2026 Private Equity Annual Program Review

Based on March 31, 2026, Reporting

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Private Markets

June 15, 2026

CalPERS

Executive Summary

PE's role is to generate excess return relative to public equity through active management and harvesting the illiquidity premium
CalPERS has been recognized as the most transparent US pension, and the PE program shares extensive detail about its portfolio
PE is CalPERS' highest returning asset class over the long-term
Although CalPERS PE outperformed public equity long-term, it underperformed relative to the PE universe and peers' PE programs
In 2022, CalPERS launched its current PE strategy, which has generated excess returns relative to (1) the prior PE strategy, (2) public equity, (3) the PE universe, and (4) peers' PE programs
Highlights of PE's current strategy are consistent commitments, active portfolio management, use of sustainability frameworks, more diversification, better investment selection, and lower costs
During the last year, the current strategy reached the milestone of accounting for half of the total PE portfolio on a cost basis and has contributed meaningfully to CalPERS' funded status and moved the Total Fund's returns to top-decile versus peers

Today's Presentation

Program Role and Overview

Prior Strategy's Performance

Current Strategy's Key Initiatives

Market Conditions

Current Strategy's Performance vs Various Benchmarks

Appendix

Program Role and Overview

Role

- Enhance equity returns through an active, value-added approach
- Drive returns through appreciation, sometimes with leverage; negligible cash yield
- Harvest the illiquidity premium

Key Metrics

- Net asset value (NAV) at $119.3B as of 3/31/2026, an increase from $92.2B as of 3/31/25[1]
- Buyout at $68.3B (57.3%), Growth at $37.7B (31.6%), Venture at $7.6B (6.4%), Opportunistic at $4.6B (3.8%), and Credit at $0.7B (0.6%)[1]
- U.S. portfolio at 71.7%, Europe at 19.7%, Emerging Markets at 5.3%, Canada at 1.4%, and Developed Asia at 1.3%[2]
- Approximately 134 managers and 421 funds[3]

[1] Source: State Street as of 3/31/2026 and as of 3/31/2025
[2] Source: PEARS portfolio company data as of 12/31/2025
For full footnote see appendix - Footnote 1

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

CalPERS' returns by asset class as of 3/31/26			
Asset Class	**20-Year**	**10-Year**	**5-Year**
Private Equity	11.8%	12.9%	13.5%
Public Equity	7.8%	11.2%	9.5%
Fixed Income	4.5%	2.4%	0.4%
Real Assets	2.5%	4.8%	4.2%
Private Debt	n/a	n/a	12.1%
Total Fund (PERF)	**6.5%**	**8.1%**	**6.7%**

- PE's role is to achieve excess returns by actively managing equity
- As expected, PE is CalPERS' top-performing asset class over the 20- and 10-year periods (long-term)
- PE is also the leader over the 5-year horizon (medium-term)
- CalPERS' Total Fund would have exceeded its 6.8% assumed earnings rate over the 20-year horizon with more PE
- CalPERS outperforming the PE universe (PE indexes) would have increased PE's lead over public equity

As of 3/31/2026
"PERF" stands for Public Employee Retirement Fund

In the last decade, the Board and CEO have significantly improved the funded status with PE an important driver

CalPERS performance by asset class as of 3/31/26			
Asset Class	**10-Year**	**5-Year**	**1-Year**
Private Equity (PE)	12.9%	13.5%	21.5%
Public Equity	11.2%	9.5%	19.2%
Fixed Income	2.4%	0.4%	5.5%
Real Assets	4.8%	4.2%	6.6%
Private Debt	n/a	12.1%	13.2%
Total Fund (PERF)	**8.1%**	**6.7%**	**14.1%**

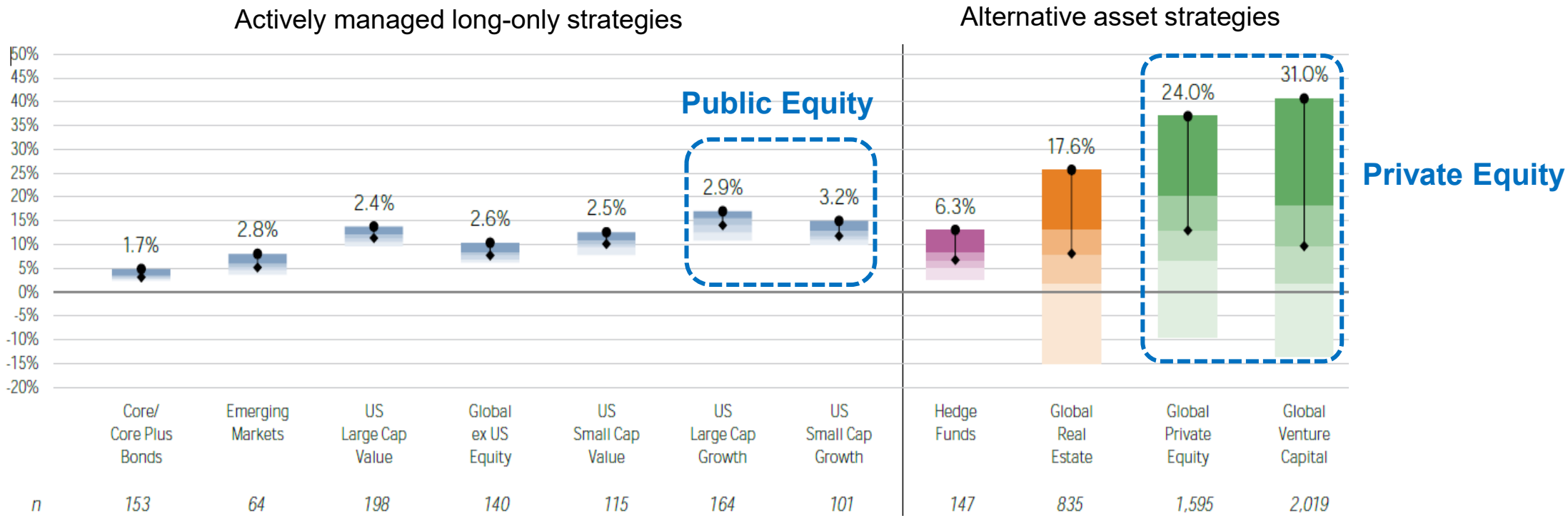
CalPERS Funded Status		
As of date	6/30/2016	12/31/2025
	68%	**84%**

- 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 84%
- CalPERS has improved the funded status by exceeding the 6.8% discount rate over the 10-year period by 130 bps annually
- All of CalPERS' asset classes contributed to this achievement by serving specialized roles in the Total Fund
- PE's role is to build on public equity's returns through greater active management, and CalPERS PE has accomplished that goal
- Since PE is entirely actively managed and focused on equity, it typically has the largest relative impact on Total Fund returns

As of 3/31/2026
"PERF" stands for Public Employee Retirement Fund

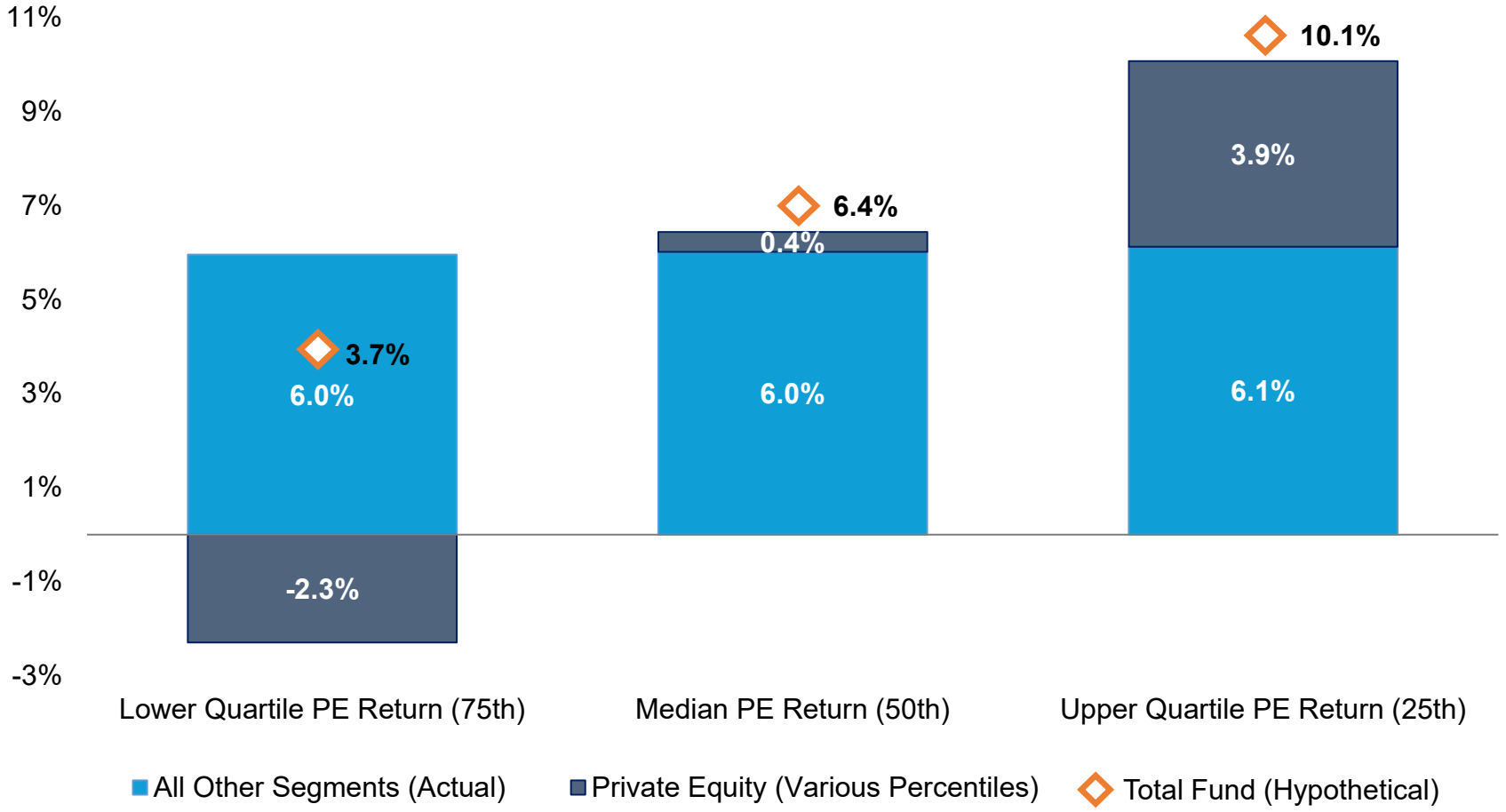
Unlike public equity, PE strategies provide CalPERS opportunity for substantial excess returns

Average annual manager returns by asset class – dispersion from median to 5th percentile



Source: Cambridge Associates. Data from 1/1/2011 – 12/31/2025

PE's wide return dispersion can significantly impact Total Fund returns: hypothetical scenarios for illustration



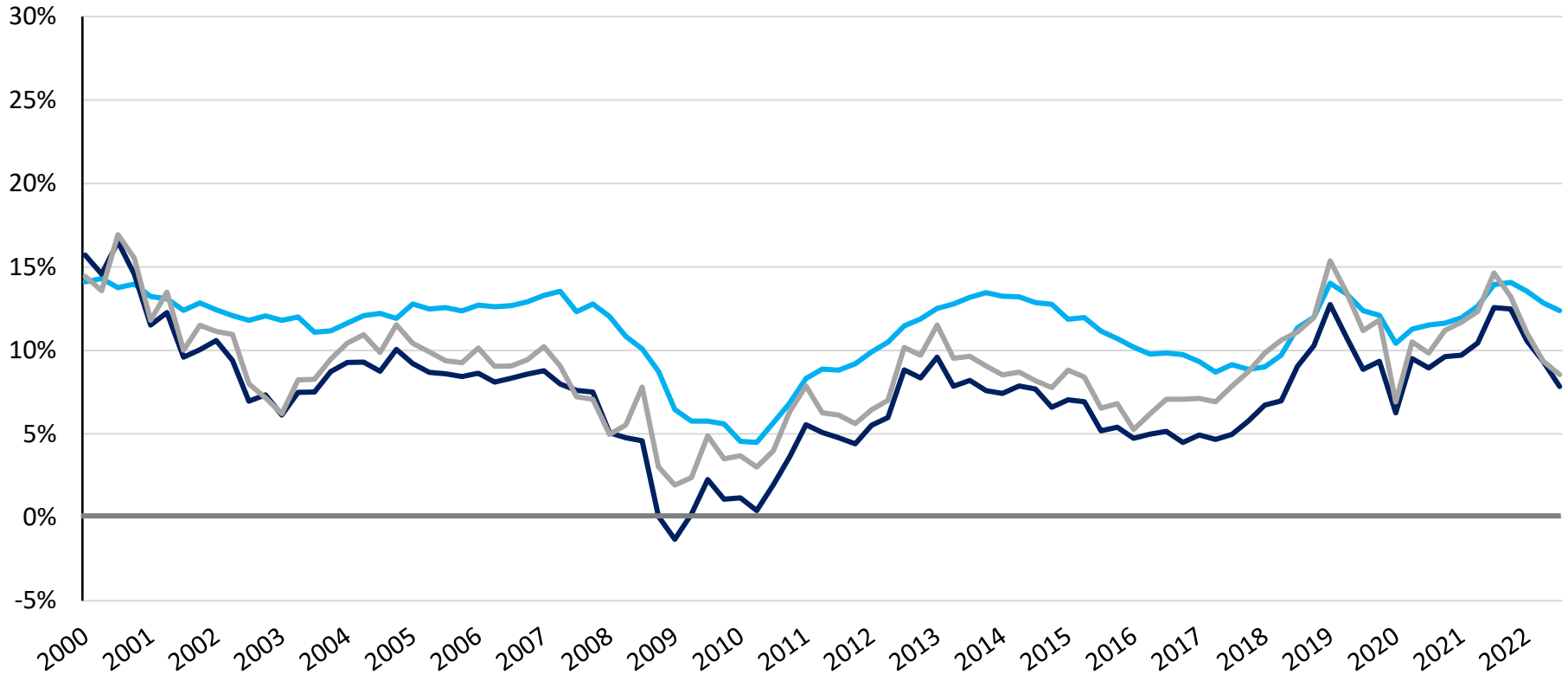
- Hypothetical returns illustrating the impact of PE returns on Total Fund performance
- Combines 10-year Total Fund actual returns (as of 12/31/25) for non-PE investments with 75th-, 50th-, and 25th-percentile PE Index returns with a 20% weight
- With 1st-quartile PE over the last 10-years, hypothetical Total Fund would have returned 10.1% (vs 8.3% actual), while with median PE, CalPERS Total Fund would have returned 6.4%

CalPERS actual returns for all asset classes. Cambridge PE index percentile returns for PE.
As of 12/31/2025

Prior Strategy's Performance

While CalPERS PE 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

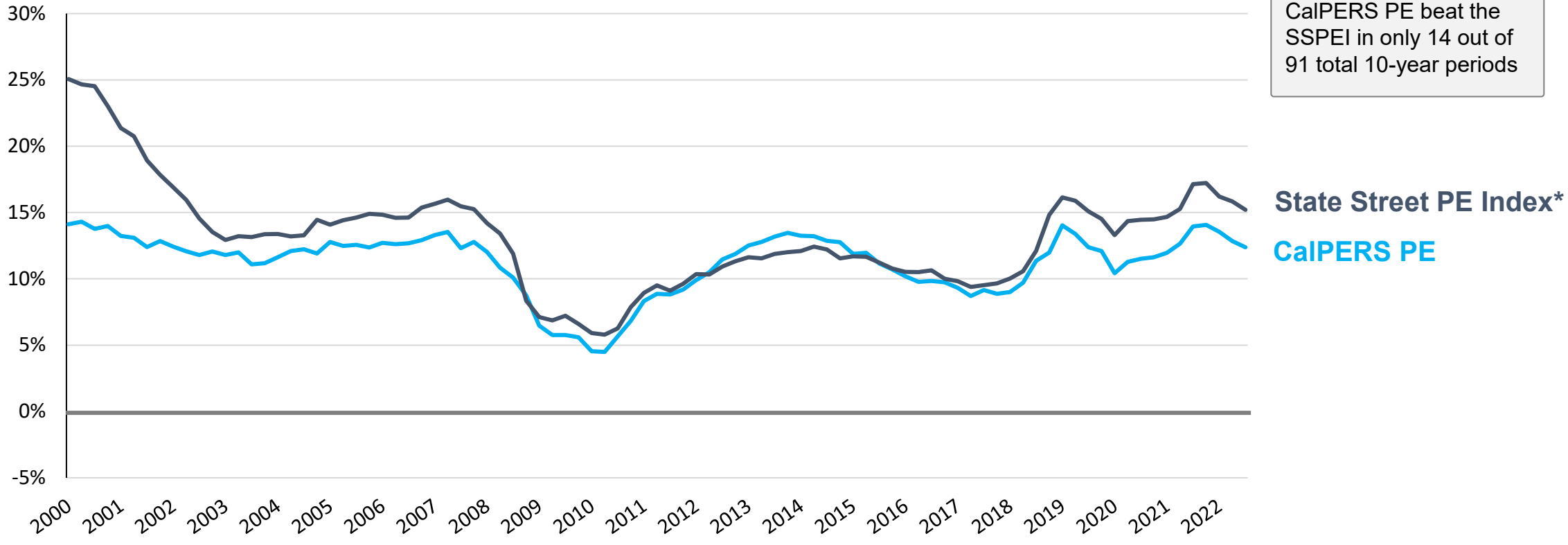
Russell 2000*

Custom FTSE All World*

Source: CalPERS data and public equity indexes.
For full footnote see appendix - Footnote 2

