BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2025

Prepared by CalPERS' Financial Reporting and Accounting Services
division with the joint effort of team members across the organization.

Available online at **www.calpers.ca.gov**

CalPERS

California Public Employees' Retirement System
A Component Unit of the State of California

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Management's Discussion & Analysis (Unaudited)

INTRODUCTION

This section presents Management's Discussion & Analysis (MD&A) of the California Public Employees' Retirement System's (CalPERS or the System) financial performance for the fiscal year ended June 30, 2025. Serving as a narrative overview and analysis, the MD&A is designed to complement the Chief Executive Officer's Letter of Transmittal, which can be found in the Introductory Section of this Annual Comprehensive Financial Report (ACFR). Readers are encouraged to review this section alongside the Basic Financial Statements included in the report for a comprehensive understanding of the System's financial position and performance.

In addition to reflecting on historical data, the MD&A includes forward-looking statements that address known facts as well as potential risks and uncertainties. It is important to note that actual results, performance, and achievements may vary from those expressed or implied in these forward-looking statements due to a variety of factors, such as fluctuations in interest rates, changes in securities markets, shifts in general economic conditions, legislative developments, and other external influences.

As the nation's largest defined benefit public pension fund, CalPERS is primarily responsible for administering retirement and health benefits for its members. Beyond these core services, the System also manages long-term care benefits, a fund to help employers prefund contributions, a post-employment benefit (OPEB) fund for retiree health care, and supplemental retirement savings plans. Together, these programs reflect CalPERS' commitment to providing comprehensive and secure benefits to its members while maintaining a focus on long-term financial sustainability.

MANAGEMENT DISCUSSION

Strategic Planning

CalPERS entered the third year of its *2022-27 Strategic Plan*, a comprehensive blueprint designed to guide the organization in meeting the investment, retirement, and health benefit needs of its members and their families. This forward-looking plan, which took effect on July 1, 2022, is anchored by five overarching goals that reflect CalPERS' commitment to excellence and long-term sustainability:

- Member Experience: Ensure member satisfaction through accuracy, responsiveness, and respect.
- Pension Sustainability: Strengthen the long-term sustainability of the pension fund.
- Exceptional Health Care: Ensure our members have access to equitable, high-quality, affordable health care.
- Stakeholder Engagement: Promote collaboration, support, and transparency.
- Organizational Excellence: Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes.

To operationalize this strategic vision, CalPERS employs an annual planning framework through its Business Plan Initiatives, which serve as actionable steps to achieve the goals of the Strategic Plan. For the 2024-25 fiscal year, these initiatives were closely aligned with the budget cycle, ensuring effective prioritization and resource allocation to advance organizational objectives.

In total, CalPERS identified 34 initiatives for 2024-25, each designed to drive progress and support the organization's overarching strategic direction. These initiatives reflect CalPERS' dedication to continuous improvement and its mission to deliver sustainable benefits and exceptional service to its members and their families.

Key Initiatives

CalPERS continued to advance and refine its operations through a series of strategic initiatives and forward-looking plans designed to strengthen its investment portfolio, processes, and overall organizational impact. Key highlights include:

- Investment Initiatives: The Investment team developed key strategic initiatives focused on improving portfolio resiliency and best positioning the Fund for long-term success. These included:
  - Talent & Culture: Fostering a diverse, risk-intelligent culture through talent recruitment, retention, and development.
  - Data & Technology: Designing and implementing a modern data and technology platform to drive stronger portfolio outcomes and operational efficiency.
  - Sustainable Investments: Advancing climate-aware strategies, including a $100 billion climate solutions target by 2030.
  - Portfolio Resilience: Asset Liability Management—Framework for defining and executing the Board's risk tolerance.
- Sustainable Investments Plan: CalPERS remains committed to sustainability and climate action through its Sustainable Investments Plan, which sets the organization on a path to achieve net zero emissions by 2050. As part of this plan, CalPERS has committed to investing more than $100 billion in climate solutions by 2030, supporting the transition to a low-carbon economy. The plan emphasizes a targeted approach to investing in

high-emitting sectors while driving meaningful change. Its five core objectives include:

- Generate Outperformance: Achieving strong investment returns by focusing on climate solutions and partnering with emerging and diverse managers.
- Increase Portfolio Resilience: Fully integrating environmental, social, and governance (ESG) and climate risk analysis to strengthen the portfolio's ability to adapt to environmental and market changes.
- Implement a Thoughtful Path to Net Zero: Balancing investments, engagement, and advocacy to achieve net zero emissions responsibly.
- Promoting Inclusion and Representation: Advancing diversity and equity within the financial industry and the global economy.
- Building Efficient and Equitable Markets: Advocating for regulatory reforms and policies that enhance market efficiency and fairness.

OVERVIEW OF THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

The MD&A provides an overview of CalPERS' financial position and performance, offering insights into key components of the financial statements. These components include the Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information. Together, they present a detailed picture of the System’s financial health as of June 30, 2025.

This information collectively reflects the combined net position restricted for pension benefits, OPEB, deferred compensation, replacement benefits, and the unrestricted net position of the proprietary funds administered by CalPERS. Additionally, the MD&A summarizes the combined changes in fiduciary net position restricted for pension, OPEB, and replacement benefits; changes in unrestricted net position; and the cash flows for the proprietary funds during the fiscal year.

The MD&A also provides disclosures regarding the net pension liabilities of the single-employer and cost-sharing multiple-employer defined benefit pension plans. This narrative analysis is designed to help stakeholders understand the financial results, key changes, and overall fiscal condition of the System, offering transparency and context for the accompanying financial statements.

FINANCIAL HIGHLIGHTS

Several significant events and initiatives shaped the financial statements for Fiscal Year 2024-25, reflecting CalPERS’ ongoing commitment to delivering value to its members while maintaining operational efficiency:

- Investment Performance: The Public Employees’ Retirement Fund (PERF) achieved strong investment results, realizing a money-weighted rate of return (MWRR) of 12.1 percent and a time-weighted rate of return (TWRR) of 11.6 percent in Fiscal Year 2024-25. These returns reflect the strength of CalPERS' globally diversified portfolio, with primary drivers of performance including robust gains in public equity, private equity, and private debt.
- Health Plan Premiums: In July 2024, the CalPERS Board of Administration approved health plan premiums for calendar year 2025, resulting in an overall weighted premium increase of 10.79 percent. This adjustment reflects the ongoing efforts to balance affordability with access to high-quality health care for members.
- State Social Security Administration Fee Resumption: As the State Social Security Administrator (SSSA), CalPERS resumed the assessment of the Annual Maintenance Fee on July 1, 2024, after a temporary suspension due to adequate funding. Originally introduced on July 1, 2019, the fee supports the operations and services of the State Social Security Administration. The resumption ensures the program remains adequately funded to fulfill its responsibilities.
- Pension Administration Costs: The total pension administration cost in Fiscal Year 2023-24 (most recent available) was $199 per active member and annuitant, compared with $194 in Fiscal Year 2022-23.This increase reflects the rising costs associated with administering retirement benefits while maintaining high standards of service delivery.

These developments highlight CalPERS’ focus on optimizing investment performance, managing health care costs, ensuring adequate program funding, and maintaining efficient pension administration for its members and beneficiaries.

BASIC FINANCIAL STATEMENTS

The financial statements as of June 30, 2025, categorize the funds administered by CalPERS into two distinct groups: fiduciary funds and proprietary funds. These categories reflect CalPERS’ dual role as both a trustee and a manager of financial resources, with oversight of financial positions occurring across both fund types, except for the Old Age and Survivors' Insurance Revolving Fund (OASI). While fiduciary funds primarily focus on CalPERS’ duty to ensure the payment of benefits, proprietary funds emphasize the payment of services.

Fiduciary Funds

Fiduciary funds are used to account for resources held in trust for the benefit of CalPERS participants. These funds include:

- Public Employees Retirement Fund (PERF): Reported as PERF A, PERF B, and PERF C for financial reporting purposes.
- Legislators' Retirement Fund (LRF)
- Judges' Retirement Fund (JRF)
- Judges' Retirement Fund II (JRF II)
- Public Employees' Deferred Compensation Fund (DCF)
- Supplemental Contributions Program Fund (SCPF)
- California Employers' Pension Prefunding Trust Fund (CEPPTF)
- California Employers' Retiree Benefit Trust Fund (CERBTF)
- Old Age Survivors' Insurance Revolving Fund (OASI)
- Replacement Benefit Fund (RBF)

For fiduciary funds, the Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary fund for the fiscal year ended June 30, 2025, alongside comparative total information for the fiscal year ended June 30, 2024. These financial statements provide a detailed view of the resources available to pay benefits to retirees and other beneficiaries as of year-end, as well as the changes in those resources during the fiscal year.

Proprietary Funds

Proprietary funds account for CalPERS' business type activities related to the payment of services. These funds include:

- Public Employees' Health Care Fund (HCF)
- Public Employees' Contingency Reserve Fund (CRF)
- Public Employees' Long-Term Care Fund (LTCF)

For proprietary funds, the financial statements include Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the fiscal year ended June 30, 2025, with comparative totals for the fiscal year ended June 30, 2024. These statements provide insights into the net position, changes in net position, and cash flows resulting from CalPERS business-type activities.

This structure ensures transparency and accountability in reporting, offering stakeholders a clear understanding of the resources managed by CalPERS, how those resources are allocated, and the financial outcomes of both fiduciary and proprietary activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements offer critical supplementary information that enhances the understanding of the fund financial statements. These notes provide detailed explanations of accounting policies, investment practices, actuarial assumptions, and other essential elements of CalPERS' financial operations. Below is an overview of the information included in the Notes:

General Information

- Note 1 – provides general information on CalPERS, each of the funds administered, employer and member participation in the pension plans, and other post-employment benefit plans administered by CalPERS.

Accounting Policies and Financial Framework

- Note 2 **-** summarizes significant accounting policies, such as the basis of accounting for each fund type, strategic asset allocation, management's use of estimates, and other key practices.

Investment and Risk Management

- Note 3 – provides information on cash and cash equivalents.
- Note 4 – provides on the fair value of investments, and information on MWRR.
- Note 5 – provides information about investment risk categorizations.
- Note 6 – provides information about securities lending.
- Note 7 – provides information about investment derivatives.

Pension and Benefit Plans

- Note 8 – provides information about the net pension liabilities/(asset) and actuarial assumptions for cost-sharing and single-employer plans.
- Note 9 – provides information about the CEPPTF, including plan members, participating employers, and contributions.
- Note 10 – provides information about the CERBTF, including plan members, participating employers, and contributions.
- Note 11 – provides information about the RBF, as well as applicable internal revenue and government codes.
- Note 12 – provides information about the OASI.

Health Care and Long-Term Care Funds:

- Note 13 – provides information about the HCF and the estimated claims liability of the HCF.
- Note 14 – provides information about participating agencies and insurance premiums paid by the CRF.
- Note 15 – provides information about the LTCF actuarial valuation and the estimated liability for future policy benefits.

Other Key Information:

- Note 16 – provides information on potential contingencies of CalPERS.
- Note 17 – provides information about future accounting pronouncements.

These notes collectively provide a deeper understanding of CalPERS' financial position, operations, and risks, ensuring transparency and accountability in the reporting process.

REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information schedules provide key insights into the financial and actuarial aspects of CalPERS' pension and benefit plans. These schedules include detailed information on:

- Changes in Net Pension Liability: Tracking fluctuations in the net pension liability over time.
- Employer Contributions: Summarizing contributions made by employers and their alignment with actuarially determined requirements.
- Actuarial Assumptions: Highlighting the assumptions used to calculate actuarially determined contributions.
- Historical Trends: Offering a long-term perspective on the System's cost-sharing multiple-employer and single-employer defined benefit pension plans.

This information is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* (GASB 67). Additionally, the MWRR, which measures investment performance giving consideration to the sizing and timing of all cash flows net of investment expenses, is disclosed as required by GASB 67 and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

The Schedule of Claims Development Information for the Public Employees' Health Care Fund (HCF) provides a 10-year overview of earned revenues and expenses, offering valuable insights into the fund's financial performance and risk management. This schedule is prepared in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* (GASB 10).

These schedules collectively enhance transparency and accountability, offering stakeholders a deeper understanding of CalPERS' financial health, investment performance, and long-term sustainability.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary schedules provide detailed insights into the financial activities and operational costs associated with CalPERS-administered funds. These schedules include:

- Administrative Expenses: A breakdown of expenses incurred in managing and administering the funds.
- Investment Expenses: Detailed reporting on costs related to investment management and operations.
- Consultant and Professional Services Expenses: Information on expenditures for external professional services, including consulting, legal, and other specialized support.

These schedules offer a transparent view of the costs associated with CalPERS' operations, ensuring accountability and providing stakeholders with a comprehensive understanding of the financial resources allocated to fund management and professional services.

FINANCIAL ANALYSIS

PUBLIC EMPLOYEES' RETIREMENT FUND (PERF)

The PERF is a trust fund established under Section 20170 of the Public Employees' Retirement Law (PERL) to provide retirement benefits to employees of the State of California, schools, and other California public agencies. The PERF is funded through member and employer contributions, as well as investment earnings.

For financial reporting purposes only, the PERF is comprised of, and reported as, three separate entities.

- **PERF A**: Comprises agent multiple-employer plans, including the State of California and most public agency rate plans with more than 100 active members.
- **PERF B**: A cost-sharing multiple-employer plan for school employers, covering non-teaching and non-certified employees.
- **PERF C**: A cost-sharing multiple-employer plan for public agencies with fewer than 100 active members.

Member account asset balances may shift between PERF A, PERF B, and PERF C when employer rate plans fall below 100 active members or due to other member accounting adjustments. These inter-plan resource movements are reported as separate line items under the additions and deductions sections of each plan's Statement of Changes in Fiduciary Net Position.

Under applicable law, the CalPERS Board of Administration or a public agency may terminate a plan under PERF A or PERF C. In such cases, the terminating agency is responsible for covering all costs to fund benefits under its contract. Any unpaid deficit in funding results in a proportional reduction in benefits provided under that agency's contract.

Financial Highlights for Fiscal Year 2024-25

The PERF's total net position increased by $56.4 billion, or 11.1 percent, from $506.6 billion as of June 30, 2024, to

Management's Discussion & Analysis (Unaudited) (continued)

$563.0 billion as of June 30, 2025. This growth was primarily driven by strong net investment gains during the fiscal year.

- Total assets increased by $101.6 billion, or 17.0 percent, from $597.2 billion in Fiscal Year 2023-24 to $698.8 billion in Fiscal Year 2024-25. Key drivers of this increase include:
  - Investments increased by $83.2 billion, or 15.1 percent, reflecting robust investment performance.
  - Receivables increased $18.3 billion, or 51.8 percent, due to higher outstanding investment sales.
  - Capital Assets and Other Assets decreased $7.7 million, or 3.7 percent, primarily due to the depreciation of buildings and equipment.
- Total liabilities increased by $45.2 billion, or 49.9 percent, from $90.6 billion in Fiscal Year 2023-24 to $135.8 billion in Fiscal Year 2024-25. Key contributors include:
  - Retirement Benefits, Investment Settlement, and Other Liabilities increased by $40.4 billion, or 59.1 percent, from $68.4 billion to $108.8 billion.
  - Securities Lending Obligations increased by $4.9 billion, or 23.1 percent, from $21.2 billion to $26.1 billion.
  - Net Pension and OPEB Obligation Liabilities decreased by $56.5 million, or 5.9 percent, reflecting favorable investment returns in Fiscal Year 2023-24, partially offset by unfavorable healthcare claims experience and plan design change.
- Additions to the PERF net position primarily include member contributions, employer contributions, and investment income.
  - Member Contributions increased by $0.4 billion, or 6.5 percent, from $6.4 billion in Fiscal Year 2023-24 to $6.8 billion in Fiscal Year 2024-25.
  - Employer Contributions decreased by about $1.5 billion, or 5.8 percent, from $24.9 billion in Fiscal Year 2023-24 to $23.4 billion in Fiscal Year 2024-25, primarily due to reduced additional contributions from the State of California. Actuarial required employer contribution rates increased between 0.5 percent to 2.2 percent for State plans; by 0.4 percent for school plans; and by 6.6 percent (miscellaneous) and 5.3 percent (safety) on average for public agency plans.
  - Net Investment Income increased by $17.1 billion, or 38.7 percent, from $44.3 billion in Fiscal Year 2023-24 to $61.4 billion in Fiscal Year 2024-25. Investment performance was driven by gains in public equity, private equity, and private debt. The MWRR was 12.1 percent for Fiscal Year 2024-25, compared to 9.5 percent for the prior year.
- Deductions from the PERF primarily include benefit payments, refunds of contributions, and administrative expenses.
  - Benefit Payments increased by $1.8 billion, or 5.4 percent, from $32.8 billion in Fiscal Year 2023-24 to $34.6 billion in Fiscal Year 2024-25. This increase was primarily due to cost-of-living adjustments and growth in the number of retirees and beneficiaries, which rose from 804,771 as of June 30, 2024, to 825,399 as of June 30, 2025.
  - Refunds of Contributions increased by $26.7 million, or 7.3 percent, from $366.4 million in Fiscal Year 2023-24 to $393.1 million in Fiscal Year 2024-25.
  - Administrative Expenses decreased by $15.2 million, or 4.0 percent, from $378.9 million in Fiscal Year 2023-24 to $363.7 million in Fiscal Year 2024-25 primarily due to a decrease in pension and OPEB expenses partially offset by an increase in Paid Absence Obligation expenses.

The PERF demonstrated strong financial performance in Fiscal Year 2024-25, driven by robust investment returns and prudent management of resources. While liabilities increased due to higher investment payables and securities lending obligations, the overall net position saw significant growth, reinforcing the fund’s ability to meet its long-term obligations to members and beneficiaries.

Management's Discussion & Analysis (Unaudited) (continued)

Fiduciary Net Position – PERF (Dollars in Thousands)

	PERF A Agent	PERF B Cost-Sharing Schools	PERF C Cost-Sharing Public Agencies	2025 PERF Total	2024 PERF Total	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$1,108,249	$285,714	$129,926	$1,523,889	$1,320,908	$202,981
Receivables	38,456,658	10,580,701	4,571,878	53,609,237	35,307,984	18,301,253
Investments	462,090,073	118,425,859	54,093,504	634,609,436	551,411,623	83,197,813
Securities Lending Collateral	6,417,710	1,654,530	752,382	8,824,622	8,903,958	(79,336)
Capital Assets, Net & Other Assets	143,237	36,927	16,792	196,956	204,623	(7,667)
Total Assets	**$508,215,927**	**$130,983,731**	**$59,564,482**	**$698,764,140**	**$597,149,096**	**$101,615,044**
Deferred Outflows of Resources	$127,217	$32,798	$14,914	$174,929	$221,564	($46,635)
Total Assets and Deferred Outflows of Resources	**$508,343,144**	**$131,016,529**	**$59,579,396**	**$698,939,069**	**$597,370,660**	**$101,568,409**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement Benefits, Investment Settlement & Other	$79,183,554	$20,376,194	$9,266,755	$108,826,503	$68,415,327	$40,411,176
Net Pension & OPEB Liabilities	656,759	169,317	76,995	903,071	959,561	(56,490)
Securities Lending Obligations	18,991,012	4,896,015	2,226,416	26,113,443	21,221,026	4,892,417
Total Liabilities	**$98,831,325**	**$25,441,526**	**$11,570,166**	**$135,843,017**	**$90,595,914**	**$45,247,103**
Deferred Inflows of Resources	$87,452	$22,546	$10,253	$120,251	$151,780	($31,529)
Total Liabilities and Deferred Inflows of Resources	**$98,918,777**	**$25,464,072**	**$11,580,419**	**$135,963,268**	**$90,747,694**	**$45,215,574**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$409,424,367**	**$105,552,457**	**$47,998,977**	**$562,975,801**	**$506,622,966**	**$56,352,835**

Changes in Fiduciary Net Position – PERF (Dollars in Thousands)

	PERF A Agent	PERF B Cost-Sharing Schools	PERF C Cost-Sharing Public Agencies	2025 PERF Total	2024 PERF Total	Increase/ (Decrease)
ADDITIONS						
Member Contributions	$4,618,075	$1,622,675	$560,838	$6,801,588	$6,389,252	$412,336
Employer Contributions	15,827,652	5,739,305	1,854,271	23,421,228	24,868,493	(1,447,265)
Nonemployer Contributions	—	—	—	—	4,306	(4,306)
Net Investment Income (Loss)	44,794,622	11,330,474	5,268,323	61,393,419	44,247,773	17,145,646
Securities Lending & Other Income	69,543	17,847	8,118	95,508	95,992	(484)
Plan-to-Plan Resource Movement	—	15	953	968	4,167	(3,199)
Total Additions	**$65,309,892**	**$18,710,316**	**$7,692,503**	**$91,712,711**	**$75,609,983**	**$16,102,728**
DEDUCTIONS						
Retirement, Death & Survivor Benefits	$25,589,867	$6,188,197	$2,824,044	$34,602,108	$32,815,645	$1,786,463
Refund of Contributions	225,945	135,185	32,015	393,145	366,423	26,722
Administrative Expenses	264,540	68,132	30,983	363,655	378,941	(15,286)
Plan-to-Plan Resource Movement	968	—	—	968	4,167	(3,199)
Total Deductions	**$26,081,320**	**$6,391,514**	**$2,887,042**	**$35,359,876**	**$33,565,176**	**$1,794,700**
INCREASE IN NET POSITION	**$39,228,572**	**$12,318,802**	**$4,805,461**	**$56,352,835**	**$42,044,807**	**$14,308,028**
NET POSITION						
Beginning of Year	**$370,195,795**	**$93,233,655**	**$43,193,516**	**$506,622,966**	**$464,578,159**	**$42,044,807**
End of Year	**$409,424,367**	**$105,552,457**	**$47,998,977**	**$562,975,801**	**$506,622,966**	**$56,352,835**

OTHER DEFINED BENEFIT PLANS

LEGISLATORS' RETIREMENT FUND (LRF)

The LRF provides retirement benefits to California legislators elected to office before November 7, 1990, as well as to constitutional, legislative, and statutory officers elected or appointed prior to January 1, 2013. As of January 2023, the LRF has no active members, following the departure of the last eligible incumbent legislators. The State of California will continue to make actuarially determined contributions to supplement the fund's existing assets until all benefit obligations are fully met. Since the LRF is closed to new members and its primary source of income is investment returns, CalPERS anticipates that the fund's net position will gradually decline over time.

In Fiscal Year 2024-25, the LRF's net position decreased by $1.5 million, or 1.7 percent, from $92.5 million at the beginning of the fiscal year to $91.0 million. This decline was primarily driven by a reduction in investment assets, which fell by $1.5 million, or 1.6 percent, due to the use of investment assets for benefit payments. No new contributions were collected during the fiscal year, as the fund is closed to new members.

Total liabilities increased by $68 thousand, or 3.0 percent, largely due to a $168 thousand increase in the Paid Absence Obligation, which resulted from the implementation of Governmental Accounting Standards Board Statement 101 (GASB 101) on *Compensated Absences*. This increase in liabilities was partially offset by an $82 thousand decrease in Net Pension and OPEB Obligations.

Additions to the LRF rose to $6.5 million in Fiscal Year 2024-25, reflecting a net investment return of $6.5 million. This represents a 31.6 percent increase compared to the prior year's gain of $4.9 million, driven by more favorable market conditions. The LRF achieved a MWRR of 7.1 percent for Fiscal Year 2024-25, compared with the 5.2 percent return recorded in Fiscal Year 2023-24.

Deductions from the LRF, which primarily consist of benefit payments and administrative expenses, decreased by $51 thousand, or 0.6 percent. This reduction was mainly due to lower benefit payments, partially offset by a slight increase in administrative expenses.

The LRF continues to operate as a closed fund, relying on investment returns to meet its obligations. While the fund experienced a decline in net position during Fiscal Year 2024-25, favorable market conditions contributed to higher investment returns, offsetting some of the impact of ongoing benefit payments. The implementation of GASB 101 resulted in an increase in liabilities, but overall, the fund remains on track to fulfill its obligations as planned.

JUDGES' RETIREMENT FUND (JRF)

The JRF provides retirement benefits to California Supreme Court and Appellate Court justices, as well as Superior Court judges, who were appointed or elected before November 9, 1994. Unlike other retirement funds, the JRF operates on a pay-as-you-go basis, meaning the State of California does not pre-fund benefits. Instead, benefits are financed through contributions from employers, members, and the State General Fund, as well as investment income.

In Fiscal Year 2024-25, the JRF's net position increased by $12.4 million, or 24.0 percent, from $51.6 million at the beginning of the fiscal year to $64.0 million. This growth was primarily driven by an increase in investment assets, which grew by $13.0 million, or 24.0 percent. The increase was due to higher inflows from contributions compared to cash outflows for benefit payments, leaving more funds available for investment.

Total liabilities increased by $335 thousand, or 4.3 percent, largely due to a $565 thousand increase in the Paid Absence Obligation, which resulted from the implementation of GASB 101. This increase was partially offset by a $261 thousand decrease in Net Pension and OPEB Obligations.

Additions to the JRF are derived from employer contributions, member contributions, and state balancing contributions from the General Fund. Total additions increased by $6.4 million, or 2.9 percent, in Fiscal Year 2024-25, primarily due to higher contributions from the State General Fund compared to the prior year. The JRF achieved a MWRR of 5.9 percent in Fiscal Year 2024-25, slightly lower than the 6.6 percent recorded in Fiscal Year 2023-24.

Deductions from the JRF primarily consist of retirement, death, and survivor benefit payments, as well as administrative expenses. Benefit payments decreased by $0.8 million, or 0.4 percent, reflecting lower payouts compared to the prior year. Administrative expenses increased by $0.2 million, or 6.3 percent, primarily due to higher costs associated with program management.

The JRF experienced strong growth in Fiscal Year 2024-25, driven by higher investment returns and increased contributions from the State General Fund. While liabilities rose slightly due to the implementation of GASB 101, the fund's overall financial position improved significantly. The JRF continues to operate on a pay-as-you-go basis, ensuring benefits are financed through contributions and investment income while maintaining a stable financial outlook.

JUDGES' RETIREMENT FUND II (JRF II)

The JRF II provides retirement benefits to California Supreme Court and Appellate Court justices, as well as Superior Court judges, who were first appointed or elected on or after November 9, 1994.

In Fiscal Year 2024-25, the JRF II's net position increased by $345.5 million, or 13.1 percent, from $2.6 billion at the beginning of the year to $3.0 billion as of June 30, 2025. This growth was primarily driven by favorable market conditions, which contributed to a significant increase in investments. Investments grew by $343.9 million, or 13.1 percent, reflecting improved market performance during the fiscal year. Receivables also increased by $2.3 million, or 20.3 percent, due to higher outstanding member and employer contributions owed to the fund as of June 30, 2025.

Total liabilities increased by $0.9 million, or 13.1 percent, largely due to a $0.7 million increase in the Paid Absence Obligation resulting from the implementation of GASB 101. This increase was partially offset by a $343 thousand decrease in Net Pension and OPEB Obligations.

Additions to the JRF II consist of member contributions, employer contributions, and investment income. Member contributions increased by $3.0 million, or 6.9 percent, driven by an increase in the number of active members (from 1,681 as of June 30, 2024, to 1,716 as of June 30, 2025) and higher contribution rates. Employer contributions rose by $5.2 million, or 5.4 percent, reflecting higher contributions from participating employers. Net investment income grew by $40.1 million, or 15.0 percent, rising from $267.4 million in Fiscal Year 2023-24 to $307.5 million in Fiscal Year 2024-25. This increase was driven by stronger investment earnings and favorable market conditions. The JRF II achieved a MWRR of 11.6 percent for Fiscal Year 2024-25, compared to 11.4 percent in Fiscal Year 2023-24.

Deductions from the JRF II include benefit payments, refunds, and administrative expenses. Benefit payments increased by $7.0 million, or 7.1 percent, due to a rise in the number of benefit recipients, which increased from 648 recipients in Fiscal Year 2023-24 to 720 recipients in Fiscal Year 2024-25. Refunds of contributions grew by $0.3 million, or 130.1 percent, reflecting higher refunds issued during the fiscal year. Administrative expenses increased by $0.3 million, or 10.3 percent, primarily due to higher program management costs.

The JRF II experienced strong growth in Fiscal Year 2024-25, driven by favorable market conditions, increased contributions, and higher investment returns. While liabilities rose slightly due to the implementation of GASB 101, the fund's overall financial position improved significantly. The JRF II continues to provide stable retirement benefits to its participants while maintaining a robust investment portfolio and financial outlook.

Management's Discussion & Analysis (Unaudited) (continued)

Fiduciary Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

	LRF			JRF			JRF II		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Cash & Cash Equivalents	$1,200	$1,201	($1)	$3,367	$3,351	$16	$1,630	$1,395	$235
Receivables	103	35	68	1,397	1,602	(205)	13,808	11,479	2,329
Investments	91,862	93,360	(1,498)	67,049	54,089	12,960	2,971,516	2,627,569	343,947
Total Assets	**$93,165**	**$94,596**	**($1,431)**	**$71,813**	**$59,042**	**$12,771**	**$2,986,954**	**$2,640,443**	**$346,511**
Deferred Outflows of Resources	$251	$319	($68)	$802	$1,017	($215)	$922	$1,205	($283)
Total Assets and Deferred Outflows of Resources	**$93,416**	**$94,915**	**($1,499)**	**$72,615**	**$60,059**	**$12,556**	**$2,987,876**	**$2,641,648**	**$346,228**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES									
Retirement Benefits, Investment Settlement & Other	$923	$773	$150	$4,256	$3,660	$596	$3,316	$2,033	$1,283
Net Pension & OPEB Liabilities	1,411	1,493	(82)	3,815	4,076	(261)	4,800	5,143	(343)
Total Liabilities	**$2,334**	**$2,266**	**$68**	**$8,071**	**$7,736**	**$335**	**$8,116**	**$7,176**	**$940**
Deferred Inflows of Resources	$128	$174	($46)	$543	$689	($146)	$630	$822	($192)
Total Liabilities and Deferred Inflows of Resources	**$2,462**	**$2,440**	**$22**	**$8,614**	**$8,425**	**$189**	**$8,746**	**$7,998**	**$748**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$90,954**	**$92,475**	**($1,521)**	**$64,001**	**$51,634**	**$12,367**	**$2,979,130**	**$2,633,650**	**$345,480**

Changes in Fiduciary Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

	LRF			JRF			JRF II		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ADDITIONS									
Member Contributions	$0	$0	$0	$1,274	$1,481	($207)	$45,898	$42,936	$2,962
Employer Contributions	75	—	75	218,682	212,532	6,150	101,531	96,316	5,215
Net Investment Income (Loss)	6,452	4,904	1,548	3,576	3,416	160	307,480	267,416	40,064
Securities Lending & Other Income	—	1	(1)	3,136	2,831	305	—	5	(5)
Total Additions	**$6,527**	**$4,905**	**$1,622**	**$226,668**	**$220,260**	**$6,408**	**$454,909**	**$406,673**	**$48,236**
DEDUCTIONS									
Retirement, Death & Survivor Benefits	$7,336	$7,436	($100)	$211,739	$212,542	($803)	$105,931	$98,912	$7,019
Refund of Contributions	—	—	—	—	—	—	589	256	333
Administrative Expenses	712	663	49	2,562	2,411	151	2,909	2,637	272
Total Deductions	**$8,048**	**$8,099**	**($51)**	**$214,301**	**$214,953**	**($652)**	**$109,429**	**$101,805**	**$7,624**
INCREASE (DECREASE) IN NET POSITION	**($1,521)**	**($3,194)**	**$1,673**	**$12,367**	**$5,307**	**$7,060**	**$345,480**	**$304,868**	**$40,612**
NET POSITION									
Beginning of Year	**$92,475**	**$95,669**	**($3,194)**	**$51,634**	**$46,327**	**$5,307**	**$2,633,650**	**$2,328,782**	**$304,868**
End of Year	**$90,954**	**$92,475**	**($1,521)**	**$64,001**	**$51,634**	**$12,367**	**$2,979,130**	**$2,633,650**	**$345,480**

ASSET LIABILITY MANAGEMENT – DEFINED BENEFIT PLANS

The Asset Liability Management (ALM) process is a comprehensive and integrated review of pension assets and liabilities designed to support decisions that promote a sound and sustainable fund. Overseen by the Financial Office, the ALM process fosters collaboration between the Investment and Actuarial Offices, providing education, coordinated analyses for Board deliverables, and a structured framework for evaluating assets and liabilities. This approach enhances the understanding, communication, and management of financial risks to the System.

The ALM process focuses on establishing appropriate levels of risk by aligning investment and actuarial policies with key decision factors. Its primary goal is to drive an optimal asset allocation strategy while stabilizing employer contribution rates and minimizing year-to-year rate volatility. CalPERS employs an integrated ALM approach to ensure the sustainability and soundness of the PERF and affiliate trusts, aiming to achieve and maintain 100 percent funding at an acceptable level of risk. Balancing short-term and long-term priorities involves tradeoffs to reduce funding risks across the System.

During the ALM mid-cycle review in Fiscal Year 2023-24, no changes were made to the actuarial assumptions adopted in 2021. However, the review resulted in a change to the Strategic Asset Allocation (SAA). Throughout the process, the Board received educational materials on risk budgeting strategies, macroenvironment analyses, and updated capital market assumptions (CMAs).

The discount rate remained at 6.8 percent, unchanged since 2021, when a strong return year automatically triggered a reduction under the Funding Risk Mitigation Policy (FRMP). Fiscal Year 2023-24 also saw a strong return of 9.3 percent, which triggered the FRMP again. However, in April 2024, the Board modified the FRMP by removing the automatic trigger and replacing it with a deliberated action for changes to the discount rate.

Consistent with the 2021 ALM CMAs, private markets were projected to offer greater investment growth potential during the mid-cycle review. In 2021, the Investment Office had identified operational constraints in deploying capital into private markets, which led to a lower recommended SAA target than the CMA projections. Despite these constraints, the Investment Office exceeded expectations and recommended an increased allocation to private markets in alignment with the CMAs. In March 2024, the Board adopted a new SAA, effective July 1, 2024, with a projected portfolio volatility of 11.3 percent and an expected return of 7.0 percent. This new SAA will guide the fund’s investment portfolio through the next full ALM cycle in 2025.

