CalPERS | Investment Office

Trust Level Review

As of June 30, 2026

Contents

Section 1: CIO Investment Perspective

Year in Review and Path Ahead

Stephen Gilmore,
Chief Investment Officer

Fiscal Year (FY) 2025-26 was a significant year for the CalPERS investment portfolio, reflecting strong performance and meaningful progress in positioning the system for the future. It also marked the culmination of our work under the Strategic Asset Allocation (SAA) framework and preparation for our future in a Total Portfolio Approach (TPA).

The Public Employees' Retirement Fund (PERF) earned a +14.8% return for the fiscal year ending June 30, 2026, a strong result driven in large measure by our Global Public Equity and Private Equity portfolios, which returned +24.1% and +17%, respectively. These results reflect several important factors: strong equity markets, excellent relative performance from our private market investments, and solid contributions from a very capable investment team. The fiscal year's performance helped increase our funded ratio to 85%, while total fund annualized returns for the five-, 10-, and 20-year periods now exceed the 6.8% discount rate.

This fiscal year also marked an important milestone for the future governance and management of the portfolio. Following significant collaboration, engagement, and education during the most recent Asset Liability Management cycle, the CalPERS Board of Administration approved the Total Portfolio Approach in November, setting the stage for implementation on July 1, 2026.

TPA builds on our successes under SAA by providing greater flexibility to evaluate investment strategies based on their potential benefit to the entire fund, rather than within the confines of a single asset class. It also strengthens the transparency of how we measure performance and value creation. The portfolio will be judged against a simple reference portfolio of 75% global equities and 25% U.S. Treasury bonds, providing a clear measure of whether our investment decisions are adding value for CalPERS members and beneficiaries.

The team and I spent a significant amount of time in FY 2025-26 preparing for the transition to TPA. This included strengthening our talent and capabilities, advancing the modernization of our data and technology platforms, embedding a collaborative total fund mindset across the Investment Office, and ensuring our sustainable investments strategy is well-integrated into the total portfolio. This work will remain ongoing as we continue building the capabilities necessary to fully realize the benefits of TPA.

This report reflects both the PERF's performance and risk during FY 2025-26 and the transition underway. Because the PERF was managed under SAA through June 30, most metrics presented here reflect that framework. We have also introduced select TPA-specific metrics to provide an early view of how the PERF's performance, risk, and value creation will be measured and reported going forward.

Fiscal Year 2025-26 saw several notable achievements for CalPERS: strong returns, improved funded ratio, and the Board's approval of an investment approach designed to position the portfolio for long-term success.

Section II. PERF Summary

As of June 30, 2026

Public Employees' Retirement Fund (PERF) Metrics

PERF Performance

Total Assets
Current: $635.4B
Data as of 06/30/26

20-Yr Total Return
Current: +6.8%
Data as of 06/30/26

10-Yr Total Return
Current: +8.6%
Data as of 06/30/26

5-Yr Total Return
Current: +6.8%
Data as of 06/30/26

1-Yr Total Return
Current: +14.8%
Data as of 06/30/26

FYTD Total Return
Current: +14.8%
Data as of 06/30/26

QTD Total Return
Current: +6.4%
Data as of 06/30/26

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 [1]
Below US Peer median
Data as of 09/30/25 | Updated Annually

Estimated Funded Status
Current: 85.1%
Data as of 06/30/26

Governance

Policy Exceptions
Current: 3
Data as of 06/30/26

Equity Equivalent Exposure
Operating Range: 75% +/-5%
Current: 74.6%
Data as of 06/30/26

Active Risk
Operating Range: 250-350 bps
Current: 235 bps
Data as of 06/30/26

Market Risk, Liquidity, and Leverage

Chance Funded Status < 70% Over 5-year period [1]
Current: 39%
Data as of 06/30/25 | Updated Annually

Forecasted Volatility
Current: 13.9%
Data as of 06/30/26

Sustainability Climate Solutions $100 bn by 2030 [1]
Current Allocation: $59.7 bn
Data as of 06/30/25 | Updated Annually

Surplus Accessible Liquidity Ratio
Current: 3.8x
Data as of 06/30/26

Total Fund Leverage
Current Limit 20%[2]
Current: 11.2%
Data as of 06/30/26

- 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.
[1] Finalized data not yet available, dashboard will be updated for the November Investment Committee
2 Total Fund Leverage measures financing and derivatives activities that create recourse to PERF. The value includes 8.8% total fund financing (allocation related) and an additional 2.4% from asset class-level positioning

Section III. Performance Tables

As of June 30, 2026

PERF Returns

Total PERF fiscal year performance reflects strong growth assets returns

- PERF fiscal year performance was +14.8% vs. a benchmark return of +13.7%, resulting in an excess return of +113 basis points
- Public Equity was the top performing asset class for the fiscal year with a +24.1% return
- PERF fiscal year excess performance was driven primarily by Public Equity, Real Assets and Private Debt

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Total PERF	**$ 635.4**	**6.8%**	**8.6%**	**6.8%**	**14.8%**	**14.8%**	**6.4%**
Benchmark		7.3%	8.3%	6.2%	13.7%	13.7%	4.4%
Excess		(45) bps	24 bps	59 bps	113 bps	113 bps	193 bps
Cumulative Value Added (B)		$ (8.0)	$ 13.0	$ 15.0	$ 6.3	$ 6.3	$ 11.5
Public Equity	**$ 241.8**	**8.6%**	**12.6%**	**11.1%**	**24.1%**	**24.1%**	**14.9%**
Benchmark		8.6%	12.4%	10.6%	22.5%	22.5%	14.1%
Excess		(5) bps	23 bps	50 bps	168 bps	168 bps	77 bps
Cumulative Value Added (B)		$ 3.2	$ 4.8	$ 5.0	$ 3.2	$ 3.2	$ 1.6
Income	**$ 178.0**	**4.6%**	**2.2%**	**(0.0)%**	**5.8%**	**5.8%**	**1.9%**
Benchmark		4.1%	1.8%	(0.1)%	5.4%	5.4%	1.8%
Excess		49 bps	33 bps	12 bps	41 bps	41 bps	9 bps
Cumulative Value Added (B)		$ 5.3	$ 3.2	$ 1.1	$ 0.7	$ 0.7	$ 0.2
Private Equity	**$ 123.6**	**11.6%**	**13.1%**	**11.9%**	**17.0%**	**17.0%**	**2.3%**
Benchmark		13.2%	13.7%	11.1%	22.4%	22.4%	(2.5)%
Excess		(160) bps	(63) bps	79 bps	(547) bps	(547) bps	475 bps
Cumulative Value Added (B)		$ (16.6)	$ (8.3)	$ (4.6)	$ (4.9)	$ (4.9)	$ 5.9
Real Assets	**$ 79.9**	**2.2%**	**4.6%**	**4.1%**	**6.3%**	**6.3%**	**0.6%**
Benchmark		5.7%	3.7%	2.4%	3.1%	3.1%	1.0%
Excess		(350) bps	94 bps	170 bps	318 bps	318 bps	(46) bps
Cumulative Value Added (B)		$ (10.1)	$ 5.0	$ 4.7	$ 2.3	$ 2.3	$ (0.4)
Private Debt[1]	**$ 27.5**	**-**	**-**	**-**	**11.0%**	**11.0%**	**2.6%**
Benchmark		-	-	-	7.2%	7.2%	(0.5)%
Excess		-	-	-	379 bps	379 bps	302 bps
Cumulative Value Added (B)		-	-	-	$ 0.9	$ 0.9	$ 0.8
Net Financing	**$ (32.8)**	**-**	**-**	**-**	**-**	**-**	**-**
Other Trust Level	**$ 17.5**	**-**	**-**	**-**	**-**	**-**	**-**

Exhibit 3.1

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.
Private asset performance reflects prior quarter financial reporting received through 6/30/2026.
[1] Performance represents the Private Debt segment, which incepted 7/1/2022. Prior to 7/1/2022, Private Debt was part of Opportunistic Strategies.

Section III. Performance Tables

As of June 30, 2026

PERF Capital Market Returns

Fiscal Year performance was positive across all Capital Markets

- Cap Weighted Equities had a strong fiscal year performance with a return of +25.8%
- In total return terms, Cap Weighted Equities has been the highest performing capital market segment across time periods, capturing returns from broad global equity markets
- In relative terms, all segments added value over the fiscal year while Treasury matched its benchmark return

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Cap Weighted	**$ 235.2**	**8.9%**	**13.4%**	**11.6%**	**25.8%**	**25.8%**	**15.5%**
Benchmark		9.0%	13.1%	11.0%	24.2%	24.2%	14.9%
Excess		(5) bps	24 bps	52 bps	156 bps	156 bps	58 bps
Cumulative Value Added (B)		$ 2.4	$ 4.0	$ 4.3	$ 2.7	$ 2.7	$ 1.1
Factor Weighted	**$ 6.6**	**-**	**-**	**7.3%**	**10.0%**	**10.0%**	**5.8%**
Benchmark		-	-	6.7%	7.4%	7.4%	3.4%
Excess		-	-	57 bps	255 bps	255 bps	237 bps
Cumulative Value Added (B)		-	-	$ 0.6	$ 0.5	$ 0.5	$ 0.4
Treasury	**$ 52.8**	**-**	**(0.6)%**	**(4.1)%**	**2.8%**	**2.8%**	**0.6%**
Benchmark		-	(0.6)%	(4.1)%	2.8%	2.8%	0.6%
Excess		-	(0) bps	0 bps	(0) bps	(0) bps	0 bps
Cumulative Value Added (B)		-	$ (0.2)	$ 0.0	$ (0.0)	$ (0.0)	$ 0.0
MBS	**$ 32.0**	**-**	**1.9%**	**0.9%**	**6.2%**	**6.2%**	**0.7%**
Benchmark		-	1.5%	0.6%	5.1%	5.1%	0.6%
Excess		-	43 bps	34 bps	104 bps	104 bps	15 bps
Cumulative Value Added (B)		-	$ 0.9	$ 0.5	$ 0.3	$ 0.3	$ 0.0
IG Corporates	**$ 28.8**	**5.5%**	**2.8%**	**(1.3)%**	**5.0%**	**5.0%**	**2.0%**
Benchmark		5.1%	2.4%	(1.3)%	4.9%	4.9%	2.0%
Excess		47 bps	43 bps	(4) bps	8 bps	8 bps	(3) bps
Cumulative Value Added (B)		$ 1.2	$ 0.7	$ (0.0)	$ 0.0	$ 0.0	$ (0.0)
High Yield	**$ 32.1**	**-**	**-**	**4.1%**	**6.1%**	**6.1%**	**2.3%**
Benchmark		-	-	4.1%	6.0%	6.0%	2.4%
Excess		-	-	8 bps	7 bps	7 bps	(15) bps
Cumulative Value Added (B)		-	-	$ 0.1	$ 0.0	$ 0.0	$ (0.0)
EM Sovereign Bonds	**$ 32.4**	**-**	**-**	**-**	**10.6%**	**10.6%**	**4.5%**
Benchmark		-	-	-	9.5%	9.5%	3.9%
Excess		-	-	-	113 bps	113 bps	56 bps
Cumulative Value Added (B)		-	-	-	$ 0.3	$ 0.3	$ 0.2

Exhibit 3.2

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

Section III. Performance Tables

As of June 30, 2026

PERF Private Market Returns

Private asset returns largely benefited from favorable conditions for risk assets

- Private Equity and Private Debt had the highest private market fiscal year returns at +17.0% and +11.0% respectively

	End Value (B)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Private Equity	**$ 123.6**	**11.6%**	**13.1%**	**11.9%**	**17.0%**	**17.0%**	**2.3%**
Benchmark		13.2%	13.7%	11.1%	22.4%	22.4%	(2.5)%
Excess		(160) bps	(63) bps	79 bps	(547) bps	(547) bps	475 bps
Cumulative Value Added (B)		$ (16.6)	$ (8.3)	$ (4.6)	$ (4.9)	$ (4.9)	$ 5.9
Private Debt[1]	**$ 27.5**	**-**	**-**	**-**	**11.0%**	**11.0%**	**2.6%**
Benchmark		-	-	-	7.2%	7.2%	(0.5)%
Excess		-	-	-	379 bps	379 bps	302 bps
Cumulative Value Added (B)		-	-	-	$ 0.9	$ 0.9	$ 0.8
Infrastructure	**$ 24.9**	**-**	**9.0%**	**8.4%**	**9.4%**	**9.4%**	**1.0%**
Benchmark		-	3.6%	2.4%	3.1%	3.1%	1.0%
Excess		-	539 bps	609 bps	627 bps	627 bps	(6) bps
Cumulative Value Added (B)		-	$ 6.3	$ 5.4	$ 1.3	$ 1.3	$ (0.0)
Real Estate	**$ 54.8**	**1.6%**	**3.8%**	**2.6%**	**5.1%**	**5.1%**	**0.4%**
Benchmark		6.2%	3.8%	2.4%	3.1%	3.1%	1.0%
Excess		(456) bps	4 bps	26 bps	194 bps	194 bps	(62) bps
Cumulative Value Added (B)		$ (16.2)	$ (0.9)	$ (0.6)	$ 1.0	$ 1.0	$ (0.4)
Forestland	**$ 0.2**	**-**	**1.1%**	**3.7%**	**(9.0)%**	**(9.0)%**	**(1.7)%**
Benchmark		-	3.1%	2.4%	3.1%	3.1%	1.0%
Excess		-	(195) bps	139 bps	(1,216) bps	(1,216) bps	(274) bps
Cumulative Value Added (B)		-	$ (0.4)	$ (0.0)	$ (0.0)	$ (0.0)	$ (0.0)

Exhibit 3.3

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative. Private asset performance reflects prior quarter financial reporting received through 6/30/2026.

[1] Performance represents the Private Debt segment, which incepted 7/1/2022. Prior to 7/1/2022, Private Debt was part of Opportunistic Strategies.

Section III. Performance Tables

As of June 30, 2026

Affiliate Investments Returns

Affiliate returns were in line with respective asset allocations

- Affiliate funds are largely passively managed strategies, with realized returns and volatility in line with the assigned asset allocation and benchmarks

Defined Benefit, Health, and OPEB Plans	End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Judges' Retirement Fund	**$ 47.6**	**1.9%**	**2.5%**	**3.8%**	**4.1%**	**4.1%**	**0.9%**
Benchmark		1.7%	2.3%	3.5%	3.8%	3.8%	0.9%
Excess		17 bps	19 bps	28 bps	29 bps	29 bps	6 bps
Judges' Retirement System Fund II	**$ 3,463.2**	**6.9%**	**8.2%**	**6.1%**	**16.2%**	**16.2%**	**8.4%**
Benchmark		6.8%	7.9%	5.8%	15.9%	15.9%	8.3%
Excess		12 bps	31 bps	26 bps	28 bps	28 bps	5 bps
Legislators' Retirement System Fund	**$ 90.0**	**5.3%**	**4.5%**	**1.8%**	**7.6%**	**7.6%**	**2.5%**
Benchmark		5.1%	4.4%	1.8%	7.7%	7.7%	2.6%
Excess		17 bps	13 bps	(0) bps	(10) bps	(10) bps	(7) bps
Health Care Fund	**$ 80.3**	**3.3%**	**1.5%**	**(0.1)%**	**4.1%**	**4.1%**	**0.9%**
Benchmark		3.1%	1.4%	(0.2)%	3.8%	3.8%	0.9%
Excess		13 bps	4 bps	5 bps	21 bps	21 bps	3 bps
Long-Term Care Fund	**$ 5,058.4**	**4.8%**	**4.7%**	**3.4%**	**10.8%**	**10.8%**	**5.6%**
Benchmark		4.8%	4.8%	3.6%	10.8%	10.8%	5.6%
Excess		5 bps	(3) bps	(12) bps	4 bps	4 bps	(1) bps
CERBT Strategy 1 Fund	**$26,348.8**	**-**	**8.5%**	**6.2%**	**17.3%**	**17.3%**	**9.2%**
Benchmark		-	8.2%	5.9%	17.1%	17.1%	9.1%
Excess		-	29 bps	22 bps	28 bps	28 bps	5 bps
CERBT Strategy 2 Fund	**$ 2,321.5**	**-**	**6.6%**	**4.3%**	**14.2%**	**14.2%**	**6.9%**
Benchmark		-	6.4%	4.2%	14.0%	14.0%	6.9%
Excess		-	23 bps	14 bps	19 bps	19 bps	3 bps
CERBT Strategy 3 Fund	**$ 1,175.3**	**-**	**5.2%**	**3.3%**	**11.7%**	**11.7%**	**5.2%**
Benchmark		-	5.0%	3.2%	11.6%	11.6%	5.2%
Excess		-	18 bps	9 bps	11 bps	11 bps	1 bps
CEPPT Strategy 1 Fund	**$ 289.7**	**-**	**-**	**4.5%**	**12.7%**	**12.7%**	**7.1%**
Benchmark		-	-	4.4%	12.5%	12.5%	7.1%
Excess		-	-	10 bps	15 bps	15 bps	4 bps
CEPPT Strategy 2 Fund	**$ 100.1**	**-**	**-**	**2.7%**	**8.9%**	**8.9%**	**4.4%**
Benchmark		-	-	2.7%	8.8%	8.8%	4.4%
Excess		-	-	3 bps	9 bps	9 bps	2 bps

Exhibit 3.4

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

Section III. Performance Tables

As of June 30, 2026

Affiliate Investments Returns

Target Date Fund returns were in line with respective asset allocations

- 1-Quarter excess reflects a valuation timing difference relative to the benchmark

