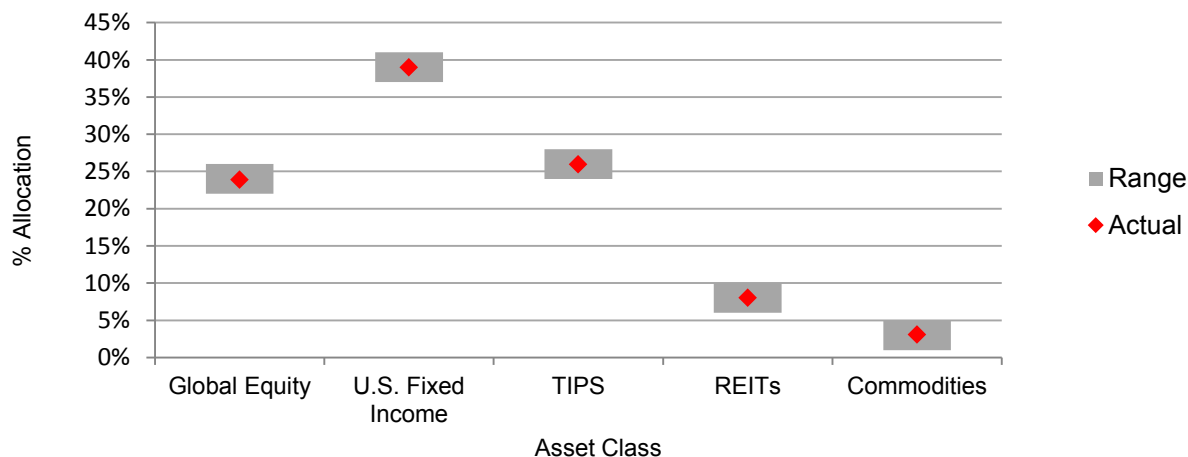
The California Employer Retirees' Benefit Trust (CERBT) was established in March 2007 for public employers to pre-fund their retiree health and other post-employment benefit obligations. Employers may choose among three different CERBT investment strategies. Compared with Strategies 1 and 2, this portfolio consists of a higher percentage of bonds and other assets and a lesser percentage of equities.

Fixed income, TIPS and commodities asset classes are managed by CalPERS staff. Global equity and REITs are managed by State Street Global Advisors.

Actual Capital Allocation



Strategic Allocation Target Ranges



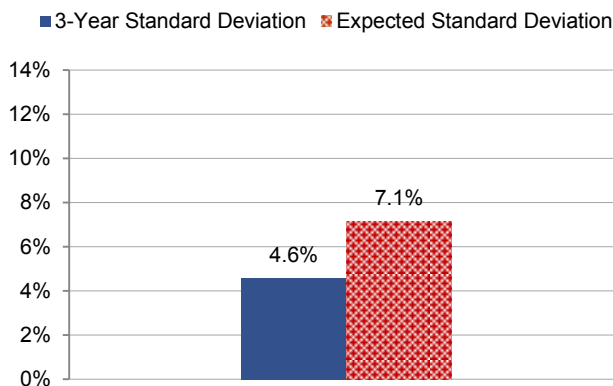
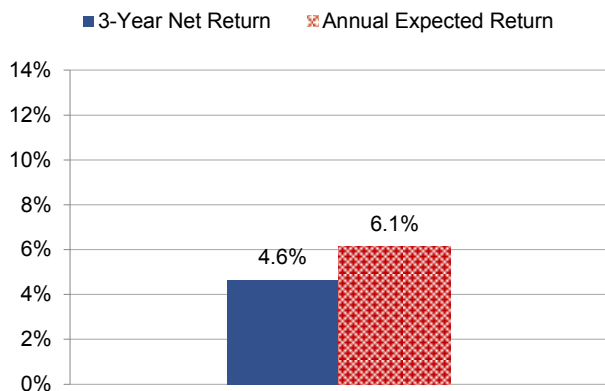
CERBT S3 Asset Allocation	Current Allocation (%)	Target Allocation (%)	Variance (%)	Current Allocation (millions)	Target Allocation (millions)	Dollar Variance (millions)
Global Equity	23.9%	24.0%	-0.1%	\$ 81.8	\$ 82.3	\$ (0.5)
U.S. Fixed Income	39.0%	39.0%	0.0%	\$ 133.5	\$ 133.7	\$ (0.1)
TIPS	26.0%	26.0%	0.0%	\$ 89.0	\$ 89.1	\$ (0.2)
REITs	8.0%	8.0%	0.0%	\$ 27.6	\$ 27.4	\$ 0.1
Commodities	3.1%	3.0%	0.1%	\$ 10.5	\$ 10.3	\$ 0.2
Cash	0.1%	0%	0.1%	\$ 0.4	\$ -	\$ 0.4
Total	100.0%	100.0%	0.0%	\$ 342.8	\$ 342.8	\$ -

Policy asset allocation targets were approved by the Investment Committee on October 13, 2014.

