

# Trust Level Review

As of March 31, 2024

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# Section I. Highlights

## Public Employees' Retirement Fund (PERF) Metrics

As of March 31, 2024

<b>\$495.3bn</b> Assets Under Management	<b>6.6%</b> 10-Yr Total Return	<b>7.8%</b> Fiscal Year-to-Date Total Return	<b>\$0.4bn</b> 5-Yr Cumulative Value Added	<b>\$(2.8)bn</b> Fiscal Year to-Date Value Added
<b>14.0%</b> Forecasted Volatility	<b>14bps</b> Forecasted Actionable Tracking Error	<b>30.6%</b> Allocation to Private Assets	<b>2.0x</b> 30-Day Tier 1 Stress Liquidity Coverage Ratio <sup>1</sup>	<b>54%</b> Allocation to Actively Managed Assets

## Quarter-End Highlights

### Capital Markets

- Global public equity markets continued to rally in Q1 2024, as strong economic data and prospects of Fed rate cuts fueled a broadening of market breadth
- The Global Public Equity portfolio gained 7.63% in Q1 2024, bringing its 1-Yr return to 21.0%. The portfolio outperformed its benchmark by 20 bps in Q1 2024 and by 26 bps for the 1-Yr period
- The 1-Yr return for the Income sleeve was 3.6%, with strong absolute returns in the High Yield and Emerging Market Debt segments. It outperformed its benchmark by 14 bps for the 1-Yr period

### Private Markets

- All applicable Private Market asset classes have positive returns for the 5-, 10-, and 20-Year periods
- The repricing of Real Estate continued to weigh on Real Asset absolute returns whilst relative returns outperformed benchmark
- Private Equity 1-Year relative returns are a function of differences in public and private valuation approaches with a strong recovery in public equities following an earlier drawdown
- Private Debt generated strong absolute performance, with a FYTD return of 11.1 % and a 1-Yr return of 14.8%

### Total Fund Risk

- Portfolio risk metrics remain within expected ranges
- Actionable tracking error (allocation and public market strategies) at 14 bps is within the 100 bps Policy limit
- The plan maintains adequate liquidity with a 2.0x coverage in a 30-day stress scenario

### Investment Process

- The recruitment process for the Chief Investment Officer position initiated and had a successful conclusion with the hire of Stephen Gilmore
- Team members worked with Board's General Pension Consultant and Board to adopt new SAA targets, which will be effective July 1, 2024

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative

<sup>1</sup> As of 3/27/24

# Section II. Performance Tables

## PERF Returns As of March 31, 2024

PERF returned 7.8% fiscal year-to-date and 10.4% for the trailing 1-Yr

- Equity 1-Yr returns were strong at 21.0% while Income returns were lower at 3.6%
- 1-Yr Private Markets returns were mixed, with Real Assets delivering negative absolute return (8.0)% but with strong relative outperformance, whilst Private Debt and Private Equity delivered positive absolute but with negative relative return for Private Equity. Overall PERF returns over the 10-Yr and 20-Yr periods are below the current 6.8% discount rate though the 5-Yr period is above at 7.1%

	End Value (bn)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>Total PERF</b>	<b>\$ 495.3</b>	<b>6.6%</b>	<b>6.6%</b>	<b>7.1%</b>	<b>10.4%</b>	<b>7.8%</b>	<b>3.3%</b>
<i>Benchmark</i>		7.1%	6.5%	7.1%	11.4%	8.4%	4.2%
<i>Excess</i>		(46) bps	4 bps	2 bps	(98) bps	(61) bps	(92) bps
<i>Cumulative Value Added (bn)</i>	\$ (17.0)	\$ (17.0)	\$ 1.4	\$ 0.4	\$ (4.2)	\$ (2.8)	\$ (4.4)
<b>Public Equity</b>	<b>\$ 224.7</b>	<b>7.8%</b>	<b>8.5%</b>	<b>10.2%</b>	<b>21.0%</b>	<b>15.0%</b>	<b>7.6%</b>
<i>Benchmark</i>		8.0%	8.5%	10.0%	20.8%	14.7%	7.4%
<i>Excess</i>		(13) bps	5 bps	18 bps	26 bps	28 bps	20 bps
<i>Cumulative Value Added (bn)</i>	\$ (0.3)	\$ (0.3)	\$ 1.0	\$ 1.7	\$ 0.4	\$ 0.5	\$ 0.4
<b>Private Equity</b>	<b>\$ 72.6</b>	<b>12.3%</b>	<b>11.1%</b>	<b>12.4%</b>	<b>10.1%</b>	<b>7.1%</b>	<b>2.3%</b>
<i>Benchmark</i>		13.2%	11.0%	13.8%	24.3%	15.6%	11.6%
<i>Excess</i>		(90) bps	11 bps	(136) bps	(1,425) bps	(849) bps	(932) bps
<i>Cumulative Value Added (bn)</i>	\$ (12.1)	\$ (12.1)	\$ (4.2)	\$ (6.0)	\$ (8.5)	\$ (5.9)	\$ (6.7)
<b>Income</b>	<b>\$ 131.1</b>	<b>4.3%</b>	<b>2.3%</b>	<b>0.8%</b>	<b>3.6%</b>	<b>3.8%</b>	<b>(0.6)%</b>
<i>Benchmark</i>		3.8%	2.0%	0.6%	3.5%	3.7%	(0.7)%
<i>Excess</i>		56 bps	36 bps	20 bps	14 bps	8 bps	8 bps
<i>Cumulative Value Added (bn)</i>	\$ 5.3	\$ 5.3	\$ 2.7	\$ 1.1	\$ 0.2	\$ 0.1	\$ 0.1
<b>Real Assets</b>	<b>\$ 66.4</b>	<b>4.8%</b>	<b>6.5%</b>	<b>4.4%</b>	<b>(8.0)%</b>	<b>(6.3)%</b>	<b>(2.2)%</b>
<i>Benchmark</i>		7.5%	6.0%	3.3%	(12.6)%	(9.6)%	(5.0)%
<i>Excess</i>		(272) bps	46 bps	111 bps	468 bps	329 bps	276 bps
<i>Cumulative Value Added (bn)</i>	\$ (11.8)	\$ (11.8)	\$ 1.1	\$ 1.7	\$ 3.3	\$ 2.2	\$ 1.8
<b>Private Debt</b>	<b>\$ 12.6</b>	-	-	-	<b>14.8%</b>	<b>11.1%</b>	<b>2.6%</b>
<i>Benchmark</i>		-	-	-	14.6%	11.0%	3.5%
<i>Excess</i>		-	-	-	18 bps	17 bps	(97) bps
<i>Cumulative Value Added (bn)</i>	-	-	-	-	\$ (0.0)	\$ (0.0)	\$ (0.1)
<b>Net Financing</b>	<b>\$ (25.1)</b>	-	-	-	-	-	-
<b>Other Trust Level</b>	<b>\$ 13.0</b>	-	-	-	-	-	-

Exhibit 2.1

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.