FUNDING ANALYSIS – DEFINED BENEFIT PLANS

As of the most recent actuarial valuation on June 30, 2024, the funded ratio of the PERF was 73.9 percent. This ratio is calculated by dividing the total assets in the PERF by the total liabilities for all plans reported under the PERF. CalPERS determined the funded ratio using a 6.8 percent discount rate, with the exception of the Terminated Agency Pool (TAP), which accounts for less than 0.03 percent of the PERF liability.

As of June 30, 2024, the funded ratio of the JRF II was 103.3 percent, calculated using a 6.0 percent discount rate. Similarly, the funded ratio of the LRF was 96.0 percent, calculated using a 4.5 percent discount rate. All funded ratios were based on the fair value of assets used in actuarial valuations that establish funding requirements for employers.

Under GASB 67, there are differences in the assumptions and components used to calculate net pension liabilities for financial reporting purposes compared to those used for actuarial accrued liabilities and actuarial asset values used to determine employer pension contributions. The information provided in the Actuarial Section of this report is derived specifically for establishing employer funding requirements for retirement benefits administered by CalPERS.

For GASB 67 financial reporting purposes, the discount rate for the PERF remained at 6.90 percent as of June 30, 2025. The assets used for GASB 67 reporting differ slightly from those used for funding requirements, as they include amounts for deficiency reserves, fiduciary self-insurance, and adjustments for OPEB and pension expenses related to CalPERS team members. CalPERS is required to report the Plan Fiduciary Net Position as a percentage of Total Pension Liability for cost-sharing multiple-employer plans (PERF B and PERF C) and single-employer pension plans (LRF, JRF, and JRF II).

The discount rates used for financial reporting purposes for PERF B, PERF C, LRF, and JRF II are equal to the unadjusted long-term expected return assumption for each plan. In contrast, the discount rates used for funding purposes are net of administrative expenses. For the JRF, the funding discount rate differs from the financial reporting discount rate, which is based on the Bond Buyer Index for 20-year tax-exempt General Obligation Municipal Bonds with an average rating equivalent to AA by S&P Global Ratings.

Management's Discussion & Analysis (Unaudited) (continued)

The following table displays the discount rates for the LRF, JRF, and JRF II for funding and financial reporting purposes as of June 30, 2025:

Fund	Funding Discount Rate	Financial Reporting Discount Rate
LRF	4.50%	4.85%
JRF	3.00%	5.20%
JRF II	6.00%	6.15%

DEFINED CONTRIBUTION PLANS

PUBLIC EMPLOYEES' DEFERRED COMPENSATION FUND (DCF)

The DCF is a fund managed by CalPERS that collects contributions from employees of public agencies and school districts within California that have opted to contract for a deferred compensation plan. To administer the program, CalPERS partners with a third-party administrator (TPA). In September 2024, the CalPERS Board approved the award of a five-year contract from February 2025 through January 2030 with Voya Retirement Insurance and Annuity Company and Voya Institutional Plan Services, LLC (Voya). As the TPA, Voya provides comprehensive services, including recordkeeping, plan administration services, and business development support for the DCF.

In Fiscal Year 2024-25, the DCF's net position increased by $335.4 million, or 13.3 percent, rising from $2.5 billion at the beginning of the year to $2.9 billion as of June 30, 2025. This growth was primarily driven by favorable market conditions, which contributed to higher investment balances. Investment balances grew by $335.7 million, or 13.4 percent, due to strong market performance during the fiscal year. Receivables increased by $2.2 million, or 10.0 percent, reflecting higher outstanding contributions from members and employers at year-end. Total liabilities rose by $2.5 million, or 42.7 percent, due to an increase in outstanding distributions.

Additions to the DCF include member contributions, investment income, and other income. Member contributions increased by $16.9 million, or 10.5 percent, rising from $161.0 million in Fiscal Year 2023-24 to $177.9 million in Fiscal Year 2024-25. This growth was driven by an increase in membership, which rose from 35,446 participants in Fiscal Year 2023-24 to 37,301 participants in Fiscal Year 2024-25. Total additions to the fund increased by $18.0 million, or 3.6 percent, reflecting higher discretionary member contributions and stable investment income.

Deductions from the DCF primarily include participant withdrawals and administrative expenses. Participant withdrawals increased by $11.3 million, or 7.1 percent, rising from $158.9 million in Fiscal Year 2023-24 to $170.1 million in Fiscal Year 2024-25. This increase reflects higher participant activity during the fiscal year. Administrative expenses decreased by $0.6 million, or 10.5 percent, primarily due to lower third-party administrator fees.

The DCF experienced strong growth in Fiscal Year 2024-25, driven by favorable market conditions, increased member contributions, and higher investment returns. While participant withdrawals rose during the fiscal year, the fund's overall financial position improved significantly, supported by efficient management of administrative costs. The DCF continues to provide a valuable retirement savings option for employees of public agencies and school districts across California.

SUPPLEMENTAL CONTRIBUTIONS PROGRAM FUND (SCPF)

The SCPF is a member-funded program that provides additional retirement benefits to State of California employees who are CalPERS members, as well as active judges participating in the Judges' Retirement System (JRS) or Judges' Retirement System II (JRS II). Similar to the DCF, CalPERS partners with Voya to administer the program. As the TPA, Voya delivers comprehensive services for the SCPF, including recordkeeping, plan administration, and business development support.

In Fiscal Year 2024-25, the SCPF's net position increased by $6.7 million, or 5.5 percent, rising from $120.3 million at the beginning of the year to $127.0 million as of June 30, 2025. This growth was primarily driven by positive investment returns, which contributed to higher asset values. Total assets grew by $6.6 million, or 5.4 percent, due to higher investment balances during the fiscal year. Total liabilities decreased by $102 thousand, or 9.6 percent, primarily due to lower outstanding distribution payables.

Additions to the SCPF include member contributions, investment income, and other income. Net investment income rose from $12.1 million in Fiscal Year 2023-24 to $13.0 million in Fiscal Year 2024-25, reflecting favorable market conditions and higher returns. Total additions increased by $1.3 million, or 10.4 percent, driven by strong investment performance.

Deductions from the SCPF primarily consist of participant withdrawals and administrative expenses. Participant withdrawals increased by $0.6 million, or 10.4 percent, rising from $6.0 million in Fiscal Year 2023-24 to $6.7 million in Fiscal Year 2024-25. Administrative expenses decreased by $51 thousand, or 15.5 percent, primarily due to lower program management costs.

The SCPF demonstrated steady growth in Fiscal Year 2024-25, supported by favorable investment returns and efficient management of administrative expenses. While participant withdrawals increased during the fiscal year, the fund's overall financial position improved, reflecting its ability to deliver supplemental retirement benefits to eligible members. CalPERS continues to rely on its partnership with Voya to ensure the program operates effectively and meets the needs of its participants.

Management's Discussion & Analysis (Unaudited) (continued)

Fiduciary Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

	DCF			SCPF		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$0	$1	($1)	$0	$0	$0
Receivables	24,187	21,990	2,197	479	565	(86)
Investments	2,839,423	2,503,674	335,749	127,423	120,764	6,659
Total Assets	**$2,863,610**	**$2,525,665**	**$337,945**	**$127,902**	**$121,329**	**$6,573**
Deferred Outflows of Resources	$747	$985	($238)	$54	$77	($23)
Total Assets and Deferred Outflows of Resources	**$2,864,357**	**$2,526,650**	**$337,707**	**$127,956**	**$121,406**	**$6,550**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement Benefits, Investment Settlement & Other	$4,558	$1,743	$2,815	$604	$678	($74)
Net Pension & OPEB Liabilities	3,877	4,166	(289)	352	380	(28)
Total Liabilities	**$8,435**	**$5,909**	**$2,526**	**$956**	**$1,058**	**($102)**
Deferred Inflows of Resources	$470	$632	($162)	$24	$39	($15)
Total Liabilities and Deferred Inflows of Resources	**$8,905**	**$6,541**	**$2,364**	**$980**	**$1,097**	**($117)**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$2,855,452**	**$2,520,109**	**$335,343**	**$126,976**	**$120,309**	**$6,667**

Changes in Fiduciary Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

	DCF			SCPF		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ADDITIONS						
Member Contributions	$177,942	$161,022	$16,920	$569	$190	$379
Net Investment Income (Loss)	326,605	325,610	995	12,983	12,062	921
Other Income	5,660	5,614	46	58	78	(20)
Total Additions	**$510,207**	**$492,246**	**$17,961**	**$13,610**	**$12,330**	**$1,280**
DEDUCTIONS						
Administrative Expenses	$4,728	$5,281	($553)	$277	$328	($51)
Participant Withdrawals	170,136	158,877	11,259	6,666	6,039	627
Total Deductions	**$174,864**	**$164,158**	**$10,706**	**$6,943**	**$6,367**	**$576**
INCREASE IN NET POSITION	**$335,343**	**$328,088**	**$7,255**	**$6,667**	**$5,963**	**$704**
NET POSITION						
Beginning of Year	**$2,520,109**	**$2,192,021**	**$328,088**	**$120,309**	**$114,346**	**$5,963**
End of Year	**$2,855,452**	**$2,520,109**	**$335,343**	**$126,976**	**$120,309**	**$6,667**

PENSION PREFUNDING TRUST FUND

CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND (CEPPTF)

The CEPPTF is a dedicated trust established to assist eligible California public agencies in prefunding their employer contributions to defined benefit pension systems. To support the administration of the trust, CalPERS contracts with Northeast Retirement Services (NRS) as the TPA responsible for recordkeeping for individual employer accounts within the CEPPTF.

As of June 30, 2025, the CEPPTF's net position was $313.3 million, reflecting an increase of $50.2 million, or 19.1 percent, compared to $263.1 million as of June 30, 2024.

Additions to the CEPPTF's net position consist of employer contributions, net investment income, and other income. Employer contributions totaled $54.2 million in Fiscal Year 2024-25, representing a decrease of $53.5 million, or 49.6 percent, compared to $107.7 million in Fiscal Year 2023-24. Contributions are voluntarily determined by each employer based on their own funding schedule, as there are no long-term contracts requiring contributions to the trust. Net investment income increased by $10.0 million, or 60.3 percent, rising from $16.6 million in Fiscal Year 2023-24 to $26.6 million in Fiscal Year 2024-25. This growth was driven by favorable market conditions during the fiscal year. The CEPPTF achieved a MWRR of 9.8 percent for Fiscal Year 2024-25, compared to 8.7 percent in Fiscal Year 2023-24.

Deductions from the CEPPTF primarily consist of employer withdrawals from the trust. In Fiscal Year 2024-25, employer-initiated withdrawals totaled $31.1 million, a significant increase compared to $1.6 million in Fiscal Year 2023-24. This increase reflects higher withdrawal activity during the fiscal year.

The CEPPTF experienced strong growth in its net position during Fiscal Year 2024-25, driven by favorable investment returns and efficient management of trust assets. While employer contributions declined significantly, the fund's overall financial position improved due to robust investment income and higher returns. The CEPPTF remains a valuable resource for California public agencies seeking to prefund their pension obligations and manage long-term financial risks.

Fiduciary Net Position – Pension Prefunding Trust Fund (Dollars in Thousands)

	CEPPTF		
	2025	2024	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	$0	$0	$0
Receivables	41	10	31
Investments	313,504	263,303	50,201
Total Assets	**$313,545**	**$263,313**	**$50,232**
Deferred Outflows of Resources	$11	$38	($27)
Total Assets and Deferred Outflows of Resources	**$313,556**	**$263,351**	**$50,205**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Investment Settlement & Other	$168	$109	$59
Net Pension & OPEB Obligation	4	36	(32)
Total Liabilities	**$172**	**$145**	**$27**
Deferred Inflows of Resources	$56	$74	($18)
Total Liabilities and Deferred Inflows of Resources	**$228**	**$219**	**$9**
TOTAL NET POSITION RESTRICTED FOR PENSION	**$313,328**	**$263,132**	**$50,196**

Changes in Fiduciary Net Position – Pension Prefunding Trust Fund (Dollars in Thousands)

	CEPPTF		
	2025	2024	Increase/ (Decrease)
ADDITIONS			
Employer Contributions	$54,238	$107,701	($53,463)
Net Investment Income (Loss)	26,603	16,597	10,006
Other Income	650	460	190
Total Additions	**$81,491**	**$124,758**	**($43,267)**
DEDUCTIONS			
Administrative Expenses	$190	$114	$76
Employer Withdrawals	31,105	1,635	29,470
Total Deductions	**$31,295**	**$1,749**	**$29,546**
INCREASE IN NET POSITION	**$50,196**	**$123,009**	**($72,813)**
NET POSITION			
Beginning of Year	**$263,132**	**$140,123**	**$123,009**
End of Year	**$313,328**	**$263,132**	**$50,196**

OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBTF)

The CERBTF is a trust established to help employers pre-fund health, dental, and other non-pension post-employment benefits (OPEB). Similar to the CEPPTF, CalPERS partners with NRS as the TPA responsible for recordkeeping for individual employer accounts within the CERBTF.

As of June 30, 2025, the CERBTF's net position restricted for OPEB benefits increased by $4.2 billion, or 20.1 percent, rising from $21.0 billion at the beginning of the year to $25.2 billion. This growth was primarily driven by employer contributions and strong investment returns during the fiscal year. Receivables rose by $6.2 million, or 5.2 percent, due to the timing of receivables collected at the end of the fiscal year. Investments at fair value increased by $4.2 billion, or 20.2 percent, reflecting favorable market conditions and improved portfolio performance during Fiscal Year 2024-25. Total liabilities increased by $9.7 million, or 8.4 percent, primarily due to higher pending OPEB reimbursements at year-end. Meanwhile, total net pension and OPEB liabilities decreased by $1.0 million, or 12.1 percent, largely due to a reduction in net pension liability during the fiscal year.

Additions to the CERBTF's net position consist of employer contributions, net investment income, and other income. Employer contributions totaled $5.8 billion in Fiscal Year 2024-25, representing a increase of $0.2 billion, or 3.7 percent, compared to $5.5 billion in Fiscal Year 2023-24. This reflects increased contributions made outside the trust during the fiscal year. Net investment income rose by $662.2 million, or 34.2 percent, increasing from $1.9 billion in Fiscal Year 2023-24 to $2.6 billion in Fiscal Year 2024-25. This growth was driven by favorable market conditions and higher returns on investments. The CERBTF achieved a MWRR of 12.0 percent in Fiscal Year 2024-25, compared to a 10.6 percent return achieved in Fiscal Year 2023-24.

Deductions from the CERBTF's net position primarily consist of administrative expenses, employer withdrawals, and OPEB reimbursements to employers. Employer withdrawals decreased significantly by $362.5 million, or 88.6 percent, totaling $46.4 million in Fiscal Year 2024-25 compared to $408.9 million in Fiscal Year 2023-24. This reduction reflects fewer balance transfers out of the plan. Reimbursements to health care providers totaled $4.1 billion in Fiscal Year 2024-25, compared to $3.8 billion in Fiscal Year 2023-24, representing an increase of $0.3 billion, or 8.9 percent. Administrative expenses increased by $0.8 million, or 13.5 percent, primarily due to higher Paid Absence Obligation expenses, partially offset by a reduction in pension and OPEB expenses.

The CERBTF demonstrated strong growth in Fiscal Year 2024-25, driven by favorable investment returns and efficient management of trust assets. While employer contributions and OPEB reimbursements decreased significantly compared to the prior year, the fund's overall financial position improved due to robust investment performance. The CERBTF continues to provide a valuable resource for California employers seeking to pre-fund their post-employment benefit obligations and manage long-term financial risks.

Management's Discussion & Analysis (Unaudited) (continued)

Fiduciary Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

	CERBTF		
	2025	2024	Increase/(Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	$1	$0	$1
Receivables	125,979	119,789	6,190
Investments	25,212,010	20,982,289	4,229,721
Total Assets	**$25,337,990**	**$21,102,078**	**$4,235,912**
Deferred Outflows of Resources	$1,621	$2,413	($792)
Total Assets and Deferred Outflows of Resources	**$25,339,611**	**$21,104,491**	**$4,235,120**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Other Post-Employment Benefits, Investment Settlement & Other	$117,868	$107,234	$10,634
Net Pension & OPEB Liabilities	6,985	7,944	(959)
Total Liabilities	**$124,853**	**$115,178**	**$9,675**
Deferred Inflows of Resources	$1,514	$2,049	($535)
Total Liabilities and Deferred Inflows of Resources	**$126,367**	**$117,227**	**$9,140**
TOTAL NET POSITION RESTRICTED FOR OPEB	**$25,213,244**	**$20,987,264**	**$4,225,980**

Changes in Fiduciary Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

	CERBTF		
	2025	2024	Increase/(Decrease)
ADDITIONS			
Employer Contributions	$5,755,686	$5,548,531	$207,155
Net Investment Income (Loss)	2,599,654	1,937,444	662,210
Other Income	16,873	16,127	746
Total Additions	**$8,372,213**	**$7,502,102**	**$870,111**
DEDUCTIONS			
Administrative Expenses	$6,786	$5,977	$809
Employer Withdrawals	46,434	408,933	(362,499)
OPEB Reimbursements	4,093,013	3,759,272	333,741
Total Deductions	**$4,146,233**	**$4,174,182**	**($27,949)**
INCREASE IN NET POSITION	**$4,225,980**	**$3,327,920**	**$898,060**
NET POSITION			
Beginning of Year	**$20,987,264**	**$17,659,344**	**$3,327,920**
End of Year	**$25,213,244**	**$20,987,264**	**$4,225,980**

CUSTODIAL FUNDS

REPLACEMENT BENEFIT FUND (RBF)

The RBF is a qualified excess benefit arrangement established under Internal Revenue Code (IRC) Section 415(m). It provides replacement retirement benefits for the portion of retirement allowances that exceed the dollar limits set by IRC Section 415(b). Employers are invoiced by CalPERS for the amounts payable to their former employees, and CalPERS disburses the replacement benefits to retirees. Participants in the RBF cover the administrative costs required to maintain the fund.

As of June 30, 2025, the RBF’s net position increased by $0.34 million, or 35.0 percent, rising from $0.97 million at the beginning of the year to $1.31 million. This growth was primarily driven by higher interest rates, which contributed to increased investment income. Total assets grew by $3.1 million, or 17.7 percent, reaching $20.4 million as of June 30, 2025. This increase was driven by higher investment balances and a $0.2 million rise in receivables. Total liabilities rose by $2.7 million, or 16.7 percent, largely due to a $1.2 million increase in unearned replacement benefits, reflecting higher amounts owed to retirees.

Additions to the fund consist of replacement benefits received from participating employers, investment income, and other income. Replacement benefits received from employers increased by $2.6 million, or 9.6 percent, reflecting a higher average number of retirees participating in the plan throughout Fiscal Year 2024-25. Investment income grew by $0.2 million, or 24.6 percent, driven by favorable interest rates. Other income decreased by $0.3 million, or 65.7 percent, due to a reduction in administrative fees from 2.5 percent in calendar year 2023 to 0.5 percent starting in calendar year 2024 and throughout 2025.

Deductions from the RBF include benefit payments and administrative expenses. Benefit payments rose by $2.6 million, or 9.6 percent, totaling $30.1 million in Fiscal Year 2024-25. This increase was primarily due to a higher number of program participants compared to the prior year. Administrative expenses decreased by $17 thousand, or 2.9 percent, reflecting lower operational costs.

The RBF experienced modest growth in Fiscal Year 2024-25, driven by increased replacement benefits and favorable investment returns. While administrative fees were reduced during the year, the fund’s financial position improved due to higher employer contributions and investment income. The RBF continues to provide critical replacement benefits to retirees whose allowances exceed IRC Section 415(b) limits, ensuring compliance with federal regulations while maintaining efficient program operations.

OLD AGE AND SURVIVORS’ INSURANCE REVOLVING FUND (OASI)

The OASI program was established to streamline the collection and payment of employee and employer contributions for California public agencies under federal Social Security regulations. The CalPERS Board serves as the State Social Security Administrator (SSSA), overseeing compliance with federal requirements.

Between 1955 and 1986, the SSSA was responsible for collecting Social Security and Medicare taxes from public employers, reconciling the submissions, and remitting them to the Internal Revenue Service (IRS). However, effective January 1, 1987, the enactment of the Omnibus Budget Reconciliation Act of 1986 transferred the responsibility for tax collection from CalPERS to the IRS. Following this change, the SSSA operated using interest earned over time on the OASI fund. As these funds were gradually depleted to cover administrative costs, additional funding became necessary to sustain the program. Beginning July 1, 2019, CalPERS implemented an Annual Maintenance Fee charged to participating agencies to cover administrative expenses. These fees are reviewed and adjusted annually to ensure program costs are met and mandated fund reserves are maintained.

As of June 30, 2025, the OASI’s net position decreased by $0.19 million, or 15.1 percent, from $1.28 million at the beginning of the fiscal year to $1.09 million. This decline was primarily driven by a reduction in investment assets. Total assets fell by $0.2 million, or 13.3 percent, during the Fiscal Year 2024-25, reflecting lower investment values. Total liabilities decreased by $9 thousand, or 150.0 percent, primarily due to a reduction in the net pension liability.

Additions to the OASI fund consist of investment income and fees, which increased by $0.7 million, or 923.0 percent, in Fiscal Year 2024-25. This significant increase was primarily driven by the implementation of the Annual Maintenance Fee, assessed to participating employers starting in July 2024, to cover the costs of administering the program. Administrative expenses for CalPERS personnel increased by $53 thousand, or 5.9 percent, during the fiscal year.

The OASI program continues to play a vital role in supporting California public agencies’ compliance with federal Social Security regulations. While the fund experienced a decline in net position during Fiscal Year 2024-25 due to lower investment values, the implementation of the Annual Maintenance Fee ensures the program remains financially sustainable. CalPERS remains committed to managing the program effectively and maintaining compliance with federal requirements.

Fiduciary Net Position – Custodial Funds (Dollars in Thousands)

	RBF			OASI		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$0	$1	($1)	$1	$0	$1
Receivables	606	393	213	76	15	61
Investments	19,771	16,912	2,859	1,054	1,290	(236)
Total Assets	**$20,377**	**$17,306**	**$3,071**	**$1,131**	**$1,305**	**($174)**
Deferred Outflows of Resources	$0	$0	$0	$170	$259	($89)
Total Assets and Deferred Outflows of Resources	**$20,377**	**$17,306**	**$3,071**	**$1,301**	**$1,564**	**($263)**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Due to Members & Employers	$1,582	$0	$1,582	$0	$0	$0
Due to Other Funds	65	74	(9)	82	102	(20)
Net Pension & OPEB Liabilities	—	—	—	(205)	(97)	(108)
Unearned Replacement Benefits	17,422	16,263	1,159	—	—	—
Other Program Liabilities	—	—	—	120	1	119
Total Liabilities	**$19,069**	**$16,337**	**$2,732**	**($3)**	**$6**	**($9)**
Deferred Inflows of Resources	$0	$0	$0	$215	$275	($60)
Total Liabilities and Deferred Inflows of Resources	**$19,069**	**$16,337**	**$2,732**	**$212**	**$281**	**($69)**
TOTAL NET POSITION RESTRICTED FOR REPLACEMENT BENEFITS/PROGRAM ADMINISTRATION	**$1,308**	**$969**	**$339**	**$1,089**	**$1,283**	**($194)**

Changes in Fiduciary Net Position – Custodial Funds (Dollars in Thousands)

	RBF			OASI		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ADDITIONS						
Replacement Benefits	$30,086	$27,461	$2,625	$0	$0	$0
Investment Income	764	613	151	44	67	(23)
Other Income	147	428	(281)	713	7	706
Total Additions	**$30,997**	**$28,502**	**$2,495**	**$757**	**$74**	**$683**
DEDUCTIONS						
Replacement Benefit Payments	$30,086	$27,461	$2,625	$0	$0	$0
Administrative Expenses	572	589	(17)	951	898	53
Total Deductions	**$30,658**	**$28,050**	**$2,608**	**$951**	**$898**	**$53**
INCREASE (DECREASE) IN NET POSITION	**$339**	**$452**	**($113)**	**($194)**	**($824)**	**$630**
NET POSITION						
Beginning of Year	**$969**	**$517**	**$452**	**$1,283**	**$2,107**	**($824)**
End of Year	**$1,308**	**$969**	**$339**	**$1,089**	**$1,283**	**($194)**

ENTERPRISE FUNDS

PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF accounts for the activities of CalPERS' self-funded health plans (PERS Platinum and PERS Gold) and flex-funded health plans, which include Anthem Blue Cross, Health Net, Sharp, UnitedHealthcare, and Western Health Advantage.

As of June 30, 2025, the HCF's net position was $221.0 million, reflecting a significant increase of $360.3 million, or 258.7 percent, compared to the restated deficit balance of $139.3 million at the beginning of the Fiscal Year 2024-25. This improvement was primarily driven by higher operating income and favorable market conditions.

Total assets grew by $334.3 million, or 33.3 percent, reaching $1.3 billion as of June 30, 2025. This growth was largely attributed to a $352.6 million, or 101.7 percent, increase in cash and cash equivalents, driven by higher operating income. Investments, however, decreased by $73.4 million, or 100.0 percent, due to a strategic shift from fixed income to short-term investments.

Total liabilities decreased slightly by $22.9 million, or 2.0 percent, to $1.1 billion as of June 30, 2025. This reduction was primarily due to lower claims payable and improved financial management.

Revenues for the HCF are derived from premiums collected from members and employers, federal subsidies, and investment income (non-operating revenue). Total revenue increased by $251.4 million, or 5.6 percent, to $4.8 billion in Fiscal Year 2024-25. Premiums collected rose by $133.9 million, or 3.0 percent, reflecting higher enrollment and premium adjustments. Federal Subsidies increased significantly by $104.9 million due to enhanced federal support while investment income increased by $12.5 million, or 58.8 percent, driven by higher interest income resulting from elevated short-term interest rates during the fiscal year.

Expenses for the HCF include claims, investment fees, and administrative costs associated with managing the plans. Claim expenses decreased by $54.0 million, or 1.3 percent, primarily due to Blue Shield transitioning from a flex-funded plan to a fully insured plan effective January 1, 2024. Administrative expenses declined by $22.4 million, or 7.5 percent, largely due to reduced third-party administrative fees.

The HCF experienced substantial improvement in its financial position during Fiscal Year 2024-25, transitioning from a net deficit to a positive net position. This growth was driven by increased revenues from premiums, federal subsidies, and investment income, as well as reduced claims and administrative expenses. The fund's strategic shift in investment strategy and operational efficiencies further contributed to its strong performance.

PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established to cover administrative costs associated with CalPERS health care programs and to provide a financial reserve for potential increases in future health care premium rates and benefit costs.

As of June 30, 2025, the CRF's net position was $14.7 million, reflecting an increase of $31.0 million, or 189.9 percent, compared to the restated deficit balance of $16.3 million at the beginning of the Fiscal Year 2024-25. This improvement was primarily driven by higher investment income and changes in administrative fee structures.

Total assets grew by $271.2 million, or 29.9 percent, reaching $1.2 billion as of June 30, 2025, compared to $908.4 million in the prior year. This increase was largely attributed to a $269.2 million, or 30.8 percent, rise in cash and cash equivalents, driven by timing differences in fund transfers. Receivables also increased by $2.0 million, or 5.9 percent, due to higher interest receivables.

Total liabilities increased by $242.8 million, or 26.2 percent, reaching $1.2 billion as of June 30, 2025. This growth was primarily due to higher risk adjustment withholdings and an increase in health premiums awaiting transfer to health carriers at year-end.

Revenues for the CRF consist of administrative fees collected and investment income. Administrative fees are calculated as a percentage of total active and retired health premiums. These fees decreased by $6.4 million, or 16.6 percent, due to a reduction in the administrative fee rate from 0.32 percent in Fiscal Year 2023-24 to 0.24 percent in Fiscal Year 2024-25. Investment income increased by $11.0 million, or 49.6 percent, reflecting higher short-term investments and elevated average short-term interest rates during Fiscal Year 2024-25.

Expenses for the CRF consist of costs incurred to administer the fund. Administrative expenses increased by $1.3 million, or 3.8 percent, primarily due to higher Paid Absence Obligation expenses in Fiscal Year 2024-25.

The CRF experienced significant growth in its net position during Fiscal Year 2024-25, driven by improved investment income and operational adjustments. While administrative fees decreased due to a lower fee rate, the fund benefited from higher interest income and efficient management of administrative costs. The increase in liabilities reflects the timing of premium transfers and risk adjustment withholdings, which are essential components of the fund's operations.

PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF provides financial protection to participants against the high costs of eligible services associated with chronic illness, injury, or aging. Long-term care products reimburse participants for covered personal care services, such as bathing, dressing, toileting, transferring, continence, and eating services that are not typically covered by traditional health insurance or Medicare.

Participation in the Long-Term Care Program is voluntary, and benefits are funded through participant-paid premiums and investment income generated by the LTCF. The fund is continuously appropriated under the exclusive control of the CalPERS Board for the sole benefit of program participants. Illumifin Corporation (illumifin) serves as the TPA for the CalPERS Long-Term Care Program. Due to ongoing uncertainty in the long-term care market, CalPERS suspended open enrollment for the program effective June 17, 2020, and is not accepting new applications for coverage until further notice.

The LTCF's unrestricted net position improved significantly during Fiscal Year 2024-25, increasing by $508.5 million. This growth reduced the fund's net deficit from a restated $576.7 million to $68.2 million. The improvement was primarily driven by strong investment returns and a reduction in estimated liabilities for future policy benefits and related expenses.

Total assets increased by $340.8 million, or 7.5 percent, reaching $4.9 billion as of June 30, 2025. This growth was largely attributed to higher investment values, which rose by $390.2 million, or 9.2 percent, due to favorable market conditions.

Total liabilities decreased by $167.1 million, or 3.3 percent, to $4.9 billion as of June 30, 2025. This reduction was primarily due to a decrease in the estimated liability for future policy benefits, reflecting assumption adjustments made during the 2024 valuation.

Revenues for the LTCF consist of participant premiums and investment income. Premiums collected from participants remained stable during Fiscal Year 2024-25. Investment income increased by $39.0 million, or 10.3 percent, compared to the prior year, driven by favorable market conditions. Non-operating revenues included net appreciation in the fair value of investments, as well as interest, dividend, and other investment income.

Total expenses for the LTCF include claims, changes in estimated liabilities for future policy benefits, changes in the estimated settlement liability, administrative costs, and investment expenses. Expenses decreased significantly by $382.5 million, or 67.2 percent, during Fiscal Year 2024-25, primarily due to adjustments to estimated liabilities for future policy benefits. These liabilities decreased by $193.6 million, reflecting assumption adjustments made in the 2024 valuation. The estimated settlement liability decreased by $14.9 million due to payments made during the fiscal year and adjustments to the liability as of June 2025. Administrative expenses increased by $4.7 million, or 18.9 percent, primarily due to higher third-party administrator fees.

The LTCF demonstrated significant improvement in Fiscal Year 2024-25, driven by strong investment returns and reductions in estimated liabilities for future policy benefits and settlement payments. While administrative expenses increased due to higher TPA fees, the overall decrease in liabilities and favorable market conditions contributed to the fund's improved financial position. The LTCF continues to provide vital financial protection to participants, despite ongoing challenges in the long-term care market.

Management's Discussion & Analysis (Unaudited) (continued)

Net Position – Enterprise Funds (Dollars in Thousands)

	HCF			CRF			LTCF		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Cash & Cash Equivalents & Short-Term Investments	$699,239	$346,604	$352,635	$1,143,524	$874,357	$269,167	$157,082	$176,654	($19,572)
Receivables	640,420	585,362	55,058	36,067	34,045	2,022	52,284	82,082	(29,798)
Investments	—	73,391	(73,391)	—	—	—	4,651,433	4,261,218	390,215
Total Assets	**$1,339,659**	**$1,005,357**	**$334,302**	**$1,179,591**	**$908,402**	**$271,189**	**$4,860,799**	**$4,519,954**	**$340,845**
Deferred Outflows of Resources	$19,374	$23,504	($4,130)	$12,527	$15,908	($3,381)	$2,455	$3,246	($791)
Total Assets and Deferred Outflows of Resources	**$1,359,033**	**$1,028,861**	**$330,172**	**$1,192,118**	**$924,310**	**$267,808**	**$4,863,254**	**$4,523,200**	**$340,054**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES									
Claims Payable, Unearned Premiums, Estimated Insurance Claims Due & Due to Carriers	$970,808	$1,001,664	($30,856)	$699,098	$598,761	$100,337	$49,023	$39,673	$9,350
Due to Employers	—	—	—	398	434	(36)	—	—	—
Other Liabilities	50,633	45,547	5,086	398,729	258,760	139,969	172,764	141,196	31,568
Estimated Settlement Liability	—	—	—	—	—	—	6,000	20,925	(14,925)
Estimated Liability for Future Policy Benefits	—	—	—	—	—	—	4,692,049	4,885,637	(193,588)
Net Pension, OPEB & Other Program Liabilities	103,216	100,344	2,872	70,029	67,520	2,509	10,082	9,611	471
Total Liabilities	**$1,124,657**	**$1,147,555**	**($22,898)**	**$1,168,254**	**$925,475**	**$242,779**	**$4,929,918**	**$5,097,042**	**($167,124)**
Deferred Inflows of Resources	$13,373	$16,166	($2,793)	$9,188	$11,474	($2,286)	$1,518	$2,053	($535)
Total Liabilities and Deferred Inflows of Resources	**$1,138,030**	**$1,163,721**	**($25,691)**	**$1,177,442**	**$936,949**	**$240,493**	**$4,931,436**	**$5,099,095**	**($167,659)**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)	**$221,003**	**($134,860)**	**$355,863**	**$14,676**	**($12,639)**	**$27,315**	**($68,182)**	**($575,895)**	**$507,713**

Changes in Net Position – Enterprise Funds (Dollars in Thousands)

	HCF			CRF			LTCF		
	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)	2025	2024	Increase/ (Decrease)
REVENUES									
Premiums	$4,626,734	$4,492,802	$133,932	$0	$0	$0	$277,141	$298,843	($21,702)
Federal Government Subsidies	114,572	9,637	104,935	—	—	—	—	—	—
Non-Operating Revenues (Losses)	33,722	21,234	12,488	33,064	22,105	10,959	417,483	378,454	39,029
Administrative Fees & Other	—	—	—	32,027	38,391	(6,364)	322	—	322
Total Revenues	**$4,775,028**	**$4,523,673**	**$251,355**	**$65,091**	**$60,496**	**$4,595**	**$694,946**	**$677,297**	**$17,649**
EXPENSES									
Claims Expense	$4,150,141	$4,204,160	($54,019)	$0	$0	$0	$367,143	$361,097	$6,046
Increase (Decrease) in Estimated Liabilities	(14,277)	(9,223)	(5,054)	—	—	—	(193,588)	175,339	(368,927)
Decrease in Estimated Settlement Liability	—	—	—	—	—	—	(23,891)	—	(23,891)
Non-Operating Expenses	99	120	(21)	—	—	—	7,239	7,739	(500)
Administrative Expenses	278,802	301,247	(22,445)	34,086	32,825	1,261	29,531	24,833	4,698
Total Expenses	**$4,414,765**	**$4,496,304**	**($81,539)**	**$34,086**	**$32,825**	**$1,261**	**$186,434**	**$569,008**	**($382,574)**
INCREASE IN UNRESTRICTED NET POSITION	**$360,263**	**$27,369**	**$332,894**	**$31,005**	**$27,671**	**$3,334**	**$508,512**	**$108,289**	**$400,223**
UNRESTRICTED NET POSITION (DEFICIT)									
Beginning of Year	**(139,260)[1]**	**($162,229)**	**$22,969**	**(16,329)[1]**	**($40,310)**	**$23,981**	**($576,694)[1]**	**($684,184)**	**$107,490**
End of Year	**$221,003**	**($134,860)**	**$355,863**	**$14,676**	**($12,639)**	**$27,315**	**($68,182)**	**($575,895)**	**$507,713**

(1) Beginning of year net position was restated due to the implementation of GASB 101. Refer to Note 2.