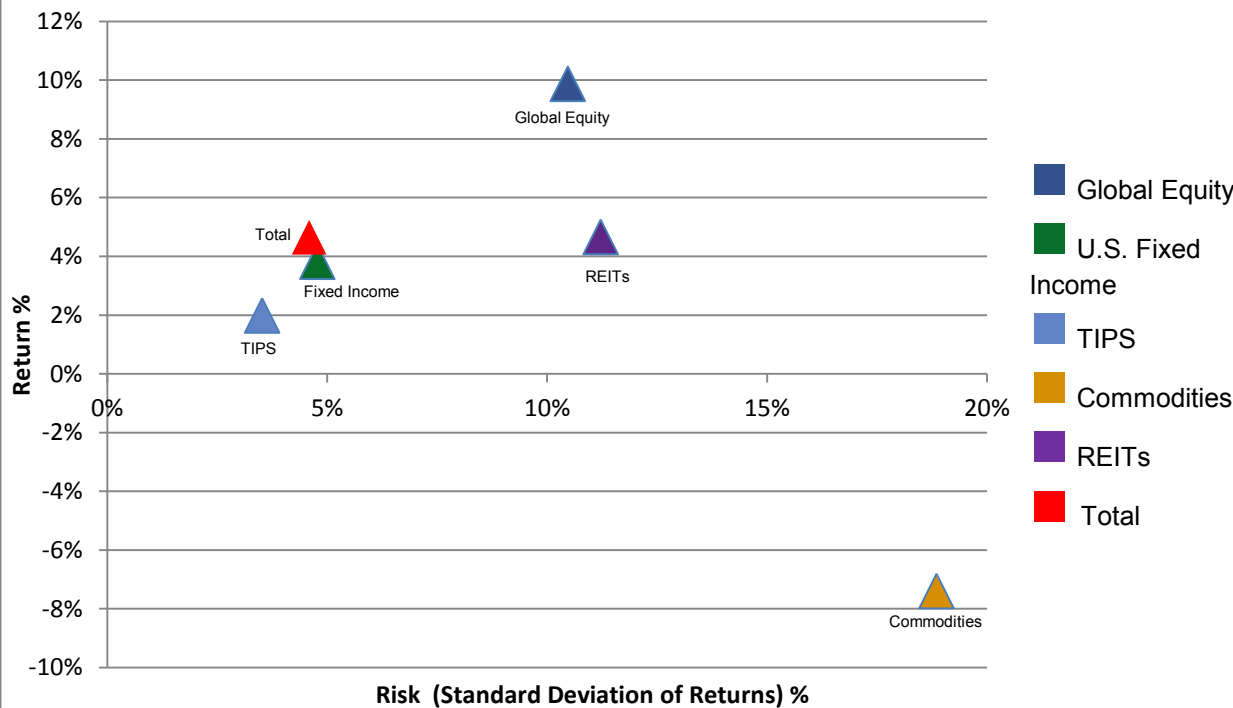
CERBT Strategy 3 Risk and Return

Asset Liability Management Expectations

Per the current CERBT Fund Statement of Investment Policy.



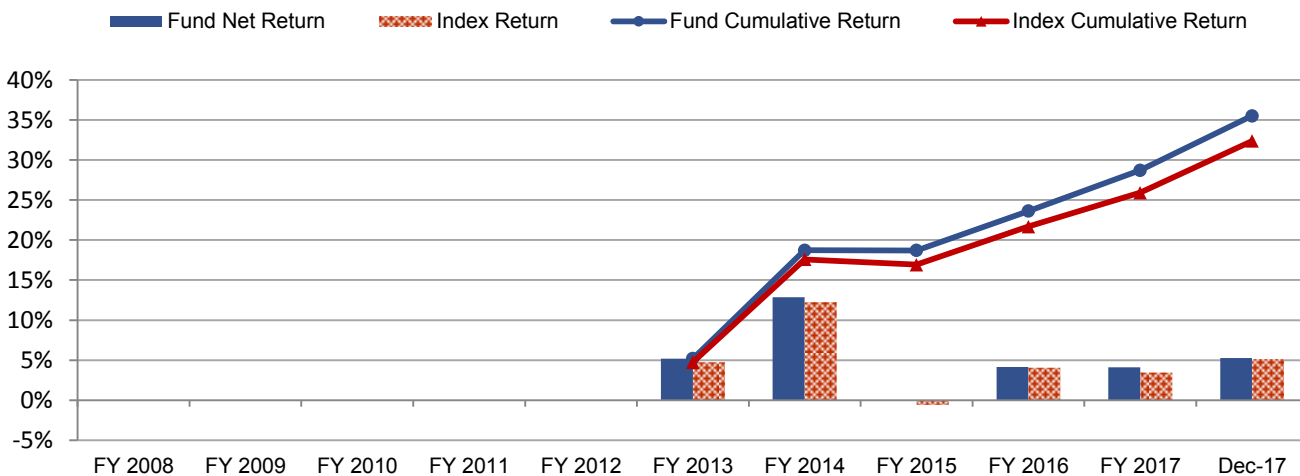
CERBT Strategy 3 3-Year Realized Risk and Return



