

Trust Level Review

As of March 31, 2026

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Section I. PERF Metrics

As of March 31, 2026

Public Employees' Retirement Fund (PERF) Metrics

PERF Performance

Total Assets Current: \$597.7bn Data as of 03/31/26	20-Yr Total Return Current: +6.5% Data as of 03/31/26	10-Yr Total Return Current: +8.1% Data as of 03/31/26	5-Yr Total Return Current: +6.7% Data as of 03/31/26
1-Yr Total Return Current: +14.1% Data as of 03/31/26	FYTD Total Return Current: +7.9% Data as of 03/31/26	QTD Total Return Current: +0.2% Data as of 03/31/26	5-Year Total Return Ref Portfolio: * Value Add: * Data will begin 07/01/26
FYTD Total Return Ref Portfolio: * Value Add: * Data will begin 07/01/26	CEM 5-Yr Net Value Added Below US Peer median Data as of 9/30/25 Updated Annually	Estimated Funded Status Current: 81.6% Data as of 03/31/26	

Governance

Policy Exceptions Current: 2 Data as of 03/31/26	Portfolio Equity Equivalent Risk Operating Range: 75% +/-5% Current: 72% Data as of 03/31/26	Active Risk Operating Range: 250-350 bps Current: 237 bps Data as of 03/31/26
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Market Risk, Liquidity, and Leverage

Chance Funded Status < 70% Over 5-year period Current: 39% Data as of 6/30/25 Updated Annually	Forecasted Volatility Current: 13.2% Data as of 03/31/26	Sustainability Climate Solutions \$100 bn by 2030 Current Allocation: \$59.7 bn Data as of 6/30/25 Updated Annually
Surplus Accessible Liquidity Ratio Current: 3.48x Data as of 03/31/26	Total Fund Leverage Current Limit 20% Current: 10.2% Data as of 03/31/26	

- On Target
- At Risk
- Off Target
- Threshold Not Applicable

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative. Allocations are shown as a percentage of ending gross asset value.

Section II. Performance Tables

As of March 31, 2026

PERF Returns

PERF returned +14.1% for the trailing 1-Yr and +8.1% for the trailing 10-Yr

- PERF has \$44.3 billion in investment returns since the start of the fiscal year
- Public Equity and Private Equity respective trailing 10-Yr returns of +11.2% and +12.9% drove PERF's trailing 10-Yr +8.1% return

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Total PERF	\$ 597.7	6.5%	8.1%	6.7%	14.1%	7.9%	0.2%
<i>Benchmark</i>		7.0%	8.1%	6.4%	13.3%	8.8%	(0.2)%
<i>Excess</i>		(56) bps	4 bps	26 bps	76 bps	(91) bps	46 bps
<i>Cumulative Value Added (B)</i>		\$ (20.2)	\$ 1.5	\$ 4.9	\$ 3.0	\$ (5.1)	\$ 2.8
Public Equity	\$ 209.1	7.7%	11.2%	9.5%	19.1%	8.1%	(2.4)%
<i>Benchmark</i>		7.8%	11.0%	9.1%	18.2%	7.3%	(2.7)%
<i>Excess</i>		(9) bps	17 bps	34 bps	96 bps	75 bps	33 bps
<i>Cumulative Value Added (B)</i>		\$ 1.6	\$ 3.5	\$ 3.4	\$ 1.9	\$ 1.6	\$ 0.8
Income	\$ 190.6	4.5%	2.4%	0.3%	5.5%	3.8%	(0.5)%
<i>Benchmark</i>		4.0%	2.0%	0.2%	5.1%	3.5%	(0.6)%
<i>Excess</i>		49 bps	35 bps	12 bps	37 bps	31 bps	16 bps
<i>Cumulative Value Added (B)</i>		\$ 5.3	\$ 3.2	\$ 1.0	\$ 0.6	\$ 0.5	\$ 0.3
Private Equity	\$ 119.3	11.8%	12.9%	13.5%	21.5%	14.4%	5.0%
<i>Benchmark</i>		13.6%	14.1%	12.9%	24.2%	25.6%	3.7%
<i>Excess</i>		(182) bps	(124) bps	58 bps	(269) bps	(1,118) bps	127 bps
<i>Cumulative Value Added (B)</i>		\$ (22.4)	\$ (14.4)	\$ (9.0)	\$ (3.8)	\$ (10.7)	\$ 1.4
Real Assets	\$ 78.9	2.5%	4.8%	4.2%	6.6%	5.7%	1.8%
<i>Benchmark</i>		5.9%	3.8%	2.5%	2.9%	2.0%	0.7%
<i>Excess</i>		(340) bps	100 bps	171 bps	371 bps	362 bps	108 bps
<i>Cumulative Value Added (B)</i>		\$ (9.6)	\$ 5.4	\$ 4.9	\$ 2.7	\$ 2.6	\$ 0.8
Private Debt	\$ 25.4	-	-	-	13.2%	8.3%	2.4%
<i>Benchmark</i>		-	-	-	8.6%	7.7%	2.1%
<i>Excess</i>		-	-	-	468 bps	52 bps	29 bps
<i>Cumulative Value Added (B)</i>		-	-	-	\$ 0.9	\$ 0.1	\$ 0.1
Net Financing	\$ (42.3)	-	-	-	-	-	-
Other Trust Level	\$ 16.8	-	-	-	-	-	-

Exhibit 2.1

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative. Capital Markets End Values include exposures related to transition assets.

Section II. Performance Tables

As of March 31, 2026

PERF Capital Market Returns

Cap Weighted performance strong over longer periods

- Cap Weighted equities returned +21.7%, +9.9%, and +11.9% over the trailing 1-Yr, 5-Yr, and 10-Yr periods
- Cap Weighted equities contributed +\$1.7 billion and +\$3.2 billion of cumulative value add over the trailing 1-Yr and 5-Yr periods
- Excess performance for the trailing 1-Yr remains strong across Capital Market segments

