

Impact of SB 1319 on Private Equity Returns, Total Fund Performance, and Funded Status

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Executive Summary

- Senate Bill (SB) 1319 (Durazo) would significantly and negatively impact CalPERS' access to high-quality private asset class managers and would reverse the 2022 Private Equity strategy overhaul that has resulted in PE's turnaround discussed at the January 2026 Board Education Day
- PE is CalPERS' top-returning asset class over the long-term and is expected to continue outperforming its other asset classes
- Manager selection is critical for CalPERS since top-quartile PE significantly outperforms median PE
- As of 2022, CalPERS PE had outperformed public equity indexes, but underperformed peers' PE programs and PE indexes. Therefore, PE indexes outperformed public equity by greater margins than CalPERS PE
- In 2022, CalPERS instituted a new PE strategy that is outperforming public equity indexes, peers' PE programs, and PE indexes
- The performance difference between the current and prior PE strategies quantifies SB 1319's potential impact on the PE program's returns and on the Total Fund
- The current PE strategy has moved the needle for the Total Fund, which has gone from third- or fourth-quartile versus peers to top-decile
- In three years, the current strategy has already added over \$11.5 billion in excess returns relative to the prior strategy's returns and is continuing to ramp cumulative dollar value add, providing a path to further improve CalPERS' funded status
- CalPERS publicly shares extensive detail on its PE portfolio and has been recognized as the most transparent pension fund in the U.S.
- California public plans lack the market share in PE to force industry adoption of SB 1319's reporting requirements

Over the last decade, CalPERS' Board and CEO have significantly improved the funded status

CalPERS performance by asset class as of 12/31/25			
Asset Class	10-year	5-year	1-year
Private Equity (PE)	12.3%	14.3%	17.8%
Public Equity	11.5%	10.9%	22.6%
Fixed Income	3.0%	-0.9%	9.0%
Real Assets	4.6%	4.4%	5.2%
Private Debt	n/a	11.9%	12.4%
Total Fund	8.3%	6.9%	15.4%

CalPERS Funded Status*		
As of date	Discount Rate	Funded Status
6/30/2016	7.0%	68%
12/31/2025	6.8%	84%

- Funded status indicates a pension plan’s financial health by comparing assets to liabilities
- From 2016 to 2025, CalPERS' funded status has improved from about 68% to about 84%, despite lowering the discount rate*
- CalPERS' Investment Office has exceeded the 6.8% discount rate for the 10-, 5-, and 1- year periods
- All of CalPERS' asset classes contributed to these successes and played specialized roles in the Total Fund
- PE's role is to build on public equity's returns through greater active management and accomplished that goal
- Since PE is entirely actively managed and focused on equity, it typically has the largest relative impact on Total Fund returns

* A discount rate calculates the present value of future pension obligations. Funded status as of 12/31/25 is estimated. All else equal, the higher the discount rate, the higher the funded status. CalPERS has improved the funded status over the last decade while lowering the discount rate, making the improved funding status more meaningful

PE's definition, characteristics, and role in a portfolio

Definition: Ownership investments (shares) in companies not publicly listed on stock exchanges

Select characteristics of PE as an asset class:

Equity focused: PE is almost entirely focused on equity, which is the last to be paid in the capital structure and the recipient of profits

Active: PE seeks to outperform the equity market by opportunistically owning and managing assets, in contrast to passively owning a representative segment of the equity market (i.e., indexing)

Illiquid with smoothed valuations: PE investments take months at minimum to enter and exit. Since they are not publicly traded, companies are marked at fair value per accounting standards, resulting in more valuation stability than publicly traded stocks

Complex and less transparent: PE investments have legal, operational, and regulatory burdens, as well as confidentiality requirements

Expensive: While PE has had higher fees than public equity, PE has higher net returns than public equity over the long-term. PE's management fees are meant to support active management, and carried interest (i.e., profit share) is meant to incentivize higher returns

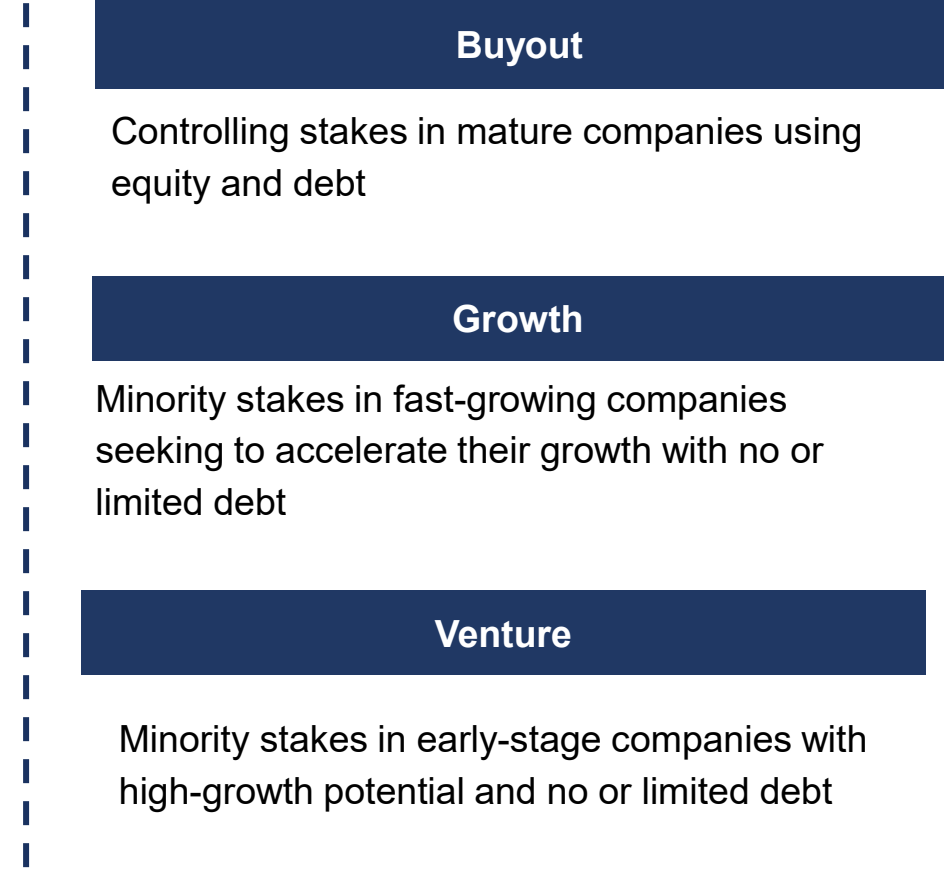
Access constrained: PE investments are generally limited to institutional investors or high-net-worth individuals, although recent regulatory shifts are widening access. However, some PE investments are oversubscribed and difficult to access regardless of regulations

Highest risk/reward: PE has the highest expected return, economic volatility, and return dispersion of any other asset class

- Range of returns are typically the highest of any asset class since PE is exclusively active and focused on equity
- Wide range of returns provide both additional excess return opportunities and more downside risk
- Ideal for institutions with long time horizons and a need to grow assets (e.g., pensions with funding gaps or high discount rates)
- Tends to have the biggest long-term relative impact of any asset class on return differences between institutions, such as pensions, after accounting for its size in a portfolio