# Section II. Performance Tables

## PERF Capital Market Returns As of March 31, 2024

All Capital Market segments except Treasury have positive years fiscal year to date; all segments positive over 10-Yr and 20-Yr periods

- Rising rates continue to challenge Treasury segment returns

	End Value (bn)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>Cap Weighted</b>	<b>\$163.9</b>	<b>8.1%</b>	<b>9.1%</b>	<b>11.5%</b>	<b>23.9%</b>	<b>16.7%</b>	<b>8.4%</b>
Benchmark		8.2%	9.0%	11.2%	23.6%	16.4%	8.1%
Excess		(12) bps	7 bps	22 bps	33 bps	36 bps	30 bps
Cumulative Value Added (bn)		\$ (0.6)	\$ 0.8	\$ 1.4	\$ 0.4	\$ 0.5	\$ 0.4
<b>Factor Weighted</b>	<b>\$ 60.7</b>	-	-	<b>6.6%</b>	<b>13.6%</b>	<b>10.6%</b>	<b>5.5%</b>
Benchmark		-	-	6.6%	13.5%	10.6%	5.6%
Excess		-	-	3 bps	8 bps	5 bps	(7) bps
Cumulative Value Added (bn)		-	-	\$ 0.1	\$ 0.0	\$ 0.0	\$ (0.0)
<b>Treasury</b>	<b>\$ 24.3</b>	-	<b>0.8%</b>	<b>(2.3)%</b>	<b>(4.5)%</b>	<b>(2.4)%</b>	<b>(2.6)%</b>
Benchmark		-	0.9%	(2.2)%	(4.5)%	(2.4)%	(2.6)%
Excess		-	(2) bps	(7) bps	0 bps	0 bps	(0) bps
Cumulative Value Added (bn)		-	\$ (0.2)	\$ (0.2)	\$ 0.0	\$ 0.0	\$ (0.0)
<b>MBS</b>	<b>\$ 24.7</b>	<b>3.5%</b>	<b>1.8%</b>	<b>(0.1)%</b>	<b>1.8%</b>	<b>2.4%</b>	<b>(0.8)%</b>
Benchmark		2.8%	1.2%	(0.3)%	1.6%	2.3%	(0.9)%
Excess		62 bps	62 bps	19 bps	20 bps	14 bps	13 bps
Cumulative Value Added (bn)		\$ 1.2	\$ 0.8	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.0
<b>IG Corporates</b>	<b>\$ 31.9</b>	<b>5.3%</b>	<b>3.3%</b>	<b>1.3%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>(1.3)%</b>
Benchmark		4.7%	3.0%	1.1%	3.8%	4.4%	(1.3)%
Excess		56 bps	33 bps	23 bps	(7) bps	(12) bps	2 bps
Cumulative Value Added (bn)		\$ 1.2	\$ 0.5	\$ 0.3	\$ (0.0)	\$ (0.0)	\$ 0.0
<b>High Yield</b>	<b>\$ 22.4</b>	-	-	<b>3.8%</b>	<b>10.1%</b>	<b>8.4%</b>	<b>1.2%</b>
Benchmark		-	-	3.7%	10.1%	8.6%	1.3%
Excess		-	-	2 bps	(7) bps	(14) bps	(12) bps
Cumulative Value Added (bn)		-	-	\$ 0.0	\$ (0.0)	\$ (0.0)	\$ (0.0)
<b>EM Sovereign Bonds</b>	<b>\$ 25.2</b>	-	-	-	<b>8.4%</b>	<b>7.2%</b>	<b>0.7%</b>
Benchmark		-	-	-	7.7%	6.6%	0.4%
Excess		-	-	-	74 bps	55 bps	34 bps
Cumulative Value Added (bn)		-	-	-	\$ 0.2	\$ 0.1	\$ 0.1
<b>Tactical Fixed Income</b>	<b>\$ 2.6</b>	-	-	-	<b>0.1%</b>	<b>2.6%</b>	<b>1.7%</b>
Benchmark		-	-	-	0.1%	2.3%	1.4%
Excess		-	-	-	3 bps	31 bps	31 bps
Cumulative Value Added (bn)		-	-	-	\$ (0.0)	\$ 0.0	\$ 0.0

Exhibit 2.2

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.

# Section II. Performance Tables

## PERF Private Market Returns As of March 31, 2024

Private market asset classes have positive returns for the 5-, 10-, and 20-Year periods

- Private Equity excess performance can fluctuate rapidly over short periods with mark to market changes in its public benchmark
- Real Assets delivered strong relative performance mainly but not exclusively attributed to the outperformance of Infrastructure over Real Estate

	End Value (bn)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>Private Equity</b>	<b>\$ 72.6</b>	<b>12.3%</b>	<b>11.1%</b>	<b>12.4%</b>	<b>10.1%</b>	<b>7.1%</b>	<b>2.3%</b>
Benchmark		13.2%	11.0%	13.8%	24.3%	15.6%	11.6%
Excess		(90) bps	11 bps	(136) bps	(1,425) bps	(849) bps	(932) bps
Cumulative Value Added (bn)	\$ (12.1)	\$ (12.1)	\$ (4.2)	\$ (6.0)	\$ (8.5)	\$ (5.9)	\$ (6.7)
<b>Private Debt</b>	<b>\$ 12.6</b>	-	-	-	<b>14.8%</b>	<b>11.1%</b>	<b>2.6%</b>
Benchmark		-	-	-	14.6%	11.0%	3.5%
Excess		-	-	-	18 bps	17 bps	(97) bps
Cumulative Value Added (bn)		-	-	-	\$ (0.0)	\$ (0.0)	\$ (0.1)
<b>Infrastructure</b>	<b>\$ 15.7</b>	-	<b>10.5%</b>	<b>6.7%</b>	<b>6.0%</b>	<b>3.6%</b>	<b>2.2%</b>
Benchmark		-	4.6%	3.3%	(12.6)%	(9.6)%	(5.0)%
Excess		-	594 bps	341 bps	1,869 bps	1,322 bps	717 bps
Cumulative Value Added (bn)		-	\$ 3.5	\$ 2.4	\$ 2.9	\$ 2.0	\$ 1.1
<b>Real Estate</b>	<b>\$ 50.3</b>	<b>4.4%</b>	<b>6.3%</b>	<b>3.8%</b>	<b>(11.6)%</b>	<b>(9.0)%</b>	<b>(3.5)%</b>
Benchmark		8.0%	6.3%	3.3%	(12.6)%	(9.6)%	(5.0)%
Excess		(360) bps	(3) bps	50 bps	107 bps	58 bps	144 bps
Cumulative Value Added (bn)	\$ (14.7)	\$ (14.7)	\$ (1.6)	\$ (0.5)	\$ 0.4	\$ 0.2	\$ 0.7
<b>Forestland</b>	<b>\$ 0.3</b>	-	<b>0.2%</b>	<b>4.1%</b>	<b>1.5%</b>	<b>2.5%</b>	<b>2.3%</b>
Benchmark		-	4.4%	3.3%	(12.6)%	(9.6)%	(5.0)%
Excess		-	(419) bps	86 bps	1,411 bps	1,204 bps	730 bps
Cumulative Value Added (bn)		-	\$ (0.9)	\$ (0.1)	\$ 0.0	\$ 0.0	\$ 0.0

Exhibit 2.3

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.