… CalPERS underperformed the PE universe and did not take full advantage of the asset class …

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

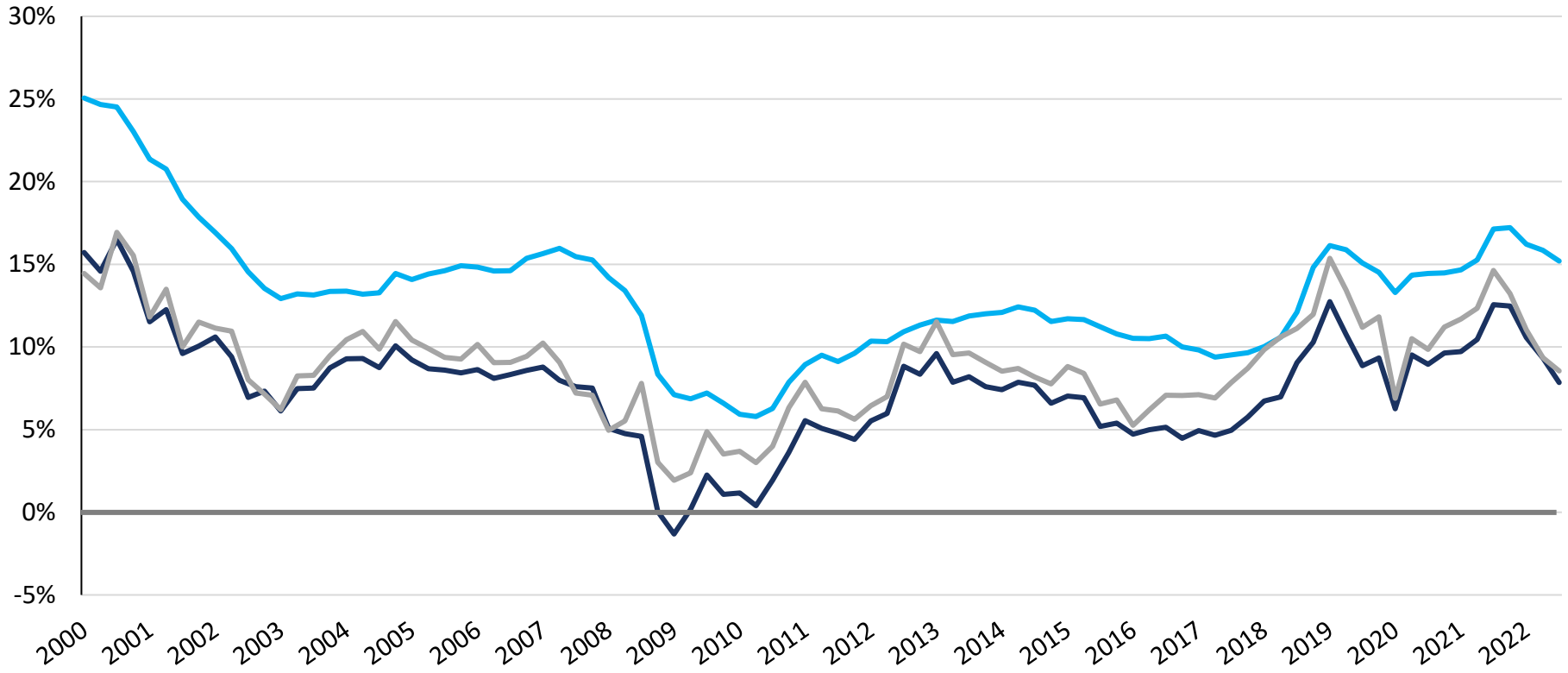


CalPERS PE beat the SSPEI in only 14 out of 91 total 10-year periods

Source: CalPERS data and the State Street PE Index (SSPEI).
For full footnote see appendix - Footnote 3

… 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



- SSPEI beat the FTSE in all 91 10-year periods
- SSPEI beat the Russell 2000 in 90 of 91 10-year periods

State Street PE Index*

Russell 2000*

Custom FTSE All World*

Source: The State Street PE Index (SSPEI) and public equity indexes.
For full footnote see appendix - Footnote 4

CalPERS was also underperforming peers' PE programs

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

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

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

Source: Nasdaq eVestment

Current Strategy's Key Initiatives

To improve the funded status through better returns, CalPERS launched a new PE strategy in November 2022

Asset allocation and vintage year diversification
- CEO and Board stopped decades of procyclicality by increasing PE's allocation to make possible consistent deployment by dollars

Culture
- Current strategy empowered the team and focused resources on manager selection; team executing the strategy is largely unchanged; improved engagement survey scores confirm a cultural turnaround

Portfolio construction
- Current model diversified the portfolio away from Large Buyout and towards Middle Market Buyout, Growth, and Venture; used the higher return dispersion of these segments to generate excess returns

Environmental, Social, and Governance (ESG) integration
- Current strategy enhanced incorporation of sustainability into investment decisions and increased investments with emerging managers

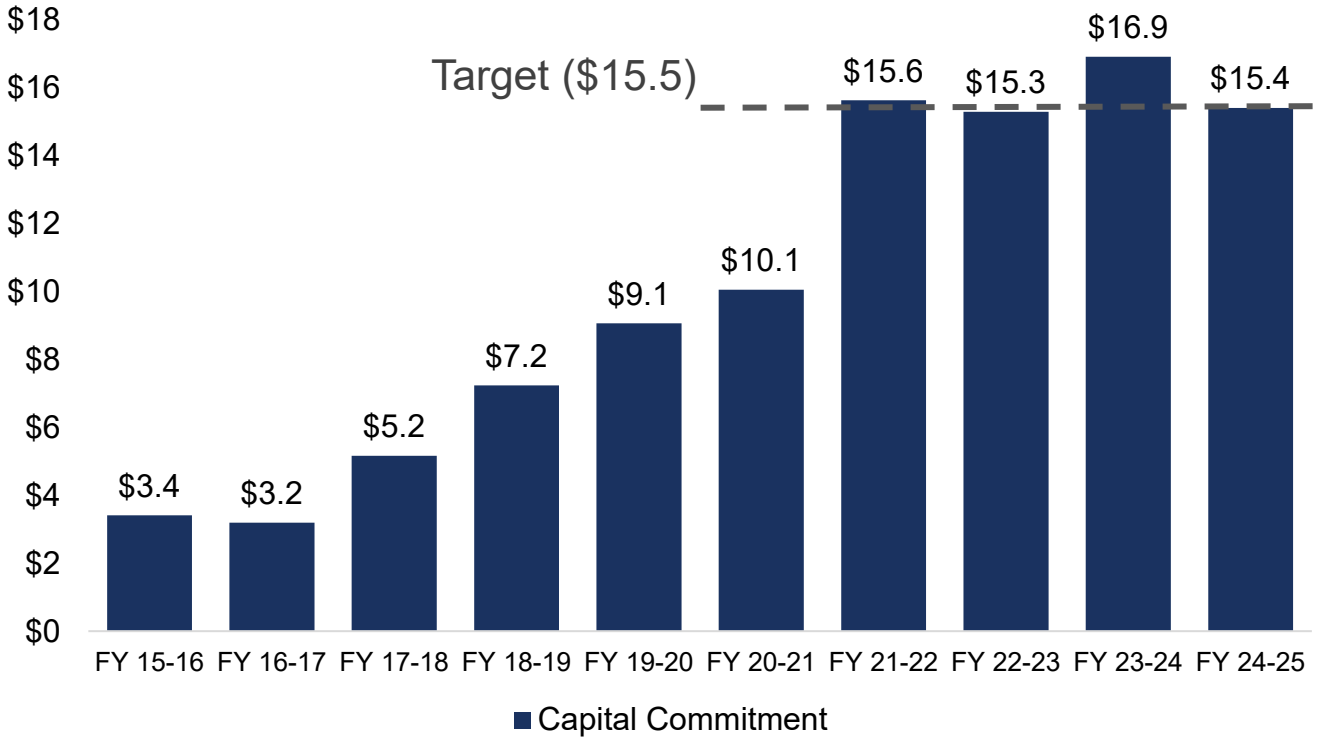
Structural alpha (outperformance)
- Current model used bespoke vehicles and co-invest to lower the cost of implementation and to compress the investment life cycle, delivering faster performance impact

Investment decision-making
- Current strategy improved manager selection and co-investment deal selection; while young, 2023 and 2024 are the first 1st-quartile vintage years by net IRR and TVPI in CalPERS PE's 35-year history (2025 too recent a vintage for an early assessment)

Note: See appendix for background on CalPERS PE's history of procyclicality and cultural transformation

Current PE strategy ensured CalPERS avoided commitment inconsistency and procyclicality

Commitments by Fiscal Year ($B)



- Commitments consistent with the annual target of $15.5B +/- 15% for the last four fiscal years (FYs)
- Commitments averaged about $15.8B over the last four FYs, which would not have been possible without the increase in the PE allocation in the 2023-24 asset allocation review
- Maintaining a minimum commitment level is important to avoid another “lost decade” of PE under-allocation and procyclicality[1]
- Under its current strategy, CalPERS PE continued committing consistently despite a widespread market sentiment that the 2023-24 vintages would underperform
- CalPERS’ allocation decision also mitigated the step-function commitment increase in the 2021 vintage ($19.5B), which has proven challenged and is a headwind in the portfolio
- The PE team executed well under the new strategy with 2023 and 2024 the only first-quartile vintages in both net IRR and TVPI since the program began in 1990; 2025 has started well but is too young for a preliminary quartile ranking
- After over three FYs of falling short (2019-20 to 2021-22), CalPERS achieved its goal of at least 40% co-investment in the last three FYs (2022-23 to 2024-25) because of a new co-investment strategy launched Dec. 2022

Source: PEARS as of 12/31/2025
For full footnote see appendix - Footnote 5. Appendix also includes background slides on the “lost decade”

While the current strategy has scaled PE, CalPERS is less than 1% of global PE NAV

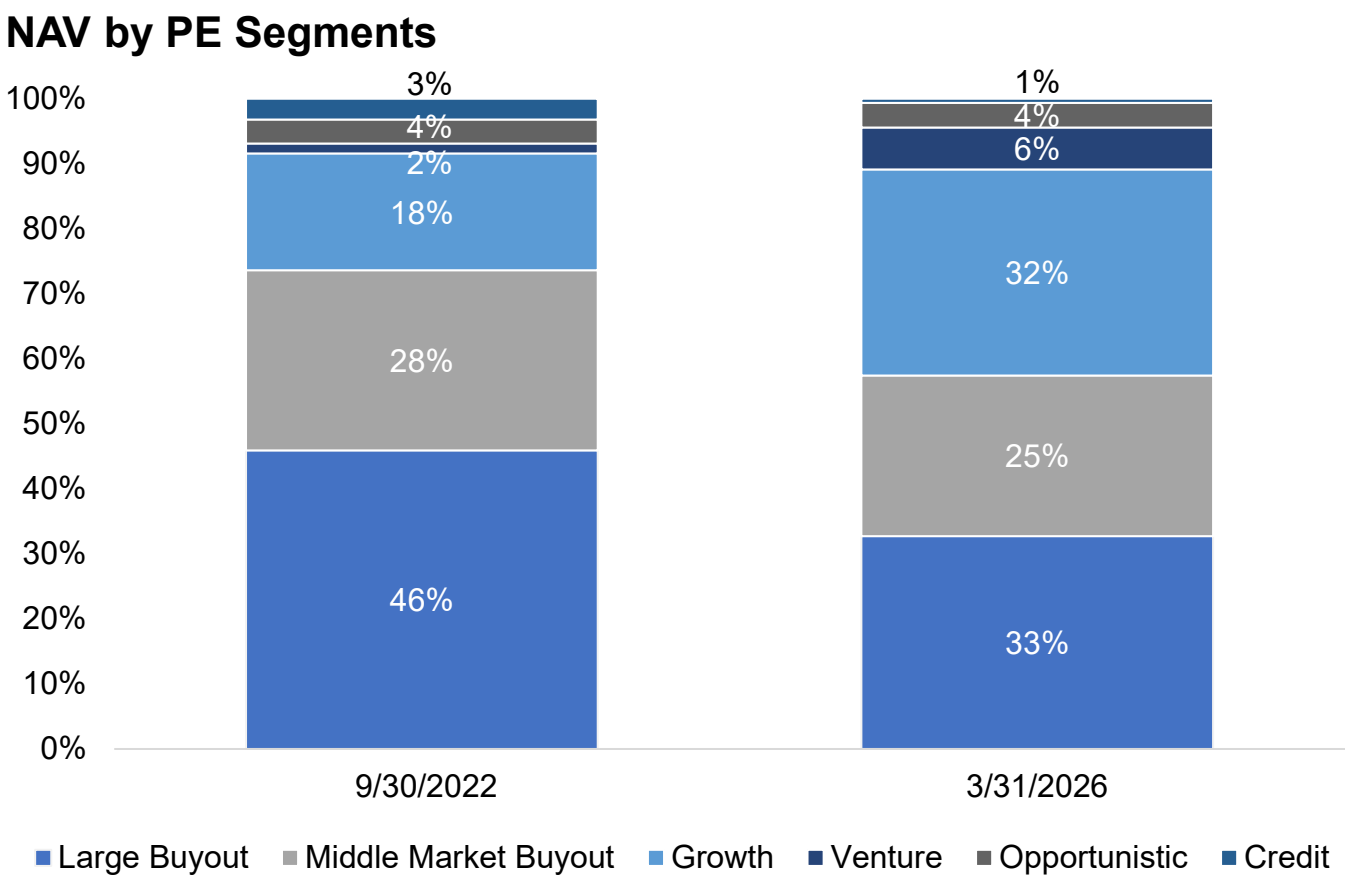
Statistics on the size of the global PE industry as of 2025

Segment	NAV ($T)	% of Total PE NAV
Pitchbook global PE (Buyout , Growth, and Venture)	10.400	100.0%
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	0.089	0.9%

- Global NAV of PE is $10.4 trillion
- The 150 largest LP PE programs (PEI 150) make up 25.4% of PE NAV
- PEI 150 contains eight California public pensions, 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
- CalPERS represents 0.9% of global PE NAV

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

Current strategy diversified the portfolio away from Large Buyout



- In November 2022, CalPERS introduced a new PE strategy that quickly delivered diversification by PE strategy segments
- Buyout commitments went from 91% in FY 2020-21 to 58% in FY 2023-24
- CalPERS disproportionately sold Large Buyout in its secondary sales and bought other segments in its secondary purchases
- Through secondary sales and more diversification in commitments, Large Buyout NAV decreased from 46% at 9/30/2022 to 33% at 3/31/2026
- Growth and Venture NAV rose from 20% to 38% over the same period
- CalPERS relaunched its Venture program in 2022 after exiting the segment a decade prior
- While small in relative terms, the CalPERS Venture portfolio's NAV has grown to about $7.6B