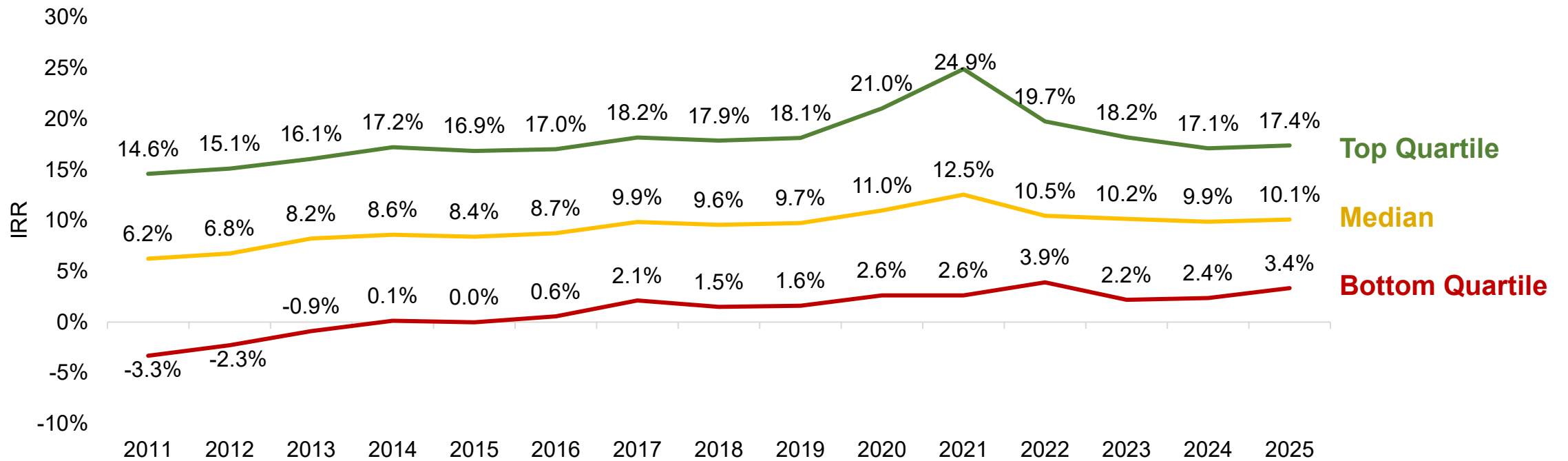
CalPERS PE invests as an LP across three segments

General Partner (GP)	Limited Partner (LP)
Manages PE funds and co-investment	Provides capital to GPs
Selects and exits portfolio companies	Selects funds and co-investments
Active ownership and oversight	Passive once invested with GPs; selects and monitors GPs
Earns fees and carried interest	Earns net investment returns
Unlimited liability and fiduciary duty	Limited liability
Fiduciary duty to LPs (CalPERS)	CalPERS' fiduciary duty is to pensioners



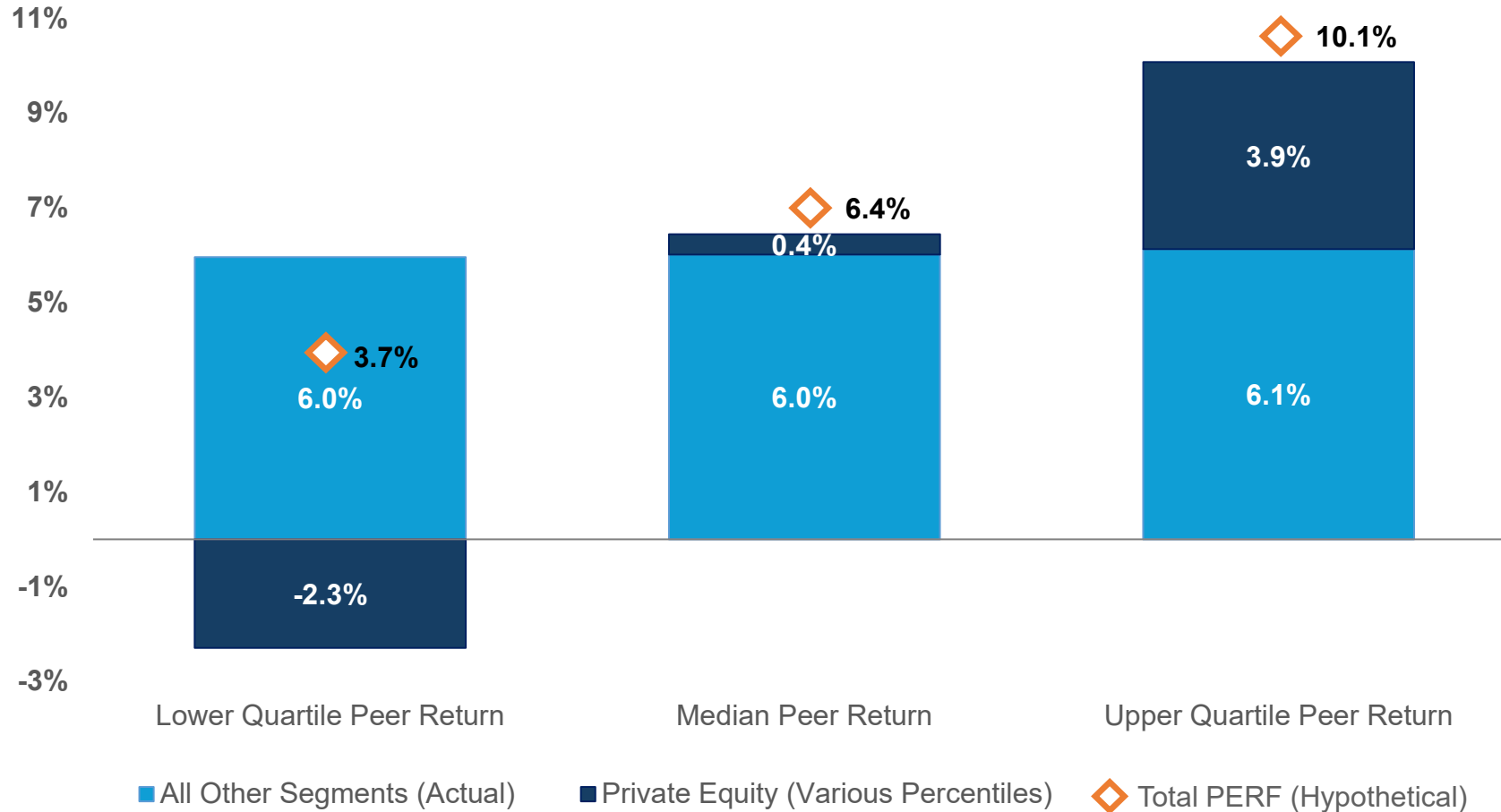
LPs' manager selection is critical; top-quartile PE significantly outperforms median PE

State Street All PE Pooled Since-Inception IRR Benchmark (at Calendar Year End)



Source: State Street as of 9/30/2025. 2025 is as of 9/30/2025.
IRR stands for Internal Rate of Return