# Section II. Performance Tables

## Affiliate Investment Program Returns As of March 31, 2024

Affiliate returns were in line with respective asset allocations

- Affiliate funds are passively managed strategies, except for Long-Term Care Fund, with realized returns and volatility in line with the assigned asset allocation and benchmarks
- Positive excess returns are largely due to structural tax advantages of public equity and real estate investment trusts (REITs) funds vs their respective benchmarks

Defined Benefit, Health, and OPEB Plans	End Value (mm)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>Judges' Retirement Fund</b>	<b>\$ 50.6</b>	<b>1.7%</b>	<b>1.5%</b>	<b>2.2%</b>	<b>5.6%</b>	<b>4.2%</b>	<b>1.4%</b>
<i>Benchmark</i>		1.5%	1.4%	2.0%	5.2%	4.0%	1.3%
<i>Excess</i>		15 bps	16 bps	16 bps	36 bps	22 bps	9 bps
<b>Judges' Retirement System Fund II</b>	<b>\$ 2,591.9</b>	<b>6.4%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>13.5%</b>	<b>10.5%</b>	<b>3.8%</b>
<i>Benchmark</i>		6.3%	5.7%	6.4%	13.3%	10.4%	3.7%
<i>Excess</i>		17 bps	25 bps	24 bps	22 bps	13 bps	4 bps
<b>Legislators' Retirement System Fund</b>	<b>\$ 94.6</b>	<b>5.1%</b>	<b>3.9%</b>	<b>3.4%</b>	<b>5.6%</b>	<b>5.4%</b>	<b>1.0%</b>
<i>Benchmark</i>		4.9%	3.7%	3.4%	5.7%	5.5%	1.0%
<i>Excess</i>		19 bps	16 bps	6 bps	(7) bps	(8) bps	2 bps
<b>Health Care Fund</b>	<b>\$ 73.3</b>	<b>3.2%</b>	<b>1.6%</b>	<b>0.3%</b>	<b>1.6%</b>	<b>2.5%</b>	<b>(0.7)%</b>
<i>Benchmark</i>		3.1%	1.5%	0.4%	1.7%	2.6%	(0.8)%
<i>Excess</i>		11 bps	6 bps	(3) bps	(9) bps	(8) bps	3 bps
<b>Long-Term Care Fund</b>	<b>\$ 4,348.6</b>	<b>4.6%</b>	<b>3.5%</b>	<b>3.4%</b>	<b>8.1%</b>	<b>8.0%</b>	<b>2.6%</b>
<i>Benchmark</i>		4.5%	3.4%	3.4%	8.3%	8.4%	2.6%
<i>Excess</i>		15 bps	7 bps	1 bps	(29) bps	(35) bps	(4) bps
<b>CERBT Strategy 1 Fund</b>	<b>\$ 17,744.6</b>	-	<b>6.0%</b>	<b>6.7%</b>	<b>13.0%</b>	<b>10.2%</b>	<b>3.6%</b>
<i>Benchmark</i>		-	5.7%	6.5%	12.9%	10.1%	3.6%
<i>Excess</i>		-	30 bps	18 bps	14 bps	7 bps	2 bps
<b>CERBT Strategy 2 Fund</b>	<b>\$ 1,991.8</b>	-	<b>4.9%</b>	<b>4.9%</b>	<b>9.4%</b>	<b>7.8%</b>	<b>2.3%</b>
<i>Benchmark</i>		-	4.6%	4.8%	9.4%	7.8%	2.3%
<i>Excess</i>		-	24 bps	10 bps	4 bps	1 bps	3 bps
<b>CERBT Strategy 3 Fund</b>	<b>\$ 800.9</b>	-	<b>4.0%</b>	<b>3.7%</b>	<b>6.8%</b>	<b>6.1%</b>	<b>1.4%</b>
<i>Benchmark</i>		-	3.8%	3.6%	6.8%	6.1%	1.3%
<i>Excess</i>		-	21 bps	7 bps	2 bps	(0) bps	3 bps
<b>CEPPT Strategy 1 Fund</b>	<b>\$ 172.5</b>	-	-	-	<b>9.9%</b>	<b>8.0%</b>	<b>2.4%</b>
<i>Benchmark</i>		-	-	-	9.9%	8.0%	2.3%
<i>Excess</i>		-	-	-	4 bps	1 bps	3 bps
<b>CEPPT Strategy 2 Fund</b>	<b>\$ 51.4</b>	-	-	-	<b>6.3%</b>	<b>5.6%</b>	<b>1.1%</b>
<i>Benchmark</i>		-	-	-	6.3%	5.6%	1.0%
<i>Excess</i>		-	-	-	(0) bps	(0) bps	3 bps

Exhibit 2.4

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.

# Section II. Performance Tables

## Affiliate Investment Program Returns (cont.)

Target Date Fund returns were in line with respective asset allocations

- Target Date Funds closely tracked their respective benchmarks
- Positive excess returns are largely due to structural tax advantages of public equity and real asset investments vs their respective benchmarks