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Cap Weighted	\$ 193.2	8.1%	11.9%	9.9%	21.7%	8.9%	(2.4)%
<i>Benchmark</i>		8.1%	11.7%	9.5%	20.6%	8.1%	(2.9)%
<i>Excess</i>		(8) bps	20 bps	40 bps	101 bps	81 bps	42 bps
<i>Cumulative Value Added (B)</i>		\$ 1.2	\$ 3.0	\$ 3.2	\$ 1.7	\$ 1.5	\$ 0.9
Factor Weighted	\$ 15.9	-	-	7.3%	9.2%	3.9%	(1.5)%
<i>Benchmark</i>		-	-	7.2%	8.9%	3.9%	(1.0)%
<i>Excess</i>		-	-	9 bps	34 bps	9 bps	(51) bps
<i>Cumulative Value Added (B)</i>		-	-	\$ 0.3	\$ 0.2	\$ 0.1	\$ (0.1)
Treasury	\$ 61.4	-	(0.3)%	(3.3)%	1.6%	2.2%	(0.4)%
<i>Benchmark</i>		-	(0.3)%	(3.3)%	1.6%	2.2%	(0.4)%
<i>Excess</i>		-	0 bps	0 bps	0 bps	(0) bps	0 bps
<i>Cumulative Value Added (B)</i>		-	\$ (0.2)	\$ 0.0	\$ 0.0	\$ (0.0)	\$ 0.0
MBS	\$ 32.3	3.8%	2.0%	0.9%	6.7%	5.4%	1.0%
<i>Benchmark</i>		3.1%	1.5%	0.5%	5.7%	4.5%	0.4%
<i>Excess</i>		68 bps	45 bps	31 bps	93 bps	88 bps	59 bps
<i>Cumulative Value Added (B)</i>		\$ 1.5	\$ 0.9	\$ 0.5	\$ 0.3	\$ 0.3	\$ 0.2
IG Corporates	\$ 33.6	5.4%	3.2%	(0.6)%	4.7%	3.0%	(0.9)%
<i>Benchmark</i>		4.9%	2.8%	(0.6)%	4.6%	2.9%	(1.0)%
<i>Excess</i>		48 bps	45 bps	(2) bps	15 bps	11 bps	12 bps
<i>Cumulative Value Added (B)</i>		\$ 1.2	\$ 0.7	\$ (0.0)	\$ 0.1	\$ 0.0	\$ 0.0
High Yield	\$ 31.8	-	-	4.2%	7.4%	3.7%	(0.3)%
<i>Benchmark</i>		-	-	4.1%	7.1%	3.5%	(0.4)%
<i>Excess</i>		-	-	9 bps	34 bps	22 bps	13 bps
<i>Cumulative Value Added (B)</i>		-	-	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0
EM Sovereign Bonds	\$ 31.5	-	-	-	8.9%	5.9%	(1.7)%
<i>Benchmark</i>		-	-	-	8.3%	5.3%	(1.8)%
<i>Excess</i>		-	-	-	62 bps	52 bps	6 bps
<i>Cumulative Value Added (B)</i>		-	-	-	\$ 0.2	\$ 0.2	\$ 0.0

Exhibit 2.2

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.
End Values include exposures related to transition assets.

Section II. Performance Tables

As of March 31, 2026

PERF Private Market Returns

All Private Markets have positive returns over longer periods

- Private Equity absolute returns exceeded +11% for all trailing periods of 1-Yr and longer
- Infrastructure was the second highest performing private markets asset class over longer periods

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Private Equity	\$ 119.3	11.8%	12.9%	13.5%	21.5%	14.4%	5.0%
<i>Benchmark</i>		13.6%	14.1%	12.9%	24.2%	25.6%	3.7%
<i>Excess</i>		(182) bps	(124) bps	58 bps	(269) bps	(1,118) bps	127 bps
<i>Cumulative Value Added (B)</i>	\$ (22.4)	\$ (22.4)	\$ (14.4)	\$ (9.0)	\$ (3.8)	\$ (10.7)	\$ 1.4
Private Debt	\$ 25.4	-	-	-	13.2%	8.3%	2.4%
<i>Benchmark</i>		-	-	-	8.6%	7.7%	2.1%
<i>Excess</i>		-	-	-	468 bps	52 bps	29 bps
<i>Cumulative Value Added (B)</i>		-	-	-	\$ 0.9	\$ 0.1	\$ 0.1
Infrastructure	\$ 24.4	-	9.1%	8.5%	8.9%	8.3%	2.5%
<i>Benchmark</i>		-	3.7%	2.5%	2.9%	2.0%	0.7%
<i>Excess</i>		-	542 bps	600 bps	601 bps	626 bps	179 bps
<i>Cumulative Value Added (B)</i>		-	\$ 6.3	\$ 5.4	\$ 1.3	\$ 1.3	\$ 0.4
Real Estate	\$ 54.3	1.9%	4.0%	2.8%	5.7%	4.6%	1.5%
<i>Benchmark</i>		6.3%	3.9%	2.5%	2.9%	2.0%	0.7%
<i>Excess</i>		(445) bps	13 bps	32 bps	278 bps	256 bps	80 bps
<i>Cumulative Value Added (B)</i>	\$ (15.7)	\$ (15.7)	\$ (0.5)	\$ (0.4)	\$ 1.4	\$ 1.3	\$ 0.4
Forestland	\$ 0.3	-	1.0%	3.8%	(8.3)%	(7.5)%	(6.0)%
<i>Benchmark</i>		-	2.9%	2.5%	2.9%	2.0%	0.7%
<i>Excess</i>		-	(192) bps	124 bps	(1,127) bps	(952) bps	(669) bps
<i>Cumulative Value Added (B)</i>		-	\$ (0.5)	\$ (0.1)	\$ (0.0)	\$ (0.0)	\$ (0.0)

Exhibit 2.3

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.

Section II. Performance Tables

As of March 31, 2026

Affiliate Investments Returns

DB, Health, and OPEB excess performance positive across most periods

- Public Equity and REIT outperformance drove excess returns for CERBT, CEPPT, and Judge's II 1-Yr and 5-Yr trailing periods

Defined Benefit, Health, and OPEB Plans	End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Judges' Retirement Fund	\$ 51.5	1.9%	2.4%	3.6%	4.3%	3.2%	1.0%
<i>Benchmark</i>		1.7%	2.3%	3.3%	4.0%	2.9%	0.8%
<i>Excess</i>		17 bps	19 bps	27 bps	30 bps	22 bps	10 bps
Judges' Retirement System Fund II	\$ 3,187.4	6.4%	7.6%	5.7%	14.0%	7.2%	0.2%
<i>Benchmark</i>		6.3%	7.3%	5.4%	13.7%	7.0%	0.1%
<i>Excess</i>		13 bps	31 bps	26 bps	30 bps	20 bps	13 bps
Legislators' Retirement System Fund	\$ 89.6	5.1%	4.5%	2.4%	7.1%	5.0%	1.1%
<i>Benchmark</i>		4.9%	4.4%	2.4%	7.1%	5.0%	1.0%
<i>Excess</i>		17 bps	15 bps	2 bps	(5) bps	(2) bps	10 bps
Health Care Fund	\$ 79.5	3.3%	1.6%	0.1%	4.2%	3.1%	0.9%
<i>Benchmark</i>		3.1%	1.5%	0.0%	4.0%	2.9%	0.8%
<i>Excess</i>		13 bps	4 bps	5 bps	20 bps	19 bps	9 bps
Long-Term Care Fund	\$ 4,817.9	4.5%	4.5%	3.5%	9.1%	5.0%	(0.7)%
<i>Benchmark</i>		4.5%	4.6%	3.6%	9.1%	4.9%	(0.6)%
<i>Excess</i>		5 bps	(4) bps	(7) bps	(5) bps	6 bps	(9) bps
CERBT Strategy 1 Fund	\$ 24,067.1	-	7.8%	5.7%	15.0%	7.5%	0.1%
<i>Benchmark</i>		-	7.5%	5.4%	14.7%	7.3%	(0.0)%
<i>Excess</i>		-	30 bps	22 bps	35 bps	21 bps	12 bps
CERBT Strategy 2 Fund	\$ 2,159.6	-	6.2%	4.2%	12.5%	6.8%	0.4%
<i>Benchmark</i>		-	6.0%	4.0%	12.2%	6.6%	0.3%
<i>Excess</i>		-	24 bps	15 bps	23 bps	15 bps	12 bps
CERBT Strategy 3 Fund	\$ 1,136.8	-	5.0%	3.3%	10.5%	6.1%	0.6%
<i>Benchmark</i>		-	4.8%	3.2%	10.3%	6.0%	0.5%
<i>Excess</i>		-	19 bps	10 bps	16 bps	10 bps	12 bps
CEPPT Strategy 1 Fund	\$ 261.7	-	-	4.0%	11.0%	5.2%	(0.8)%
<i>Benchmark</i>		-	-	3.9%	10.9%	5.1%	(0.9)%
<i>Excess</i>		-	-	11 bps	13 bps	10 bps	10 bps
CEPPT Strategy 2 Fund	\$ 96.3	-	-	2.5%	8.1%	4.3%	(0.4)%
<i>Benchmark</i>		-	-	2.5%	8.0%	4.2%	(0.5)%
<i>Excess</i>		-	-	3 bps	9 bps	7 bps	8 bps

