MEKETA

5796 Armada Drive
Suite 110
Carlsbad, CA 92008

760.795.3450
Meketa.com

MEMORANDUM

TO: Members of the Investment Committee, CalPERS
FROM: Meketa Investment Group
DATE: March 16, 2026
RE: Infrastructure Trust Level Review, as of December 31, 2025

In our role as the Board Infrastructure Consultant, Meketa Investment Group (Meketa) conducted a quarterly performance review of the Infrastructure Portfolio (the Portfolio) for the California Public Employees' Retirement System (CalPERS) Real Assets Program (the Program) for the period ended December 31, 2025 based on data provided by Wilshire Associates[1] and selected CalPERS reports.[2] This memorandum provides the following: Portfolio performance data; implementation summary; status of key policy parameters; conclusory observations; and a summarized market commentary provided as an attachment.

Performance

CalPERS' Infrastructure Portfolio outperformed its policy benchmark for all reporting periods.

Net Returns as of December 31, 2025	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Infrastructure Portfolio Returns	5.1	7.7	9.3	9.0
Infrastructure Policy Benchmark[3]	3.2	(6.1)	2.6	3.6
Over (under) Performance[4]	1.9	13.8	6.7	5.4
Consumer Price Index (for reference only)	3.0	3.0	4.5	3.2

Comparing the above December 2025 returns to those posted a year ago, on an absolute basis, the one-, three-, and ten-year trailing returns are down from 13.1%, 8.8%, and 9.6%, respectively, while the five-year return is better than the 8.1% posted a year ago. Based on relative performance compared to the benchmark versus a year ago, the December 2025 three- and five-year trailing period over performance exceeds a year ago, when they were 9.8% and 6.0%, respectively; however, the one- and ten-year outperformance is less than that of a year ago when they were 21.0% and 5.9%, respectively.

All trailing period returns exceed CalPERS' expectations for the asset class of 5.3% and 5.5%, set by the Capital Market Assumptions (CMA) for Real Assets for the near- and long-term (five and 20 years), respectively. Returns for all periods except the trailing one-year fall within (or are very close to) the 7% to 10% range that we have seen across many previous quarters. The lower one-year return likely reflects J curve effects for newer commitments, including vehicles with low, negative, or no (i.e., not yet meaningful) returns for the reporting periods. We note that 50.3% of the Portfolio's Net Asset Value (NAV)

[1] Wilshire performance for the period ended December 31, 2025 is reported with a 1-quarter lag, so data are as of September 30, 2025 (State Street Bank data).
[2] CalPERS Real Assets Quarterly Performance Report, including underlying Allocation, Characteristics, and Leverage Reports (Excel files), for the period ending September 30, 2025, as well as web-based data through Real Assets Power BI Analytics.
[3] CalPERS Custom Infrastructure Benchmark, with historical composition as follows: MSCI/PREA U.S. ACOE Quarterly Property Fund Index Net of Fees (April 1, 2018 forward); Consumer Price Index ("CPI") + 400 basis points (July 1, 2011 through March 31, 2018); and CPI + 500 basis points (October 1, 2007 through June 30, 2011).
[4] Calculated using more decimal places than shown, so result may not calculate exactly from the table data due to rounding.

March 16, 2026

was acquired in the last three and three-quarters years, with 2022 at 16.0%, 2023 at 13.2%, 2024 at 12.1%, and 2025 (through Q3) at 9.0% of the NAV.

For consistency with prior reporting, we note that the Infrastructure Portfolio's comparison to its benchmark should be viewed in the context that, since April 2018, the benchmark has had underlying assets that are 100% real estate, which is now completely reflected in all trailing periods except the ten-year, with the ten-year benchmark being more than 80% real estate, with the balance CPI+400 or +500 basis points.

Relative to CPI, as seen above, returns for all trailing periods are coming in above CPI, which we provide for reference only, as it used to be part of the Portfolio's benchmark and continues to be used by other institutional investors, usually with a premium of anywhere from +300 to +500 basis points, depending on the risk orientation of the portfolio. Also visible in the table above is the relatively higher CPI for the three- and five-year periods, reflecting prior elevated levels compared to more recent and longer historical periods. We note that the Portfolio's returns exceeded CPI by 210 to 580 basis points over the reported periods.

Other aspects of performance drivers are consistent with prior reporting periods and recent market conditions, as highlighted below.[1] Please see the Market Activity Attachment for additional information on selected infrastructure sectors and related economic data.

All returns cited are for the trailing one-year period.