Supplemental Income Plans (457/SCP Plan)	End Value (mm)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>Target Income Fund</b>	<b>\$ 187.3</b>	-	<b>3.7%</b>	<b>4.4%</b>	<b>8.6%</b>	<b>7.0%</b>	<b>2.3%</b>
<i>Benchmark</i>		-	3.6%	4.3%	8.6%	7.0%	2.3%
<i>Excess</i>		-	12 bps	11 bps	(1) bps	(5) bps	2 bps
<b>Target 2020 Fund</b>	<b>\$ 164.0</b>	-	<b>4.4%</b>	<b>5.7%</b>	<b>10.2%</b>	<b>7.8%</b>	<b>2.8%</b>
<i>Benchmark</i>		-	4.2%	5.6%	10.2%	7.9%	2.8%
<i>Excess</i>		-	13 bps	13 bps	(1) bps	(6) bps	2 bps
<b>Target 2025 Fund</b>	<b>\$ 232.0</b>	-	<b>5.3%</b>	<b>6.9%</b>	<b>13.0%</b>	<b>9.6%</b>	<b>3.9%</b>
<i>Benchmark</i>		-	5.1%	6.8%	13.0%	9.7%	3.9%
<i>Excess</i>		-	14 bps	15 bps	(2) bps	(7) bps	0 bps
<b>Target 2030 Fund</b>	<b>\$ 254.0</b>	-	<b>6.0%</b>	<b>8.0%</b>	<b>15.2%</b>	<b>11.0%</b>	<b>4.9%</b>
<i>Benchmark</i>		-	5.9%	7.9%	15.3%	11.1%	4.9%
<i>Excess</i>		-	11 bps	10 bps	(2) bps	(8) bps	(0) bps
<b>Target 2035 Fund</b>	<b>\$ 180.4</b>	-	<b>6.8%</b>	<b>9.2%</b>	<b>17.9%</b>	<b>12.5%</b>	<b>5.8%</b>
<i>Benchmark</i>		-	6.6%	9.1%	17.9%	12.6%	5.8%
<i>Excess</i>		-	13 bps	13 bps	(3) bps	(10) bps	(1) bps
<b>Target 2040 Fund</b>	<b>\$ 172.4</b>	-	<b>7.5%</b>	<b>10.2%</b>	<b>20.5%</b>	<b>14.2%</b>	<b>6.9%</b>
<i>Benchmark</i>		-	7.4%	10.1%	20.6%	14.3%	6.9%
<i>Excess</i>		-	13 bps	14 bps	(4) bps	(11) bps	(3) bps
<b>Target 2045 Fund</b>	<b>\$ 104.9</b>	-	<b>7.9%</b>	<b>10.4%</b>	<b>21.4%</b>	<b>14.9%</b>	<b>7.3%</b>
<i>Benchmark</i>		-	7.7%	10.3%	21.5%	15.1%	7.3%
<i>Excess</i>		-	13 bps	14 bps	(4) bps	(11) bps	(3) bps
<b>Target 2050 Fund</b>	<b>\$ 66.4</b>	-	<b>7.9%</b>	<b>10.4%</b>	<b>21.4%</b>	<b>14.9%</b>	<b>7.3%</b>
<i>Benchmark</i>		-	7.7%	10.3%	21.5%	15.1%	7.3%
<i>Excess</i>		-	13 bps	14 bps	(4) bps	(11) bps	(3) bps
<b>Target 2055 Fund</b>	<b>\$ 26.8</b>	-	<b>7.9%</b>	<b>10.4%</b>	<b>21.4%</b>	<b>14.9%</b>	<b>7.3%</b>
<i>Benchmark</i>		-	7.7%	10.3%	21.5%	15.1%	7.3%
<i>Excess</i>		-	14 bps	14 bps	(4) bps	(11) bps	(3) bps
<b>Target 2060 Fund</b>	<b>\$ 12.7</b>	-	-	<b>10.4%</b>	<b>21.4%</b>	<b>14.9%</b>	<b>7.3%</b>
<i>Benchmark</i>		-	-	10.3%	21.5%	15.1%	7.3%
<i>Excess</i>		-	-	11 bps	(4) bps	(11) bps	(3) bps
<b>Target 2065 Fund<sup>1</sup></b>	<b>\$ 2.8</b>	-	-	-	<b>21.4%</b>	<b>14.9%</b>	<b>7.3%</b>
<i>Benchmark</i>		-	-	-	21.5%	15.1%	7.3%
<i>Excess</i>		-	-	-	(4) bps	(11) bps	(3) bps

Exhibit 2.5

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.



# Section II. Performance Tables

## Affiliate Investment Program Returns (cont.)

Core Fund returns were in line with benchmarks

- Core Funds closely track their respective benchmarks
- Positive excess returns are largely due to structural tax advantages of the Global All Cap ex-US public equity and Real Assets funds vs their respective benchmarks

Supplemental Income Plans (457/SCP Plan) (cont.)	End Value (mm)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
<b>SSgA STIF</b>	<b>\$ 119.5</b>	-	<b>1.6%</b>	<b>2.2%</b>	<b>5.6%</b>	<b>4.2%</b>	<b>1.4%</b>
<i>Benchmark</i>		-	1.4%	2.0%	5.2%	4.0%	1.3%
<i>Excess</i>		-	18 bps	18 bps	36 bps	22 bps	10 bps
<b>SIP US Short Term Bond Core</b>	<b>\$ 38.5</b>	-	<b>1.2%</b>	<b>1.3%</b>	<b>3.4%</b>	<b>3.8%</b>	<b>0.4%</b>
<i>Benchmark</i>		-	1.3%	1.4%	3.5%	3.9%	0.4%
<i>Excess</i>		-	(9) bps	(4) bps	(7) bps	(5) bps	(2) bps
<b>SIP US Bond Core</b>	<b>\$ 52.6</b>	-	<b>1.6%</b>	<b>0.4%</b>	<b>1.6%</b>	<b>2.5%</b>	<b>(0.7)%</b>
<i>Benchmark</i>		-	1.5%	0.4%	1.7%	2.6%	(0.8)%
<i>Excess</i>		-	3 bps	0 bps	(6) bps	(6) bps	4 bps
<b>SIP Real Asset Core</b>	<b>\$ 16.9</b>	-	<b>3.4%</b>	<b>6.5%</b>	<b>2.1%</b>	<b>4.1%</b>	<b>1.1%</b>
<i>Benchmark</i>		-	3.4%	6.4%	2.1%	4.2%	1.1%
<i>Excess</i>		-	(1) bps	8 bps	(6) bps	(6) bps	5 bps
<b>SIP Russell All Cap Core</b>	<b>\$ 787.3</b>	-	<b>12.4%</b>	<b>14.4%</b>	<b>29.3%</b>	<b>19.3%</b>	<b>10.0%</b>
<i>Benchmark</i>		-	12.3%	14.3%	29.3%	19.3%	10.0%
<i>Excess</i>		-	4 bps	3 bps	4 bps	4 bps	(1) bps
<b>SIP Global All Cap EX-US</b>	<b>\$ 78.1</b>	-	<b>4.5%</b>	<b>6.2%</b>	<b>13.0%</b>	<b>10.2%</b>	<b>4.3%</b>
<i>Benchmark</i>		-	4.3%	6.0%	13.2%	10.6%	4.3%
<i>Excess</i>		-	22 bps	24 bps	(16) bps	(35) bps	(7) bps

Exhibit 2.6

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.