Source: State Street as of 3/31/2026

Current strategy has maintained a US-centric portfolio

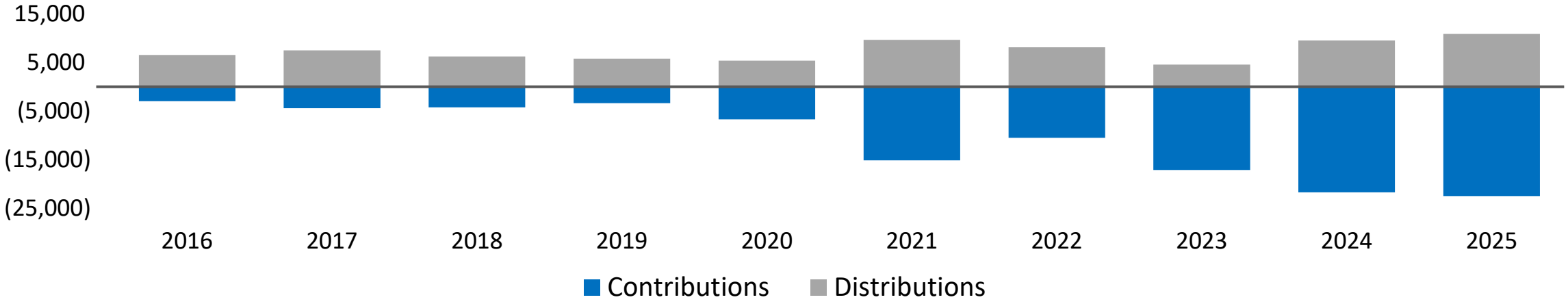
Geography	Percentage
United States	71.7%
Europe	19.7%
Emerging Markets	5.3%
Canada	1.4%
Developed Asia	1.3%
Other	0.6%
Total	**100.0%**

- Current strategy's intention is to keep the PE program US-centric
- PE will opportunistically internationalize at the margins
- US accounted for 64% of NAV at 3/31/23
- US portion has increased to 72% as of 12/31/25

Source: PEARS portfolio company data as of 12/31/2025

Cash flows after 2022 reflect PE's current strategy

Capital Contributions and Distributions ($M)



CalPERS PE has had more contributions than distributions as planned while executing the current strategy

- In the 2020-21 allocation review, CalPERS approved increasing the PE target from 8% to 13%
- CalPERS had a step-function increase in commitments in 2021, which has proven to be an unattractive vintage, and would have had to slash PE commitments to keep the program sized to the 13% target
- In the 2023-24 allocation review, CalPERS approved an increase from 13% to 17% to act on its new strategy and to maintain consistent commitments after the interest-rate reset in 2022, avoiding repeating its past mistakes of procyclicality
- Current strategy's emphasis on secondaries and co-investment has accelerated (1) NAV scaling and (2) the impact of CalPERS PE's investment decisions on returns

Source: PEARS as of 12/31/2025

Current strategy emphasizes cost-effective implementation, including through co-investments

Assumptions	
Committed	$1,000,000,000
Gross Multiple	2.5x
Management Fee	1.25%
Carry	20%
Fund Life	10

Savings vs Fund Economics	
Management Fee	$125,000,000
Carry	$275,000,000
Total Savings From Direct/Co-investment	**$400,000,000**

- Each $1B in co-investment is expected to save about $400M in management fees and carry over the life of PE investments under realistic assumptions
- Based on a commitment budget of $15.5B and a co-investment ratio of 40%, fee savings would be approximately $2.5B over a 10-year period **for each year** of commitments
  - Approximately $25B of reduced costs for 10 years of commitments

Current PE strategy uses sustainable investment frameworks to improve risk-adjusted returns

Labor Principles

- Coordinated with Sustainable Investments to adopt the Labor Principles and a stakeholder engagement process
- Obtained attestations from existing GPs to operate in broad alignment with CalPERS' Labor Principles
- Secured attestations from GPs added to the CalPERS PE portfolio
- Scaled back or did not make commitments to PE funds that undermined risk-adjusted returns through mismanagement of human capital

Diversification

- Shifted focus as part of the current strategy to smaller Buyout funds and to Growth managers, providing a more inclusive opportunity set
- Launched a Venture program in 2022 as part of the current strategy to diversify further the opportunity set
- Committed about $7 billion to diverse managers outside fund-of-funds (e.g., excluding TPG Next & GCM Elevate) in FY 24-25
- Committed about $2 billion to emerging managers outside fund-of-funds in FY 2024-25

Diligence

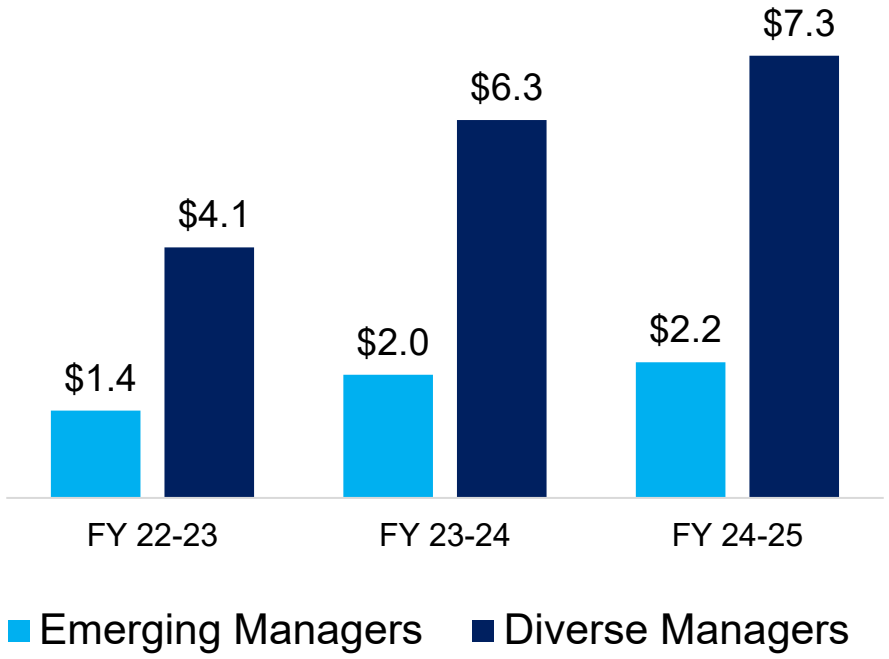
- Incorporated governance and sustainability questions into the CalPERS due diligence questionnaire
- Coordinated with Sustainable Investments to diligence GPs' governance and sustainability frameworks and track records
- Encouraged GPs and LPs to participate in the ESG Data Convergence Initiative (EDCI), on whose Steering Committee CalPERS serves

Climate

- Work with Sustainable Investments to source and diligence investment opportunities contributing to the $100B 2030 goal
- Made primary commitments to several specialized sustainable funds with a fiduciary mandate and continue to source opportunities
- Closed over $2B of PE co-invest in the Climate solutions thematic and continue to source Climate co-invest opportunities

Current strategy's focus on emerging and diverse managers has helped drive better performance

Commitments to Emerging & Diverse Managers ($B)



- Under its current PE strategy, CalPERS is focusing on manager selection and, to amplify its impact, targeting segments with higher dispersion (i.e., a wider range of return outcomes)
- As part of that effort, PE has increased its commitments to emerging managers outside fund of funds (i.e., in CalPERS PE's direct portfolio)
- The focus on segment diversification away from Large Buyout and seeking out smaller GPs with strong return prospects has resulted a portfolio with more diverse managers
- For the 1-year period as of 3/31/26, two out of the Top 10 performing managers are emerging, and seven are diverse
- PE's emerging and diverse manager commitments are reported to the California legislature in compliance with California law
- The $1B partnerships with external emerging manager advisors TPG (Next) and GCM (Elevate) are overseen by Sustainable Investments and are not part of PE's direct portfolio

Source: As reported in "Assembly Bill 890: Diversity in the Management of Investments," dated March 1, 2026.
For full footnote see appendix - Footnote 6

CalPERS continues to play an important role in advancing meaningful sustainability data in the industry

- ESG Data Convergence Initiative (EDCI) is a global partnership of private markets stakeholders committed to streamlining the industry's historically fragmented approach to collecting and reporting ESG data
- The mission is to create a critical mass of meaningful, performance-based, and comparable private company sustainability data
- CalPERS PE co-founded EDCI in 2021 and serves on the steering committee
- EDCI launched with 7 GPs and 9 LPs/IMs representing about $4 trillion in assets and now has over 350 GPs and 150 LPs or intermediary investment managers representing about $59 trillion
- As part of its current strategy launched in Q4 2022, CalPERS PE has worked to increase engagement with EDCI, as well as the participation of its active Buyout managers in EDCI
  - Number of CalPERS' GPs participating went from 20 to 40, increasing the engagement rate from 49% to 65%
  - Proportion of CalPERS' NAV with EDCI-participating GPs went from 50% to 72%
  - EDCI participation has increased even as the current strategy added GPs to the portfolio outside of Large Buyout
  - Many of the smaller GPs had not been participating in EDCI before partnering with CalPERS

Source: www.esgdc.org

CalPERS PE provides extensive transparency

In 2025, CalPERS was recognized as the most transparent pension fund in the US*

CalPERS publicly shares extensive detail on its PE portfolio including:

All GPs and vehicles in CalPERS' PE portfolio with vintage years, performance, unfunded and total capital commitments, country and currency exposure, and contributions and distributions at the vehicle level

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

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

Return metrics for every vehicle
- Cost and fair market value
- Cash profit received
- Remaining value
- Net time-weighted returns (TWRs) and internal rates of returns (IRRs)—after all fees and expenses
- Investment multiple

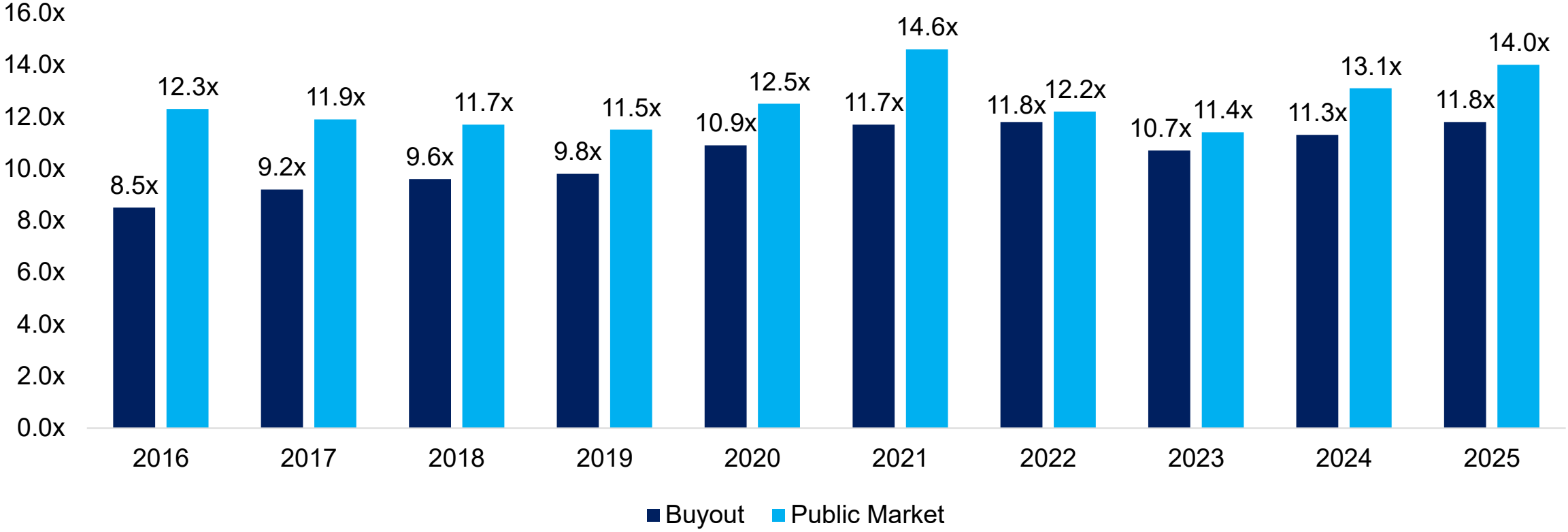
Portfolio benchmarking relative to:
- Public equity markets, including public market equivalent (PME) analysis
- PE indexes
- Peer institutions

* CEM Global Pension Transparency Benchmark

Market Conditions

PE entry multiples are lower than those in public equity

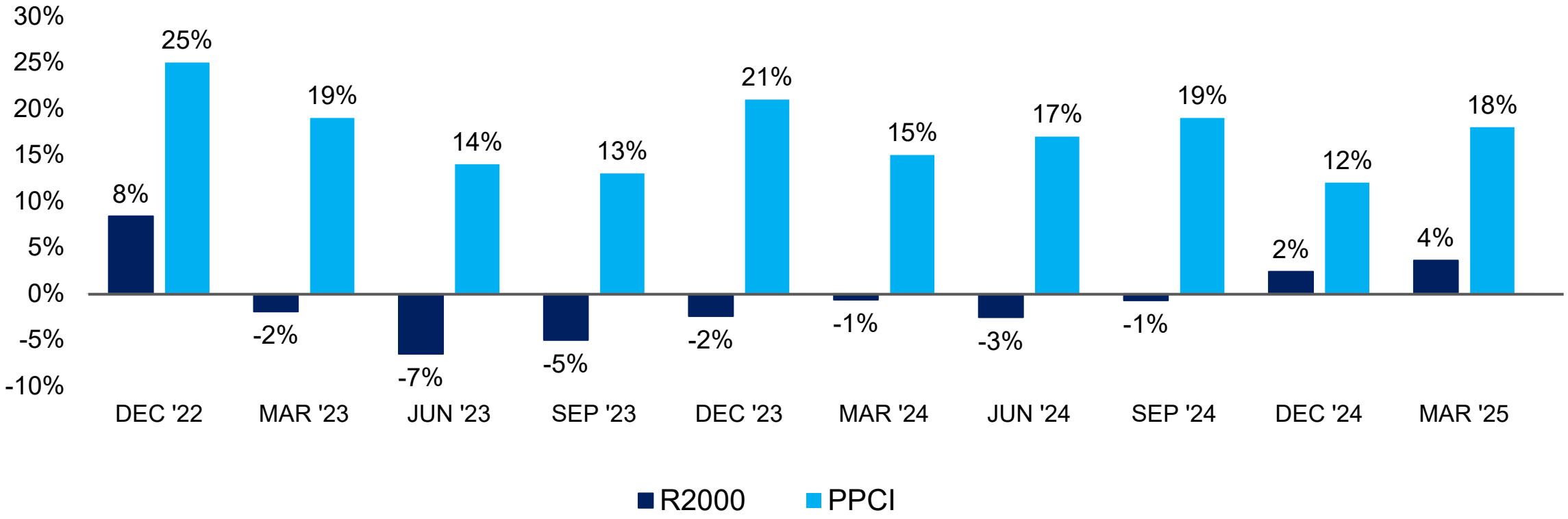
EV/EBITDA Entry Multiples



Source: McKinsey Global Private Markets Report 2026

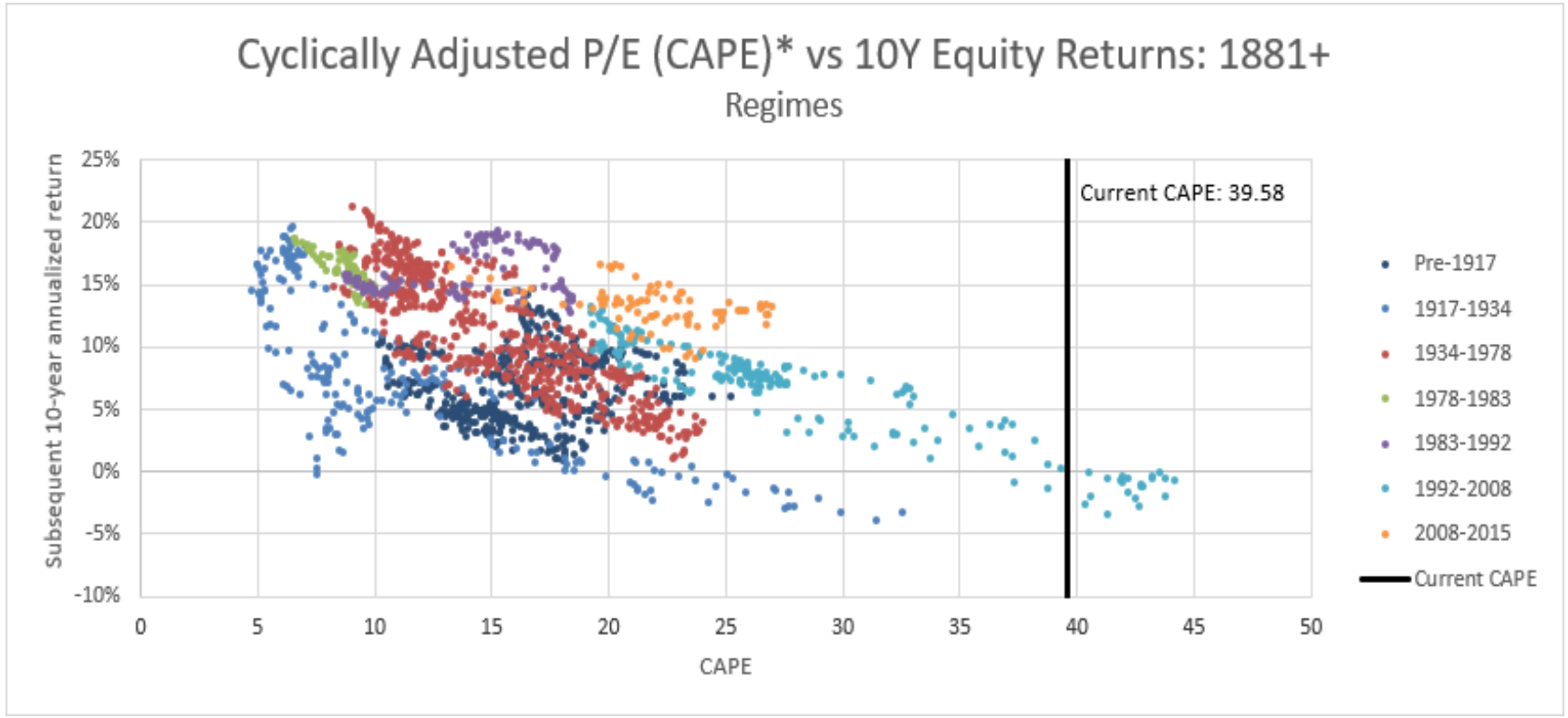
Private companies are growing earnings faster than their public counterparts