Supplemental Income Plans (457/SCP Plan)	End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
Target Income Fund	**$ 198.6**	**-**	**5.3%**	**4.2%**	**10.9%**	**10.9%**	**4.9%**
Benchmark		-	5.2%	4.2%	10.8%	10.8%	5.1%
Excess		-	11 bps	7 bps	8 bps	8 bps	(20) bps
Target 2020 Fund	**$ 180.6**	**-**	**6.1%**	**4.8%**	**11.5%**	**11.5%**	**5.2%**
Benchmark		-	6.0%	4.7%	11.4%	11.4%	5.4%
Excess		-	12 bps	8 bps	9 bps	9 bps	(21) bps
Target 2025 Fund	**$ 260.7**	**-**	**7.6%**	**6.1%**	**14.1%**	**14.1%**	**7.0%**
Benchmark		-	7.4%	6.0%	14.0%	14.0%	7.3%
Excess		-	12 bps	9 bps	11 bps	11 bps	(29) bps
Target 2030 Fund	**$ 349.1**	**-**	**8.7%**	**7.3%**	**16.5%**	**16.5%**	**8.7%**
Benchmark		-	8.6%	7.2%	16.4%	16.4%	9.1%
Excess		-	9 bps	11 bps	12 bps	12 bps	(39) bps
Target 2035 Fund	**$ 284.1**	**-**	**9.9%**	**8.5%**	**18.8%**	**18.8%**	**10.2%**
Benchmark		-	9.8%	8.4%	18.7%	18.7%	10.7%
Excess		-	10 bps	12 bps	15 bps	15 bps	(47) bps
Target 2040 Fund	**$ 279.3**	**-**	**11.2%**	**9.8%**	**21.6%**	**21.6%**	**12.1%**
Benchmark		-	11.1%	9.7%	21.4%	21.4%	12.7%
Excess		-	10 bps	13 bps	17 bps	17 bps	(58) bps
Target 2045 Fund	**$ 190.8**	**-**	**11.9%**	**10.5%**	**23.4%**	**23.4%**	**13.3%**
Benchmark		-	11.8%	10.4%	23.2%	23.2%	14.0%
Excess		-	10 bps	14 bps	18 bps	18 bps	(66) bps
Target 2050 Fund	**$ 126.6**	**-**	**11.9%**	**10.5%**	**23.4%**	**23.4%**	**13.3%**
Benchmark		-	11.8%	10.4%	23.2%	23.2%	14.0%
Excess		-	10 bps	14 bps	18 bps	18 bps	(66) bps
Target 2055 Fund	**$ 55.1**	**-**	**11.9%**	**10.5%**	**23.4%**	**23.4%**	**13.3%**
Benchmark		-	11.8%	10.4%	23.2%	23.2%	14.0%
Excess		-	9 bps	14 bps	18 bps	18 bps	(66) bps
Target 2060 Fund[1]	**$ 24.5**	**-**	**-**	**10.5%**	**23.4%**	**23.4%**	**13.3%**
Benchmark		-	-	10.4%	23.2%	23.2%	14.0%
Excess		-	-	14 bps	18 bps	18 bps	(66) bps
Target 2065 Fund[1]	**$ 11.8**	**-**	**-**	**-**	**23.4%**	**23.4%**	**13.3%**
Benchmark		-	-	-	23.2%	23.2%	14.0%
Excess		-	-	-	18 bps	18 bps	(66) bps

Exhibit 3.5

All performance reported net of investment expenses and annualized for periods greater than 1-Yr.
[1] Longer-term performance not available; 2060 Fund Incepted Oct 2018; 2065 Fund Incepted Nov 2022

Section III. Performance Tables

As of June 30, 2026

Affiliate Investments Returns

Core Fund returns were in line with benchmarks

- Core Funds closely track their respective benchmarks
- 1-Quarter excess in ex-US equities (Global All Cap) reflects a valuation timing difference relative to its benchmark

Supplemental Income Plans (457/SCP Plan) (cont.)	End Value (M)	20-Yr	10-Yr	5-Yr	1-Yr	FYTD	1-Qtr
SIP STIF Core	**$ 115.6**	**-**	**2.6%**	**3.8%**	**4.1%**	**4.1%**	**1.0%**
Benchmark		-	2.3%	3.5%	3.8%	3.8%	0.9%
Excess		-	22 bps	29 bps	29 bps	29 bps	7 bps
SIP US Short Term Bond Core	**$ 43.3**	**-**	**1.9%**	**2.1%**	**3.1%**	**3.1%**	**0.5%**
Benchmark		-	2.0%	2.1%	3.1%	3.1%	0.5%
Excess		-	(5) bps	(2) bps	(4) bps	(4) bps	(1) bps
SIP US Bond Core	**$ 54.2**	**-**	**1.6%**	**0.1%**	**3.8%**	**3.8%**	**0.7%**
Benchmark		-	1.5%	0.1%	3.8%	3.8%	0.7%
Excess		-	1 bps	0 bps	(1) bps	(1) bps	0 bps
SIP Real Asset Core	**$ 26.4**	**-**	**7.7%**	**9.1%**	**21.9%**	**21.9%**	**(2.0)%**
Benchmark		-	7.7%	9.1%	21.8%	21.8%	(2.0)%
Excess		-	2 bps	1 bps	12 bps	12 bps	1 bps
SIP Russell All Cap Core	**$ 994.6**	**-**	**15.1%**	**12.3%**	**22.8%**	**22.8%**	**15.4%**
Benchmark		-	15.1%	12.3%	22.8%	22.8%	15.4%
Excess		-	1 bps	4 bps	(0) bps	(0) bps	(0) bps
SIP Global All Cap EX-US	**$ 112.8**	**-**	**10.0%**	**8.7%**	**27.0%**	**27.0%**	**12.0%**
Benchmark		-	9.8%	8.4%	26.6%	26.6%	13.8%
Excess		-	19 bps	30 bps	48 bps	48 bps	(186) bps

Exhibit 3.6

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

Section IV. Markets and Economy

As of June 30, 2026

Asset Returns and Economic Drivers

Historical performance and drivers over Q2 2026

Global risk assets weakened in March in response to the Iranian conflict but subsequently delivered strong performances in the second quarter of 2026 led by emerging markets – specifically technology-concentrated markets, and US technology sectors. In addition, US credit spreads narrowed on robust corporate earnings and concerns around the longevity of software companies were short-lived. The broad theme behind these moves was one where investors gained confidence that the capex cycle supporting the build-out of AI and its related infrastructure is a persistent (secular) trend and broadly unaffected by the conflict in the Middle East.

Global bond markets, including the US, did not have a clear trend in the second quarter although ended in positive territory. The shifting returns reflected financial market participants re-evaluating the impact of energy price rises and its volatility on inflation and growth, assessing the new Federal Reserve Chair's approach to US monetary policy, and the fiscal sustainability risk of selected countries.

Themes and current conditions

Analysts' global baseline real GDP outlooks expect some modest slowing from the energy shock through mid-2026 before growth is expected to stabilize and recover into 2027. According to the IMF, global real economic activity is expected to grow 3.0% over 2026, with the US expected to grow 2.3%. Global growth remains supported by continued US momentum in AI-driven capex spending and resilient consumer spending, while other large country contributors to global GDP are anticipated to grow modestly.

Market participants remain constructive on risk assets; earnings expectations continue to be revised up with an anticipation of some broadening in earnings growth beyond the technology companies, despite some central banks raising short-dated interest rates cautiously. Easy financial conditions and strong corporate and household balance sheets point to an elongation of the business cycle if these trends continue, supported by non-US economies continuing to rebound from recent lows.

Outlook

The global economy is in the midst of a sustained period of realignment – both economically and politically. Global fragmentation, national security and rising autarkic leanings point to a more uncertain environment. While news flow and economic outcomes have been variable, the negative impact on asset returns so far have remained relatively short-lived. Greater uncertainty suggests risk premiums could reprice higher but to date this has been balanced by easy financial conditions, increases in investment in AI and global defense spending, and, relatedly, US equity outperformance.

Looking forward, the downside risks are widely discussed but the catalyst to realize these downside risks is unclear. Absent a material negative shock, positive real economic growth increases real rates, which bodes well for asset returns more broadly. In a world of greater uncertainty and rapidly changing information, a long-term perspective and diversification remain key to support the resilience and performance of the Fund.

Section V. PERF Allocation

As of June 30, 2026

Portfolio Allocation

TPA increases transparency on active management

Asset Allocation

- PERF continues to build active management in public assets and drive net positive deployment into private asset classes
- Significant growth in Active Equites includes transition of SAA Factor Weighted segment to active management
- Private asset growth as % of portfolio was somewhat muted by very strong public equity returns

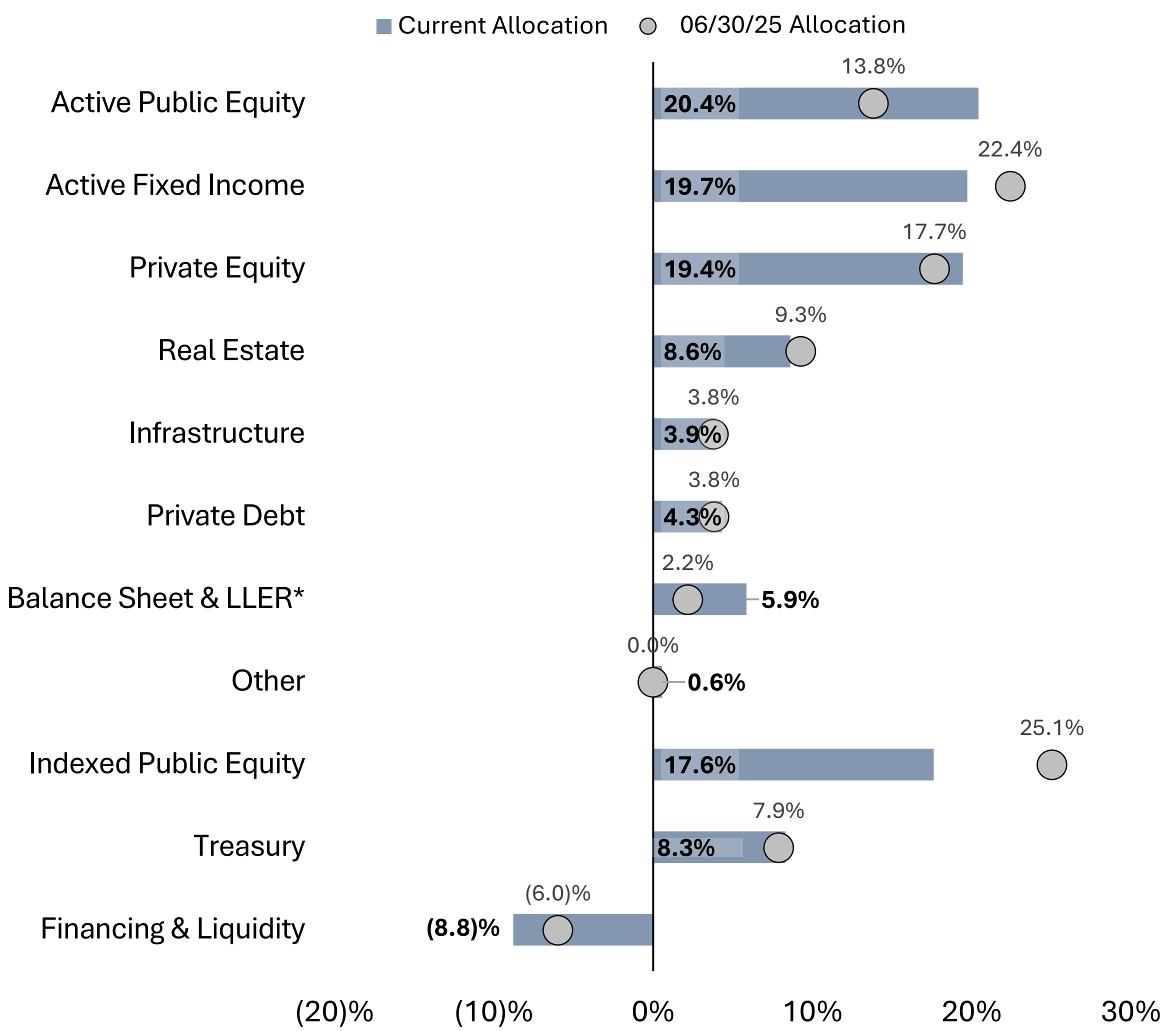


Exhibit 5.1

Data source: CalPERS and Aladdin

**Low Liquidity Enhanced Return (LLER) Portfolio*

Section V. PERF Allocation

Portfolio Allocation

Allocations remained within SAA policy bands for trailing period

Interim Targets and Policy Bands

- Under the Strategic Asset Allocation, the Board's General Pension Consultant, in consultation with the Investment Committee and staff, established Interim Allocation Targets to roughly reflect expected pacing towards the long-term Strategic Asset Allocation (SAA)
- The chart below shows positioning versus interim targets as of June 30, 2026, and is shown to close out reporting under the SAA framework

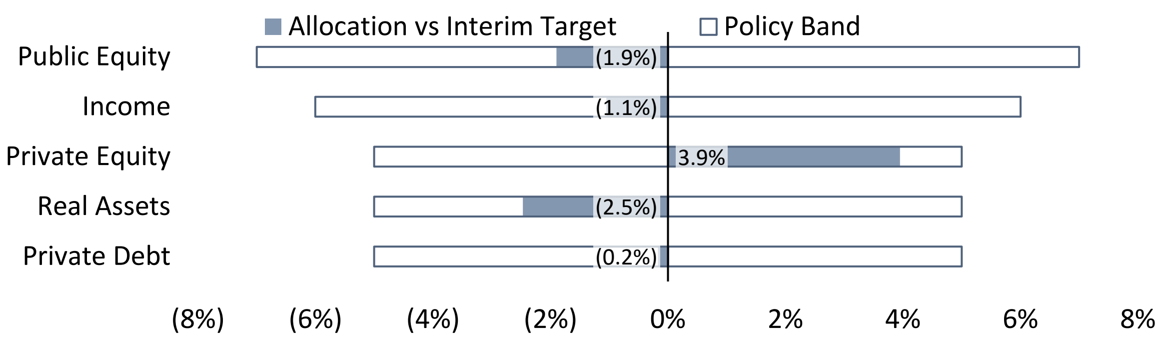


Exhibit 5.2

Section V. PERF Allocation

Key Constraints and Tolerances

Active Risk is aligned with expectations

Active Risk

- Active Risk is a measure of the degree to which PERF positioning differs from that of the Reference Portfolio (RP). The metric integrates information about positioning (e.g. allocation weights) with information about the nature and interaction of the underlying assets (risk)
- Higher levels of active risk indicate that the pattern of performance of the PERF can be expected to deviate more from that of the Reference Portfolio. Higher levels of Active Risk do not necessarily imply higher absolute risk – in fact much of PERF's Active Risk is a result of holding diversifying positions across various asset classes that reduce the public-equity centric concentration of the RP
- The Current Portfolio's Active Risk relative to the Reference Portfolio (RP) assets is below the expected operating range of 250-350 basis points. This value is expected to increase into the range over the coming years with continued deployment into active strategies

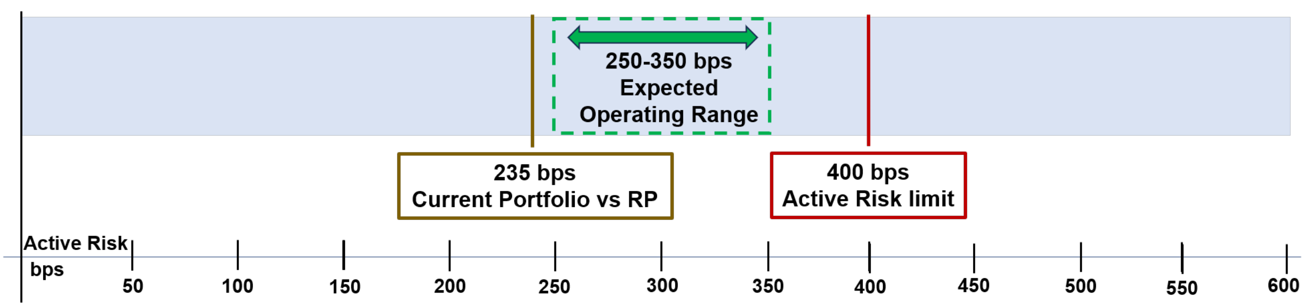


Exhibit 5.3

Data source: CalPERS risk model

Section V. PERF Allocation

Key Constraints and Tolerances

Equity Equivalent Exposure is aligned with expectations

Equity Equivalent Exposure (EEE)

- Equity Equivalent Exposure is a measure of the sensitivity of the portfolio's return to a given % change in the return of the public equity market. For example, a 75% EEE implies that on average if the public equity market experiences a 10% decline, the portfolio could be expected to decline by around 7.5%. As with any other quantitative risk metric, for any individual market event realized outcomes should not be expected to align precisely with this expectation
- EEE is relevant for the PERF because a significant portion of the expected return and risk of the portfolio comes from exposure to growth-sensitive factors that are typified in the equity market. The majority of PERF's investments in non-equity assets still have some sensitivity to growth, and this is reflected in their individual contributions to EEE, which consolidate to the overall value
- PERF risk is managed continuously so that as we vary allocations across different types of assets with varying levels of growth exposure, e.g. commercial real estate, or venture capital, or credit bonds, the aggregate level of EEE risk remains in a range of the Reference Portfolio (RP). This process ensures that the PERF's overall risk profile remains consistent with the expectation and risk tolerance established by the Investment Committee in its selection of the RP
- The Current Portfolio's EEE is at 74.6% which is within the operating range of 70-80% and slightly below the Reference Portfolio's EEE of 75%
- The Portfolio's EEE has moderately increased from the last year (72% for 06/30/25) as the Reference Portfolio's EEE is slightly above the EEE of the prior Strategic Asset Allocation