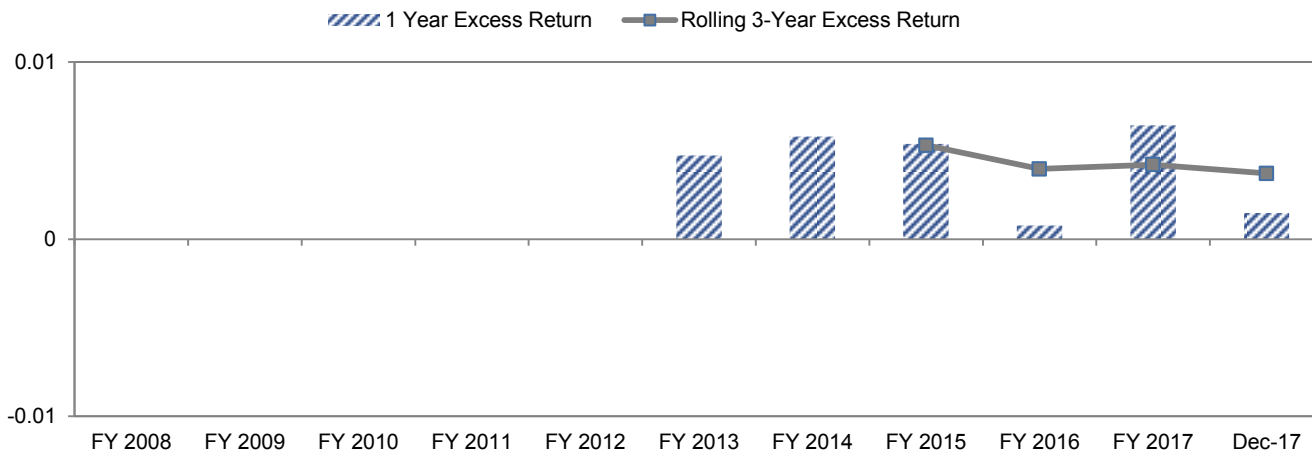
CERBT Strategy 3 Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
12/31/2017															
Global Equity	11.53	11.34	19	24.36	23.95	41	9.87	9.52	35	11.33	11.00	32	-	-	-
Fixed Income	2.56	2.42	14	6.71	6.01	69	3.82	3.15	66	3.66	2.85	80	-	-	-
TIPS	2.19	2.14	5	3.12	3.01	12	1.99	2.05	(6)	0.10	0.13	(4)	-	-	-
REITs	5.78	5.41	37	11.11	10.27	84	4.66	3.95	72	6.44	5.77	67	-	-	-
Commodities	17.98	17.83	15	5.83	5.77	6	(7.40)	(7.52)	13	(12.18)	(12.16)	(2)	-	-	-
CERBT S3 Fund	5.28	5.13	15	10.11	9.64	48	4.65	4.28	37	4.94	4.51	43	-	-	-

CERBT Strategy 3 Cumulative Returns



CERBT Strategy 3 1-Yr Excess and Rolling 3-Yr Excess Returns



CalPERS Trust Level Review

Affiliate Investment Program Summary:

Supplemental Income Plans (SIP)