Public vs. private EBITDA growth



Source: Houlihan Lokey's Study 6: Private Portfolio Company Revenue and EBITDA Growth Rates and FactSet Russell 2000 Constituent Data.
For full footnote see appendix - Footnote 7

Current valuations signal subpar passive public equity expected returns, making PE's active returns more important



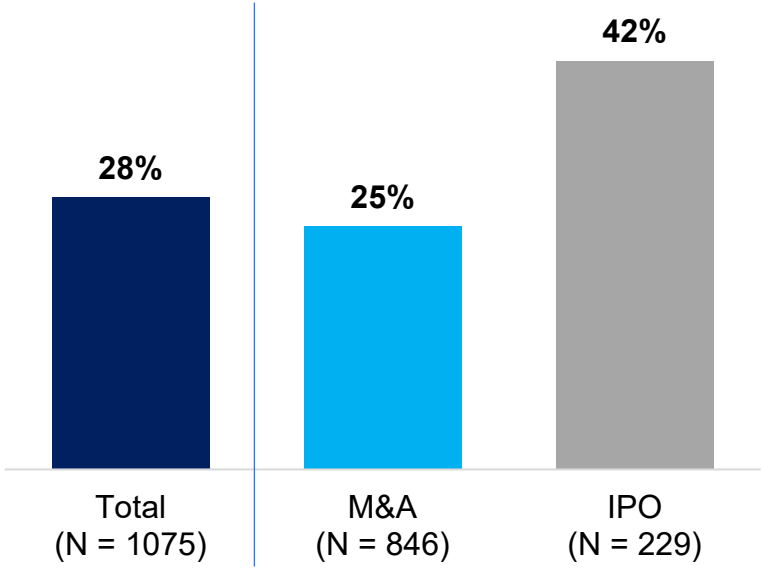
- Based over a century of history, current Public Equity valuations suggest relatively low expected returns in Public Equity over the next decade

- While challenged Public Equity markets would also be a headwind to PE returns, PE is relatively better positioned because of:
  - Lower entry valuations
  - Higher growth rates
  - Return opportunities from active management

Source: Shiller data

PE valuations tend to be conservative relative to exit prices

Private equity valuation upticks at exit, 2005 – 2022 (vs 2Q prior)



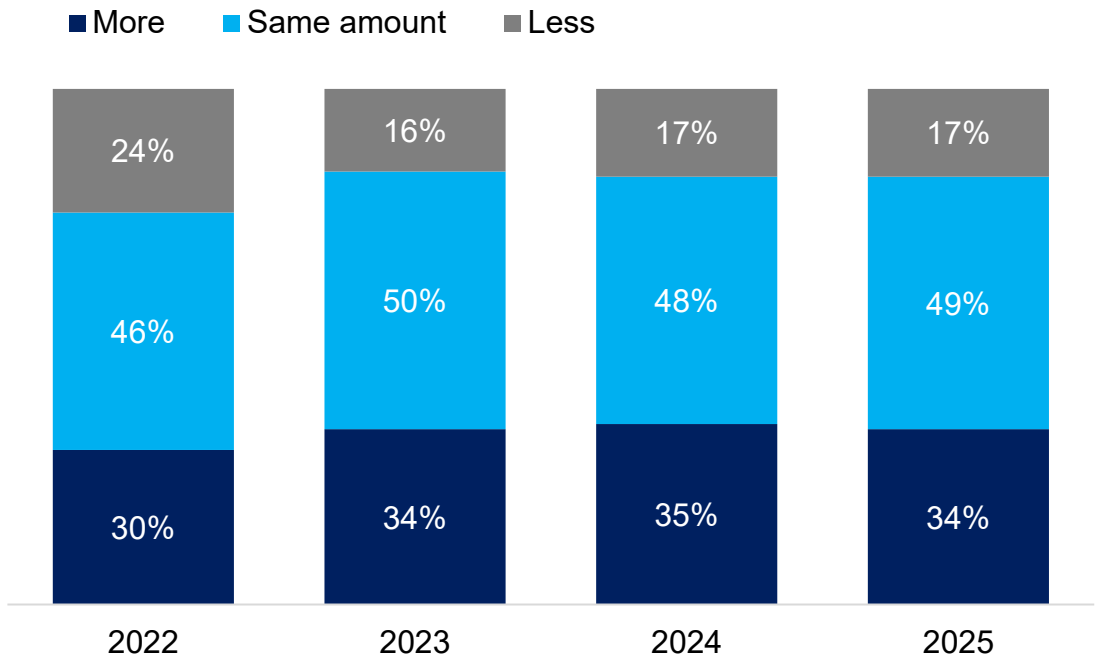
- Across 1,075 PE exits across North America and Europe from 2005-2022, the exit value of a private company was 28% higher on average than the valuation two quarters prior
- With M&A exits, the increase was on average 25%, and with IPO exits, it was 42%. The data for 2023 (n=32) had an average increase at exit of 31%
- Exits after hold periods of 8-10 years show a 16% average uptick, implying assets held for longer are undervalued but by a narrower margin
- Some data since 2023 is showing compression in upticks at exit, although data still shows exit prices higher than prior marks on average

Source: Dawson Whitepaper, *Coming to the Defense of Private Markets Valuations*, February 8, 2024.
For full footnote see appendix - Footnote 8

Most LPs expect to maintain or increase their PE allocations in the short- and long-term

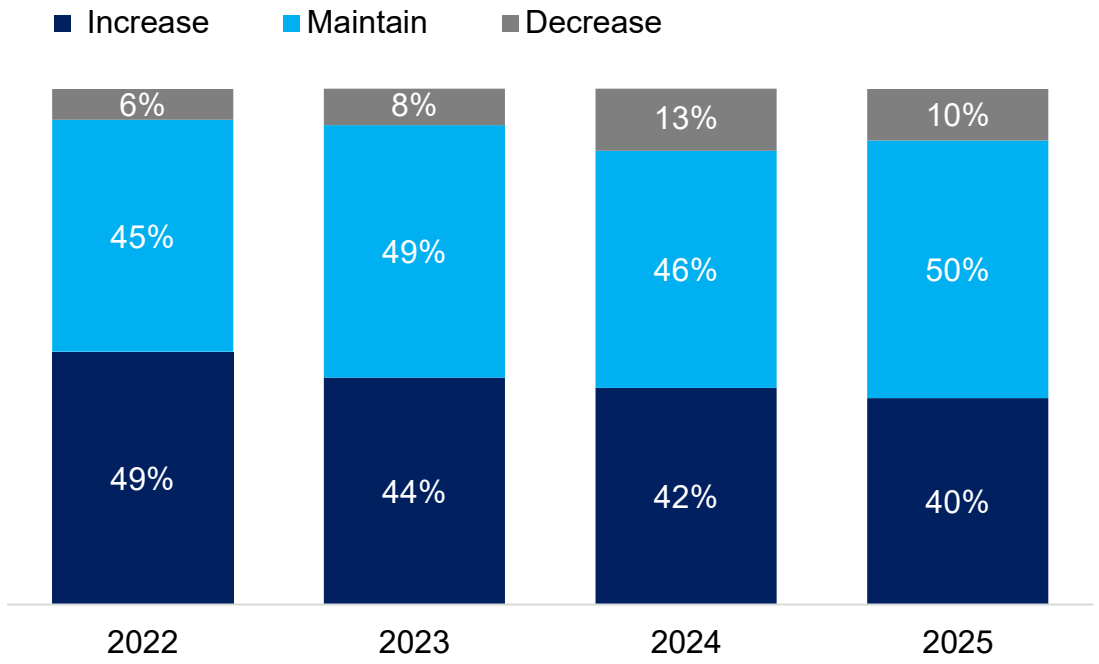
Short-term investors intentions

How much capital will you commit in the next 12 months?



Long-term investors intentions

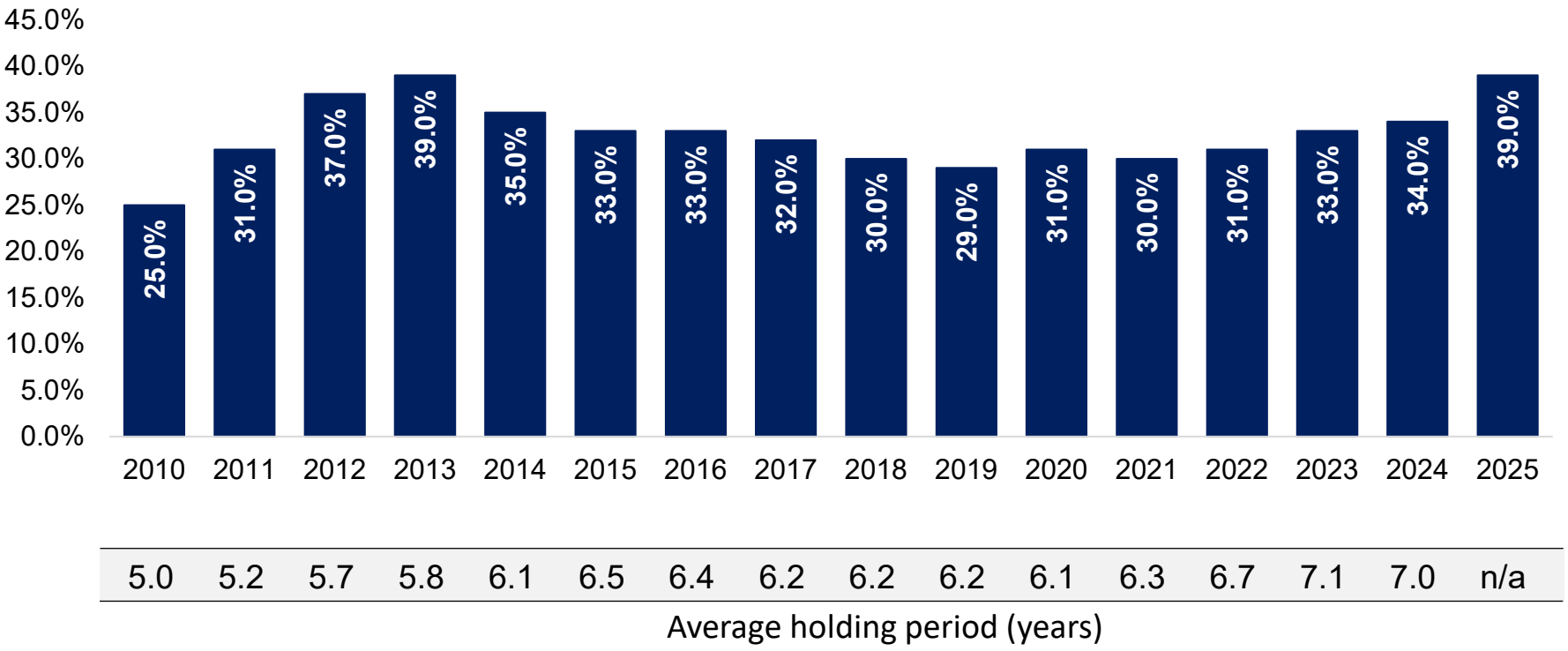
How will you allocate to private equity over the longer term?



Source: Bain Global Private Equity Report 2026

GPs are holding companies longer, extending the average holding period at exit to seven years

Share of buyout-backed companies held more than five years

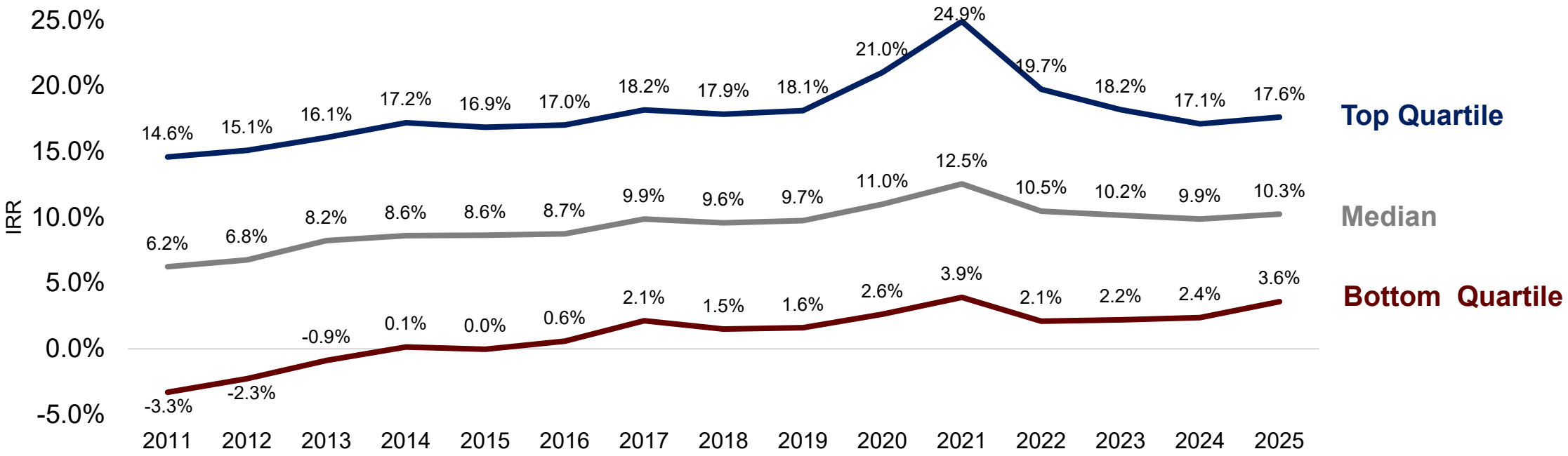


- Over the last 15 years, portfolio company holding periods have increased from five to seven years
- Longer holding periods translate into longer fund lives
- The PE team has incorporated longer holding periods into its pacing model

Source: Bain Global Private Equity Report 2026

PE continues to have significant return dispersion, maintaining the importance of beating the PE index

State Street All PE Since Inception IRR Benchmarks (at Year-End)



Source: State Street as of 12/31/2025
IRR stands for Internal Rate of Return

Current capital market assumptions project PE to remain the top-returning asset class with the most risk-reward

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's current 10-year expected return is 8.0%, 130 bps higher than that for public equity (6.7%)
- PE has the highest 20-year volatility of any asset class; however, PE's return smoothing helps institutions focus on the long-term and mitigates contribution risk