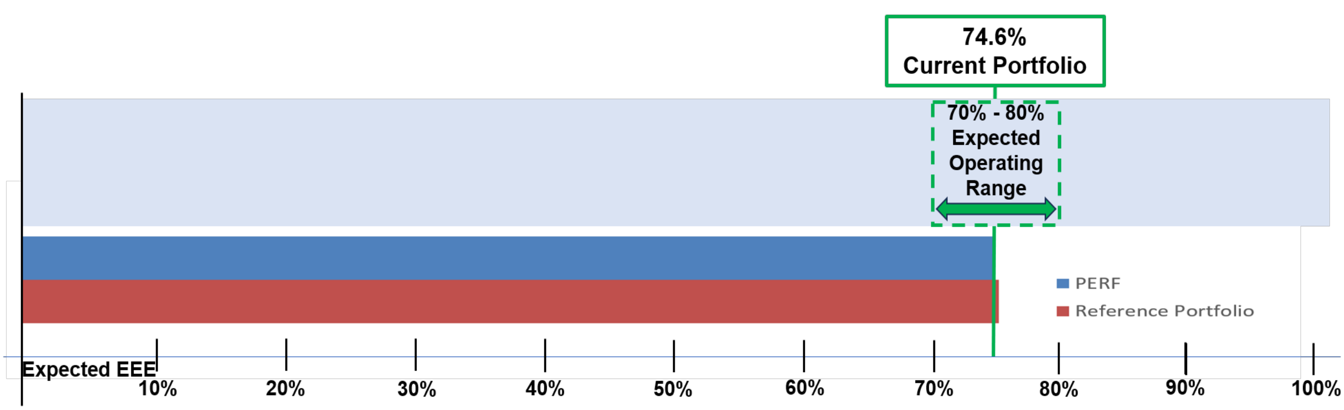


Exhibit 5.4

Data source: CalPERS risk model

Section V. PERF Allocation

Key Constraints and Tolerances

Liquidity and Leverage remain within target ranges

Unencumbered Sellable Assets

- The Current Portfolio has sufficient sellable unencumbered assets to meet liquidity needs. The estimates below indicate the monetization capacity under current markets and stress scenarios
- The chart illustrates both the relatively large amount of liquidity at CalPERS' disposal, relative to annual gross benefit payments

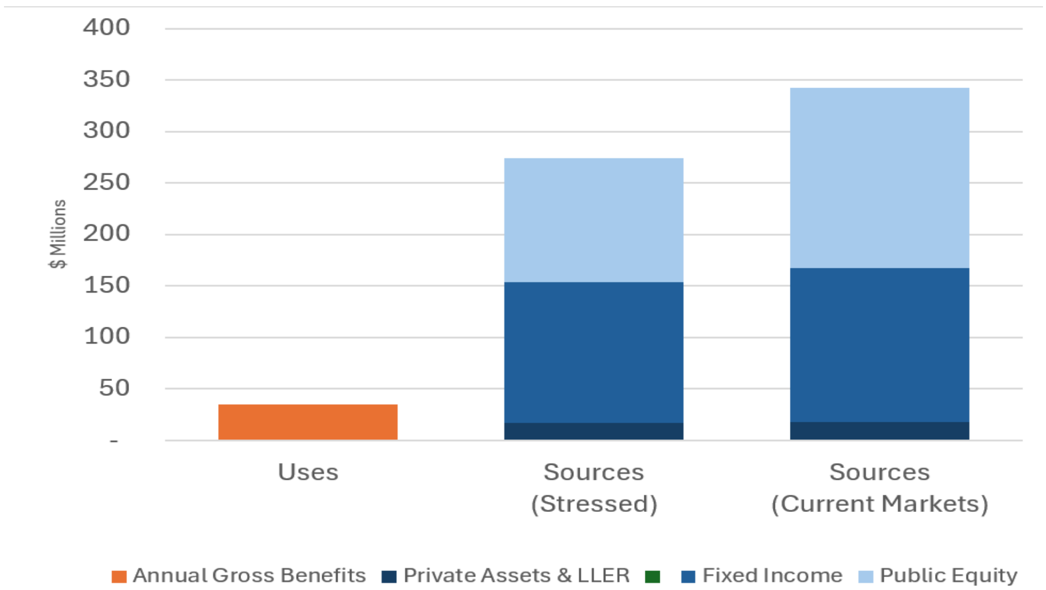


Exhibit 5.5

Leverage [1]

- Leverage remains within the 20% policy limit and supports the ability to flexibly manage cashflows as well as shorter term opportunities to deploy excess available liquidity

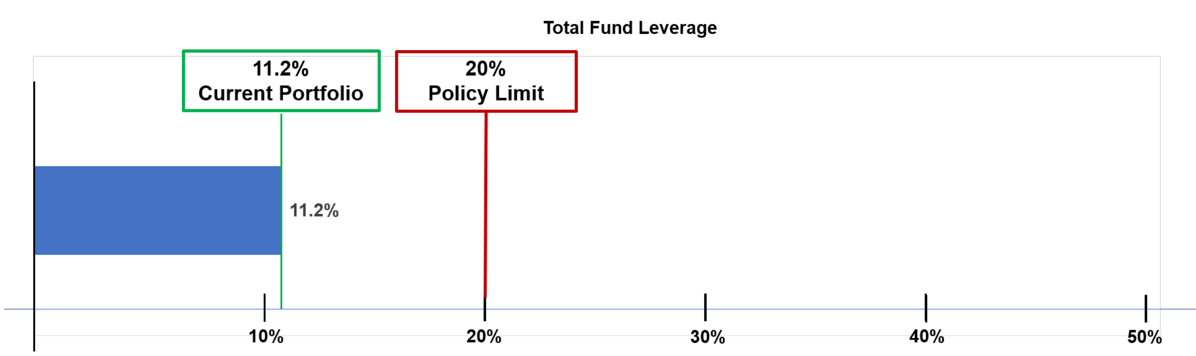


Exhibit 5.6

Data source: CalPERS and Aladdin

[1] *Total Fund Leverage measures financing and derivatives activities that create recourse to PERF. The value includes 8.8% total fund financing (allocation related) and an additional 2.4% from asset class-level positioning*

Section V. PERF Allocation

Private Assets Pacing

CalPERS net deployed $20B into private market programs in FY 2025-26

- Net capital deployed (i.e., contributions minus distributions) was +$20.4 billion
- The net total change in private program investments, also factoring in valuation changes, was +$45 billion

Drivers of One Year Change in Net Asset Value

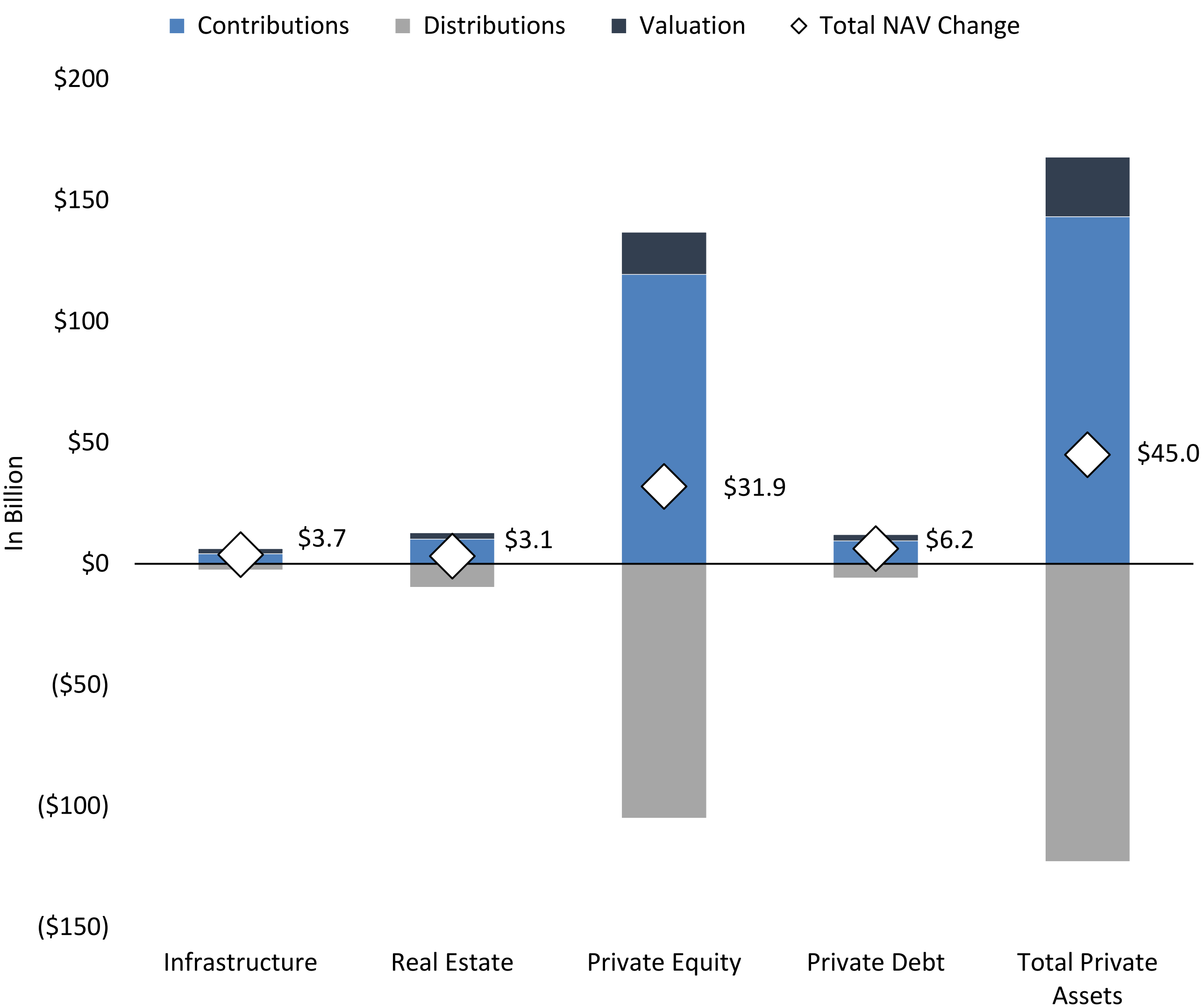


Exhibit 5.7

Data sources: State Street, AREIS, PEARS

Section V. PERF Allocation

Private Assets Pacing

Contractual unfunded commitments at $68.7B

- Total contractual unfunded commitments to private assets at fiscal year-end were $68.7 billion, an increase of $6.5 billion from the prior fiscal year-end value
- Unfunded commitments shown here are primarily due to obligations of PERF as a Limited Partner in externally managed funds. These commitments represent a potential future draw on PERF liquidity which CalPERS has little or no ability to influence
- Liquidity to fund these outstanding commitments is maintained by retaining sufficient capacity in sellable Reference Portfolio and other public asset classes, accounting for the expected calls on capital, and buffering for uncertainty in offsetting distributions
- Contractual unfunded commitments are a subset of potential future capital deployments. For some asset classes, e.g. Real Estate, CalPERS deploys capital through annual revocable allocations to separately managed accounts. In others, co-investment capital, where deployment is controlled by CalPERS, can represent a meaningful share of investments

Asset Class	Net Asset Value ($B)	Contractual Unfunded Commitments ($B)	Prior Year (6/28/25) Contractual Unfunded Commitments ($B)
Private Equity	123.6	32.1	31.3
Real Estate	54.8	4.8	2.7
Infrastructure	24.9	3.8	4.8
Private Debt	27.5	28.0	23.3
Total Private Assets	**230.7**	**68.7**	**62.1**

Exhibit 5.8

Data sources: Aladdin, AREIS, PEARS

Section V. PERF Allocation

Internal vs. External Management

PERF may add value by adjusting internal/external management mix over time

- Approximately 50% of PERF assets are internally managed, generally split along public/private lines
- In private assets, the preponderance of external management today may offer opportunities for cost reduction, because greater internal or co-invest share can be achieved
- In contrast, in public markets, there may be opportunity to make greater use of cost-efficient external partnerships to generate value add and complement internal skillsets

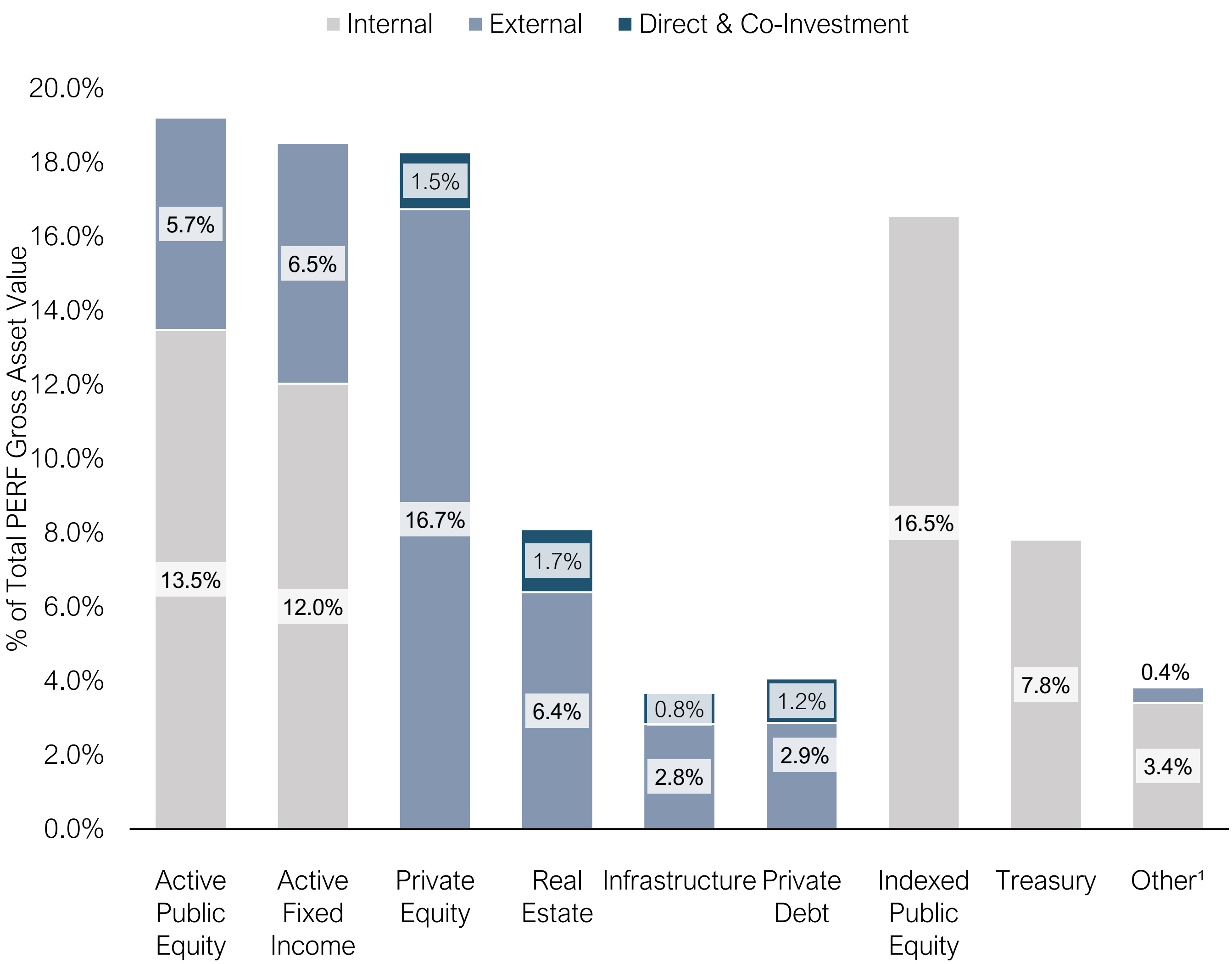


Exhibit 5.9

[1] *Other includes LLER, Liquidity, and Balance Sheet Strategy.*

Section VI. PERF Performance Detail

As of June 30, 2026

Realized Outcomes vs Expectations

Despite volatility, returns are within long-term expectations

- The PERF Strategic Asset Allocation (SAA) had long term expected annualized return of +6.8%, with a volatility of roughly 12% (based on Capital market assumptions approved in 2021)
- An annualized volatility of around 12%, means 7 out of 10 years the PERF is expected to generate a return between (5.2)% and +18.8%. The other 3 years the PERF is expected to generate a return below (5.2)% or above +18.8%
- This range of outcomes accounts for uncertainty in markets over short time periods and assumes returns will average out over time
- This volatility is reflected in actual PERF returns. Over shorter 1-Yr periods, we see returns ranging from (31.1)% to +25.5% while long-term returns (10-Yr) remain relatively stable in the range of +4.3% to +9.7%
- Outcomes over the last ALM cycle (July 2022 to June 2026) were within the range of expectations