PE's wide return dispersion can significantly impact Total Fund returns

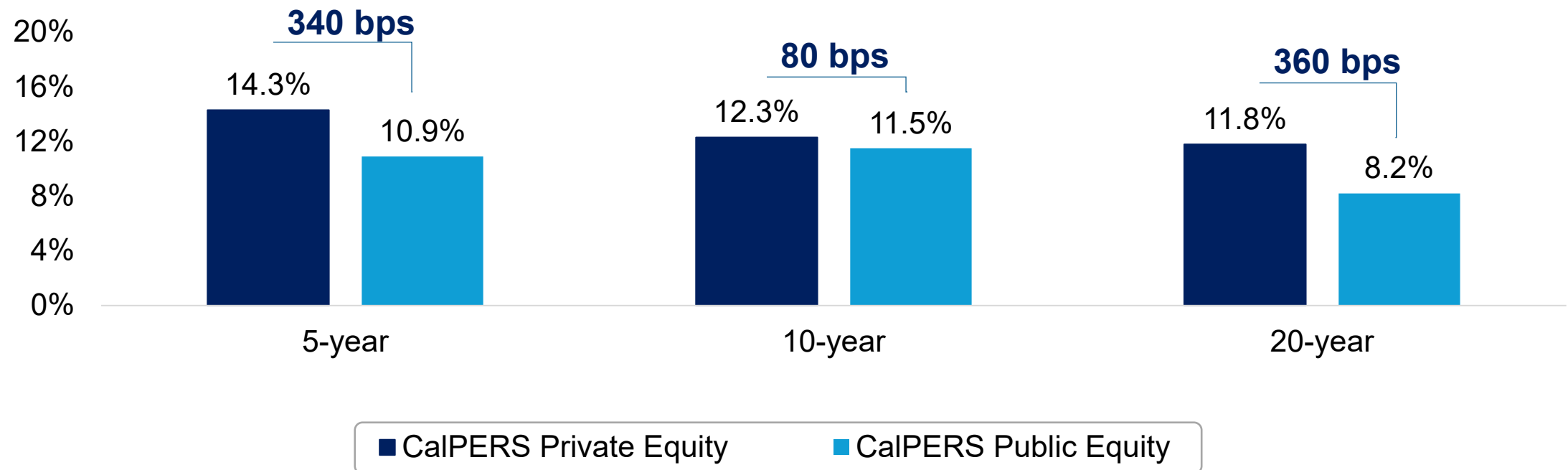


- Scenario analysis illustrating the impact of PE returns on Total Fund performance
- Combines actual 10-year Total Fund returns (as of 12/31/25) for all non-PE investments with 75th-, 50th-, and 25th- percentile PE Index returns with a 20% weight
- With 1st-quartile PE over the last 10-years, CalPERS Total Fund would have returned 10.1% (vs 8.3% actual*), while with median PE, CalPERS would have returned 6.4%
- SB 1319 would likely lead to a go-forward PE portfolio of 75th-percentile managers, which would reduce Total Fund returns*

Source: CalPERS staff analysis
 *Actual 10-year Total Fund return as of 12/31/25 is provided on Slide 3

CalPERS succeeded in generating PE returns beyond those of its public equity portfolio

**CalPERS Private Equity vs. CalPERS Public Equity
Time-weighted Return (TWR) as of 12/31/2025**



Source: State Street time-weighted returns as of 12/31/2025

Moreover, PE has been CalPERS' highest-returning asset class over both the long- and medium-term

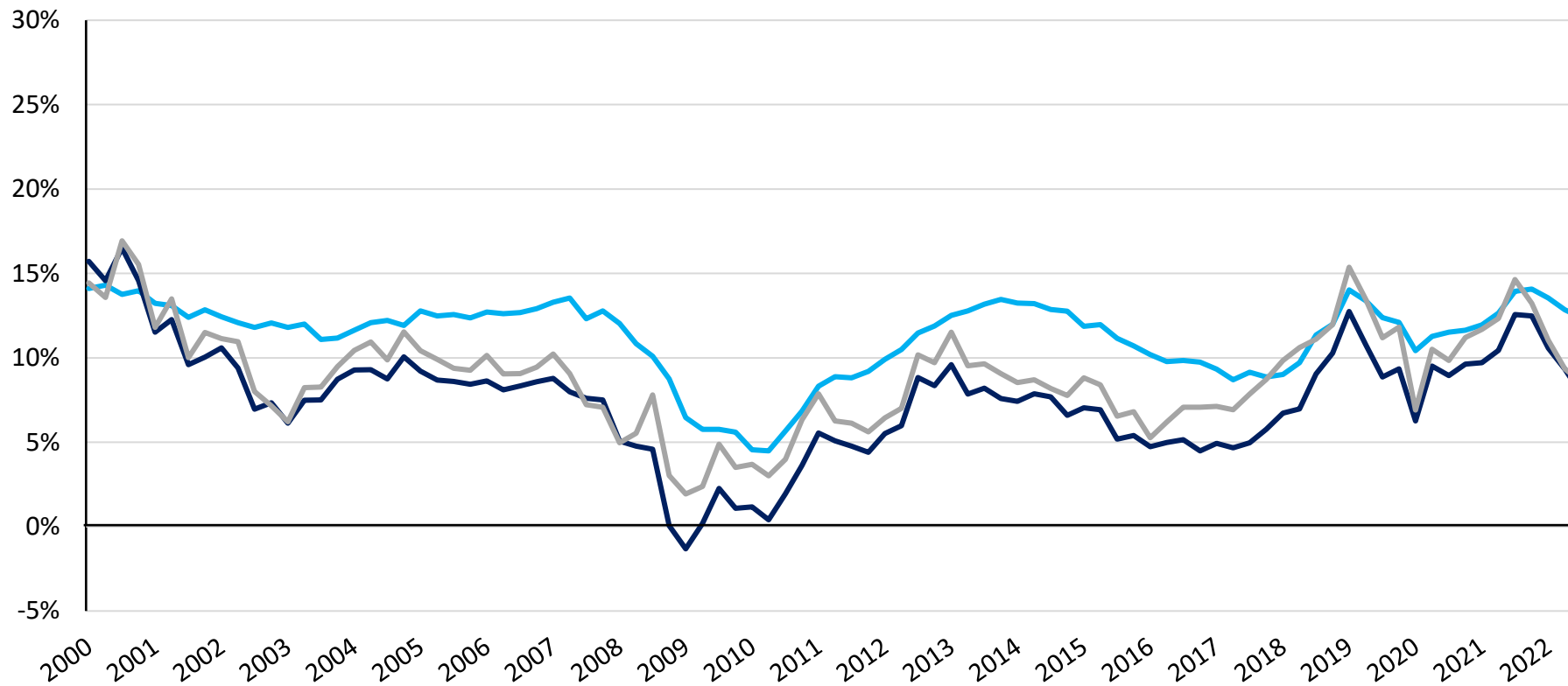
CalPERS' returns by asset class as of 12/31/25

Asset Class	20-year	10-year	5-year
Private Equity	11.8%	12.3%	14.3%
Public Equity	8.2%	11.5%	10.9%
Fixed Income	4.5%	3.0%	-0.9%
Real Assets	2.9%	4.6%	4.4%
Private Debt	n/a	n/a	11.9%
Total Fund (PERF)	6.7%	8.3%	6.9%

- PE's role in the portfolio is to achieve excess returns on active management of equity risk
- As expected over the long-term, PE is CalPERS' top-performing asset class over the 20- and 10-year periods. PE is also the leader over the 5-year time horizon (medium-term)
- CalPERS' Total Fund likely would not reach its 6.8% assumed earnings rate without Private Equity

CalPERS PE also historically outperformed public equity indexes over the long-term ...

Rolling 10-year time-weighted returns: CalPERS PE vs public equity indexes



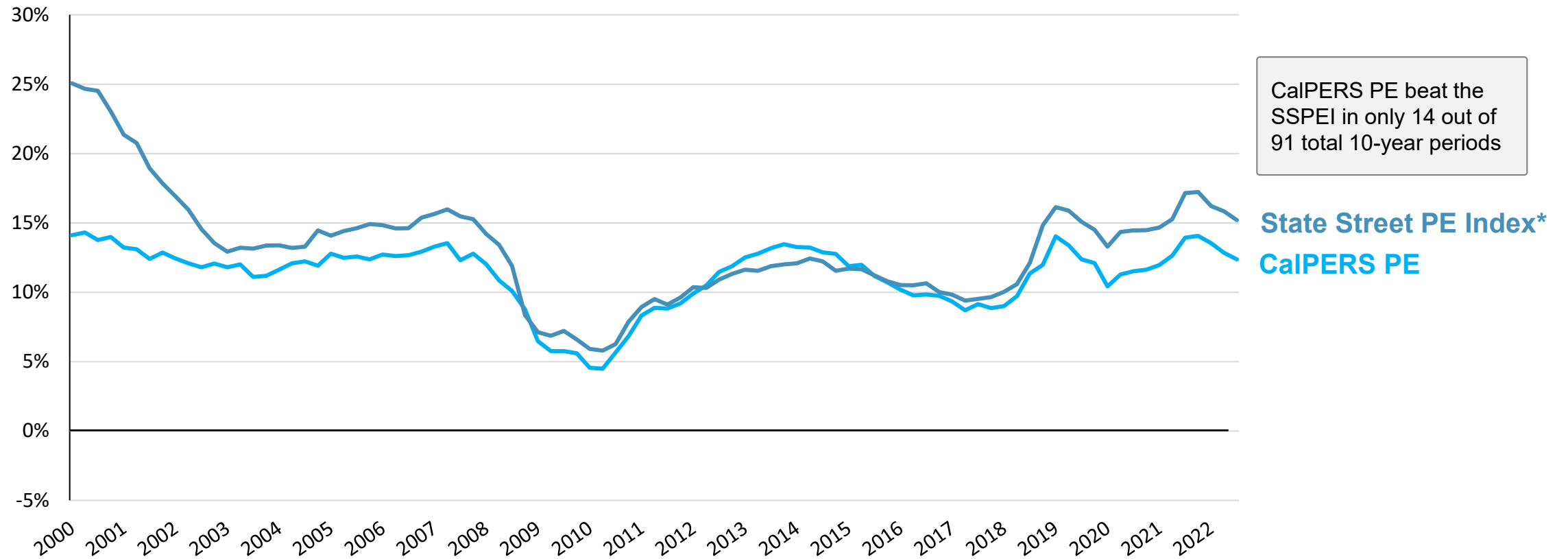
- CalPERS PE beat the FTSE in 87 out of 91 total 10-year periods
- CalPERS PE beat the Russell 2000 in 82 out of 91 total 10-year periods