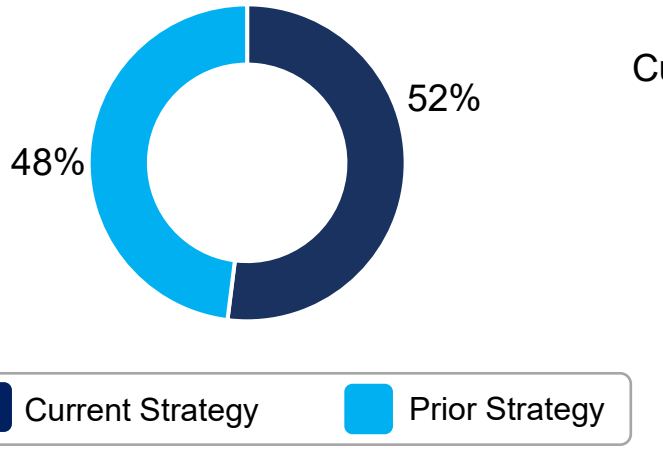
Source: CalPERS Capital Market Assumptions (CMAs) Survey as of 12/31/2025

Current Strategy's Performance

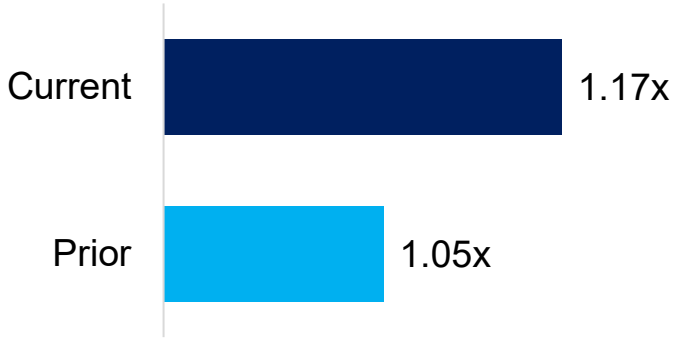
Tale of two portfolios: CalPERS PE's current strategy is outperforming the prior strategy by a significant margin

Strategy	Current Cost	Net TVPI	Weighted Average Hold	Annualized TVPI	Since Inception Net IRR
Current Strategy	$47B	1.48x	2.5 years	1.17x	29.5%
Prior Strategy	$43B	1.58x	9.9 years	1.05x	11.2%

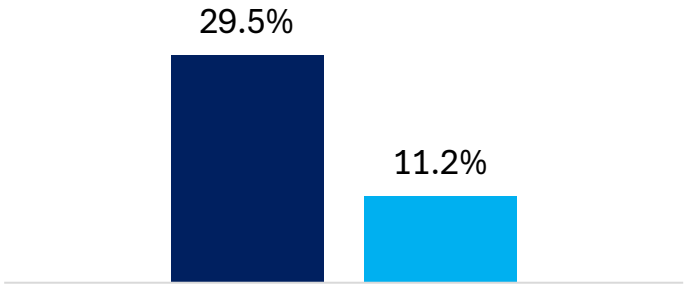
Current Cost by Strategy



Annualized Net TVPI



Since Inception Net IRR



Source: PEARS (Active Only) as of 12/31/2025
For full footnote see appendix - Footnote 9

CalPERS PE's current strategy is enhancing excess returns vs the prior strategy nearly every quarter

Current Strategy Excess Returns vs Prior Strategy by Quarter

As of Date	3-Year	1-Year
12/31/2025	22.1%	27.9%
9/30/2025	19.3%	25.1%
6/30/2025	17.6%	19.1%
3/31/2025	20.2%	22.1%
12/31/2024	19.4%	20.4%
9/30/2024	16.4%	15.7%
6/30/2024	13.8%	15.3%
3/31/2024	8.7%	10.7%
12/31/2023	5.6%	8.6%
9/30/2023	-0.2%	7.1%

As of 12/31/2025	3-Year IRR	1-Year IRR
Current Strategy	30.9%	36.9%
Prior Strategy	8.8%	9.0%

- Table shows current strategy's returns above those of the prior strategy's
- 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 12/31/2025 (no lag)
*GPs commonly mark investments at cost for one year

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

Quantifying current strategy's impact vs prior strategy

Cumulative DVA Impact ($B)		Funded Status Impact
3/31/2026	$15.4	+215 bps
3/31/2025	$2.8	+40 bps
3/31/2024	$0.1	+2 bps

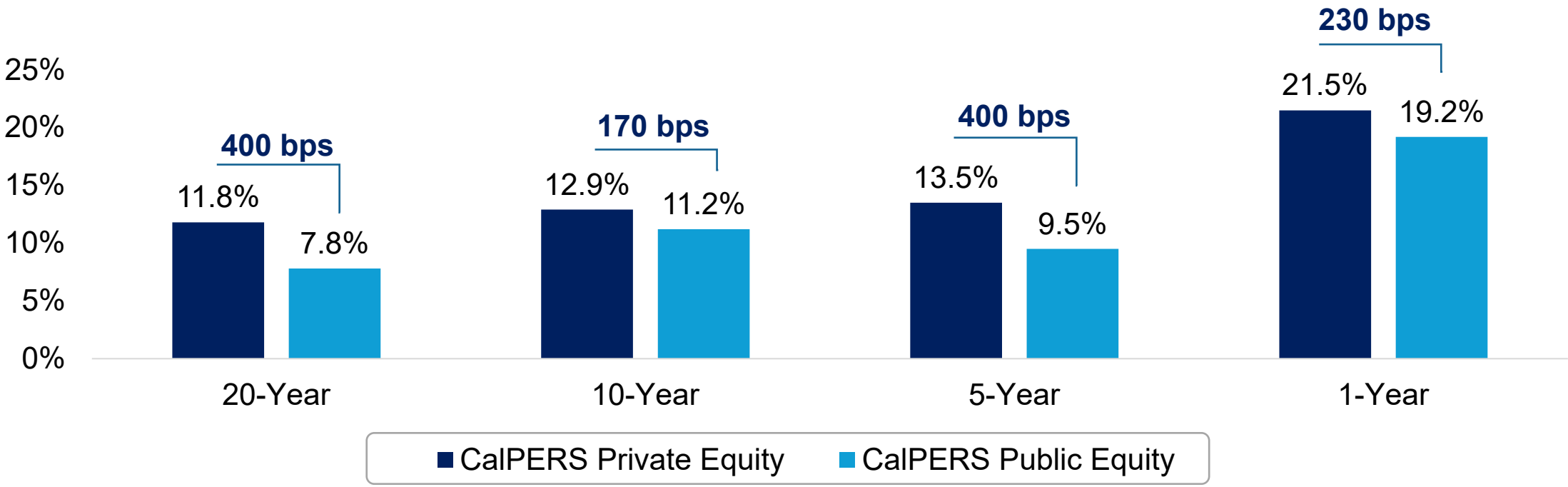
Each $1B of DVA improves funded status by +14 bps
all else equal

- Total Fund returns as of 3/31/26 include approximately 50% of the PE portfolio invested under its current strategy
- As of 3/31/26, the cumulative dollar value add (DVA) of the current PE strategy relative to the prior PE strategy is $15.4 billion
- Since each $1 billion of DVA improves the funded status by about 14 bps, deployment into the current strategy has improved the funded status by over 200 bps all else equal
- If PE's performance from the $47 billion invested in the current strategy had generated the prior strategy's return, CalPERS' Total Fund quartile for the 3-year return would go from 1st to 3rd

For footnote see appendix - Footnote 10

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

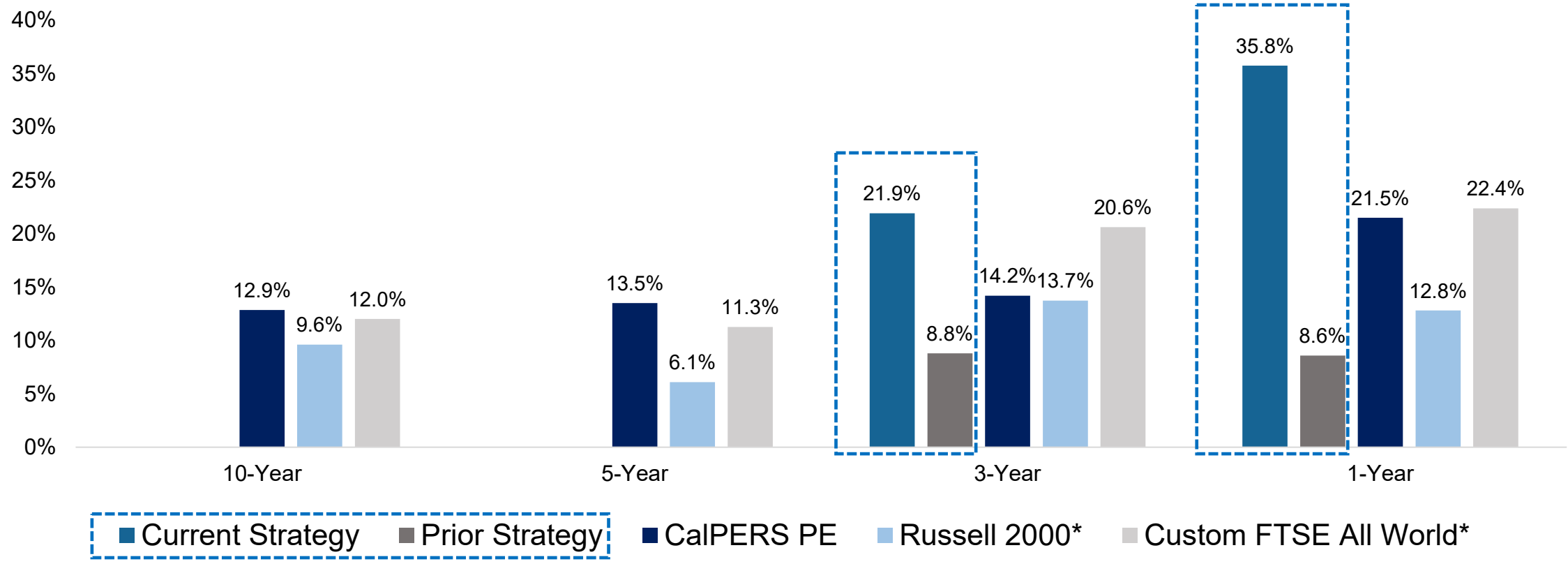
CalPERS PE vs CalPERS Public Equity Time-Weighted Return (TWR) as of 3/31/26



Source: State Street time-weighted returns as of 3/31/2026 reporting

Current strategy has increased PE's lead vs public equity

Time-weighted Returns (TWR) as of 3/31/2026



Source: State Street as of 3/31/2026
*One quarter lag

Public market equivalent (PME) analysis shows current strategy decisively outperforming public equity indexes

Total Private Equity Portfolio

CalPERS PE IRR		Custom FTSE All World[1] KS PME	Custom FTSE All World[1] Direct Alpha	S&P 500 KS PME	S&P 500 Direct Alpha	Russell 2000 KS PME	Russell 2000 Direct Alpha
1-Year	21.3%	0.99	-0.9%	1.02	2.9%	1.06	7.3%
3-Year	15.6%	0.92	-4.0%	0.89	-5.6%	1.03	1.7%

Current Strategy

CalPERS PE IRR		Custom FTSE All World[1] KS PME	Custom FTSE All World[1] Direct Alpha	S&P 500 KS PME	S&P 500 Direct Alpha	Russell 2000 KS PME	Russell 2000 Direct Alpha
1-Year	37.4%	1.10	12.2%	1.13	16.3%	1.16	20.7%
3-Year	31.6%	1.15	9.7%	1.14	8.8%	1.24	15.8%

Prior Strategy

CalPERS PE IRR		Custom FTSE All World[1] KS PME	Custom FTSE All World[1] Direct Alpha	S&P 500 KS PME	S&P 500 Direct Alpha	Russell 2000 KS PME	Russell 2000 Direct Alpha
1-Year	9.0%	0.90	-10.9%	0.93	-7.5%	0.97	-3.1%
3-Year	8.8%	0.79	-9.7%	0.75	-11.6%	0.90	-4.2%

Source: PEARS and State Street, as of 12/31/2025
For full footnote see appendix – Footnote 11

Over the last three years, PE's current strategy has added value relative to robust public equity markets

Quantifying current strategy's impact vs cap-weighted public equity

Cumulative DVA Impact ($B)		Funded Status Impact
3/31/2026	$9.9	+139 bps
3/31/2025	$1.4	+20 bps
3/31/2024	($1.8)	-25 bps

Each $1B of DVA improves funded status by +14 bps
all else equal

- As of 3/31/26, the DVA of the current PE strategy relative to the FTSE All World is about $10 billion
- Since each $1 billion of DVA improves the funded status by about 14 bps, deployment into the current strategy has improved the funded status by about 140 bps all else equal
- Public equity has had strong performance during the period of return comparison
- If PE's performance from the $47 billion invested in the current strategy had generated the FTSE's return, CalPERS' Total Fund quartile for the 3-year return would go from 1st to 2nd