Rolling 10-Yr Annualized Total Return vs Rolling 1-Yr Total Return

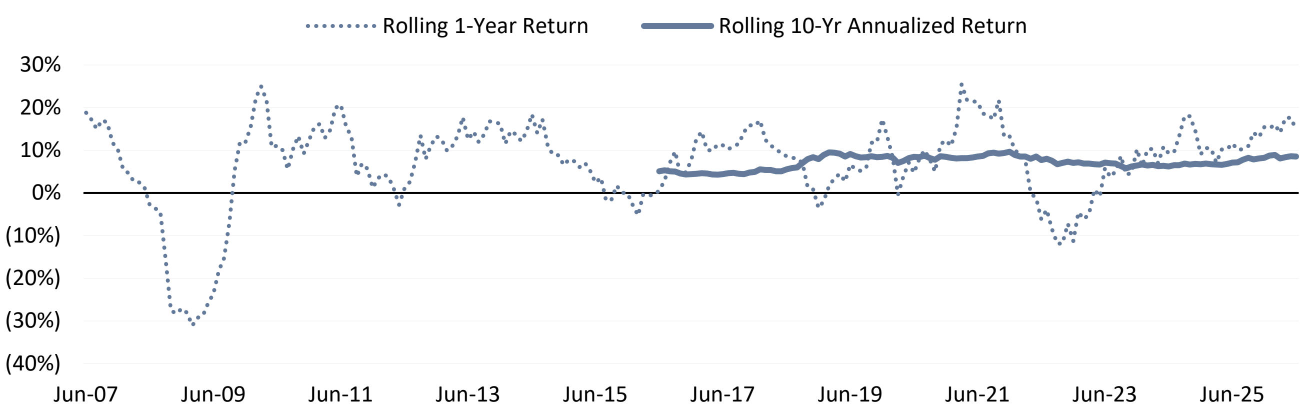


Exhibit 6.1

Realized Outcome vs 2021 ALM Expectations

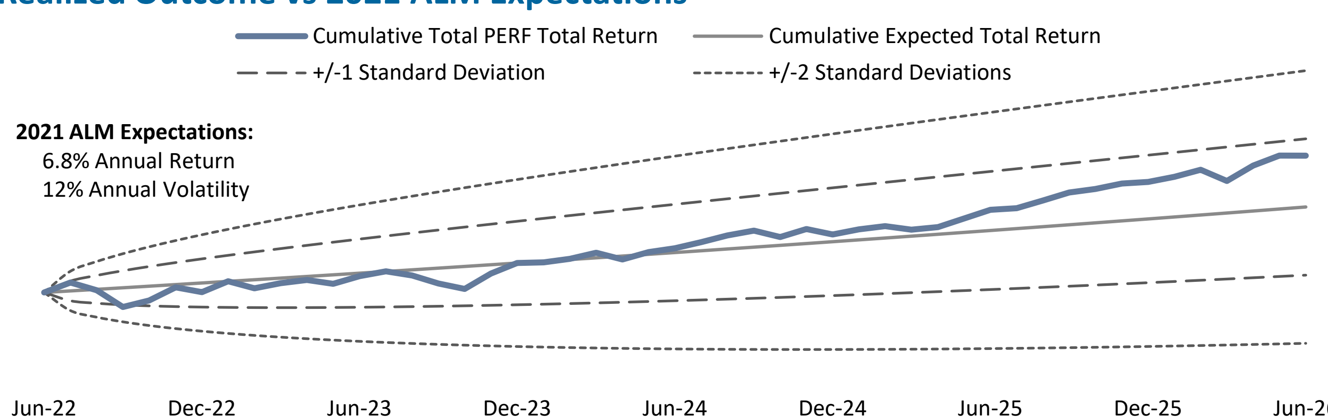


Exhibit 6.2

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

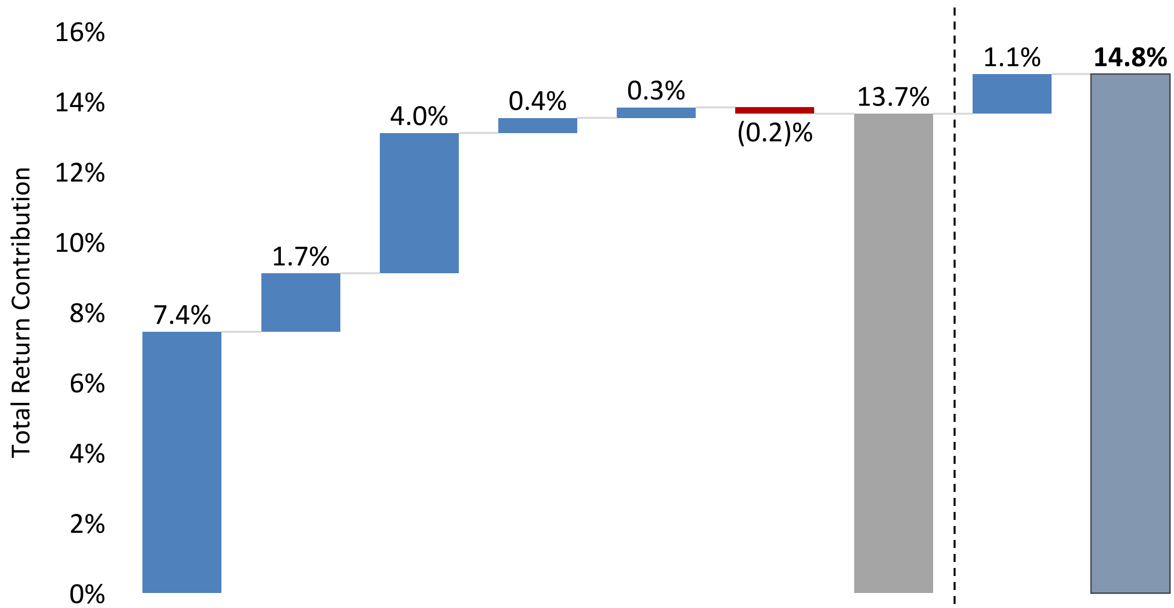
Section VI. PERF Performance Detail

Sources of PERF NAV Change and Total Return

Growth assets drove FY 2025-26 return

- All asset classes had positive performance for the 1-Yr period and contributed to PERF's NAV increasing by more than $79 billion during the fiscal year
- Public equities, which returned +22.5% and includes both Cap Weighted and Factor Weighted equities, were the largest contributor to PERF's fiscal year return followed by Private Equity, which returned +17.0%

1-Yr Total Return Contribution



	Contribution from Policy Benchmark Components								
	Public Equity	Income	Private Equity	Real Assets	Private Debt	Strategic Leverage	Total Policy BM	Value Added	Total Fund
Average Weight	38.9%	29.5%	18.6%	12.9%	4.0%	(4.0)%	100%	-	**-**
Return	22.5%	5.8%	17.0%	6.3%	11.0%	-	13.7%	-	**14.8%**
Cumul Dollar Return (B)	$41.5	$9.2	$22.0	$2.4	$1.7	$(1.0)	$76.0	$6.3	**$82.3**

Exhibit 6.3

All performance reported net of investment expenses and annualized unless noted as cumulative. Private asset performance reflects prior quarter financial reporting received through 6/30/2026.

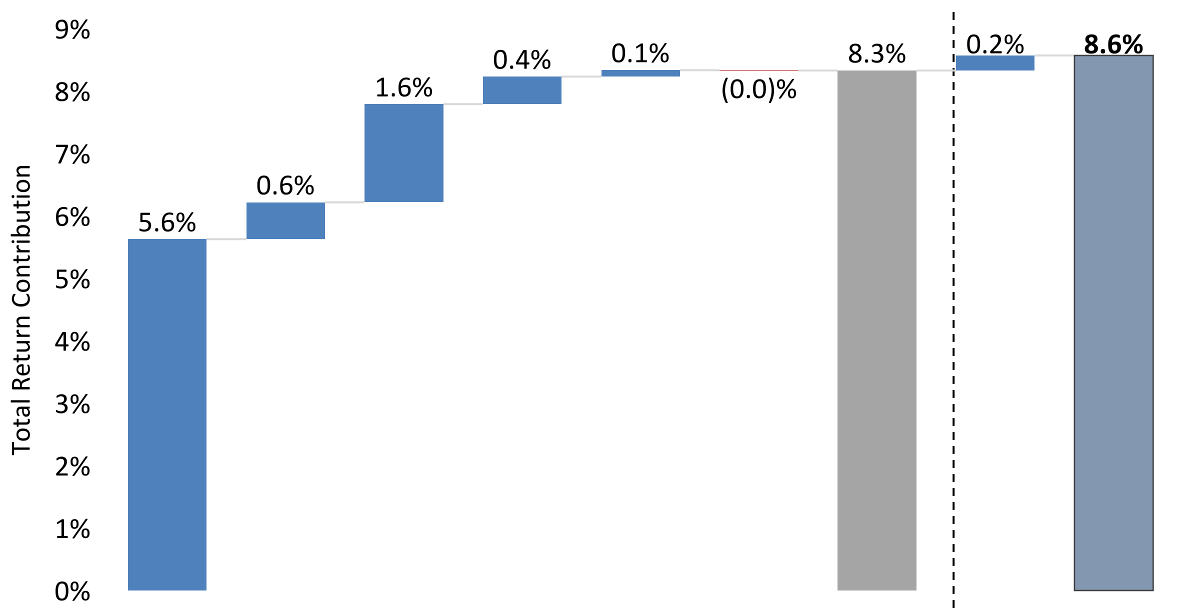
Section VI. PERF Performance Detail

Sources of PERF NAV Change and Total Return

Growth assets drove 10-Yr return

- Over the past 10 years, the PERF NAV has increased by over $340 billion
- PERF returns are typically driven by "growth" assets (e.g., public and private equity). Looking at 10-Yr performance, we see Public and Private Equity account for +6.2% (or >80%) of the PERF Total return of +8.6%

10-Yr Total Return Contribution



	Contribution from Policy Benchmark Components								
	Public Equity	Income	Private Equity	Real Assets	Private Debt[1]	Other[2]	Total Policy BM	Value Added	Total Fund
Average Weight	46.6%	26.4%	11.0%	12.8%	1.2%	2.0%	100%	-	**-**
Return	12.6%	2.2%	13.1%	4.6%	-	-	8.3%	-	**8.6%**
Cumul Dollar Return (B)	$234.7	$24.2	$71.4	$16.8	$5.2	$(0.8)	$351.6	13.0	**$364.6**

Exhibit 6.4

All performance reported net of investment expenses and annualized unless noted as cumulative. Private asset performance reflects prior quarter financial reporting received through 6/30/2026.

[1] Private Debt was part of the Opportunistic Strategies Program prior to 7/1/2022

[2] Other includes impact from benchmark leverage and historical Policy Benchmark allocations that are not part of the Policy Benchmark

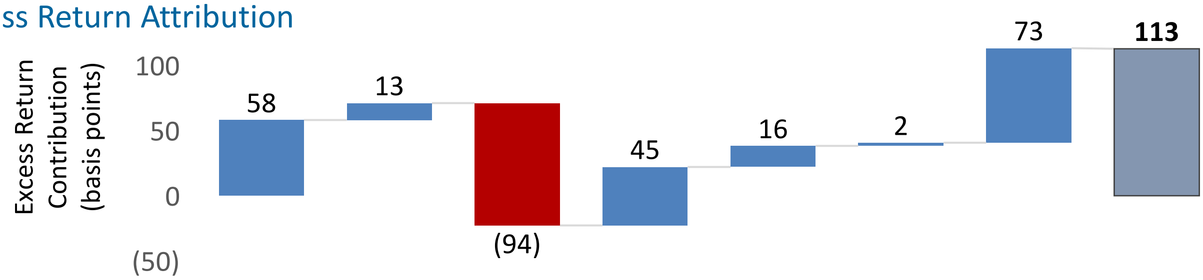
Section VI. PERF Performance Detail

Attribution of PERF Excess Return

Multiple drivers of PERF excess return

- Public Equity and Real Assets were top drivers of PERF excess return for both the 1-Yr and 5-Yr periods resulting from their combinations of excess returns and average weights in PERF
- Private Equity contribution to excess return driven by differences in valuation approach versus its public markets benchmark
- Allocation & Other contribution to PERF excess return reflects impacts from allocation changes relative to the outgoing SAA target weights

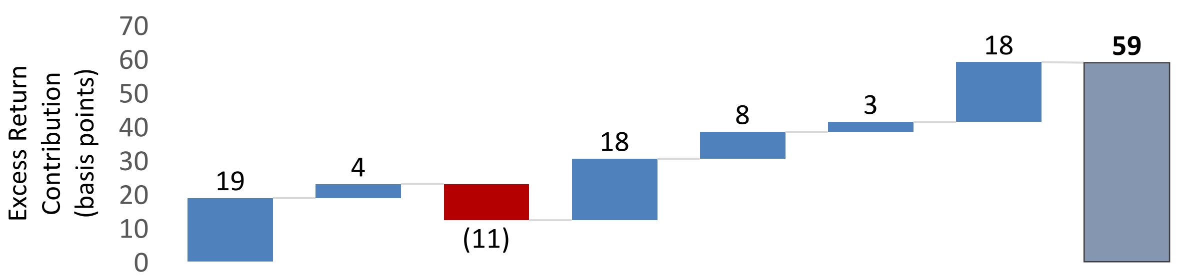
1-Yr Excess Return Attribution



	Public Equity	Income	Private Equity	Real Assets	Private Debt	LLER	Allocation & Other[2]	Total Fund
Average Weight	37.4%	28.9%	18.6%	12.8%	4.0%	2.2%	-	**100%**
Return	24.1%	5.8%	17.0%	6.3%	11.0%	5.4%	-	**14.8%**
Benchmark Return	22.5%	5.4%	22.4%	3.1%	7.2%	4.0%	-	**13.6%**
Excess Return (basis points)	168	41	(547)	318	379	137	-	**113**
Cumul Value Added (B)	$3.2	$0.7	$(4.9)	$2.3	$0.9	$0.2	$4.0	**$6.3**

Exhibit 6.5

5-Yr Excess Return Attribution



	Public Equity	Income	Private Equity	Real Assets	Private Debt[1]	LLER	Allocation & Other[2]	Total Fund
Average Weight	45.3%	29.2%	15.5%	14.3%	2.6%	2.5%	-	**100%**
Return	11.1%	0.0%	11.9%	4.1%	-	5.1%	-	**6.8%**
Benchmark Return	10.6%	(0.1)%	11.1%	2.4%	-	3.7%	-	**6.2%**
Excess Return (basis points)	50	12	79	170	-	140	-	**59**
Cumul Value Added (B)	$5.0	$1.1	$(4.6)	$4.7	$2.1	$0.9	$5.7	**$15.0**

Exhibit 6.6

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative. Private asset performance reflects prior quarter financial reporting received through 6/30/2026.

[1] Private Debt was part of the Opportunistic Strategies Program prior to 7/1/2022

[2] Other includes impact from strategic financing and investments in Non-SAA segments

Section VII. PERF Risk Detail

As of June 30, 2026

Volatility and Equity Equivalent Exposure (EEE)

Overall risk level is consistent with Reference Portfolio (RP)

Current Levels

- Total Fund Volatility increased from the prior quarter as the portfolio has been rebalanced in anticipation of TPA implementation to align with the Reference Portfolio market risk level
- While PERF volatility is expected to generally remain at a level similar to that of the reference portfolio, the portfolio is not managed to target a specific volatility. The primary metrics to maintain alignment with Investment Committee objectives and risk tolerance are Active Risk (measuring deviation from the Reference Portfolio) and Equity Equivalent Exposure (EEE, measuring sensitivity to growth risk)
- Active Risk is slightly below the expected operating range, and higher level of Active Risk is expected in the next few years. Equity Equivalent Exposure (EEE) is consistent with the RP

	Policy Limit	Current 06/30/2026	Last Qtr. 03/31/2026	Last Year 06/30/2025
Total Fund Volatility (%)	-	13.9	13.2	13.0
Reference Portfolio Volatility (%)	-	14.3	N/A	N/A
Active Risk (bps)	400	235	N/A	N/A
Equity Equivalent Exposure (%)	-	74.6	72	72

Exhibit 7.1

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

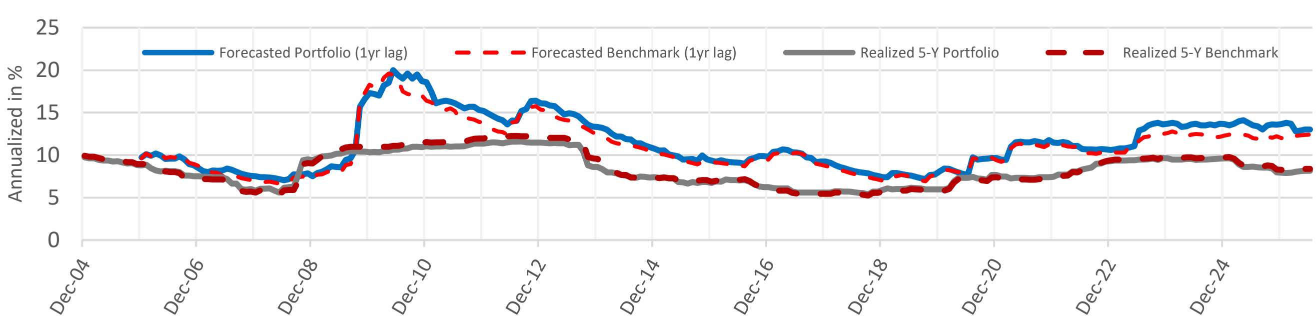


Exhibit 7.2

Section VII. PERF Risk Detail

Risk Decomposition

Growth oriented asset classes dominate overall risk

Contribution to Total Portfolio Volatility

- Public and Private Equities are the primary contributors to Total Portfolio Volatility of 13.9%. Fixed Income active strategies, Treasury, and Private Debt provide diversification benefits that offset much of their inherent volatility, leading to lower risk contributions than implied by their allocation weights

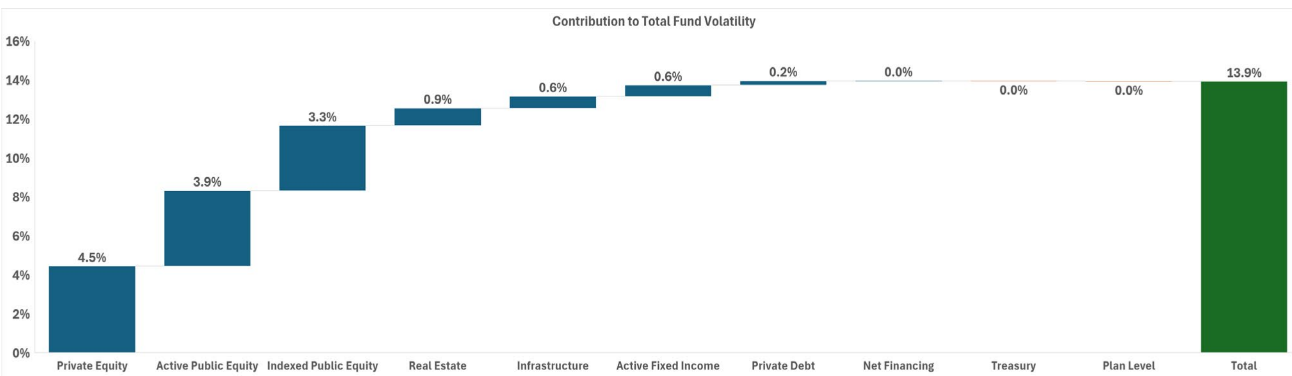


Exhibit 7.3

% Contribution to Active Risk

- Private asset programs are the largest contributors to Active Risk at 1.76%. Active Public Equity, though it is the largest active program in AUM size (20.4% of PERF), contributes only 0.04% to Active Risk. This is because the Program is managed to the same underlying index as the Reference Portfolio equities

