Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Public Employees' Retirement Fund (PERF) Overview

The PERF provides retirement benefits to the State of California, schools and other California public agency employees. The PERF benefits are funded by member contributions, employer contributions, and by investment earnings. Changes in investment asset allocation and investment strategies can significantly impact data reported from period to period.

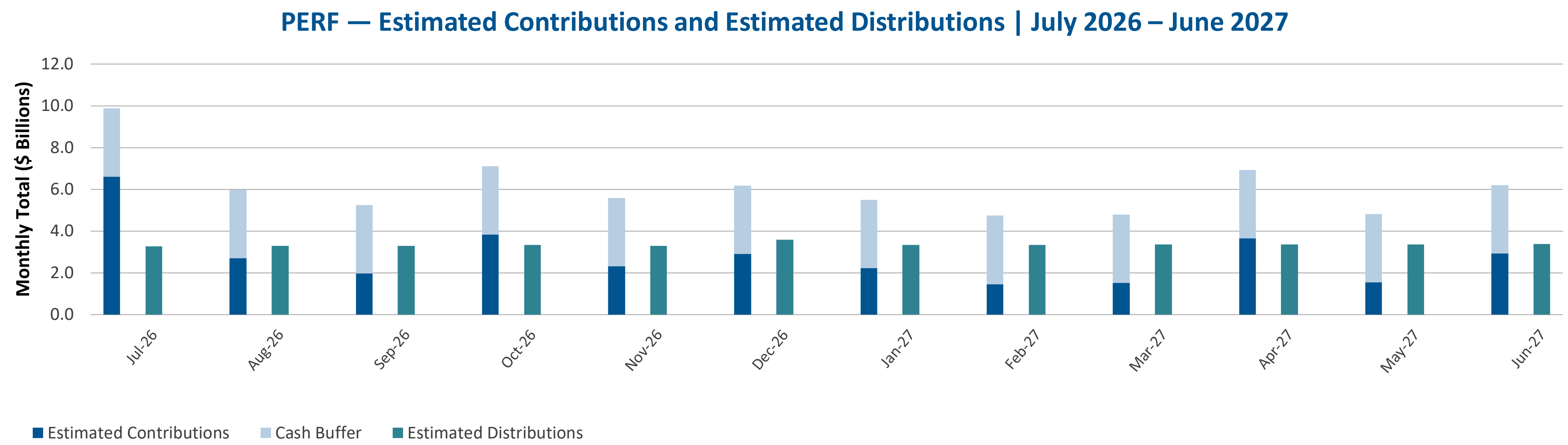
PERF 12-Month Rolling Cash Flow Forecast

The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.

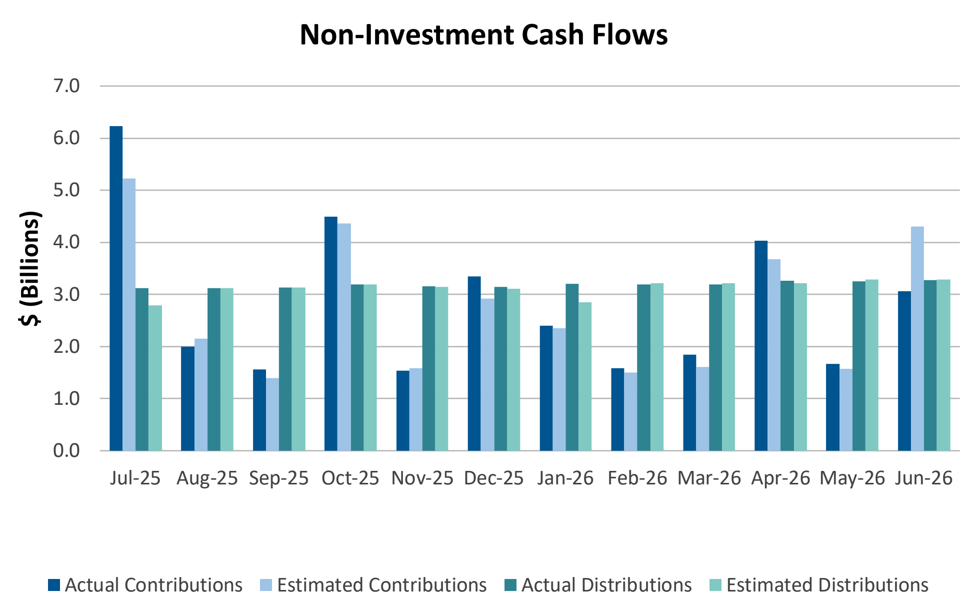
Contributions consist of State Employee and State Employer retirement contributions, Public Agency Employee and Employer retirement contributions, Schools' Employee and Employer retirement contributions, Member purchases for additional retirement service credits, miscellaneous inflows including CalPERS and Control Agency transfers, and Medicare Part B reimbursements from the State's General Fund.

Distributions consist of retirement benefit payments, health benefit payments, CalPERS monthly administrative payroll, and expenses paid by the Administrative and Investment budget for general operations.