Risk Classification[2]

→ Core, comprising 61.7% of the Portfolio, delivered mid single-digit returns. Global Diversified Infrastructure comprised more than half of the Core portfolio at 60.5%, with 14.3% in US Power and Energy, 12.4% in Transportation (all geographies), and 12.8% in Communications (all geographies).

→ Non-Core: Value Add, comprising 37.5% of the Portfolio, posted low-teens returns. For the first time, co-investments comprise almost half of this sub-portfolio at 48.2%, with global diversified strategies at 34.0%, two communications funds at 14.3%, and energy-power accounting for the remaining 3.6%.

→ Non-Core: Opportunistic, comprising 0.8% of the Portfolio, posted negative double-digit returns. This category comprises one diversified commingled fund investment that is in wind-down mode.

Sectors[3]

→ Global Diversified Infrastructure comprises 65.5% of the NAV and delivered low teens returns

→ US Power/Energy represents 11.2% of the Portfolio and delivered mid single-digit returns.

→ Global Communications comprises 10.4% of the Portfolio and delivered essentially flat returns.

→ US Transportation accounts for 4.9% of the portfolio and posted low single-digit returns.

→ Global Transportation is 4.4% of the portfolio and posted high single-digit returns.

→ International Communications is 2.7% of the portfolio and posted mid single-digit returns.

→ Global Power/Energy is 0.9% of the portfolio and performance and posted negative double-digit returns.

[1] Real Assets QPR Q3 2025 Final.
[2] Sector attributions are based on vehicle-level risk classification.
[3] Based on vehicle-level sector classification.

March 16, 2026

Net Income

→ The Portfolio's one-year net income was 2.1%, up from 1.8% a year ago. We would expect yield levels to be in the low single-digit range based on several factors, including the increasing proportion of Non-Core investments, selected portfolio companies' retention of cash for growth and capex, and some lingering effects of asset positioning during COVID. We note the Core Portfolio NAV has decreased moderately to 61.7% of the total Infrastructure Portfolio compared to 69.4% a year ago, consistent with the goal of increasing the relative proportion of Non-Core investments in the Portfolio.

Implementation

The Portfolio's NAV as of December 31, 2025, was $23.2 billion, an increase of $3.6 billion, or 18.3%, compared to the December 31, 2024 NAV of $19.6 billion. The current NAV represents 3.9% of the Total Fund and 30.1% of the Real Assets Program,[1] an increase compared to 3.8% and 28.1% a year ago.

The increase in NAV is the result of a combination of contributions to existing and new investments, distributions, and net realized and unrealized gains and losses. For the prior-year period, the Portfolio's annual contributions outpaced distributions $3.1 billion to $0.8 billion.[2] We continue to expect to see contributions outpace distributions going forward, given the number and size of new commitments made over the last several years, and continuing currently, compared to the remaining smaller size of legacy assets.

Through CalPERS' various investment vehicles, during the prior year period the Portfolio made 72 new investments into assets or portfolio companies representing $2.5 billion in NAV as of December 30, 2025.[3] Most of the capital, 46%, was invested in the US, followed by 35% in Europe, 8% in the UK, and the balance in a number of other countries around the world, each at 2% or less. About 44% was invested in the renewable power sector, 10% or less in each of data infrastructure, energy, transport, and utilities, the balance of 28% in other sectors.

As of December 30, 2025, Portfolio NAV distribution is as follows relative to investment type: Transportation was 28.3%; Data Infrastructure 21.6%; Utilities 20.5%; Renewable Power 17.5%; Other 3.9%; Conventional Power 3.8%; Energy 3.5%; Environmental Services 0.5%; and Social Infrastructure 0.4%.[4]

[1] The Total Fund market value was $600.2 billion, and the Real Asset Program NAV was $77.2 billion, as of December 31, 2025, per Wilshire.
[2] Real Assets QPR Q3 2025 Final.
[3] For the trailing year, October 1, 2024, through September 30, 2025, reflecting the one-quarter reporting lag.
[4] Web-based Real Assets Power BI Analytics, Vital Statistics-Characteristics.

March 16, 2026

Key Policy Parameters

The Portfolio is compliant with key parameters related to diversification and other limits applicable at the Portfolio level, as documented in the table below.