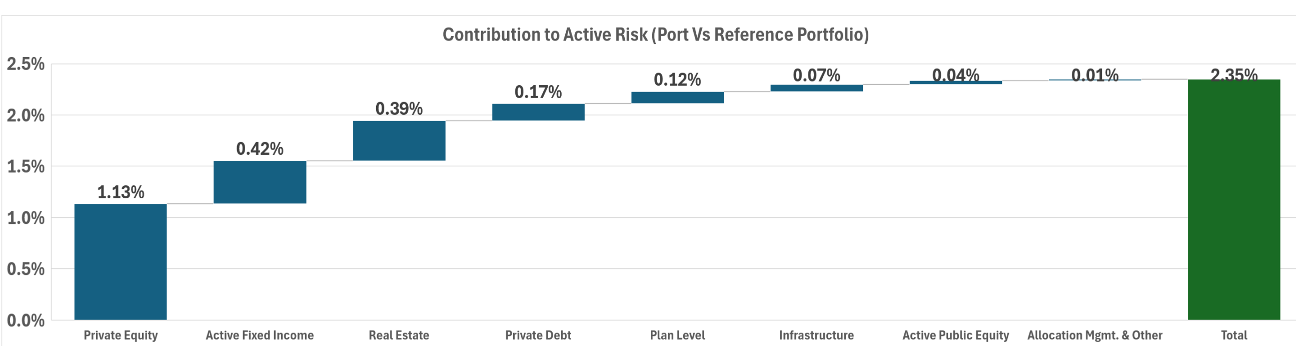


Exhibit 7.4

Data source: CalPERS Risk Model

Section VII. PERF Risk Detail

Risk Decomposition

Public and Private Equities contribute 84% of Total Forecasted Volatility

Asset Class	Market Value ($ Billions)	Total Forecasted Volatility (%)	% Contribution to Total Volatility	5-Year Realized Volatility (%)
Public Assets				
Active Public Equity	**129.8**		**28**	**-**
Enhanced Index	52.8	19.3	11	15.6
Traditional Active	43.4	19.7	9	15.0
Multi-Factor	27.1	19.4	6	14.3
Climate	6.6	19.3	1	-
Active Fixed Income	**125.3**		**4**	**-**
EM Sov Debt	32.4	7.7		-
High Yield	32.1	6.0		6.9
MBS	32.0	5.5		6.8
IG Corp	28.8	5.8		11.4
Other	0.1	-		-
Private Assets				
Private Equity	**123.6**		**32**	**6.3**
Buyout	69.2	22.6	17	-
Growth	43.8	25.1	12	-
Venture Capital	6.3	26.9	2	-
Opportunistic	4.3	22.6	1	-
Real Estate	**54.8**		**6**	**7.2**
Core	48.5	12.2	5	-
Non-Core	6.3	21.7	1	-
Infrastructure	**24.9**		**4**	**3.8**
Core	13.8	18.5	2	-
Non-Core	11.0	16.5	2	-
Private Debt	**27.5**		**2**	**-**
Direct Lending	14.0	6.3	1	-
Differentiating	13.5	8.2	1	-
Plan Level	**73.1**		**0**	
Long Treasury	32.7	9.9	0	-
Balance Sheet Strategy	22.7	0.2	0	-
LLER	14.1	2.5	0	1.5
Other	3.5	4.2	0	-
Reference Portfolio Assets	**76.5**		**24**	
Indexed Public Equity	111.9	19.3	24	14.9
Treasury	20.1	4.5	0	-
Financing & Liquidity	(55.5)	0.2	0	-
TOTAL PERF	**635.4**	**13.9**	**100**	**8.1**

Exhibit 7.5

Data source: State Street Bank and CalPERS Risk Model

Section VII. PERF Risk Detail

Risk Decomposition (cont.)

Active Risk is diversified across asset classes and strategies

Active Risk

- The primary contributors to Active Risk are Private Equity, Active Fixed Income, and Real Estate

Asset Class	Market Value ($ Billions)	Standalone Active Risk (bps)	% Contribution to Active Risk	5-Year Realized Active Risk (bps)
Public Assets				
Active Public Equity	**129.8**	**146**	**2**	**-**
Enhanced Index	52.8	100	0	49
Traditional Active	43.4	400	1	300
Multi-Factor	27.1	200	0	176
Climate	6.6	77	0	-
Active Fixed Income	**125.3**	**388**	**18**	**-**
EM Sov Debt	32.4	640		-
High Yield	32.1	608		20
MBS	32.0	280		45
IG Corp	28.8	392		26
Other	0.1	-		-
Private Assets				
Private Equity	**123.6**	**744**	**48**	**1180**
Buyout	69.2	707	25	-
Growth	43.8	892	19	-
Venture Capital	6.3	1036	3	-
Opportunistic	4.3	707	2	-
Real Estate	**54.8**	**865**	**17**	**184**
Core	48.5	836	14	-
Non-Core	6.3	1435	3	-
Infrastructure	**24.9**	**975**	**3**	**817**
Core	13.8	1140	1	-
Non-Core	11.0	835	1	-
Private Debt	**27.5**	**674**	**7**	**-**
Direct Lending	14.0	615	3	-
Differentiating	13.5	750	4	-
Plan Level	**73.1**		**5**	
Long Treasury	32.7	984	4	-
Balance Sheet Strategy	22.7	10	0	-
LLER	14.1	316	0	118
Other	3.5	390	0	-
Reference Portfolio Assets	**76.5**		**0**	
Indexed Public Equity	111.9	10	0	6
Treasury	20.1	10	0	-
Financing & Liquidity	(55.5)	10	0	-
Allocation Management			**1**	-
TOTAL PERF	**635.4**	**235**	**100**	**199**

Exhibit 7.6

Data source: CalPERS Risk Model

Section VII. PERF Risk Detail

Historical Simulation

Significant PERF drawdowns should be expected in stress scenarios

Historical Stress Scenarios

- Historical stress testing is a complementary way to model the level of risk in a portfolio. It can provide a more intuitive understanding than the statistical metric of standard deviation (volatility), while also exploring tail events
- The current PERF portfolio would have incurred significant drawdowns in recent market stress events, most notably the Global Financial Crisis of 2008. This result is in line with expectations given the portfolio's equity-heavy and growth-sensitive composition
- Note these estimates are based on the risk model's factor representation of the portfolio and do not consider lagged valuation effects in private markets, which could somewhat mute the reported return impact in a rapid market drawdown

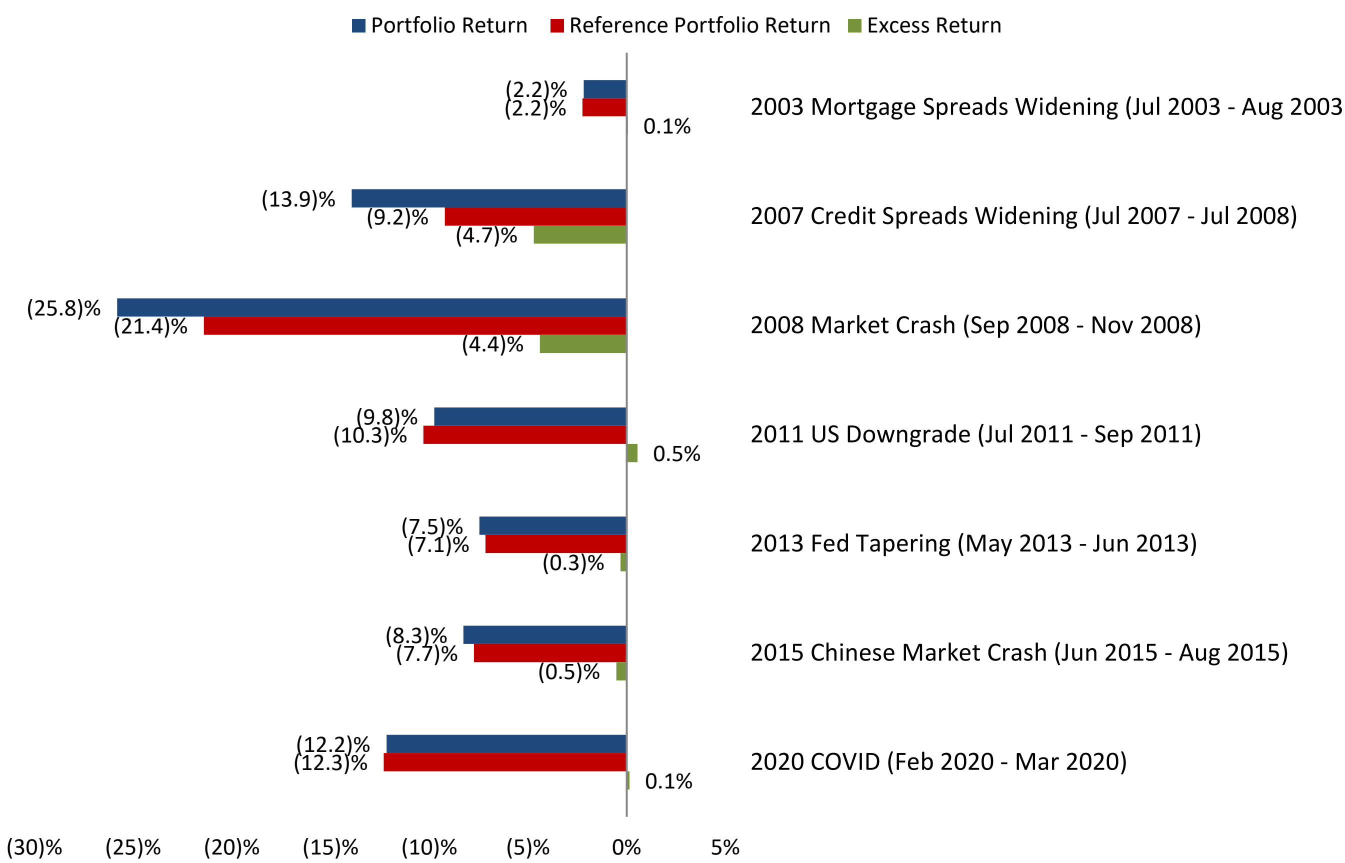


Exhibit 7.7

Section VII. PERF Risk Detail

Historical Simulation (cont.)

PERF risk profile closely tracks the equity market, though with lower overall risk

Simulated Drawdowns of PERF Portfolio vs. S&P 500

- Longer-term historical simulation underscores a strong relationship between PERF's simulated portfolio and the stock market
- The simulated drawdowns of the PERF across time are lower than the drawdown of the global equity market. This outcome is roughly consistent with the 0.75 Equity Equivalent Exposure (EEE) expectation of the portfolio. But the relationship is not perfectly consistent across scenarios - EEE is an average expectation and not a predictor of individual market events
- The analytical technique employed here provides a broader historical perspective than the stress tests shown on the prior page. However, it employs a less robust proxy-based methodology and only simulates the broad asset mix and does not account for security-level positioning

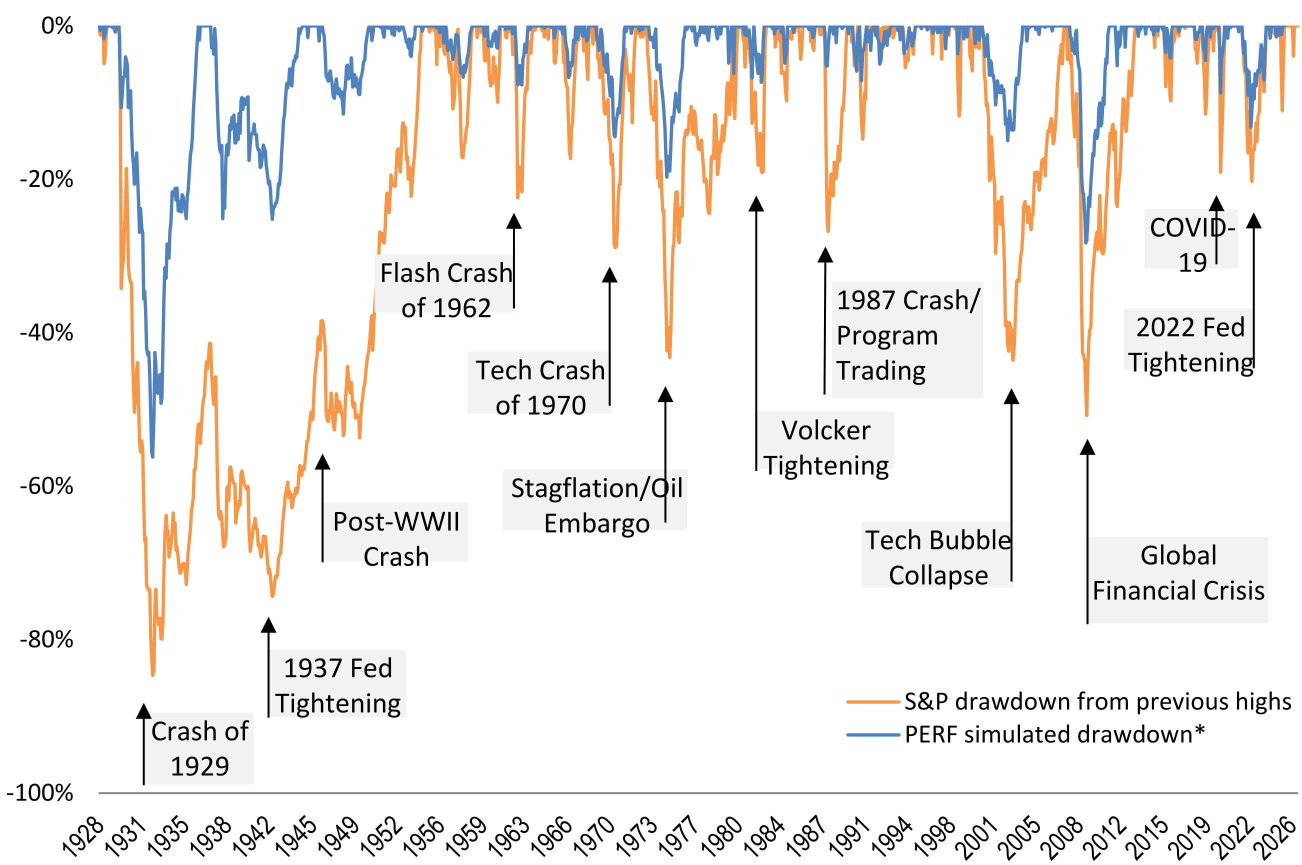


Exhibit 7.8

** Simulated performance of PERF asset allocation rebalanced quarterly to the current weights assuming historical returns for current benchmarks. For historical periods when performance data is not available for some asset classes, risk-comparable proxies are used.*

Section VII. PERF Risk Detail

Diversification Characteristics

PERF is mainly invested in the United States

Regional Exposures

- Non-US portfolio holdings are approximately 27% and widely diversified across regions and countries
- PERF country composition is generally aligned with the Reference Portfolio with the biggest difference in Japan

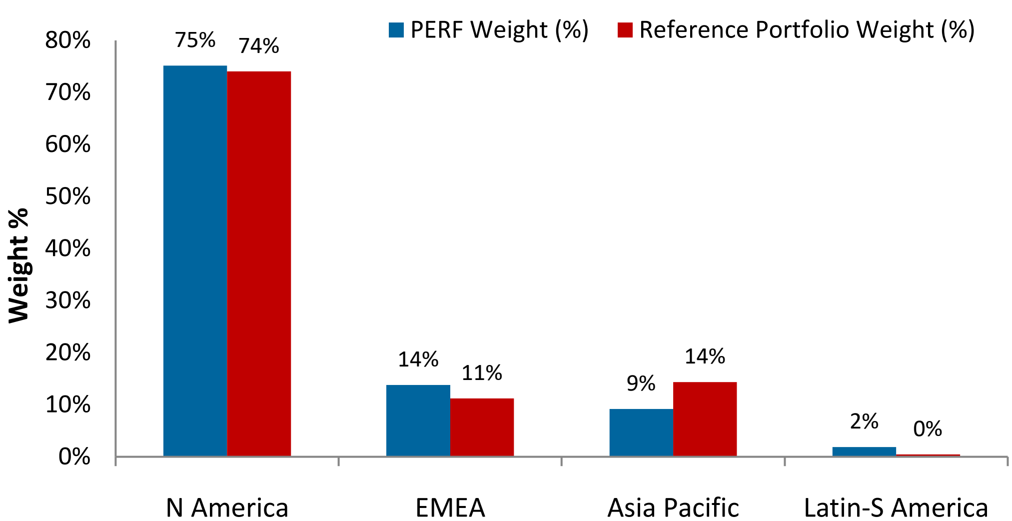


Exhibit 7.9

Top 10 Countries	PERF Weight (%)	Reference Portfolio Weight (%)	Active Weight (%)
United States	72.8	71.6	1.2
United Kingdom	3.5	2.2	1.3
Japan	2.6	4.4	-1.8
Canada	1.8	2.2	-0.4
China[1]	1.5	1.9	-0.4
Taiwan	1.3	2.5	-1.2
Germany	1.3	1.3	0.0
France	1.2	1.4	-0.3
India	1.0	1.2	-0.2
Netherlands	0.9	1.1	-0.1

Exhibit 7.10

Data source: Public market assets are as of 6/30/26; Real Assets as of 3/31/26; Private Equity as of 12/31/25

[1] *Includes Hong Kong*

Section VII. PERF Risk Detail

Diversification Characteristics (cont.)