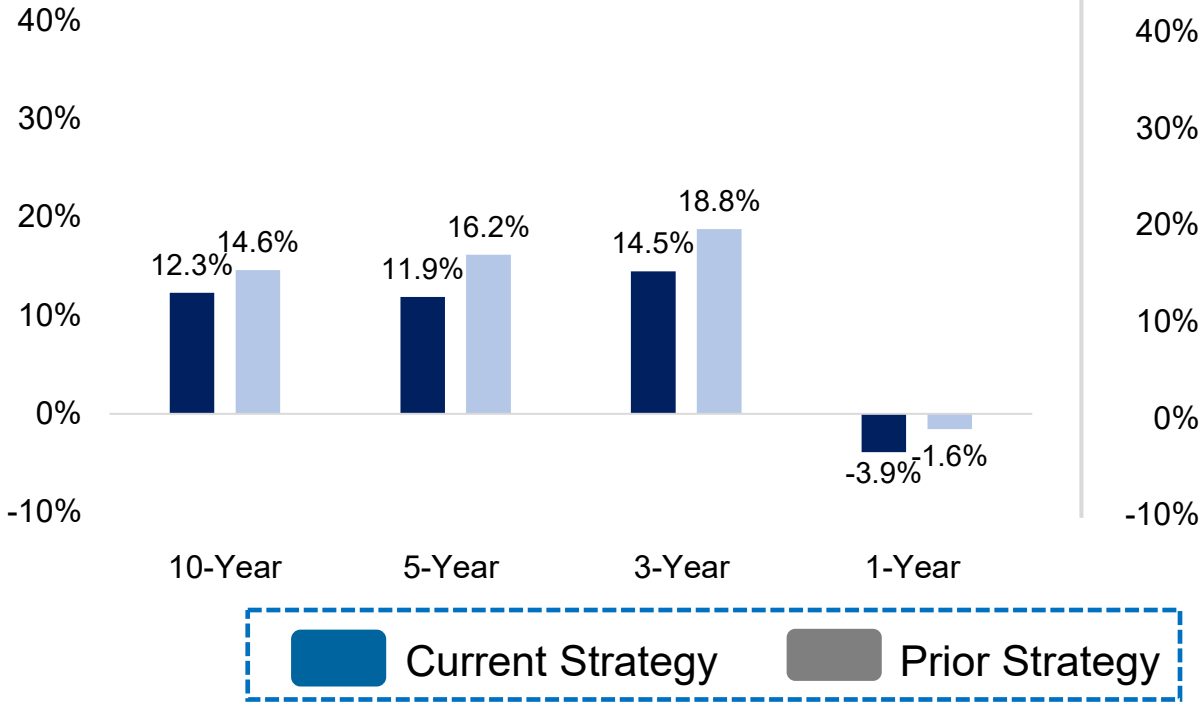
For footnote see appendix - Footnote 10

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

IRR differences between CalPERS PE and the SSPEI

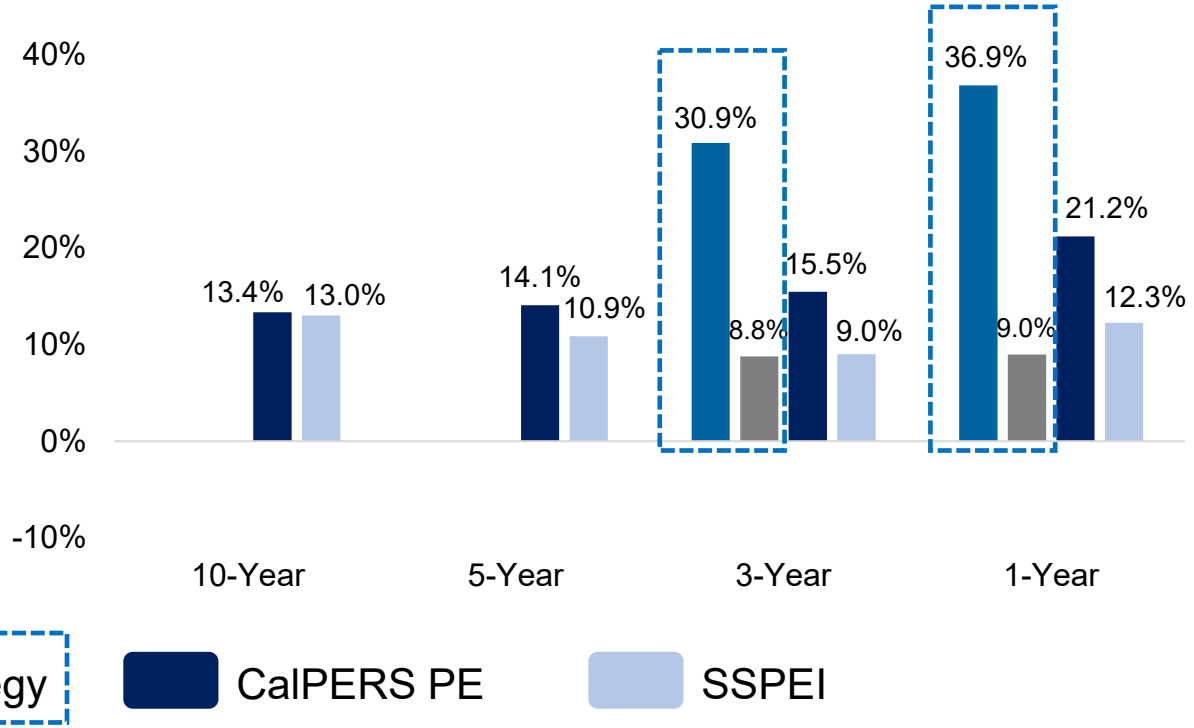
Prior Strategy

Results as of 9/30/2022



Current and Prior Strategy Breakout

Results as of 12/31/2025



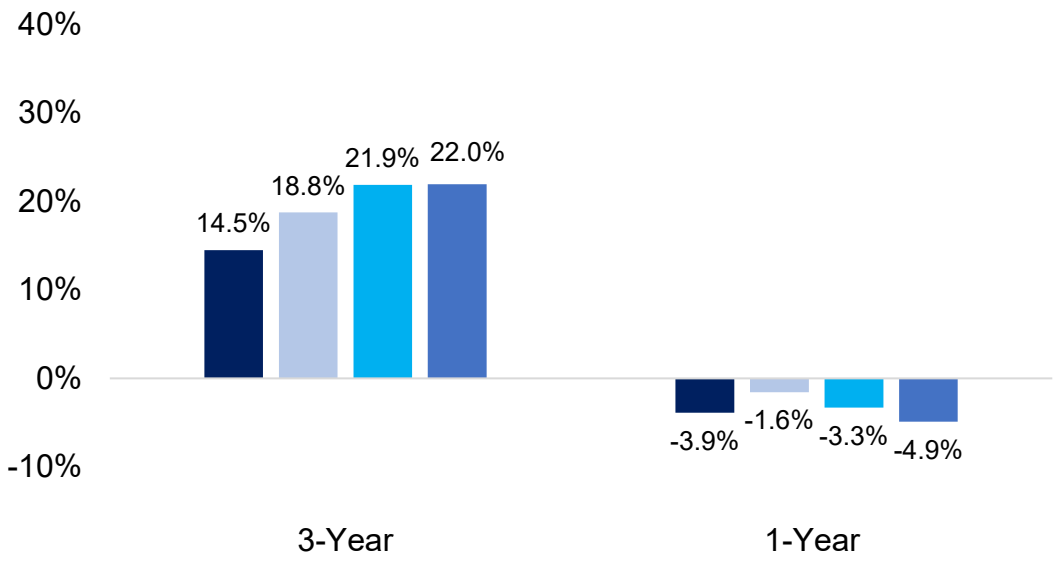
Source: PEARS and State Street Private Equity Index (SSPEI) as of 12/31/2025

Current strategy outperforms regardless of the PE index

IRR differences between CalPERS PE and various PE indexes

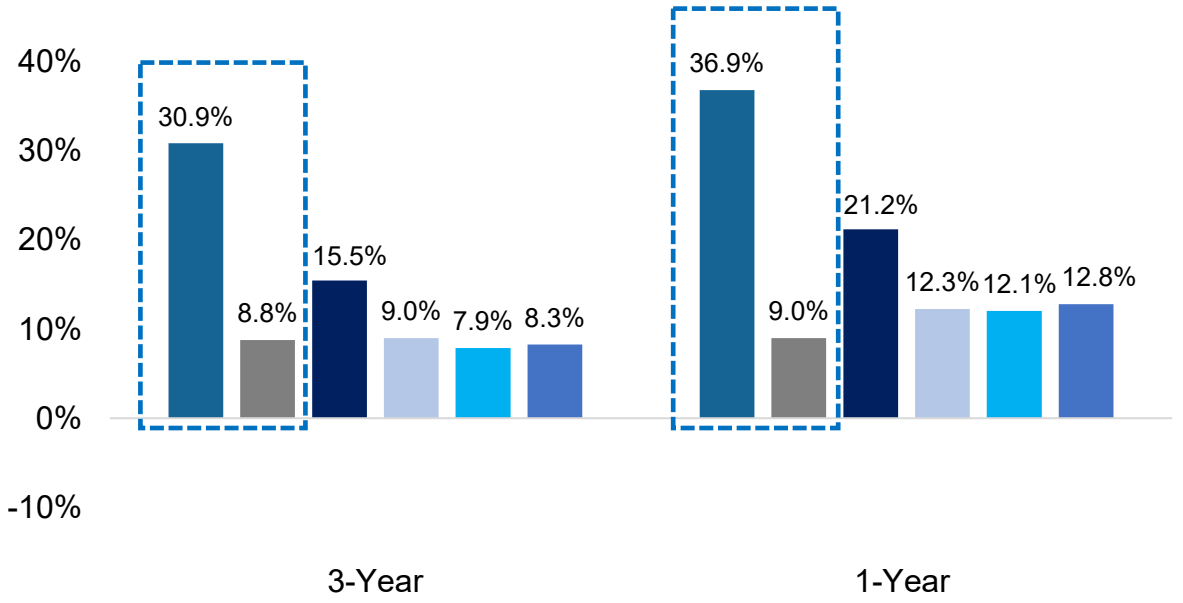
Prior Strategy

Results as of 9/30/2022



Current and Prior Strategy Breakout

Results as of 12/31/2025



Source: PEARS, State Street Private Equity Index (SSPEI), Burgiss, and Cambridge as of 12/31/2025

Current strategy's positive impact on the overall PE portfolio is growing

Launched in Q4 2022, the current strategy has delivered a rapid turnaround vs the PE index

As of 12/31/2025	3-Year IRR	1-Year IRR
Current Strategy	30.9%	36.9%
Prior Strategy	8.8%	9.0%

Prior strategy underperformed vs the PE index in all major time horizons

CalPERS PE excess returns vs SSPEI All

As of Date	Since Inception	10-Year	5-Year	3-Year	1-Year
12/31/2025	-1.3%	0.3%	3.2%	6.5%	8.9%
9/30/2025	-1.4%	-0.2%	1.9%	6.1%	7.5%
6/30/2025	-1.5%	-0.9%	0.9%	4.9%	5.9%
3/31/2025	-1.6%	-1.1%	0.4%	4.4%	6.4%
12/31/2024	-1.7%	-1.5%	0.0%	3.6%	5.2%
9/30/2024	-1.7%	-1.8%	-0.3%	3.1%	5.5%
6/30/2024	-1.8%	-2.0%	-0.7%	2.3%	5.9%
3/31/2024	-1.8%	-2.0%	-1.3%	1.2%	5.4%
12/31/2023	-1.9%	-2.2%	-1.6%	0.2%	4.7%
9/30/2023	-2.0%	-2.4%	-2.7%	-1.6%	4.8%
6/30/2023	-2.1%	-2.5%	-3.3%	-2.8%	1.9%
3/31/2023	-2.1%	-2.4%	-3.6%	-3.5%	0.2%
12/31/2022	-2.2%	-2.2%	-3.9%	-3.8%	-0.3%
9/30/2022	-2.3%	-2.3%	-4.3%	-4.2%	-2.4%
6/30/2022	-2.3%	-2.3%	-4.2%	-4.0%	-2.3%
3/31/2022	-2.3%	-2.6%	-3.7%	-4.2%	-2.0%
12/31/2021	-2.3%	-2.4%	-3.6%	-3.9%	-3.6%
9/30/2021	-2.5%	-2.2%	-3.6%	-5.6%	-6.4%
6/30/2021	-2.5%	-2.9%	-3.6%	-5.7%	-6.4%
3/31/2021	-2.4%	-2.7%	-3.7%	-5.7%	-6.9%
12/31/2020	-2.3%	-2.3%	-3.3%	-5.1%	-6.5%
9/30/2020	-2.1%	-1.5%	-2.8%	-3.9%	-2.4%
6/30/2020	-2.0%	-0.8%	-2.9%	-3.4%	-2.1%
3/31/2020	-2.0%	-0.8%	-2.9%	-2.7%	-3.8%
12/31/2019	-2.1%	-0.7%	-3.2%	-2.6%	-2.6%

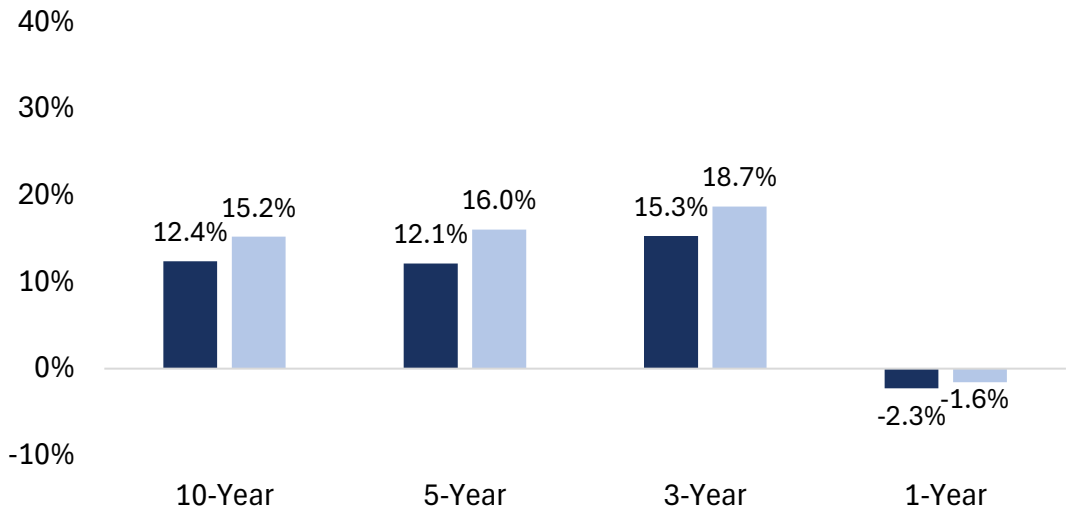
Source: PEARS and State Street Private Equity Index (SSPEI) All
For full footnote see appendix - Footnote 12

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

TWR differences between CalPERS PE and PE index (SSPEI)

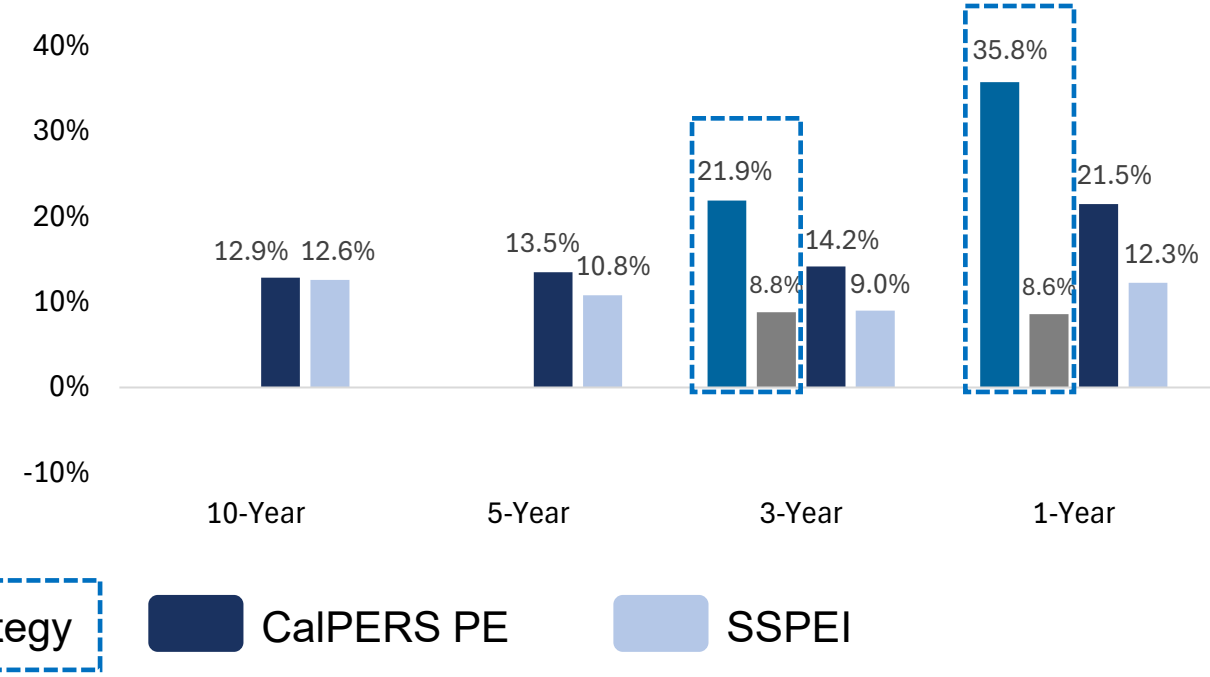
Prior Strategy

Results as of 12/31/2022



Current and Prior Strategy Breakout

Results as of 3/31/2026



Source: State Street as of 3/31/2026
For full footnote see appendix - Footnote 13

PE's current strategy is delivering excess returns relative to the PE universe

Quantifying current strategy's impact vs State Street PE Index

Cumulative DVA Impact ($B)		Funded Status Impact
3/31/2026	$14.0	+196 bps
3/31/2025	$3.2	+45 bps
3/31/2024	$0.4	+5 bps

Each $1B of DVA improves funded status by +14 bps
all else equal

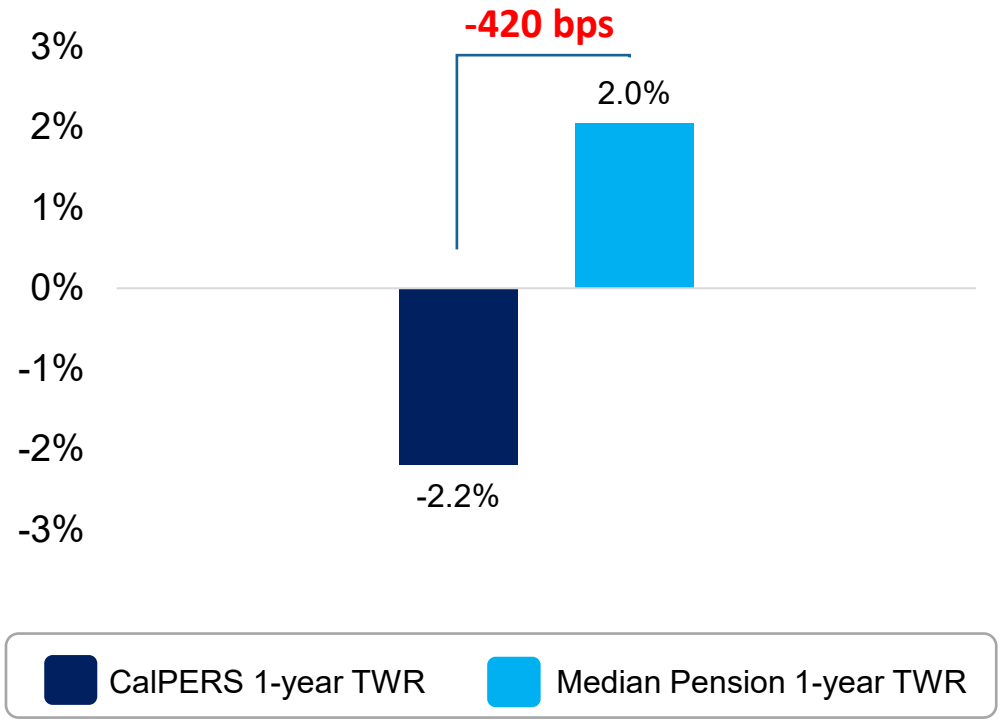
- As of 3/31/26, the DVA of the current PE strategy relative to the PE index is about $14 billion
- Since each $1 billion of DVA improves the funded status by about 14 bps, deployment into the current strategy has improved the funded status by about 200 bps all else equal
- If PE's performance from the $47 billion invested in the current strategy had generated the State Street Index's return, CalPERS' Total Fund quartile for the 3-year return would go from 1st to 3rd