Key Portfolio Parameter	Policy Range/Limit	NAV 12/31/25[1]
Risk Classification[2]	**(%)**	**(%)**
Core	50-100	61.7
Non-Core	0-50	38.3
Geographic Region[3]	**(%)**	**(%)**
United States	30-100	52.3
International Developed	0-70	44.2
International Developing	0-15	3.5
International Frontier	0-5	0.0
Manager Exposure[4]	**(%)**	**(%)**
Largest Partner Relationship	20 max	9.2
Investments with No External Manager	20 max	1.5
Leverage[5]		
Loan to Value	65% max	41.8
Debt Service Coverage Ratio	1.25x min	2.03

Conclusion

For the current reporting period ending December 31, 2025, the Infrastructure Portfolio outperformed the Infrastructure Policy Benchmark, CPI, and CalPERS' CMA for Real Assets for all trailing periods. Compared to a year ago, the absolute returns are mixed with the one-year trailing return meaningfully lower, the three- and ten-year trailing returns just slightly lower, and the five-year trailing return slightly higher. We attribute the low one-year return to effects of the J curve from new investments, which, as we have noted in previous reports, can cause the one-year return to move around (both up and down) more than we tend to see in the longer period returns. On a relative basis, the three- and five-year trailing period over performance exceeded a year ago; however, the one- and ten-year returns outperformed by less than a year ago.

1 Private investment data are one quarter lagged, so effectively as of September 30, 2025
2 Web-based Real Assets Power BI Analytics, Landing Page, and 2025.9.30 RA Characteristics Data Sheet.
3 Web-based Real Assets Power BI Analytics, Landing Page, and 2025.9.30 RA Characteristics Data Sheet.
4 2025.9.30 RA Allocation Data Sheet: calculated based on manager- and account-level NAV. Percent calculated using relevant NAV plus total unfunded commitments for relationships/investments and same for the Real Assets Program ($94.8 billion).
5 Web-based Real Assets Power BI Analytics, Landing Page.

March 16, 2026

The Portfolio's development and its current position remains appropriate and consistent with applicable policies and guidelines:

→ *Risk*—NAVs are within the classification policy ranges;

→ *Geography*—NAVs are within the categorical ranges;

→ *Partner Relationships and Direct Investments*—Exposures are well below the maximums allowed; and

→ *Leverage*—Metrics are comfortably compliant.

The Portfolio continues to grow consistent with its Strategic Plan, now at 30.1% of the Real Assets Program and 3.9% of the Total Plan, compared to 28.1% and 3.8%, respectively, a year ago. Over the past year, new investments adding $2.5 billion to the NAV were made through a combination of existing and new commingled fund commitments, separate accounts, and co-investments. The Portfolio also continues to make good progress toward a more even balance of Core and Non-Core, with the ratio now at 61.7% to 38.3%, respectively, compared to a few years ago (in early 2023, for example), when Core was above 80%. The increase in allocation to Non-Core allows CalPERS to make investments with higher return targets, but still take advantage of the downside protection characteristics that infrastructure as an asset class can offer. The shift also enables the Portfolio to increase its diversification along sectors and sub-sectors, geographies, and portfolio company business strategies, which helps enhance its resiliency in the face of global economic and political volatility. The Portfolio has demonstrated its ability to achieve meaningful scale and we continue to believe it is well-positioned to meet its return and diversification objectives for the benefit of the Real Assets Program and the Total Fund.

Please do not hesitate to contact us if you have questions or require additional information.