20% foreign currency exposure

Foreign Currency Exposure

- PERF non-USD exposure is 20.3% versus 28.3% in the Reference Portfolio. Foreign currency exposure in the Reference Portfolio comes entirely from the public equity benchmark, which is global capitalization weighted
- At the total portfolio level, foreign currency exposure contributes about 4.8% of total expected volatility
- Relative to the Reference Portfolio, the Active Risk contribution from foreign currency exposure is very small, as other risk drivers dominate

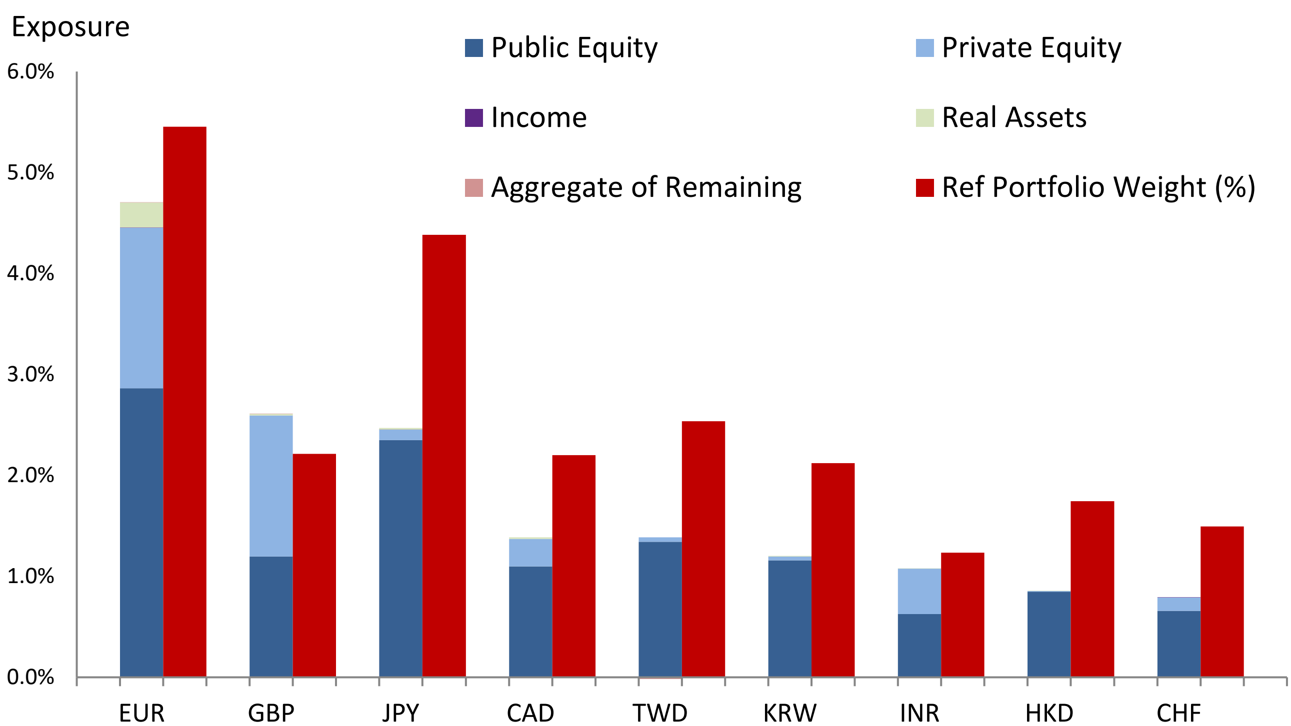


Exhibit 7.11

Data source: Public market assets are as of 6/30/26; Real Assets as of 3/31/26; Private Equity as of 12/31/25

Section VII. PERF Risk Detail

Diversification Characteristics (cont.)

PERF is diversified to individual issuers and industries

Issuer Concentration

- PERF is diversified across individual issuers
- The largest issuers are the United States Government (US Treasury), its housing finance arms (Government Sponsored Enterprises), NVIDIA, Apple, and a real estate holdings company

Top 20 Issuers

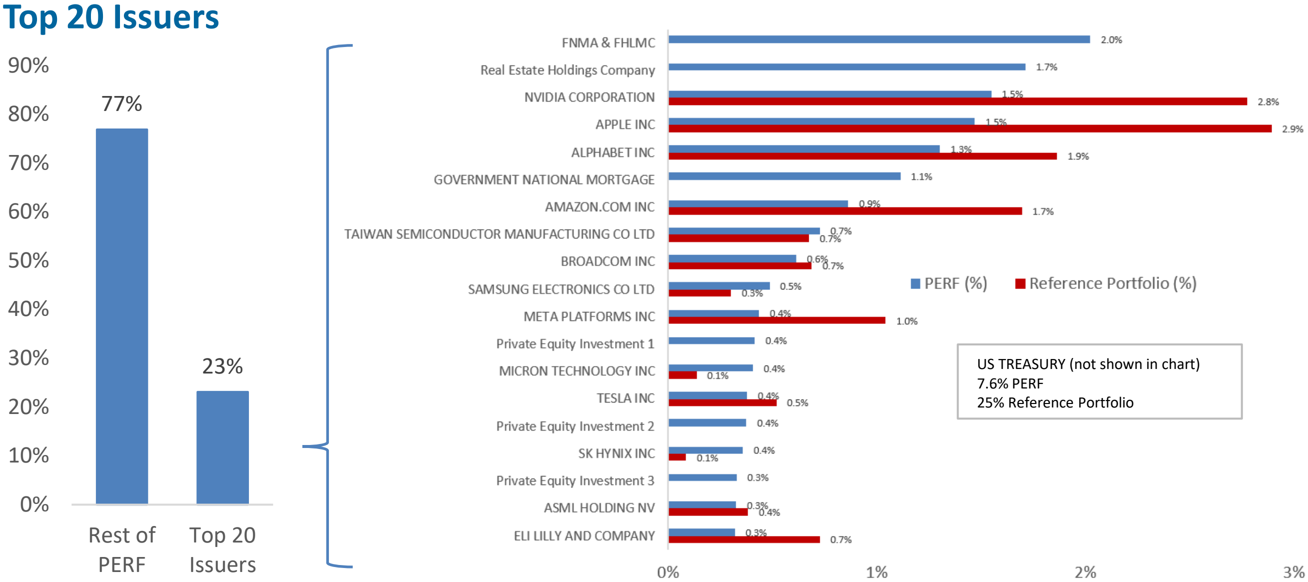


Exhibit 7.12

Industry Concentration* – Top 10

- PERF is diversified across industries with the largest deviations from Reference Portfolio in private equity

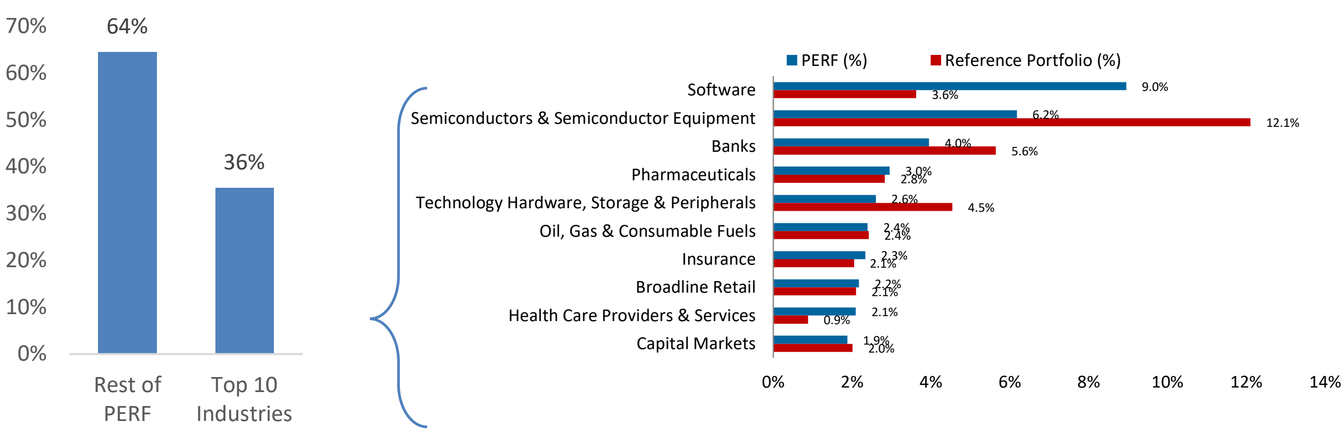


Exhibit 7.13

** Industry Concentration report covers Public Equity, IG Corp, High Yield and Private Equity*

Data source: Public market assets are as of 6/30/26; Real Assets as of 3/31/26; Private Equity as of 12/31/25

Section VII. PERF Risk Detail

Leverage

PERF maintains modest leverage

Policy Leverage

- As of June 30, 2026, PERF Net leverage was 11.2%
- Leverage remains within the 20% policy limit and supports the ability to flexibly manage cashflows as well as shorter term opportunities to deploy excess available liquidity

PERF Leverage Breakdown[1,2,3,4]

	Value ($B)	% of PERF NAV
Uses		
Total Fund Level (Allocation related)	55.9	8.8%
Balance Sheet Strategies	22.7	3.6%
LLER	14.1	2.2%
Allocation Management/Completion	16.6	2.6%
Other	2.5	0.4%
Strategy Level	15.3	2.4%
Total Leverage Uses	**71.2**	**11.2%**
Sources		
Recourse Financing (by channel)		
Reverse Repos	77.0	12.1%
Derivatives	6.4	1.0%
Securities Lending	44.6	7.0%
Total Recourse Financing	**128.0**	**20.1%**
Cash Like Assets	(56.8)	-8.9%
Net Recourse Financing	**71.2**	**11.2%**

Exhibit 7.14

Data sources: Aladdin, AREIS. Strategic leverage reported here may differ slightly from aggregate allocation reporting due to minor cashflow timing mismatches between systems

[1] *FX Forwards used for hedging are not counted as leverage. Options are included based on delta adjusted notional value*
[2] *All leverage in this exhibit is recourse to CalPERS*
[3] *Leverage in Real Assets, Private Equity and Private Debt is implemented at the individual fund- or portfolio company-level and is non-recourse*
[4] *Total Fund Leverage measures financing and derivatives activities that create recourse to PERF. The value includes 8.8% total fund financing (allocation related) and an additional 2.4% from asset class-level positioning.*

Section VII. PERF Risk Detail

Leverage (cont.)

Non-Recourse Debt and Subscription Financing

- The prior page describes leverage managed and measured explicitly as part of implementation of the PERF portfolio, with recourse to the Total Fund in accordance with the Leverage Policy
- There is additional leverage in the portfolio that is non-recourse and an implicit characteristic of many of the assets we hold
- Real Assets, Private Debt and Private Equity implement the strategies with debt at either the fund and/or property level, all of which is non-recourse to the PERF. The table below provides the last known debt by asset class

Strategy	Non-Recourse Debt as of 03/31/2026 ($B)
Real Estate	$28.6
Infrastructure	$19.3
Forestland	$0.1
Private Debt[1]	$20.3
Private Equity[2]	$0.1

Exhibit 7.15

- Subscription financing, which allows managers to deploy capital in funds without immediately calling capital, is monitored separately and shown below

Asset Class	Subscription Financing ($B)[3]
Private Equity	$6.7
Private Debt	$7.4

Exhibit 7.16

Data source: CalPERS

[1] *Non-recourse debt in Private Debt is asset-based lending provided to the funds where CalPERS invests. The banks base credit on the quality of the invested assets and have no recourse to the Limited Partners. As of March 31, 2026*

[2] *Non-recourse debt in Private Equity are liabilities in the funds that CalPERS invests in net of subscription financing. As of 3/31/2026. Liabilities at the individual company level are not included*

[3] *As of March 31, 2026. Subscription financing is a loan to a fund, where the banks base credit on the committed capital to be contributed from the limited partners*

Section VII. PERF Risk Detail

Liquidity

Unencumbered Sellable Assets

- The estimates below indicate the monetization capacity per asset class under current markets and stress scenarios
- The chart illustrates both the relatively large amount of liquidity at CalPERS' disposal as well as the relative liquidity of the various asset segments

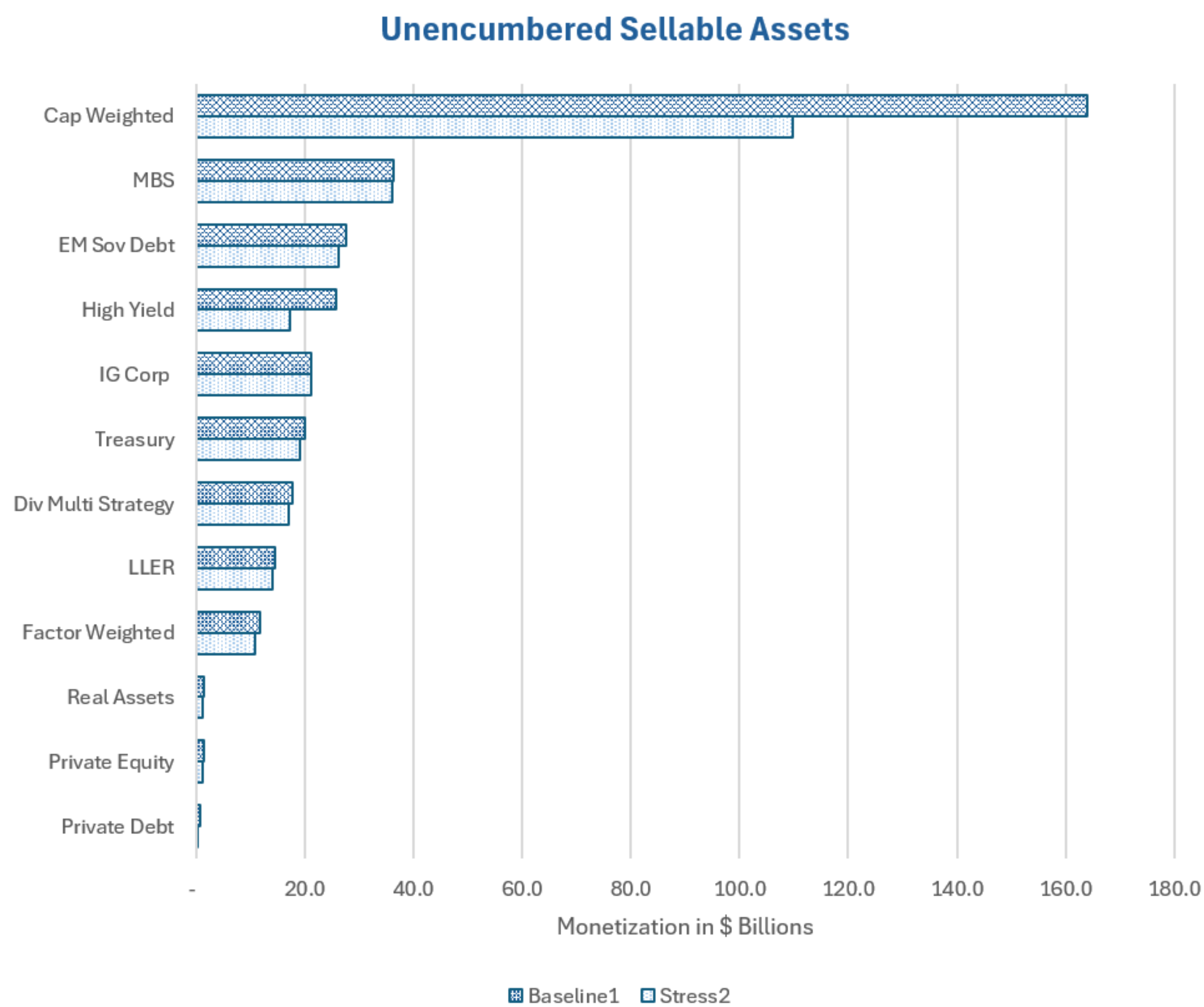


Exhibit 7.17
Data source: Aladdin

[1] ***Baseline*** *- Aladdin – Unencumbered assets available for sale*
[2] ***Stress –*** *Aladdin 30-day Stress*

Section VII. PERF Risk Detail

Counterparty Risk

Counterparty risk is managed via monitoring and collateralization

- Counterparty risk is the risk that, in the event a counterparty fails, CalPERS does not receive the value owed to us by the counterparty, for example, outstanding P&L on a derivatives contract
- CalPERS holds positions in swaps, options, futures, rights and warrants, forward foreign currency exchange, repurchase and reverse repurchase, and forward purchase and securities lending contracts -- all of which may create counterparty exposure
- CalPERS seeks to control this risk through two primary channels: active collateralization of exposures (typically daily) and a comprehensive regime of monitoring and review. The latter includes counterparty credit evaluations and approvals, counterparty credit limits, monitoring procedures, and use of market accepted standard agreements
- This report describes exposures directly contracted by CalPERS, and not by the external investment managers. External investment managers are required to have strict guidelines to manage and control counterparty risk

Current aggregate financial conditions are moderate

- Most counterparty risk management takes place at the individual counterparty level. However, aggregate market risks are also monitored, with additional oversight measures implemented during crisis periods

Historical Bank Credit Default Swap Spreads (From December 2010 – Present)