Exhibit 2.4

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.

Section II. Performance Tables

As of March 31, 2026

Affiliate Investments Returns

Target Date Fund returns were in line with respective asset allocations

- Longer dated funds outperformed, in line with more aggressive risk profiles (higher equity allocations)

Supplemental Income Plans (457/SCP Plan)	End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Target Income Fund	\$ 193.1	-	4.9%	4.0%	10.4%	5.6%	(0.1)%
<i>Benchmark</i>		-	4.8%	3.8%	10.2%	5.4%	(0.4)%
<i>Excess</i>		-	14 bps	12 bps	25 bps	28 bps	29 bps
Target 2020 Fund	\$ 176.5	-	5.7%	4.6%	11.3%	6.0%	(0.1)%
<i>Benchmark</i>		-	5.6%	4.5%	11.0%	5.7%	(0.5)%
<i>Excess</i>		-	15 bps	13 bps	26 bps	30 bps	31 bps
Target 2025 Fund	\$ 248.0	-	7.0%	5.7%	13.4%	6.6%	(0.5)%
<i>Benchmark</i>		-	6.8%	5.6%	13.1%	6.2%	(0.9)%
<i>Excess</i>		-	17 bps	15 bps	33 bps	39 bps	38 bps
Target 2030 Fund	\$ 320.9	-	8.0%	6.7%	15.3%	7.2%	(0.9)%
<i>Benchmark</i>		-	7.8%	6.5%	14.9%	6.7%	(1.4)%
<i>Excess</i>		-	15 bps	19 bps	42 bps	50 bps	46 bps
Target 2035 Fund	\$ 257.8	-	9.1%	7.7%	17.2%	7.8%	(1.1)%
<i>Benchmark</i>		-	8.9%	7.5%	16.7%	7.2%	(1.7)%
<i>Excess</i>		-	17 bps	22 bps	50 bps	59 bps	53 bps
Target 2040 Fund	\$ 248.7	-	10.2%	8.8%	19.4%	8.4%	(1.6)%
<i>Benchmark</i>		-	10.0%	8.5%	18.8%	7.7%	(2.2)%
<i>Excess</i>		-	18 bps	25 bps	60 bps	70 bps	61 bps
Target 2045 Fund	\$ 164.7	-	10.7%	9.2%	20.7%	8.9%	(1.7)%
<i>Benchmark</i>		-	10.5%	9.0%	20.0%	8.1%	(2.4)%
<i>Excess</i>		-	19 bps	27 bps	69 bps	79 bps	68 bps
Target 2050 Fund	\$ 109.5	-	10.7%	9.2%	20.7%	8.9%	(1.7)%
<i>Benchmark</i>		-	10.5%	9.0%	20.0%	8.1%	(2.4)%
<i>Excess</i>		-	19 bps	27 bps	69 bps	79 bps	68 bps
Target 2055 Fund	\$ 47.3	-	10.7%	9.2%	20.7%	8.9%	(1.7)%
<i>Benchmark</i>		-	10.5%	9.0%	20.0%	8.1%	(2.4)%
<i>Excess</i>		-	19 bps	27 bps	69 bps	79 bps	68 bps
Target 2060 Fund	\$ 20.5	-	-	9.2%	20.7%	8.9%	(1.7)%
<i>Benchmark</i>		-	-	9.0%	20.0%	8.1%	(2.4)%
<i>Excess</i>		-	-	27 bps	69 bps	79 bps	68 bps
Target 2065 Fund¹	\$ 9.3	-	-	-	20.7%	8.9%	(1.7)%
<i>Benchmark</i>		-	-	-	20.0%	8.1%	(2.4)%
<i>Excess</i>		-	-	-	69 bps	79 bps	68 bps

Exhibit 2.5

Section II. Performance Tables

As of March 31, 2026

Affiliate Investments Returns

Core Fund returns were generally in line with benchmarks

- Core Funds closely track their respective benchmarks
- Positive excess returns in ex-US equities (Global All Cap) are driven by structural tax advantages vs its benchmark and relative timing of valuation events at the end of the quarter

Supplemental Income Plans (457/SCP Plan) (cont.)		End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
SIP STIF Core		\$ 118.2	-	2.5%	3.6%	4.3%	3.1%	1.0%
<i>Benchmark</i>			-	2.3%	3.3%	4.0%	2.9%	0.8%
<i>Excess</i>			-	22 bps	28 bps	30 bps	22 bps	10 bps
SIP US Short Term Bond Core		\$ 43.9	-	2.0%	2.0%	3.9%	2.6%	0.3%
<i>Benchmark</i>			-	2.0%	2.0%	4.0%	2.7%	0.3%
<i>Excess</i>			-	(6) bps	(2) bps	(1) bps	(3) bps	2 bps
SIP US Bond Core		\$ 54.6	-	1.7%	0.3%	4.4%	3.1%	0.0%
<i>Benchmark</i>			-	1.7%	0.3%	4.3%	3.1%	(0.0)%
<i>Excess</i>			-	1 bps	0 bps	1 bps	(1) bps	9 bps
SIP Real Asset Core		\$ 25.9	-	8.7%	11.0%	27.9%	24.3%	13.4%
<i>Benchmark</i>			-	8.6%	11.0%	27.8%	24.2%	13.2%
<i>Excess</i>			-	1 bps	(0) bps	1 bps	11 bps	15 bps
SIP Russell All Cap Core		\$ 880.8	-	13.7%	10.9%	18.1%	6.4%	(4.0)%
<i>Benchmark</i>			-	13.7%	10.9%	18.1%	6.4%	(4.0)%
<i>Excess</i>			-	1 bps	4 bps	0 bps	0 bps	(0) bps
SIP Global All Cap EX-US		\$ 101.8	-	8.8%	7.5%	27.3%	13.5%	1.2%
<i>Benchmark</i>			-	8.3%	6.8%	25.3%	11.2%	(0.7)%
<i>Excess</i>			-	45 bps	66 bps	197 bps	227 bps	192 bps

Exhibit 2.6

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.