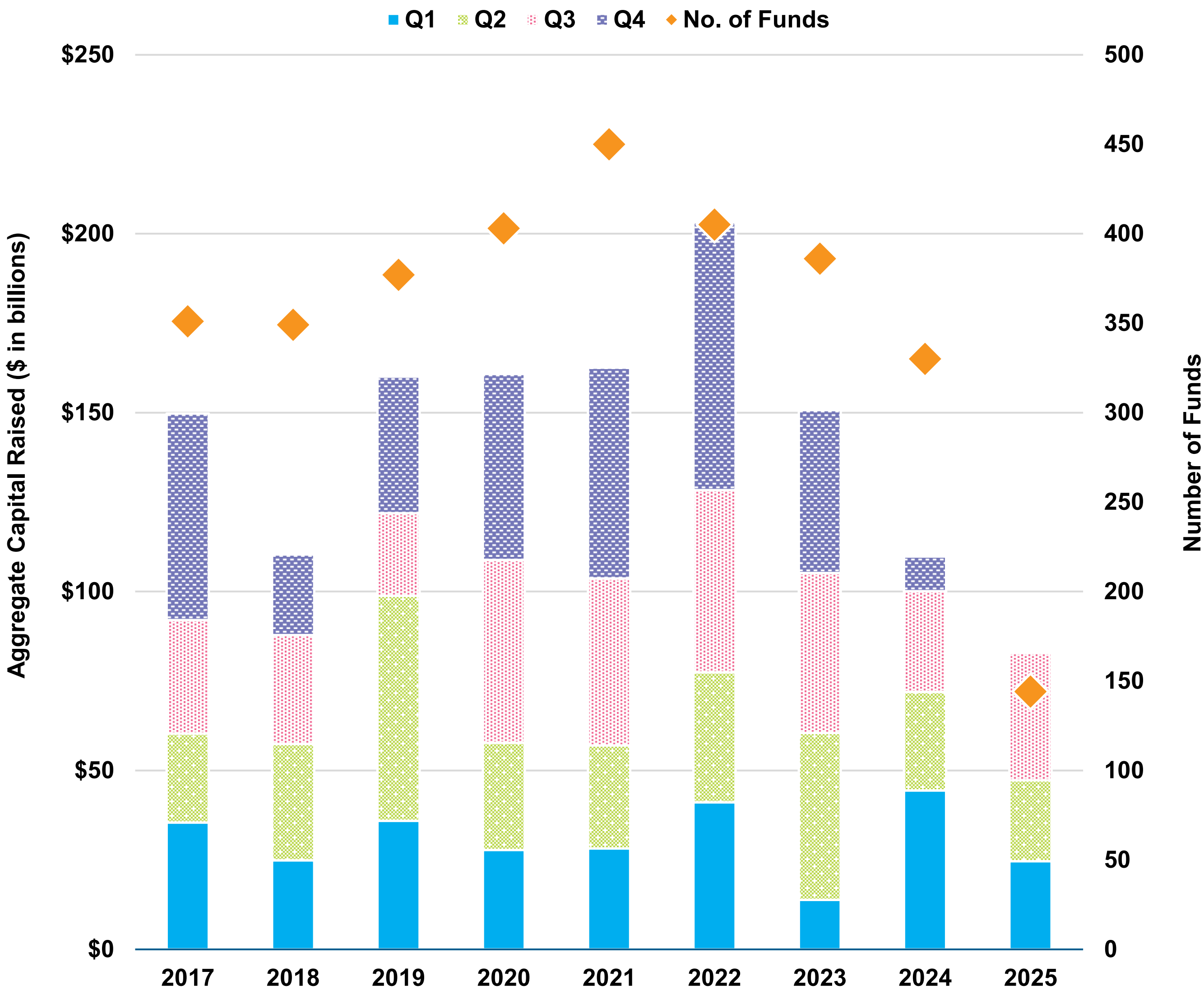
EFB/WP/SPM/jls

March 16, 2026

Attachment[1]

Infrastructure Market Commentary – Q3 2025

Global Quarterly Unlisted Infrastructure Fundraising[2]