# Section III. Markets and Economy

## Macroeconomic Drivers and Outlook

Global growth expectations stabilize; soft-landing largely expected

### Positive global economic momentum continue into the first quarter

- Over the past quarter, the United States and global economies exhibited decent economic growth following a pause in monetary policy tightening. Nominal global GDP growth remained robust at 6.2% yoy\*. By and large, global central bank rhetoric indicated lower short-dated interest rates in the near-future as policymakers’ forecasts pointed to further disinflation this year
- The combination of solid real activity and elevated nominal economic growth boosted corporate earnings, while expectations for falling interest rates buoyed public equity returns
- Robust demand and investor attraction to higher-yielding assets led to spread compression in credit and private debt asset classes, lifting quarter-end returns
- More broadly, the fiscal year returns have performed well considering the rapid shifts in market sentiment through the year. In particular, swings in consensus views for the direction of monetary policy in the near-term and geopolitical events caused fluctuations in prices; for example, the US 10-year Treasury note yield oscillated between 3.74 and 5.0 percent. Commodity prices and currencies have also exhibited large moves throughout the year
- The range of macroeconomic outcomes is wider than usual, both in the near-term and in the long-run. *Consensus Economics’* survey of forecasts for US real GDP points to 2.4% yoy over 2024 and growth to remain close to 2% through the end of 2026. Over the short-term, the direction and speed of the US and global economies are expected to be driven by geopolitical tensions; the degree to which monetary policy eases (or does not); and the capacity of global private sector demand to bear higher prices. Looking beyond the business cycle, trends that are enduring post-pandemic are dramatically changing the investing landscape: de-globalization; technological improvements; populism; and climate change.

### US Treasury 10-year note yield and nominal GDP

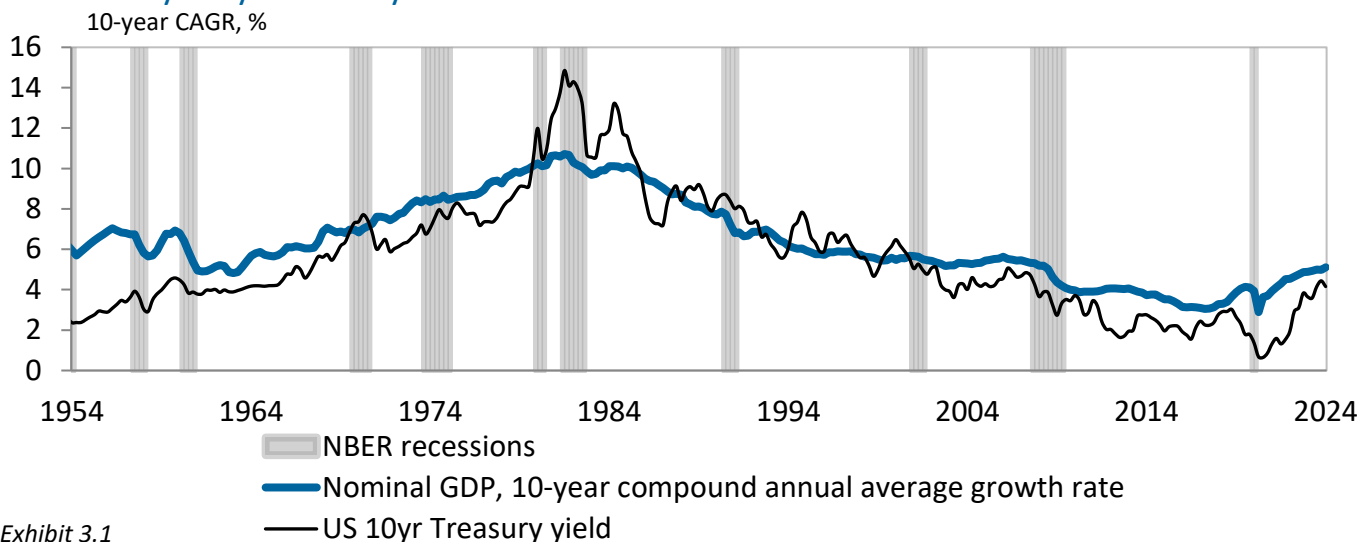


Exhibit 3.1

Source: Haver Analytics, Shiller. Treasury note is constant maturity yield. \* JP Morgan estimates.

# Section IV. PERF Allocation

## Strategic Asset Allocation As of March 31, 2024

Allocation remains within policy bands

### Interim Targets and Policy Bands

- The Board’s General Pension Consultant, in consultation with the Investment Committee and staff, establishes Interim Allocation Targets to reflect reasonable expected pacing to implement the long-term SAA (Strategic Asset Allocation)
- SA targets shown on this report do not yet reflect changes to the SAA adopted by the Investment Committee on March 18, 2024