CalPERS PE
Russell 2000*
Custom FTSE All World*

Source: CalPERS data and public equity indexes 2022 as of 12/31/2022
 Note: Comparison does not include an illiquidity premium, which would compare PE returns to an uninvestable alternative
 * One quarter lag.

However, CalPERS underperformed the PE universe

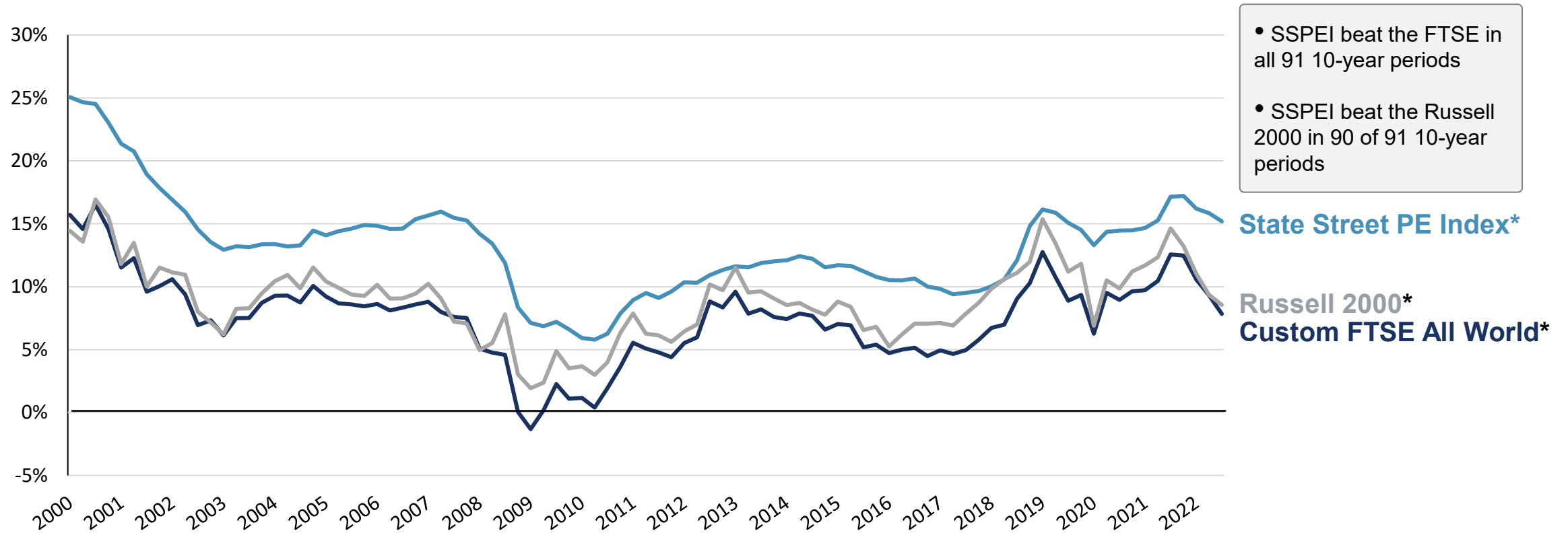
Rolling 10-year time-weighted returns: CalPERS PE vs PE Index



Source: CalPERS data and the State Street PE Index (SSPEI). 2022 as of 12/31/2022
 Note: The SSPEI is uninvestable but does provide a measure of the performance of the PE opportunity set
 * One quarter lag.

Outperforming the PE universe would have meant greater outperformance vs public equity indexes

Rolling 10-year time-weighted returns: PE index vs public equity indexes



Source: The State Street PE Index and public equity indexes. 2022 as of 12/31/2022
 * One quarter lag.

CalPERS was also underperforming peers' PE programs

CalPERS PE vs the 30 th Largest U.S. Public Pension PE Programs			
As of date	3-year returns	5-year returns	10-year returns
6/30/2022	Rank: 29 th of 30 Quartile: 4 th	Rank: 29 th of 30 Quartile: 4 th	Rank: 29 th of 30 Quartile: 4 th

CalPERS PE vs All U.S. Public Pension PE Programs with More Than \$1bn in PE NAV			
As of date	3-year returns	5-year returns	10-year returns
6/30/2022	Rank: 54 th of 56 Quartile: 4 th	Rank: 55 th of 56 Quartile: 4 th	Rank: 55 th of 56 Quartile: 4 th

- CalPERS PE ranked second-to-last out of the 30 largest public pensions in the U.S. over the 3-, 5-, and 10-year periods
- To address underperformance relative to large peers, the CEO pursued a change in PE's leadership and strategy

Source: Nasdaq eVestment

CalPERS launched a new PE strategy in November 2022

Highlights of CalPERS' Current PE Strategy

Commit consistently by vintage year via an increase in PE's allocation during the 2023-24 mid-cycle review to avoid a repeat of CalPERS' procyclical history

Reduce the cost of the PE program using separately managed accounts and co-investments

Engage with investment partners to prioritize sustainable investment frameworks, such as Climate and Labor Principles

Diversify the portfolio away from Large Buyout and toward Middle Market Buyout, Growth, and Venture

Add emerging and diverse managers to further diversify the portfolio and enhance returns

Focus on manager selection given the current PE strategy's move to segments of the market with higher return dispersion (e.g., Venture, emerging managers)

Employ thematics emphasizing innovation and secular changes to deploy capital

Engage regularly the secondary market as a buyer and seller to optimize the PE portfolio beyond what was possible through future commitments

CalPERS currently has extensive transparency

In 2025, CalPERS was recognized as the most transparent pension fund in the U.S.*

CalPERS shares publicly extensive detail on its PE portfolio including:

All GPs and vehicles in CalPERS' PE portfolio with vintage years and capital commitments to each

CalPERS' pro-rata share of vehicle-level costs, which include all management fees, expenses, and carried interest

CalPERS' pro-rata share of fees and expenses paid by portfolio companies to GPs or related parties

Return metrics for every vehicle

- Cash contributions and distributions
- Remaining value
- Net and gross IRR
- Investment multiple

Portfolio benchmarking relative to

- Public equity markets
- PE indexes
- Peer institutions

* CEM Global Pension Transparency Benchmark

SB 1319 would have substantial negative impact on CalPERS' fiduciary duties, operations, and stakeholders

Impact on CalPERS: If SB 1319 were to become law, it would negatively impact the returns, diversification, and cost of the CalPERS PE program and, as a result, the performance of the total retirement fund (PERF), causing significant increases in contributions for both participating employers and active PEPRA members

Key points:

SB 1319's potential select requirements would include details about:

Portfolio companies, such as the locations of their business activities and each employee's U.S. Bureau of Labor Statistics' job classification—information at the heart of a company's business strategy