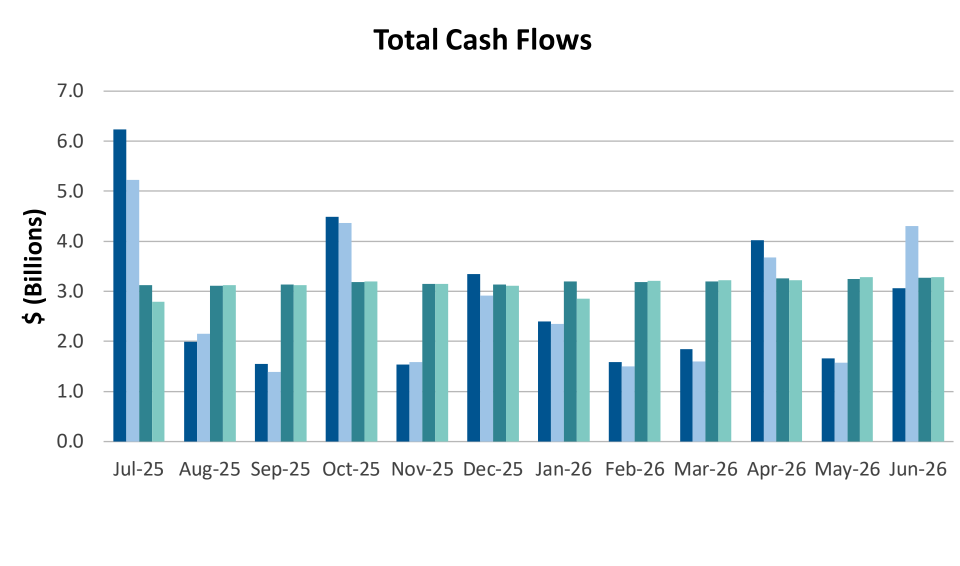
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



PERF Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment related obligations without disruption during the 12-month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, private asset capital calls and distributions, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

PERF Cash Flow Summary

Overall, PERF's liquidity position remains sound, with forecasted contributions and available cash reserves expected to support benefit payments, operating expenses, and investment related cash needs throughout the forecasted period of July 2026 through June 2027. Although monthly cash flows may fluctuate due to timing differences and market activity, the cash buffer provides an important safeguard against short-term volatility and helps ensure sufficient liquidity. Actual results for the same period outlook were generally consistent with estimates, indicating that PERF continues to manage cash flow within acceptable parameters. This is consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.

Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Legislators' Retirement Fund (LRF) Overview

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to constitutional, legislative, and statutory officers elected or appointed prior to January 1, 2013. The Fund is closed to new participants. The number of LRF members has been declining in the last decade as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF. Actuarially determined contributions will continue to be made by the State of California to supplement the existing assets until all benefit obligations have been fulfilled. The Fund maintains a cash equivalent reserve equal to two months of member benefit payments and obligations.

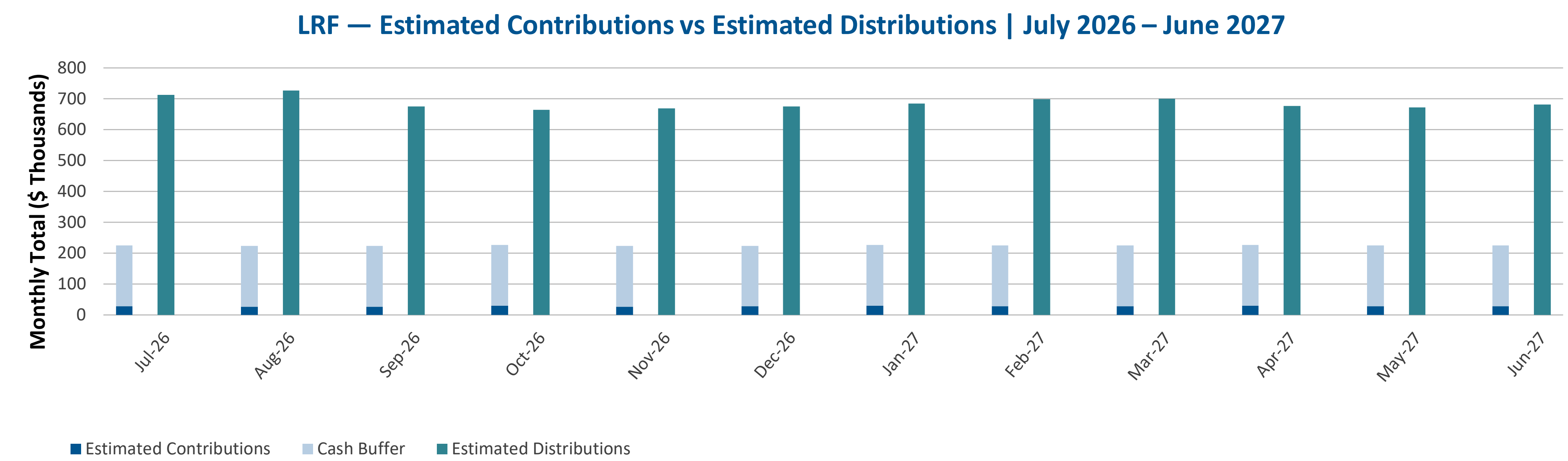
LRF 12-Month Rolling Cash Flow Forecast

The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.

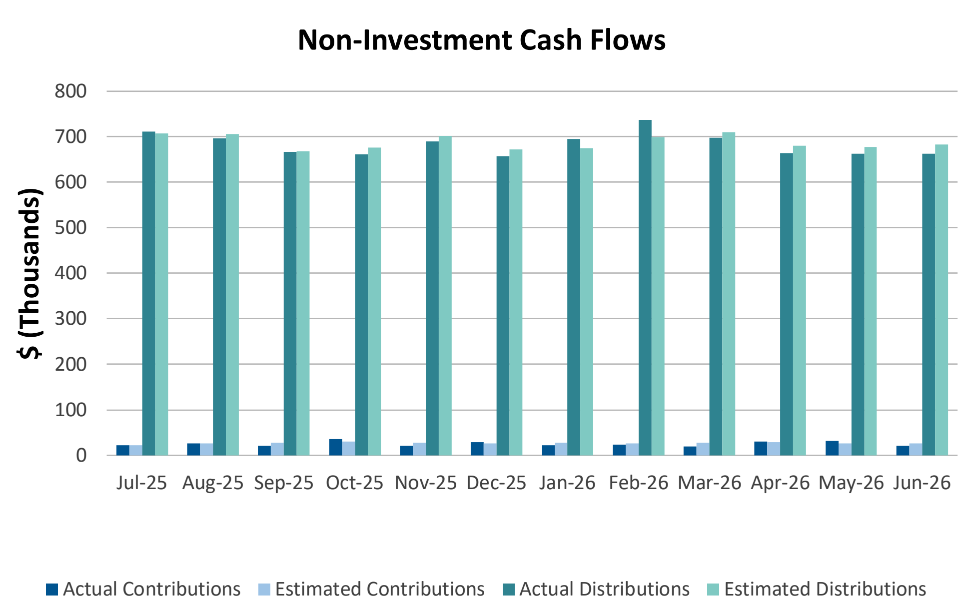
Contributions consist of State Member and State Employer monthly retirement contributions, Medicare reimbursements from the State budget item, and miscellaneous inflows including military and service purchase credits, quarterly health and dental payments, transfers, and reimbursements from members for benefit overpayments.