For footnote see appendix - Footnote 10

Current strategy has transformed PE's performance relative to the peers' median 1-year returns

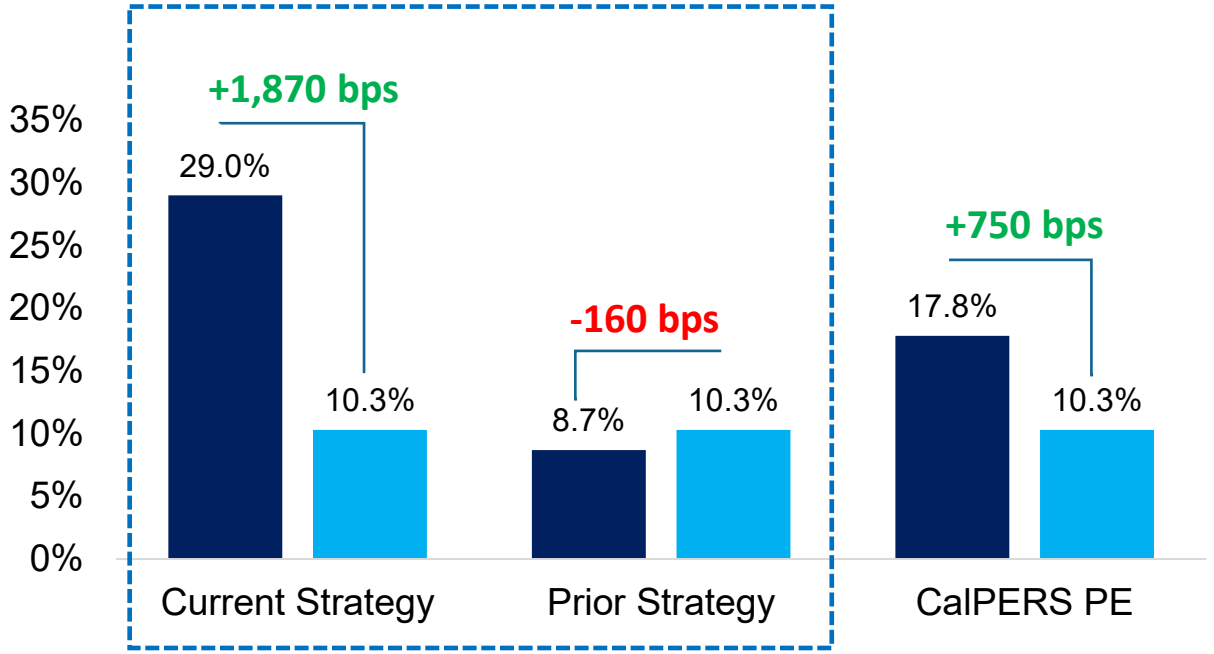
Prior Strategy

Results as of 12/31/2022



Current and Prior Strategy Breakout

Results as of 12/31/2025



Source: Investment Metrics as of 12/31/2022 and 12/31/2025

CalPERS went from 30th to 1st vs publicly reporting US peers

30 Largest US PE Programs Ranked by 3-year Time-weighted Return

	As of 12/31/2022	1-Year	3-Year
1	Massachusetts PRIM	-4.7%	26.0%
2	Alaska Permanent	-1.6%	25.6%
3	Nevada PERS	-4.2%	24.1%
4	Florida SBA	-1.8%	23.5%
5	Missouri Public Schools (PSRS/PEERS)	-4.3%	23.2%
6	Alaska Retirement	-1.7%	23.0%
7	Texas County	2.3%	22.8%
7	Los Angeles County Employees Retirement Association	5.6%	22.8%
9	Maryland	1.2%	21.0%
10	San Francisco ERS	-10.5%	20.8%
11	Virginia Retirement System	0.0%	20.4%
11	New York City Teachers	2.5%	20.4%
13	New York City ERS (NYCERS)	3.0%	20.2%
14	State of Michigan Retirement Systems	-2.4%	20.1%
15	Pennsylvania SERS	-5.1%	19.8%
16	Illinois Muni	4.0%	19.6%
16	Connecticut	0.8%	19.6%
18	CalSTRS	-0.5%	19.5%
19	South Carolina	6.1%	19.0%
20	Minnesota State Board	0.3%	18.9%
21	University of California	-6.8%	18.5%
22	North Carolina (NCRS)	-5.8%	18.3%
23	Washington State (WSIB)	-4.1%	18.1%
24	Arizona State Retirement System	9.6%	17.9%
25	Oregon PERS	1.2%	17.4%
26	Texas Teachers	-5.0%	17.3%
27	Ohio PERS	-4.8%	17.1%
28	New Jersey	0.6%	16.5%
29	United Nations Staff Pension	-4.6%	16.2%
30	CalPERS	-2.3%	15.3%

	As of 12/31/2025	1-Year	3-Year
1	CalPERS	17.8%	12.8%
2	Minnesota State Board	8.0%	9.6%
3	CalSTRS	11.4%	9.4%
4	Washington State (WSIB)	10.4%	8.9%
5	Texas Teachers	12.2%	8.5%
6	Illinois Muni	17.2%	8.4%
7	Ohio PERS	8.4%	8.2%
7	University of California	10.7%	8.2%
9	Alaska Permanent	12.1%	7.8%
10	South Carolina	10.7%	7.3%
10	Nevada PERS	12.7%	7.3%
10	Massachusetts PRIM	8.5%	7.3%
13	Florida SBA	11.1%	7.2%
13	Arizona State Retirement System	8.2%	7.2%
15	Virginia Retirement System	8.1%	6.9%
15	Maryland	8.1%	6.9%
15	Connecticut	7.0%	6.9%
18	Texas County	11.2%	6.5%
19	Alaska Retirement	9.0%	6.4%
20	Missouri Public Schools (PSRS/PEERS)	9.7%	6.3%
20	New York City Teachers	6.7%	6.3%
20	Pennsylvania SERS	5.9%	6.3%
23	Oregon PERS	8.2%	6.2%
24	New York City ERS (NYCERS)	6.3%	6.1%
25	State of Michigan Retirement Systems	7.8%	6.0%
26	United Nations Staff Pension	5.2%	5.5%
26	New Jersey	7.3%	5.5%
28	Los Angeles County Employees Retirement Association	6.4%	5.1%
28	North Carolina (NCRS)	9.9%	5.1%
30	San Francisco ERS	8.2%	4.0%

- In three years, the current strategy has taken CalPERS from last to first in the universe of large domestic PE programs
- CalPERS PE is about 2x larger than the second-largest peer and about 20x larger than the 30th–largest PE program
- CalPERS' 3-year return is +320 bps above the second highest

For footnote see appendix - Footnote 14

CalPERS' current PE strategy has overcome significant return deficits to Canadian peers' PE programs

As of December 31, 2022	1-Year	5-Year
Ontario Muni (OMERS)	13.7%	n/a
Investment Management Corp of Ontario (IMCO)	12.0%	21.4%
Healthcare of Ontario Pension (HOOPP)	11.0%	n/a
Ontario Teachers (OTPP)	6.1%	15.2%
British Columbia Muni	3.9%	17.5%
La Caisse (CDPQ)	2.8%	17.3%
Alberta Investment Management (AIMCo)	0.5%	16.7%
CalPERS	-2.3%	12.1%

As of December 31, 2025	1-Year	5-Year
CalPERS	17.8%	14.3%
Investment Management Corp of Ontario (IMCO)	6.5%	11.8%
Healthcare of Ontario Pension (HOOPP)	3.6%	n/a
Alberta Investment Management (AIMCo)	3.0%	n/a
La Caisse (CDPQ)	2.3%	11.6%
Ontario Muni (OMERS)	-2.5%	n/a
Ontario Teachers (OTPP)	-5.3%	8.4%
British Columbia Muni	n/a	n/a

As of March 31, 2023	1-Year	5-Year
Canadian Pension Plan (CPP)	6.8%	14.8%
British Columbia Investment Management (BCI)	4.7%	18.3%
Public Sector Pension (PSP)	3.3%	15.6%
CalPERS	-4.7%	11.8%

As of March 31, 2026	1-Year	5-Year
CalPERS	21.5%	13.5%
British Columbia Investment Management (BCI)	8.10%	12.10%
Public Sector Pension (PSP)	5.3%	12.7%
Canadian Pension Plan (CPP)	2.9%	9.1%

Source: Nasdaq eVestment

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

Wilshire Universe Percentiles for CalPERS PE:			
Time	**12/31/2022**		**3/31/2026**
1-Year	58th	→	1st
2-Year	58th	→	1st
3-Year	58th	→	1st
4-Year	87th	→	1st
5-Year	66th	→	1st
7-Year	66th	→	1st
10-Year	62nd	→	25th

- 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 seven years
- If CalPERS PE maintains its current strategy, it will make up a greater proportion of its portfolio, likely improving the percentile for the 10-year time horizon
- While the constituents of the peer universe are unknown, it is likely many of their PE programs are meaningfully smaller than CalPERS PE's program, and larger scale is widely considered a headwind for returns

For footnote see appendix - Footnote 15

Current strategy is delivering excess returns relative to the median performance of large peers' PE programs

Quantifying current strategy's impact vs the Wilshire TUCS median PE return

Cumulative DVA Impact ($B)		Funded Status Impact
3/31/2026	$15.5	+217 bps
3/31/2025	$3.3	+46 bps
3/31/2024	$0.4	+5 bps

Each $1B of DVA improves funded status by +14 bps
all else equal

- As of 3/31/26, the DVA of the current PE strategy relative to the median return of the PE programs in the Wilshire TUCS universe is about $15.5 billion
- Since each $1 billion of DVA improves the funded status by about 14 bps, deployment into the current strategy has improved the funded status by over 200 bps all else equal
- If PE's performance from the $47 billion invested in the current strategy had generated the median peer PE return, CalPERS' Total Fund quartile for the 3-year return would go from 1st to 3rd

For footnote see appendix - Footnote 10

Regardless of benchmark used, PE's current strategy has materially improved CalPERS' funded status

Summary: Current strategy cumulative DVA impact ($B) relative to various benchmarks

As of Date	vs Prior Strategy	vs Public Equity	vs PE Index	vs Peer Median
3/31/2026	$15.4	$9.9	$14.0	$15.5
3/31/2025	$2.8	$1.4	$3.2	$3.3
3/31/2024	$0.1	($1.8)	$0.4	$0.4

Each $1B of DVA improves funded status by +14 bps

all else equal

For footnote see appendix - Footnote 10

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**		**3/31/2026**
1-Year	70th	→	10th
2-Year	84th	→	5th
3-Year	84th	→	15th
4-Year	94th	→	54th
5-Year	94th	→	75th

"**CalPERS Total Fund peer rankings have improved markedly** over the 1- and 2-year periods, **ranking in the top decile** … 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 … a very strong driver of Total Fund returns."

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

For footnote see appendix - Footnote 15

Deploying capital in the current PE strategy has been the difference in making CalPERS' Total Fund top quartile

CalPERS' actual Total Fund 3-year quartile ranking, resulting from three years of deployment into the current PE strategy, vs hypothetical quartiles resulting from four alternative return outcomes

	Current PE Strategy (Actual)	Prior PE Strategy (Hypothetical)	Public Equity Index (Hypothetical)	PE Index (Hypothetical)	Peer PE Median (Hypothetical)
3-year Quartile Ranking	1st	3rd	2nd	3rd	3rd

Regardless of the comparison used, the current PE strategy has delivered excess returns making the PERF 1st quartile

For footnote see appendix - Footnote 16

Appendix

Select CalPERS investment beliefs

Investment Beliefs

- A long investment horizon is a responsibility and an advantage *(IB 2)*
- Long-term value creation requires effective management of three forms of capital: financial, physical and human *(IB 4)*
- Take risk only where we have a strong belief we will be rewarded for it *(IB 7)*
- Costs matter and need to be effectively managed *(IB 8)*
- Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives *(IB 10)*

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 mostly focused on common 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

Buyout

Controlling stakes in mature companies using equity and debt

Growth

Minority stakes in fast-growing companies seeking to accelerate their growth with no or limited debt

Venture

Minority stakes in early-stage companies with high-growth potential and no or limited debt

Overview on how private asset class holdings are valued

Valuation Framework

Valuation approaches with examples

Income Approach
- Discounted cash flows (DCF)

Market Approach
- Public comparables, past transactions

Asset Approach
- Liquidation value, replacement cost

Fair Value
(not a market price; assigned to an illiquid asset based on fundamental analysis to estimate a market exit price)

Governance & Oversight

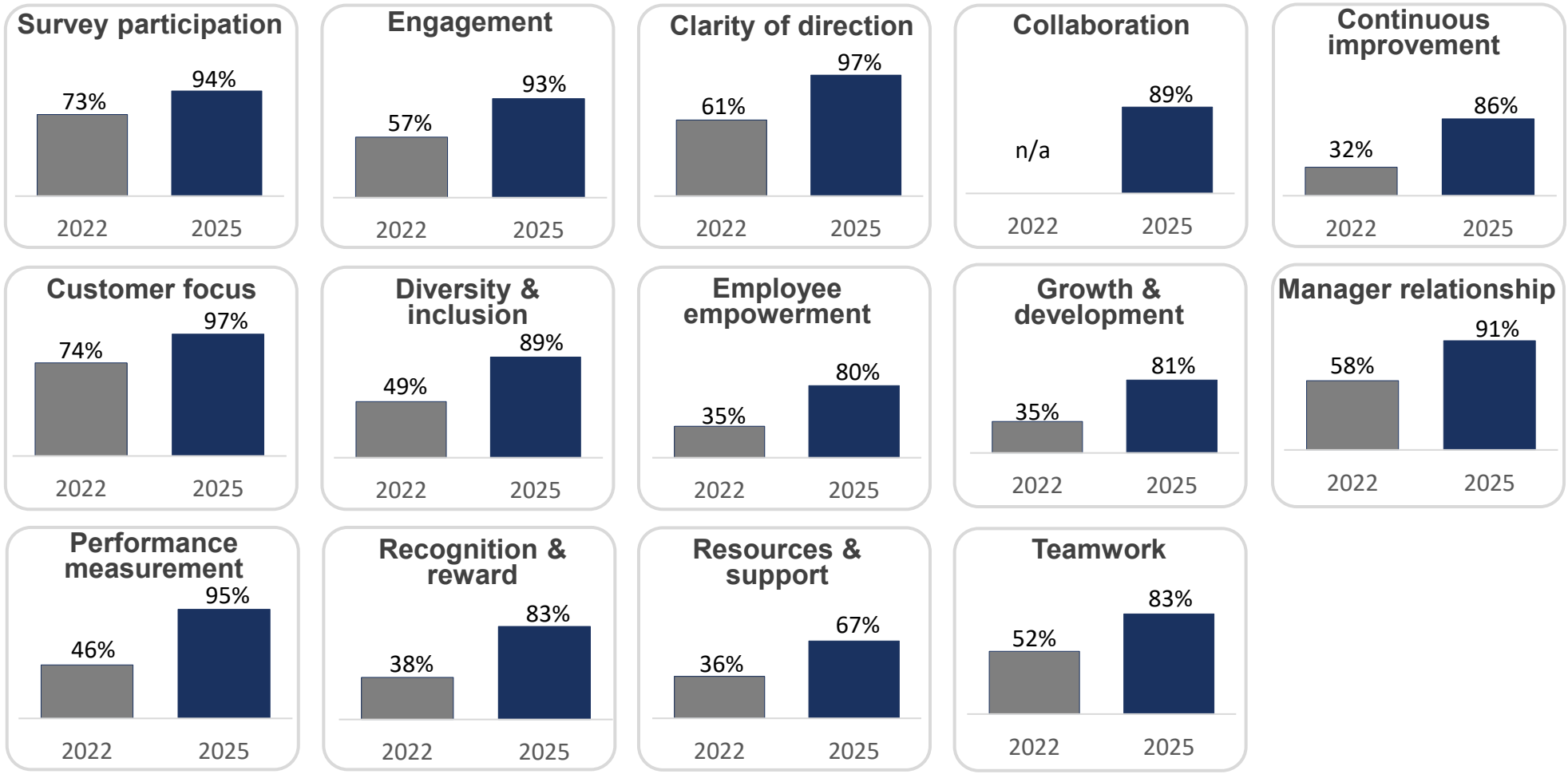
GP Valuation Committees
- Assign fair value per accounting standards
- Validate assumptions
- Ensure consistency across portfolio