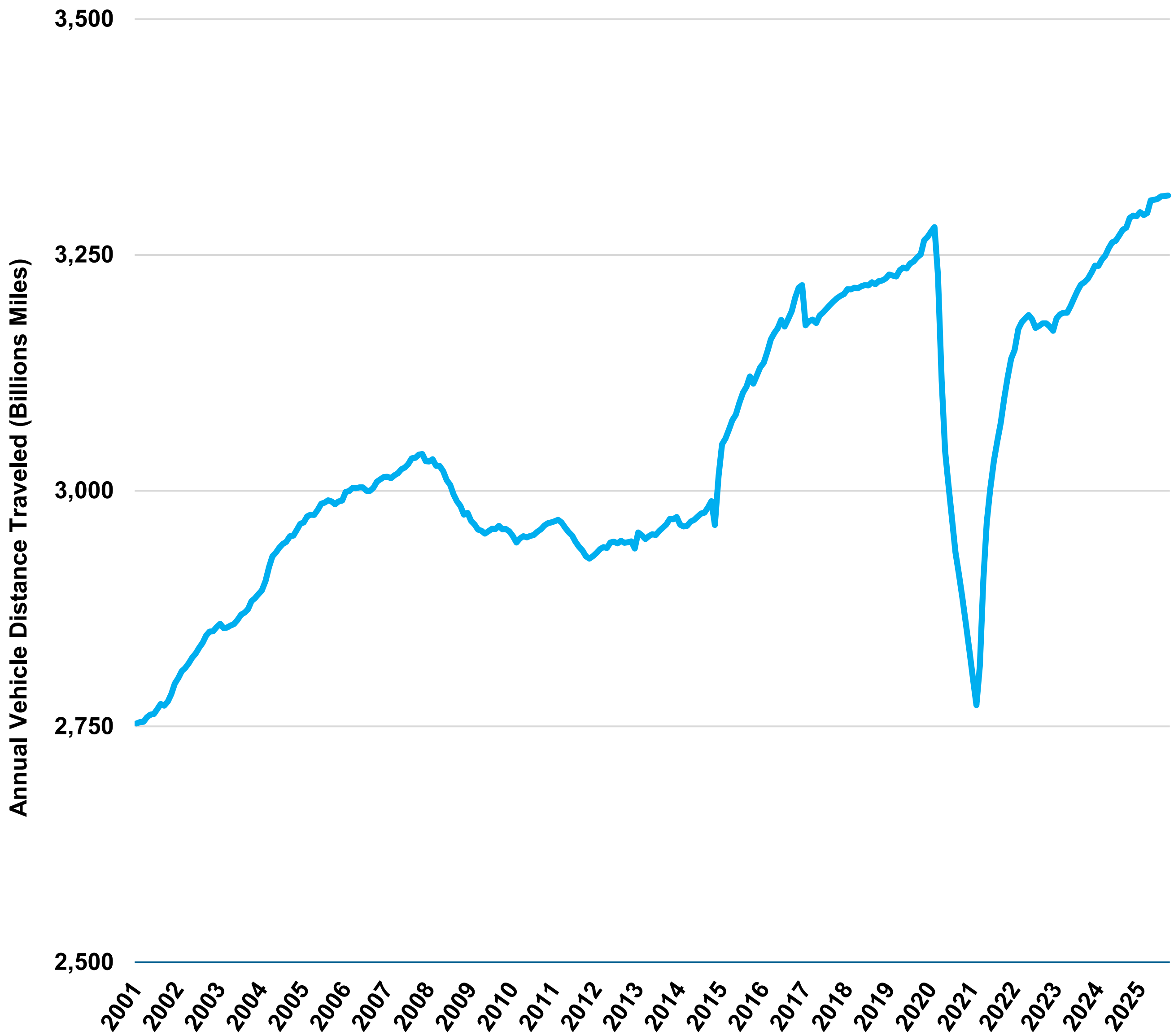


Fundraising totals have declined each of the past three years, but the third quarter showed signs of recovery after a slow first half of 2025. During the third quarter, infrastructure managers raised $36 billion across 30 funds nearly matching the total from the first half of the year.

[1] Commentary based on analysis of aggregated and deal-level data from Preqin, and other Preqin data, unless otherwise cited. Prior year data may have changed from figures shown in prior reports.
[2] Source: Preqin 3Q 2025.