Distributions consist of weekly and monthly retirement benefit payments, health and dental premiums deducted from the benefit roll, investment expense reimbursements to the PERF, Plan of Financial Adjustments and quarterly pro rata payments, and miscellaneous outflows including death and lump-sum benefit payments, transfers to the General Fund and PERF, and the return of excess contributions.

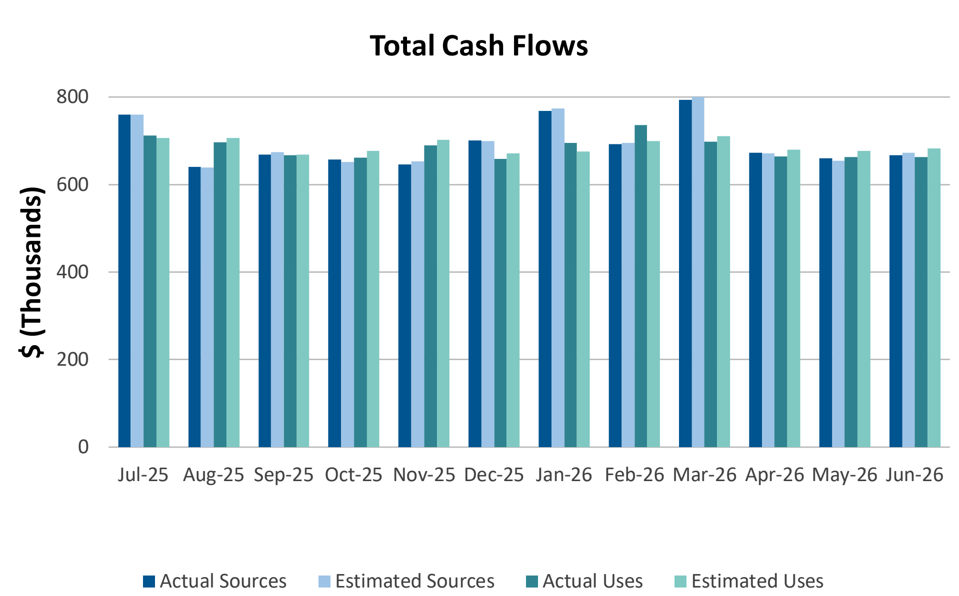
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



LRF Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment-related obligations without disruption during the 12 month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, private asset capital calls and distributions, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

LRF Cash Flow Summary

Overall, the LRF's liquidity position remains sound. As a closed plan, the Fund relies on prior contributions, actuarially determined State contributions, and investment income to meet ongoing benefit obligations, and it maintains a cash-equivalent reserve equal to two months of member benefit payments. Although monthly cash flows may fluctuate due to timing differences, forecasted contributions and available reserves are expected to support benefit payments and operating expenses throughout the forecasted period of July 2026 through June 2027. Actual results for the same period outlook were generally consistent with estimates, consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.

Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Judges' Retirement Fund I (JRF I) Overview

The JRF I provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges appointed or elected before November 9, 1994. The State of California does not pre-fund the benefits for this fund. The benefits are funded on a pay-as-you-go basis. The Fund maintains a reserve equal to two months of member benefit payments and obligations.

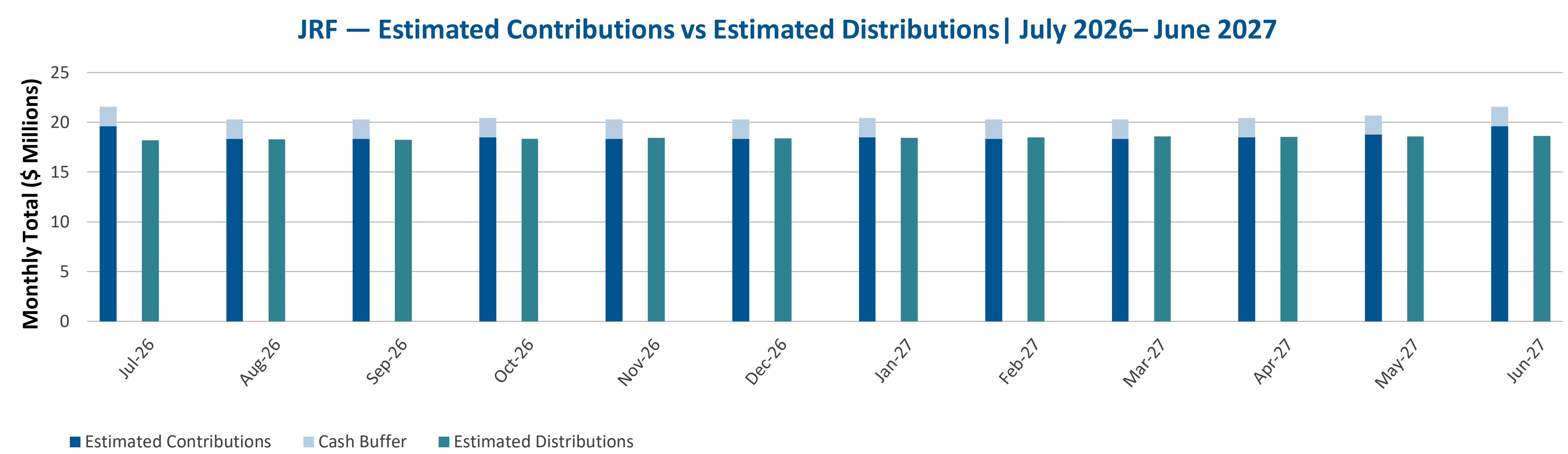
JRF I 12-Month Rolling Cash Flow Forecast

The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.