Independent Annual Audits
- Review methodology
- Confirm policy compliance
- Enhance transparency for LPs

CalPERS Internal Committees
- Review GP process and controls
- Assess adherence to legal agreements
- Mirror checks by other institutional LPs

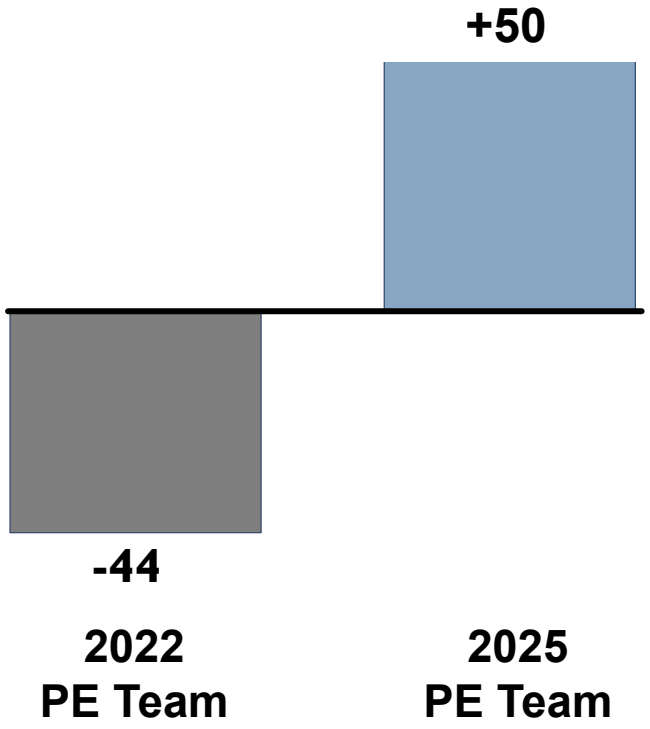
Multiple valuation methods are applied and subject to layered governance, independent review, and CalPERS oversight

Current strategy improved PE's engagement scores

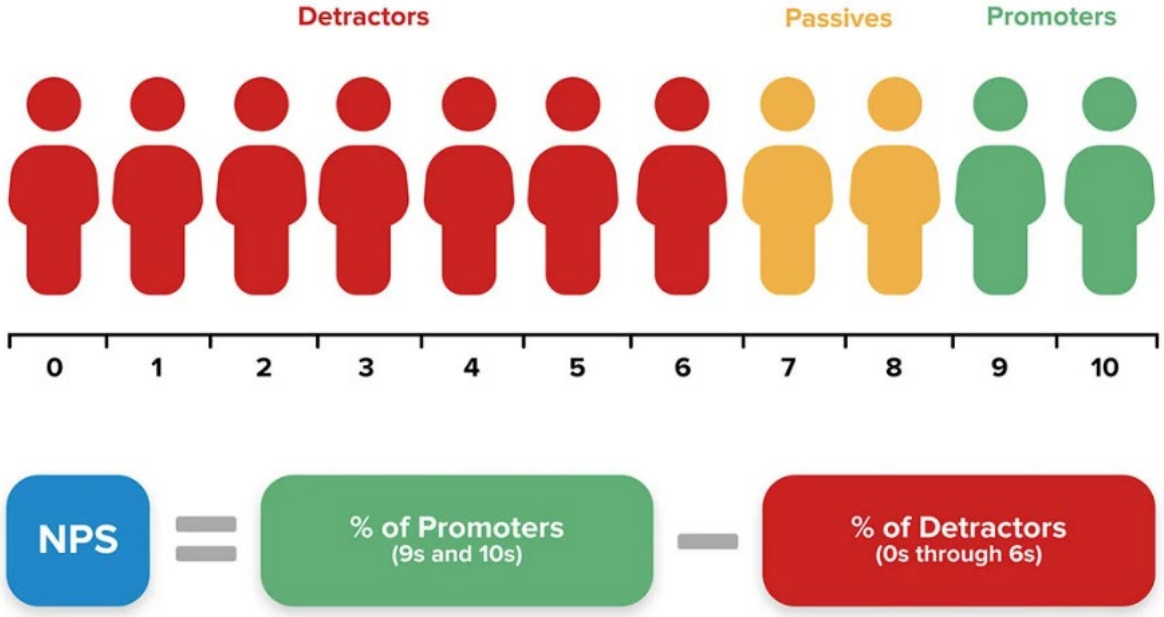


Note: CalPERS utilizes a third-party provider to conduct anonymous engagement surveys annually. The "Collaboration" topic and its sub-questions were not part of the 2022 Employee Engagement Survey. A supermajority of the PE team is the same between the two periods of comparison

Current model also improved PE's net promoter score

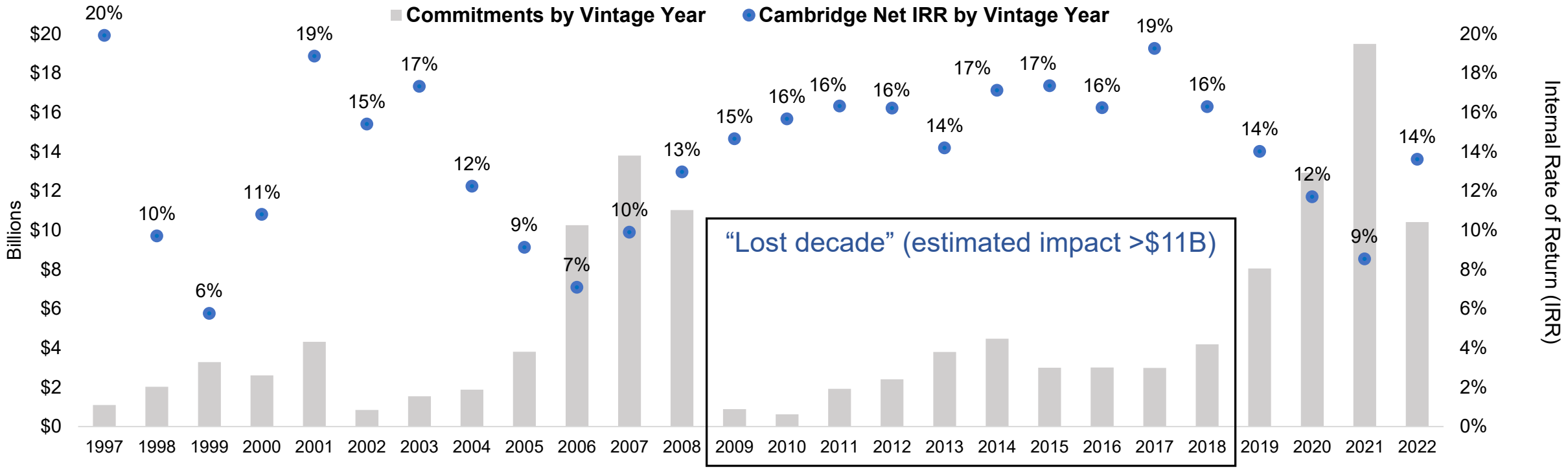


"From 0 – 10, how likely is it that you would recommend CalPERS as a place to work?"



Note: CalPERS utilizes a third-party provider to conduct anonymous employee engagement surveys annually.
A supermajority of the PE team is the same between the two periods of comparison

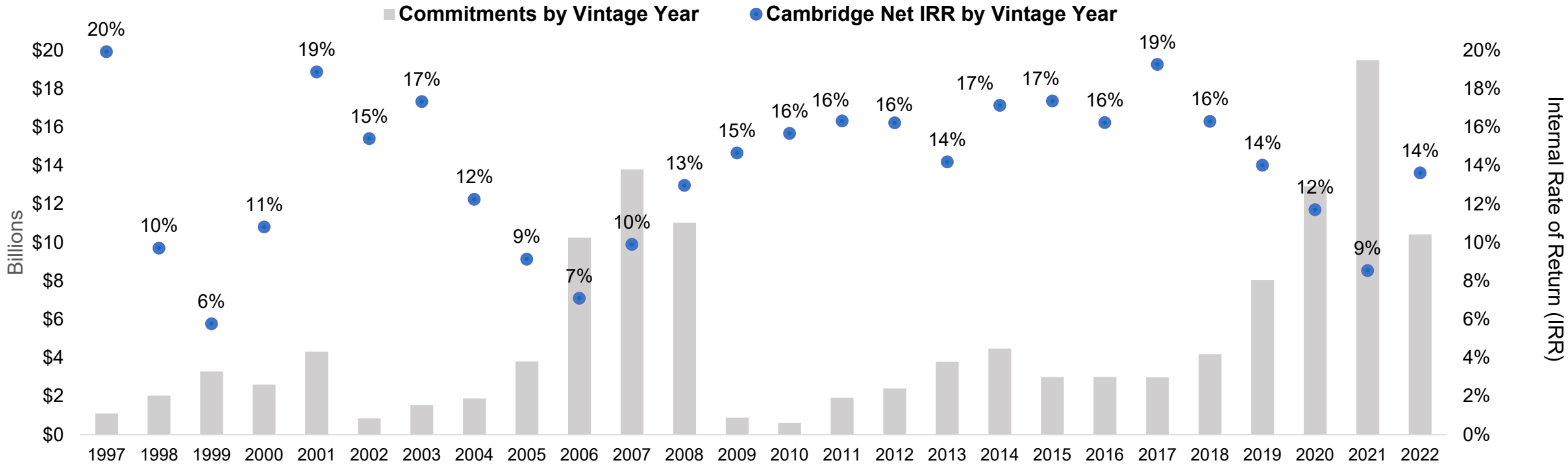
CalPERS suffered a "lost decade" from too little PE



- At current strategy's launch in the first half of FY 2022-23, CalPERS PE experienced 25 years of inconsistent or subscale commitments
- While CalPERS PE outperformed public equity indexes in almost all 10-year rolling periods, small size meant it did not move the needle
- Under-allocation to PE cost the Total Fund in aggregate more than $11B in returns during the "lost decade" (2009-18)*

Note: Cambridge PE & VC Index as of 6/30/2025
* Analysis on the "lost decade" from CalPERS Investment Committee materials dated September 19, 2022 (Agenda Item 5a, Attachment 1). The underweight to PE 2009-18 produced a -1.3% headwind to the 10-year return versus peers, the single-greatest source by far of underperformance from allocation during the decade for CalPERS

Market timing further eroded CalPERS PE's returns



- CalPERS inconsistently participated in PE with vintage year commitments fluctuating between $0.6B and $19.5B
- Inconsistency was procyclical (i.e., commitments were lower in better-performing vintages and higher in underperforming ones)
  - Going into the Global Financial Crisis (GFC), CalPERS dramatically increased commitments relative to prior years, making $24B in commitments 2006-07
  - With valuations reset in the wake of the GFC, CalPERS drastically cut back on commitments for a decade, a period of high PE returns
  - CalPERS committed $33B in the two challenged vintages before the interest rate reset, including $20B in 2021 alone, while the "lost decade" had $31B

Source: CalPERS data and Cambridge PE & VC Index as of 6/30/2025

Footnotes

Footnote 1: [1] Source: State Street as of 3/31/2026. [2] Source: PEARS portfolio company data as of 12/31/2025. [3] Source: PEARS as of 12/31/2025. Funds, Fund-of-Funds, and Customized Investment Accounts / Separately Managed Accounts. The manager count includes legacy relationships (i.e., managers with which CalPERS has not recommitted).

Footnote 2: 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.

Footnote 3: 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.

Footnote 4: Source: The State Street PE Index (SSPEI) and public equity indexes. 2022 as of 12/31/2022. * One quarter lag.

Footnote 5: Source: PEARS as of 12/31/2025. FY 2024-25 is net secondary sales to address fund commitment imbalances in Large/Mega Buyout in vintage years 2019-21. The secondary proceeds were invested in secondary purchases and co-investment.
[1] Ref. “Investment Committee Agenda Item 5a – Investment Performance Review and Strategy” on September 19, 2022, “Investment Committee Agenda Item 6d – Private Equity Annual Program Review” on June 20, 2023, and “The CalPERS Private Equity Turnaround” from the Board Education Day on January 20, 2026.

Footnote 6: Source: As reported in “Assembly Bill 890: Diversity in the Management of Investments,” dated March 1, 2026 (https://www.calpers.ca.gov/documents/assembly-bill-890-year-four-report-fy-2024-25/download?inline) and in Wilshire’s Consultant Trust Level Review, dated August 31, 2023 (https://www.calpers.ca.gov/documents/202309-invest-item05c-03-a/download)

Footnote 7: Source: Houlihan Lokey’s Study 6: Private Portfolio Company Revenue and EBITDA Growth Rates and FactSet Russell 2000 Constituent Data. The Private Performing Credit Index (PPCI) uses a dataset of 15,000+ qualifying quarterly asset valuations performed since September 30, 2017, market conditions, and changes in the composition of the portfolio.

Footnotes

Footnote 8: Source: Dawson Whitepaper, *Coming to the Defense of Private Markets Valuations*, February 8, 2024. Chart from Whitehorse Liquidity Partners analysis with data from Burgiss and S&P Capital IQ as of 12/31/2022.

Footnote 9: Source: PEARS (Active Only) as of 12/31/2025. 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 12/31/2025: Current Strategy – Since Inception IRR: 29.5%, Non-Annualized TVPI: 1.48x; Prior Strategy – Since Inception IRR: 10.8%, Non-Annualized TVPI: 1.52x.

Footnote 10: PE Portfolio at 12/31/2025 includes ~50% for the current strategy. Estimate assumptions: Monthly SSB Returns for PERF and PE are gross of any allocated INVO expenses. Analysis assumes no changes to existing PE or PERF CFs. Estimated DVA (Dollar Value Add) is the incremental impact of the replacement return multiplied by the updated Avg MV. Avg MV is adjusted based on cumulative DVA impact through prior month. Current Strategy Inception = January 2023. “Peer PE Median” is the Wilshire TUCS median PE return, “PE Index” is the State Street PE Index return, and “Public Equity Index” is the cap weighted public equity return.

Footnote 11: Source: PEARS and State Street, as of 12/31/2025 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.

Footnote 12: Source: PEARS and State Street Private Equity Index (SSPEI) All. Since inception goes back to 1990. Net IRR returns as of 12/31/2025 (no lag).

Footnotes

Footnote 13: Source: State Street as of 3/31/2026. State Street All PE Index calculated with one quarter lag using Modified Dietz methodology as proxy to TWR

Footnote 14: 30 largest domestic PE programs publicly reporting 12/31/2022 and 12/31/2025 net asset value (NAV) and time-weighted returns (TWR) for the 1- and 3-year horizons, according to Nasdaq eVestment as of 5/28/2026. Top-30 sizing based on NAV as of 12/31/2022.

Footnote 15: 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.

Footnote 16: PE Portfolio at 12/31/2025 includes ~50% for the current strategy. Estimate assumptions: Monthly SSB Returns for PERF and PE are gross of any allocated INVO expenses. Analysis assumes no changes to existing PE or PERF CFs. Estimated DVA (Dollar Value Add) is the incremental impact of the replacement return multiplied by the updated Avg MV. Avg MV is adjusted based on cumulative DVA impact through prior month. TUCS quartiles are based on updated analysis prepared by Wilshire (Public Funds > $50 Billion). Current Strategy Inception = January 2023. “Peer PE Median” is the Wilshire TUCS median PE return, “PE Index” is the State Street PE Index return, and “Public Equity Index” is the cap weighted public equity return