March 16, 2026

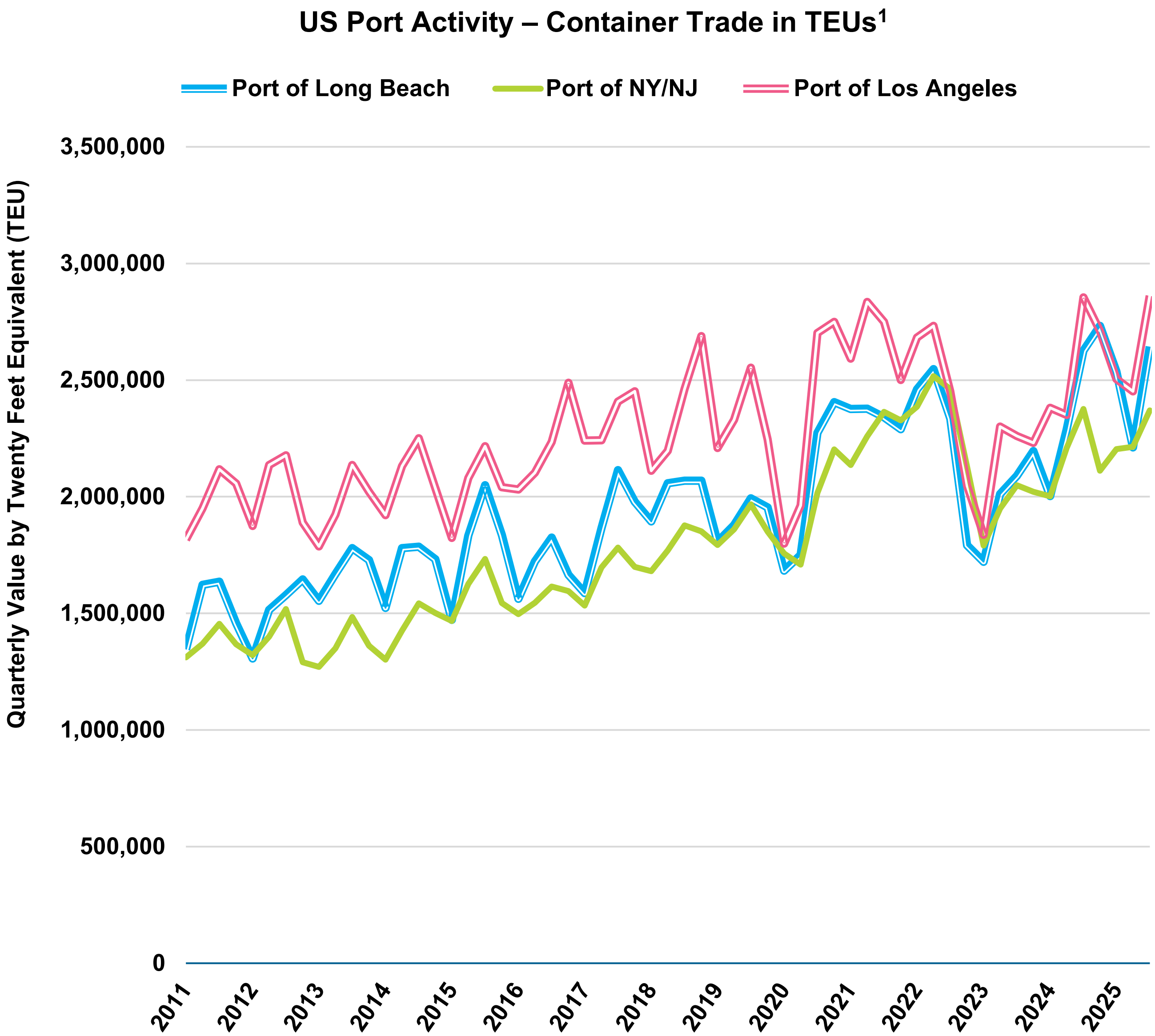
Trailing 12-month Annual Vehicle Miles on All US Roads[1]



The third quarter continued the steady increase in annual vehicle miles with a total of approximately 869 billion miles. This represented an increase of 0.4% over the same period in 2024 and represents the eleventh straight quarterly increases.

