



Investment Committee

Agenda Item 4f

June 15, 2026

Item Name: Reference Portfolio Benchmark Transition

Program: Total Fund

Item Type: Information Consent

Executive Summary

In March, Wilshire recommended and the Board approved a Reference Portfolio benchmark of 75% Customized FTSE Global All Cap Index minus CalPERS exclusions / 25% Bloomberg U.S. Treasury Index. The constituent indexes exhibit high adherence to the CFA Institute's benchmark standards, which establishes specific properties to effectively serve as a point of comparison for performance evaluation. Wilshire recommends cleanly switching the Total Fund benchmark to the above Reference Portfolio as of July 1, 2026.

Strategic Plan

The agenda item supports the CalPERS Strategic Plan goal to improve long-term pension and health benefit sustainability by supporting the Committee in its oversight of CalPERS' investments.

Investment Beliefs

This agenda item supports the following CalPERS' Investment Beliefs:

- Investment Belief 5 – CalPERS must articulate its investment goals and performance measures and ensure clear accountability for their execution
- Investment Belief 6 (sub-belief 1) – CalPERS will construct portfolios with the appropriate amount of market risk necessary to achieve its long-term objectives.
- Investment Belief 7 (sub-belief 4) – CalPERS should measure its investment performance relative to a reference portfolio of public, passively managed assets to ensure that active risk is being compensated at the Total Fund level over the long-term.

Background

The Reference Portfolio is central to the Total Portfolio Approach (TPA), establishing broad market risk tolerance and serving as the main benchmark for evaluating active investment decisions. The use of the Reference Portfolio provides a clear benchmark for evaluating the efficacy of implementation decisions and utilization of additional market betas and investment strategies.

Analysis

Additional information is provided in Attachment 1.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

Not Applicable.

Attachments

Attachment 1 – Wilshire Associates Reference Portfolio Benchmark Transition Opinion Letter

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