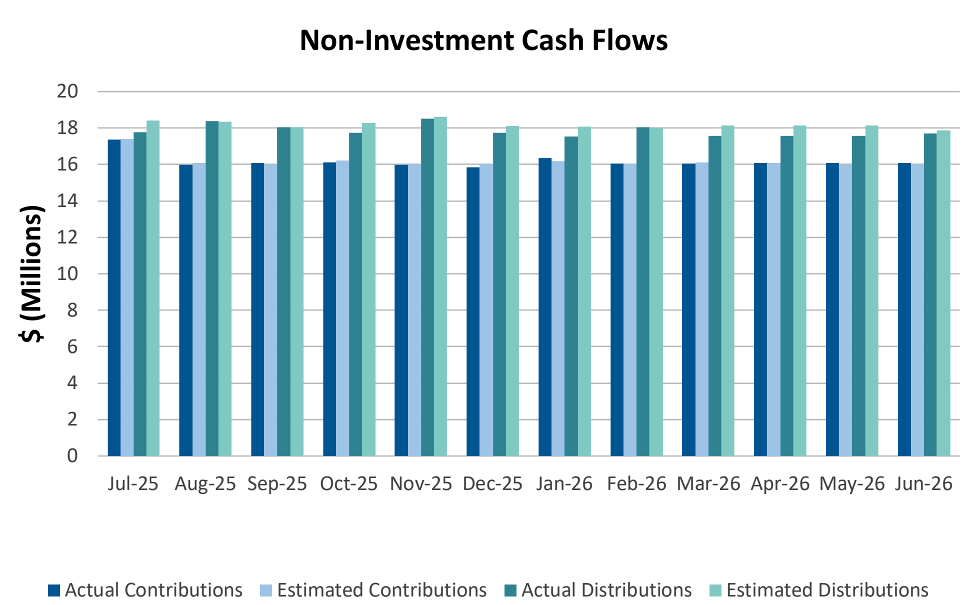
Contributions consist of member contributions, state employer contributions, General Fund contributions, with additional statutory receipts and other authorized amounts recorded by the fund.

Distributions consist of weekly and monthly retirement benefit payments, Extended Service Incentive Program payments, health and dental premiums deducted from the benefit roll, investment expense reimbursements to the PERF, and Plan of Financial Adjustments and quarterly pro rata payments.

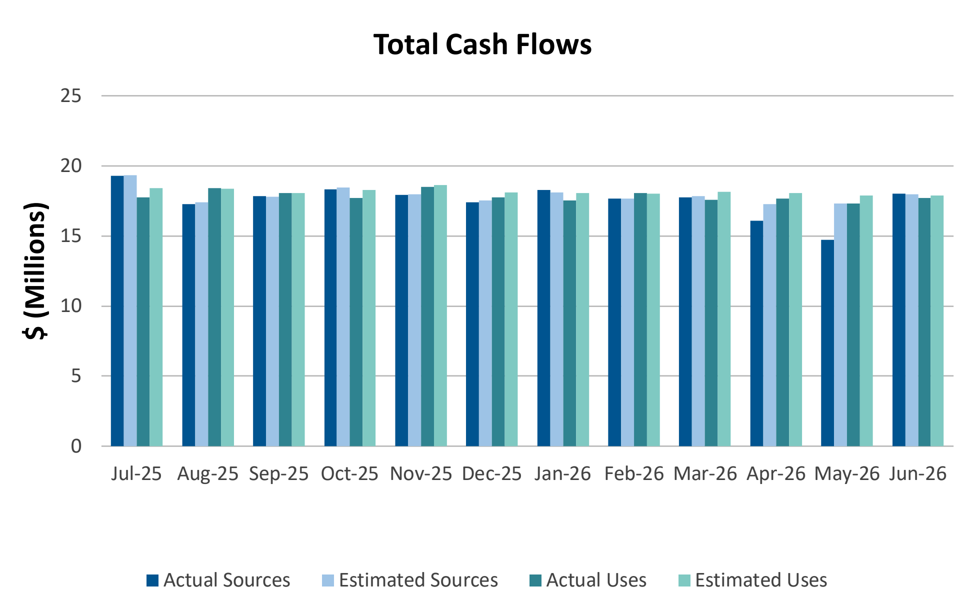
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



JRF I Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment-related obligations without disruption during the 12 month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

JRF I Cash Flow Summary

Overall, the JRF I's liquidity position remains sound. Because the State does not pre-fund this plan, benefits are met on a pay-as-you-go basis from General Fund appropriations and other recurring inflows, with a reserve equal to two months of member benefit payments maintained as a safeguard. Forecasted contributions and available reserves are expected to support benefit payments and operating expenses throughout the forecasted period of July 2026 through June 2027, and actual results for the same period were generally consistent with estimates. This is consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.

Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Judges' Retirement Fund II (JRF II) Overview

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges first appointed or elected on or after November 9, 1994. This system provides a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The benefit payment is comprised of member contributions and a portion of employer contributions, plus interest. Monetary Credits provide a lump sum payment to those Judges who leave the bench before reaching eligibility for the defined benefit plan.