REQUESTS FOR INFORMATION

This financial report serves as a comprehensive overview of CalPERS' financial activities and performance. For any questions regarding the information presented in this report or to request additional financial details, please contact the CalPERS Financial Office at P.O. Box 942703, Sacramento, CA 94229-2703, or reach us by phone at 888-CalPERS (888-225-7377).

Basic Financial Statements

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

As of June 30, 2025, with Comparative Totals as of June 30, 2024 (Dollars in Thousands)

	Pension Trust Funds					
	PERF A	PERF B	PERF C			
	Agent	Schools Cost-Sharing	Public Agency Cost-Sharing	LRF	JRF	JRF II
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	**$1,108,249**	**$285,714**	**$129,926**	**$1,200**	**$3,367**	**$1,630**
Receivables						
Members	$261,971	$72,213	$24,210	$25	$808	$1,745
Employers	83,733	683,218	79,720	75	167	11,958
Investment Sales & Other	36,370,568	9,376,586	4,263,913	1	—	7
Interest & Dividends	1,652,665	426,068	193,751	2	422	98
Due from Other Funds	12,730	3,283	1,492	—	—	—
Other Program	74,991	19,333	8,792	—	—	—
Total Receivables	**$38,456,658**	**$10,580,701**	**$4,571,878**	**$103**	**$1,397**	**$13,808**
Investments, at Fair Value						
Short-Term Investments	$16,414,219	$4,206,687	$1,921,493	$817	$67,049	$3,467
Public Equity	164,325,852	42,113,932	19,236,425	18,902	—	2,013,979
Fixed Income	136,254,477	34,919,715	15,950,314	72,143	—	954,070
Real Assets	54,229,678	13,898,148	6,348,272	—	—	—
Private Equity/Debt	90,865,847	23,287,377	10,637,000		—	—
Total Investments	**$462,090,073**	**$118,425,859**	**$54,093,504**	**$91,862**	**$67,049**	**$2,971,516**
Securities Lending Collateral	$6,417,710	$1,654,530	$752,382	$0	$0	$0
Capital Assets, Net & Other Assets	143,237	36,927	16,792	—	—	—
TOTAL ASSETS	**$508,215,927**	**$130,983,731**	**$59,564,482**	**$93,165**	**$71,813**	**$2,986,954**
Deferred Outflows of Resources	$127,217	$32,798	$14,914	$251	$802	$922
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$508,343,144**	**$131,016,529**	**$59,579,396**	**$93,416**	**$72,615**	**$2,987,876**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement & Other Benefits	$2,162,767	$523,862	$239,069	$633	$0	$0
Investment Purchases & Other	76,838,936	19,809,614	9,008,234	—	—	—
Due to Members & Employers	12,117	—	—	14	66	9
Net Pension & OPEB Liabilities	656,759	169,317	76,995	1,411	3,815	4,800
Securities Lending Obligations	18,991,012	4,896,015	2,226,416	—	—	—
Due to Other Funds	1	—	—	95	214	436
Management & Third-Party Administrator Fees	17	4	2	13	—	431
Unearned Replacement Benefits	—	—	—	—	—	—
Other Program	169,716	42,714	19,450	168	3,976	2,440
TOTAL LIABILITIES	**$98,831,325**	**$25,441,526**	**$11,570,166**	**$2,334**	**$8,071**	**$8,116**
Deferred Inflows of Resources	$87,452	$22,546	$10,253	$128	$543	$630
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$98,918,777**	**$25,464,072**	**$11,580,419**	**$2,462**	**$8,614**	**$8,746**
NET POSITION – RESTRICTED FOR PENSION, OTHER POST-EMPLOYMENT, REPLACEMENT BENEFITS AND PROGRAM ADMINISTRATION	**$409,424,367**	**$105,552,457**	**$47,998,977**	**$90,954**	**$64,001**	**$2,979,130**

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements (continued)

Pension Trust Funds		Investment Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds	Totals	
DCF	SCPF	CEPPTF	CERBTF	RBF & OASI[1]	2025	2024
$0	**$0**	**$0**	**$1**	**$1**	**$1,530,088**	**$1,326,857**
$5,830	$456	$0	$125,572	$90	$492,920	$413,487
—	—	35	—	272	859,178	1,908,541
—	—	—	—	—	50,011,075	31,113,315
44	23	6	407	254	2,273,740	1,891,645
—	—	—	—	—	17,505	19,170
18,313	—	—	—	66	121,495	117,704
$24,187	**$479**	**$41**	**$125,979**	**$682**	**$53,775,913**	**$35,463,862**
$214,787	$16,050	$1,879	$81,597	$20,825	$22,948,870	$20,772,679
2,132,768	68,745	148,826	17,766,047	—	247,825,476	223,116,507
491,868	42,628	162,799	7,364,366	—	196,212,380	174,153,653
—	—	—	—	—	74,476,098	65,737,642
—	—	—	—	—	124,790,224	94,294,392
$2,839,423	**$127,423**	**$313,504**	**$25,212,010**	**$20,825**	**$666,253,048**	**$578,074,873**
$0	$0	$0	$0	$0	$8,824,622	$8,903,958
—	—	—	—	—	196,956	204,623
$2,863,610	**$127,902**	**$313,545**	**$25,337,990**	**$21,508**	**$730,580,627**	**$623,974,173**
$747	$54	$11	$1,621	$170	$179,507	$227,877
$2,864,357	**$127,956**	**$313,556**	**$25,339,611**	**$21,678**	**$730,760,134**	**$624,202,050**
$0	$0	$0	$111,166	$0	$3,037,497	$2,880,946
—	—	—	—	—	105,656,784	65,451,636
2,406	435	—	—	1,582	16,629	11,924
3,877	352	4	6,985	(205)	924,110	982,702
—	—	—	—	—	26,113,443	21,221,026
759	81	69	1,734	147	3,536	3,329
993	44	44	3,529	—	5,077	2,729
—	—	—	—	17,422	17,422	16,263
400	44	55	1,439	120	240,522	181,170
$8,435	**$956**	**$172**	**$124,853**	**$19,066**	**$136,015,020**	**$90,751,725**
$470	$24	$56	$1,514	$215	$123,831	$156,534
$8,905	**$980**	**$228**	**$126,367**	**$19,281**	**$136,138,851**	**$90,908,259**
$2,855,452	**$126,976**	**$313,328**	**$25,213,244**	**$2,397**	**$594,621,283**	**$533,293,791**

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 112.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2025, with Comparative Totals for the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Pension Trust Funds					
	PERF A	PERF B	PERF C			
	Agent	Schools Cost-Sharing	Public Agency Cost-Sharing	LRF	JRF	JRF II
ADDITIONS						
Retirement and OPEB Contributions						
Members	$4,618,075	$1,622,675	$560,838	$0	$1,274	$45,898
Employers	15,827,652	5,739,305	1,854,271	75	2,117	101,531
Nonemployer Contribution	—	—	—	—	—	—
Replacement Benefits	—	—	—	—	—	—
State of California General Fund	—	—	—	—	216,565	—
Employer Contributions Direct – OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust – OPEB	—	—	—	—	—	—
Total Retirement and OPEB Contribution	**$20,445,727**	**$7,361,980**	**$2,415,109**	**$75**	**$219,956**	**$147,429**
Investment Income						
Net Appreciation in Fair Value of Investments	$40,117,235	$10,124,611	$4,719,969	$6,555	$0	$308,378
Interest & Amortization	2,558,814	659,680	299,983	11	3,584	436
Dividends	3,440,781	887,057	403,381	—	—	6
Other Investment Income/(Loss)	37,410	9,645	4,386	7	—	95
Less Investment Costs:						
Management & Performance Fees	(900,536)	(232,164)	(105,575)	(27)	—	(870)
Other	(459,082)	(118,355)	(53,821)	(94)	(8)	(565)
Net Investment Income	**$44,794,622**	**$11,330,474**	**$5,268,323**	**$6,452**	**$3,576**	**$307,480**
Securities Lending Income	$796,993	$205,470	$93,436	$0	$0	$0
Securities Lending Expense	(733,696)	(189,152)	(86,015)	—	—	—
Net Securities Lending	**$63,297**	**$16,318**	**$7,421**	**$0**	**$0**	**$0**
Other Income	$6,246	$1,529	$697	$0	$3,136	$0
Plan-to-Plan Resource Movement	—	15	953	—	—	—
TOTAL ADDITIONS	**$65,309,892**	**$18,710,316**	**$7,692,503**	**$6,527**	**$226,668**	**$454,909**
DEDUCTIONS						
Retirement, Death & Survivor Benefits	$25,589,867	$6,188,197	$2,824,044	$7,336	$211,739	$105,931
Replacement Benefit Payments	—	—	—	—	—	—
Refund of Contributions	225,945	135,185	32,015	—	—	589
Administrative Expenses	264,540	68,132	30,983	712	2,562	2,909
Plan-to-Plan Resource Movement	968	—	—	—	—	—
Participant & Employer Withdrawals	—	—	—	—	—	—
OPEB Reimbursements Direct	—	—	—	—	—	—
OPEB Reimbursements – Outside Trust	—	—	—	—	—	—
TOTAL DEDUCTIONS	**$26,081,320**	**$6,391,514**	**$2,887,042**	**$8,048**	**$214,301**	**$109,429**
INCREASE (DECREASE) IN NET POSITION	**$39,228,572**	**$12,318,802**	**$4,805,461**	**($1,521)**	**$12,367**	**$345,480**
NET POSITION						
Beginning of Year	**$370,195,795**	**$93,233,655**	**$43,193,516**	**$92,475**	**$51,634**	**$2,633,650**
End of year	**$409,424,367**	**$105,552,457**	**$47,998,977**	**$90,954**	**$64,001**	**$2,979,130**

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements (continued)

Pension Trust Funds		Investment Trust Fund	Other Post-Employment Benefit Trust Fund	Custodial Funds	Totals	
DCF	SCPF	CEPPTF	CERBTF	RBF & OASI[1]	2025	2024
$177,942	$569	$0	$0	$0	$7,027,271	$6,594,881
—	—	54,238	—	—	23,579,189	25,074,895
—	—	—	—	—	—	4,306
—	—	—	—	30,086	30,086	27,461
—	—	—	—	—	216,565	210,147
—	—	—	1,876,992	—	1,876,992	1,986,332
—	—	—	3,878,694	—	3,878,694	3,562,199
$177,942	**$569**	**$54,238**	**$5,755,686**	**$30,086**	**$36,608,797**	**$37,460,221**
$320,048	$12,705	$26,759	$2,605,076	$0	$58,241,336	$40,910,620
7,535	389	64	2,481	808	3,533,785	2,742,291
—	—	1	—	—	4,731,226	4,790,674
21	2	6	2,322	—	53,894	29,080
(353)	(18)	(74)	(6,995)	—	(1,246,612)	(1,102,024)
(646)	(95)	(153)	(3,230)	—	(636,049)	(554,739)
$326,605	**$12,983**	**$26,603**	**$2,599,654**	**$808**	**$64,677,580**	**$46,815,902**
$0	$0	$0	$0	$0	$1,095,899	$840,915
—	—	—	—	—	(1,008,863)	(758,919)
$0	**$0**	**$0**	**$0**	**$0**	**$87,036**	**$81,996**
$5,660	$58	$650	$16,873	$860	$35,709	$39,547
—	—	—	—	—	968	4,167
$510,207	**$13,610**	**$81,491**	**$8,372,213**	**$31,754**	**$101,410,090**	**$84,401,833**
$0	$0	$0	$0	$0	$34,927,114	$33,134,535
—	—	—	—	30,086	30,086	27,461
—	—	—	—	—	393,734	366,679
4,728	277	190	6,786	1,523	383,342	397,839
—	—	—	—	—	968	4,167
170,136	6,666	31,105	46,434	—	254,341	575,484
—	—	—	214,319	—	214,319	197,073
—	—	—	3,878,694	—	3,878,694	3,562,199
$174,864	**$6,943**	**$31,295**	**$4,146,233**	**$31,609**	**$40,082,598**	**$38,265,437**
$335,343	**$6,667**	**$50,196**	**$4,225,980**	**$145**	**$61,327,492**	**$46,136,396**
$2,520,109	**$120,309**	**$263,132**	**$20,987,264**	**$2,252**	**$533,293,791**	**$487,157,395**
$2,855,452	**$126,976**	**$313,328**	**$25,213,244**	**$2,397**	**$594,621,283**	**$533,293,791**

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 112.

The accompanying notes are an integral part of these financial statements.

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

As of June 30, 2025, with Comparative Totals as of June 30, 2024 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	CRF	LTCF	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current Assets					
Cash & Cash Equivalents	$0	$1	$31,421	$31,422	$16,229
Short-Term Investments	699,239	1,143,523	125,661	1,968,423	1,381,386
Receivables					
Members & Employers	$0	$21,683	$560	$22,243	$24,650
Health Carriers & Pharmacy Benefit Managers	431,434	2,157	—	433,591	411,888
Interest & Dividends	6,866	12,019	32,201	51,086	48,117
Due from Other Funds	202,109	206	—	202,315	170,975
Investment Sales and Other	—	—	19,523	19,523	45,846
Other Receivables	11	2	—	13	13
Total Receivables	**$640,420**	**$36,067**	**$52,284**	**$728,771**	**$701,489**
Subtotal Current Assets	**$1,339,659**	**$1,179,591**	**$209,366**	**$2,728,616**	**$2,099,104**
Noncurrent Assets					
Investments, at Fair Value					
Public Equity	$0	$0	$1,518,212	$1,518,212	$1,785,030
Fixed Income	—	—	3,133,221	3,133,221	2,549,579
Total Investments	**$0**	**$0**	**$4,651,433**	**$4,651,433**	**$4,334,609**
Subtotal Noncurrent Assets	**$0**	**$0**	**$4,651,433**	**$4,651,433**	**$4,334,609**
TOTAL ASSETS	**$1,339,659**	**$1,179,591**	**$4,860,799**	**$7,380,049**	**$6,433,713**
Deferred Outflows of Resources	$19,374	$12,527	$2,455	$34,356	$42,658
Total Assets and Deferred Outflows of Resources	**$1,359,033**	**$1,192,118**	**$4,863,254**	**$7,414,405**	**$6,476,371**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities					
Claims Payable	$227,343	$0	$27,369	$254,712	$299,925
Unearned Premiums	184,861	—	21,654	206,515	168,531
Due to Employers	—	398	—	398	434
Estimated Insurance Claims Due	558,604	—	—	558,604	572,881
Estimated Liability for Future Policy Benefits Short-Term	—	—	98,905	98,905	108,692
Due to Carriers	—	699,098	—	699,098	598,761
Due to Other Funds	7,088	206,546	2,650	216,284	186,816
Investment Purchases & Other	—	—	161,993	161,993	130,279
Estimated Settlement Liability	—	—	6,000	6,000	20,925
Management & Third-Party Administrator Fees	43,545	—	4,074	47,619	39,947
Other	—	192,183	4,047	196,230	88,461
Total Current Liabilities	**$1,021,441**	**$1,098,225**	**$326,692**	**$2,446,358**	**$2,215,652**
Long-Term Liabilities					
Estimated Liability for Future Policy Benefits	$0	$0	$4,593,144	$4,593,144	$4,776,945
Net Pension, OPEB & Other Program Liabilities	103,216	70,029	10,082	183,327	177,475
Total Long-Term Liabilities	**$103,216**	**$70,029**	**$4,603,226**	**$4,776,471**	**$4,954,420**
TOTAL LIABILITIES	**$1,124,657**	**$1,168,254**	**$4,929,918**	**$7,222,829**	**$7,170,072**
Deferred Inflows of Resources	$13,373	$9,188	$1,518	$24,079	$29,693
Total Liabilities and Deferred Inflows of Resources	**$1,138,030**	**$1,177,442**	**$4,931,436**	**$7,246,908**	**$7,199,765**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)	**$221,003**	**$14,676**	**($68,182)**	**$167,497**	**($723,394)**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025, with Comparative Totals for the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	**CRF**	**LTCF**	**2025**	**2024**
Operating Revenues					
Premiums	$4,626,734	$0	$277,141	$4,903,875	$4,791,645
Federal Government Subsidies	114,572	—	—	114,572	9,637
Administrative Fees Earned	—	31,870	—	31,870	38,292
Other	—	157	322	479	99
Total Operating Revenues	**$4,741,306**	**$32,027**	**$277,463**	**$5,050,796**	**$4,839,673**
Operating Expenses					
Claims Expense	$4,150,141	$0	$367,143	$4,517,284	$4,565,257
Increase (Decrease) in Estimated Liabilities	(14,277)	—	(193,588)	(207,865)	166,116
Decrease in Estimated Settlement Liability	—	—	(23,891)	(23,891)	—
Administrative Expenses	278,802	34,086	29,531	342,419	358,905
Total Operating Expenses	**$4,414,666**	**$34,086**	**$179,195**	**$4,627,947**	**$5,090,278**
OPERATING INCOME (LOSS)	**$326,640**	**($2,059)**	**$98,268**	**$422,849**	**($250,605)**
Non-Operating Revenues					
Net Appreciation in Fair Value of Investments	$86	$0	$213,591	$213,677	$178,507
Interest, Dividends & Other Investment Income	33,636	33,064	203,892	270,592	243,286
Total Non-Operating Revenues/Losses	**$33,722**	**$33,064**	**$417,483**	**$484,269**	**$421,793**
Non-Operating Expenses					
Management Fees	($2)	$0	$3,661	$3,659	$3,745
Other Investment Expenses	101	—	3,578	3,679	4,114
Total Non-Operating Expenses	**$99**	**$0**	**$7,239**	**$7,338**	**$7,859**
NON-OPERATING INCOME	**$33,623**	**$33,064**	**$410,244**	**$476,931**	**$413,934**
CHANGE IN UNRESTRICTED NET POSITION	**$360,263**	**$31,005**	**$508,512**	**$899,780**	**$163,329**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)					
Beginning of Year	**(139,260)[1]**	**(16,329)[1]**	**($576,694)[1]**	**($732,283)**	**($886,723)**
End of Year	**$221,003**	**$14,676**	**($68,182)**	**$167,497**	**($723,394)**

The accompanying notes are an integral part of these financial statements.

(1) Beginning of year net position was restated due to the implementation of GASB 101. Refer to Note 2.

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025, with Comparative Totals for the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	CRF	LTCF	2025	2024
Cash Flows From Operating Activities					
Premiums Collected	$4,603,722	$0	$286,923	$4,890,645	$4,752,717
Federal Government Subsidies	114,572	—	—	114,572	9,637
Administrative Fees Collected	—	32,027	—	32,027	38,391
Claims Paid	(4,195,282)	—	(367,216)	(4,562,498)	(4,526,919)
Administrative Expenses Paid	(273,788)	(33,841)	(30,263)	(337,892)	(364,580)
Settlement Returned (Paid)	—	—	8,966	8,966	(743,175)
Other (Payments) Receipts, Net	—	240,727	(416)	240,311	130,687
Net Cash Provided by (Used for) Operating Activities	**$249,224**	**$238,913**	**($102,006)**	**$386,131**	**($703,242)**
Cash Flows From Investing Activities					
Net Sales (Purchases) of Investments	$73,477	$0	($118,589)	($45,112)	$978,701
Net Change in Short-Term Investments	(352,635)	(269,166)	34,765	(587,036)	(466,691)
Interest & Dividends Received	30,039	30,254	207,008	267,301	201,370
Other Investment (Payments) Receipts, Net	(105)	—	(5,986)	(6,091)	(6,464)
Net Cash Provided by (Used for) Investing Activities	**($249,224)**	**($238,912)**	**$117,198**	**($370,938)**	**$706,916**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**$0**	**$1**	**$15,192**	**$15,193**	**$3,674**
Cash & Cash Equivalents, Beginning of Year	**$0**	**$0**	**$16,229**	**$16,229**	**$12,555**
Cash & Cash Equivalents, End of Year	**$0**	**$1**	**$31,421**	**$31,422**	**$16,229**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	$326,640	($2,059)	$98,268	$422,849	($250,605)
Changes in Assets and Liabilities:					
Receivables:					
Members & Employers	—	2,370	38	2,408	(2,048)
Health Carriers & Pharmacy Benefit Managers	(20,009)	(1,694)	—	(21,703)	(25,893)
Due from Other Funds	(31,452)	112	—	(31,340)	14,399
Other	—	—	—	—	(2)
Claims Payable	(45,141)	—	(73)	(45,214)	38,337
Unearned Premiums	28,562	—	9,422	37,984	(26,832)
Due to Employers	—	(36)	—	(36)	98
Estimated Insurance Claims Due	(14,277)	—	—	(14,277)	(9,223)
Net Pension, OPEB & Other Program Liabilities	(191)	(86)	(71)	(348)	2,248
Estimated Liability for Future Policy Benefits Short-Term	—	—	(9,788)	(9,788)	94,137
Estimated Liability for Future Policy Benefits Long-Term	—	—	(183,801)	(183,801)	81,202
Estimated Settlement Liability	—	—	(14,925)	(14,925)	(743,175)
Due to Carriers	—	100,337	—	100,337	100,038
Due to Other Funds	(1,879)	31,783	(436)	29,468	(10,963)
Management & Third-Party Administrator Fees	6,971	—	(224)	6,747	(11,359)
Other	—	108,186	(416)	107,770	46,399
Net Cash Provided by (Used for) Operating Activities	**$249,224**	**$238,913**	**($102,006)**	**$386,131**	**($703,242)**
Noncash Investing Activities					
Noncash Increase/(Decrease) in Fair Value of Investments	**($11,524)**	**$0**	**$148,130**	**$136,606**	**($172,056)**

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

1. DESCRIPTION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

ORGANIZATION

The California Public Employees' Retirement System (CalPERS or the System) was established in 1931 through legislative action to provide a secure retirement for employees of the State of California. In 1939, additional legislation expanded CalPERS membership to include public agency employees and classified school employees, granting them access to retirement benefits. By 1962, CalPERS began administering health benefits for state employees, and in 1967, it extended health benefits to public agencies on a contractual basis.

CalPERS is overseen by the Board of Administration (the Board), a 13-member governing body responsible for managing and controlling the System. The Board includes a mix of elected, appointed, and ex officio members:

- **Elected Members**: Two representatives chosen by all active and retired members, one elected by active state employees, one elected by active CalPERS school employees, one elected by active public agency employees, and one elected by retired CalPERS members.
- **Appointed Members**: Two individuals appointed by the Governor and one public representative jointly appointed by the Senate Rules Committee and the Speaker of the Assembly.
- **Ex Officio Members**: The State Treasurer, State Controller, the Director of the California Department of Human Resources, and a designee from the State Personnel Board.

The Board holds exclusive authority over the administration and investment of the System, ensuring its effective operation and long-term sustainability.

RETIREMENT AND HEALTH BENEFIT PLANS

As a centralized investment and administrative agency, CalPERS manages several retirement and health benefit plans, serving as a vital resource for California's public employees.

CalPERS Plans

Plan Name	Type of Plan
Defined Benefit Pension Plans:	
Public Employees' Retirement Fund A	Agent multiple-employer
Public Employees' Retirement Fund B	Cost-sharing multiple-employer
Public Employees' Retirement Fund C	Cost-sharing multiple-employer
Legislators' Retirement Fund	Single-employer
Judges' Retirement Fund	Single-employer
Judges' Retirement Fund II	Single-employer
Defined Contribution Plans:	
Public Employees' Deferred Compensation Fund	Multiple-employer (457 plan)
Supplemental Contributions Program Fund	Single-employer
Pension Prefunding Plan:	
California Employers' Pension Prefunding Trust Fund	Multiple-employer (Investment Trust Fund)
Defined Benefit Other Post-Employment Benefit Plan:	
California Employers' Retiree Benefit Trust Fund	Agent multiple-employer
Additional Programs and Funds:	
Replacement Benefit Fund	Custodial Fund
Old Age and Survivors' Insurance Revolving Fund	Custodial Fund
Public Employees' Health Care Fund	Proprietary Fund
Public Employees' Contingency Reserve Fund	Proprietary Fund
Public Employees' Long-Term Care Fund	Proprietary Fund

DEFINED BENEFIT PENSION PLANS

The following provides a summary of each defined benefit pension plan administered by CalPERS:

Public Employees' Retirement Fund (PERF)

The PERF was established under Chapter 700 of the 1931 Statutes to provide retirement, death, and disability benefits to members of participating employers. These employers include the State of California, non-teaching and non-certified school employees, and various other public agencies.

The benefit provisions for state and school employees are determined by statute, while public agency benefit options are also established by statute but are voluntarily selected through contracts with the System, in accordance with the Public Employees' Retirement Law.

Notes to the Basic Financial Statements (continued)

For financial reporting purposes, the PERF is divided into three distinct entities:

- PERF A: An agent multiple-employer plan that includes the State of California and most public agency rate plans with more than 100 active members.
- PERF B: A cost-sharing multiple-employer plan for school employers, covering non-teaching and non-certified employees.
- PERF C: A cost-sharing multiple-employer plan for public agencies, generally covering those with fewer than 100 active members.

Under applicable law, the Board of Administration has the authority to terminate an agency's plan under PERF A or PERF C. Similarly, a public agency may choose to terminate its plan. In either case, the terminating agency is responsible for covering all costs required to fully fund the benefits outlined in its contract. If the agency fails to pay any funding deficit, the benefits provided under that agency's contract will be reduced proportionally to account for the shortfall.

As of June 30, 2025, the PERF included the following participating employers:

Employers for PERF

PERF Employers	2025
PERF A	
State	1
Public Agencies[1]	307
Total	**308**
PERF B	
School Districts and Charter Schools	1,351
PERF C	
Public Agencies[1]	1,297
Total Employers	**2,956**

(1) Each public agency employer may be counted in both PERF A and PERF C due to active contracts under both plans.

Legislators' Retirement Fund (LRF)

The LRF was established under Chapter 879 of the 1947 Statutes to provide retirement, death, and disability benefits to state legislators, constitutional officers, and legislative statutory officers. The benefits offered through the LRF are governed by the provisions of the Legislators' Retirement Law.

In November 1990, Article IV, Section 4.5 was added to the California State Constitution following the passage of Proposition 140. This amendment prohibited future legislators from earning state retirement benefits for legislative service performed on or after November 7, 1990. However, it preserved vested pension benefits that had been accrued prior to that date. As a result, there are no active members currently in the fund. Additionally, the Public Employees' Pension Reform Act of 2013 (PEPRA) officially closed the Legislators' Retirement System to new participants as of January 1, 2013.

Judges' Retirement Fund (JRF)

The JRF was established under Chapter 206 of the 1953 Statutes to provide retirement, death, and disability benefits to judges serving in the California Supreme Court, Courts of Appeal, and Superior Courts who were appointed or elected before November 9, 1994. The benefits provided under the JRF are governed by the provisions of the Judges' Retirement Law.

The JRF operates on a pay-as-you-go funding basis, meaning benefit payments are funded through short-term investments, annual contributions, and a State General Fund augmentation. Unlike a fully funded plan, this method does not generate investment returns, making it more expensive over the long term.

Without the State General Fund augmentation, the JRF will not have sufficient resources to cover the accumulated benefit payments due in Fiscal Year 2025-26.

Judges' Retirement Fund II (JRF II)

The JRF II was established under Chapter 879 of the 1994 Statutes to provide retirement, death, and disability benefits to judges serving in the California Supreme Court, Courts of Appeal, and Superior Courts who were appointed or elected on or after November 9, 1994. The benefits offered through JRF II are governed by the provisions of the Judges' Retirement System II Law.

Plan Membership

Employees in eligible classes of employment who work half-time or more are eligible to participate in the retirement plans. The data presented in the following table reflects the current classifications of members and beneficiaries within the defined benefit pension plans.

Notes to the Basic Financial Statements (continued)

As of June 30, 2025, membership in the defined benefit pension plans was as follows:

Benefit Recipients and Members in the PERF A, PERF B, PERF C, LRF, JRF, and JRF II

Plan	Retirees[1]	Survivors & Beneficiaries[1]	Members: Active	Members: Inactive or Deferred not receiving benefits	Total
PERF A					
Agent	441,392	71,015	529,765	262,925	1,305,097
PERF B					
Schools Cost-Sharing	227,853	33,284	397,258	279,540	937,935
PERF C					
Public Agency Cost-Sharing	45,451	6,404	56,239	34,051	142,145
Total PERF	**714,696**	**110,703**	**983,262**	**576,516**	**2,385,177**
LRF	83	99	—	—	182
JRF	1,034	619	53	—	1,706
JRF II	623	97	1,716	32	2,468
Total	**716,436**	**111,518**	**985,031**	**576,548**	**2,389,533**

(1) Retirees and Survivors & Beneficiaries represent inactives receiving benefits.

Plan Benefits

The benefits provided under the defined benefit pension plans are determined by a combination of factors, including a member's years of service, age, final compensation, and the applicable benefit formula. These plans offer benefits for disability, death, and survivors of eligible members or beneficiaries.

Members become vested in their earned retirement benefits, to the extent funded, after completing five years of credited service (10 years for State Second Tier members).

Cost-of-living adjustments (COLA) are available as follows:

- Non-State Second Tier Members: Eligible for COLA of up to 2 percent compounded annually, with an option for local agency retirees to receive up to 5 percent annually, depending on the agency's contract.
- State Second Tier Members: Eligible for a fixed COLA of 3 percent compounded annually.

Contributions

The benefits provided under the defined benefit pension plans are funded through contributions from members, employers, non-employers, and investment earnings. Member and employer contributions are calculated as a percentage of applicable member compensation.

- Member Contribution Rates: Defined by law and based on the employer's benefit formulas. In some cases, employers may contribute on behalf of members to meet member contribution requirements.
- Employer Contribution Rates: Determined by periodic actuarial valuations or state statute, based on the benefit formulas and employee groups of each employer.
- Non-Employer Contributions: These contributions are not required annually but are accrued when provided.

Actuarial Valuations

Actuarial valuations are used to determine the required contribution rates for members and employers. These valuations ensure that contributions are sufficient to fund the benefits promised under the plans.

PEPRA and Member Classifications

The Public Employees' Pension Reform Act of 2013 (PEPRA) introduced significant changes to CalPERS retirement benefits, particularly for new members. PEPRA also established compensation limits for members, with the greatest impact on those joining CalPERS after January 1, 2013.

Under PEPRA, new members are defined as:

1. Individuals who first joined CalPERS on or after January 1, 2013, with no prior membership in another California public retirement system.
2. Individuals who first joined CalPERS before January 1, 2013, but were hired by a different CalPERS employer after January 1, 2013, following a break in service of more than six months.
3. Individuals who first joined CalPERS on or after January 1, 2013, and are ineligible for reciprocity with another California public retirement system.

Members who do not meet the above criteria are generally classified as classic members.

Notes to the Basic Financial Statements (continued)

The required contribution rates for active plan members and employers, expressed as a percentage of covered payroll for the fiscal year ended June 30, 2025, were as follows:

Required Contribution Rates

	Employee Contribution Rates		Employer - Required Contribution Rates
	Classic	PEPRA	
PERF A – Agent			
State:			
Miscellaneous – First Tier	5.00% - 11.00%	6.00% - 11.00%	26.31%[3]
Miscellaneous – Second Tier	3.75%	3.75%	26.31%[3]
Industrial – First Tier	5.00% - 11.00%	6.00% - 11.00%	15.52%[3]
Industrial – Second Tier	3.75%	3.75%	15.52%[3]
Safety	11.50%	11.00% - 11.50%	18.92%[3]
Peace Officers and Firefighters	8.00% - 15.00%	13.00% - 15.00%	30.72%[3]
California Highway Patrol	13.50%	13.50%	71.21%
Public Agency:			
Miscellaneous	8.00%	5.25% - 9.50%	varies[2]
Safety	7.00% - 9.00%	10.75% - 16.50%	varies[2]
PERF B – Schools Cost-Sharing			
Classified School	7.00%	8.00%	27.05%
PERF C – Public Agency Cost-Sharing			
Public Agency:			
Miscellaneous	2.00% - 7.96%	4.50% - 8.50%	varies[2]
Safety	6.99% - 15.00%	11.00% - 17.00%	varies[2]
LRF	N/A	N/A	$75,085
JRF	8.00%	N/A	8.00%[2]
JRF II	8.00%	16.75%	23.79%

(1) Required contributions for individual public agencies plans are the sum of the normal cost (expressed as a percentage of pay) and a payment toward any unfunded liability. Individual plan results vary.
(2) The employee and State contribution rates for the JRF are set by statute and are equal to 8% of payroll each. The JRF is currently funded using a pay-as-you-go approach, and statutory contributions made by the employees and the State are not adequate to meet current benefit payments. In Fiscal Year 2024-25, an additional state contribution of $200,376,273 was required to satisfy the pay-as-you-go cost.
(3) Reflects the application of the July 27, 2023 Supplemental Pension Payment to the fiscal year 2024-25 required contributions for the state plans..