Section III. Markets and Economy

Macroeconomic Drivers and Outlook

Robust returns, weakening confidence

- Over the March quarter, financial markets responded to geopolitical news and information by repricing public markets lower, although the declines in global equities and US Treasury bond returns were short-lived.
- Geopolitical and political events were forefront of news headlines in Q1, with the capture of Venezuelan President Maduro and by the conflict in Iran, followed by the Supreme Court’s limitation of the US Administration’s International Emergency Economic Powers Act (IEEPA) tariffs. US equity market returns were volatile over Q1 2026 but largely looked through the immediate headlines. The secular AI- and technology-related trend continued in 2026, with the Magnificent 7 stocks rising 28% fiscal year-to-date, boosted by solid earnings growth, near-record profit margins, and robust future earnings expectations. Bond yields were mixed – rising modestly in the US in response to higher expected inflation and a widening term premium, with yields rising more markedly in Japan and the UK for domestic-related reasons.
- The effects of the conflict in Iran on the global economy are dependent on its duration. Spot (current) pricing in commodities markets has appreciated markedly, reflecting the closure of the Strait of Hormuz, but futures prices are lower, indicating financial market participants expect a rapid resolution. In addition, higher spot prices incentivize inventory destocking today, raising risks around oil stocks if the closure of the Strait continues.
- Prior to the events in the first quarter, global growth was modest and rising, with US economic activity at around, or just below, its potential. This starting point provides some resiliency to the shocks, although all countries are projected to experience higher prices (inflation) over the remainder of 2026.
- Looking forward, macroeconomic outcomes across countries are expected to diverge, depending on the exposure to imported energy products and how central banks respond to rising inflation. In contrast to the return on assets in recent years, business and consumer sentiment has weakened, reflecting the frequency of exogenous shocks since 2020 and rising uncertainty.

Equity markets perform well despite sentiment slump

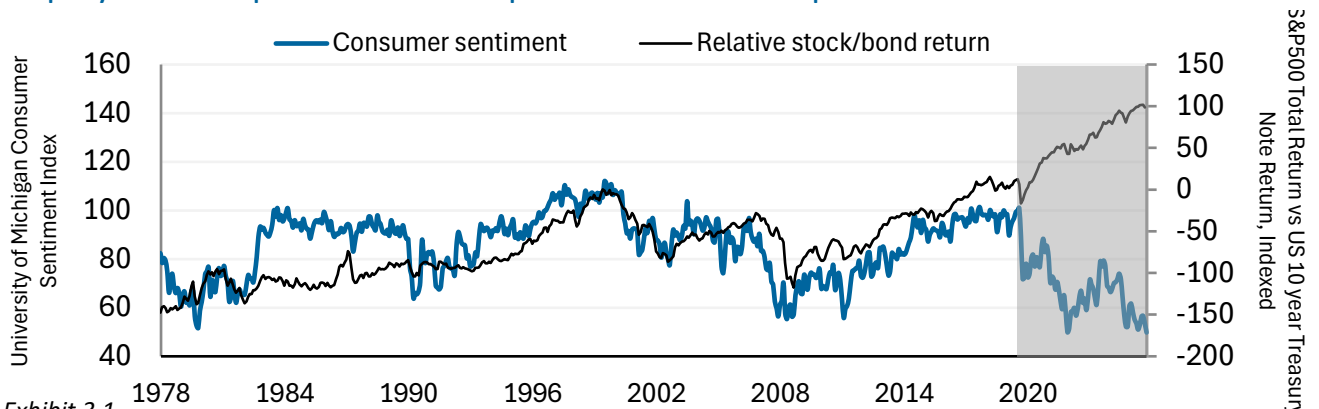


Exhibit 3.1

Sources: Haver Analytics, Shiller, CalPERS calculations. Data from 1978, monthly frequency. Data to March 2026. Fiscal year-to-date refers to July 1, 2025 – May 12, 2026.

Section IV. PERF Allocation

As of March 31, 2026

Strategic Asset Allocation

Allocation remains within policy bands

Interim Targets and Policy Bands

- The Board’s General Pension Consultant, in consultation with the Investment Committee and staff, establishes Interim Allocation Targets to roughly reflect expected pacing towards the long-term SAA
- The charts below show current positioning versus current interim targets
- Illiquid Private allocations cannot be precisely targeted and fluctuate significantly due to public vs. private valuation changes. The policy bands exist in part to allow for a reasonable level of variation over time