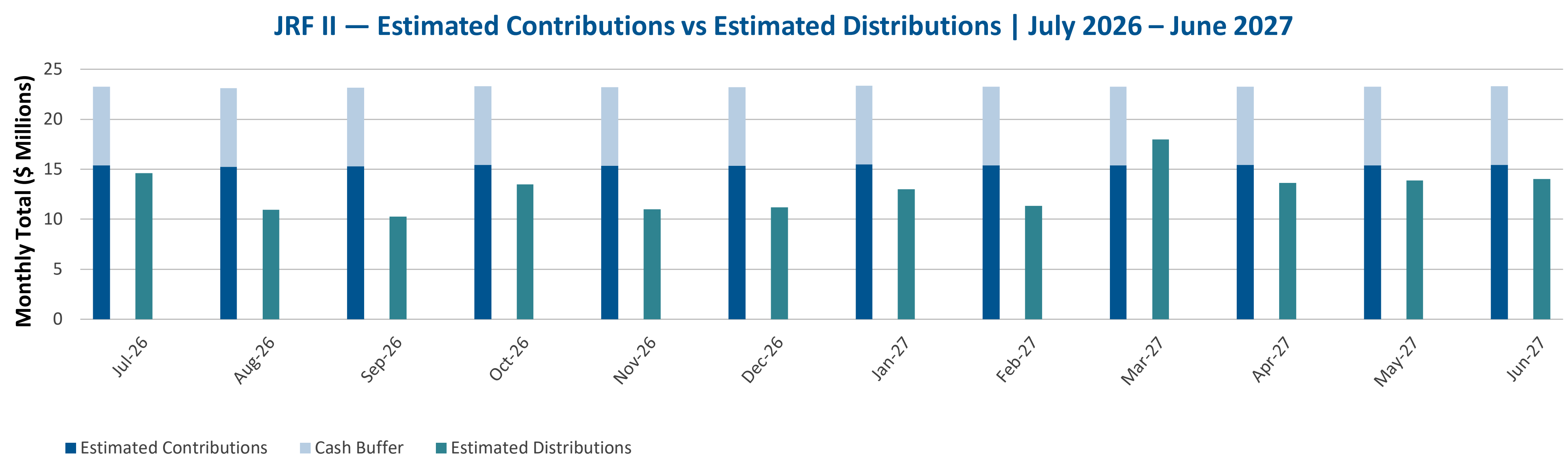
JRF II 12-Month Rolling Cash Flow Forecast

The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.

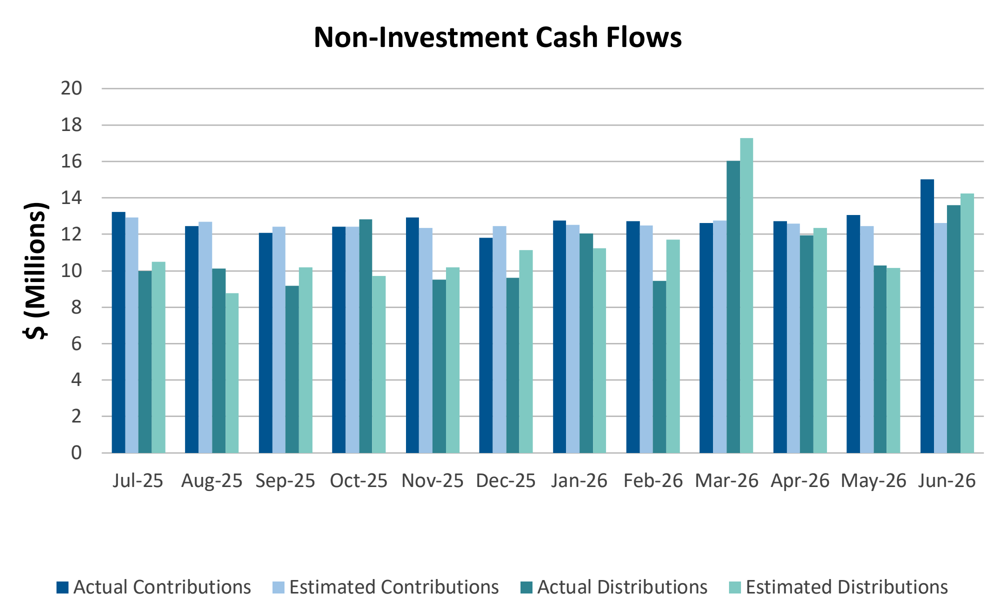
Contributions consist of County Member, State Member, and State Employer monthly retirement contributions, Medicare reimbursements from the State budget item, and miscellaneous inflows including quarterly health and dental payments, transfers from the PERF for service prior to membership, and reimbursements for benefit overpayments.

Distributions consist of weekly and monthly retirement benefit payments, health and dental premiums deducted from the benefit roll, investment expense reimbursements to the PERF, service credits cashed out or rolled over to other retirement funds (monetary credits), and Plan of Financial Adjustments and quarterly pro rata payments.

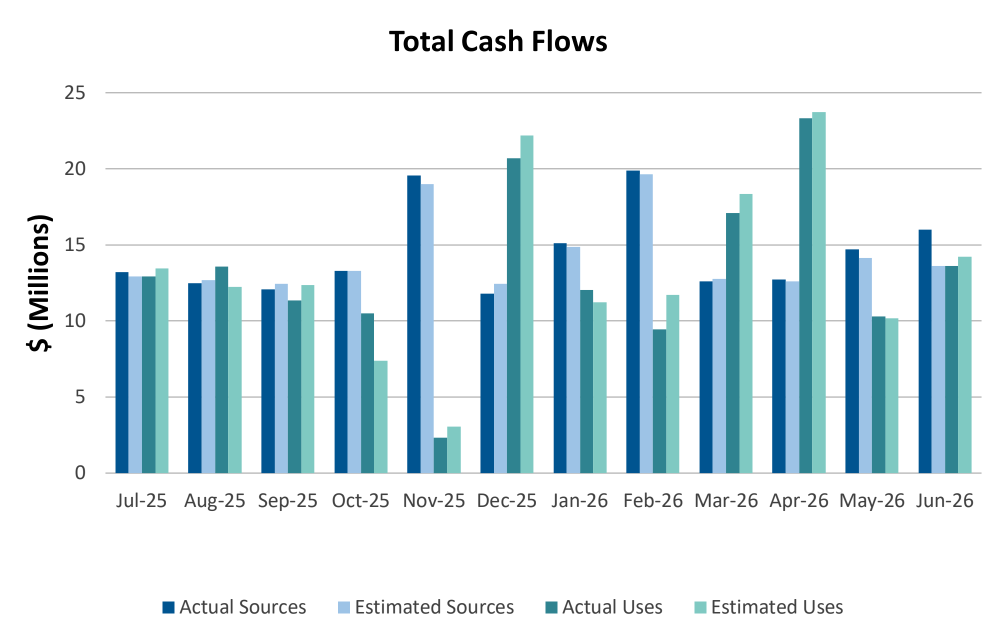
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