DEFINED CONTRIBUTION PLANS

CalPERS currently administers a defined contribution plan and a deferred compensation plan for certain members. Below is an overview of each plan:

Public Employees' Deferred Compensation Fund (DCF)
The DCF was established under Chapter 1659 of the 1990 Statutes to provide public employees with maximum tax-preferred retirement savings opportunities. The plan is available to public agencies and school districts across California.

- Participant Contributions: Contributions are made voluntarily on a pre-tax or after-tax basis. Participants may contribute up to the limit established by Internal Revenue Code (IRC) Section 457(b).
- Access to Funds: Participants can access their funds upon retirement, separation from employment, or other distributable events as permitted under the IRC.

Supplemental Contributions Program Fund (SCPF)
The SCPF was established under Chapter 307 of the 1999 Statutes and is qualified under IRC Section 401(a). This plan is available exclusively to State of California employees who are members of CalPERS and active judges who are members of the Judges' Retirement System or Judges' Retirement System II.

- Participant Contributions: Contributions are made voluntarily on an after-tax basis. Participants may also contribute to a deferred compensation plan in conjunction with the SCPF, subject to the limits set by IRC Section 415(c).
- Access to Funds: Distributions are only allowed upon retirement or permanent separation from employment.

As of June 30, 2025, membership in the defined contribution plans was as follows:

Members in DCF and SCPF

Plan	Employers	Members
DCF	862	37,301
SCPF	1	5,692

PENSION PREFUNDING PLAN

The California Employers' Pension Prefunding Trust Fund (CEPPTF)
The CEPPTF was established under Chapter 665 of the 2018 Statutes to allow employers to voluntarily prefund pension contributions for their defined benefit pension plans. As of June 30, 2025, the CEPPTF has 102 participating employers, of which 86 employers have contributed assets to

the fund. Additional details about the CEPPTF can be found in Note 9 of the financial statements.

DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLAN

The California Employers' Retiree Benefit Trust Fund (CERBTF)
The CERBTF, also known as the Annuitants' Health Care Coverage Fund, was established under Chapter 331 of the 1988 Statutes. The CERBTF allows employers to voluntarily prefund future retiree and survivor health care costs as well as other post-employment benefits (OPEB).

As of June 30, 2025, the CERBTF has 603 participating employers, with 589 employers having contributed assets to the fund. Additional details about the CERBTF can be found in Note 10 of the financial statements.

ADDITIONAL PROGRAMS AND FUNDS

CalPERS administers several additional programs and plans, which are summarized below:

Replacement Benefit Fund (RBF)
The RBF was established under Chapter 798 of the 1990 Statutes to provide replacement benefits to participants of the defined benefit pension plans. Further details about the RBF can be found in Note 11 of the financial statements.

Old Age and Survivors' Insurance Revolving Fund (OASI)
The OASI was created pursuant to Government Code Section 22600 to implement the provisions of the Old Age and Survivors' Insurance Program in accordance with Section 218 of Title 2 of the Social Security Act. Additional information about the OASI Fund is available in Note 12 of the financial statements.

Public Employees' Health Care Fund (HCF)
The HCF was established under Chapter 1129 of the 1987 Statutes as part of the Public Employees' Medical and Hospital Care Act (PEMHCA). It provides health insurance coverage to CalPERS members through a pooled risk plan. Further details about the HCF can be found in Note 13 of the financial statements.

Public Employees' Contingency Reserve Fund (CRF)
The CRF was created under Chapter 1236 of the 1961 Statutes with the enactment of PEMHCA. It serves as a contingency reserve to cover items such as future premiums or benefits. Additional information about the CRF is provided in Note 14 of the financial statements.

Public Employees' Long-Term Care Fund (LTCF)
The LTCF was established under Chapter 1154 of the 1992 Statutes as part of the Public Employees' Long-Term Care Act. It administers long-term care insurance plans for eligible participants. Further details about the LTCF are available in Note 15 of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The accompanying financial statements include all activities and funds administered by CalPERS. For financial reporting purposes, CalPERS is classified as a component unit of the State of California. The accompanying financial statements are incorporated into the fiduciary fund and component unit sections of the State of California's Annual Comprehensive Financial Report.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING & BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) applicable to governmental organizations. CalPERS complies with the reporting standards established by the Governmental Accounting Standards Board (GASB).

CalPERS organizes and operates its accounts based on funds, with the Board maintaining fiduciary responsibility for investments within both fiduciary and proprietary funds. As of June 30, 2025, CalPERS manages the following fund types:

Fiduciary Funds
Fiduciary funds include the pension trust funds (PERF A, PERF B, PERF C, LRF, JRF, JRF II, DCF, SCPF), an investment trust fund (CEPPTF), the other post-employment benefits trust fund (CERBTF), and custodial funds (RBF and OASI). These funds account for assets held by CalPERS in a trustee or custodial capacity on behalf of others.

Pension Trust Funds include both defined benefit and defined contribution plans, accounted for using the economic resources measurement focus and the accrual basis of accounting. Contributions to defined benefit pension and OPEB plans are recognized in the period they are legally due, while contributions to defined contribution plans and the investment trust fund are recognized upon receipt. Benefits and refunds are recorded when due and payable under the terms of each plan.

Custodial funds are managed using the economic resources measurement focus and the accrual basis of accounting, reflecting their role as assets held on behalf of others.

Notes to the Basic Financial Statements (continued)

Proprietary Funds
Proprietary funds include HCF, CRF, and LTCF. These funds are also accounted for using the economic resources measurement focus and the accrual basis of accounting. Operating revenues primarily consist of premiums, Federal Employer Group Waiver Plan (EGWP) subsidies, and administrative fee income for the HCF and CRF, while the LTCF generates operating revenue from premiums. Operating expenses include claims costs and related administrative expenses. Revenues and expenses not directly related to ongoing operations are classified as non-operating.

STRATEGIC ASSET ALLOCATION

State statutes and Board policies authorize investments across a diverse range of asset classes, including government securities, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investment types.

The table below outlines the Board-approved strategic asset allocation policy for the defined benefit pension plans, effective as of June 30, 2025:

Strategic Asset Allocation

Asset Class	PERF A	PERF B	PERF C	LRF	JRF	JRF II
Public Equity	37%	37%	37%	7%	—	43%
Private Equity	17%	17%	17%	—	—	—
Fixed Income	28%	28%	28%	45%	—	29%
Real Assets	15%	15%	15%	—	—	—
Private Debt	8%	8%	8%	—	—	—
Strategic Leverage	(5%)	(5%)	(5%)	—	—	—
Liquidity	—	—	—	—	100%	—
Inflation Assets	—	—	—	35%	—	5%
REITs	—	—	—	10%	—	20%
Commodities	—	—	—	3%	—	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The CERBTF allows employers to prefund future retiree and survivor health care costs as well as OPEB. Employers can choose from three diversified policy portfolios—Strategy 1, Strategy 2, and Strategy 3—based on their preferences for risk and return expectations.

- Strategy 1 offers the highest long-term expected rate of return but also comes with higher return volatility.
- Strategy 2 provides a balanced approach, with moderate long-term return and volatility expectations.
- Strategy 3 emphasizes lower risk, offering the lowest long-term expected rate of return and volatility.

The table below presents the Board-approved strategic asset allocation policy for the three CERBTF strategies, effective as of June 30, 2025:

CERBTF Strategic Asset Allocation

Asset Class	CERBTF Strategy 1	CERBTF Strategy 2	CERBTF Strategy 3
Public Equity	49%	34%	23%
Fixed Income	23%	41%	51%
TIPS	5%	5%	9%
REITs	20%	17%	14%
Commodities	3%	3%	3%
Total	**100%**	**100%**	**100%**

The CEPPTF allows employers to pre-fund pension contributions to defined benefit pension plans. Employers can choose between two diversified policy portfolios—Strategy 1 and Strategy 2—based on their preferences for risk and return expectations.

- Strategy 1 offers a higher long-term expected rate of return but comes with greater return volatility.
- Strategy 2 provides a lower long-term expected rate of return with reduced return volatility.

The table below outlines the Board-approved strategic asset allocation policy for the two CEPPTF strategies, effective as of June 30, 2025:

CEPPTF Strategic Asset Allocation

Asset Class	CEPPTF Strategy 1	CEPPTF Strategy 2
Public Equity	37%	21%
Fixed Income	44%	61%
TIPS	5%	9%
REITs	14%	9%
Total	**100%**	**100%**

CAPITAL ASSETS

Capital assets are defined as assets with an initial individual cost of $5 thousand or more for tangible assets, or $1 million or more for intangible assets, and an estimated useful life of more than one year. These assets include buildings, furniture, equipment, and intangible assets, which are recorded at cost or, if donated, at their acquisition value.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets:

- Furniture and equipment: 3 to 5 years
- Buildings: 40 years
- Intangible assets: Depreciation is determined on an asset-by-asset basis.

INVESTMENT COSTS

Investment costs reported in the accompanying financial statements include management and performance fees, as well as other investment-related expenses. Management and performance fees represent payments to external managers for both public and private market investments. Other investment-related expenses include fund administration costs, internal investment staff salaries, dividend tax withholding, trading fees, consulting services, data and analytics, custody services, appraisals, legal services, technology, trading and portfolio management systems, audits, tax advisory services, and tax advisory services. These expenses are reported as “Other Investment Expenses” in the Statement of Changes in Fiduciary Net Position and further detailed in the Investment Expenses Schedule within the Other Supplementary Information section.

Certain costs, such as commissions and fees for public securities transactions and private equity profit sharing realized by the PERF, are excluded from investment costs. These are instead reported under "Net Appreciation in Fair Value of Investments" in the Statement of Changes in Fiduciary Net Position. For additional details, refer to the Schedule of Commissions & Fees table and the Private Equity Management Fees & Profit Sharing table in the Investment Section.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with GAAP requires management to make significant estimates and assumptions. These estimates impact the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities as of the financial statement date, as well as the reported revenue/additions and expenses/deductions during the reporting period. Actual results may differ from these estimates.

RISKS AND UNCERTAINTIES

CalPERS invests in securities subject to various risks, including interest rate, market, credit, liquidity, and foreign currency risks. Given the inherent level of risk, it is reasonably possible that changes in the value of these investment securities could occur in the near term, potentially having a material impact on the amounts reported in the accompanying financial statements.

The total pension liabilities disclosed in Note 8 to the Basic Financial Statements for cost-sharing multiple-employer and single-employer defined benefit pension plans are based on key assumptions, including the long-term rate of return on pension investments, inflation rates, and employee demographics, all of which are subject to change.

The estimated liability for future policy benefits in the LTCF is calculated as the present value of future benefits and expenses, less the present value of future premiums. This liability, reported in the Statement of Net Position, is based on assumptions such as a discount rate of 4.75 percent, morbidity rates, lapse rates, mortality, and plan expenses.

Due to the uncertainties inherent in these estimates and assumptions, it is reasonably possible that changes in these factors in the near term could materially affect the financial statements.

Additionally, CalPERS participates in commercial insurance programs and maintains self-insurance for fiduciary liability. During the fiscal year, insurance settlements did not exceed coverage limits.

RECLASSIFICATIONS

Certain reclassifications have been made to the comparative totals for the fiscal year ended June 30, 2024, to align with the presentation for the fiscal year ended June 30, 2025.

COMPARATIVE TOTALS

The Basic Financial Statements include summarized comparative information from the prior year presented in total, but not at the level of detail required for full conformity with GAAP. Therefore, this information should be read in conjunction with CalPERS financial statements for the fiscal year ended June 30, 2024, from which the summarized data was derived. The beginning net position for the Proprietary funds was restated as a result of the implementation of GASB Statement No. 101, *Compensated Absences* (GASB 101), while the beginning net position for the Fiduciary funds was not restated as it was not material. All prior period summarized comparative information was not restated as it was not material.

TERMINATION OF PENSION PLANS

Public agency participation in the System may be terminated through one of three methods: a transfer of the agency's plan to another qualified system as permitted by law, voluntary termination of the plan by the agency, or involuntary termination by the Board. If a public agency elects to transfer its plan, the plan’s assets and the corresponding liability for accrued benefits are transferred to the receiving system. If a public agency voluntarily terminates its plan or if the Board initiates an involuntary termination, the agency becomes liable to the System for all costs required to fully fund the benefits under its contract. Any unpaid funding deficit will result in a proportional reduction in the benefits provided under the agency's contract.

EMPLOYER SHARE OF POST-EMPLOYMENT BENEFITS

As of June 30, 2025, CalPERS has updated its proportionate share of the State of California's net pension and OPEB liabilities, which amount to approximately $530 million and $562 million, respectively. These post-employment liabilities have been recorded by CalPERS, along with the corresponding deferred inflows and outflows of resources, as well as the related post-employment benefit expenses for all affected funds.

CalPERS has determined that providing additional disclosures regarding employer-specific pension and post-employment obligations would not be appropriate, as such disclosures could mislead users of CalPERS' financial statements. The focus of these statements is on the pension and OPEB plans as a whole, rather than on individual employer obligations. For more detailed information regarding CalPERS' pension and OPEB liabilities, please refer to the State of California's Annual Comprehensive Financial Report.

INTERFUND BALANCES

The Basic Financial Statements include amounts classified as "Due from Other Funds" and "Due to Other Funds." These interfund balances primarily arise from the following activities: reimbursement of administrative expenses owed by other CalPERS funds to the PERF; health premiums in transit, which are due from the CRF to the HCF; and member transfers in transit, which result in amounts due to and from one pension plan to another. As of June 30, 2025, the balance of health premiums due from the CRF to the HCF totaled $202 million.

All interfund balances are expected to be settled within one year from the date of these financial statements. This interfund activity is routine and aligns with the normal operations of the funds involved.

NEW ACCOUNTING PRONOUNCEMENTS

The objective of GASB Statement No. 101, *Compensated Absences* (GASB 101), is to enhance the usefulness of financial statements by updating the recognition and measurement guidance for compensated absences. This objective is achieved by establishing a unified model for recognition and measurement and by revising certain previously required disclosures. Under GASB 101, liabilities for compensated absences must be recognized for:

1. Leave that has been earned but not yet used, and
2. Leave that has been used but not yet paid, either in cash or through non-cash settlements.

CalPERS implemented GASB 101 during Fiscal Year 2024–25, resulting in a change in accounting principle in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). As part of this implementation, sick leave and salary-related payments are now included in the liability, improving transparency. The compensated absences liability is reported under "Other Program Liabilities" in the Statement of Net Position and under "Administrative Expenses" in the Statement of Changes in Net Position.

The table below presents the restatement impact for the Fiscal Year 2024-25 beginning of year net position balance for each proprietary fund.

Restatement Impact of GASB 101 (Dollars in Thousands)

Fund	2024 Net Position (Deficit) as Previously Reported	Adoption of GASB Statement No. 101	2024 Net Position (Deficit) as Restated
HCF	($134,860)	($4,400)	($139,260)
CRF	(12,639)	(3,690)	(16,329)
LTCF	(575,895)	(799)	(576,694)
Total			**($732,283)**

The table below presents the Fiscal Year 2024-25 impact to the CalPERS' net position as a result of the adoption of GASB 101 for all funds.

Impact of Adoption of GASB 101 (Dollars in Thousands)

Fund	GASB 101 Implementation Impact to Fund Net Position
PERF	($88,305)
LRF	(168)
JRF	(565)
JRF II	(704)
DCF	(400)
SCPF	(44)
CEPPTF	(56)
CERBTF	(1,439)
OASI	(120)
HCF	(3,476)
CRF	(2,915)
LTCF	(631)
Total	**($98,823)**

The objective of GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), is to provide financial statement users with key information about risks arising from a government's vulnerabilities due to specific concentrations or constraints. The statement requires an evaluation of whether a concentration or constraint exposes the government to the risk of a substantial impact. It also requires an assessment of whether events associated with the concentration or constraint that could lead to such a substantial impact have occurred, are in progress, or are more likely than not to occur within 12 months of the issuance date of the basic financial statements. If these criteria are met, the government must disclose the risks in the notes to the financial statements, providing sufficient detail to help users understand the nature of the circumstances and the associated vulnerabilities.

For Fiscal Year 2024–25, CalPERS conducted its assessment of concentrations, constraints, and related events and determined that no additional disclosures were required as part of the implementation of GASB 102. CalPERS will continue to monitor these risks annually and evaluate the requirements.

3. CASH AND CASH EQUIVALENTS

As of June 30, 2025, CalPERS held approximately $1.6 billion in cash and cash equivalents across its general operating accounts with the State Treasury and its master custodian, State Street Bank and Trust Company. The funds managed by the State Treasurer's Office are pooled with monies from other state agencies, making the underlying investments not individually identifiable by fund. The cash balances reported in the Statement of Cash Flows for proprietary fund types include amounts held in general operating accounts with the State Treasury, as well as cash and money market funds (classified as short-term investments) maintained in checking and demand deposit accounts at the Bank of New York Mellon.

4. INVESTMENTS

SHORT-TERM INVESTMENTS

Short-term investments consist of U.S. Treasury and government-sponsored securities, money market funds, commercial paper, certificates of deposit, repurchase agreements, asset-backed securities, notes, bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions.

INVESTMENTS AT FAIR VALUE

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72) requires investments measured at fair value to be categorized under a fair value hierarchy. CalPERS determines fair value of its investments based upon both observable and unobservable inputs. The System categorizes its fair value measurements within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs.
- Level 3 – unobservable inputs for an asset or liability, which generally results in a government using the best information available and may include the government's own data.

  The remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of CalPERS interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2025, CalPERS had no specific plans or intentions to sell investments at amounts different from NAV.

Notes to the Basic Financial Statements (continued)

The following table presents a summary of CalPERS investments by type as of June 30, 2025, at fair value, excluding the Long-Term Care Fund:

CalPERS – Investments at Fair Value[1] (Dollars in Thousands)

	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Public Equity				
Domestic Equity	$147,331,075	$147,331,075	$0	$0
International Equity	80,479,061	80,479,061	—	—
Total Public Equity	**$227,810,136**	**$227,810,136**	**$0**	**$0**
Global Debt				
Asset-Backed[2]	$33,398,493	$0	$32,984,577	$413,916
Bank Loans	399,383	—	399,383	—
International Debt	7,754,857	5,227,157	2,527,700	—
Municipal/Public Bonds	57,237	—	57,237	—
Sovereign Debt	16,839,325	—	16,839,325	—
U.S. Corporate	30,709,028	30,680,336	28,692	—
U.S. Treasuries, STRIPS and TIPS	39,074,250	—	39,074,250	—
Total Global Debt	**$128,232,573**	**$35,907,493**	**$91,911,164**	**$413,916**
Derivatives				
Futures	($16,109)	($16,109)	$0	$0
Rights & Warrants	6,909	—	6,909	—
Forward Contract Assets	727,459	—	727,459	—
Forward Contract (Liabilities)	(672,012)	—	(672,012)	—
Swap Assets	112,402	—	112,402	—
Swap (Liabilities)	(1,451,436)	—	(1,451,436)	—
Total Derivatives	**($1,292,787)**	**($16,109)**	**($1,276,678)**	**$0**
Other				
Rule 144(a) Securities	$42,293,478	$24,542,817	$17,750,661	$0
Securitized Assets	713,689	—	—	713,689
Private Equity[3]	35,857	—	—	35,857
Total Other	**$43,043,024**	**$24,542,817**	**$17,750,661**	**$749,546**
Total Investments by Fair Value Level	**$397,792,946**	**$288,244,337**	**$108,385,147**	**$1,163,462**
Investments Measured at NAV				
Commingled/Pooled Funds	$47,914,535			
Real Assets	74,476,098			
Private Equity[3]	102,815,017			
Private Debt	21,939,350			
Other Investments	456			
Total Investments Measured at NAV	**$247,145,456**			
Total Investments Measured at Fair Value	**$644,938,402**			

(1) Certain securities and derivatives disclosed in this table may be classified as short-term investments, global equity or debt securities, investment sales and other receivables, and investment purchases and other payables on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.
(2) Asset-backed holdings categorized at level 3 represent the fair value of assets based off unobservable inputs using the best available information and may or may not include own data by the government entity.
(3) Private Equity investments are reported at NAV on the Statement of Fiduciary Net Position – Fiduciary Funds. For GASB 72 purposes, both direct holdings and investments valued using unobservable inputs are classified as Level 3 assets, measured at fair value using valuation techniques based on the best available information.

Notes to the Basic Financial Statements (continued)

The following table presents a summary of Long-Term Care Fund investments by type as of June 30, 2025, at fair value:

Long-Term Care Fund – Investments at Fair Value[1] (Dollars in Thousands)

	Fair Value June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Public Equity				
Domestic Equity	$777,611	$777,611	$0	$0
International Equity	732,513	732,513	—	—
Total Public Equity	**$1,510,124**	**$1,510,124**	**$0**	**$0**
Global Debt				
Asset-Backed²	$387,957	$0	$362,610	$25,347
International Debt	55,564	44,846	10,718	—
Municipal/Public Bonds	6,918	—	6,918	—
Sovereign Debt	403,291	—	403,291	—
U.S. Corporate	485,045	483,170	1,875	—
U.S. Treasuries, STRIPS and TIPS	832,681	—	832,681	—
Total Global Debt	**$2,171,456**	**$528,016**	**$1,618,093**	**$25,347**
Derivatives				
Futures	($532)	($532)	$0	$0
Rights & Warrants	29	—	29	—
Forward Contract Assets	2,283	—	2,283	—
Forward Contract (Liabilities)	(17,675)	—	(17,675)	—
Swap Assets	3,794	—	3,794	—
Swap (Liabilities)	(1,187)	—	(1,187)	—
Options	210	—	210	—
Total Derivatives	**($13,078)**	**($532)**	**($12,546)**	**$0**
Other				
Rule 144(a) Securities	$959,159	$421,451	$537,708	$0
Securitized Assets	—	—	—	—
Private Equity	—	—	—	—
Total Other	**$959,159**	**$421,451**	**$537,708**	**$0**
Total Investments by Fair Value Level	**$4,627,661**	**$2,459,059**	**$2,143,255**	**$25,347**
Investments Measured at NAV				
Commingled/Pooled Funds	$23			
Total Investments Measured at NAV	**$23**			
Total Investments Measured at Fair Value	**$4,627,684**			

(1) Certain securities and derivatives disclosed in this table may be classified as short-term investments, global equity or debt securities, investment sales and other receivables, and investment purchases and other payables on the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.
(2) Asset-backed holdings categorized at level 3 represent the fair value of assets based off unobservable inputs using the best available information and may or may not include own data by the government entity.

Notes to the Basic Financial Statements (continued)

Public equity includes both domestic and international securities, and are classified in Level 1 of the fair value hierarchy. Fair value is obtained using a quoted price from active markets. The security price is generated by market transactions involving identical or similar assets, which is the market approach to measuring fair value. Inputs are observable in exchange markets, dealer markets, brokered markets, and principal-to-principal markets, for which prices are based on trades of identical securities.

Fixed Income consists primarily of asset-backed securities (securitized offerings backed by residential and commercial mortgages, credit cards, auto and student loans), bank loans, international debt securities, municipal/public bonds, sovereign debt, U.S. treasuries, and U.S. corporate securities. U.S. corporate bonds classified in Level 1 of the fair value hierarchy are valued based on quoted prices from active markets, ensuring that observable inputs are used for valuation.

Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing. This method uses quoted prices for securities with the same maturities and ratings rather than a fixed price for a designated security. Many debt securities are traded on a dealer market and much less frequently, which is consistent with a Level 2 classification that values these investments using observable inputs. Asset-backed securities not classified as Level 2 include collateralized mortgage obligations (CMO), which are mortgage-backed securities that contain a pool of mortgages bundled together and sold as an investment. These are classified in Level 3 of the fair value hierarchy, as assumptions are made by CalPERS to determine prepayment rates, probability of defaults, and loss severity, all of which are unobservable inputs.

Futures are actively traded on major exchanges with quoted prices, and are classified in Level 1 of the fair value hierarchy. Index, commodity, and fixed income futures are publicly traded on active markets, which is the market approach to valuing securities. All other derivatives are classified in Level 2 of the fair value hierarchy. For swaps, observable inputs may include yield curves or interest rates. Options, rights, warrants, and forward contracts are priced using the cost approach and/or are on a dealer market traded on lower frequencies. When these derivative securities are valued, they may not have similar or observable pricing inputs compared to securities that are valued using the market approach. Refer to Note 7 in the Notes to the Basic Financial Statements for further detail regarding other derivatives.

Other investments at fair value include securities subject to Rule 144(a) of the Securities Act of 1933, which modifies a two-year holding period requirement on privately placed securities to permit qualified institutional buyers to trade these positions among themselves. These securities are typically acquired through unregistered, private sales, or constitute a control stake in an issuing company. Due to pricing inputs that are observable either directly or indirectly, which include quoted prices for similar securities in active or inactive markets, or market-corroborated inputs, these securities are classified as Level 2 of the fair value hierarchy. Additionally, other investments include securitized investments, which contain pooled debt instruments, limited partnership investments, and various other investment structures. Many securitized assets are created by combining similar financial assets into a security, and are marketed to investors as a single investment. Typically, these assumptions are internally generated and cannot be observed in an active market. Due to the fact that these assumptions are unobservable for holdings categorized as other investments, these are also classified as Level 3 of the fair value hierarchy. Private equity holdings, in which CalPERS invests directly, are valued at Level 3 of the fair value hierarchy. Private equity holdings are valued at the income, cost, or market approach depending on the type of holdings. All direct holdings are valued using unobservable inputs and are classified in Level 3 of the fair value hierarchy.

Investments Measured at NAV (Dollars in Thousands)

Asset class	Fair Value	Unfunded Commitments
Commingled/Pooled Funds	$47,914,535	$0
Real Assets	74,476,098	9,119,547
Private Equity	102,815,017	52,850,252
Private Debt/Other Investments	21,939,806	35,015,387
Total	**$247,145,456**	**$96,985,186**

A commingled fund/pooled investment vehicle is a fund with capital pooled from multiple investors that is deployed to a mutually agreed upon strategy. The fair value of commingled funds/pooled investment vehicles is measured at NAV, where fair value is measured by multiplying the pool's share price by the number of shares held. Typically, there are no redemption constraints for the commingled funds.

Real asset investments (real estate, infrastructure, and forestland) are held either in separate accounts, as a limited partner, or in a joint venture or commingled fund. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules.

Private equity holdings include fund and co-investments with existing CalPERS general partners, direct secondary investments, and fund of funds. By their very nature, these investments are illiquid and typically not resold or redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over an average of 10 years.

Private Debt strategies include direct lending, specialty lending, real estate financing, liquidity financing, and private structure products.

Other investments include funds that hold securities for varying investment strategies, which include:

- Emerging Managers Program – objectives include:
    - Generating appropriate risk-adjusted returns by identifying early stage funds and managers with strong potential for success.
    - Accessing unique investment opportunities that may be otherwise overlooked.
    - Cultivating the next generation of external investment manager talent.
- Absolute Return Strategies – investments that focus on management of total risk, and on generation of returns independent of broad market movements. This strategy is no longer actively managed but some residual balances exist at fiscal year end.
- Venture Capital Funds – investments made to finance small, early-stage, emerging firms that are believed to have long-term growth potential.
- Opportunistic – invests outside the mandate of traditional asset classes.

The other investment strategies are reported at NAV as they are externally managed fund-structure investments in nongovernmental entities that do not have readily determinable fair values. The redemption terms for these investments typically range from at-will up to 90 days, with the exception of the Multi-Asset Class Strategies, Absolute Return Strategies, Opportunistic Strategies, and Venture Capital Funds.

CalPERS invests in privately held real assets with vehicles such as separate accounts, direct investments, and commingled funds. Separate accounts, with co-invested external managers, are the predominant vehicle and operate through an annual investment process where commitments are generally revocable and excluded from the unfunded commitment disclosure. Direct vehicles generally entail a contractual commitment to an operating company, not controlled by a general partner. With commingled funds, CalPERS commits a stated amount of capital and funds such capital at the partners' request; undrawn balances are included in the unfunded commitment disclosure.

Certain real asset investments are leveraged in that partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. Real asset investments of approximately $74.5 billion are reported at NAV.

RATE OF RETURN

The money-weighted rate of return (MWRR) expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Following is the annual MWRR, net of investment expense, for the fiscal year ended June 30, 2025:

Money-Weighted Rate of Return

Plan	Rate of Return
PERF A	
Agent	12.1%
PERF B	
Schools Cost-Sharing	12.1%
PERF C	
Public Agency Cost-Sharing	12.1%
LRF	7.1%
JRF	5.9%
JRF II	11.6%
CERBTF	12.0%
CEPPTF	9.8%

5. INVESTMENT RISK DISCLOSURES

INVESTMENT LEGAL DISCLOSURES

The Board of Administration's investment authority as well as other administrative duties and responsibilities are outlined in the California Constitution, Article 16, Section 17, the Public Employees' Retirement Law, Article 6, Section 20190, and the California Public Employees' Pension Reform Act of 2013, Article 4 of Chapter 21 of Division 7 of Title 1, which, among other things, require diversification of investments so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. As such, policies voted on by the Board allow for investments in government, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investments, except for certain investments specifically prohibited by other statutes.

DEPOSIT AND INVESTMENT RISK DISCLOSURES

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3* (GASB 40), CalPERS discloses investments of all CalPERS-managed funds that are subject to certain risks: custodial credit risk, concentration of credit risk, interest rate risk, credit risk, and foreign currency risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event that a depository institution or counterparty fails, the System would not be able to recover the value of its deposits, investments, or collateral securities. Investment securities sold but not yet settled are subject to custodial credit risk. As of June 30, 2025, a portion of the System's investments, other than posted collateral for futures and over-the-counter instruments, is held in the System's name and is not exposed to custodial credit risk. Where CalPERS trusts invest in commingled funds, the assets within the fund are held in the name of the trustee of the fund and not in CalPERS' name. There are no general policies relating to custodial credit risk.

Concentration of Credit Risk

Other than U.S. Government Securities, which are not subject to concentration of credit risk disclosure requirements, CalPERS utilizes its control framework that includes policies and policy-related procedures that are inclusive of issuer concentration and credit quality limits. CalPERS does not have investments in any single issuer that represent 5 percent or more of fiduciary net position or total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, this risk is managed within the portfolios using the effective duration or option-adjusted methodology. CalPERS investment policy and policy-related procedures require the option-adjusted duration of the fixed income segments to stay within specified bands of their respective benchmarks. Generally, all individual portfolios are required to be managed within a specified level of risk relative to their benchmark.

CalPERS invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities, securities backed by residential and commercial mortgage loans, high yield and investment grade corporate securities, emerging market sovereign debt, and U.S. Treasuries. The value, liquidity, and related income of these securities are sensitive to changes in economic and market conditions, changes in interest rates, shifts in the market's perception of the issuers, changes in credit quality, supply and demand, and term to maturity.

The following table presents the weighted average effective duration for CalPERS investments subject to interest rate risk as of June 30, 2025.

CalPERS – Debt Securities Subject to Interest Rate Risk

(Dollars in Thousands)

Debt Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2025	Percent of Debt Securities
Corporate	6.97	$64,265,229	34.07%
U.S. Treasuries and Agencies:			
U.S. Treasury Bonds	14.49	30,576,392	16.21%
U.S. Treasury Notes	7.50	8,446,685	4.48%
U.S. Treasury Strips	9.78	51,173	0.03%
Mortgages	4.32	33,104,298	17.55%
Foreign Government	7.19	21,341,342	11.30%
Asset-Backed	0.27	12,295,340	6.52%
Municipals	10.46	57,237	0.03%
No Effective Duration:			
Swaps	N/A	$17,428,155	9.24%
Asset-Backed	N/A	280,330	0.15%
Commingled Funds	N/A	438,898	0.23%
Mortgages	N/A	301,348	0.16%
Commercial Paper	N/A	19,813	0.01%
Corporate	N/A	44,295	0.02%
Total		**$188,650,535**	**100.00%**

Long-Term Care Fund – Debt Securities Subject to Interest Rate Risk

(Dollars in Thousands)

Debt Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2025	Percent of Debt Securities
Corporate	5.03	$971,446	31.00%
U.S. Treasuries and Agencies:			
U.S. Treasury Bonds	14.32	269,652	8.61%
U.S. Treasury Notes	4.44	563,029	17.97%
Mortgages	2.56	594,147	18.97%
Asset-Backed	2.00	178,279	5.69%
Foreign Government	7.69	539,614	17.22%
Municipals	9.37	6,918	0.22%
No Effective Duration:			
Mortgages	N/A	5,532	0.18%
Corporate	N/A	1,997	0.06%
Swaps	N/A	2,607	0.08%
Total		**$3,133,221**	**100.00%**

CalPERS invests in the State Treasury pool, State Street Investment Management fund: Short-Term Investment Fund (STIF), U.S. Government Short-Term Investment Fund (GSTIF), and other short-term investment funds. These investments are included as part of the short-term investments in the financial statements. As of June 30, 2025, the pooled money investment account with the State Treasury totaled approximately $4.84 billion. The State Street Investment Management STIF totaled approximately $6.4 billion, and includes Long-Term Care Fund STIF of approximately

$0.1 billion. The short-term securities reported in the Statement of Fiduciary Net Position and the Statement of Proprietary Net Position are reported at fair value. As of June 30, 2025, the weighted average maturity was 254 days for the State Treasury pool and 36 days for the State Street Investment Management STIF. The State Street Investment Management STIF is rated as A1P1. An A1 (S&P) and P1 (Moody's) rating indicates an issuer with a superior ability to meet short term financial obligations and a very low risk of default. The State Treasury pool is not rated.