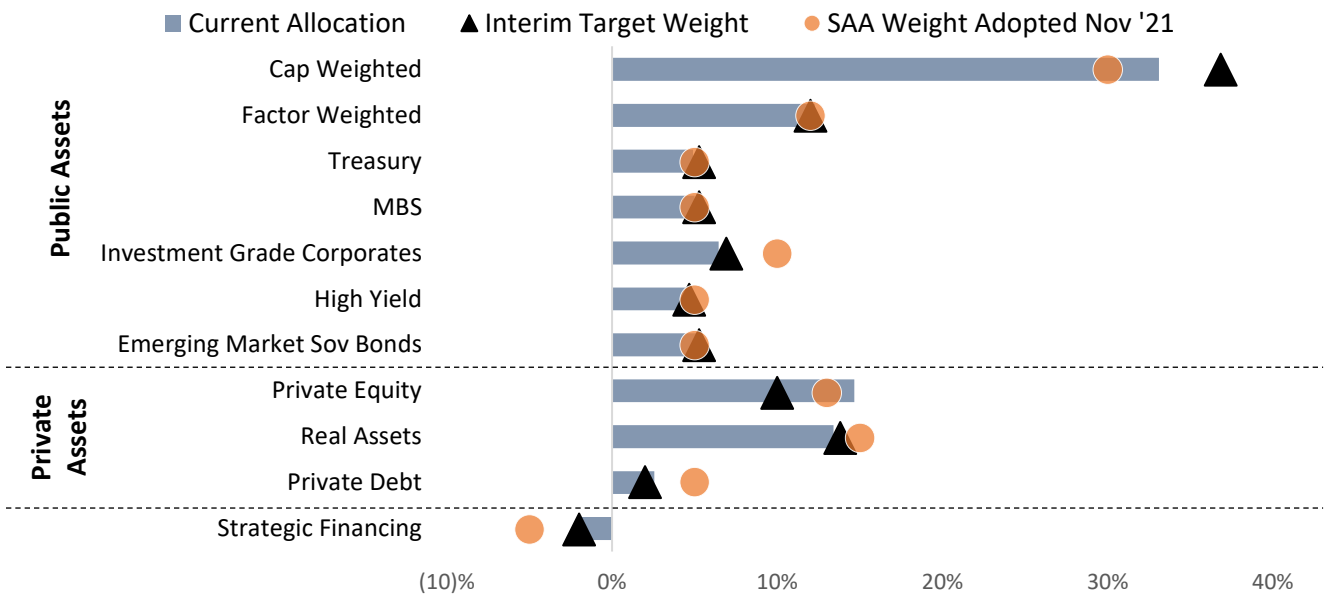


Exhibit 4.1

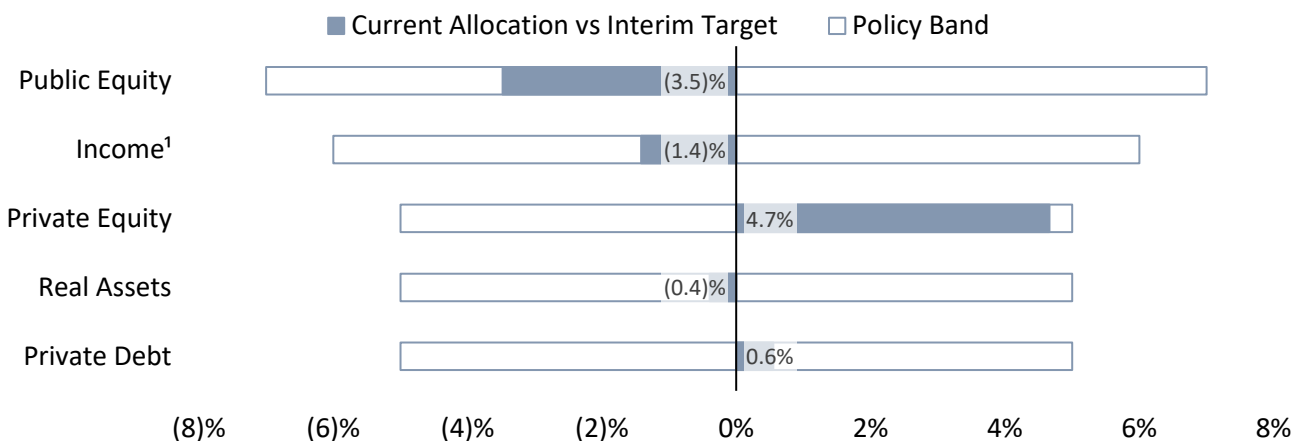


Exhibit 4.2

<sup>1</sup> Income current allocation does not include Tactical Fixed Income.

# Section V. PERF Risk Detail

## Volatility As of March 31, 2024

Total portfolio volatility has been in line with expectations

### Current Levels

- Total Fund Forecasted Volatility for PERF has been marginally increasing for the last 12 months in alignment with the asset allocation changes and, specifically, a higher weight of private assets. The difference between Total Fund and Policy Benchmark volatility is primarily driven by the private equity portfolio versus its public market benchmark
- Actionable Tracking Error is well below the Policy Limit of 100 bps and indicative of opportunities to increase active management. This metric captures deviations from benchmarks for all public market programs, out of benchmark opportunistic investments, and asset allocation. There is no equivalent quantitative metric for private programs due to inherent limitations in modeling, measurement, and benchmarking

	Policy Limit	Current <sup>1</sup> 3/31/2024	Last Qtr 12/31/2023	Last Year 3/31/2023
<b>Total Fund Volatility (%)</b>	-	14.0	13.6	13.3
<b>Policy Benchmark Volatility (%)</b>	-	12.5	12.3	12.2
<b>Tracking Error (%)</b>				
<b>Actionable</b>	< 1.00	0.14	0.15	0.15
<b>Total Fund</b>	-	1.95	1.83	1.68
<b>Allocation</b>	-	0.01	0.02	0.04

Exhibit 5.1

<sup>1</sup> Represented as 3/28/2024, which is the last global trading day in Q1 2024

# Section V. PERF Risk Detail

## Risk Decomposition As of March 31, 2024

Growth oriented asset classes dominate overall risk

### % Contribution to Total Portfolio Volatility

- Public and Private Equities contribute approximately 82% of Total Fund Volatility. The remaining asset classes are also either growth-oriented (e.g., Real Assets) or contain growth-oriented components (e.g., High Yield in fixed income)

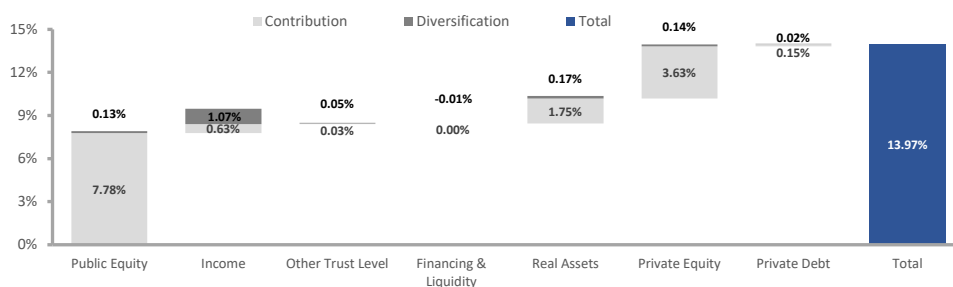


Exhibit 5.2

Asset Class	Market Value <sup>1</sup> (\$ Millions)	Total Forecasted Volatility (%)	% Contribution to Total Volatility	5-Year Realized Volatility (%)
<b>Public Asset Classes</b>				
<b>Public Equity</b>	<b>224,456</b>	<b>17.4</b>	<b>55.7</b>	<b>16.5</b>
Cap Weighted	163,765	18.7	43.5	18.0
Factor Weighted	60,691	14.3	12.2	13.3
<b>Income</b>	<b>128,491</b>	<b>6.5</b>	<b>4.5</b>	<b>9.0</b>
IG Corp	31,936	10.0	1.4	13.0
EM Sov Debt	25,170	8.1	1.9	-
MBS	24,725	5.5	0.2	6.1
Treasury	24,295	10.9	-0.3	12.4
High Yield	22,364	5.4	1.2	9.2
<b>Other Trust Level</b>	<b>15,480</b>	<b>3.0</b>	<b>0.2</b>	<b>-</b>
LLER	11,368	2.5	0.2	3.1
Opportunistic	236	2.8	0.0	-
Total Fund Income	2,549	1.0	0.0	-
Other	1,326	5.2	0.0	-
<b>Financing &amp; Liquidity</b>	<b>(25,242)</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Liquidity	11,077	0.0	0.0	0.0
Trust Level Financing	(36,319)	-	0.0	-
<b>Private Asset Classes</b>				
<b>Private Equity</b>	<b>72,579</b>	<b>25.7</b>	<b>26.0</b>	<b>10.5</b>
<b>Real Assets</b>	<b>66,273</b>	<b>14.3</b>	<b>12.5</b>	<b>6.0</b>
<b>Private Debt</b>	<b>12,647</b>	<b>6.8</b>	<b>1.1</b>	<b>-</b>
<b>TOTAL PERF</b>	<b>494,683</b>	<b>14.0</b>	<b>100.0</b>	<b>9.5</b>

Exhibit 5.3

<sup>1</sup> Data source: Blackrock's Aladdin; some differences with State Street primarily due to timing of recording some cash flows