JRF II Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment-related obligations without disruption during the 12 month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, private asset capital calls and distributions, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

JRF II Cash Flow Summary

Overall, the JRF II's liquidity position remains sound. The Fund is supported by member and employer contributions and investment income, funding both its defined benefit obligations and monetary credit (lump-sum) payments to judges who leave the bench before becoming eligible for the defined benefit. Forecasted contributions and available reserves are expected to support benefit payments and operating expenses throughout the forecasted period of July 2026 through June 2027, and actual results for the same period were generally consistent with estimates. This is consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.

Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Health Care Fund (HCF) Overview

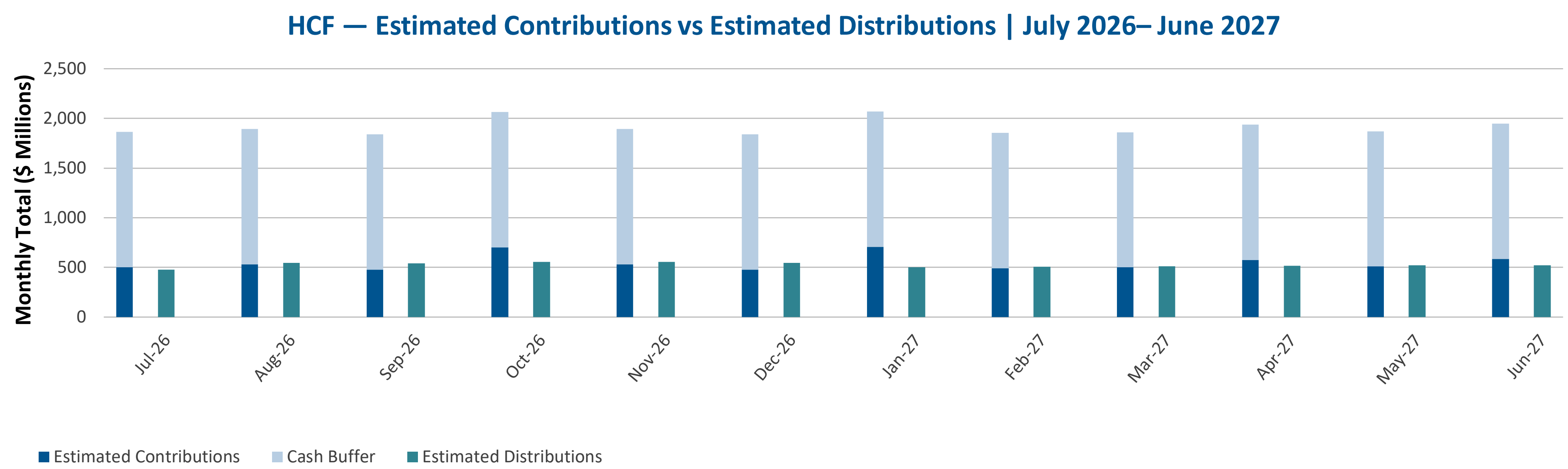
The HCF accounts for the activities of the CalPERS self-insured health care programs. Health premiums are collected from employers and members and used to directly pay for medical services and pharmaceutical usage.

HCF 12-Month Rolling Cash Flow Forecast

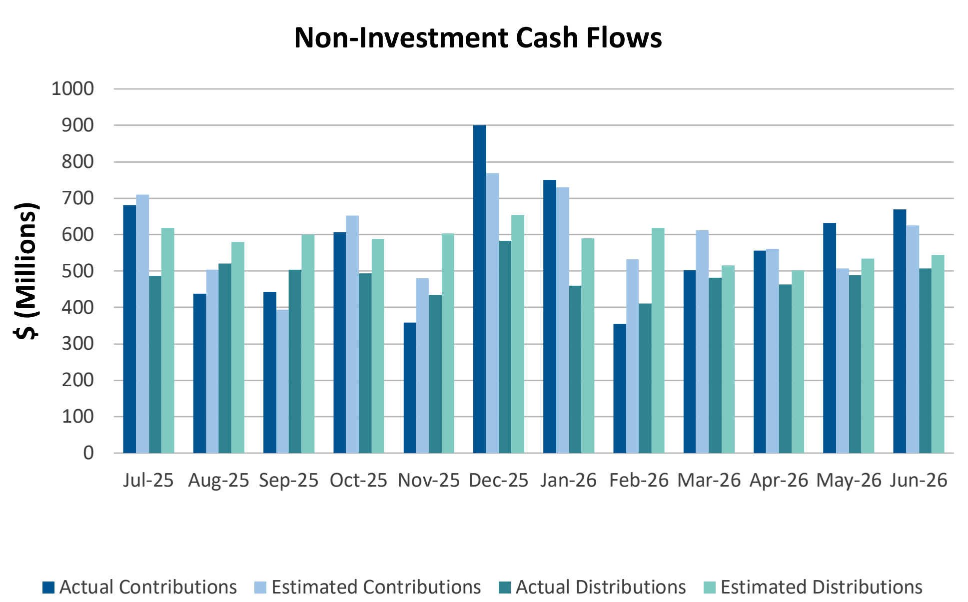
The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.
Contributions consist of health premiums collected for coverage, premium transfers from the Contingency Reserve Fund (CRF), reimbursements and rebates including employer group waiver program receipts, Surplus Money Investment Fund (SMIF) interest, and miscellaneous inflows such as guarantee payments from underperforming plans.