[1] Source: US Department of Transportation, Federal Highway Administration: Office of Highway Policy Information.

March 16, 2026



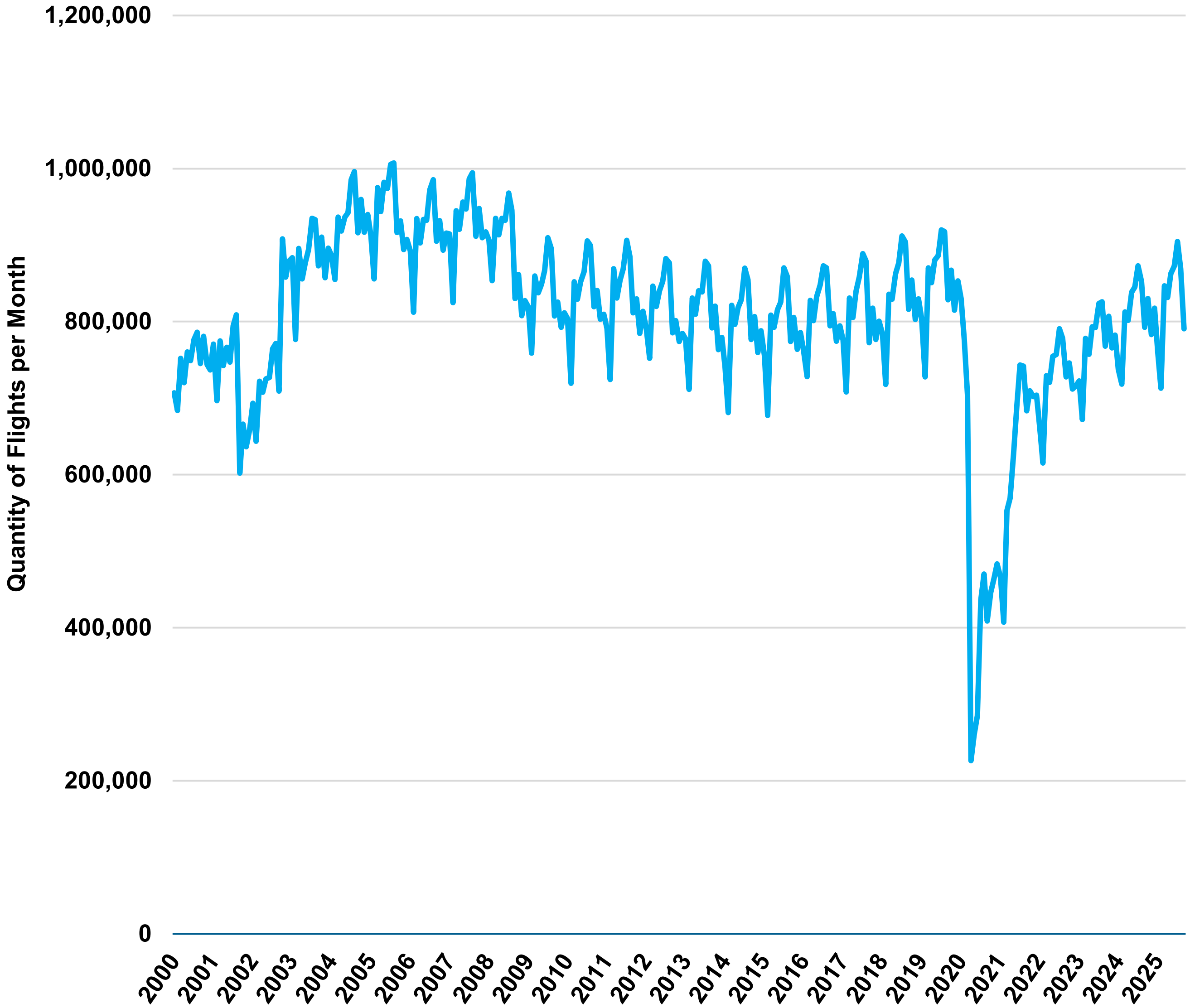
The chart presents the top three US ports by container volume, as measured by twenty-foot equivalent units (TEU). Activity at the three ports provides a high level representation of the volume at US ports more broadly.