Total amounts of commitments and cash contributions made by non-CalPERS investors

Select potential negative implications on CalPERS PE:

Lower returns from reduced access to top-tier GPs and companies, which would stop partnering with CalPERS to protect proprietary information (adverse selection); CalPERS' portfolio would move to GPs and companies needing CalPERS, while CalPERS would lose access to investments needed to improve its funded status

Diminished diversification: Current strategy pursues segment and industry diversification; reduced access would limit diversification and increase risk

Reduced leverage: Current strategy deemphasized Large Buyout, which would again dominate the portfolio under SB 1319, harming CalPERS' ability to negotiate

Operational and administrative costs resulting from additional staff, reporting systems, and external advisory resources

Legal jeopardy from violating hundreds of partnership agreements that require protecting confidential information; existing partnerships could sue or remove CalPERS, or could limit CalPERS' access to confidential information necessary to monitor effectively its investments and fulfill its fiduciary duty

Distraction from most-relevant performance evaluation: Each investment decision is made in a portfolio context and not meant to be judged individually; just as public equity's performance should not be assessed by the return of a given stock, PE's performance should not be assessed by a given fund or portfolio company

SB 1319 would undermine CalPERS' current PE strategy

Examples of SB 1319's negative impact on key elements of CalPERS' current PE strategy

Commitment consistency: CalPERS would be forced to cut back dramatically in Growth and Venture only four years into deploying to those segments, keeping CalPERS from investing across a full business cycle

Lower-cost structures: With off-market portfolio disclosure requirements, GPs would be less likely to offer CalPERS bespoke vehicles or co-investment with no management fees or carry, which would increase the costs of the PE program and reduce net returns

Sustainable investment engagement: CalPERS would have less leverage to negotiate with Large Buyout GPs, who would know CalPERS' limitations in investing in other segments of PE

Diversification away from Large Buyout: Venture, Growth, and Middle Market Buyout GPs, which have the highest upside return opportunities, would be less likely to accept CalPERS' capital since their business models especially depend on partnering with innovative companies more sensitive to sharing trade secrets

Emerging and diverse managers: Such GPs would have to choose between accepting CalPERS as an LP and maintaining competitiveness versus other GPs. Since CalPERS has been such a prolific investor in emerging and diverse managers, they would face tradeoffs that harm their ability to grow

Focus on manager selection: The most successful GPs in each strategy segment have the least need to accept CalPERS' capital, reducing CalPERS' opportunities to invest with the most oversubscribed GPs. Manager selection is critical for an LP PE program

Thematics of innovation: GPs and companies investing in areas of economic transformation would be most sensitive about sharing trade secrets

Secondary program: Top-tier GPs would likely exercise their rights to restrict fund transfers, thereby limiting CalPERS' participation in the secondary market

California public pensions lack the market share to force industry adoption of SB 1319's reporting requirements

Independent statistics on the size of the global PE industry as of 2025

Segment	NAV (\$T)	% of Total PE NAV
Pitchbook global PE (Buyout , Growth, and Venture)	10.400	
Private Equity International (PEI) 150 largest PE LP programs globally	2.646	25.4%
U.S. portion of the PEI 150	1.029	9.9%
California public pensions in the Nasdaq eVestment Database (28 pensions)	0.213	2.0%
California public pensions in the PEI 150	0.199	1.9%
CalPERS, CalSTRS, and UC Regents	0.161	1.5%

- The global NAV of PE is \$10.4 trillion
- The 150 largest LP PE programs make up 25.4% of PE NAV
- There are eight California public pensions in the PEI 150, which together make up 7.5% of the PEI 150 and 1.9% of global PE NAV
- There are 28 California public pensions in the Nasdaq eVestment database, which combined make up 2.0% of global PE NAV. The smallest California pension tracked has a PE NAV of \$9 million
- Together CalPERS and CalSTRS make up 1.4% of global PE NAV

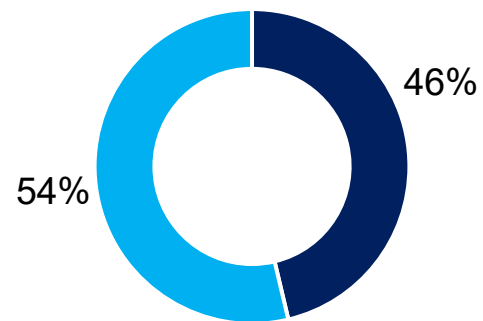
Source: Pitchbook's "2030 Private Market Horizons", PEI 150 for 2025, Nasdaq eVestment

Current strategy significantly outperforming; current vs prior return differences quantify 1319's negative impact

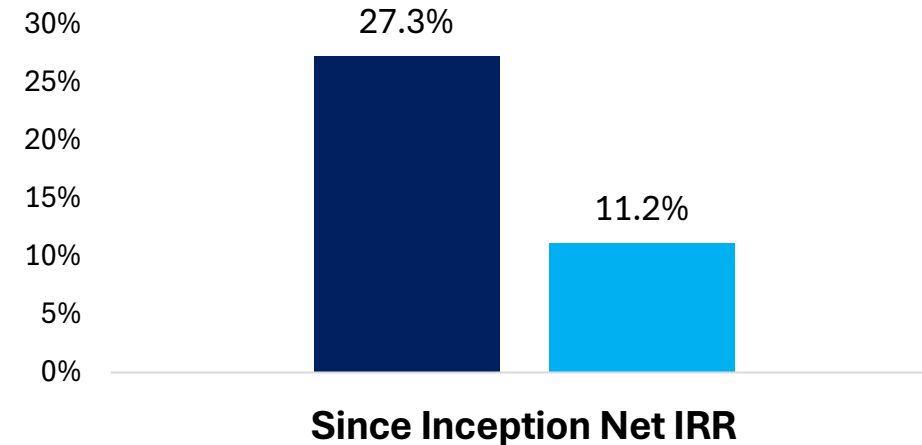
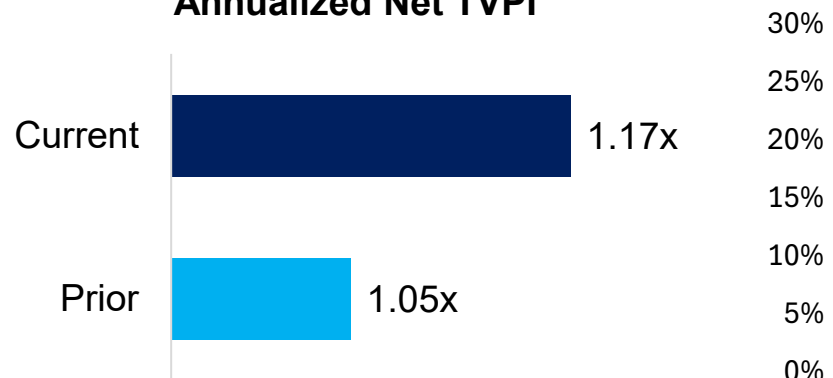
Breakout of total PE portfolio between the current and prior strategies

Strategy	Current Cost	Net TVPI	Weighted Average Hold	Annualized TVPI	Since Inception Net IRR
Current Strategy	\$39B	1.44x	2.3 years	1.17x	27.3%
Prior Strategy	\$45B	1.57x	9.7 years	1.05x	11.2%

Current Cost by Strategy



Annualized Net TVPI



Source: PEARS, State Street and staff analysis as of 9/30/2025

Note: Figures are net of fees and expenses at the fund level. "Current Cost" is the amount of unrealized cost held against an investment. TVPI stands for total value to paid-in ratio.

Annualized TVPI is calculated using simple annualization.

This slide displays performance for active portfolio investments only. Active and exited portfolio performance as of 9/30/2025: Current Strategy – Since Inception IRR: 27.3%, Non-Annualized TVPI: 1.43x; Prior Strategy – Since Inception IRR: 10.9%, Non-Annualized TVPI: 1.52x.