The LRF, JRF II, CERBTF, SCPF, DCF, HCF, LTCF, and CEPPTF invest in various State Street Investment Management funds, with weighted average maturities and credit ratings as of June 30, 2025:

CalPERS – State Street Investment Management Weighted Average Maturity and Credit Risk (Dollars in Thousands)

State Street Investment Management Fund	Fair Value June 30, 2025	Credit Rating[1]	Weighted Average Maturity[2]
Bloomberg Barclays Long Liability Index	$7,350,874	A2	13.06
1-10 Year U.S. TIPS Index	10,303	AA1	4.57
U.S. Aggregate Bond Index	149,894	Aa3	8.29
U.S. Bond Index	515,251	Aa3	8.23
U.S. Short-Term Government/ Credit Bond Index	41,821	Aa3	2.00
U.S. TIPS Index Non Lending	1,306,146	AA1	7.10
U.S. TIPS Index Security Lending	179,360	AA1	7.10
Total	**$9,553,649**		

(1) Credit rating reflects fair value weight of all the rated securities held by the portfolio (excludes unrated securities) using the middle rating provided by either S&P, Moody's, and Fitch or lower if only two agency ratings are available.
(2) The weighted average maturity disclosed in this table is in years.

The following table presents the weighted average duration for securities lending collateral subject to interest rate risk as of June 30, 2025:

CalPERS – Securities Lending Collateral Subject to Interest Rate Risk (Dollars in Thousands)

Security Type	Fair Value June 30, 2025	Percent of Securities Lending Collateral
No Effective Duration:		
Money Market Fund[1]	$231,909	9.3%
Short-Term Investment Fund[2]	2,272,509	90.7%
Total[3]	**$2,504,418**	**100.0%**

(1) Money Market Fund is invested in U.S. Treasury securities with a weighted average maturity (to final maturity) of 47 days.
(2) Short-Term Investment Fund has a weighted average maturity (to final maturity) of 14 days.
(3) This figure does not include $6,320,204 in repurchase agreements, since they are not subject to GASB 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is $8,824,622 for fiduciary funds.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's controls framework, which includes investment policy and policy-related procedures, establish both general and specific risk measures. The System manages credit risk through its policy and policy-related procedures, which is inclusive, but not limited to sector, issuer concentration, and credit quality limits. Of the total fixed income portfolio of the rated securities, 63 percent are investment-grade securities.

Investment-grade securities have low default probabilities and are rated at a minimum of Baa3 or BBB- by independent agencies (Moody's or Standard & Poor's/Fitch, respectively). Each portfolio is required to be managed within a specified risk level.

The following table is a summary of the ratings of CalPERS fixed income securities as of June 30, 2025:

CalPERS – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value June 30, 2025[1]	Fair Value as a Percent of Debt Security Investments
Aaa	$1,157,275	0.61%
Aa1	15,617,601	8.28%
Aa2	2,376,817	1.26%
Aa3	2,988,402	1.58%
A1	3,687,405	1.96%
A2	6,005,375	3.18%
A3	5,269,044	2.79%
Baa1	7,619,859	4.04%
Baa2	11,281,371	5.98%
Baa3	6,164,827	3.27%
Ba1	4,652,537	2.47%
Ba2	5,288,320	2.80%
Ba3	7,587,925	4.02%
B1	7,277,827	3.86%
B2	4,546,394	2.41%
B3	4,592,083	2.43%
Caa1	2,509,531	1.33%
Caa2	536,123	0.28%
Caa3	68,219	0.04%
Ca	1,835	—%
NA[2]	56,645,442	30.03%
NR[3]	32,776,323	17.38%
Total	**$188,650,535**	**100.00%**

(1) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table may not agree to the combined totals of investments presented in those statements.
(2) NA represents U.S. government securities that are not applicable to the GASB 40 disclosure requirements.
(3) NR represents those securities that are not rated by credit agencies.

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value June 30, 2025[1]	Fair Value as a Percent of Debt Security Investments
Aaa	$138,898	4.43%
Aa1	62,566	2.00%
Aa2	30,672	0.98%
Aa3	69,821	2.23%
A1	123,443	3.94%
A2	49,568	1.58%
A3	53,813	1.72%
Baa1	62,775	2.00%
Baa2	129,700	4.14%
Baa3	149,104	4.76%
Ba1	74,644	2.38%
Ba2	68,998	2.20%
Ba3	101,926	3.25%
B1	111,386	3.56%
B2	55,970	1.79%
B3	50,811	1.62%
Caa1	13,885	0.44%
Caa2	2,360	0.08%
NA[2]	988,786	31.56%
NR[3]	794,095	25.34%
Total	**$3,133,221**	**100.00%**

(1) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table may not agree to the combined totals of investments presented in those statements.
(2) NA represents U.S. government securities that are not applicable to the GASB 40 disclosure requirements.
(3) NR represents those securities that are not rated by credit agencies.

The following table is a summary of the ratings of the securities lending collateral subject to credit risk:

CalPERS – Securities Lending Collateral Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Securities Lending Collateral
NR[1, 2]	$2,504,418	100.00%
Total[3]	**$2,504,418**	**100.00%**

(1) NR represents those securities that are not rated.
(2) This figure includes $231,909 invested in a money market fund and $2,272,509 invested in short-term investment fund.
(3) This figure does not include $6,320,204 in repurchase agreements, since they are not subject to GASB 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is $8,824,622 for fiduciary funds.

Notes to the Basic Financial Statements (continued)

Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international cash to reflect benchmarks that have both U.S. domestic and foreign currency. While there is not a formal policy related to foreign currency risk, the System manages and addresses the risk in asset class policies and policy-related procedures through metrics such as tracking error, and is required to report total non-USD currency exposures to the Board as part of its Trust Level Review. The proportion of international stocks within the public equity portfolio is roughly equal to their market capitalization weight in the public equity benchmark. For fixed income, investing includes exposure to non-dollar denominated issues. Real assets and private equity do not have a target allocation for international investments. Foreign currency risk disclosures are shown in the CalPERS – International Investment Securities table, excluding the Long-Term Care Fund which is presented separately on the following page.

CalPERS – International Investment Securities[1] – Fair Value[2] at June 30, 2025 (U.S. Dollars in Thousands)

Currency	Cash	Equity	Fixed Income	Real Assets	Private Equity	Forward Contracts	Total U.S. Dollars[3]	Total Foreign Currency
Argentina Peso	$0	$0	$0	$37,320	$0	$0	$37,320	82,115,940
Australian Dollar	398	2,920,168	—	1,093,989	—	16,378	4,030,933	6,139,186
Bahamian Dollar	—	—	—	3,579	—	—	3,579	3,579
Brazilian Real	2,778	839,529	51,237	635,658	—	132,857	1,662,059	9,292,401
British Pound	173,926	6,536,440	—	3,317,673	393,140	(112,686)	10,308,493	7,392,514
Canadian Dollar	8,053	5,688,875	—	60,574	9,494	38	5,767,034	7,865,950
Chilean Peso	—	—	—	36,900	—	—	36,900	35,054,977
Chinese Yuan Renminbi	7,936	1,496,321	—	805,875	—	(7,687)	2,302,445	16,565,334
Colombian Peso	—	—	—	—	—	1,001	1,001	4,089,761
Czech Koruna	—	—	—	3,539	—	—	3,539	2,143,107
Danish Krone	1,068	1,000,281	—	58,957	—	(16,849)	1,043,457	6,663,638
Egyptian Pound	—	—	26,639	(878)	—	1,347	27,108	1,503,326
Euro Currency	162,837	16,067,916	102,970	4,410,328	9,210,926	(58,912)	29,896,065	31,570,287
Guatemalan Quetzal	—	—	—	100,726	—	—	100,726	98,765
Hong Kong Dollar	1,021	6,342,942	—	5,140	—	1,860	6,350,963	49,854,704
Indian Rupee	1,851	3,668,047	—	47,946	—	(1,471)	3,716,373	318,699,708
Indonesian Rupiah	685	311,430	—	—	—	(565)	311,550	5,058,024,323
Iraqi Dinar	—	—	—	24,065	—	—	24,065	31,501,693
Israeli Shekel	786	446,627	—	3,766	—	(3,409)	447,770	1,509,200
Japanese Yen	18,560	11,558,280	—	119,429	—	11,352	11,707,621	1,691,534,756
Kuwaiti Dinar	1,181	462,153	—	112,070	—	—	575,404	2,664,437
Malaysian Ringgit	594	396,851	28,062	158,248	—	(2,793)	580,962	11,288,032
Mexican Peso	—	—	—	11,305	—	—	11,305	225,584
New Taiwan Dollar	1,513	4,370,939	—	—	—	(13,624)	4,358,828	127,330,105
New Zealand Dollar	324	—	—	21,816	—	(499)	21,641	38,143
Norwegian Krone	23	—	55,426	—	—	—	55,449	95,456,147
Panamanian Balboa	1,487	361,107	—	1,605	—	1,168	365,367	3,697,981
Peruvian Nuevo Sol	—	—	—	18,662	—	—	18,662	5,288,376
Philippine Peso	—	—	11,099	54,647	—	(463)	65,283	242,386
Polish Zloty	15	—	—	—	—	—	15	867
Qatari Riyal	585	192,736	—	—	—	22	193,343	703,961
Russian Ruble	1,394	1,042,929	—	(10,319)	—	(160)	1,033,844	3,877,437
Saudi Riyal	564	975,468	—	94,296	—	970	1,071,298	1,370,998
Singapore Dollar	945	667,548	26,640	—	—	(401)	694,732	12,404,091
South African Rand	3,417	2,912,712	—	17,592	—	(29,275)	2,904,446	3,921,937,362
South Korean Won	1,582	1,315,083	—	149,858	—	3,367	1,469,890	14,080,293
Swedish Krona	724	4,808,971	—	—	—	24,582	4,834,277	3,848,084
Swiss Franc	481	417,563	—	—	—	(961)	417,083	13,558,849
Thailand Baht	—	—	20,089	79,267	—	338	99,694	3,917,268
Turkish Lira	486	521,703	—	6,854	—	(22)	529,021	1,943,015
UAE Dirham	—	—	—	(239)	—	—	(239)	(6,112,687)
West African CAF franc	—	—	—	55,707	—	—	55,707	33,674,840
Total	**$395,214**	**$75,322,619**	**$322,162**	**$11,535,955**	**$9,613,560**	**($54,497)**	**$97,135,013**	

(1) This table presents investment securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk; investment securities includes partnership level information for private assets. Applicable derivative instrument amounts are reflected under Equity and Forward Contracts columns.

(2) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.

(3) This table includes the fair value in the Heatlh Care Fund of ($3,415,648).

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – International Investment Securities[1] – Fair Value[2] at June 30, 2025 (U.S. Dollars in Thousands)

Currency	Cash	Equity	Fixed Income	Forward Contracts	Total U.S. Dollars	Total Foreign Currency
Australian Dollar	$218	$31,964	$9,373	($785)	$40,770	$62,212
Brazilian Real	27	11,032	—	(18)	11,041	60,259
British Pound	578	53,858	40,533	(1,492)	93,477	68,213
Canadian Dollar	108	45,726	15,137	(486)	60,485	82,532
Chilean Peso	11	1,233	425	—	1,669	1,558,223
Chinese Yuan Renminbi	2,637	8,954	—	(1)	11,590	83,051
Colombian Peso	243	359	1,716	(57)	2,261	9,234,818
Czech Koruna	240	497	1,186	(14)	1,909	40,196
Danish Krone	218	7,686	780	(289)	8,395	53,366
Egyptian Pound	—	171	—	—	171	8,487
Euro Currency	1,199	128,176	194,974	(10,832)	313,517	267,084
Hong Kong Dollar	177	77,425	—	36	77,638	609,460
Hungarian Forint	140	870	391	(174)	1,227	418,001
Indian Rupee	(36)	53,029	—	(6)	52,987	4,544,148
Indonesian Rupiah	571	3,467	4,305	4	8,347	135,520,242
Israeli Shekel	276	2,492	1,028	(145)	3,651	12,299
Japanese Yen	1,541	84,866	120,630	1,046	208,083	30,056,597
Kuwaiti Dinar	25	2,283	—	—	2,308	706
Malaysian Ringgit	98	3,709	5,092	(14)	8,885	37,414
Mexican Peso	588	5,911	4,149	(137)	10,511	198,564
New Taiwan Dollar	14	55,400	—	(7)	55,407	1,618,559
New Zealand Dollar	41	911	945	(57)	1,840	3,031
Norwegian Krone	293	2,141	410	(24)	2,820	28,530
Peruvian Nuevo Sol	149	—	359	(14)	494	1,753
Philippine Peso	21	1,304	—	15	1,340	75,503
Polish Zloty	270	3,453	1,713	(276)	5,160	18,644
Qatari Riyal	7	2,200	—	—	2,207	8,034
Romanian Leu	282	—	1,402	(62)	1,622	7,014
Saudi Riyal	18	10,126	—	—	10,144	38,045
Singapore Dollar	241	8,540	1,750	(51)	10,480	13,350
South African Rand	48	9,524	—	(45)	9,527	169,307
South Korean Won	72	31,554	14,123	(244)	45,505	61,414,167
Swedish Krona	170	12,653	368	(125)	13,066	124,522
Swiss Franc	120	33,796	1,729	(1,120)	34,525	27,481
Thailand Baht	122	3,021	4,540	(19)	7,664	249,165
Turkish Lira	18	1,561	—	—	1,579	62,802
UAE Dirham	18	4,496	—	—	4,514	16,578
Total	**$10,763**	**$704,388**	**$427,058**	**($15,393)**	**$1,126,816**	

(1) This table presents investment securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk; investment securities includes partnership level information for private assets. Applicable derivative instrument amounts are reflected under Equity and Forward Contracts columns.
(2) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.

6. SECURITIES LENDING

The State Constitution and Board policy permits CalPERS to enter into securities lending transactions, which are collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future.

CalPERS has contracted with eSecLending, LLC (eSec) as securities lending agent to loan domestic and international equity and debt securities. CalPERS receives both cash and noncash (i.e., securities) collateral. Domestic and international securities are collateralized at a minimum of 102 percent and 105 percent, respectively, of the loaned securities' fair value. CalPERS cannot seize the collateral without borrower default; the non-cash collateral is therefore not reported in CalPERS financial statements in accordance with *GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions* (GASB 28). Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the fair value of the securities loaned. The securities loaned are priced daily by third-party sources, and margins are delivered/received daily to maintain over-collateralized levels. Securities on loan can be recalled or returned by CalPERS or the borrower at any time. Since loans are terminable at will, loan durations do not generally match the duration of the investments made with the cash collateral. CalPERS may enter into term loan agreements, which are evaluated on an individual basis. On June 30, 2025, the fair value of the securities on loan was approximately $59.8 billion. The securities on loan remain on CalPERS' Statement of Fiduciary Net Position in their respective investment categories. At June 30, 2025, cash collateral received totaling $26.1 billion is reported as securities lending obligation, and the fair value of reinvested cash collateral totaling $8.8 billion is reported as securities lending collateral on the Statement of Fiduciary Net Position. $17.3 billion of cash collateral was transferred to CalPERS and are recognized as assets on the Statement of Fiduciary Net Position under the appropriate asset class. All transferred collateral can be available to satisfy securities lending obligation when necessary. The changes in fair value of the reinvested cash collateral are reported as net appreciation/depreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position.

CalPERS securities lending reinvestment collateral guidelines prescribe that cash collateral received needs to be invested in short-term, high-credit-quality securities. Currently, eSecLending and CalPERS manage the collateral.

7. INVESTMENT DERIVATIVES

CalPERS holds investments in swaps, options, futures, rights, and warrants and enters into forward foreign currency exchange contracts. The fair value of futures is determined using the market approach based upon quoted market prices. The fair value of options, rights, warrants, and swaps is determined using the cost approach, because these are traded with lower frequencies. The fair value of derivative investments that are exchange-traded, such as options, rights, and warrants, are priced using the exchange they are traded on. Non-exchange-traded investments, such as swaps, are determined by an external pricing service using various proprietary methods. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the contract exchange rate and the exchange rate at the end of the reporting period.

Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occurs on the following business day through the movement of variation margins. Over-the-counter derivatives, such as swaps, generally reset monthly and the settlement of gains or losses occurs the following business day. Currency forward contracts roll quarterly, updating the contract exchange rate.

With all over-the-counter derivatives, such as swaps and currency forwards, CalPERS is exposed to counterparty risk. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to the standard International Swaps and Derivatives Association and Credit Support Annex agreements with all counterparties.

At June 30, 2025, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately $1.0 billion. The aggregate amount of cash collateral held by CalPERS on behalf of over-the-counter derivatives was approximately $1.3 billion.

Notes to the Basic Financial Statements (continued)

CalPERS – Derivative Instruments Summary[1, 2] (Dollars in Thousands)

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2025	Fair value at June 30, 2025		
Derivatives (by Type)	Amount	Classification	Amount	Notional
Credit Default Swaps Bought	($10,971)	Investment Revenue	$9,720	$447,500
Credit Default Swaps Written	4,820	Investment Revenue	(7,396)	227,785
Fixed Income Futures Long	57,657	Investment Revenue	42,398	1,302,681,782
Fixed Income Futures Short	(16,065)	Investment Revenue	(7,020)	(268,806,717)
FX Forwards	(658,147)	Investment Revenue	55,447	40,346,979
Index Futures Long	848,092	Investment Revenue	24,199	7,160,506
Index Futures Short	(327,621)	Investment Revenue	(75,686)	(13,214,458)
Pay Fixed Interest Rate Swaps	(4,354)	Investment Revenue	122	1,780,759
Rights[3]	3,181	Investment Revenue	3,271	1,323
Total Return Swaps Bond	(1,741,768)	Investment Revenue	(1,347,891)	17,743,580
Total Return Swaps Equity	46,914	Investment Revenue	6,411	(211,700)
Warrants[3]	(3,850)	Investment Revenue	3,638	3,154
Total	**($1,802,112)**		**($1,292,787)**	

(1) The information presented in this table is derived from CalPERS' June 30, 2025, accounting records and in some instances may reflect trades on a one-day lag basis.
(2) Derivative instruments subject to foreign currency risk include FX Forwards, and a portion of the Rights and Index Futures amounts listed. These amounts are reflected in the International Investment Securities table under Forward Contracts and Equity columns.
(3) Rights and Warrants are Notional units.

Long-Term Care Fund – Derivative Instruments Summary[1, 2] (Dollars in Thousands)

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2025	Fair value at June 30, 2025		
Derivatives (by Type)	Amount	Classification	Amount	Notional
Credit Default Swaps Bought	($1,031)	Investment Revenue	$0	$0
Credit Default Swaps Written	2,010	Investment Revenue	2,607	98,235
Fixed Income Futures Long	(5,648)	Investment Revenue	118	36,775,191
Fixed Income Futures Short	5,133	Investment Revenue	(671)	(18,500,177)
Fixed Income Options Bought	(12)	Investment Revenue	210	5,156
Foreign Currency Options Bought	(141)	Investment Revenue	—	—
Foreign Currency Options Written	99	Investment Revenue	—	—
Futures Options Bought	1,700	Investment Revenue	—	—
Futures Options Written	(1,680)	Investment Revenue	—	—
FX Forwards	(49,919)	Investment Revenue	(15,392)	1,420,591
Index Futures Long	608	Investment Revenue	21	5,849
Pay Fixed Interest Rate Swaps	(20)	Investment Revenue	—	—
Receive Fixed Interest Rate Swaps	(486)	Investment Revenue	—	—
Rights[3]	20	Investment Revenue	18	2
Total Return Swaps Equity	(894)	Investment Revenue	—	—
Warrants[3]	11	Investment Revenue	11	41
Total	**($50,250)**		**($13,078)**	

(1) The information presented in this table is derived from CalPERS' June 30, 2025, accounting records and in some instances may reflect trades on a one-day lag basis.
(2) Derivative instruments subject to foreign currency risk include FX Forwards, and a portion of the Rights and Index Futures amounts listed. These amounts are reflected in the International Investment Securities table under Forward Contracts and Equity columns.
(3) Rights and Warrants are Notional units.

Notes to the Basic Financial Statements (continued)

CalPERS – Derivative Instruments Subject to Interest Rate Risk (Dollars in Thouands)

		Investment Maturities (in years)			
Investment Type	**Fair Value June 30, 2025**	**Under 1**	**1–5**	**6–10**	**10+**
Total Return Swaps Bond	($1,347,891)	($1,347,891)	$0	$0	$0
Total Return Swaps Equity	6,411	6,411	—	—	—
Total	**($1,341,480)**	**($1,341,480)**	**$0**	**$0**	**$0**

CalPERS – Derivative Instruments Highly Sensitive to Interest Rate Changes (Dollars in Thousands)

Investment Type	Reference Rate	Fair Value at June 30, 2025	Notional
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.412%	($135)	$250,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.415%	(266)	400,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.5%	7,146	97,540
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.534%	(304)	100,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.577%	(672)	125,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.579%	(404)	250,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.593%	(75)	10,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.62%	(3,128)	307,019
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.67%	(1,042)	100,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.727%	(210)	50,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.75%	(693)	85,200
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.878%	(80)	5,000
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.884%	(16)	1,000
Subtotal – Interest Rate Swaps		**$121**	**$1,780,759**
Total Return Swaps Bond	Receive Variable 12-month FED funds, Pay Equity	($1,347,891)	$17,637,410
Total Return Swaps Bond	Receive Variable 12-month FED funds, Pay fixed 0%	—	102,525
Total Return Swaps Bond	Receive Variable 2-month FED funds, Pay fixed 0%	—	3,645
Subtotal – Total Return Bond Swaps		**($1,347,891)**	**$17,743,580**
TOTAL		**($1,347,770)**	**$19,524,339**

CalPERS – Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	Percentage of Net Exposure	Moody's Ratings
JP Morgan Chase Bank, N.A.	26.43%	Aa2
UBS AG	19.68%	Aa2
Goldman Sachs International	13.70%	A1
HSBC Bank USA	12.02%	Aa3
Standard Chartered Bank	4.32%	A1
BNP Paribas	3.65%	A1
Citibank N.A.	3.21%	Aa3
Goldman Sachs Bank USA	3.17%	A2
Natwest Markets, PLC	2.83%	A1
State Street Bank and Trust Company	2.67%	Aa2
Barclays Bank, PLC	2.23%	A1
Morgan Stanley Capital Services, Inc.	2.23%	A1
Citigroup Global Markets ICE	1.00%	NR
Royal Bank of Canada Montreal	0.93%	A1
Societe Generale	0.61%	A1
Wells Fargo Bank N.A.	0.46%	Aa2
The Bank of New York Mellon	0.34%	Aa3
Bank of America CME	0.26%	A1
Bank of America N.A.	0.08%	Aa2
Morgan Stanley Co. Incorporated	0.06%	A1
Morgan Stanley Capital Services, LLC	0.06%	Aa3

Notes to the Basic Financial Statements (continued)

CalPERS – Derivative Instruments Subject to Counterparty Credit Risk (continued)

Counterparty	Percentage of Net Exposure	Moody's Ratings
HSBC Bank, PLC	0.05%	A3
Commonwealth Bank of Australia	0.01%	Aa2
TOTAL	**100.00%**	

Long-Term Care Fund – Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	Percentage of Net Exposure	Moody's Ratings
BNP Paribas	62.54%	A1
Barclays Bank PLC Wholesale	11.67%	A1
Goldman Sachs International	9.50%	A1
Bank of America N.A.	7.28%	Aa2
Morgan Stanley and Co. International, PLC	3.69%	A1
HSBC Bank, PLC	1.70%	A3
Citibank N.A.	1.46%	Aa3
UBS AG	0.81%	Aa2
Natwest Markets, PLC	0.61%	A1
The Bank of New York Mellon	0.38%	Aa3
Standard Chartered Bank	0.36%	A1
TOTAL	**100.00%**	

8. EMPLOYERS' NET PENSION LIABILITY/(ASSET)

The components of the net pension liability of the PERF B, PERF C, LRF, JRF, and JRF II as of June 30, 2025, are reported in the Net Pension Liability/(Asset) table. PERF A is an agent multiple-employer plan and therefore not disclosed in the following tables, consistent with GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* (GASB 67) reporting requirements.

Net Pension Liability/(Asset) (Dollars in Thousands)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing	$138,508,351	$105,552,457	$32,955,894	76.2%
PERF C				
Public Agencies Cost-Sharing	58,228,708	47,998,977	10,229,731	82.4%
LRF				
State of California	91,126	90,954	172	99.8%
JRF				
State of California	2,061,425	64,001	1,997,424	3.1%
JRF II				
State of California	2,698,801	2,979,130	(280,329)	110.4%

The total pension liability for each defined benefit plan was determined by actuarial valuations as of June 30, 2024, which were rolled forward to June 30, 2025, using the following actuarial assumptions:

Actuarial Assumptions Used to Measure the Total Pension Liability

	PERF B Schools Cost-Sharing	PERF C Public Agency Cost-Sharing	LRF	JRF	JRF II
Inflation Rate	2.30%	2.30%	2.30%	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	2.80%	2.80%	2.80%
Mortality Rate Table[1]	Derived using CalPERS membership data for all funds				
The above actuarial assumptions were based upon the following experience study periods:	2000-2019	2000-2019	2000-2019	2000-2019	2000-2019
Post-Retirement Benefit Increase	2.00% until PPPA[2] floor on purchasing power applies, 2.30% thereafter	Contract COLA up to 2.30% until PPPA[2] floor on purchasing power applies, 2.30% thereafter	2.30%	2.80%	2.30%
Long-term rate of return assumption on plan investments used in discounting liabilities:	6.90%	6.90%	4.85%	5.20%	6.15%

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
(2) Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

Notes to the Basic Financial Statements (continued)

In determining the long-term expected rate of return, CalPERS took into account our 20-year market return expectations as well as the expected cash flows of the pension fund. Estimated returns and associated risks for each asset class are used to model long-term compound (geometric) returns. The discount rate used to determine pension liabilities was derived from this long-term projected portfolio return.

PERF B & PERF C – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Assumed Asset Allocation[1]	Real Return[2]
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real Assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Strategic Leverage	(5.00%)	1.40%

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.30% used for this period.

LRF – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Assumed Asset Allocation[1]	Real Return[2]
Public Equity	7.00%	4.56%
Fixed Income	45.00%	2.53%
TIPS	35.00%	1.60%
Commodities	3.00%	2.30%
REITs	10.00%	3.03%

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.30% used for this period.

JRF II – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Assumed Asset Allocation[1]	Real Return[2]
Public Equity	43.00%	4.56%
Fixed Income	29.00%	2.53%
TIPS	5.00%	1.60%
Commodities	3.00%	2.30%
REITs	20.00%	3.03%

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.30% used for this period.

DISCOUNT RATE

PERF B, PERF C, LRF, and JRF II

The discount rates used to measure the total pension liability as of June 30, 2025, for the PERF B, PERF C, LRF, and JRF II were 6.90 percent, 6.90 percent, 4.85 percent, and 6.15 percent, respectively. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

PERF B, PERF C, LRF, and JRF II fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

JRF

The discount rate used to measure the total pension liability as of June 30, 2025, was 5.20 percent, which differs from the discount rate used as of June 30, 2024, of 3.97 percent. The state funds the JRF benefit obligations using the pay-as-you-go method. Under the pay-as-you-go method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments of current active and inactive employees. The discount rate is based on the Bond Buyer Index 20-year tax-exempt General Obligation Municipal Bonds with an average rating that is equivalent to AA for S&P Global Ratings and was applied to all periods of projected benefit payments to measure the total pension liability.

Notes to the Basic Financial Statements (continued)

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability/(asset) of the PERF B, PERF C, LRF, JRF, and JRF II calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

Sensitivity Analysis (Dollars in Thousands)

Discount Rate (assumed)

Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing	$138,508,351	$105,552,457	$32,955,894	76.2%
PERF C				
Public Agencies Cost-Sharing	58,228,708	47,998,977	10,229,731	82.4%
LRF				
State of California	91,126	90,954	172	99.8%
JRF				
State of California	2,061,425	64,001	1,997,424	3.1%
JRF II				
State of California	2,698,801	2,979,130	(280,329)	110.4%

Sensitivity Analysis (Dollars in Thousands)

Discount Rate -1.00%

Plan	Total Pension Liability (-1%)	Plan Fiduciary Net Position	Net Pension Liability/ (Asset) (-1%)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing	$157,263,487	$105,552,457	$51,711,030	67.1%
PERF C				
Public Agencies Cost-Sharing	66,124,563	47,998,977	18,125,586	72.6%
LRF				
State of California	101,969	90,954	11,015	89.2%
JRF				
State of California	2,227,378	64,001	2,163,377	2.9%
JRF II				
State of California	3,005,328	2,979,130	26,198	99.1%

Sensitivity Analysis (Dollars in Thousands)

Discount Rate +1.00%

Plan	Total Pension Liability (+1%)	Plan Fiduciary Net Position	Net Pension Liability/ (Asset) (+1%)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing	$123,027,511	$105,552,457	$17,475,054	85.8%
PERF C				
Public Agencies Cost-Sharing	51,752,611	47,998,977	3,753,634	92.7%
LRF				
State of California	82,368	90,954	(8,586)	110.4%
JRF				
State of California	1,915,900	64,001	1,851,899	3.3%
JRF II				
State of California	2,446,155	2,979,130	(532,975)	121.8%

9. CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND

The CEPPTF was established by Chapter 665 of the 2018 Statutes and initially funded in 2019. At June 30, 2025, 102 employers had elected to participate in the fund. Of the 102 participating employers, 86 employers have contributed assets in the CEPPTF as of June 30, 2025. The CEPPTF is an Internal Revenue Code (IRC) Section 115 Trust Fund with the purpose to receive contributions from participating employers and establish separate employer prefunding accounts to pay for future contributions to their defined benefit pension plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the trust. As such, contributions to the CEPPTF are elective and not required. The CEPPTF is an investment trust fund as defined in GASB Statement No. 84, *Fiduciary Activities*, with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the actual contributions made to their pension plans during the fiscal year. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board one of the following: (1) the transfer will satisfy applicable requirements of the IRC, other law and accounting standards, and the Board's fiduciary duties, or (2) the employer substantiates to the Board that in conformance with applicable requirements of the IRC, other laws and accounting standards, and the Board's fiduciary duties that all of the employer's obligations for the payment of defined benefit pension plan benefits and reasonable administrative costs have been satisfied.

The CEPPTF costs include direct administrative and investment costs as well as indirect costs that are allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with a third-party service provider, Northeast Retirement Services (NRS), to perform recordkeeping for individual CEPPTF employer accounts.

The total Fiscal Year 2024-25 employer contributions from participating employers were $54.2 millon. There were eight disbursements from the CEPPTF totaling $31.1 millon.

The CEPPTF mirrors the investment policies of the System as a whole. These policies are adopted by the CalPERS Investment Committee, which sets forth the System's overarching investment beliefs, purposes, and objectives with respect to all investment programs. Additionally, the CEPPTF has separate, Board-approved asset allocation policies in place for the two investment options offered by the fund. Each strategy seeks to offer employers investment alternatives dependent upon expected levels of return and volatility.

10. OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

The CERBTF (also known as Annuitants' Health Care Coverage Fund) was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2025, 603 employers had elected to participate in the fund. Of the 603 participating employers, 589 employers have contributed assets in the CERBTF as of June 30, 2025. The CERBTF is an Internal Revenue Code (IRC) Section 115 Trust Fund with the purpose to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. As such, contributions to the CERBTF are elective and not required. The CERBTF is an agent multiple-employer plan as defined in GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74), with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board one of the following: (1) the transfer will satisfy applicable requirements of the IRC, other law and accounting standards, and the Board's fiduciary duties, or (2) the employer substantiates to the Board that in conformance with applicable requirements of the IRC, other laws and accounting standards, and the Board's fiduciary duties that all of the employer's obligations for the payment of post-employment benefits have been satisfied. In Fiscal Year 2024-2025, four employers terminated their participation in the CERBT.

As of June 30, 2025, there were 513,322 active plan members, 336,304 inactive plan members currently receiving benefit payments, and 14,434 inactive plan members entitled to but not yet receiving benefit payments.

The CERBTF costs include direct administrative and investment costs as well as indirect costs that are allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with a third-party service provider, NRS, to perform recordkeeping for individual CERBTF employer accounts.

The total Fiscal Year 2024-25 actual OPEB employer contributions from participating employers representing 620 OPEB plans were $5.8 billion. In compliance with GASB 74, this amount includes the $1.9 billion in contributions made to the CERBTF, plus an additional $3.9 billion in retiree health care premiums paid by employers directly to health care providers.

The CERBTF mirrors the investment policies of the System as a whole. These policies are adopted by the CalPERS Investment Committee, which sets forth the System's overarching investment beliefs, purposes, and objectives with respect to all investment programs. Additionally, the CERBTF has separate, Board-approved asset allocation policies in place for the three investment options offered by the fund. Each strategy seeks to offer employers investment alternatives dependent upon expected levels of return and volatility. Overall, the CERBTF recognized an annual money-weighted rate of return of 12.0 percent for Fiscal Year 2024-25.

11. REPLACEMENT BENEFIT FUND (RBF)

The RBF was established as a custodial fund by Chapter 798 of the 1990 Statutes. Regulations implementing the Replacement Benefits Plan (RBP) were effective in 2001. The RBP provides benefits to participants of the PERF whose retirement allowance exceeds the IRC section 415(b) limits. IRC section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a pay-as-you-go basis. That is, the employer is invoiced for amounts payable to its former employees on a calendar year basis and upon receipt of payment by the employers, and CalPERS remits the replacement benefits to the participants on a monthly basis. Employer contributions must be in amounts equivalent to the benefits not paid from the PERF as a result of the limitations of IRC section 415(b) and, if applicable, employer Federal Insurance Contributions Act taxes. CalPERS is responsible for calculating the applicable dollar limit under IRC section 415(b) and notifying the employer. At June 30, 2025, there were 1,399 participants receiving replacement benefits.