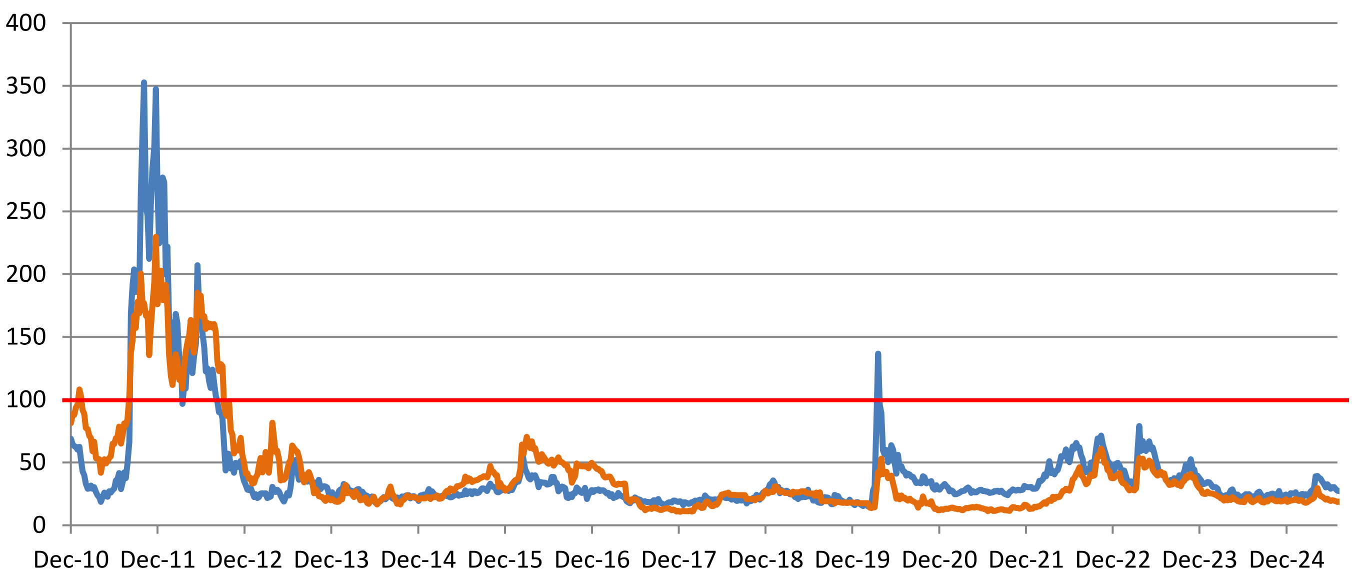


Exhibit 7.18

Data source: Bloomberg

Section VII. PERF Risk Detail

Counterparty Risk *(cont.)*

Majority of counterparty exposure is collateralized

- The tables that follow show a snapshot of counterparty exposures across the various types of agreements CalPERS uses that can create counterparty exposure
- In general, money owed to or by CalPERS is collateralized daily, resulting in little net exposure

Agreement Type	Net MTM Total ($M) (+) = CalPERS is due money (-) = CalPERS owes money	Collateral Posted ($M) (+) = CalPERS has posted (-) = Counterparties have posted	Net Exposure ($M) (+) = CalPERS exposed to Counterparty
Master Repurchase Agreement (MRA)	(72,548.0)	72,387.6	(160.5)
International Swaps and Derivatives Association (ISDA)	(219.6)	211.6	(8.1)
Master Securities Forward Transaction Agreement (MSFTA)	5.6	10.7	16.3
Securities Lending Agreement (SLA)	64,167.6	(66,803.4)	(2,635.8)
Total	**(8,594.5)**	**5,806.4**	**(2,788.0)**

Exhibit 7.19

- Custodial risk is the risk that, in the event a depository institution or counterparty fails, CalPERS would not be able to recover the value of its deposits, investments, or collateral securities. This risk arises in exchange traded derivatives, where CalPERS posts margin to engage in exchange traded derivatives via a Futures Commission Merchant (FCM)
- FCMs are highly regulated financial entities that accept orders for exchange traded contracts in Central Clearing Counterparties (CCPs). Collateral posted at the FCM is mostly used to meet the margin requirements at the CCPs. Total amount posted to FCMs was $3.1 billion
- The collateral in the FCM exhibit 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
- CalPERS has pledged $1.5 billion in Regulatory Initial Margin (UMR IM), and each counterparty (for non-cleared SWAPS) has pledged to CalPERS the same. Eligible collateral (IM) is pledged to a segregated third-party custodian. Each secured party has security interest, lien, and right of set-off against the non-secured party in the event of default and liquidation

[1] *SLA – Net MTM represents the market value of CalPERS assets out on loan. Collateral posted is the amount of cash or securities posted to CalPERS*

Section VIII. Program Overviews

As of June 30, 2026

Global Public Equity Markets Investment Highlights

Strong long-term performance, value creation, and diversified, cost-efficient portfolio implementation

- Delivered strong absolute and excess returns, with both Factor-weighted and Cap-Weighted strategies outperforming their respective benchmarks over five years
- Generated $5 billion in cumulative value added over five years, led by Traditional Active strategies
- Maintained a cost-efficient portfolio, with 84% of the total GPE assets managed internally
- Allocated $34 billion to active strategies in a risk-aware manner

Key Performance and Risk Metrics

$241.8B	12.6%	$5.0B	19.3%	78 bps
Ending Asset Value	10-Yr Annualized Total Return	5-Yr Cumulative Value Added	Forecasted Volatility[1]	Forecasted Active Risk[1]

Distribution of Assets ($B)

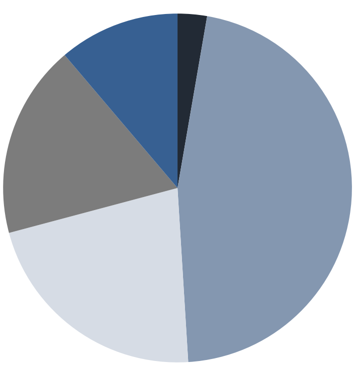


Exhibit 8.1

Strategy 5-Year Performance

	Total Return	Benchmark Return	Excess Return (basis points)	Value Added ($M)
Factor Weighted	**7.3%**	**6.7%**	**57**	**627.2**
Cap Weighted	**11.6%**	**11.0%**	**52**	**4,337.8**
Index Oriented	10.9%	10.9%	6	351.7
Enhanced Index	13.6%	12.7%	86	838.6
Traditional Active	14.0%	11.0%	306	3,334.9
Multi Factor	11.9%	11.0%	85	(52.4)

Exhibit 8.2

[1] Forecasted Volatility & Active Risk are based on longer term strategy expectations, as per CalPERS Risk Model. Point in time Volatility and Active Risk are 19.3% and 39 bps, respectively.

Section VIII. Program Overviews

Global Public Equity Markets Operational Highlights

Advanced investment frameworks, fee efficiency, shareholder accountability, and sustainable investment integration

- Advanced development of strategy underwriting and allocation frameworks
- Implemented a new fee structure essential to preserving net alpha capture
- Advocated for shareholder rights and promoted board accountability, including voting to oppose 1,960 Directors for Human Capital Management/ Diversity Concerns and to oppose 45% of Say-on-Pay Proposals in the U.S.
- Collaborated with Sustainable Investments to refine Climate Transition Index

Key Operational Metrics

28	84%	98,000	370	11 bps
# of Team Members	Internally-Managed	Proxy Voting/ Ballot Items	Companies Engaged	FY Total Program Fees Paid [3]

Expense Type	FY 2025-26			FY 2024-25		
	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[3] (BPS)	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[3] (BPS)
Internal Management[1]	$ 194,642	$ 21.4	1.1	$ 192,292	$ 12.8	0.7
External Management[2]	$ 27,292	$ 197.5	72	$ 18,481	$ 50.4	27
Consultants Expense	N/A	$ 1.4	0.1	N/A	$ 1.4	0.1
Technology & Operating Expense	N/A	$ 16.7	0.8	N/A	$ 16.2	0.8
Total Program	**$ 221,934**	**$ 237.0**	**11**	**$ 210,774**	**$ 80.9**	**4**

Exhibit 8.3

Executing Our Strategic Initiatives

Key focus areas for the coming year include:

- Expand collaboration in cross-asset forums to support Total Portfolio Approach
- Enhance the Active Risk Framework and Portfolio construction to further diversify alpha sources and efficiently capture equity risk premia
- Support Data and Technology Modernization through design and implementation of the Total Fund and Capital Markets Platform Project
- Advance the Sustainable Investments 2030 Strategy through a framework for identifying and selecting active climate transition strategies

[1] Internal Management includes internal model provider fees
[2] External Management includes base and performance fees
[3] Management Fee basis points calculated on Int/Ext Avg AUM. Consultants and Technology & Operating Expense basis points calculated on Total Program Avg AUM

Section VIII. Program Overviews

As of June 30, 2026

Global Fixed Income Investment Highlights

Understanding Our Returns: Key Drivers

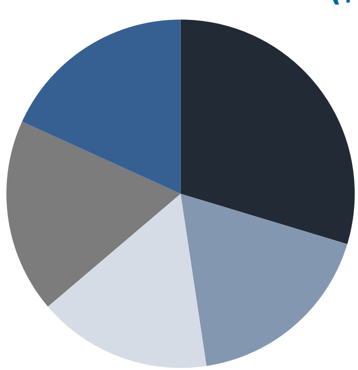
Provided portfolio diversification, income, and liquidity while generating long-term value

- Active strategy return of +6.9% exceeded the PERF discount rate
- 57 basis points of active strategy excess return delivered $692 million in dollar value add
- All active strategy components delivered positive excess return
- 5-year information ratio of 1.3 reflects strong risk-adjusted return for the GFI active strategy

Key Performance and Risk Metrics

$178.0B	2.2%	$1.1B	4.8%	129 bps
Ending Asset Value	10-Yr Annualized Total Return	5-Yr Cumulative Value Added	Forecasted Volatility[1]	Forecasted Active Risk[1]

Distribution of Assets ($B)



- U.S. Treasuries | $52.8B
- Securitized | $32.0B
- Investment Grade Corporates | $28.8B
- High Yield Corporates | $32.1B
- Emerging Market Debt | $32.4B

Exhibit 8.4

Strategy 5-Year Performance

	Total Return	Benchmark Return	Excess Return (basis points)	Value Added ($M)
U.S. Treasuries	(4.1)%	(4.1)%	0	0.0
Securitized	0.9%	0.6%	34	506.5
Investment Grade Corporates	(1.3)%	(1.3)%	(4)	(33.9)
High Yield Corporates	4.1%	4.1%	8	110.7
Emerging Market Debt[2]	-	-	-	-

Exhibit 8.5

[1]*Forecasted Volatility & Active Risk (vs strategy's benchmark) are based on CalPERS Risk Model*

[2]*Emerging Market Debt incepted 1/1/2023 and does not have 5-years of performance history. 3-Yr performance is Total Return: 8.7%, Benchmark Return: 8.0%, Excess Return: 67 bps, Value Added: $540.1M.*

Section VIII. Program Overviews

Global Fixed Income Operational Highlights

Strengthened portfolio implementation through cross-team collaboration and manager diversification

- Strengthened cross-team collaboration through credit underwriting support, leverage deployment, and balance sheet management
- Expanded the Emerging Markets active manager roster to broaden investment opportunities and diversification

Key Operational Metrics

29	13 yrs.	73%	$99.2M	7 bps
# of Team Members	Average Tenure of Team Members	Actively Managed	Fiscal Year Mgt Fees[1]	FY Total Program Fees Paid [2]

Expense Type	FY 2025-26			FY 2024-25		
	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[2] (BPS)	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[2] (BPS)
Internal Management	$ 143,724	$ 15.6	1	$ 120,522	$ 13.4	1
External Management[1]	$ 41,706	$ 99.2	24	$ 34,755	$ 62.4	18
Consultants Expense	N/A	$ .0	0	N/A	$ .0	0
Technology & Operating Expense	N/A	$ 12.5	1	N/A	$ 11.9	1
Total Program	$ 185,430	$ 127.2	7	$ 155,277	$ 87.7	6

Exhibit 8.6

Executing Our Strategic Initiatives

Key focus areas for the coming year include:

- Align team structure and capabilities with evolving investment priorities
- Evolve existing strategies and portfolio design to build active risk capacity
- Deepen collaboration with Private Markets on credit opportunities
- Enhance analytics and reporting integration through data and technology modernization
- Integrate sustainable investment priorities into portfolio implementation

[1] *External Management includes base and performance fees*

[2] *Management Fee basis points calculated on Int/Ext Avg AUM. Consultants and Technology & Operating Expense basis points calculated on Total Program Avg AUM*

Section VIII. Program Overviews

As of June 30, 2026

Private Equity Investment Highlights

Understanding Our Returns: Key Drivers

Prioritizing manager selection and scaling co-investments to enhance net returns through cost-effective implementation

- Launched in 2022, the current PE model has emphasized stopping procyclicality; diversifying the portfolio toward Middle Market Buyout, Growth, and Venture; integrating sustainability and emerging managers into underwriting; and improving manager and co-investment deal selection
- In FY 25-26, the current PE strategy delivered a 28.7% time-weight return, outperforming the prior PE strategy (3.3%), Cap-Weighted Public Equity (25.8%), the State Street Private Equity Index (11.0%), and InvMetrics Mean Public Defined Benefit PE (8.8%)

Key Performance and Risk Metrics

$123.6B	13.1%	11.9%	$32.1B	23.5%
Ending Asset Value	10-Yr Annualized Total Return	5-Yr Annualized Total Return	Contractual Unfunded Commitments	Forecasted Volatility [1]

Distribution of Assets ($B)

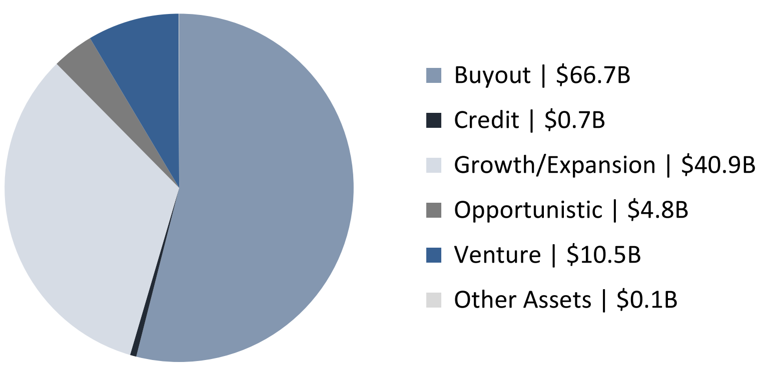


Exhibit 8.7

Strategy 5-Year Performance

	Total Return	Private Equity Benchmark Return	Excess Return (basis points)	Value Added ($M)
Buyout	10.3%	11.1%	(87)	(10,451.3)
Credit	5.3%	11.1%	(586)	(238.6)
Growth/Expansion	14.2%	11.1%	308	5,875.0
Opportunistic	10.5%	11.1%	(63)	(485.2)
Venture	11.3%	11.1%	19	600.2

Exhibit 8.8

Private asset performance reflects prior quarter financial reporting received through 6/30/2026.
[1]Forecasted Volatility is based on CalPERS Risk Model

Section VIII. Program Overviews

Private Equity Operational Highlights

Expanding investment Opportunities and Industry Engagement

- Funded $2 billion of PE co-investments supporting Climate solutions while continuing to source new opportunities
- Continued focus on emerging and diverse managers to help drive better performance; For the 1-year period as of March 31,2026, two of the Top 10 performing managers are emerging, and seven are diverse
- Expanded industry participation in the ESG Data Convergence Initiative, co-founded by CalPERS; participating CalPERS' GPs doubled from 20 to 40, engagement rate increased from 49% to 65%, and proportion of NAV with participating GPs increased from 50% to 75%

Key Operational Metrics

34	134	417[1]	6,288	111 bps
# of Team Members	# of Managers	# of Funds	# of Portfolio Companies	FY Total Program Fees Paid [3]

Expense Type	FY 2025-26			FY 2024-25		
	Avg AUM ($M)	Fees & Profit Sharing Paid ($M)	Fees & Profit Sharing Paid[3] (BPS)	Avg AUM ($M)	Fees & Profit Sharing Paid ($M)	Fees & Profit Sharing Paid[3] (BPS)
Internal Management	$ 0	$ 12.4	1	$ 0	$ 10.1	1
External Management[2]	$ 110,085	$ 1198.3	109	$ 88,669	$ 1143.0	129
Consultants Expense	N/A	$ 1.7	0	N/A	$ 1.0	0
Technology & Operating Expense	N/A	$ 12.2	1	N/A	$ 10.2	1
Total Program	$ 110,085	$ 1224.6	111	$ 88,669	$ 1164.3	131

Exhibit 8.9

Executing Our Strategic Initiatives

Current PE Strategy Key Initiatives include:

- Asset allocation and vintage year diversification
- Empowering the team and focused resources on manager selection
- Expanded sustainability integration and emerging manager investments
- Diversified portfolio beyond Large Buyout and toward Middle Market, Venture, and Growth
- Use of bespoke vehicles and co-investments to reduce costs and accelerate performance impact
- Improved manager selection and co-investment deal selection

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[1] Including Funds, Fund-of-Funds, and Customized Investment Accounts / Separately Managed Accounts as of March 31, 2026, due to Quarter-lag reporting
[2] Includes management base fees inclusive of offsets and waivers and profit sharing paid
[3] All basis points fees paid figures are calculated on Total Program Avg AUM

Section VIII. Program Overviews

Real Assets Investment Highlights

Understanding Our Returns: Key Drivers

Delivering strong benchmark-relative performance

- Infrastructure returned +9.4% and outperformed its benchmark by +627 basis points, with strong outperformance over five- and 10-year periods
- Real Estate returned +5.1%, outperforming its benchmark by +194 basis points and generating approximately $1 billion in value added
- Real Estate performance shows positive momentum, with property fundamentals in equilibrium and valuations rebounding

Key Performance and Risk Metrics

$79.9B	4.6%	$4.7B	$8.6B	13.4%
Ending Asset Value	10-Yr Annualized Total Return	5-Yr Cumulative Value Added	Contractual Unfunded Commitments	Forecasted Volatility[1]

Distribution of Assets($B)

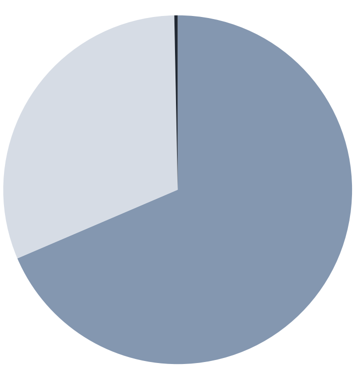

Exhibit 8.10

Strategy 5-Year Performance

	Total Return	Benchmark Return	Excess Return (basis points)	Value Added ($M)
Real Estate	2.6%	2.4%	26	(605.1)
Infrastructure	8.4%	2.4%	609	5,377.5
Forestland	3.7%	2.4%	139	(49.0)