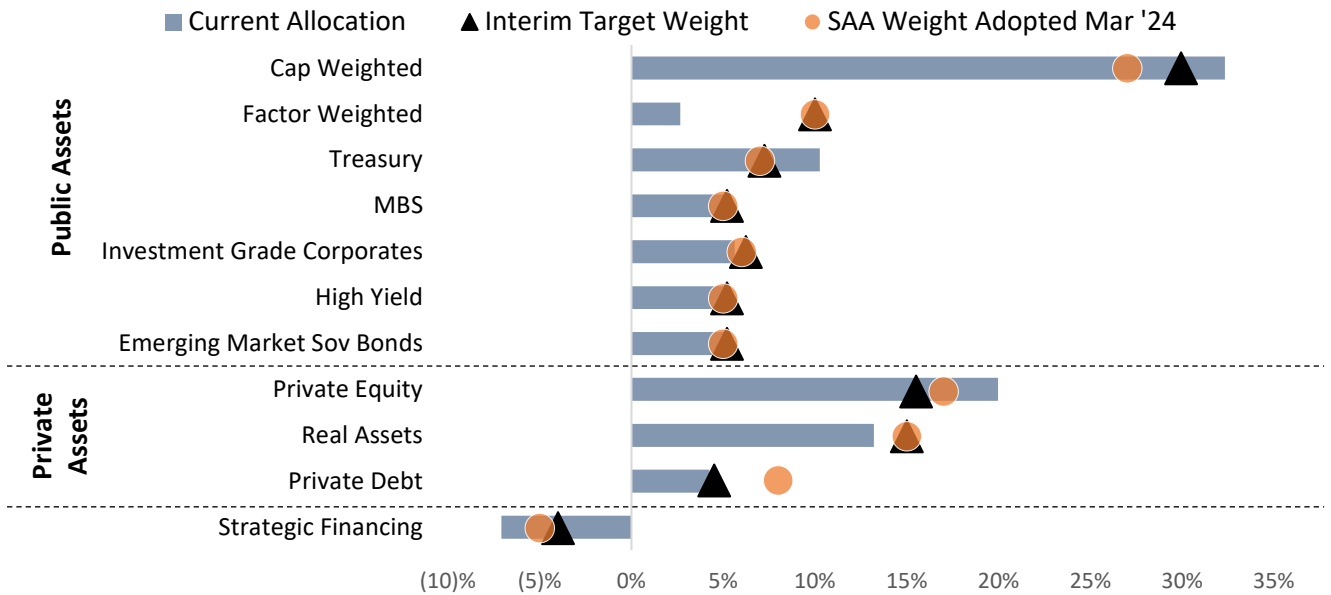


Exhibit 4.1

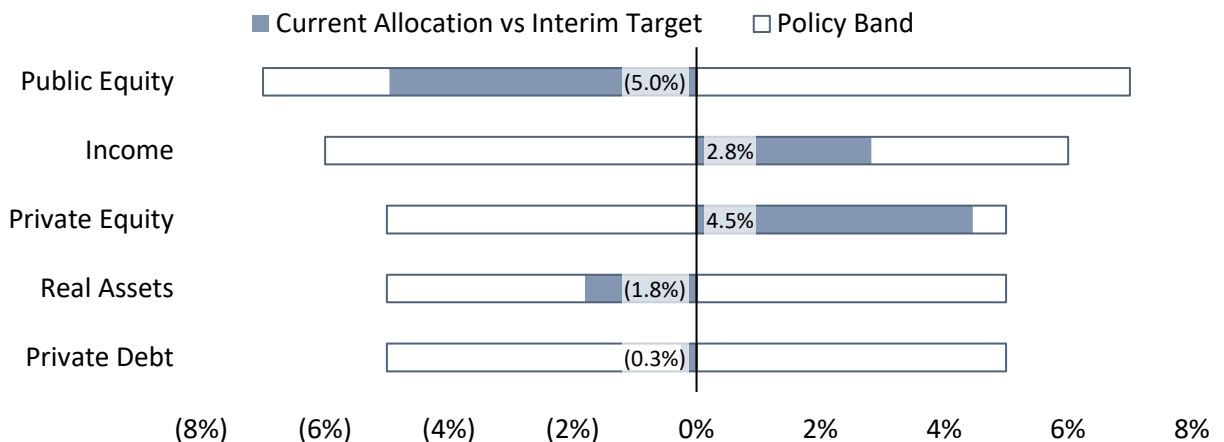


Exhibit 4.2

Income current allocation does not include Tactical Fixed Income.

Section V. Risk Detail

As of March 31, 2026

Volatility

Total portfolio volatility has been in line with expectations

Current Levels

- Total Fund Volatility and Tracking Error slightly increased from the last quarter due to higher exposure to private assets. The year-on-year change primarily reflects updates to the risk model.
- Actionable Tracking Error has been modestly increasing, due to higher active management. This metric captures deviations from benchmarks for all public market programs, out-of-benchmark opportunistic investments, and asset allocation. The current level of 33 basis points is well below the Policy Limit of 100 basis points.

	Policy Limit	Current 3/31/2026	Last Qtr 12/31/2025	Last Year 3/31/2025
Total Fund Volatility (%)	-	13.2	13.1	12.8
Policy Benchmark Volatility (%)	-	12.3	12.4	12.3
Tracking Error (%)				
Actionable	< 1.00	0.33	0.31	0.12
Total Fund	-	1.63	1.41	1.28
Allocation	-	0.21	0.18	0.00

Exhibit 5.1

Trends

- Forecasted and realized volatility metrics indicate that active strategies in the portfolio have generally not materially increased overall volatility relative to the benchmark
- Fluctuations in forecasted volatility are only partly driven by changes in the portfolio. Most of the variation visible below is the result of changing market conditions and changes in risk measurement methodology
- Similarly, comparison of forecasted vs. realized volatility is also challenging, as realized volatility is lagged and biased downwards due to smoothed valuations in private assets

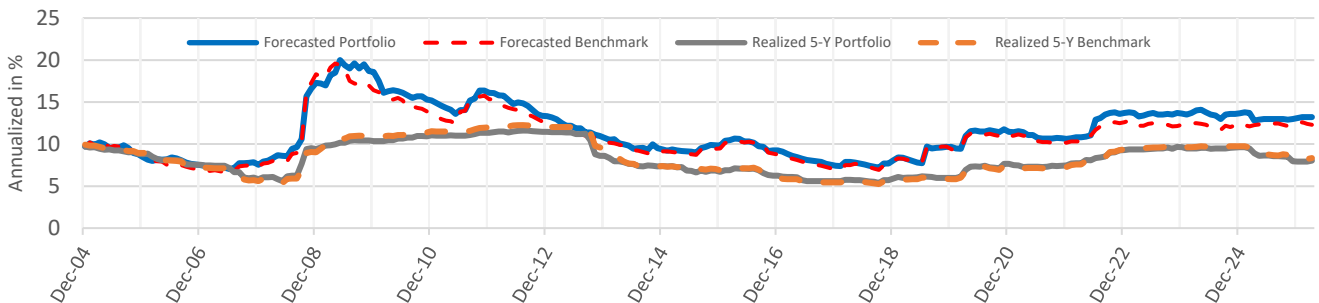


Exhibit 5.2

Section V. Risk Detail

As of March 31, 2026

Risk Decomposition

Growth oriented asset classes dominate overall risk

Contribution to Total Portfolio Volatility

- Growth-oriented assets dominate Total Fund Volatility: public and private equities contribute approximately 81% and the remaining asset classes have also significant growth component. For Income, diversification benefits offset much of the inherent volatility