Government Code section 7522.43 provides that a public retirement system may only continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013. Section 7522.43 prohibits any employer from offering a plan of replacement benefits for employees hired on or after January 1, 2013.

12. OLD AGE AND SURVIVORS' INSURANCE REVOLVING FUND (OASI)

The Old Age and Survivors' Insurance Revolving Fund (OASI) was established to consolidate the collection and payment of employee and employer contributions for California public agencies under the provisions of the federal Social Security regulations.

The Board of Administration serves as the State Social Security Administrator (SSSA). Between 1955 and 1986, the SSSA was responsible for collecting Social Security and Medicare taxes from public employers, reconciling the submissions, and then submitting the taxes to the Internal Revenue Service. Effective January 1, 1987, with the enactment of the Omnibus Budget Reconciliation Act of 1986, the responsibility of collecting taxes moved from CalPERS to the Internal Revenue Service. Starting in 1987, the SSSA operated using the interest that was earned over time on the OASI. The OASI funds diminished, requiring additional funding to pay for the costs of administering the SSSA program. As a result, the SSSA started collecting the Annual Maintenance Fee on July 1, 2019. The fees collected exceeded the amount needed to fund the 2019-20 fiscal year expenditures. Therefore, CalPERS did not collect fees for the 2021-22, 2022-23, and 2023-24 fiscal years. The SSSA then reached its minimum fund threshold and resumed assessing the Annual Maintenance Fees beginning July 1, 2024, to meet funding needs. Annual Maintenance Fees are reviewed and adjusted annually to pay ongoing administrative expenses and maintain mandated fund reserves.

13. PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF was established under PEMHCA as of July 1, 1988, for self-funded plans. Effective January 1, 2014, flex-funded plans, Anthem Blue Cross, Blue Shield of California, Health Net, Sharp, and UnitedHealthcare were added. Western Health Advantage was added effective January 1, 2018. Until December 31, 2021, CalPERS self-funded plan offerings included PERS Choice, PERSCare and PERS Select. Effective January 1, 2022, CalPERS merged the PERSCare and PERS Choice plans and renamed it to PERS Platinum and renamed the PERS Select plan to PERS Gold. These changes did not impact provider networks or benefit designs for the PERSCare and PERS Select plans. Effective January 1, 2024, Blue Shield of California transitioned from a flex-funded plan to a fully insured plan. As a result, Blue Shield of California's fully insured transactions are no longer part of the HCF.

Health plans are available to entities that contract for health insurance coverage under PEMHCA based on ZIP codes, as prescribed by state law. Having members in large risk pools spreads the catastrophic claims over a larger base and minimizes administrative expenses. The self-funded plans retain all risk of loss for allowable health claims while, effective January 1, 2019, the flex-funded plans retain no risk of loss when capitated and fee-for-service expenses are higher than agreed with the health plan carrier. Members are not subject to a supplemental assessment in the event of deficiencies. Health insurance premiums are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves. The health plans rely on operating cash flows and investment income to fund health benefit payments. During Fiscal Year 2024-25 the Board approved aggregate increases in member premiums to continue to provide health plan benefits for the 2025 plan year.

Public agencies participating in the health plans are required to make monthly payments based on premiums established annually by CalPERS. Employers' share of premiums are determined by the public agency through benefit negotiations, subject to minimum share of premium levels established through PEMHCA. Public agency employee members pay the difference between the premium rate and the employers' share of premium.

At June 30, 2025, 100 percent of the HCF's investments are in short-term and cash equivalent assets.

The HCF establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been "Incurred But Not Reported" (IBNR). The estimated claims liability was calculated by health plan partners as of June 30, 2025, using a variety of actuarial and statistical techniques, and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of $558.6 million is carried at its face amount, and no interest discount is assumed. The IBNR portion of $462.2 million represents an estimate for claims that have been incurred prior to June 30, 2025, but have not been reported to the HCF. The total of the estimated claims liabilities at the end of the Fiscal Year 2024-25 is $785.9 million. The year-end amount also includes $227.3 million of known claims, which is reported as claims payable liability in the Statement of Net Position.

ANTICIPATED INVESTMENT INCOME AND REINSURANCE

Anticipated investment income is included in the annual premium requirement for HCF members. Also, the HCF has not entered into any reinsurance or excess insurance agreements. CalPERS has entered into agreements with flex-funded health plan partners that limit the HCF's risk to a maximum aggregate monthly cost per member.

The following schedule represents changes in the aggregate estimated claims liabilities for the fiscal years ended June 30, 2025, and June 30, 2024.

Changes in the Aggregate Estimated Claims Liabilities of the HCF (Dollars in Thousands)

Year Ended June 30	2025	2024
Total Estimated Claims at Beginning of Fiscal Year	**$845,365**	**$816,535**
Total Incurred Claims and Claim Adjustment Expenses	4,135,864	4,194,937
Total Payments	(4,195,282)	(4,166,107)
Total Estimated Claims at End of Fiscal Year	**$785,947**	**$845,365**

14. PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established in 1962, with the passage of PEMHCA, to fund administrative expenses related to the PEMHCA program, and as a contingency reserve for such items as increases in future premiums or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the state and contracting public agencies for expenses incurred for administering the program.

PEMHCA establishes eligibility rules for the following:

- Retirees and beneficiaries receiving health care benefits
- Terminated plan members entitled to but not yet receiving benefits
- Active plan members

Amounts charged to employers toward the CRF administrative expenses are determined as a percentage of gross health insurance premiums paid by the employer and employees. The percentage of the insurance premiums paid for the fiscal year ended June 30, 2025, was 0.24 percent. Administrative rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative expenses.

As of June 30, 2025, there were 1,147 public agencies and schools participating in health insurance coverage under PEMHCA.

15. PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF began offering long-term care benefits in 1995 through the CalPERS Long-Term Care (LTC) Program. The LTC Program provides LTC coverage to enrolled participants under the Public Employees' Retirement Law (PERL), Chapter 15. Administered by a third-party administrator, illumifin Corporation (illumifin), the self-insured LTC Program is a voluntary program, funded solely by participant-paid premiums and investment returns.

There are four LTC policy series:

- LTC 1: policies purchased from the program inception in 1995 through 2002
- LTC 2: policies purchased from 2003 through 2004
- LTC 3: policies purchased from 2005 through 2008
- LTC 4: policies purchased effective December 2013 and through June 2020

As of June 30, 2025, there are 75,769 active participants in the LTC 1, LTC 2, LTC 3, and LTC 4 policy series, of which 6,423 are receiving benefits.

In June 2020, CalPERS suspended open enrollment on the LTC Program due to current uncertainty in the long-term care market until further notice. Currently, the LTC Program is not accepting new applications.

The LTCF estimate of the funding level, to provide for the payment of future claim benefits, is projected based on actual enrolled participant levels.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 4.75 percent, morbidity, lapse rates, mortality, and plan expenses. In Fiscal Year 2024-25, the actual investment returns were approximately $209 million higher than expected due to favorable market conditions. Economic assumptions are evaluated periodically in accordance with Board policy. The last time the liability assumptions were updated was during the June 30, 2024, valuation. The estimated liability for future policy benefits for the June 30, 2025, Annual Comprehensive Financial Report reflects the cash flow projection based on the June 30, 2024, valuation's in-force population information. The cash flow projection was rolled forward for the June 30, 2025, estimated liability for future policy benefit using standard actuarial techniques.

The following schedule represents changes in the aggregate estimated claims liabilities and liabilities for future policy benefits for the fiscal years ended June 30, 2025, and June 30, 2024.

Changes in the Aggregate Estimated Liability for Future Policy Benefits of the LTCF (Dollars in Thousands)

Year Ended June 30	2025	2024
Total Estimated Future Policy Liabilities at Beginning of Fiscal Year	**$4,885,637**	**$4,710,298**
Increase in Liability and Change in Estimate	197,519	536,151
Claim Payments	(367,216)	(360,812)
Change related to Estimated Settlement Liability	(23,891)	—
Total Estimated Future Policy Liabilities at End of Fiscal Year	**$4,692,049**	**$4,885,637**

Total LTCF investments as of June 30, 2025, were approximately $4.7 billion. On June 30, 2025, the LTCF's investment portfolio consisted of approximately 67.5 percent, 29.5 percent, and 3.0 percent of the respective Funds: Custom Fixed Income Blend, Custom MSCI Blend, and FTSE EPRA/NAREIT Developed REITs 100% Hedged to USD Net, respectively, with further details in Note 4.

For Fiscal Year 2024-25, the annual premium was $277.1 million and the total benefits paid out were $367.2 million. Since the program's inception in 1995 through June 30, 2025, the total benefits paid were approximately $4.9 billion.

In September 2024, the Board approved rate increases for all policy series (LTC1, LTC2, LTC3, and LTC4) as follows: two annual 10 percent rate increases for non-Partnership policies, and three annual 6.7 percent for Partnership policies. The first rate increase for non-Partnership policies was implemented effective January 2025, and the first rate increase for Partnership policies was implemented effective April 2025. The next rate increases for both non-Partnership and Partnership policies are scheduled for early 2026.

16. CONTINGENCIES

CalPERS is a Defendant in litigation involving investments, individual pension and health benefit payments and participant eligibility issues arising from its normal activities. Generally, in the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the affected employer's contribution rate or rates and, where applicable, member premiums. During the fiscal year, specific pending cases were litigated that could potentially impact the future financial health of funds administered by CalPERS.

Wedding, et al. v. CalPERS (previously identified as *Sanchez, et al. v. CalPERS*) was filed in 2013. This class action challenges the propriety of CalPERS' decision to increase premiums by 85 percent on certain categories of its Long-Term Care (LTC) policyholders. Plaintiffs allege that the increase breached the relevant insurance contracts and seek to recover all allegedly excess premiums paid by affected policyholders since the increase was effectuated in 2014 and 2015, as well as interest and attorneys' fees. CalPERS denies that it breached the relevant insurance contracts and denies that plaintiffs are entitled to any relief on any cause of action.

In January 2016, the court granted plaintiffs' Motion for Class Certification over CalPERS' objection. The claims certified for class treatment were (1) the breach of contract claim; and (2) the breach of fiduciary duty claim, on the "duty of care" only. However, the court later granted CalPERS' motion for summary adjudication of the breach of fiduciary duty claim, leaving only the breach of contract claim certified for class treatment.

The only other defendants in the case—the actuarial firm that originally helped CalPERS establish the LTC program (Towers-Watson)—entered into a settlement agreement with plaintiffs that was approved by the court in January 2018.

In early June 2019, the first part of the case regarding the proper interpretation of the insurance contracts (the "Evidence of Coverage") at issue was tried to the court, sitting without a jury. The court held in favor of plaintiffs on the interpretation of the "Inflation-Protection" clauses in the Evidence of Coverage, and in favor of CalPERS on the premium adjustments permitted by the "Guaranteed Renewable" clauses. The court held in favor of CalPERS on its Cross-Claim that CalPERS can subject insureds with Inflation-Protection benefits to future rate increases, insofar as any such rate increases are driven by cost factors other than the inherent escalation of daily/monthly limits on Inflation-Protection benefits over time, and as long as these increases are spread over the entire risk pool and not selectively imposed to a greater-than-average degree on the Inflation-Protection insureds. The second part of the case was set for trial by jury on the issue of whether the subject 85 percent premium increase had, in fact, breached the contracts given the court's interpretation of them in the first part of the trial.

After several continuances to the trial date, the parties settled the case in July 2021. However, the Settlement was terminated in April 2022 because more than 30% of the Settlement Class opted out of the Settlement in order to retain their CalPERS LTC policies. The parties entered into a second settlement agreement in early 2023. On July 28, 2023, the court approved this agreement, which is now being implemented. No one has appealed this approval. Since then, the agreement has been administered by a third-party settlement administrator, and CalPERS has funded the settlement. Approximately 400 class members dispute the settlement classifications that were assigned to them or have requested to change the settlement option they originally selected.

Approximately 447 policyholders have opted out of the case and are therefore not bound by the settlement. To date, none of these policyholders have filed actions. In addition, there is a group of approximately 18,000 policyholders who had "Lifetime Only" policies without Inflation-Protection benefits whose claims were eliminated by the court's ruling after the 2019 trial. Plaintiffs have appealed the court's ruling dismissing those claims. In April 2025, CalPERS and these plaintiffs (the Lifetime Only plaintiffs) agreed to settle their remaining claims, with plaintiffs withdrawing their appeal. The Court granted final approval of this settlement agreement on July 24, 2025. If no one appeals this approval within the time limits for filing an appeal, the settlement will be administered, and CalPERS will fund the settlement later this year, thereby fully resolving this case.

Terry Cheng, Carlos Aguilera, Michael Stoker et al. v. CalPERS (formerly identified as *Cheng v. CalPERS and Stoker v. CalPERS*) is a consolidated class action lawsuit that arose from a data breach that occurred in late May 2023, when a group of international cybercriminals gained unauthorized access to an external software platform used by PBI Research Services/Berwyn Group (PBI), a third-party vendor hired by CalPERS. To carry out its crucial service of identifying deceased members and preventing overpayments and other errors, PBI was obligated to collect and analyze the personal information of hundreds of thousands of CalPERS members. As a result of the data breach, this sensitive personal information became exposed. Two separate class action lawsuits were subsequently filed in the Sacramento County Superior Court, both focused on the central allegation that CalPERS failed to properly safeguard the exposed personal information. Those lawsuits, *Terry Cheng et al. v. CalPERS* and *Michael Stoker v. CalPERS*, were filed on October 27, 2023, and January 31, 2024, respectively, by CalPERS retiree members on behalf of themselves and similarly situated CalPERS members and beneficiaries whose personal data was actually or potentially exposed in the breach.

On October 11, 2024, at the request of the parties in both actions, the court ordered the Cheng and Stoker lawsuits consolidated, with Cheng serving as the leading case. Pursuant to the court's order, on or about November 6, 2024, the Cheng and Stoker plaintiffs served CalPERS with a consolidated class action complaint. This new controlling complaint primarily alleges that CalPERS failed to safeguard the affected personal information of its members by permitting the information to be transferred through a software platform that was vulnerable to breach, and asserts multiple causes of action including: negligence; breach of contract; breach of fiduciary duty; invasion of privacy; violations of California's Unfair Competition Law; violations of the California Consumer

Privacy Act; and declaratory and injunctive relief. Plaintiffs further claim damages in the form of expenses and lost time for remediation, an increased risk of identity theft, a diminution in the value of the affected personal information, and an invasion of privacy.

CalPERS was served with the now superseded complaints from the individual Cheng and Stoker lawsuits on or about December 19, 2023, and February 20, 2024, respectively, and promptly referred both matters to outside counsel (Orrick). On or about November 6, 2024, CalPERS was served with the consolidated complaint and responded by filing a demurrer seeking dismissal of all ten asserted claims. On or about April 4, 2025, the court issued its ruling on the demurrer, sustaining it in part and overruling it in part. Specifically, the court dismissed the claims for invasion of privacy, violation of California's Unfair Competition Law, breach of the implied or express covenant of good faith and fair dealing, and violations of the California Consumer Privacy Act. The court also sustained the demurrer with leave to amend as to the claims for negligence, breach of fiduciary duty, and breach of confidence. However, the court overruled the demurrer as to the claims for breach of contract, breach of implied contract, and declaratory and injunctive relief.

Plaintiffs timely filed and served the controlling amended consolidated complaint on or about May 5, 2025. The parties have commenced written discovery and initiated alternative dispute resolution. They have also stipulated to stay the proceedings pending ongoing settlement discussions. A case management conference is scheduled for November 7, 2025.

McCormick v. CalPERS, et al. is a putative class action against CalPERS and the State of California that was filed in Sacramento Superior Court on August 14, 2023. Plaintiff alleges that the Public Employees' Retirement Law's formula for paying disability retirement benefits discriminates against workers who were hired at age 41 and older, and then retired on disability as compared to workers hired at age 40 or younger. The suit asserts causes of action for age discrimination, breach of contract, and equal protection. The proposed plaintiff class is all members who were first hired by CalPERS-covered agencies when they were 41 or older, and who were granted disability retirement. The proposed defendant class is CalPERS, the State of California, and more than 1,000 CalPERS-covered agencies who employed members in the plaintiff class. The lawsuit seeks enhanced retirement benefits, compensatory damages, interest, fees and costs, and declaratory relief.

CalPERS filed and served its demurrer in November 2023. After taking the matter under submission, the court sustained the demurrer in part, with leave to amend, and overruled it in part. On April 24, 2024, Plaintiff filed a first amended complaint. Plaintiff's amended complaint adds the California Department of Transportation (CalTrans) as a defendant. Plaintiff's amended complaint asserts discrimination and breach of contract claims against CalTrans and the County of Lake (as representative employer defendants), and equal protection against all defendants, including CalPERS. On May 16, 2024, the Court approved the parties' stipulation to stay the *McCormick* action pending a decision in the appeal entitled *Carroll v. City and County of San Francisco* (First Appellate District, Case No. A169408), which involves similar claims asserted against the retirement program of San Francisco. Oral argument on the Carroll appeal was held on August 26, 2025, and a decision is expected later this year.

IBM Claim. IBM Corporation filed a Government Claim with the California Department of General Services ("DGS") against CalPERS on September 6, 2024. IBM contended that CalPERS over-deployed certain IBM software based on the findings of an audit IBM commenced in 2021; and that CalPERS licensed the software through a third-party reseller in connection with DGS's software license program and a Vendor Pool Agreement that granted CalPERS the right to acquire the IBM software at issue. IBM further contended that CalPERS' use of the IBM software at issue is subject to IBM's standard commercial software license terms.

IBM alleges that based on a software license review ("SLR") by IBM's auditor, KPMG LLP, IBM determined in an initial effective license position provided to CalPERS on September 7, 2022, that CalPERS had 13,692 instances in which CalPERS over-deployed certain IBM software. IBM contended that as a result of the over-deployment identified in this SLR, under IBM's standard commercial license terms CalPERS' liability to IBM for certain licensing related fees and costs exceeded $30 million. IBM asserted causes of action in the DGS Claim against CalPERS arising from this purported over-deployment for breach of contract, breach of the covenant of good faith and fair dealing, and copyright infringement.

In December 2024, CalPERS and IBM settled the matter, which included IBM's closure of the SLR and formal withdrawal of the Government Claim it filed with DGS. Accordingly, this matter has been fully resolved.

The amount of potential loss or range of loss on these cases is not estimable at this time due to the many unknowns and complexities of litigation.

17. FUTURE ACCOUNTING PRONOUNCEMENT

The objective of GASB Statement No. 103, *Financial Reporting Model Improvements*, is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. This Statement also requires governments to separately present the inflows and outflows related to each unusual or infrequent item as the last presented flow(s) of resources before the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

For presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and non-capital subsidies be presented before reporting other non-operating revenues and expenses. This Statement also requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements.

Furthermore, This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of GASB Statement No. 103 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. CalPERS will implement during Fiscal Year 2025-26.

The objective of GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. CalPERS will implement during Fiscal Year 2025-26.

Required Supplementary Information

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

PERF B – 10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
Discount Rate Assumption	**6.90%**	**6.90%**	**6.90%**	**6.90%**	**7.15%**	**7.15%**
Total Pension Liability:						
Service Cost	$3,455,301	$3,099,157	$2,743,978	$2,485,322	$2,347,398	$2,302,877
Interest	9,032,764	8,416,827	7,873,335	7,435,819	7,216,728	6,904,699
Changes of Assumptions	—	—	—	3,423,109	—	—
Differences Between Expected and Actual Experience	3,371,213	2,896,834	1,777,808	(1,108,386)	(63,915)	452,461
Benefit Payments, Including Refunds of Member Contributions	(6,323,382)	(5,953,912)	(5,676,166)	(5,298,758)	(4,932,395)	(4,671,357)
Net Change in Total Pension Liability	**$9,535,896**	**$8,458,906**	**$6,718,955**	**$6,937,106**	**$4,567,816**	**$4,988,680**
Total Pension Liability – Beginning	$128,972,455	$120,513,549	$113,794,594	$106,857,488	$102,289,672	$97,300,992
Total Pension Liability – Ending (a)	**$138,508,351**	**$128,972,455**	**$120,513,549**	**$113,794,594**	**$106,857,488**	**$102,289,672**
Plan Fiduciary Net Position:						
Contributions – Employer	$5,739,305	$5,368,856	$4,457,043	$3,557,108	$2,972,220	$2,866,144
Contributions – Member	1,622,675	1,534,166	1,334,265	1,104,241	1,019,154	1,047,983
Contributions – Nonemployer	—	—	—	—	—	904,000
Total Net Investment Income	11,348,321	8,039,663	4,872,599	(6,446,442)	15,928,499	3,398,535
Benefit Payments, Including Refunds of Member Contributions	(6,323,382)	(5,953,912)	(5,676,166)	(5,298,758)	(4,932,395)	(4,671,357)
Net Plan-to-Plan Resource Movement	15	—	(10)	3	—	164
Administrative Expenses	(68,132)	(69,779)	(58,579)	(53,699)	(71,018)	(95,614)
Net Change in Plan Fiduciary Net Position	**$12,318,802**	**$8,918,994**	**$4,929,152**	**($7,137,547)**	**$14,916,460**	**$3,449,855**
Plan Fiduciary Net Position – Beginning	$93,233,655	$84,314,661	$79,385,509	$86,523,056	$71,606,596	$68,156,741
Adjustments[1]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	93,233,655	84,314,661	79,385,509	86,523,056	71,606,596	68,156,741
Plan Fiduciary Net Position – Ending (b)	105,552,457	93,233,655	84,314,661	79,385,509	86,523,056	71,606,596
Net Pension Liability (a) - (b)	**$32,955,894**	**$35,738,800**	**$36,198,888**	**$34,409,085**	**$20,334,432**	**$30,683,076**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**76.2%**	**72.3%**	**70.0%**	**69.8%**	**81.0%**	**70.0%**
Covered Payroll	$20,865,342	$18,535,628	$16,275,075	$14,767,213	$14,885,212	$14,447,159
Net Pension Liability as a Percentage of Covered Payroll	**157.9%**	**192.8%**	**222.4%**	**233.0%**	**136.6%**	**212.4%**

(1) Cumulative effect of CalPERS employer proportionate share of post-employment benefit obligations.

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Years 2024-2025, 2023-24 and 2022-23 there were no changes to actuarial assumptions or methods for financial reporting.

In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF B, these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

In Fiscal Year 2020-21 there were no changes to actuarial assumptions or methods.

The CalPERS Board adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on Unfunded Accrued Liability (UAL) bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

Required Supplementary Information (continued)

2019	2018	2017	2016
7.15 %	**7.15%**	**7.15%**	**7.65%**
$2,226,797	$2,172,696	$2,031,914	$1,716,677
6,563,541	6,165,715	5,719,835	5,441,918
—	450,064	4,649,299	—
1,398,796	1,852,902	531,862	400,103
(4,347,426)	(4,053,119)	(3,724,910)	(3,546,836)
$5,841,708	**$6,588,258**	**$9,208,000**	**$4,011,862**
$91,459,284	$84,871,026	$75,663,026	$71,651,164
$97,300,992	**$91,459,284**	**$84,871,026**	**$75,663,026**
$2,527,726	$2,070,832	$1,783,736	$1,434,632
1,014,070	952,979	897,438	851,133
—	—	—	—
4,212,090	5,095,064	6,211,781	297,514
(4,347,426)	(4,053,119)	(3,724,910)	(3,546,836)
304	2	(134)	10
(46,159)	(92,448)	(82,489)	(34,554)
$3,360,605	**$3,973,310**	**$5,085,422**	**($998,101)**
$64,796,136	$60,998,387	$55,912,965	$56,911,066
—	(175,561)	—	—
64,796,136	60,822,826	55,912,965	56,911,066
68,156,741	64,796,136	60,998,387	55,912,965
$29,144,251	**$26,663,148**	**$23,872,639**	**$19,750,061**
70.0 %	**70.8%**	**71.9%**	**73.9%**
$13,819,881	$13,252,995	$12,643,354	$11,747,602
210.9 %	**201.2%**	**188.8%**	**168.1%**

In Fiscal Year 2019-20, there were no changes to the actuarial assumptions for financial reporting.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This new system has refined and improved calculation methodology.

In December 2017, the CalPERS Board adopted a new inflation assumption. The assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. These changes were implemented in two steps commencing in the June 30, 2018, funding valuation. For financial reporting purposes, these assumption changes were fully reflected in the results for Fiscal Year 2017-18.

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF B was lowered from 7.65 percent to 7.15 percent.

In December 2016, the Board approved lowering the funding discount rate used in the PERF B from 7.50 percent to 7.00 percent, which was phased in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2017, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

Required Supplementary Information (continued)

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

PERF C – 10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
Discount Rate Assumption	**6.90%**	**6.90%**	**6.90%**	**6.90%**	**7.15%**	**7.15%**
Total Pension Liability:						
Service Cost	$1,265,540	$1,181,293	$1,096,304	$1,039,473	$947,349	$912,529
Interest	3,809,778	3,619,682	3,431,712	3,239,025	3,123,532	2,954,008
Changes of Benefit Terms	675	43	305	4,481	1,390	900
Changes of Assumptions	—	—	—	1,606,551	—	—
Differences Between Expected and Actual Experience	687,817	774,988	933,368	(188,502)	615,793	453,273
Benefit Payments, Including Refunds of Member Contributions[1]	(2,856,059)	(2,697,033)	(2,545,680)	(2,349,632)	(2,216,053)	(2,044,232)
Net Change in Total Pension Liability	**$2,907,751**	**$2,878,973**	**$2,916,009**	**$3,351,396**	**$2,472,011**	**$2,276,478**
Total Pension Liability – Beginning	$55,320,957	$52,441,984	$49,526,338	$46,174,942	$43,702,931	$41,426,453
Adjustment to Beginning Amount	—	—	(363)	—	—	—
Total Adjusted Pension Liability – Beginning	**$55,320,957**	**$52,441,984**	**$49,525,975**	**$46,174,942**	**$43,702,931**	**$41,426,453**
Total Pension Liability – Ending (a)	**$58,228,708**	**$55,320,957**	**$52,441,984**	**$49,526,338**	**$46,174,942**	**$43,702,931**
Plan Fiduciary Net Position:						
Contributions – Employer[1]	$1,854,271	$1,614,768	$1,623,130	$2,284,579	$1,921,032	$1,594,811
Contributions – Member[1]	560,838	525,572	457,581	417,129	395,130	381,786
Contributions – Nonemployer	—	4,306	—	—	—	—
Total Net Investment Income[1]	5,276,441	3,815,696	2,347,184	(3,109,188)	7,523,678	1,565,953
Benefit Payments, Including Refunds of Member Contributions[1]	(2,856,059)	(2,697,033)	(2,545,680)	(2,349,632)	(2,210,327)	(2,044,232)
Net Plan-to-Plan Resource Movement[1]	953	(4,167)	136,654	(8,335)	348,384	188,629
Administrative Expenses	(30,983)	(32,260)	(27,756)	(25,686)	(33,744)	(43,860)
Net Change in Plan Fiduciary Net Position	**$4,805,461**	**$3,226,882**	**$1,991,113**	**($2,791,133)**	**$7,944,153**	**$1,643,087**
Plan Fiduciary Net Position – Beginning	$43,193,516	$39,966,634	$37,975,521	$40,766,654	$32,822,501	$31,179,414
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	43,193,516	39,966,634	37,975,521	40,766,654	32,822,501	31,179,414
Plan Fiduciary Net Position – Ending (b)	47,998,977	43,193,516	39,966,634	37,975,521	40,766,654	32,822,501
Net Pension Liability (a) - (b)	**$10,229,731**	**$12,127,441**	**$12,475,350**	**$11,550,817**	**$5,408,288**	**$10,880,430**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**82.4%**	**78.1%**	**76.2%**	**76.7%**	**88.3%**	**75.1%**
Covered Payroll	$5,619,285	$5,161,783	$4,723,688	$4,428,659	$4,371,563	$4,155,772
Net Pension Liability as a Percentage of Covered Payroll	**182.0%**	**234.9%**	**264.1%**	**260.8%**	**123.7%**	**261.8%**

(1) May not agree to the Basic Financial Statements in 2021 and 2020 as a result of adjustments made in both years.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

NOTES TO SCHEDULE

Changes in Benefit Terms
In 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact from this change was deemed to be immaterial and was included in Differences Between Expected and Actual Experience.

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods
In Fiscal Years 2024-25, 2023-24 and 2022-23, there were no changes to the actuarial assumptions or methods in relation to financial reporting.

In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

2019	2018	2017	2016
7.15%	**7.15%**	**7.15%**	**7.65%**
$878,707	$844,273	$820,583	$712,307
2,798,484	2,629,157	2,506,761	2,399,259
1,283	668	2,119	1,478
—	(248,318)	2,122,413	—
705,149	313,467	(18,554)	(6,333)
(1,902,025)	(1,755,740)	(1,630,602)	(1,519,301)
$2,481,598	**$1,783,507**	**$3,802,720**	**$1,587,410**
$38,944,855	$37,161,348	$33,358,628	$31,800,055
—	—	—	(28,837)
$38,944,855	**$37,161,348**	**$33,358,628**	**$31,771,218**
$41,426,453	**$38,944,855**	**$37,161,348**	**$33,358,628**
$1,333,559	$1,182,686	$980,359	$882,991
357,159	334,140	317,024	300,135
—	—	—	—
1,935,939	2,308,558	2,774,321	127,043
(1,902,025)	(1,755,740)	(1,630,602)	(1,519,301)
167,308	116,550	134,513	22,621
(21,115)	(41,980)	(37,052)	(15,263)
$1,870,825	**$2,144,214**	**$2,538,563**	**($201,774)**
$29,308,589	$27,244,095	$24,705,532	$24,907,306
—	(79,720)	—	—
29,308,589	27,164,375	24,705,532	24,907,306
31,179,414	29,308,589	27,244,095	24,705,532
$10,247,039	**$9,636,266**	**$9,917,253**	**$8,653,096**
75.3%	**75.3%**	**73.3%**	**74.1%**
$3,949,226	$3,793,609	$3,631,919	$3,472,950
259.5%	**254.0%**	**273.1%**	**249.2%**

In Fiscal Year 2020-21, there were no changes to actuarial assumptions or methods in relation to financial reporting. The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2019-20, no changes occurred to the actuarial assumptions in relation to financial reporting.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This new system has refined and improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. These changes were implemented in two steps commencing in the June 30, 2017, funding valuation. For financial reporting purposes, these assumption changes were fully reflected in the results for Fiscal Year 2017-18.

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. In December 2016, the Board approved lowering the funding discount rate used in the PERF C from 7.50 percent to 7.00 percent, which was phased in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2016, valuation reports. The funding discount rate included a 15 basis-point reduction for administrative expenses, and the remaining decrease was consistent with the change in the financial reporting discount rate.

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

LRF – 10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
Discount Rate Assumption	**4.85%**	**4.85%**	**4.85%**	**4.85%**	**5.25%**	**5.25%**
Total Pension Liability:						
Service Cost	$0	$0	$52	$108	$101	$100
Interest	4,385	4,351	4,248	4,299	4,749	4,885
Changes of Assumptions	—	—	—	1,024	—	—
Differences Between Expected and Actual Experience	3,728	5,119	1,444	(992)	(732)	2,320
Benefit Payments, Including Refunds of Member Contributions	(7,336)	(7,436)	(7,088)	(6,647)	(6,761)	(6,939)
Net Change in Total Pension Liability	**$777**	**$2,034**	**($1,344)**	**($2,208)**	**($2,643)**	**$366**
Total Pension Liability – Beginning	$90,349	$88,315	$89,659	$91,867	$94,510	$94,144
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$90,349**	**$88,315**	**$89,659**	**$91,867**	**$94,510**	**$94,144**
Total Pension Liability – Ending (a)	**$91,126**	**$90,349**	**$88,315**	**$89,659**	**$91,867**	**$94,510**
Plan Fiduciary Net Position:						
Contributions – Employer	$75	$0	$44	$85	$92	$98
Contributions – Member	—	—	11	23	21	22
Total Net Investment Income	6,452	4,905	603	(12,449)	15,098	7,013
Benefit Payments, Including Refunds of Member Contributions	(7,336)	(7,436)	(7,088)	(6,647)	(6,761)	(6,939)
Administrative Expenses	(712)	(663)	(525)	(436)	(450)	(550)
Net Change in Plan Fiduciary Net Position	**($1,521)**	**($3,194)**	**($6,955)**	**($19,424)**	**$8,000**	**($356)**
Plan Fiduciary Net Position – Beginning	$92,475	$95,669	$102,624	$122,048	$114,048	$114,404
Adjustments[1]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	92,475	95,669	102,624	122,048	114,048	114,404
Plan Fiduciary Net Position – Ending (b)	90,954	92,475	95,669	102,624	122,048	114,048
Net Pension Asset (a) - (b)	**$172**	**($2,126)**	**($7,354)**	**($12,965)**	**($30,181)**	**($19,538)**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**99.8%**	**102.4%**	**108.3%**	**114.5%**	**132.9%**	**120.7%**
Covered Payroll	$0	$0	$138	$290	$267	$278
Net Pension Asset as a Percentage of Covered Payroll	**N/A**	**N/A**	**(5,329.0%)**	**(4,470.7%)**	**(11,303.7%)**	**(7,028.1%)**

(1) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Years 2022-23, 2023-24,and 2024-25 there were no changes to assumptions or methods in relation to financial reporting.

In April 2022, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For the Legislators' Retirement Fund (LRF), these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were revised assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was increased from 0.25 percent to 0.35 percent, and the discount rate was reduced from 5.00 percent to 4.50 percent. As a result, for financial reporting purposes, the discount rate for the LRF was lowered from 5.25 percent to 4.85 percent in Fiscal Year 2021-22.