Distributions consist of payments for medical services and costs billed by health care providers, administrative fees for plan administration, investment expenses and investment expense reimbursements to the PERF, and miscellaneous outflows including Affordable Care Act charges, Kaiser risk adjustment, and open enrollment refunds.

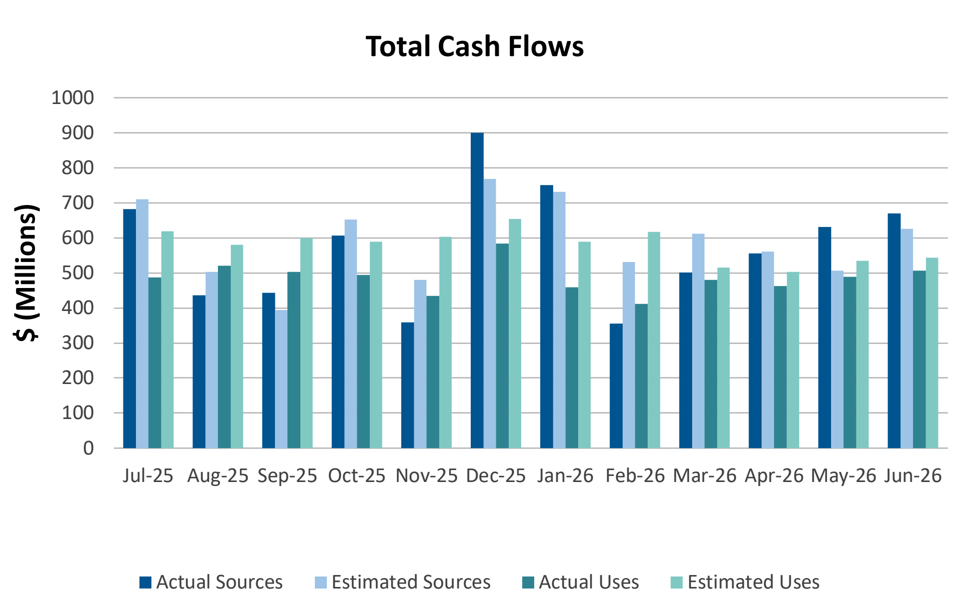
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



HCF Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment-related obligations without disruption during the 12 month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, private asset capital calls and distributions, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

HCF Cash Flow Summary

Overall, the HCF's liquidity position remains sound. As a self-insured program, the Fund's operations are driven by monthly health premium transfers from the Contingency Reserve Fund, which are used to pay provider claims and administrative costs as they come due. Forecasted premium inflows and available cash are expected to support claims payments and operating expenses throughout the forecasted period of July 2026 through June 2027, and actual results for the same period were generally consistent with estimates. This is consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.

Operational Cash Flow Forecast Report

Prepared for: Finance and Administration Committee - Period Ending June 30, 2026

Long Term Care Fund (LTCF) Overview

The LTCF provides financial protection to active participants from the high cost of covered services caused by chronic illness, injury or old age. Long-Term Care products reimburse the cost for covered personal care (activities of daily living) services. LTCF participation is voluntary and benefits are funded by member premiums and the LTCF investment income. The Fund maintains a reserve to mitigate potential funding risk during a stressed environment. Please note there is a one-month delay in reporting for the LTCF.

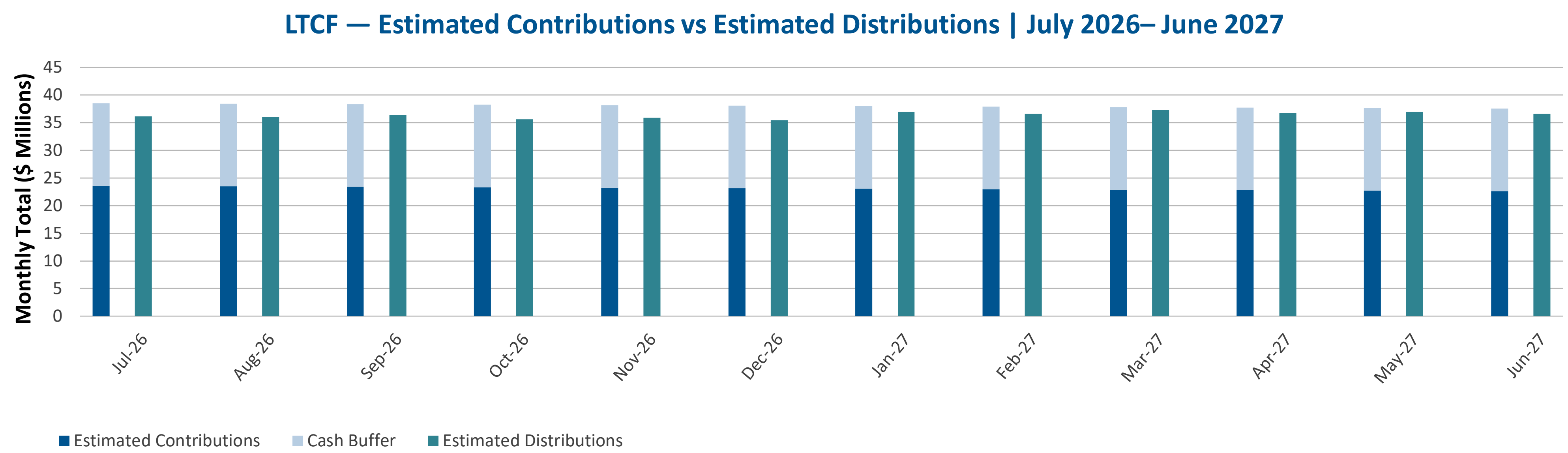
LTCF 12-Month Rolling Cash Flow Forecast

The chart below compares estimated monthly contributions and estimated distributions from July 2026 through June 2027.

