

October 13, 2025

Mr. David Miller
Chair of the Investment Committee
California Public Employees' Retirement System
400 P Street
Sacramento, CA 95814

Re: Agenda Item 6f: Consultant Review of CalPERS Divestments

Dear Mr. Miller:

In accordance with CalPERS' Total Fund Investment Policy, Wilshire provides the Investment Committee with financial performance analysis of CalPERS' active divestment activities on an annual basis. This report, which summarizes the results of that analysis through June 30, 2025, does not attempt to assess the broader societal or environmental net impacts from CalPERS' divestment activities.

Summary of Analysis

The following table summarizes Wilshire's estimates of the transaction cost and return impacts from divestment activities since their last affirmation in March 2021.¹ The present value figures below have been calculated to show the estimated impact on the total fund through June 2025 whereby prior period gains and losses are carried forward at the PERF's total return. The percent (%) impacts express these present value dollar amounts against the PERF's June 2025 market value of \$556 billion.

Active Divestment Programs (Last Affirmation to FY 2025)

	Present Value Estimate		Program	Estimates Begin in
	\$MM	% PERF	Affirmation	Calendar Qtr.
Tobacco	(895)	(0.16%)	Yes	2Q 2021
Iran	(526)	(0.09%)	Yes	2Q 2021
Firearms	43	0.01%	Yes	2Q 2021
Thermal Coal	(36)	(0.01%)	Yes	2Q 2021
Active Total	(1,414)	(0.25%)		

Please do not hesitate to contact us should you require anything further or have any questions.

Best regards,


Lauren Gellhaus
Vice President, Client Solutions
Wilshire Advisors

¹ The Appendix contains inception-to-date financial analysis of CalPERS' active and inactive divestment programs. Present value estimates of transaction coast, where included, are based on \$ estimates provided by CalPERS Investment Staff

Appendix

Divestment Programs (Inception to FY 2025)

	Present Value Estimate		Active Dates
	\$MM	% PERF	
Active			
Tobacco	(6,161)	(1.1%)	1Q 2001 to Present
Iran	(218)	(0.0%)	3Q 2011 to Present
Firearms	62	0.0%	2Q 2013 to Present
Thermal Coal	585	0.1%	3Q 2017 to Present
Active Total	(5,732)	(1.0%)	
Inactive			
Sudan	380	0.1%	3Q 2010 to 1Q 2022
EM Principles	953	0.2%	1Q 2008 to 1Q 2021
EM Countries	(1,028)	(0.2%)	4Q 2002 to 4Q 2008
South Africa	(8,765)	(1.6%)	1Q 1988 to 4Q 1994
Inactive Total	(8,461)	(1.5%)	
Overall Total	(14,192)	(2.6%)	