During the third quarter, volumes across the three ports was flat relative to the same period last year. On a year-over-year basis, the combined port volumes increased by 2.0 million TEUs, or 7%, over the prior 12-month period. The Port of Long Beach recorded an increase of 11% (1.0 million TEUs), the Port of NY/NJ reported an increase of 3% (0.3 million TEU), and the Port of Los Angeles recorded an increase of 7% (0.7 million TEUs) over the prior 12 months.

[1] Source: www.polb.com, www.panynj.gov and www.portoflosangeles.org

March 16, 2026

Total US Domestic and International Flights[1]

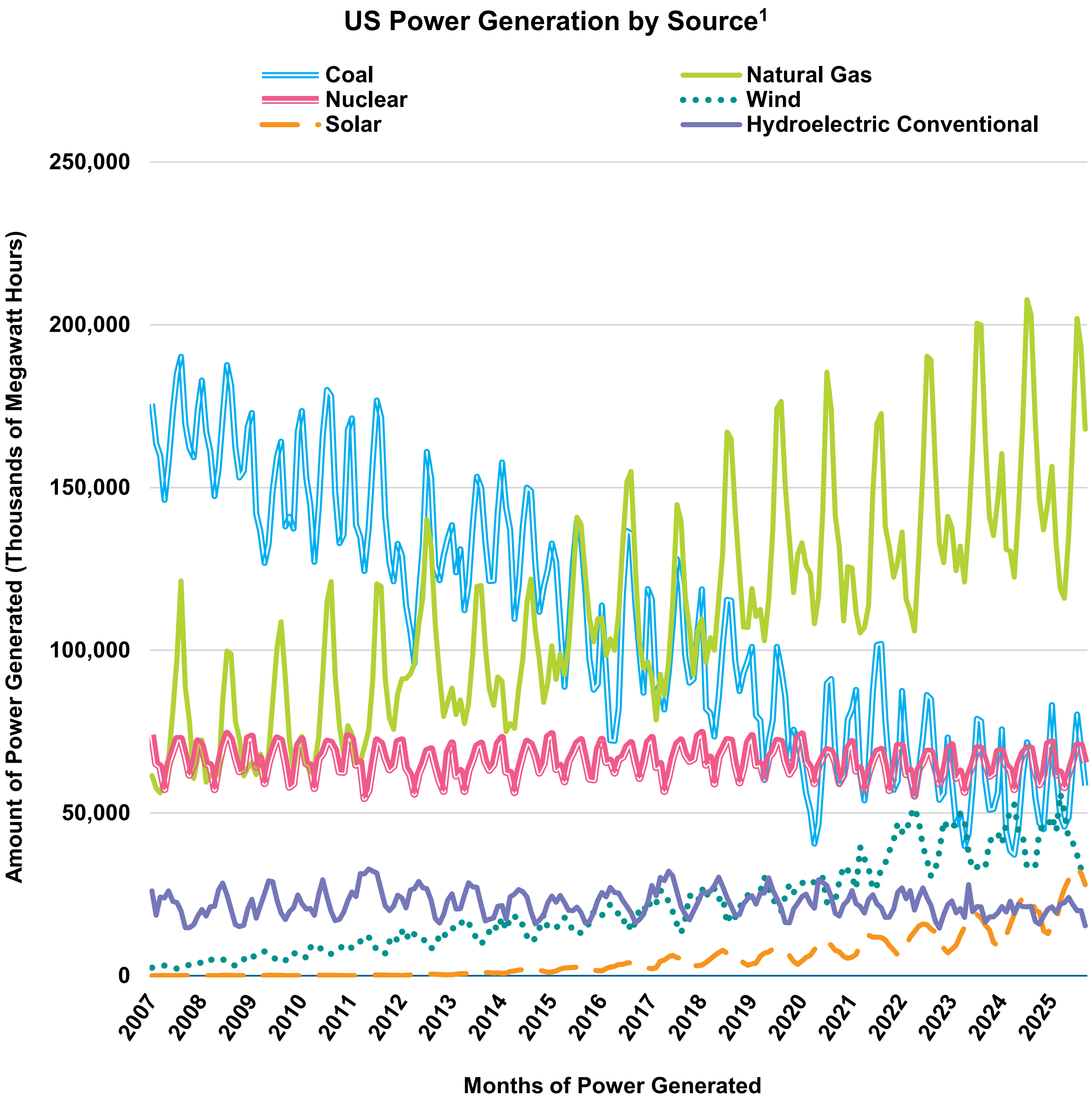


The chart above presents all US domestic and international flights, excluding foreign point-to-point flights by month. Historically, air traffic is cyclical with peaks in the summer months and troughs in the winter months.

There were 0.05 million more flights during the third quarter of 2025 over the same period in 2024, representing a 1.8% increase. In addition to the number of flights, the total number of passengers travelling on US and international airlines was flat year over year ended September 30, 2025.

[1] Source: Bureau of Transportation Statistics: Flights, All US, and Foreign Carriers.

March 16, 2026



In the third quarter 2025, total Utility Scale US power generated increased by 2% over the same period in 2024. Wind and utility-scale solar continue to make up a small portion of total net energy generation in the US, accounting for 12% and 6% of energy generation, respectively. Natural gas, coal, and nuclear accounted for 41%, 16%, and 18%, respectively.

[1] Source: US Energy Information Administration: Electric Power Monthly, September 2025.

March 16, 2026

Disclaimer

THIS REPORT (THE "REPORT") HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

THE INFORMATION USED TO PREPARE THIS REPORT MAY HAVE BEEN OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. SOME OF THIS REPORT MAY HAVE BEEN PRODUCED WITH THE ASSISTANCE OF ARTIFICIAL INTELLIGENCE ("AI") TECHNOLOGY. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY, ADEQUACY, VALIDITY, RELIABILITY, AVAILABILITY, OR COMPLETENESS OF ANY INFORMATION CONTAINED HEREIN, WHETHER OBTAINED EXTERNALLY OR PRODUCED BY THE AI.

THE RECIPIENT SHOULD BE AWARE THAT THIS REPORT MAY INCLUDE AI-GENERATED CONTENT THAT MAY NOT HAVE CONSIDERED ALL RISK FACTORS. THE RECIPIENT IS ADVISED TO CONSULT WITH THEIR MEKETA ADVISOR OR ANOTHER PROFESSIONAL ADVISOR BEFORE MAKING ANY FINANCIAL DECISIONS OR TAKING ANY ACTION BASED ON THE CONTENT OF THIS REPORT. WE BELIEVE THE INFORMATION TO BE FACTUAL AND UP TO DATE BUT DO NOT ASSUME ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS IN THE CONTENT PRODUCED. UNDER NO CIRCUMSTANCES SHALL WE BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OR ANY DAMAGES WHATSOEVER, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORT, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THIS CONTENT. IT IS IMPORTANT FOR THE RECIPIENT TO CRITICALLY EVALUATE THE INFORMATION PROVIDED.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE," OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS REPORT.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.