CalPERS PE's current strategy is delivering strong excess returns compared to the prior strategy

Current Strategy Excess Returns vs. Prior Strategy by Quarter

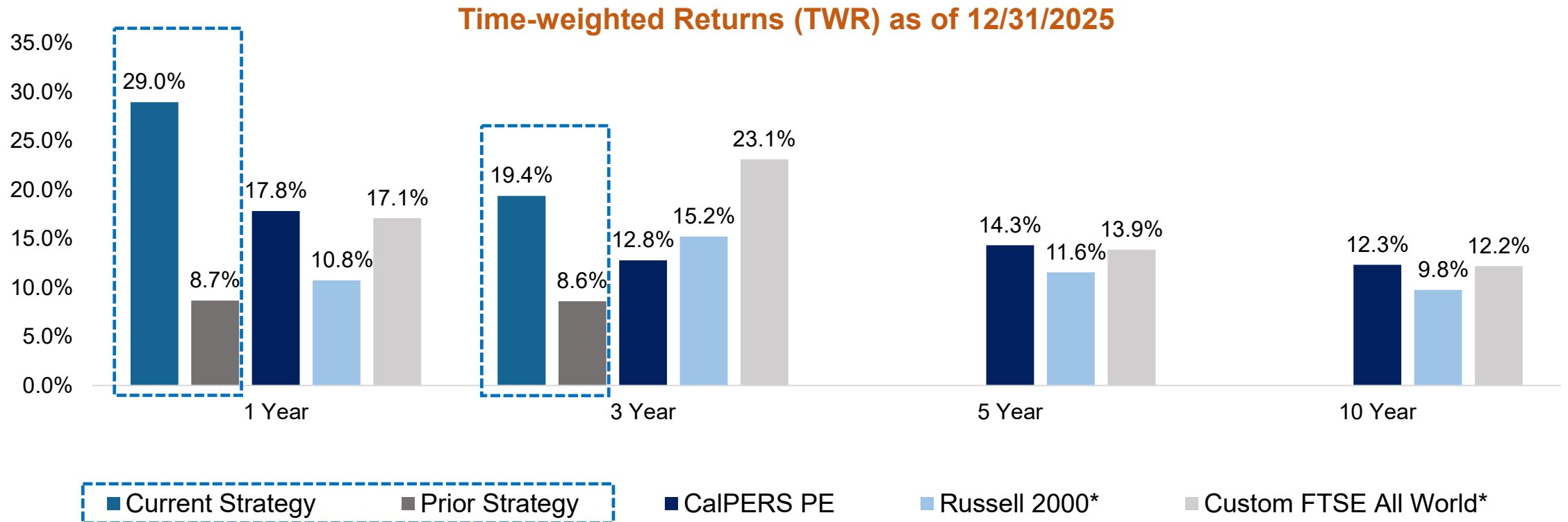
As of Date	1-Year	3-Year
9/30/2025	25.1%	19.3%
6/30/2025	19.1%	17.6%
3/31/2025	22.1%	20.2%
12/31/2024	20.4%	19.4%
9/30/2024	15.7%	16.4%
6/30/2024	15.3%	13.8%
3/31/2024	10.7%	8.7%
12/31/2023	8.6%	5.6%
9/30/2023	7.1%	-0.2%

As of 9/30/2025	1-Yr IRR	3-Yr IRR
Current Strategy	32.8%	28.6%
Prior Strategy	7.8%	9.3%

- Launched in Q4 2022, the current PE strategy began outperforming the prior PE strategy one year after launch, the point at which the current strategy's investments began receiving marks*
- The current strategy's returns over those of the prior strategy (excess returns) have been expanding as the current strategy's investments mature

Source: PEARS and State Street Private Equity Index (SSPEI) All. Net IRR as of 9/30/2025 (no lag)
 *GPs commonly mark investments at cost for one year

Current strategy compares well to public equity indexes, leading the overall PE portfolio to outperform on the 1-, 5-, and 10-year horizons



Source: State Street and staff analysis as of 12/31/2025
 *One quarter lag

PME analyses show that the current strategy is outperforming public equity, while the prior strategy lags

Total PE Portfolio

CalPERS Private Equity IRR		Russell 2000		Custom FTSE All World ¹	
		KS PME	Direct Alpha	KS PME	Direct Alpha
1 Year	17.7%	1.05	5.9%	1.00	0.2%
3 Year	14.4%	0.99	-0.4%	0.87	-6.6%

Current Strategy

CalPERS Private Equity IRR		Russell 2000		Custom FTSE All World ¹	
		KS PME	Direct Alpha	KS PME	Direct Alpha
1 Year	32.8%	1.15	18.3%	1.10	12.0%
3 Year	28.6%	1.18	12.5%	1.09	6.3%

Prior Strategy

CalPERS Private Equity IRR		Russell 2000		Custom FTSE All World ¹	
		KS PME	Direct Alpha	KS PME	Direct Alpha
1 Year	7.8%	0.98	-2.3%	0.93	-7.6%
3 Year	9.3%	0.89	-5.0%	0.76	-11.1%

Source: PEARS and State Street, as of 9/30/2025

¹CalPERS Public Equity Cap Weighted Benchmark, "Custom FTSE All World, All Cap Equity"

Note: "PME" stands for Public Market Equivalent, a benchmarking approach used to evaluate PE relative to public equity by assuming cash flows are put in public equity markets instead of with GPs. "Direct alpha" shows PE performance relative to public equity in percentage terms. "KS" stands for Kaplan-Schoar, a type of PME analysis that presents results in a multiple format such that values greater than 1 indicate outperformance relative to public equity. For this PME analysis, CalPERS PE cash flows are aggregated monthly to match the public benchmark return period. PE IRR figures may vary slightly from prior sections due to some booking dates of contributions impacting the period's initial contribution amount.

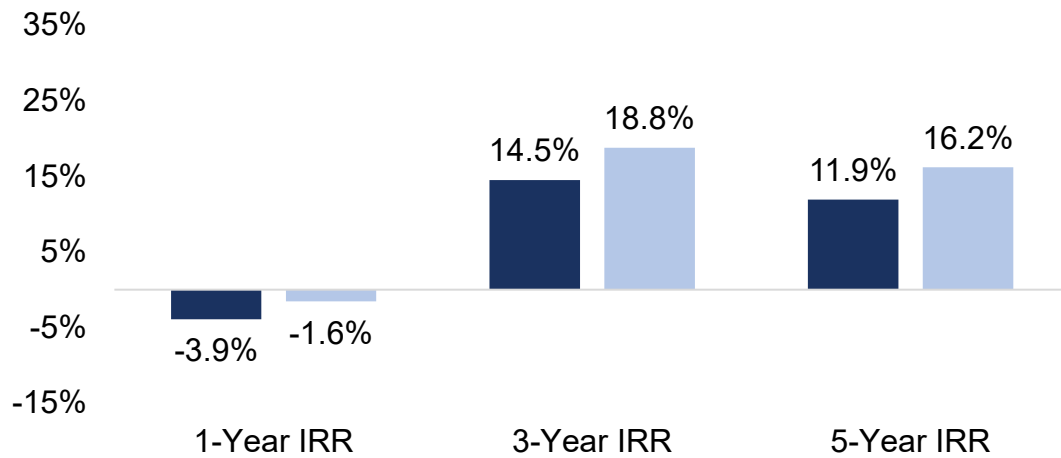


Current strategy has transformed CalPERS' returns vs PE universe over the short- and medium-term

IRR differences between CalPERS PE and PE Index (SSPEI)