# Section V. PERF Risk Detail

## Risk Decomposition (cont.) As of March 31, 2024

Active equities and LLER are the largest contributors to Actionable TE

### % Contribution to Actionable Tracking Error

- Total Fund Actionable Tracking Error (TE) is modest at 14 bps vs. a policy limit of 100 bps
- The primary contributors to Actionable TE are external public equity managers and the Low Liquidity Enhanced Return (LLER) program

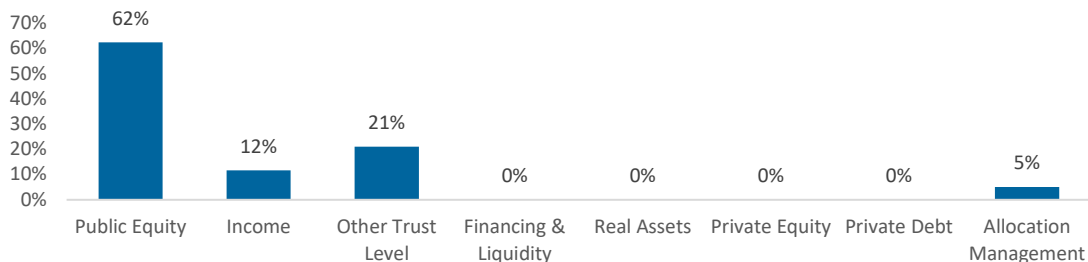


Exhibit 5.4

Asset Class	Tracking Error (bps)	% Contribution to Actionable TE	5-Year Realized TE (bps)
<b>Public Equity</b>	<b>25</b>	<b>62</b>	<b>19</b>
Cap Weighted	34	63	26
Factor Weighted	5	-1	12
<b>Income</b>	<b>29</b>	<b>12</b>	<b>23</b>
IG Corp	34	3	44
EM Sov Debt	53	7	-
MBS	36	3	33
Treasury	16	1	37
High Yield	32	-1	29
<b>Other Trust Level</b>	<b>302</b>	<b>21</b>	<b>-</b>
LLER	246	20	299
Opportunistic	280	1	-
Total Fund Income	98	1	-
Other	523	0	-
<b>Financing &amp; Liquidity</b>	<b>-</b>	<b>0</b>	<b>-</b>
Liquidity	13	0	-
Trust Level Financing	-	0	-
<b>Allocation Management</b>	<b>-</b>	<b>5</b>	<b>-</b>
<b>TOTAL PERF Actionable</b>	<b>14</b>	<b>100</b>	<b>17</b>
<b>Private Equity</b>	<b>981</b>		<b>1387</b>
<b>Real Assets</b>	<b>492</b>		<b>277</b>
<b>Private Debt</b>	<b>472</b>		<b>-</b>
<b>TOTAL PERF</b>	<b>195</b>		<b>169</b>

Exhibit 5.5

# Appendix 1: PERF Benchmarks

<u>Asset Class</u>	<u>Policy Benchmark</u>
Public Equity – Cap Weighted	Custom FTSE All World, All Cap Equity
Public Equity – Factor Weighted	Custom FTSE Factor Weighted Index
Private Equity	Custom FTSE All World, All Cap Equity + 150bps, Quarter Lag
Income - Treasury	Custom Bloomberg Government
Income - MBS	Custom Bloomberg Mortgage
Income - IG Corporates	Custom Bloomberg Corporate ex Sov
Income - High Yield	Custom Bloomberg High Yield
Income - EM Sovereign Bonds	Custom JP Morgan EMBIG Diversified
Real Assets	MSCI/PREA U.S. ACOE Quarterly Property Fund Index (Unfrozen), Quarter Lag
Private Debt	Morningstar LSTA U.S. Leveraged Loan 100 Index + 125 bps, Quarter Lag
Strategic Leverage	ICE BofA US 3-Month Treasury Bill Index +50 bps

## Appendix 2: Definitions

<u>Term</u>	<u>Definition</u>
10 Year U.S. Treasury	The 10-Yr Treasury note (bond) is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-Yr Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity. The “10-Yr” is viewed as a sign of investor sentiment about the economy. A rising yield for the 10-Yr indicates falling demand for Treasury bonds, which means investors prefer higher-risk, higher-reward investments. A falling yield suggests the opposite.
Annual average percent change (aapc)	The change in a variable between one entire year and the prior entire year. This differs to an annual percent change, which looks at one point in time compared with the same point in time a year earlier.
Actionable Tracking Error	Investment Policy definition of the Total Fund tracking error that excludes the effect of active exposure from private asset classes arising from the modeling challenges and the non-investible nature of their benchmarks.
Active Leverage	The portion of Total Fund leverage that is controlled by staff and used to fund exposures incremental to the Strategic Asset Allocation.
Alpha	The measure of the return of an investment relative to an appropriate benchmark.
Basis Point (BP)	1 basis point is 1/100 of a percent or 0.01%.
Beta	A statistical measure of investment or portfolio return sensitivity to the market where the market is typically defined by a market index. A beta of 1.0 means the investment moves in synch with the market. A beta of 0.5 means the investment moves 50% as much as the market. A beta of 1.5 means the investment moves 150% as much as the market. For example, a portfolio with a beta of 0.8 is expected to have an 8% return when the market returns 10%.
Benchmark	A collection of assets to compare against the portfolio’s assets. These are typically market indices (e.g., SP500 or Bloomberg Barclays Global Aggregate). Benchmarks can be a useful tool to evaluate performance and risk.
Central Banks	The principal monetary authority of a nation, a central bank performs several key functions, including issuing currency and regulating the supply of credit in the economy. The Federal Reserve is the central bank of the United States.



<b><u>Term</u></b>	<b><u>Definition</u></b>
Consensus Economics	Consensus Economics is a global macroeconomic survey firm that polls more than 700 economists monthly for their forecasts for over 2,000 macroeconomic indicators in 115 countries. The company is headquartered in London, United Kingdom.
Consumer Prices Index (CPI)	An index which measures changes in the prices of a (weighted average) basket of goods and services. This basket is representative of aggregate U.S. consumer spending and is a common reference point for inflation.
Counterparty	The legal entity that holds the other side of a contract or financial transaction.
Economic Activity	Any action that involves producing, distributing, or consuming products or services is an economic activity. Used synonymously with real GDP growth.
Event Risk	Refers to any future potential occurrence that can cause losses for investors or other stakeholders in a company or investment.
Excess Return	The portfolio return minus the portfolio benchmark return. Time-weighted excess return is not affected by the amount of capital invested.
Federal Reserve Open Market Committee (FOMC)	A twelve-member committee made up of the seven members of the Board of Governors; the president of the Federal Reserve Bank of New York; and, on a rotating basis, the presidents of four other Reserve Banks. The FOMC meets eight times a year to set Federal Reserve guidelines regarding the purchase and sale of government securities in the open market and the policy (overnight) interest rate as a means of influencing the volume of bank credit and money in the economy.
Financial Market Pricing	Current price at which an asset or service can be bought or sold. The market price of an asset or service is determined by the forces of supply and demand and, when traded in real time on global financial markets, can be influenced by (unrealized) expectations around the future.
Future Commission Merchant (FCM)	Highly regulated entities that accept orders for exchange traded contracts in Central Counterparty Clearing House (CCPs). Collateral posted at the FCM is mostly used to meet the margin requirements at the CCPs. The collateral in the counterparty section has been provided to the FCM to post at the CCPs on behalf of CalPERS and bridging operational timing and processing gaps in collateral transfer.
High Yield (HY)	Compared to Investment Grade, these bonds have a lower credit rating meaning they have a relatively higher risk of default. Due to their higher probability of default, they pay a higher yield to compensate investors for the additional risk.