In Fiscal Year 2020-21, there were no changes to the actuarial assumptions in relation to financial reporting. The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These

Required Supplementary Information (continued)

2019	2018	2017	2016
5.25%	**5.25%**	**5.25%**	**6.00%**
$268	$542	$639	$608
4,871	4,987	5,291	5,978
—	(2,529)	7,857	—
(427)	(2,061)	(5,998)	(3,530)
(7,349)	(6,918)	(7,249)	(7,407)
($2,637)	**($5,979)**	**$540**	**($4,351)**
$96,781	$102,760	$102,220	$106,730
—	—	—	(159)
$96,781	**$102,760**	**$102,220**	**$106,571**
$94,144	**$96,781**	**$102,760**	**$102,220**
$250	$467	$516	$549
91	82	94	97
7,860	5,486	5,048	4,545
(7,349)	(6,918)	(7,249)	(7,407)
(324)	(671)	(575)	(203)
$528	**($1,554)**	**($2,166)**	**($2,419)**
$113,876	$116,884	$119,050	$121,469
—	(1,454)	—	—
113,876	115,430	119,050	121,469
114,404	113,876	116,884	119,050
($20,260)	**($17,095)**	**($14,124)**	**($16,830)**
121.5%	**117.7%**	**113.7%**	**116.5%**
$655	$1,242	$1,360	$1,313
(3,093.1%)	**(1,376.4%)**	**(1,038.5%)**	**(1,281.8%)**

changes will apply only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2019-20, there were no changes to the actuarial assumptions in relation to financial reporting.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This system refined and improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the financial reporting discount rate for the LRF was lowered from 6.00 percent to 5.25 percent. In April 2017, the Board approved lowering the funding discount rate used in the LRF from 5.75 percent to 5.00 percent beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 25 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

Required Supplementary Information (continued)

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

JRF – 10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
Discount Rate Assumption	**5.20%**	**3.97%**	**3.86%**	**3.69%**	**1.92%**	**2.45%**
Total Pension Liability:						
Service Cost	$4,944	$7,660	$9,541	$10,345	$17,861	$17,026
Interest	107,006	93,495	96,524	93,559	64,480	79,719
Changes of Assumptions	(216,806)	(21,972)	(36,907)	(598,096)	179,421	218,683
Differences Between Expected and Actual Experience	31,928	(14,317)	111,908	(92,633)	40,007	(41,794)
Benefit Payments, Including Refunds of Member Contributions	(211,739)	(212,542)	(216,271)	(210,491)	(210,951)	(213,233)
Net Change in Total Pension Liability	**($284,667)**	**($147,676)**	**($35,205)**	**($797,316)**	**$90,818**	**$60,401**
Total Pension Liability – Beginning	$2,346,092	$2,493,768	$2,528,973	$3,326,289	$3,235,471	$3,175,070
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$2,346,092**	**$2,493,768**	**$2,528,973**	**$3,326,289**	**$3,235,471**	**$3,175,070**
Total Pension Liability – Ending (a)	**$2,061,425**	**$2,346,092**	**$2,493,768**	**$2,528,973**	**$3,326,289**	**$3,235,471**
Plan Fiduciary Net Position:						
Contributions – Employer and General Fund[1]	$218,682	$212,532	$208,785	$194,960	$225,824	$243,131
Contributions – Member	1,274	1,481	1,697	1,956	2,146	2,843
Total Net Investment Income	6,712	6,247	5,261	2,499	2,625	3,087
Benefit Payments, Including Refunds of Member Contributions	(211,739)	(212,542)	(216,271)	(210,492)	(210,951)	(213,233)
Administrative Expenses	(2,562)	(2,411)	(2,031)	(1,677)	(1,731)	(2,270)
Net Change in Plan Fiduciary Net Position	**$12,367**	**$5,307**	**($2,559)**	**($12,754)**	**$17,913**	**$33,558**
Plan Fiduciary Net Position – Beginning	$51,634	$46,327	$48,886	$61,640	$43,727	$10,169
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	51,634	46,327	48,886	61,640	43,727	10,169
Plan Fiduciary Net Position – Ending (b)	64,001	51,634	46,327	48,886	61,640	43,727
Net Pension Liability (a) - (b)	**$1,997,424**	**$2,294,458**	**$2,447,441**	**$2,480,087**	**$3,264,649**	**$3,191,744**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**3.1%**	**2.2%**	**1.9%**	**1.9%**	**1.9%**	**1.4%**
Covered Payroll	$14,330	$16,462	$20,083	$20,916	$20,808	$22,875
Net Pension Liability as a Percentage of Covered Payroll	**13,938.8%**	**13,937.9%**	**12,186.6%**	**11,857.4%**	**15,689.4%**	**13,953.0%**

(1) Includes State of California General Fund.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Year 2024-25, the discount rate used to measure the total pension liability was 5.20 percent. The state funds the Judges' Retirement Fund (JRF) benefit obligations using the pay-as-you-go method. Member contributions plus state contributions are designed to cover only benefit payments and expenses each year. Under the pay-as-you-go method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments of current active and inactive employees. Therefore, a discount rate of 5.20 percent, which falls within a reasonable range of yields on 20-year tax-exempt General Obligation Municipal Bonds with an average rating of AA (as reported on Bond Buyer Indices 20 GO Yield) as of June 30, 2024, was applied to all periods of projected benefit payments to measure the total pension liability.

In Fiscal Year 2023-24, the discount rate used to measure the total pension liability was 3.97 percent. The 3.86 percent discount rate falls within a reasonable range of yields on 20-year tax-exempt General Obligation Municipal Bonds with an average rating of AA (as reported in Fidelity Index's "20-Year Municipal GO AA Index") as of June 30, 2023.

In Fiscal Year 2022-23, the discount rate used to measure the total pension liability was 3.86 percent.

In Fiscal Year 2021-22, the discount rate used to measure the total pension liability was 3.69 percent. In November 2021 and April 2022, the CalPERS Board adopted several changes to actuarial assumptions. For the JRF, these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation, mortality rates, and retirement rates. In addition, individual salary and overall payroll increase assumptions were increased from 2.75 percent to 2.8 percent.

2019	2018	2017	2016
3.13%	**3.62%**	**3.56%**	**2.85%**
$20,073	$19,131	$22,733	$29,314
99,428	109,395	115,067	107,515
153,651	(20,879)	(107,670)	384,306
86,873	(121,259)	(366,200)	(59,421)
(221,954)	(207,823)	(200,440)	(199,349)
$138,071	**($221,435)**	**($536,510)**	**$262,365**
$3,036,999	$3,258,434	$3,794,944	$3,532,394
—	—	—	185
$3,036,999	**$3,258,434**	**$3,794,944**	**$3,532,579**
$3,175,070	**$3,036,999**	**$3,258,434**	**$3,794,944**
$195,903	$199,241	$204,475	$192,287
2,679	3,062	3,398	3,559
3,942	3,378	2,819	2,762
(221,954)	(207,823)	(200,440)	(199,349)
(10,032)	(2,106)	(1,771)	(642)
($29,462)	**($4,248)**	**$8,481**	**($1,383)**
$39,631	$48,275	$39,794	$41,177
—	(4,396)	—	—
39,631	43,879	39,794	41,177
10,169	39,631	48,275	39,794
$3,164,901	**$2,997,368**	**$3,210,159**	**$3,755,150**
0.3%	**1.3%**	**1.5%**	**1.0%**
$31,945	$35,507	$39,413	$34,301
9,907.3%	**8,441.6%**	**8,144.9%**	**10,947.6%**

Retirement benefits are fully adjusted for increases in salaries for the active judges of the same court from which the member retired. Therefore, the cost-of-living adjustment is increased to 2.8 percent.

In Fiscal Year 2020-21, the discount rate used to measure the total pension liability was 1.92 percent. There were no other changes to assumptions or methods in relation to financial reporting.

In Fiscal Year 2019-20, the discount rate used to measure the total pension liability was 2.45 percent. There were other changes to assumptions or methods in relation to financing reporting.

In Fiscal Year 2018-19, the discount rate used to measure the total pension liability was 3.13 percent. CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This new system refined and improved calculation methodology.

In Fiscal Year 2017-18, the discount rate used to measure the total pension liability was 3.62 percent. In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the discount rate used to measure the total pension liability was 3.56 percent. Assumption changes were made in the JRF June 30, 2016, valuation including a lowering of the rates of retirement to reflect that there were fewer actual retirements over the past six years than were assumed. In addition, pre-retirement termination and disability rates were removed due to low expected future terminations and disability retirements for this group.

In Fiscal Year 2015-16, the discount rate used to measure the total pension liability was 2.85 percent.

Required Supplementary Information (continued)

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

JRF II – 10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
Discount Rate Assumption	**6.15%**	**6.15%**	**6.15%**	**6.15%**	**6.65%**	**6.65%**
Total Pension Liability:						
Service Cost	$134,804	$128,636	$121,141	$115,808	$116,782	$114,486
Interest	155,541	143,958	131,805	120,585	126,948	115,517
Changes of Benefit Terms	—	—	(1,452)	—	—	—
Changes of Assumptions	—	—	—	(59,394)	—	—
Differences Between Expected and Actual Experience	15,490	32,448	20,135	(67,751)	(10,975)	(2,797)
Benefit Payments, Including Refunds of Member Contributions	(106,520)	(99,168)	(83,868)	(66,739)	(61,994)	(34,547)
Net Change in Total Pension Liability	**$199,315**	**$205,874**	**$187,761**	**$42,509**	**$170,761**	**$192,659**
Total Pension Liability – Beginning	$2,499,486	$2,293,612	$2,105,851	$2,063,342	$1,892,581	$1,699,922
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$2,499,486**	**$2,293,612**	**$2,105,851**	**$2,063,342**	**$1,892,581**	**$1,699,922**
Total Pension Liability – Ending (a)	**$2,698,801**	**$2,499,486**	**$2,293,612**	**$2,105,851**	**$2,063,342**	**$1,892,581**
Plan Fiduciary Net Position:						
Contributions – Employer and General Fund[1]	$101,531	$96,316	$89,970	$92,773	$84,147	$91,147
Contributions – Member	45,898	42,936	38,669	36,529	34,094	35,796
Total Net Investment Income	307,480	267,421	151,749	(324,362)	463,478	80,074
Benefit Payments, Including Refunds of Member Contributions	(106,520)	(99,168)	(83,868)	(66,739)	(61,994)	(34,547)
Administrative Expenses	(2,909)	(2,637)	(2,126)	(1,842)	(1,703)	(2,552)
Net Change in Plan Fiduciary Net Position	**$345,480**	**$304,868**	**$194,394**	**($263,641)**	**$518,022**	**$169,918**
Plan Fiduciary Net Position – Beginning	$2,633,650	$2,328,782	$2,134,388	$2,398,029	$1,880,007	$1,710,089
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	2,633,650	2,328,782	2,134,388	2,398,029	1,880,007	1,710,089
Plan Fiduciary Net Position – Ending (b)	2,979,130	2,633,650	2,328,782	2,134,388	2,398,029	1,880,007
Net Pension Liability/(Asset) (a) - (b)	**($280,329)**	**($134,164)**	**($35,170)**	**($28,537)**	**($334,687)**	**$12,574**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**110.4%**	**105.4%**	**101.5%**	**101.4%**	**116.2%**	**99.3%**
Covered Payroll	$417,221	$399,244	$378,328	$360,771	$361,108	$352,700
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**(67.2%)**	**(33.6%)**	**(9.3%)**	**(7.9%)**	**(92.7%)**	**3.6%**

(1) Includes State of California General Fund.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Year 2024-25, there were no changes to assumptions or methods in relation to financing reporting.

In Fiscal Year 2023-24, AB 2443 became effective on January 1, 2024. There were no changes to assumptions or methods in relation to financing reporting.

In Fiscal Year 2022-23, AB 2443 provided judges in JRF II the ability to retire early and elect a deferred retirement allowance. More information can be found in the June 30, 2022, JRF II funding valuation. There were no changes to assumptions or methods in relation to financing reporting.

In April 2022, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For the Judges' Retirement Fund II (JRF II), these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation and the discount rate, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent and the discount rate was reduced from 6.50 percent to 6.00 percent. As a result, for financial reporting purposes, the discount rate for the JRF II was lowered from 6.65 percent to 6.15 percent in Fiscal Year 2021-22.

In Fiscal Year 2020-21, no changes were made to the actuarial assumptions in relation to financing reporting.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial

Required Supplementary Information (continued)

2019	2018	2017	2016
6.65%	**6.65%**	**6.65%**	**7.15%**
$103,791	$95,843	$97,678	$86,635
103,889	91,419	85,654	78,412
—	—	—	—
—	(41,763)	69,233	—
30,291	(26,876)	(26,382)	(4,546)
(36,204)	(31,795)	(22,406)	(21,704)
$201,767	**$86,828**	**$203,777**	**$138,797**
$1,498,155	$1,411,327	$1,207,550	$1,073,788
—	—	—	(5,035)
$1,498,155	**$1,411,327**	**$1,207,550**	**$1,068,753**
$1,699,922	**$1,498,155**	**$1,411,327**	**$1,207,550**
$84,099	$79,699	$67,102	$65,839
31,376	27,513	25,076	24,598
106,781	101,820	115,057	20,810
(36,204)	(31,795)	(22,406)	(21,704)
(1,477)	(2,370)	(1,683)	(732)
$184,575	**$174,867**	**$183,146**	**$88,811**
$1,525,514	$1,356,099	$1,172,953	$1,084,142
—	(5,452)	—	—
1,525,514	1,350,647	1,172,953	1,084,142
1,710,089	1,525,514	1,356,099	1,172,953
($10,167)	**($27,359)**	**$55,228**	**$34,597**
100.6%	**101.8%**	**96.1%**	**97.1%**
$318,827	$299,396	$291,097	$280,879
(3.2)%	**(9.1%)**	**19.0%**	**12.3%**

valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes applied only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2019-20, no changes have occurred to the actuarial assumptions in relation to financial reporting.

CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This system has refined and improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the financial reporting discount rate for the JRF II was lowered from 7.15 percent to 6.65 percent. In April 2017, the Board approved lowering the funding discount rate used in the JRF II from 7.00 percent to 6.50 percent beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

Required Supplementary Information (continued)

SCHEDULES OF PLAN CONTRIBUTIONS

10-Year Review (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020
PERF B:						
Actuarially Determined Contribution	$5,706,849	$5,262,302	$4,391,877	$3,511,338	$2,969,799	$2,759,835
Contributions in Relation to the Actuarially Determined Contribution	5,706,849	5,262,302	4,391,877	3,511,338	2,969,799	3,663,835
Contribution Excess	**$0**	**$0**	**$0**	**$0**	**$0**	**$904,000**
Covered Payroll	$20,865,342	$18,535,628	$16,275,075	$14,767,213	$14,885,212	$14,447,159
Contributions as a Percentage of Covered Payroll	27.4%	28.4%	27.0%	23.8%	20.0%	25.4%
PERF C:						
Actuarially Determined Contribution	$1,749,021	$1,509,408	$1,490,966	$1,414,309	$1,337,952	$1,222,537
Contributions in Relation to the Actuarially Determined Contribution	1,854,271	1,614,768	1,623,130	2,284,579	1,921,032	1,597,137
Contribution Excess	**$105,250**	**$105,360**	**$132,164**	**$870,270**	**$583,080**	**$374,600**
Covered Payroll	$5,619,285	$5,161,783	$4,723,688	$4,428,659	$4,371,563	$4,155,772
Contributions as a Percentage of Covered Payroll	33.0%	31.3%	34.4%	51.6%	43.9%	38.4%
LRF:						
Actuarially Determined Contribution[1]	$75	$0	$44	$85	$78	$98
Contributions in Relation to the Actuarially Determined Contribution[2]	75	—	44	85	78	98
Contribution Excess	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Covered Payroll	$0	$0	$138	$290	$267	$278
Contributions as a Percentage of Covered Payroll	N/A	N/A	31.9%	29.3%	29.2%	35.3%
JRF:						
Actuarially Determined Contribution	$297,054	$315,809	$313,118	$352,881	$366,446	$414,849
Contributions in Relation to the Actuarially Determined Contribution[3]	218,682	212,532	208,785	194,960	225,824	243,131
Contribution Deficiency	**$78,372**	**$103,277**	**$104,333**	**$157,921**	**$140,622**	**$171,718**
Covered Payroll	$14,330	$16,462	$20,083	$20,916	$20,808	$22,875
Contributions as a Percentage of Covered Payroll	1,526.0%	1,291.0%	1,039.6%	932.1%	1,085.3%	1,062.9%
JRF II:						
Actuarially Determined Contribution	$101,531	$96,316	$89,970	$91,887	$84,147	$91,147
Contributions in Relation to the Actuarially Determined Contribution	101,531	96,316	89,970	92,773	84,147	91,147
Contribution Excess	**$0**	**$0**	**$0**	**$886**	**$0**	**$0**
Covered Payroll	$417,221	$399,244	$378,328	$360,771	$361,108	$352,700
Contributions as a Percentage of Covered Payroll	24.3%	24.1%	23.8%	25.7%	23.3%	25.8%

(1) Does not agree to Basic Financial Statements due to an adjustment in 2021.
(2) Because of the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA), the required employer contribution is the greater of the actuarially determined employer contribution or the employer normal cost.
(3) Contributions to the JRF are made on the pay-as-you-go basis.

Required Supplementary Information (continued)

2019	2018	2017	2016
$2,501,770	$2,048,531	$1,767,813	$1,421,289
2,501,770	2,048,531	1,767,813	1,421,289
$0	**$0**	**$0**	**$0**
$13,819,881	$13,252,995	$12,643,354	$11,747,602
18.1%	15.5%	14.0%	12.1%
$1,081,111	$947,056	$761,350	$696,439
1,333,559	1,182,686	858,954	789,103
$252,448	**$235,630**	**$97,604**	**$92,664**
$3,949,226	$3,793,609	$3,631,919	$3,472,950
33.8%	31.2%	23.7%	22.7%
$250	$20	$0	$141
250	467	516	549
$0	**$447**	**$516**	**$408**
$655	$1,242	$1,360	$1,313
38.2%	37.6%	37.9%	41.8%
$415,110	$438,156	$448,636	$463,073
195,903	199,241	204,475	192,287
$219,207	**$238,915**	**$244,161**	**$270,786**
$31,945	$35,507	$39,413	$34,301
613.3%	561.1%	518.8%	560.6%
$84,099	$79,699	$67,102	$65,839
84,099	79,699	67,102	65,839
$0	**$0**	**$0**	**$0**
$318,827	$299,396	$291,097	$280,879
26.4%	26.6%	23.1%	23.4%

Required Supplementary Information (continued)

PERF B and C Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions – 10-Year Review

	2024-25	2023-24	2022-23	2021-22	2020-21
PERF B					
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing
Remaining Amortization Periods[1]	6-25 years	7-26 years	8-27 years	9-28 years	10-29 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service
Investment Rate of Return	6.80%	6.80%	6.80%	7.00%	7.00%
PERF C					
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Periods[1]	Differs by employer rate plan but no more than 26 years	Differs by employer rate plan but no more than 27 years	Differs by employer rate plan but no more than 28 years	Differs by employer rate plan but no more than 29 years	Differs by employer rate plan but no more than 30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%
Salary Increases	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service
Investment Rate of Return	6.80%	6.80%	7.00%	7.00%	7.00%

(1) Remaining periods vary by portion of unfunded liability balance being amortized.

Required Supplementary Information (continued)

	2019-20	2018-19	2017-18	2016-17	2015-16
PERF B					
	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
	11-30 years	12-30 years	13-30 years	14-30 years	15-30 years
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
	2.63%	2.75%	2.75%	2.75%	2.75%
	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service
	7.25%	7.38%	7.50%	7.50%	7.50%
PERF C					
	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
	Differs by employer rate plan but no more than 30 years	Differs by employer rate plan but no more than 30 years	Differs by employer rate plan but no more than 30 years	Differs by employer rate plan but no more than 30 years	Differs by employer rate plan but no more than 30 years
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
	2.63%	2.75%	2.75%	2.75%	2.75%
	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service
	7.25%	7.38%	7.50%	7.50%	7.50%

Required Supplementary Information (continued)

LRF, JRF, and JRF II Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions – 10-Year Review

	2024-25	2023-24	2022-23	2021-22	2020-21
LRF					
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Dollar	Level Dollar and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing
Remaining Amortization Periods[1]	1 year	N/A	N/A	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.80%	2.75%	2.75%
Investment Rate of Return	4.50%	4.50%	4.50%	5.00%	5.00%
JRF					
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Periods	10 years	10 years	10 years	10 years	10 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.80%	2.75%	2.75%
Investment Rate of Return	3.00%	3.00%	3.00%	3.00%	3.00%
JRF II					
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Dollar and Direct Rate Smoothing	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Periods[1]	9 - 20 years	10 years	N/A	20 years	5 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.80%	2.75%	2.75%
Investment Rate of Return	6.00%	6.00%	6.00%	6.50%	6.50%

(1) Remaining periods vary by portion of unfunded liability balance being amortized.

Required Supplementary Information (continued)

2019-20	2018-19	2017-18	2016-17	2015-16
LRF				
Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
N/A	30 years	30 years	63 years	29-30 years
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
2.50%	2.50%	2.75%	2.75%	2.75%
2.75%	2.75%	3.00%	3.00%	3.00%
5.00%	5.00%	5.00%	5.75%	5.75%
JRF				
Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
10 years	10 years	10 years	10 years	10 years
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
2.50%	2.50%	2.75%	2.75%	2.75%
2.75%	2.75%	3.00%	3.00%	3.00%
3.00%	3.00%	3.25%	4.25%	4.25%
JRF II				
Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
5-30 years	2-30 years	20-30 years	30 years	30 years
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
2.50%	2.50%	2.75%	2.75%	2.75%
2.75%	2.75%	3.00%	3.00%	3.00%
6.50%	6.50%	6.50%	7.00%	7.00%

Required Supplementary Information (continued)

SCHEDULE OF INVESTMENT RETURNS

Annual Money-Weighted Rate of Return, Net of Investment Expense – 10-Year Review

Plan	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PERF A										
Agent	12.1%	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%
PERF B										
Schools Cost-Sharing	12.1%	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%
PERF C										
Public Agency Cost-Sharing	12.1%	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%
LRF	7.1%	5.2%	0.6%	(10.3%)	13.4%	6.2%	7.0%	4.8%	4.3%	3.8%
JRF	5.9%	6.6%	4.5%	0.3%	0.3%	2.3%	3.2%	1.9%	1.0%	0.5%
JRF II	11.6%	11.4%	7.1%	(13.4%)	24.3%	4.1%	6.9%	7.4%	9.6%	1.9%
CERBTF	12.0%	10.6%	6.0%	(14.0%)	25.6%	4.0%	6.5%	7.3%	10.0%	1.6%
CEPPTF[1]	9.8%	8.7%	4.7%	(13.9%)	14.4%	—%	—%	—%	—%	—%

(1) Information in this schedule is not available prior to 2021.

Required Supplementary Information (continued)

PUBLIC EMPLOYEES' HEALTH CARE FUND

Schedule of Claims Development Information (Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
1) Net Earned Required Premium and Investment Revenues	$4,775,028	$4,523,673	$4,525,821	$4,099,125	$3,949,155	$3,772,501	$3,751,406	$3,985,393	$3,829,095	$3,801,266
2) Unallocated Expenses	$278,802	$301,247	$315,863	$309,473	$304,990	$331,235	$299,053	$304,408	$312,924	$355,779
3) Estimated Incurred Claims and Expenses, End of Policy Year	$4,263,588	$4,263,764	$4,361,650	$4,227,754	$3,750,063	$3,569,208	$3,666,596	$3,576,081	$3,391,183	$3,424,147
4) Paid (Cumulative) as of:										
End of Policy Year	$3,750,125	$3,652,830	$3,789,762	$3,608,399	$3,267,719	$3,111,826	$3,244,896	$3,039,289	$3,061,085	$3,000,726
One Year Later	—	4,078,886	4,280,264	4,135,075	3,714,863	3,475,051	3,620,210	3,380,649	3,395,673	3,406,016
Two Years Later	—	—	4,299,365	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Three Years Later	—	—	—	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Four Years Later	—	—	—	—	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Five Years Later	—	—	—	—	—	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Six Years Later	—	—	—	—	—	—	3,627,419	3,386,762	3,395,673	3,406,016
Seven Years Later	—	—	—	—	—	—	—	3,386,762	3,395,673	3,406,016
Eight Years Later	—	—	—	—	—	—	—	—	3,395,673	3,406,016
Nine Years Later	—	—	—	—	—	—	—	—	—	3,406,016
5) Re-Estimated Incurred Claims Expenses:										
End of Policy Year	$4,263,588	$4,263,764	$4,361,650	$4,227,754	$3,750,063	$3,569,208	$3,666,596	$3,576,081	$3,391,183	$3,424,147
One Year Later	—	4,078,886	4,280,264	4,135,075	3,714,863	3,475,051	3,620,210	3,380,649	3,395,673	3,406,016
Two Years Later	—	—	4,299,365	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Three Years Later	—	—	—	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Four Years Later	—	—	—	—	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Five Years Later	—	—	—	—	—	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016
Six Years Later	—	—	—	—	—	—	3,627,419	3,386,762	3,395,673	3,406,016
Seven Years Later	—	—	—	—	—	—	—	3,386,762	3,395,673	3,406,016
Eight Years Later	—	—	—	—	—	—	—	—	3,395,673	3,406,016
Nine Years Later	—	—	—	—	—	—	—	—	—	3,406,016
6) Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year	$0	($184,878)	($62,285)	($69,904)	($21,764)	($86,859)	($39,177)	($189,319)	$4,490	($18,131)

Rows 1 through 6 contain the following information:

(1) This line shows the total earned premium revenues and investment revenues for each fiscal year.

(2) This line shows other HCF operating costs, including overhead and claims expense not allocable to individual claims, for each fiscal year.

(3) This line shows the HCF incurred claims and allocated claim adjustment expenses (both paid and accrued) as reported at the end of the policy year. The policy year is the first year in which the triggering event under the contract occurred.

(4) This section shows the cumulative amounts paid as of the end of each policy year and years succeeding the policy year.

(5) This section shows re-estimated incurred claims as of the end of each policy year and years succeeding the policy year. Re-estimates are based on new information on new claims not previously reported.

(6) This line compares the amount of the re-estimated incurred claims to the amount initially established (line 3), and shows whether the re-estimate is greater or less than projected. As data mature for individual policy years, the correlation between initial estimates and re-estimates is used to evaluate the accuracy of incurred claims currently recognized.

Other Supplementary Information

ADMINISTRATIVE EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS)

	2025
PERSONAL SERVICES	
Salaries & Wages	$215,822
Employee Benefits	112,012
Accrued Pension & OPEB Expense	(50,293)
Total Personal Services	**$277,541**
CONSULTANT & PROFESSIONAL SERVICES	
State of California Agencies	$5,585
External Consultants	24,212
Retiree Benefit Trust Management Fees	90
Pension Prefunding Trust Management Fees	18
Deferred Compensation Management/Custody Fees	2,797
Health Plan Administrator Fees	235,519
Long-Term Care Administrator Fees	23,342
Total Consultant & Professional Services	**$291,563**
OPERATING EXPENSES & EQUIPMENT	
General Expense	$9,490
Software	1,000
Printing	78
Building	27,623
Postage	3,210
Communications	1,662
Data Processing Services	17,164
Travel	1,367
Training	820
Medical Examiners	2,128
Facilities Operation	3,206
Central Administrative Services	23,840
Administrative Hearings	753
Consolidated Data Center	214
CSUS Foundation - Students	196
Equipment	1,611
Total Operating Expenses & Equipment	**$94,362**
OTHER EXPENSES & ADJUSTMENTS	
Depreciation Expense	$21,463
Increase/(Decrease) in Paid Absence Obligation	38,651
Amortization	81
Miscellaneous	2,100
Total Other Expenses & Adjustments	**$62,295**
TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS	**$725,761**

The total pension administration cost for Fiscal Year 2023-24, the most recent available, was $199 per active member and annuitant, compared to $194 in Fiscal Year 2022-23.

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS

Investment Management Fees[1, 2] (Dollars in Thousands)

	Fees
Equity Managers	
Arrowstreet Capital, LP	$41,602
Baillie Gifford Overseas, Ltd	925
Connor Clark & Lunn Investment Management, Ltd	4,948
Hamilton Lane Advisors, LLC	243
Wellington Management Company, LLP	2,961
Total Equity Managers	**$50,679**
Private Equity Managers[3, 4]	
2SP I, LP	$0
57 Stars Global Opportunities Fund 2 (CalPERS), LLC	1,078
57 Stars Global Opportunities Fund, LLC	200
Accel-KKR Capital Partners VII, LP	3,600
Acrew Capital Fund III, LP	1,458
Acrew Diversify Capital Fund II, LP	833
Advent Global Technology II , LP	2,226
Advent International GPE IX , LP	6,681
Advent International GPE VI-A, LP	569
Advent International GPE VII-C, LP	1,423
Advent International GPE VIII-B , LP	3,939
Advent International GPE X , LP	9,715
AlpInvest Secondaries Fund (onshore) VII, LP	3,439
Amberbrook IX LP	2,025
American Industrial Partners Capital Fund VIII, LP	3,776
Apollo Investment Fund IX, LP	2,755
Apollo Investment Fund VIII, LP	207
Apollo Investment Fund X, LP	2,508
Apollo Special Opportunities Managed Account, LP	309
Ares Corporate Opportunities Fund V, LP	1,644
Ares Corporate Opportunities Fund VI, LP	3,250
Arlington Capital Partners VI, LP	3,625
Arsenal Capital Partners Growth, LP	(28)
Arsenal Capital Partners VI, LP	(786)
ASF VIII B, LP	1,887
B Capital Ascent Fund III, LP	3,305
B Capital Global Growth III, LP	1,066
B Capital Opportunities Fund II, LP	2,350
Bain Capital Asia Fund V, LP	3,000
Bain Capital Europe Fund VI, SCSp	1,412
Bain Capital Insurance Fund, LP	1,094
Bain Capital Life Sciences Fund IV, LP	1,923
Bain Capital Tech Opportunities Fund II, LP	1,500
Bain Capital Venture Fund 2022, LP	3,731
Balderton Capital Growth II, S.L.P.	897
Balderton Capital IX, S.L.P.	1,182
Base10 Partners III, LP	1,204
Base10 Series B I, LP	967
BDC III C, LP	748
BDC IV D, LP	2,711
BDC V C, LP	$850
BE VI 'H', LP	3,843
Bear Coast Partnerships, LP	170
Berkshire Fund X, LP	4,817
Berkshire Fund XI, LP	386
Bessemer Venture Partners XII Institutional, LP	2,687
Beyond SPV I, LP	500
Biogeneration Capital Fund V Cooperatief UA	430
Blackstone Capital Partners IX, LP	2,817
Blackstone Capital Partners VI, LP	—
Blackstone Capital Partners VII, LP	1,723
Blackstone Capital Partners VIII, LP	2,293
Blackstone Core Equity Partners II, LP	4,772
Blackstone Tactical Opportunities Fund - C, LP	486
Blackstone Tactical Opportunities Fund II - C, LP	1,085
Blackstone Tactical Opportunities Fund III-C (Surge), LP	952
Blackstone Tactical Opportunities Fund III-C, LP	1,330
BOND III, LP	996
Bridgepoint Europe VII D, LP	1,464
BRV Lotus Fund III, LP	2,475
Butterfly II, LP	1,485
BVP Forge Institutional, LP	700
CA Co-Investment , LP	100
CA1 SPV, LP	—
California Emerging Ventures IV, LLC	126
Canaan Gold Coast, LP	262
Canaan XIII Healthcare Fund, LP	393
Canaan XIII, LP	2,174
Capital Link Fund I, LLC	382
Capital Link Fund II, LLC	380
CapVest Equity Partners V, SCSp	5,853
Carlyle Asia Partners V, LP	1,213
Carlyle Europe Partners V, S.C.Sp.	1,681
Carlyle Partners V, LP	(83)
Carlyle Partners VI, LP	117
Carlyle Partners VII, LP	1,857
Carlyle Partners VIII, LP	4,128
Carlyle Strategic Partners IV, LP	1,354
Carlyle U.S. Equity Opportunities II, LP	663
CDH Fund V, LP	1,017
Centerbridge Capital Partners III, LP	1,025
Cerberus CAL II Partners, LP	(38)
Cerberus CAL III Partners, LP	1,977
Cerberus CP Partners, LP	349
Cerberus Institutional Partners V, LP	(39)
Cerberus Supply Chain Fund, LP	3,752
Clayton, Dubilier & Rice Fund X, LP	887
Clayton, Dubilier & Rice Fund XI, LP	2,363
Clayton, Dubilier & Rice Fund XII, LP	4,061

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

	Fees
Clearlake Capital Partners IV, LP	$251
Clearlake Capital Partners V, LP	87
Clearlake Capital Partners VII, LP	3,542
Clearlake Opportunities Partners (P), LP	579
Coalesce Capital Fund I, LP	2,770
Coefficient Capital Apex Fund I, LP	2,153
Coefficient Capital Fund II, LP	1,106
Crosspoint Capital Fund II, LP	5,784
Crosspoint Capital ISB Fund I, LP	2,930
Crosspoint Capital Ventures Fund I, LP	4,815
CVC Capital Partners Asia V, LP	2,076
CVC Capital Partners Asia VI (A), LP	3,481
CVC Capital Partners IX (A), LP	6,333
CVC Capital Partners Strategic Opportunities Compounding Capital, LP	5,243
CVC Capital Partners VI, LP	1,881
CVC Capital Partners VII (A), LP	4,133
CVC Capital Partners VIII (A), LP	4,356
Dragoneer Opportunities Fund VI, LP	563
EMAlternatives Investments, LP	300
Ember Infrastructure Fund II-B, LP	2,469
EQT Healthcare Growth (No.2) SCSp	1,422
EQT IX (No.2) USD SCSp	9,026
EQT X (No.2) USD SCSp	6,375
First Reserve Fund XIII, LP	715
Forbion BioEconomy Fund I Coöperatief UA	583
Forbion Growth Opportunities Fund II Cooperatief UA	334
Forbion Growth Opportunities Fund III Coöperatief UA	3,532
Forbion Ventures Fund VI Cooperatief UA	3,436
Forbion Ventures Fund VII Coöperatief UA	2,220
Francisco Partners Agility II, LP	351
Francisco Partners Agility III, LP	1,500
Francisco Partners VI, LP	2,482
Francisco Partners VII, LP	4,173
GC Customer Value Fund II, LP	3,331
GCM Grosvenor DEM II, LP	569
GCM Grosvenor DEM III, LP	2,150
GCM Grosvenor DEM, LP	294
GCM Grosvenor Elevate Fund, LP	3,750
General Catalyst Group XI - Health Assurance, LP	2,066
General Catalyst Group XII - Creation, LP	3,075
General Catalyst Group XII - Endurance, LP	829
General Catalyst Group XII - Health Assurance, LP	2,489
General Catalyst Group XII - Ignition, LP	4,432
Generation IM Sustainable Private Equity Fund II (A), ILP	1,226
Genstar Capital Partners X, LP	1,518
Genstar Capital Partners XI, LP	—
Genstar X Opportunities Fund I, LP	1,281
Genstar XI Opportunities Fund I, LP	524
GI Data Infrastructure Fund II, LP	2,636