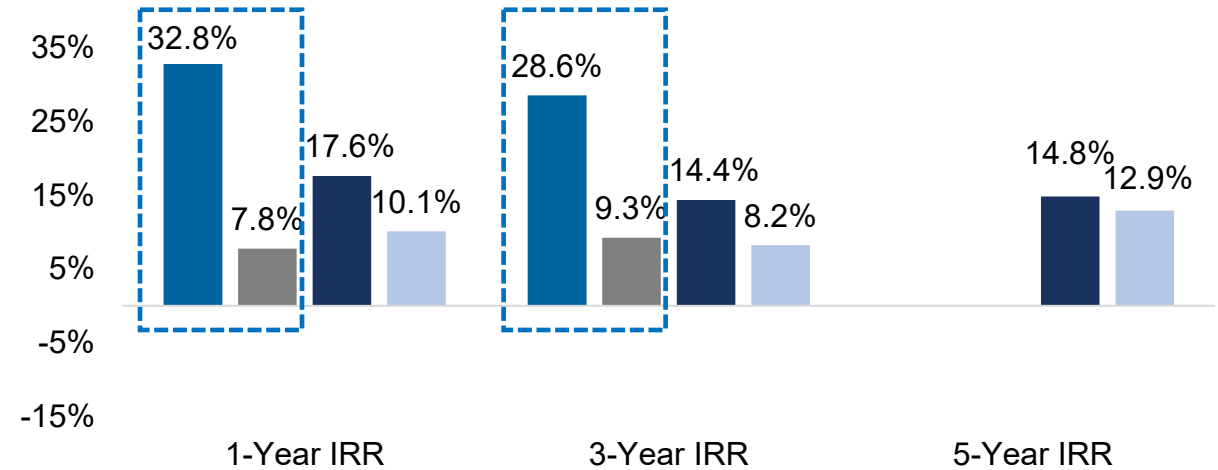
Prior Strategy

Results as of 9/30/2022



Current and Prior Strategy Breakout

Results as of 9/30/2025



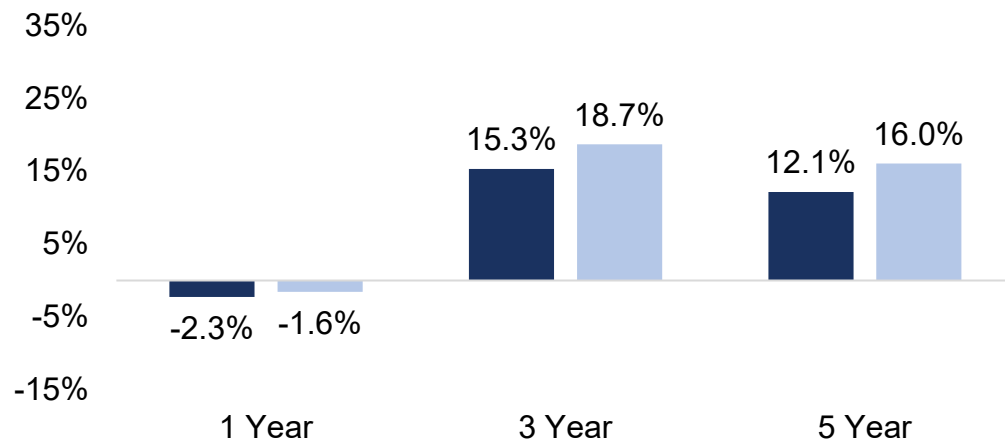
Source: PEARS and staff analysis as of 9/30/2025; State Street Private Equity Index as of 9/30/2025

Current strategy has also reversed underperformance on a time-weighted-return basis

TWR differences between CalPERS PE and PE Index (SSPEI)

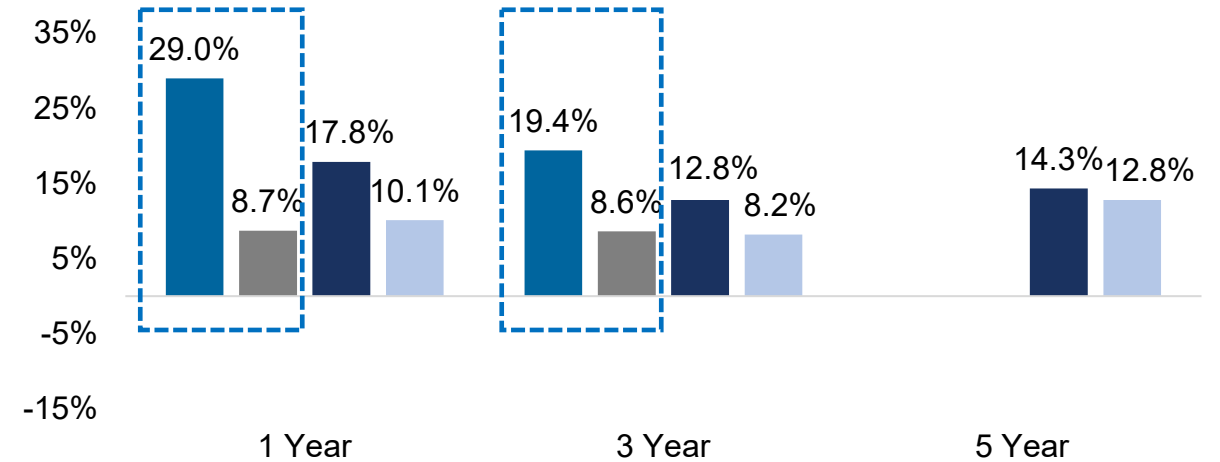
Prior Strategy

Results as of 12/31/2022



Current and Prior Strategy Breakout

Results as of 12/31/2025



Source: State Street and staff analysis as of 12/31/2025; State Street All PE Index calculated with one quarter lag using Modified Dietz methodology as proxy to TWR

CalPERS is now outperforming the PE index on the 1-, 3-, and 5-year periods and progressing to a positive 10-year excess return

CalPERS PE excess returns vs. SSPEI All

As of Date	1-Year	3-Year	5-Year	10-Year	Since Inception
9/30/2025	7.5%	6.1%	1.9%	-0.2%	-1.4%
6/30/2025	5.9%	4.9%	0.9%	-0.9%	-1.5%
3/31/2025	6.4%	4.4%	0.4%	-1.1%	-1.6%
12/31/2024	5.2%	3.6%	0.0%	-1.5%	-1.7%
9/30/2024	5.5%	3.1%	-0.3%	-1.8%	-1.7%
6/30/2024	5.9%	2.3%	-0.7%	-2.0%	-1.8%
3/31/2024	5.4%	1.2%	-1.3%	-2.0%	-1.8%
12/31/2023	4.7%	0.2%	-1.6%	-2.2%	-1.9%
9/30/2023	4.8%	-1.6%	-2.7%	-2.4%	-2.0%
6/30/2023	1.9%	-2.8%	-3.3%	-2.5%	-2.1%
3/31/2023	0.2%	-3.5%	-3.6%	-2.4%	-2.1%
12/31/2022	-0.3%	-3.8%	-3.9%	-2.2%	-2.2%
9/30/2022	-2.4%	-4.2%	-4.3%	-2.3%	-2.3%
6/30/2022	-2.3%	-4.0%	-4.2%	-2.3%	-2.3%
3/31/2022	-2.0%	-4.2%	-3.7%	-2.6%	-2.3%
12/31/2021	-3.6%	-3.9%	-3.6%	-2.4%	-2.3%
9/30/2021	-6.4%	-5.6%	-3.6%	-2.2%	-2.5%
6/30/2021	-6.4%	-5.7%	-3.6%	-2.9%	-2.5%
3/31/2021	-6.9%	-5.7%	-3.7%	-2.7%	-2.4%
12/31/2020	-6.5%	-5.1%	-3.3%	-2.3%	-2.3%
9/30/2020	-2.4%	-3.9%	-2.8%	-1.5%	-2.1%
6/30/2020	-2.1%	-3.4%	-2.9%	-0.8%	-2.0%
3/31/2020	-3.8%	-2.7%	-2.9%	-0.8%	-2.0%
12/31/2019	-2.6%	-2.6%	-3.2%	-0.7%	-2.1%
9/30/2019	-7.0%	-2.6%	-3.4%	-0.4%	-2.1%

Launched in Q4 2022, the current strategy has delivered a rapid turnaround for CalPERS PE

As of 9/30/2025	1-Yr IRR	3-Yr IRR
Current Strategy	32.8%	28.6%
Prior Strategy	7.8%	9.3%

Prior strategy underperformed versus the PE universe in all major time horizons

Source: PEARS and State Street Private Equity Index (SSPEI) All. Since inception goes back to 1990. Net IRR returns as of 9/30/2025 (no lag).