<b><u>Term</u></b>	<b><u>Definition</u></b>
Inflation	A rate of increase in the general price level of goods and services. The general term 'inflation' usually refers to the change in the CPI index over one year.
International Monetary Fund (IMF)	An international organization with 146 members, including the United States. The main functions of the IMF are to lend funds to member nations to finance temporary balance of payments problems, to facilitate the expansion and balanced growth of international trade, and to promote international monetary cooperation among nations. The IMF also creates special drawing rights (SDR's), which provide member nations with a source of additional reserves. Member nations are required to subscribe to a Fund quota, paid mainly in their own currency. The IMF grew out of the Bretton Woods Conference of 1944.
International Swaps and Derivatives Association (ISDA)	A trade organization of market participants that facilitates standardization of contractual agreements to trade over-the-counter derivative contracts. CalPERS enters into ISDA agreements to trade derivatives; for example, FX forwards, total return and interest rate swaps.
Investment Grade (IG)	Bonds with a higher credit rating meaning they have a relatively low risk of default.
Liquidity Coverage Ratio	Metric refers to the proportion of liquid assets to meet short term obligations under a stress scenario (within 30 days). The ratio divides Sources of Liquidity by Uses of Liquidity.
Liquidity (sources of)	Includes: Cash Equivalents, Pension Contributions & Other Inflows, Internal Funding and Liquidity on Demand.
Liquidity (uses of)	Includes: Pension Benefits, Private Asset Funding, Contingent uses and Maturing Derivatives/Repos & Others.
Macroeconomics	A branch of economics that studies how an overall economy (markets, businesses, consumers, and governments) behave. Macroeconomics examines economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.
Master Repurchase Agreement (MRA)	The bilateral agreement that governs the collateralized loans of securities. CalPERS uses this contract to enter into forward purchase/repurchase of US Treasuries and Mortgage securities and to post/receive collateral in return (also known as Repo and Reverse Repo).

<u>Term</u>	<u>Definition</u>
Master Securities Forward Transaction Agreement (MFSTA)	The bilateral agreement that CalPERS uses to enter into forward purchase or sale of mortgage bonds and "TBA" instruments.
Net Asset Value (NAV)	The value of an investment fund's assets less its liabilities.
Net Return	Performance net of internal and external investment office management expenses. CalPERS' performance uses a daily Modified-Dietz methodology which is geometrically linked to produce time-weighted returns for longer periods.
	Daily Rate of Return Formula <ul style="list-style-type: none"> <li>• 6/30/2016 &amp; Prior: Dollar Value Added / (Beginning Market Value + Net Cash Flows)</li> <li>• 7/1/2016 to Present: Dollar Value Added / Beginning Market Value</li> <li>• Dollar Value Added = Gains/losses due to price appreciation and income</li> </ul>
	Daily returns are geometrically linked to produce longer period returns.
Unfunded Commitments	A legally binding commitment to a private asset investment fund/vehicle for which the capital has not yet been drawn.
Oil (Brent)	A crude oil blend commonly referred to as Brent Blend, London Brent, or Brent petroleum. It is the main global benchmark for oil prices.
Oil (WTI)	West Texas Intermediate is also crude oil blend. It serves as the main US benchmark for oil prices.
Over the Counter (OTC)	A decentralized market where participants trade stocks, bonds, currencies, or derivatives without a centralized exchange or broker.
Public Employee's Retirement Fund (PERF)	An investment fund created under California state statute and exclusively controlled by the CalPERS Board. The fund is managed with the expressed purpose of paying retirement benefits to participating members.
Policy Rate	The policy interest rate is that at which the central bank will pay or charge commercial banks for their deposits or loans. This rate affects the interest rate that commercial banks apply with their customers, both borrowers and depositors, and more generally, impacts on the general price (rate) of credit in the economy.

<u>Term</u>	<u>Definition</u>
Portfolio Market Value	<p>The sum of the underlying investment values +/- any open receivables or payables (uninvested assets), consistent with the Net Asset Value or Total Net Assets reported in accounting.</p> <ul style="list-style-type: none"> <li>• Public Asset Market Values are calculated as units held x price per unit + accrued income.</li> <li>• Private Asset Market Values represent 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.</li> </ul>
Real Gross Domestic Product (GDP)	<p>Measures the total economic output of a country over a specified period (often a year) adjusted for changes in price. The total economic output refers to the volume of all goods and services produced by an economy. It is often referred to as constant-price GDP or constant dollar GDP.</p>
SLA/Sec Lending	<p>Refers to the Securities Lending Agreement ("SLA") under which CalPERS lends securities and receives either cash or other securities as collateral.</p>
Supply-Chain	<p>A network of individuals and companies who are involved in creating a product and delivering it to the consumer. Links on the chain begin with the producers of the raw materials and end when the finished product is delivered to the end user.</p>
Supplemental Income Plans (SIP)	<p>Refers to the combined program for the Public Employees' Deferred Compensation Fund and the Supplemental Contributions Program.</p>
Tracking Error	<p>Standard deviation of the differential return between the portfolio and an equal investment in the benchmark.</p>
Uncertainty	<p>The range of possible values or paths. These are unknown.</p>
Value Added	<p>The incremental gain or loss in dollars resulting from portfolio implementation, active management, and imperfectly investible benchmarks. Over shorter time horizons, the benchmark component can create significant variability in outcomes. Unlike a time-weighted excess return which does not account for the size of the investment, value added will vary with the amount of capital invested. Also referred to as "Dollar Value Added".</p>
Volatility	<p>A measure of the distribution of portfolio returns (or a given security). It is typically defined as the statistical standard deviation of returns, annualized.</p>

<b><u>Term</u></b>	<b><u>Definition</u></b>
Wage Growth	Wages are the compensation paid to employees for the work or services they perform over a specified period. In the US it is often described as average hourly earnings. Wage growth typically refers to the annual change in wages.
Yield Curve	A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve), and flat.