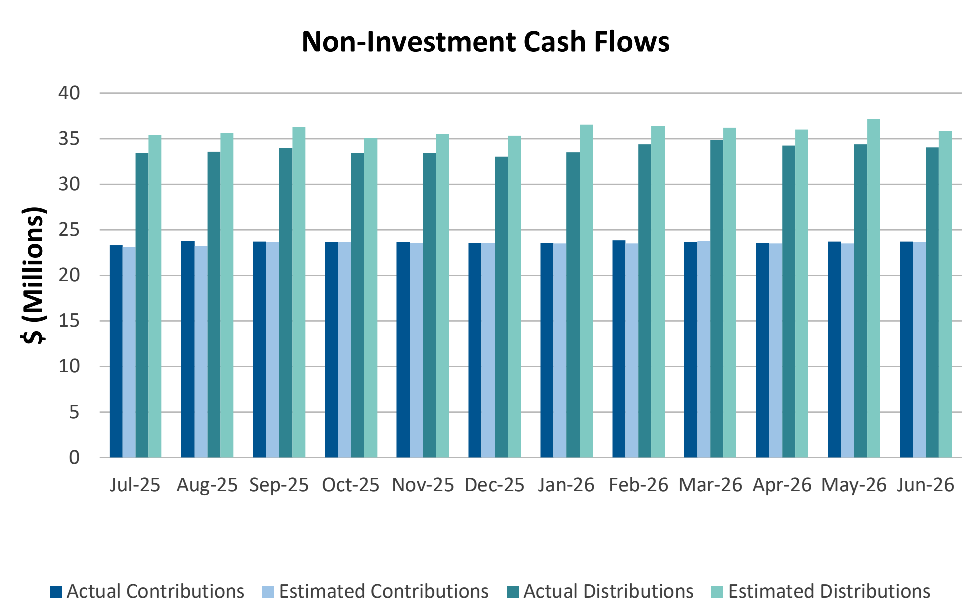
Contributions consist of member premiums paid for long-term care coverage and investment income, including capital gains, dividends, and interest generated by the fund's investments.

Distributions consist of claim payments for covered long-term care services, administrative and miscellaneous expenses including amounts paid to INVO and the third-party administrator and reimbursements for direct charges to the PERF, investment expenses paid to external managers, and investment expense reimbursements to the PERF.

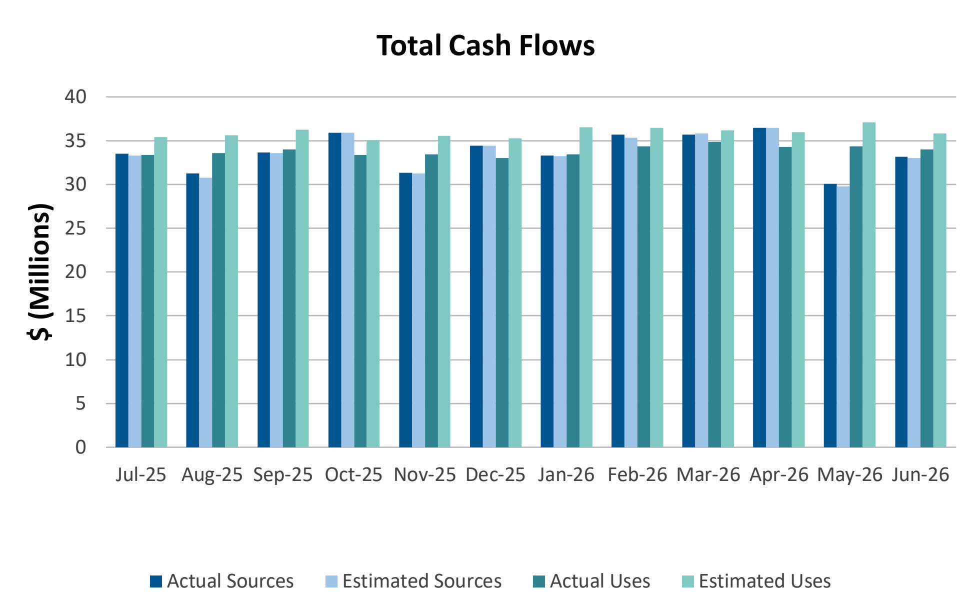
A **Cash Buffer** is the minimum cash balance maintained to cover short-term volatility, timing differences between inflows and outflows, and unexpected expenses. It supports liquidity by ensuring funds are available to meet obligations, avoid overdrafts, and reduce the risk of cash shortages when monthly outflows exceed inflows.



LTCF Actual vs. Estimated Cash Flows: Last 12 Months



Cash flow forecasting for July 2025 through June 2026 remained strong, with actual contributions tracking close to forecasted contributions and actual distributions remaining consistent with projected benefit and operating needs. CalPERS was able to meet benefit payments, operating expenses, and investment-related obligations without disruption during the 12 month period.



Cash flow forecasting for total fund cash activity, including both non-investment and investment cash flows, can be volatile and may vary from estimates due to trading activity, portfolio rebalancing, private asset capital calls and distributions, and investment expenses. As shown in the chart, actual sources and uses for July 2025 through June 2026 generally remained within a manageable range of estimates, supporting the fund's ability to meet obligations and maintain liquidity.

LTCF Cash Flow Summary

Overall, the LTCF's liquidity position remains sound. The Fund collects premiums from existing participants and relies on investment income to cover the structural gap between premiums and claims, an intentional element of its actuarial design, and maintains a reserve to mitigate funding risk in a stressed environment. Forecasted inflows and available reserves are expected to support claim payments and operating expenses throughout the forecasted period of July 2026 through June 2027, and actual results for the same period were generally consistent with estimates. This is consistent with the Treasury Management Policy objective of maintaining sufficient cash and liquidity resources to meet CalPERS benefit payments and other financial obligations in a timely manner.