PE returns have improved dramatically vs peers

30 Largest U.S. Public PE Programs		
As of date	1-year returns	3-year returns
12/31/22	Rank: 17 th of 30 Quartile: 3 rd	Rank: 30 th of 30 Quartile: 4 th
12/31/25	Rank: 1st of 30 Quartile: 1 st	Rank: 1st of 30 Quartile: 1 st

CalPERS PE Performance

- Highest 1- and 3-year returns as of 12/31/25
- From last to first for the 3-year return
- 320 bps higher than the 2nd-highest 3-year return

CalPERS PE Scale*

- ~2x larger than the 2nd-largest PE program (\$111B vs \$57B)
- ~22x larger than the 30th-largest PE program (vs \$5B)

** Size is widely considered a headwind to returns*

30 Largest PE Programs by 3-yr TWR		NAV (\$B)	1-yr	3-yr
1	CalPERS	110.8	17.84%	12.80%
2	Minnesota State Board	16.1	8.00%	9.60%
3	CalSTRS	57.4	11.40%	9.40%
4	Washington State (WSIB)	52.3	10.35%	8.91%
5	Texas Teachers	33.7	12.20%	8.50%
6	Illinois Municipal	6.8	17.21%	8.38%
7	Ohio PERS	16.0	8.40%	8.20%
7	University of California	13.8	10.70%	8.20%
9	Alaska Permanent	11.5	12.09%	7.79%
10	South Carolina	7.0	10.70%	7.30%
10	Nevada PERS	5.3	12.70%	7.30%
12	Massachusetts PRIM	19.5	8.50%	7.28%
13	Florida SBA	19.6	11.10%	7.20%
14	Arizona State Retirement System	8.2	8.20%	7.17%
15	Virginia Retirement System	19.8	8.10%	6.90%
15	Maryland	15.4	8.10%	6.90%
15	Connecticut	8.0	7.00%	6.90%
18	Texas County	14.7	11.20%	6.51%
19	Alaska Retirement	5.1	9.00%	6.37%
20	Missouri Public Schools (PSRS/PEERS)	10.6	9.72%	6.31%
21	New York City Teachers	9.4	6.72%	6.27%
22	Pennsylvania SERS	6.6	5.91%	6.26%
23	Oregon PERS	25.0	8.20%	6.20%
24	State of Michigan Retirement Systems	25.0	7.80%	6.00%
25	Arizona Public Safety	6.2	7.00%	5.80%
26	United Nations Pension	8.5	5.20%	5.50%
27	New Jersey	7.9	7.34%	5.45%
28	Los Angeles County Employees (LACERA)	14.1	6.40%	5.10%
28	North Carolina (NCRS)	6.8	9.90%	5.10%
30	San Francisco Employees (SFERS)	10.3	8.16%	4.01%



Note: Dataset includes the 30 largest domestic PE programs that have publicly reported 12/31/22 and 12/31/25 net asset value (NAV) and time-weighted returns for the 1- and 3-year time horizons, as collected by Nasdaq eVestment as of 5/8/26. Top-30 sizing is based on NAV as of 12/31/22

Current strategy has transformed CalPERS PE's standing among peers going back a decade

Wilshire universe percentiles for CalPERS PE:			
Time	12/31/2022		12/31/2025
1-Year	58 th	→	1 st
2-Year	58 th	→	1 st
3-Year	58 th	→	1 st
4-Year	87 th	→	1 st
5-Year	66 th	→	1 st
7-Year	66 th	→	15 th
10-Year	62 nd	→	25 th

- Before the current strategy, CalPERS PE was third or fourth quartile relative to peers
- After three years of the current strategy, CalPERS PE's overall portfolio is top quartile over the last ten years and the top performer over the last five years
- If CalPERS PE maintains its current strategy, it will make up a greater proportion of CalPERS PE's portfolio, likely improving the percentile for the 10-year time horizon
- While the constituents of the peer universe are unknown, it is likely their PE programs are mostly meaningfully smaller than CalPERS PE's program, and larger scale is widely considered a headwind for returns

Note: Peer comparison based on the Wilshire Trust Universe Comparison Service (TUCS) for public asset owners with at least \$50B in total assets under management. Time-weighted net returns reported by CalPERS with a one-quarter lag for PE

PE “a very strong driver” in delivering top-decile returns for the CalPERS Total Fund

Wilshire universe percentiles for the Total Fund:		
Time	12/31/2022	12/31/2025
1-Year	70 th	→ 9 th
2-Year	84 th	→ 21 st
3-Year	84 th	→ 37 th
4-Year	94 th	→ 75 th
5-Year	94 th	→ 84 th

“CalPERS Total Fund peer rankings have improved markedly over the 1- and 2-year periods, ranking in the top decile over the last year ... Longer term returns do remain more challenged ... but we are seeing positive momentum. And one of the big drivers of that momentum is PE ... PE returns rank at the very top of the universe going back 5 years ... a very strong driver of Total Fund returns.”

-Wilshire’s commentary during 9/15/25 CalPERS Board meeting

Note: Peer comparison based on the Wilshire Trust Universe Comparison Service (TUCS) for public asset owners with at least \$50B in total assets under management. Time-weighted net returns reported by CalPERS with a one-quarter lag for PE

PE's current strategy is delivering a material and ramping contribution to CalPERS' funded status

Cumulative DVA Impact (\$M)	
12/31/2025	\$11,568
12/31/2024	\$2,811
12/31/2023	\$170

- Total Fund returns as of 12/31/25 include approximately 50% of the PE portfolio invested under its current strategy
- At about 50% of the PE portfolio, the current strategy's impact on Total Fund performance is estimated to be an incremental +160 bps for the 1-year return and +72 bps for the 3-year return relative to the prior strategy
- The current strategy has pushed the Total Fund performance up one quartile for the 1- and 3-year returns, and two quartiles for the 2-year return (relative to the prior strategy's PE returns)
- Total Fund performance is now 1st quartile for 1- and 2-year returns and 2nd quartile for the 3-year return
- **This has resulted in \$11.6B of cumulative dollar value add (DVA) to the Total Fund, an amount likely to grow with continued implementation**

Current CMAs from independent sources project PE the top-returning asset class with the most risk-reward

Capital Market Assumptions (CMAs) as of Q4-2025

Asset Class	5-Year Geometric Return	5-Year Return Range	20-Year Geometric Return	20-Year Volatility Range
Private Equity	8.7%	6.3%-10.8%	8.0%	10.6%-31.9%
Private Debt	7.3%	4.9%-8.7%	7.0%	9.5%-16.5%
Real Estate	6.6%	5.0%-8.2%	6.0%	10.8%-19.6%
Infrastructure	6.5%	5.4%-9.2%	7.9%	10.3%-22.5%
Global Equity - Market-Cap-Weighted	6.1%	2.9%-7.9%	6.7%	14.0%-17.8%
US Aggregate	4.6%	4.1%-5.1%	4.3%	2.9%-5.1%

- CalPERS surveys the investment community quarterly for CMAs
- CMAs expect PE to have the highest return of all asset classes on both the 5- and 20-year horizons
- PE’s current 5-year expected return is 8.7%, 268 bps higher than that for public equity (6.1%), PE’s public equivalent
- PE also has greater upside opportunity than public equity (10.8% vs 7.9%, respectively)
- While PE is expected to have the highest volatility of CalPERS’ asset classes, the bottom end of its return range is projected to be higher than that for public equity (6.3% vs 2.9%, respectively)

Source: CalPERS Total Fund Portfolio Management group as of 12/31/2025