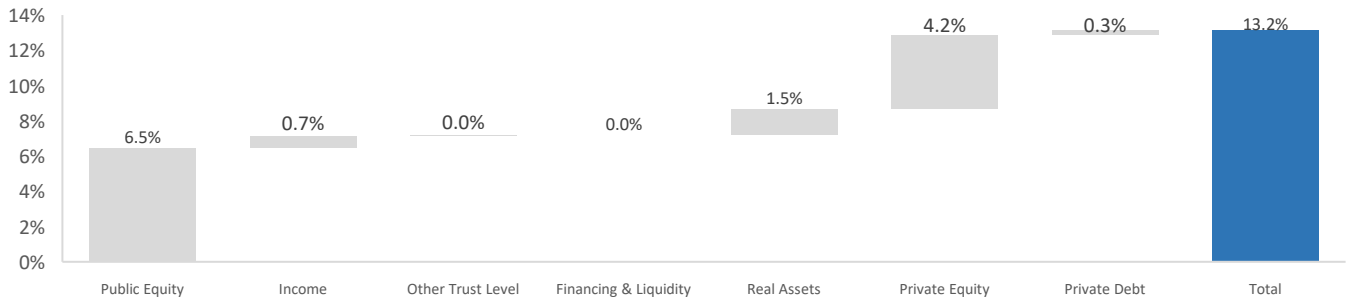


Exhibit 5.3

Asset Class	Market Value ¹ (\$ Millions)	Total Forecasted Volatility ² (%)	% Contribution to Total Volatility	5-Year Realized Volatility (%)
Public Asset Classes				
Public Equity	208,283	19.0	49.3	13.2
Cap Weighted	192,426	19.2	46.2	14.3
Factor Weighted	15,857	16.1	3.2	11.0
Income	177,672	6.2	5.2	8.8
Treasury	48,322	10.0	(0.1)	11.5
IG Corp	33,609	9.0	1.2	11.5
MBS	32,267	5.4	0.5	6.8
High Yield	31,973	4.9	1.4	6.9
EM Sov Debt	31,501	7.4	2.0	-
Other Trust Level	29,444	2.2	0.2	
LLER	14,399	2.3	0.2	1.5
Other	13,224	4.5	0.0	-
Opportunistic	1,774	11.5	0.0	-
Total Fund Income	47	7.8	0.0	-
Financing & Liquidity	(43,419)	0.1	0.0	-
Liquidity	807	0.0	0.0	0.6
Trust Level Financing	(44,226)	0.1	0.0	-
Private Asset Classes				
Private Equity	117,134	21.9	31.8	6.9
Real Assets	78,723	12.8	11.3	5.9
Private Debt	25,295	8.3	2.1	-
TOTAL PERF	593,133	13.2	100.0	8.0

Exhibit 5.4

¹ Data source: Aladdin risk system; some differences with custodial data primarily due to timing of recording some cash flows

² Some strategies are proxied

Section V. Risk Detail

As of March 31, 2026

Risk Decomposition

Allocation Management and Active equities are the largest contributors to Actionable TE

% Contribution to Actionable Tracking Error

- Total Fund Actionable Tracking Error (TE) is at 33 basis points vs. a policy limit of 100 basis points
- The primary contributors are external public equity managers and allocation management

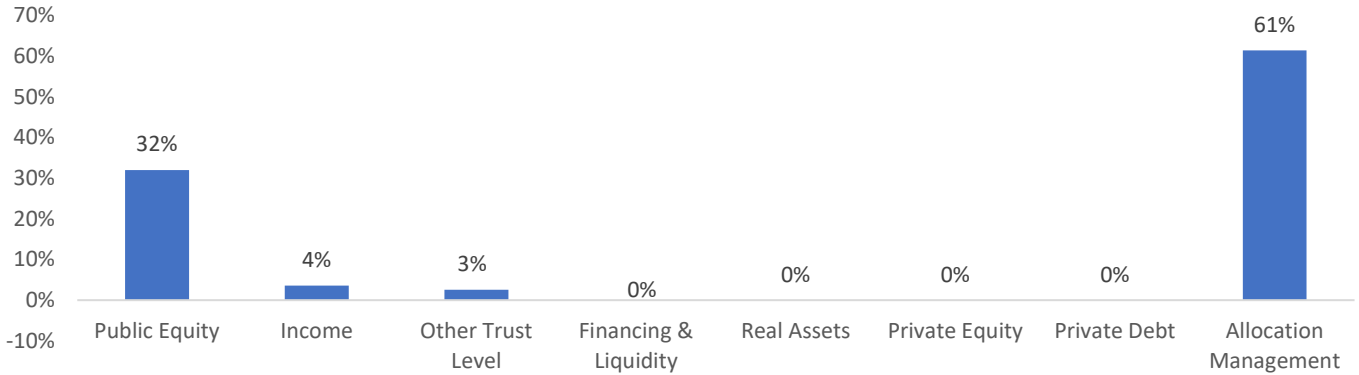


Exhibit 5.5

Asset Class	Forecasted Tracking Error (basis points)	% Contribution to Actionable TE	5-Year Realized TE (basis points)
Public Equity	39	32	28
Cap Weighted	42	25	35
Factor Weighted	159	7	34
Income	31	4	10
Treasury	4	0	0
IG Corp	44	1	26
MBS	106	1	42
High Yield	52	1	19
EM Sov Debt	69	1	-
Other Trust Level	220	3	-
LLER	231	-2	118
Other	452	3	-
Opportunistic	1,149	1	-
Total Fund Income	783	0	-
Financing & Liquidity	-	0	-
Liquidity	18	0	8
Trust Level Financing	16	0	-
Allocation Management	21	61	-
TOTAL PERF Actionable	33	100	17
Private Equity	697		1,174
Real Assets	424		271
Private Debt	513		-
TOTAL PERF	163		198

Exhibit 5.6

Appendix 1: PERF Policy Benchmarks

<u>Asset Class</u>	<u>Policy Benchmark</u>
Public Equity – Cap Weighted	Custom FTSE All World, All Cap Equity
Public Equity – Factor Weighted	Custom FTSE Factor Weighted Index
Private Equity	Custom FTSE All World, All Cap Equity + 150 basis points, Quarter Lag
Income - Treasury	Custom Bloomberg Government
Income - MBS	Custom Bloomberg Mortgage
Income - IG Corporates	Custom Bloomberg Corporate ex Sov
Income - High Yield	Custom Bloomberg High Yield
Income - EM Sovereign Bonds	Custom JP Morgan EMBIG Diversified
Real Assets	MSCI/PREA U.S. ACOE Quarterly Property Fund Index (Unfrozen)
Private Debt	Morningstar LSTA U.S. Leveraged Loan 100 Index + 125 bps, Quarter Lag
Strategic Leverage	ICE BofA US 3-Month Treasury Bill Index +50 bps

Appendix 2: Affiliate Fund Policy Benchmarks

Affiliate Fund policy benchmarks are calculated by weighting the return of each of the asset class benchmarks by its policy target weight. Additional information on the asset allocation targets for CalPERS' Affiliate Funds is available in the statement of investment policy for each Affiliate Fund.