	Fees
GPE IX Forescout Co-Investment, LP	$66
GPE IX TKE Co-Investment, LP	11
Grain Communications Opportunity Fund IV-A, LP	2,824
Green Equity Investors IX, LP	42
Green Equity Investors V, LP	(8)
Green Equity Investors VIII, LP	3,230
Greenbriar Equity Fund VI, LP	1,579
Griffin Gaming Partners III, LP	627
H.I.G. Europe Middle Market LBO Fund, LP	2,152
Hedosophia Strategic Partners LP	63
Hellman & Friedman Capital Partners IX, LP	5,501
Hellman & Friedman Capital Partners VIII, LP	2,355
Hellman & Friedman Capital Partners X, LP	11,288
Hellman & Friedman Capital Partners XI, LP	—
Hg Genesis 10 A, LP	2,347
Hg Mercury 4 A, LP	942
Hg Saturn 3 A, LP	1,497
HongShan Capital Expansion Fund I, LP	1,569
HongShan Capital Growth Fund VII, LP	2,600
HongShan Capital Seed Fund III, LP	375
HongShan Capital Venture Fund IX, LP	800
Innovation Opportunities, LP	8,641
Insight Partners XI, LP	5,907
Insight Partners XII Buyout Annex Fund, LP	1,844
Insight Partners XII, LP	9,701
Insight Partners XIII Growth Buyout Fund, LP	61
Insight Partners XIII, LP	2,050
Insight Venture Partners Growth-Buyout Coinvestment Fund (B), LP	2,350
Insight Venture Partners IX, LP	821
Insight Venture Partners X, LP	3,378
Ithaca, LP	—
Jade Equity Investors II, LP	708
Jade Equity Investors, LP	999
JSC Capital Partners, LP	289
K5 Private Investors, LP	2,994
Karakoram Fund C, LP	963
KKR Asian Fund II, LP	469
KKR Asian Fund IV SCSp	3,092
KKR European Fund V (USD) SCSp	2,633
KKR North America Fund XIII SCSp	2,395
Lightspeed Opportunity Fund II, LP	1,545
Lightspeed Opportunity Fund III, LP	15
Lightspeed Venture Partners Select V, LP	2,000
Lightspeed Venture Partners Select VI, LP	500
Lightspeed Venture Partners XIV-A (Inception), LP	900
Lightspeed Venture Partners XIV-B (Ignite), LP	1,100
Lightspeed Venture Partners XV-A (Inception), LP	78
Lightspeed Venture Partners XV-B (Ignite), LP	95
Lincoln Plaza Fund, LP	5,481

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

	Fees
Lindsay Goldberg IV, LP	$493
Lindsay Goldberg V, LP	6,530
LongRange Capital Fund I, LP	9,110
Lux Ventures VIII, LP	7,500
Madison Dearborn Capital Partners VIII, LP	4,445
Mayfield XVII, a Delaware, LP	214
MBK Partners Fund VI, LP	1,208
New Mountain CAS Continuation Fund, LP	—
New Mountain Partners VI, LP	2,491
New Mountain Partners VII, LP	3,867
Nordic Bear SCSp	1,862
Oak HC/FT Partners V, LP	3,923
Oaktree Latigo Investment Fund, LP	3,288
OHA Black Bear Fund, LP	2,276
One Rock Capital Partners IV, LP	1892
Onex Partners IV, LP	1066
Onex Partners V-B, LP	4111
Orchard Park, LP	342
Otro Capital Fund I-A, LP	984
PAG Asia III, LP	4,048
Palladium Equity Partners V, LP	41
Pantheon Global Secondary Fund VII Feeder (US), LP	(651)
Patient Square Equity Partners, LP	4,495
Patria Brazilian Private Equity Fund V, LP	2,192
Permira Growth Opportunities I, LP 1	1,866
Permira Growth Opportunities II SCSP	1,122
Permira V, LP	318
Permira VI, LP 1	3,170
Permira VII, LP1	4,889
Permira VIII-2 SCSp	8,720
Pophouse Fund (No. 1) SCS	3,578
Pophouse Investment Platform SCA SICAV-RAIF – Pophouse Co-Investment Fund II	9
Prysm Capital Fund I, LP	1,863
Prysm Capital Fund II-C, LP	2,207
PSG Encore, LP	323
PSG Europe II, LP	2,147
PSG V, LP	1,512
PSG VI, LP	5,017
Red Admiral Fund, LP	437
Riverstone Global Energy and Power Fund V, LP	—
Riverstone Global Energy and Power Fund VI, LP	2,322
Rubicon Partners SCSp	1
Set Builders II, LP	266
Shoreline, LP	60
Sierra Partners, LP	118
SignalFire Early Fund IV, LP	56
SignalFire Sage Fund, LP	463
SignalFire Seed Fund V, LP	627

	Fees
SignalFire XIR Venture Fund II, LP	$834
Silver Lake Partners IV, LP	1,553
Silver Lake Partners V, LP	2,438
Silver Lake Partners VI, LP	5,701
Silver Lake Partners VII, LP	3,347
Siris Partners IV, LP	1,114
SL SPV-1, LP	381
SL SPV-2, LP	107
SPRINGBLUE A, LP	1,250
Springblue A-V, LP	1,500
SPRINGBLUE B, LP	902
Springblue B-III, LP	439
SR One Capital Fund II-A, LP	1,819
SR One Capital Opportunities Fund I, LP	1,029
Summit Partners Growth Equity Fund X-A, LP	—
Summit Partners Growth Equity Fund XI-A, LP	8,000
Sunshine Coast SPV, LP	5,017
TA XIV-A, LP	1,762
TA XV-A, LP	2,536
Tailwind Capital Partners II, LP	(143)
Tailwind Capital Partners III, LP	—
TCV X, LP	3,067
TCV XI, LP	5,634
The Rise Fund (A), LP	619
The Rise Fund III, LP	1,740
The Veritas Capital Fund IX, LP	2,938
The Veritas Capital Fund VIII, LP	3,774
Thoma Bravo Europe Fund, LP	1,312
Thoma Bravo Fund XV, LP	—
Thrive Capital Partners IX Growth, LP	392
Thrive Capital Partners IX, LP	147
Thrive Capital Partners VIII Growth, LP	1,651
Tiger Global Private Investment Partners XV, LP	5,288
TowerBrook Investors IV (Onshore), LP	1,335
Towerbrook Investors V (Onshore), LP	4,766
Towerbrook Investors VI (Onshore), LP	290
Towerbrook Structured Opportunities Fund (Onshore), LP	1,075
Towerbrook Structured Opportunities Fund II (Onshore), LP	1,007
TPG Asia VIII (A), LP	3,914
TPG GP Solutions (A), LP	3,189
TPG Growth IV, LP	602
TPG Growth V, LP	2,070
TPG Growth VI, LP	2,969
TPG Healthcare Partners, LP	880
TPG Life Sciences Innovations, LP	1,497
TPG NEXT (A), LP	4,939
TPG PARTNERS IX, LP	4,267
TPG Partners VIII, LP	1,351
TPG Rise Climate Global South Initiative, LP	287

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

	Fees
TPG Rise Climate II, LP	$855
TPG Tech Adjacencies II, LP	1,647
Trident IX, LP	7,500
Trident VI	967
Trident VII, LP	1,160
Trident VIII, LP	4,334
Triton Fund IV, LP	296
Triton Fund V, LP	2,116
Valor Equity Partners IV, LP	942
Valor Equity Partners VI, LP	2,352
Verdane Edda III (D1) AB	3,741
VIP IV, LP	4,477
VIP V S.C.Sp.	5,611
Vista Equity Partners Fund VII-Z, LP	5,508
WCAS XIII, LP	3,146
WCAS XIV, LP	5,131
Welsh, Carson, Anderson & Stowe XII, LP	956
Whitney Global Partners II, LP	104
Whitney Global Partners, LP	1,278
Wigeavenmore Co-Investment, LP	168
Wigmore Street (BDC III), LP	1
Wigmore Street BDC IV Co-Investment No.1, LP	101
Wigmore Street Co-investment No. 1, LP	1
Wigmore Street VI Co-Investment No. 1, LP	230
Total Private Equity Managers	**$637,704**
Private Debt Managers	
Antares Credit Opportunities CA, LLC	$5,186
Antares Credit Opportunities CA, LLC - Series 2	4,054
Antares Credit Opportunities CA, LLC - Series 3	2,842
Antares Credit Opportunities CA, LLC - Series 4	397
Antares Credit Opportunities CA, LLC - Series 5	—
Antares Credit Opportunities CA, LLC - Series 6	—
Ares Capital Europe V (D) Levered	10,539
Ares Capital Europe VI (ACE VI)	6,297
Ares Credit Investment Partnership (CP), LP	(19)
Ares European Credit Investments VII (CP), LP	(70)
Ares Senior Direct Lending Fund (Delaware) III, LP	7,387
Ares Senior Direct Lending Fund II	14,300
Ares SME (Parallel), LP	4,202
Bain Capital Special Situations Managed Account (CLP), LP	2,121
Blackstone Credit Series Fund-C, LP - Series A	4,390
Blackstone Real Estate Debt Strategies IV - C, LP	6,403
Blackstone Real Estate Debt Strategies V - C, LP	2,965
Blue Owl Diversified Lending (CP)	3,506
Blue Owl Diversified Lending (CP) Overflow	90
Mesa West Real Estate Income Fund V (PF)	1,119
Oaktree Gilead Investment Fund, LP - Series A	3,182
OHA CA Customized Credit Fund, LP – OHA Co-Investment Opportunities Fund (CA) E-2	32

	Fees
OHA CA Customized Credit Fund, LP – OHA Senior Private Lending Fund (OLEND)	$443
OHA Co-Invest Opportunities Fund	1,489
OHA Credit Solutions Fund II	2,711
OHA Senior Private Lending Fund (CA 3)	3,508
OHA Senior Private Lending Fund (CA 5)	3,498
PIMCO Asset Based Finance Specialty Finance	109
PIMCO DISCO Fund III Onshore Feeder, LP	1
Sixth Street Fundamental Strategies Partners (A), LP	2,343
Sixth Street Madrone Strategic Holdings I, LP - Series 2	307
Sixth Street Mid-Stage Growth Partners (A), LP	964
Sixth Street TAO Partners (B), LP	8,687
West Street Co-Investment Partners (C), LP	704
West Street Loan Partners V Co-Investment Partners (C), LP	137
West Street Loan Partners V Offshore Europe (USD), LP	4,061
West Street Mezzanine Co-Investment Partners (C), LP	479
West Street Mezzanine Partners VIII	6,289
West Street Strategic Solutions Fund I, LP	9,040
Total Private Debt Managers	**$123,693**
Real Asset Managers	
Affordable Housing Institutional Partners, LLC	$1
ARA China Long Term Hold	2,685
Archmore International Infrastructure Fund II (B), LP	200
Archmore International Infrastructure Fund II (C), LP	425
Blackstone Mileway Logistics, LP	5,371
Blackstone Property Partners Europe, LP	7,875
Blackstone Property Partners Life Sciences, LP	5,111
Brookfield Infrastructure Fund V	6,549
CalEast Solstice, LLC	8,083
Canyon Catalyst Fund II, LLC	339
CCF III Industrial	1,075
CCF III, LLC	1,861
CCP 2020	535
CIM Infrastructure Fund, LP	2,927
Copenhagen Infrastructure V USD Feeder SCSp	2,307
Core Property Index Trust	575
Core Property Index Trust 2nd	1,376
DigitalBridge Partners II, LP	3,858
DigitalBridge Partners III, LP	6,540
DigitalBridge Strategic Assets Fund, LP	2,517
DW Life Sciences Partners, LLC	2,494
FSP - Base	21,925
FSP - DT 2012 and Beyond	4,097
GIP Aquarius Fund, SCSp	3,500
Global Infrastructure Partners II, LP (GIP II)	1,021
Global Infrastructure Partners IV-A/B, LP	4,788
Global Infrastructure Partners V	9,453
Golden Maple Infrastructure Partners, LP	1,310

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

	Fees
Golden Reef Infrastructure Trust	$11,015
Gotham Office Realty Partnership	1,546
GRI - Base	24,430
GRI - DT 2012 and Beyond	175
Harbert Gulf Pacific Power, LLC (HGPP)	6,756
Harbert Infrastructure Fund VI, LP	800
Harbert Power Fund V, LP (HPF V)	287
HC Green Development Fund, LP	405
HC LTH, LLC	1,912
HCB Interests II, LP	117
IFM Global Infrastructure (US), LP	6,461
IIF Hedged, LP	3,708
IMI - Base	20,749
IMP - Base	34,009
IMP - DT 2012 and Beyond	1,180
IMP - ICMI	770
IMP Abaca	97
IMP DT 2020	2,568
IMP Fairmont Residential Owner, LLC	82
Institutional Logistics Partners, LLC	14,730
KC 2011, LLC	941
Macquarie Infrastructure Partners VI, LP	5,539
North Haven Infrastructure Partners II, LP	873
NRE U.S. Affordable Housing Fund, LP	2
ORA Residential Investments I, LP	6
Pacific Multifamily Investors, LLC	12,081
PMI Tactical	7,333
Sacramento Venture Hines Base	329
Sacramento Venture Hines DT	217
Stonepeak Infrastructure Fund IV, LP	3,359
Strategic Property Fund Asia SCSP	1,213
Sylvanus, LLC	1,888
TechCore 2019	17,290
Tower Bridge Infrastructure Partners, LP	14,895
Total Real Asset Managers	**$306,561**
Other Investment Management Fees	
Blackrock Financial Management	$3,661
State Street Investment Management	8,335
Federated Redwood Trade Finance Fund, LP	2
Total Other Investment Management Fees	**$11,998**
Total Management Fees	**$1,130,635**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Performance Fees[5] (Dollars in Thousands)

	Fees
Real Asset Managers	
ARA China Long Term Hold	$173
Brookfield Infrastructure Fund V	10,052
CalEast Canada Limited Partnership	26
CalEast Solstice (Original)	(26)
DigitalBridge Partners II, LP	12,883
GIP Aquarius Fund, SCSp	2,747
Global Infrastructure Partners II, LP (GIP II)	276
Global Infrastructure Partners IV-A/B, LP	13,943
Golden Reef Infrastructure Trust	(32)
GRI - Base	24,414
Harbert Gulf Pacific Power, LLC (HGPP)	7,957
Harbert Infrastructure Fund VI, LP	(548)
Harbert Power Fund V, LP (HPF V)	1,280
IFM Global Infrastructure (US), LP	2,204
IIF Hedged, LP	1,620
IMP - Base	12,235
IMP - DT 2012 and Beyond	(14,794)
Institutional Logistics Partners, LLC	(19,954)
Ivy Investment Vehicle LDC (SWPM)	(37)
ORA Residential Investments I, LP	(531)
Pacific Multifamily Investors, LLC	3,382
Stonepeak Infrastructure Fund IV, LP	6,392
TechCore 2019	12,103
Tower Bridge Infrastructure Partners, LP	43,871
Total Real Asset Managers	**$119,636**
Total Performance Fees	**$119,636**
Total Management and Performance Fees	**$1,250,271**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Other Investment Expenses[1, 6] (Dollars in Thousands)

	Fees
Advisory Fees	
Goldman Sachs Asset Management, LP	$476
Lazard Asset Management, LLC	1,260
Principal Financial Services, Inc.	628
Total Advisory Fees	**$2,364**
Appraisal Fees	
Situsamc Holdings Corporation	$8,687
Total Appraisal Fees	**$8,687**
Auditor Fees	
Conrad, LLP	$8
KPM & Associates, LP	65
Total Auditor Fees	**$73**
Company Expense	
Federated Redwood Trade Finance Fund, LP	$115
Total Company Expense	**$115**
Fund Administration Fees	
MUFG Capital Analytics, LLC	$7,000
State Street Bank and Trust Company	3,308
Total Fund Administration Fees	**$10,308**
Investment Board Consultant Fees	
Meketa Investment Group, Inc.	$2,445
Wilshire Advisors, LLC	2,950
Total Investment Board Consultant Fees	**$5,395**
Investment Consultant Fees	
Agreeya Solutions, Inc.	$202
AKSIA CA, LLC	60
Albourne America, LLC	142
Alpha FMC	1,000
Bard Consulting, LLC	89
Callan Holdings, Inc.	1,152
Celer Systems, Inc.	276
Cogenttec, LLC	275
Eigen 10 Advisors, LLC	—
Ernst & Young, LLP	2,900
Fti Consulting, Inc.	1,376
Grosvenor Nichols	80
Hhs Technology Group, LLC	290
Imp Partners, LLC	669
Lenox Park Solutions, Inc.	125
Loop Capital Financial Consulting	55
Marsh & Mclennan Companies, Inc.	183
Msys, Inc.	230
Newport, LLC	14
Nomura Research Institute Holdings	2,950
Nxtis, Inc.	288
Propoint Technology, Inc.	4,330
Rclco Fund Advisors, LLC	1,038

	Fees
Rosalind Cohen	$715
Sps Consulting Services, LLC	647
Sri Infotech, Inc.	218
Technology Crest Corporation	196
The Spaulding Group, Inc.	133
The Trustees Of Columbia Univ New York	(7)
Trinity Technology Group, Inc.	573
Total Investment Consultant Fees	**$20,199**
Legal Fees	
Cox, Castle & Nicholson, LLP	$474
DLA Piper, LLP (US)	1,702
Faegre Drinker Biddle & Reath, LLP	29
Foster Garvey, PC	290
Hogan Lovells US, LLP	78
K & L Gates, LLP	759
Katten Muchin Rosenman, LLP	179
Morgan Lewis & Bockius, LLP	384
Morrison & Foerster, LLP	353
Orrick Herrington & Sutcliffe, LLP	69
Pillsbury Winthrop Shaw Pittman, LLP	68
Seward & Kissel, LLP	—
Seyfarth Shaw, LLP	680
Tabacco Lavallee Heffelfinger Seaver	7
Wilshire Vermont	511
Total Legal Fees	**$5,583**
Master Custodian Fees	
State Street Bank and Trust Company	$10,307
Total Master Custodian Fees	**$10,307**
Tax Advisory Fees	
Ernst & Young, LLP	$1,161
Total Tax Advisory Fees	**$1,161**
Technology Expenses	
3D Innovations, Inc.	$31
Ablegov, Inc.	5
Acadiasoft, Inc.	43
Acuity Technical Solutions, LLC	461
Albourne America, LLC	60
Allied Network Solutions, Inc.	58
Alphasense, Inc.	108
Altus Group Us, Inc.	340
Aosphere, LLP	36
Axioma, Inc.	669
Barra, LLC	120
Bca Research, Inc.	135
Black Knight Technologies, LLC	10
Blackrock Financial Management, Inc.	17,666
Bloomberg Index Services Limited	167
Bloomberg Lp Dba Bloomberg Sef, LLC	4,219

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Other Investment Expenses[1, 6] (Dollars in Thousands) (continued)

	Fees
Board of Trustees of the Leland Stanford	$1,000
Broadridge Investor Communications	(6)
Cambridge Associates, LLC	22
Carahsoft Technology Corp.	952
Cassini Systems, Inc.	70
CBRE, Inc.	116
CEM Benchmarking, Inc.	172
CEPRES GmbH	40
Charles River Systems, Inc..	5,522
Clarity Solutions Group, LLC	63
Consensus Economics, Inc.	53
Convergence, Inc.	20
Copyright Clearance Center, Inc.	57
Costar Realty Information, Inc.	95
Curex FX, LLC	(15)
Delinian Trading Limited	25
DTCC ITP, LLC	145
Efront Financial Solutions, Inc.	1,604
Emerging Advisors Group Limited	15
Empirical Research Partners, LLC	1,079
Equilar, Inc.	92
Eurasia Group, Ltd	147
Evestment Alliance	90
Expand Consulting, Inc.	35
Factset Research Systems, Inc.	2,965
Finadium, LLC	7
Fitch Solutions, Inc.	653
Fixed Income Clearing Corporation	16
Frank Russell Company	87
FTSE International Limited	2,810
Fundapps, Inc.	319
Gartner, Inc.	298
Gavekal USA, Inc.	52
Glass Lewis & Co, LLC	649
GLMX Technologies, LLC	20
Global Investor Collaboration Services, LLC	6
Green Street Topco, LLC	197
Hamilton Lane Advisors, LLC	499
Haver Analytics, Inc.	141
HSBC Bank, PLC	80
Ice Benchmark Administration Limited	74
Ice Data Derivatives UK Limited	31
IHS Global, Inc.	31
IMP Partners, LLC	30
Insight Public Sector, Inc.	3
Institutional Shareholder Services, Inc.	145
Integration Appliance, Inc.	496
Intercontinental Exchange Holdings, Inc.	21
Intex Solutions, Inc.	254
Investment Property Databank	174
IPC Systems, Inc.	381

	Fees
JP Morgan Securities, LLC	$6
JPX Market Innovation & Research, Inc.	12
Kadiev Global, Ltd	14
KPA Advisory Services, Ltd	6
Kyriba Corp	42
LMAX USA, Inc.	15
London Stock Exchange Plc	53
Markit Indices GmbH	35
Markit North America, Inc.	44
Microsoft Corporation	(10)
Moodys Analytics, Inc.	821
Morningstar, Inc.	59
MRI Intermediate Holdings, LLC	222
MSCI, Inc.	896
MServ US, Inc.	20
Mythics, LLC	2
Natix, Inc.	261
NYSE Market (DE), Inc.	12
Options Price Reporting Authority, LLC	1
Ortec Finance US BV	568
Oxford Economics USA, Inc.	179
Pitchbook Data, Inc.	273
Placer Labs, Inc.	137
PremiaLab HK Limited	100
Preqin Limited	47
Real Capital Analytics, Inc.	20
Refinitiv US, LLC	118
Rimes Technologies Corporation	323
Robert F McNown	16
Ryedale Europe Limited	800
S&P Dow Jones Indices, LLC	119
S&P Global Limited	55
S&P Global Market Intelligence, Inc.	1,163
S.W.I.F.T.	48
S4 Market Data, LLC	83
Scientific Infra Pte Ltd	62
SHI International Corp	4
Situsamc Holdings Corporation	10
SimCorp	538
Societe Generale	55
Solutions Simplified	366
State Street Bank and Trust Company	1,831
Stepstone Group, LP	752
The Burgiss Group, LLC	55
The Mathworks, Inc.	111
The Yield Book, Inc.	360
Tideline Advisors, LLC	148
Tradeweb, LLC	219
Trend Macrolytics, LLC	17
Trepp, Inc.	160
TRGRP, Inc.	315
TriOptima Ab	45
TSX, Inc.	42

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Other Investment Expenses[1,6] (Dollars in Thousands) (continued)

	Fees
Wood Mackenzie, Inc.	$265
Yardeni Research, Inc.	19
Total Technology Expenses	**$57,894**
Internal Investment Personnel and Administrative Expenses	
Internal Investment Personnel and Administrative Expenses	$112,397
Total Internal Investment Personnel and Administrative Expenses	**$112,397**
Miscellaneous Investment Expense Fees	
Miscellaneous Investment Expense Fees	$83
Transaction Fees	405,162
Total Miscellaneous Investment Expense Fees	**$405,245**
Total Other Investment Fees and Expenses	**$639,728**
Total Investment Expenses - All Funds	**$1,889,999**

(1) Expenses and fees less than one thousand dollars are indicated by a dash.
(2) Negative management fees are due to adjusting entries.
(3) CalPERS makes a good faith attempt to account for fees that are not readily separable. These management fees are net of management fee offsets. For more detail, review the Private Equity Management Fees & Profit Sharing table in the Investment Section.
(4) Investments listed reflect only those investments with management fees, rebates, offsets, and/or carried interest incurred within the fiscal reporting period.
(5) Negative performance fees are due to the reversal of accruals caused by the fluctuation in fair values.
(6) Negative expenses are due to market fluctuations, adjusting entries, and reimbursements.

Other Supplementary Information (continued)

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS)

Individual or Firm	Fees	Nature of Services
Accenture, LLP	$1,020	IT Consulting
Agreeya Solutions, Inc.	63	Information Technology Consulting and Support Services
Alithya Fullscope Solutions, Inc.	21	IT Systems Analysis, Design, Implementation
Alston & Bird, LLP	168	Legal Services
Anthem Blue Cross	141,723	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Assured, Inc. DBA Assured Allies	4,337	Health Consulting
Avatar IT Solutions, Inc.	88	IT Consulting
BDO USA PC	2,850	Auditor Services
Belmonte Enterprises, LLC	(21)	Application Development
Blue Shield of California	(2,766)	Medical Claims Administration, Account management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
BM Associates, Inc.	232	Software Defined Netoring and Network Function
Buchalter A Professional Corporation	36	Legal Services
Capio Group	506	Application Development
Carahsoft Technology Corp.	42	IT Architecture
Cbiz Benefits & Insurance Services, Inc.	51	Search Firm Services
Cogenttec, LLC	201	Consulting Services for myCalPERS Support
Convergeone, Inc.	(2,310)	IT Consulting
Cooperative Personnel Services	51	Organizational and Leadership Development
Cornerstone Fitness, Inc.	165	Employee Training and Development
Delegata Corporation	197	Application Development
Department of Human Resources	88	Election Forms for the Alternate Retirement Program (ARP) Processing Services, Legal Services, Labor Relations
Department of Justice	458	Legal and Paralegal Services, External Investigative Services, Fingerprinting
Dore Partnership, LLP	355	Executive Position Recruitments Search and Advisory
Eaton Interpreting Services, Inc.	61	Interpreting Services
Elite Tech Solutions	206	Actuarial Valuation Systems Support
Elynview Corporation	165	Data Base Administration, Systems Analysis, Design, Implementation, Maintenance and Support
Endeavour Consulting, LLC	(86)	Health Consulting, Long Term Care
Equanim Technologies	83	Business Process Re-engineering, Project Management Services, Technical Writing
Equinix, Inc.	250	Health Consulting
Faegre Drinker Biddle & Reath, LLP	35	Legal Services
Fair Political Practices Commission	44	Assessment Services
FGS Holdings, LLC	100	Public Relations
First Data Merchant Services Corporation	197	Banking Services
Global Governance Advisors, LLC	117	Board Compensation Consultant
Government Operations Agency	354	Operations and Strategic Business Planning
Health Net of California	6,938	Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Health Services Advisory Group, Inc.	559	Health Care Survey Services
Illumifin Corporation	18,467	Billing, Banking, Claims Administration, Care Advisory, Enrollment, Customer and Specialist, Reporting, Data Feed Services, IT Services, Marketing Consultant
Imagination Specialties, Inc.	393	Exhibition Management
Integrated Healthcare Association	400	Health and Long-Term Care
J&K Court Reporting, LLC	37	Legal Services
JLynn Consulting, Inc.	215	Information Services
K & L Gates, LLP	432	Legal Services
K&H Printers - Lithographers, Inc.	113	Board Election Voting Services, Board Election Services
KBR, Inc.	(30)	Debt Collection Services

Other Supplementary Information (continued)

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

Individual or Firm	Fees	Nature of Services
Kearnford Application Systems Design	($79)	Business Transformation/Transition, Information Services, Release Management/Quality Assurance/ Configuration Management
Kong Consulting, Inc.	627	Systems Analysis, Design, Implementation, Maintenance and Support
Korn Ferry (US)	115	Search Firm Services
Law Office of Chirag Shah	57	Provide Advice and Representation to The Board on Procedural and Substantive Legal Issues
Lighthouse Policy Group, LLC	666	Federal Policy Rep
Managed Medical Review Organization, Inc.	27	External Independent Health Reviews
McLagan Partners, Inc.	70	2024 Board Compensation Survey
Mellon Bank	335	Banking Services
Mercer Health & Benefits, LLC	(90)	Health Consulting
Michael Scales Consulting, LLC	340	Application Development, Data Base Administration, IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support
Milliman Solutions, LLC	3,272	Health Consulting
Milliman, Inc.	890	Project Management Services
Morrison & Foerster, LLP	1,722	Legal Services
Mulkey Consulting, LLC	108	Health Care Training Academy
Mythics, LLC	284	IT Consultants
National Committee for Quality Assurance	115	HEDIS & QAMS Measures Analysis
National Medical Reviews, Inc.	30	External Independent Review
Northeast Retirement Services	108	Third-Party Member Record Keeper
Nossaman, LLP	753	Legal Services
NXTIS, Inc.	275	IT Consultants
Office of State Publishing	217	Print Service
Oliver Wyman Actuarial Consulting, Inc.	710	Health and Long-Term Care
OptumRX	15,988	Pharmacy Claims Administration, Account Management, Eligibility, etail and Other Reporting Services
Orrick Herrington & Sutcliffe, LLP	515	Legal Services
Pasanna Consulting Group, LLC	1,340	Application Development, Data Base Administration, IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support
Peraton State & Local, Inc.	175	Information Technology, Consulting and Support Services
Peter V Lee	217	Health Consulting
Qualapps, Inc.	369	Information Technology Consulting and Support Services
Randle Communications, LLC	20	Public Relations
Reed Smith, LLP	253	Legal Services
Ridgeway Partners, LLC	905	Search Firm Services
Risk Strategies Consulting, Inc.	(62)	Actuarial Consulting Services
RS3 Consulting	273	Information Services, Application Development
Runyon Saltzman, Inc.	698	Public Relations, Marketing and Communication Services
Sharp Health Plan	8,659	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Socure, Inc.	495	Death Audit Service
Sophus Consulting	371	Consulting Services
Squire Patton Boggs (US), LLP	79	Legal Services
State Controller's Office	7,297	MIRS Services, Account Management, Information Technology, Other Post Employment Benefits, General Administrative Services, and Premium Remittance Services
State Personnel Board	142	Compliance Review, Audit, and Processing of Appeals and Complaints
State Treasurers Office	31	Wiring of Funds
T5 Consulting	609	Application Development, Information Services, IT Architecture
The Highlands Consulting Group, LLC	327	IT Consulting
The Regents of the Univ of CA Davis	148	LEADER Training
Toppan Merrill USA, Inc.	130	Printing of Open Enrollment Materials and Dissemination
UnitedHealthcare	50,207	Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services

Other Supplementary Information (continued)

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

Individual or Firm	Fees	Nature of Services
University of California, Davis	$165	Behavioral Health Accessibility Survey
Vantage Consulting Group	422	Application Development
Vasquez Benisek & Lindgren, LLP	162	Legal Services
Voya	2,797	Third-Party Member Record Keeper
West Advanced Technologies, Inc.	132	Information Technology, Systems Analysis, Design, Implementation, Consulting and Support Services
West Publishing Corporation	56	Data Hygeine Services
Western Health Advantage	11,744	Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Williams Barber & Morel, Ltd	157	Pharmacy Benefits Negotiation
Wilshire Vermont	(511)	Legal Services
Wolfsdorf Rosenthal, LLP	67	Legal Services
Various	29	
Total Consultant and Professional Services Expenses	**$291,563**	

(1) Negative Consultant and Professional Services Expenses are due to adjusting entries as a result of reversal of accruals which are estimates.

STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

As of June 30, 2025 (Dollars in Thousands)

	Custodial Funds		
	RBF	OASI	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	**$0**	**$1**	**$1**
Receivables			
Members	$90	$0	$90
Employers	272	—	272
Interest & Dividends	244	10	254
Other Program	—	66	66
Total Receivables	**$606**	**$76**	**$682**
Investments, at Fair Value			
Short-Term Investments	$19,771	$1,054	$20,825
Total Investments	**$19,771**	**$1,054**	**$20,825**
TOTAL ASSETS	**$20,377**	**$1,131**	**$21,508**
Deferred Outflows of Resources	$0	$170	$170
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$20,377**	**$1,301**	**$21,678**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Due to Members & Employers	$1,582	$0	$1,582
Net Pension & OPEB Liabilities	—	(205)	(205)
Due to Other Funds	65	82	147
Unearned Replacement Benefits	17,422	—	17,422
Other Program	—	120	120
TOTAL LIABILITIES	**$19,069**	**($3)**	**$19,066**
Deferred Inflows of Resources	$0	$215	$215
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$19,069**	**$212**	**$19,281**
NET POSITION – RESTRICTED FOR REPLACEMENT BENEFITS AND PROGRAM ADMINISTRATION	**$1,308**	**$1,089**	**$2,397**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

	Custodial Funds		
	RBF	OASI	Total
ADDITIONS			
Retirement and OPEB Contributions			
Members	$0	$0	$0
Replacement Benefits	30,086	—	30,086
Total Retirement and OPEB Contribution	**$30,086**	**$0**	**$30,086**
Investment Income			
Interest & Amortization	$764	$44	$808
Net Investment Income	**$764**	**$44**	**$808**
Other Income	$147	$713	$860
TOTAL ADDITIONS	**$30,997**	**$757**	**$31,754**
DEDUCTIONS			
Replacement Benefit Payments	$30,086	$0	$30,086
Administrative Expenses	572	951	1,523
TOTAL DEDUCTIONS	**$30,658**	**$951**	**$31,609**
INCREASE (DECREASE) IN NET POSITION	**$339**	**($194)**	**$145**
NET POSITION			
Beginning of Year	**$969**	**$1,283**	**$2,252**
End of year	**$1,308**	**$1,089**	**$2,397**