Strategic Asset Allocation

	U.S. Equities			Int'l Equities			US Fixed Income			Real Assets			Cash and Cash Equivalents		
	Actual	Target	Range	Actual	Target	Range	Actual	Target	Range	Actual	Target	Range	Actual	Target	Range
Income Fund	9.5%	9.0%	+/- 2	11.5%	11.0%	+/- 2	49.4%	50.0%	+/- 4	0.0%	0.0%		29.6%	30.0%	+/- 4
2015 Fund	9.5%	9.0%	+/- 2	11.5%	11.0%	+/- 2	49.4%	50.0%	+/- 4	0.0%	0.0%		29.6%	30.0%	+/- 4
2020 Fund	11.6%	11.0%	+/- 2	13.6%	13.0%	+/- 2	47.3%	48.0%	+/- 4	0.0%	0.0%		27.6%	28.0%	+/- 4
2025 Fund	18.7%	18.0%	+/- 2	20.7%	20.0%	+/- 4	37.1%	38.0%	+/- 4	2.0%	2.0%	+/- 1	21.5%	22.0%	+/- 4
2030 Fund	22.7%	22.0%	+/- 4	26.7%	26.0%	+/- 4	30.1%	31.0%	+/- 4	4.0%	4.0%	+/- 1	16.5%	17.0%	+/- 2
2035 Fund	27.7%	27.0%	+/- 4	32.6%	32.0%	+/- 4	23.2%	24.0%	+/- 4	6.0%	6.0%	+/- 1	10.6%	11.0%	+/- 1
2040 Fund	32.6%	32.0%	+/- 4	37.4%	37.0%	+/- 4	16.3%	17.0%	+/- 2	7.9%	8.0%	+/- 1	5.8%	6.0%	+/- 1
2045 Fund	37.4%	37.0%	+/- 4	43.2%	43.0%	+/- 4	9.5%	10.0%	+/- 2	9.8%	10.0%	+/- 1	0.0%	0.0%	
2050 Fund	37.4%	37.0%	+/- 4	43.2%	43.0%	+/- 4	9.5%	10.0%	+/- 2	9.8%	10.0%	+/- 1	0.0%	0.0%	
2055 Fund	37.4%	37.0%	+/- 4	43.2%	43.0%	+/- 4	9.5%	10.0%	+/- 2	9.8%	10.0%	+/- 1	0.0%	0.0%	

Performance Summary

As of	FYTD			1 - Yr			3 - Yr			5 - Yr			10 - Yr		
	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps	Net Returns	Benchmark Return	Excess Bps
12/31/2017															
CallPERS Target Income Fund	3.07	3.03	4	6.83	6.68	16	3.37	3.23	14	3.95	3.77	19	-	-	-
CallPERS Target 2015 Fund	3.07	3.03	4	6.83	6.68	16	3.36	3.23	13	4.71	4.55	16	-	-	-
CallPERS Target 2020 Fund	3.62	3.58	4	8.01	7.85	16	3.76	3.62	14	5.47	5.30	17	-	-	-
CallPERS Target 2025 Fund	5.21	5.16	6	11.20	11.02	18	4.97	4.81	16	6.69	6.48	21	-	-	-
CallPERS Target 2030 Fund	6.44	6.38	6	13.55	13.37	18	5.82	5.66	17	7.71	7.51	21	-	-	-
CallPERS Target 2035 Fund	7.71	7.66	5	16.14	15.97	18	6.75	6.57	18	8.67	8.46	21	-	-	-
CallPERS Target 2040 Fund	8.99	8.94	5	18.77	18.60	16	7.65	7.46	19	9.50	9.27	24	-	-	-
CallPERS Target 2045 Fund	10.15	10.12	3	20.95	20.78	17	8.46	8.25	20	10.02	9.77	25	-	-	-
CallPERS Target 2050 Fund	10.16	10.12	4	20.94	20.78	16	8.45	8.25	19	10.00	9.77	23	-	-	-
CallPERS Target 2055 Fund	10.15	10.12	3	20.98	20.78	20	8.48	8.25	23	-	-	-	-	-	-

Risk Summary

	Historical 3 Year Standard Deviation
Income Fund	2.4%
2015 Fund	2.4%
2020 Fund	3.2%
2025 Fund	4.6%
2030 Fund	5.8%
2035 Fund	7.0%
2040 Fund	8.3%
2045 Fund	8.9%
2050 Fund	8.9%
2055 Fund	8.9%

TRUST POLICY REVIEW**Plan Level and Asset Class Transition Portfolios (“Transition Portfolios”)**

As per the Plan Level and Asset Class Transition Portfolios Policy, Investment Servicing Staff are reporting on the usage of transition portfolios.

During Fiscal Year 2016/2017 the following activity occurred:

Asset Class Level:

- 6 approved transitions
- 195 transfers totaling approximately \$6.7 billion in cash and securities

Plan Level:

- 10 approved transitions
- 272 transfers totaling approximately \$40.0 billion in cash and securities

During Fiscal Year 2015/2016 the following activity occurred:

Asset Class Level:

- 19 approved transitions
- 98 transfers totaling approximately \$43 billion in cash and securities

Plan Level:

- 14 approved transitions
- 32 transfers totaling approximately \$19 billion in cash and securities