California Employers' Retiree Benefit Trust

<u>Asset Class</u>	<u>Policy Benchmark</u>
Global Equity	MSCI ACWI IMI (Net)
U.S. Fixed Income	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Bloomberg U.S. TIPS Index, Series L
Commodities	S&P GSCI Total Return Daily
Real Estate Investment Trusts (REITS)	FTSE EPR/NAREIT Developed (Net)
Liquidity	ICE BofA US 3-Month Treasury Bill Index (asset class utilized for operating cash)

Judges' Retirement System Fund

<u>Asset Class</u>	<u>Policy Benchmark</u>
Cash Equivalents	ICE BofA US 3-Month Treasury Bill Index

Judges' Retirement System II Fund

<u>Asset Class</u>	<u>Policy Benchmark</u>
Global Equity	MSCI ACWI IMI (Net)
U.S. Fixed Income	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Bloomberg U.S. TIPS Index, Series L
Commodities	S&P GSCI Total Return Daily
Real Estate Investment Trusts (REITS)	FTSE EPR/NAREIT Developed Index
Liquidity	ICE bofA US 3-Month Treasury Bill Index (asset class utilized for operating cash)

Legislators Retirement System Fund

<u>Asset Class</u>	<u>Policy Benchmark</u>
Global Equity	MSCI ACWI IMI (Net)
U.S. Fixed Income	Bloomberg Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Bloomberg U.S. TIPS Index, Series L
Commodities	S&P GSCI Total Return Daily
Real Estate Investment Trusts (REITS)	FTSE EPR/NAREIT Developed Index
Liquidity	ICE BofA US 3-Month Treasury Bill Index (asset class utilized for operating cash)

Long-Term Care Fund³

<u>Asset Class</u>	<u>Policy Benchmark</u>
Global Equity	Custom MSCI Equity Blend
Global Fixed Income	Custom Fixed Income Blend
Commodities	Bloomberg Commodity Index Total Return
Real Estate Investment Trusts (REITS)	FTSE EPRA Nareit Developed 100% Hedged to USD Net Tax Index
Liquidity	ICE BofA US 3-Month Treasury Bill Index (asset class utilized for operating cash)

Public Employees' Health Care Fund

<u>Asset Class</u>	<u>Policy Benchmark</u>
Liquidity	ICE BofA US 3-Month Treasury Bill Index

³ Benchmark changes are effective upon completion of the LTC transition to the new separately managed account structure

Supplemental Income Plans Target Retirement Date Funds

The performance of each individual investment fund will be evaluated against its appropriate asset class benchmark.

<u>Asset Class</u>	<u>Policy Benchmark</u>
U.S. Equity	Russell 3000 Index
International Equity	MSC ACWI ex-USA IMI Index (Net)
U.S. Fixed Income	Bloomberg U.S. Aggregate Bond Index
U.S. Fixed Income	Bloomberg U.S. 1-3 Year Government/ Credit Bond Index
Real Assets ⁴	The benchmark is a weighted benchmark consisting of: <ul style="list-style-type: none"> • Dow Jones U.S. Select REIT Index • Bloomberg Roll Enhanced Roll Yield Commodity Total Return Index⁵ • S&P Global Large MidCap Commodity and Resources Index • S&P Global Infrastructure Index • Bloomberg US Govt Inflation-Linked 1-10 Year Bond Index
Cash Equivalents	ICE BofA US 3-Month Treasury Bill Index

California Employers' Pension Prefunding Trust

<u>Asset Class</u>	<u>Policy Benchmark</u>
Global Equity	MSCI ACWI IMI (Net)
U.S. Fixed Income	Bloomberg U.S. Aggregate Bond Index
Treasury Inflation-Protection Securities (TIPS)	Bloomberg U.S. TIPS Index, Series L
Real Estate Investment Trusts (REITS)	FTSE EPRA/NARIET Developed (Net)
Liquidity	ICE BofA US 3-Month Treasury Bill Index (asset class utilized for operating cash)

⁶ Target weights for the Real Asset sub-strategies (commodities, natural resources, infrastructure, REITs, and TIPS) are evaluated regularly by SSgA to improve performance or address key risks. As such, the target weights can shift over time and are expected to continue to provide strategic real asset exposure for participants.

⁷ Effective as of March 31, 2025.

Appendix 3: Definitions

<u>Term</u>	<u>Definition</u>
10 Year U.S. Treasury	The 10-Yr Treasury note (bond) is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-Yr Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity. The “10-Yr” is viewed as a sign of investor sentiment about the economy. A rising yield for the 10-Yr indicates falling demand for Treasury bonds, which means investors prefer higher-risk, higher-reward investments. A falling yield suggests the opposite.
Annual average percent change (aapc)	The change in a variable between one entire year and the prior entire year. This differs to an annual percent change, which looks at one point in time compared with the same point in time a year earlier.
Actionable Tracking Error	Investment Policy definition of the Total Fund tracking error that excludes the effect of active exposure from private asset classes arising from the modeling challenges and the non-investible nature of their benchmarks.
Active Leverage	The portion of Total Fund leverage that is controlled by staff and used to fund exposures incremental to the Strategic Asset Allocation.
Alpha	The measure of the return of an investment relative to an appropriate benchmark.
Basis Point (BP)	1 basis point is 1/100 of a percent or 0.01.
Beta	A statistical measure of investment or portfolio return sensitivity to the market where the market is typically defined by a market index. A beta of 1.0 means the investment moves in synch with the market. A beta of 0.5 means the investment moves 50 as much as the market. A beta of 1.5 means the investment moves 150 as much as the market. For example, a portfolio with a beta of 0.8 is expected to have an 8 return when the market returns 10.
Benchmark	A collection of assets to compare against the portfolio’s assets. These are typically market indices (e.g., SP500 or Bloomberg Barclays Global Aggregate). Benchmarks can be a useful tool to evaluate performance and risk.
Central Banks	The principal monetary authority of a nation, a central bank performs several key functions, including issuing currency and regulating the supply of credit in the economy. The Federal Reserve is the central bank of the United States.

<u>Term</u>	<u>Definition</u>
Consensus Economics	Consensus Economics is a global macroeconomic survey firm that polls more than 700 economists monthly for their forecasts for over 2,000 macroeconomic indicators in 115 countries. The company is headquartered in London, United Kingdom.
Consumer Prices Index (CPI)	An index which measures changes in the prices of a (weighted average) basket of goods and services. This basket is representative of aggregate U.S. consumer spending and is a common reference point for inflation.
Counterparty	The legal entity that holds the other side of a contract or financial transaction.
Economic Activity	Any action that involves producing, distributing, or consuming products or services is an economic activity. Used synonymously with real GDP growth.
Event Risk	Refers to any future potential occurrence that can cause losses for investors or other stakeholders in a company or investment.
Excess Return	The portfolio return minus the portfolio benchmark return. Time-weighted excess return is not affected by the amount of capital invested.
Federal Reserve Open Market Committee (FOMC)	A twelve-member committee made up of the seven members of the Board of Governors; the president of the Federal Reserve Bank of New York; and, on a rotating basis, the presidents of four other Reserve Banks. The FOMC meets eight times a year to set Federal Reserve guidelines regarding the purchase and sale of government securities in the open market and the policy (overnight) interest rate as a means of influencing the volume of bank credit and money in the economy.
Financial Market Pricing	Current price at which an asset or service can be bought or sold. The market price of an asset or service is determined by the forces of supply and demand and, when traded in real time on global financial markets, can be influenced by (unrealized) expectations around the future.
Future Commission Merchant (FCM)	Highly regulated entities that accept orders for exchange traded contracts in Central Counterparty Clearing House (CCPs). Collateral posted at the FCM is mostly used to meet the margin requirements at the CCPs. The collateral in the counterparty section has been provided to the FCM to post at the CCPs on behalf of CalPERS and bridging operational timing and processing gaps in collateral transfer.
High Yield (HY)	Compared to Investment Grade, these bonds have a lower credit rating meaning they have a relatively higher risk of default. Due to their higher probability of default, they pay a higher yield to compensate investors for the additional risk.

<u>Term</u>	<u>Definition</u>
Inflation	A rate of increase in the general price level of goods and services. The general term 'inflation' usually refers to the change in the CPI index over one year.
International Monetary Fund (IMF)	An international organization with 146 members, including the United States. The main functions of the IMF are to lend funds to member nations to finance temporary balance of payments problems, to facilitate the expansion and balanced growth of international trade, and to promote international monetary cooperation among nations. The IMF also creates special drawing rights (SDR's), which provide member nations with a source of additional reserves. Member nations are required to subscribe to a Fund quota, paid mainly in their own currency. The IMF grew out of the Bretton Woods Conference of 1944.
International Swaps and Derivatives Association (ISDA)	A trade organization of market participants that facilitates standardization of contractual agreements to trade over-the-counter derivative contracts. CalPERS enters into ISDA agreements to trade derivatives; for example, FX forwards, total return and interest rate swaps.
Investment Grade (IG)	Bonds with a higher credit rating meaning they have a relatively low risk of default.
Liquidity Coverage Ratio	Metric refers to the proportion of liquid assets to meet short term obligations under a stress scenario (within 30 days). The ratio divides Sources of Liquidity by Uses of Liquidity.
Liquidity (sources of)	Includes: Cash Equivalents, Pension Contributions & Other Inflows, Internal Funding and Liquidity on Demand.
Liquidity (uses of)	Includes: Pension Benefits, Private Asset Funding, Contingent uses and Maturing Derivatives/Repos & Others.
Macroeconomics	A branch of economics that studies how an overall economy (markets, businesses, consumers, and governments) behave. Macroeconomics examines economy-wide phenomena such as inflation, price levels, rate of economic growth, national income, gross domestic product (GDP), and changes in unemployment.
Master Repurchase Agreement (MRA)	The bilateral agreement that governs the collateralized loans of securities. CalPERS uses this contract to enter into forward purchase/repurchase of US Treasuries and Mortgage securities and to post/receive collateral in return (also known as Repo and Reverse Repo).

<u>Term</u>	<u>Definition</u>
Master Securities Forward Transaction Agreement (MFSTA)	The bilateral agreement that CalPERS uses to enter into forward purchase or sale of mortgage bonds and "TBA" instruments.
Net Asset Value (NAV)	The value of an investment fund's assets less its liabilities.
Net Return	Performance net of internal and external investment office management expenses. CalPERS' performance uses a daily Modified-Dietz methodology which is geometrically linked to produce time-weighted returns for longer periods.
	Daily Rate of Return Formula <ul style="list-style-type: none"> • 6/30/2016 & Prior: Dollar Value Added / (Beginning Market Value + Net Cash Flows) • 7/1/2016 to Present: Dollar Value Added / Beginning Market Value • Dollar Value Added = Gains/losses due to price appreciation and income
	Daily returns are geometrically linked to produce longer period returns.
Unfunded Commitments	A legally binding commitment to a private asset investment fund/vehicle for which the capital has not yet been drawn.
Oil (Brent)	A crude oil blend commonly referred to as Brent Blend, London Brent, or Brent petroleum. It is the main global benchmark for oil prices.
Oil (WTI)	West Texas Intermediate is also crude oil blend. It serves as the main US benchmark for oil prices.
Over the Counter (OTC)	A decentralized market where participants trade stocks, bonds, currencies, or derivatives without a centralized exchange or broker.
Public Employee's Retirement Fund (PERF)	An investment fund created under California state statute and exclusively controlled by the CalPERS Board. The fund is managed with the expressed purpose of paying retirement benefits to participating members.
Policy Rate	The policy interest rate is that at which the central bank will pay or charge commercial banks for their deposits or loans. This rate affects the interest rate that commercial banks apply with their customers, both borrowers and depositors, and more generally, impacts on the general price (rate) of credit in the economy.

<u>Term</u>	<u>Definition</u>
Portfolio Market Value	<p>The sum of the underlying investment values +/- any open receivables or payables (uninvested assets), consistent with the Net Asset Value or Total Net Assets reported in accounting.</p> <ul style="list-style-type: none"> • Public Asset Market Values are calculated as units held x price per unit + accrued income. • Private Asset Market Values represent an opinion of value as of a certain date as stated by either the investment advisor or independent appraiser. Market value differs from amount funded or net investment in that the value includes unrealized gains or losses during the holding period.
Real Gross Domestic Product (GDP)	<p>Measures the total economic output of a country over a specified period (often a year) adjusted for changes in price. The total economic output refers to the volume of all goods and services produced by an economy. It is often referred to as constant-price GDP or constant dollar GDP.</p>
SLA/Sec Lending	<p>Refers to the Securities Lending Agreement ("SLA") under which CalPERS lends securities and receives either cash or other securities as collateral.</p>
Supply-Chain	<p>A network of individuals and companies who are involved in creating a product and delivering it to the consumer. Links on the chain begin with the producers of the raw materials and end when the finished product is delivered to the end user.</p>
Supplemental Income Plans (SIP)	<p>Refers to the combined program for the Public Employees' Deferred Compensation Fund and the Supplemental Contributions Program.</p>
Surplus Accessible Liquidity Ratio	<p>Readily available sources of liquidity divided by stressed uses of liquidity</p>
Tracking Error	<p>Standard deviation of the differential return between the portfolio and an equal investment in the benchmark.</p>
Uncertainty	<p>The range of possible values or paths. These are unknown.</p>
Value Added	<p>The incremental gain or loss in dollars resulting from portfolio implementation, active management, and imperfectly investible benchmarks. Over shorter time horizons, the benchmark component can create significant variability in outcomes. Unlike a time-weighted excess return which does not account for the size of the investment, value added will vary with the amount of capital invested. Also referred to as "Dollar Value Added".</p>
Volatility	<p>A measure of the distribution of portfolio returns (or a given security). It is typically defined as the statistical standard deviation of returns, annualized.</p>

<u>Term</u>	<u>Definition</u>
Wage Growth	Wages are the compensation paid to employees for the work or services they perform over a specified period. In the US it is often described as average hourly earnings. Wage growth typically refers to the annual change in wages.
Yield Curve	A yield curve is a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve), and flat.