Exhibit 8.11

Private asset performance reflects prior quarter financial reporting received through 6/30/2026.
[1]*Forecasted Volatility is based on CalPERS Risk Model*

Section VIII. Program Overviews

Real Assets Operational Highlights

Enhancing analytics and modernizing operations

- Expanded research analytics to include Non-Core coverage
- Collaborated with Total Fund to advance modernization of Data and Technology Initiative
- Deployed to several Climate Solutions opportunities representing an increase in NAV of $2.6 billion in 2025

Key Operational Metrics

39	93[1]	90% [2]	62 bps
# of Team Members	# of Partnerships	Into GRESB Assessment	FY Total Program Fees Paid [4]

Expense Type	FY 2025-26			FY 2024-25		
	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[4] (BPS)	Avg AUM ($M)	Fees Paid ($M)	Fees Paid[4] (BPS)
Internal Management	$ 0	$ 15.1	2	$ 0	$ 12.9	2
External Management[3]	$ 75,552	$ 435.5	58	$ 68,860	$ 426.2	62
Consultants Expense	N/A	$ 2.3	0	N/A	$ 2.5	0
Technology & Operating Expense	N/A	$ 15.2	2	N/A	$ 14.5	2
Total Program	**$ 75,552**	**$ 468.1**	**62**	**$ 68,860**	**$ 456.2**	**66**

Exhibit 8.12

Executing Our Strategic Initiatives

The Real Assets team continues to make progress on its strategic initiatives, including:

- Facilitate TPA implementation and promote Total Fund collaboration
- Emphasize deployment in Non-Core investments; Optimize Core portfolio
- Accelerated deployment in co-investment vehicles to capture further fee efficiencies
- Support Data & technology Modernization initiative to achieve operational readiness

[1] *As of March 31, 2026, due to Quarter-lag reporting*
[2] *% of the portfolio submitted into GRESB Assessment in 2025*
[3] *External Management includes base and performance fees*
[4] *All basis points fees paid figures are calculated on Total Program Avg AUM*

Section VIII. Program Overviews

Private Debt Investment Highlights

Understanding Our Returns: Key Drivers

Continued program growth and diversification

- Private Debt continued to deliver strong performance, returning +11.0% for the 1-Yr period, outperforming its benchmark by +379 basis points, and +13.6% annualized over the trailing 3-Yr period, outperforming by +388 basis points
- Private Debt continues to diversify across managers and attractive risk-adjusted opportunities, while increasing co-investments to help drive performance, shape portfolio exposures and reduce overall investment costs

Key Performance and Risk Metrics

$27.5B	11.1%	$2.2B	$28.0B	7.2%
Ending Asset Value	5-Yr Total Return[1]	5-Yr Cumulative Value Added[1]	Contractual Unfunded Commitments	Forecasted Volatility[2]

Distribution of Assets ($B)

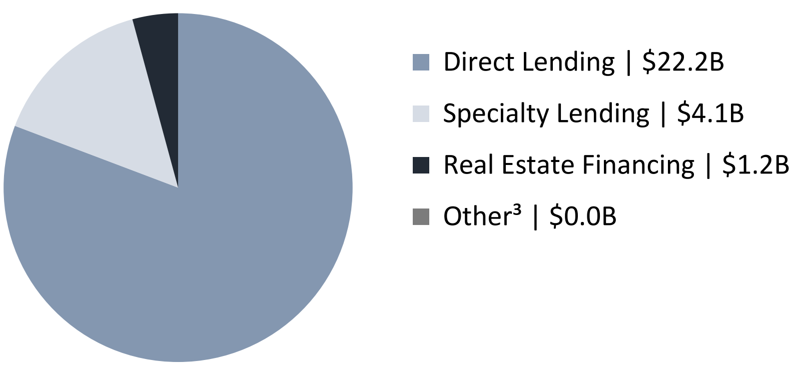

Exhibit 8.13

Strategy 5-Year Performance

	Total Return[1]	Private Debt Benchmark Return	Excess Return (basis points)	Value Added ($M)
Direct Lending	11.5%	7.9%	355	1,992.6
Specialty Lending	9.5%	7.9%	154	66.3
Real Estate Financing	10.4%	7.9%	250	100.0

Exhibit 8.14

Private asset performance reflects prior quarter financial reporting received through 6/30/2026.
[1] Performance includes periods prior to 7/1/2022 when Private Debt was part of Opportunistic Strategies
[2] Forecasted Volatility is based on CalPERS Risk Model
[3] Other includes accounting payables and receivables and cash

Section VIII. Program Overviews

Private Debt Operational Highlights

Scaling the portfolio and strengthening investment expertise

- Continued to scale the Private Debt portfolio, reaching approximately $63 billion in commitments and $25 billion deployed since inception
- Strengthened Private Debt investment governance and expertise by expanding the Investment Review Committee to include colleagues from other asset classes

Key Operational Metrics

12	4.3%	12 [1]	81	62 bps
# of Team Members	Current Allocation	# of External Managers	# of Funds	FY Total Program Fees Paid [3]

Expense Type	FY 2025-26			FY 2024-25		
	Avg AUM ($M)	Fees & Profit Sharing Paid ($M)	Fees & Profit Sharing Paid[3] (BPS)	Avg AUM ($M)	Fees & Profit Sharing Paid ($M)	Fees & Profit Sharing Paid[3] (BPS)
Internal Management	$ 13,203	$ 4.9	4	$ 11,413	$ 4.4	4
External Management[1,2]	$ 23,836	$ 219.9	92	$ 18,231	$ 163.8	90
Consultants Expense	N/A	$ .1	0	N/A	$ .1	0
Technology & Operating Expense	N/A	$ 2.9	1	N/A	$ 2.1	1
Total Program	$ 37,039	$ 227.9	62	$ 29,644	$ 170.3	57

Exhibit 8.15

Executing Our Strategic Initiatives

As the Private Debt team continues to expand its capabilities, strategic focus includes:

- Expand cross-team collaboration regarding existing and new investments, and ways of working in alignment with TPA
- Enhance the efficiency of the underwriting process
- Expand co-investment opportunities
- Diversify across private debt strategies

[1] *As of March 31, 2026, due to Quarter-lag reporting*
[2] *External Management includes base and performance fees*
[3] *Management Fee basis points calculated on Int/Ext Avg AUM. Consultants and Technology & Operating Expense basis points calculated on Total Program Avg AUM*

Section VIII. Program Overviews

Low Liquidity Enhanced Returns Highlights

Understanding Our Returns: Key Drivers

Utilizing excess liquidity to generate strong absolute and excess returns

- The Low Liquidity Enhanced Return (LLER) Portfolio utilizes excess liquidity to generate excess returns
- Delivered a +12.4% fiscal-year return, outperforming the relative benchmark by +138 basis points
- Generated approximately $245 million value add for the fiscal-year and $0.9 billion for the 5-Yr

Key Performance and Risk Metrics

$14.1B	4.1%	$0.9B	2.5%
Ending Asset Value	10-Yr Total Return	5-Yr Cumulative Value Added	Forecasted Volatility[1]

Strategy 5-Year Performance

	Total Return	Benchmark Return	Excess Return (basis points)	Value Added ($M)
Low Liquidity Enhanced Returns	5.1%	3.7%	140	893.6

Exhibit 8.16

[1] *Forecasted Volatility & Active Risk are based on CalPERS Risk Model.*

Section VIII. Program Overviews

Sustainable Investments

Leading the charge in sustainable investing

Sustainable Investments Team

CalPERS Sustainable Investments team is comprised of functional areas including SI Private Markets, SI Public Markets, and SI Policy and Partnerships. The SI team is focused on five Sustainable Investments objectives and provides its annual program review with the progress on its objectives each November.

Climate Investments with the Asset Class

CalPERS is targeting investment of $100 billion in climate solutions by the end of 2030. CalPERS climate solutions investments have continued to increase to nearly $60 billion when last reported to the CalPERS Board of Administration in November 2025. An updated number will be reported in November 2026.

Sustainability Integration Implementation

Continued to develop and refine the Sustainability Integration framework for each asset class and started implementation.

CalPERS' Emerging and Diverse Manager Program

Our approach to investing with emerging managers is grounded in research and data. Studies, including CalPERS' own analysis, demonstrate that emerging managers can generate outperformance, particularly in less efficient market segments. We believe emerging managers should be integrated into each asset class as part of the normal course of business.

Partnership Insights Survey

CalPERS partners with Lenox Park Solutions to annually administer the Partnership Insights Survey to all our external managers. This survey provides CalPERS a better understanding of our partners, and their business practices as it relates to human capital management, while generating a Lenox Park Impact (LPI) score for analysis and benchmarking ourselves to peers and the industry broadly. An update on latest Partnership Insights survey will be reported in November 2026.

Labor Principles

The CalPERS Labor Principles reflect our belief that effectively managed human capital drives value creation for investors. When an issue is identified, CalPERS follows our engagement process to address short- and long-term labor risks and opportunities in our portfolio companies. All new allocations to CalPERS external managers continue to have external managers attest to their broad alignment with CalPERS' Labor Principles.

Responsible Contractor

During the 2025-26 fiscal year, CalPERS launched its Responsible Contractor Bidding Opportunities website to provide a centralized and streamlined way for CalPERS Responsible Contractor Policy (RCP) managers to post bidding opportunities. This website allows all interested stakeholders to receive notifications about upcoming bidding opportunities for eligible CalPERS Real Estate and Infrastructure construction and building services projects.

Section VIII. Program Overviews

Total Fund Portfolio Management

Research, Allocation, and Liquidity for Strategic Returns

Key Accomplishments Fiscal Year 2025-26

- Led INVO's participation in the 2026 Asset Liability Management cycle
- Guided the design of key elements of INVO's Total Portfolio Approach (TPA) framework and collaborated to support TPA transition planning and implementation
- Established and executed new Investment Strategy Analysis (ISA) framework across all major Strategies in the portfolio, in collaboration with asset class teams
- Expanded balance sheet strategies and liquidity management, boosting P/L and cost savings from additional financing and reinvestment channels
- Led research and development of Diversifying Multi-Strategies to improve portfolio resiliency

Areas of Responsibility

Function	Description
Asset Liability Management	Support the Asset Liability Management processes for PERF and Affiliates, including research, portfolio modeling, and option generation to inform Board selection of Reference Portfolio mix or Strategic Asset Allocation
Total Portfolio Construction	Support Investment Office portfolio allocation decision making under Total Portfolio Approach. Conduct research and establish expectations on strategy-level risk and return characteristics; model portfolio risk and liquidity characteristics; recommend funding mixes; establish strategy cost of capital; support committee discussion on total portfolio allocation
Strategy Development & Research	Research and propose new cross-asset strategies to enhance the portfolio's active risk characteristics, improving both return potential and overall risk profile
Economics	Provide macro-economic and scenario analysis and commentary to support portfolio allocation decision making, Investment Committee, CIO, and Program areas
Liquidity and Financing	Manage PERF liquidity posture through the integration of holistic liquidity management and financing functions
Allocation Implementation	Manage daily exposure of PERF allocation toward strategic and tactical targets including cashflows and completion activities

Section IX. Operational Highlights

As of June 30, 2026

Investment Office Metrics

10	339	29.7 bps	13 bps
# of Trusts Managed	# of Team Members	FY Total PERF Costs	5-Yr CEM Cost Savings

Investment Controls & Operational Risk

- Designed and implemented new investment policy and structure to align with Total Portfolio Approach (TPA)
- Led Investment Office coordination of legislative analysis, including development of Board items, and stakeholder outreach and advocacy
- Developed and piloted the first screen template for investments reviewed by the Investment Underwriting Committee

Investment Operations

- Enabled the transition to TPA, establishing the operational infrastructure needed to support the new investment framework
- Executed significant trading and funding activity, including more than 330,000 trades during the fiscal year
- Advanced data and technology modernization, strengthening investment data, systems, connectivity, and operational capabilities

Investment Relations

- Advanced TPA adoption and implementation through comprehensive Board and employee education, engagement, communications, and change management efforts
- Expanded stakeholder engagement and strategic partnerships, supporting international delegations, industry events, webinars, and other external engagement opportunities
- Strengthened Investment Office communications and collaboration, expanding digital resources and coordinating enterprise-wide communications and strategic initiatives

Investment Talent & Culture

- Improved INVO’s vacancy rate from 14% to 11%, the lowest vacancy rate since pre-COVID, in collaboration with the Human Resources Division and Financial Offices
- Completed a talent retention and development pilot, resulting in 11 promotional appointments across Investment Office programs

Investment Technology & Performance

- Led the Investment Data & Technology Modernization Initiative from planning to implementation readiness, establishing the governance, funding, and capabilities to reduce operational risk, improve efficiency, and support future portfolio innovation
- Built organizational and leadership capacity across ITP by developing leaders, expanding ownership, strengthening the operating model, and increasing execution capacity across strategic priorities
- Advanced the practical use of AI across the Investment Office, supporting new tools and opportunities to strengthen learning, innovation, and business capabilities

Section IX. Operational Highlights

PERF Investment Expenses

Fiscal Years 2021-22 thru 2025-26

Managing costs to promote long-term sustainability

- From fiscal year 2021-22 to 2025-26, externally managed AUM increased from 21% to 50% of total investments, driven by higher allocations to private assets and external active managers. As a result, external management fee basis points increased from 21.1 bps to 25.3 bps. Although fees for private assets and active management are generally higher than management fees for public assets and passive management, they have historically generated greater alpha.
- While external management fees have increased over the past five years, Controllable Investment Admin & Operating Cost costs have remained relatively flat, with a slight increase in fiscal year 2025-26 due to Data & Technology Modernization Initiative system implementation costs. Even so, CalPERS remains cost effective relative to our latest CEM Benchmark Cost measure.

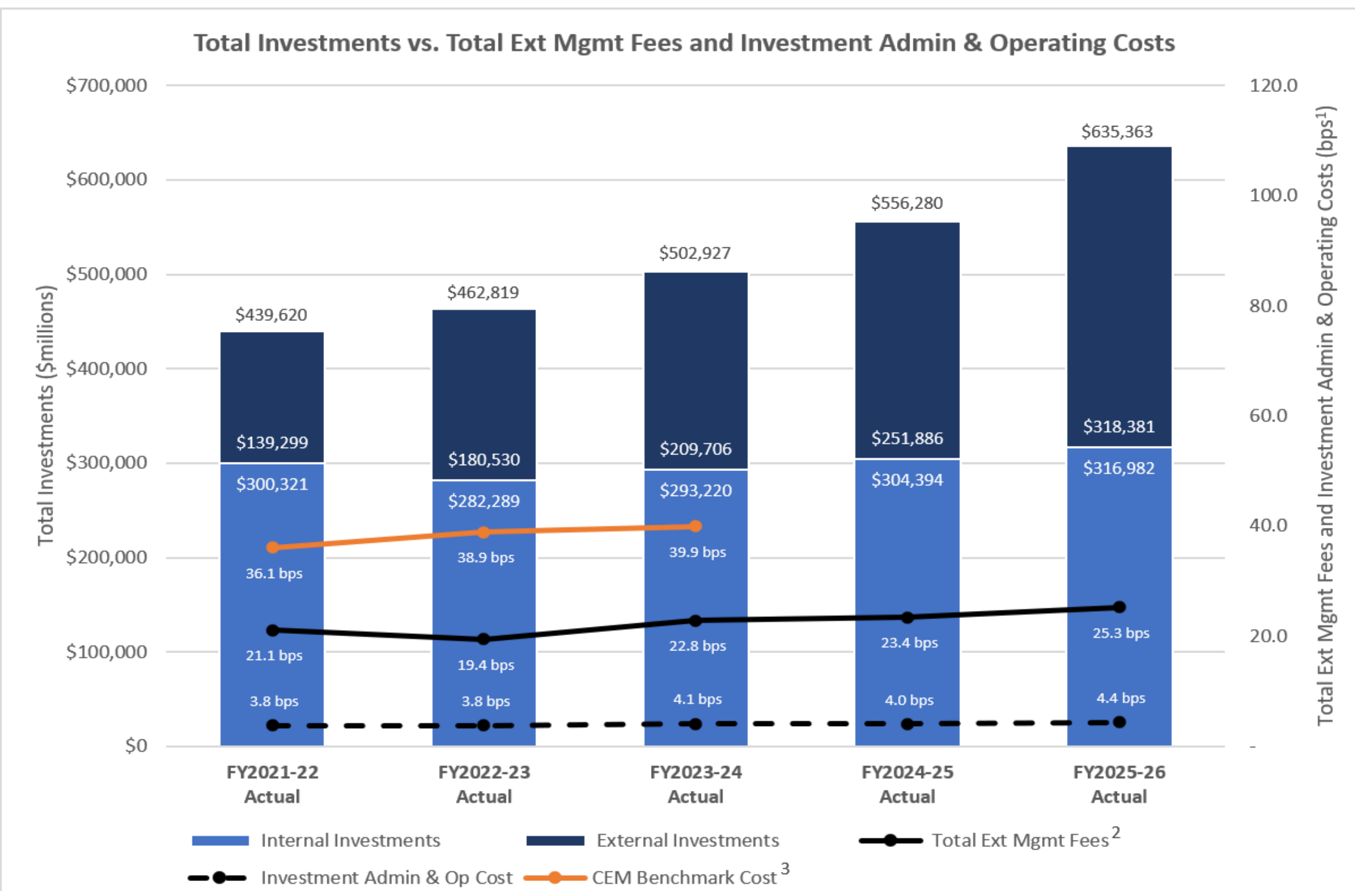

Exhibit 9.1

[1] Basis points calc based on total AUM and expense type
[2] PE profit sharing paid included in unrealized gain/loss general ledger. Dollars paid included in Investment Section of Annual Consolidated Financial Report
[3] CEM Benchmark Costs are through the current CEM report. Incomplete data due to lag in CEM reporting.

Appendix 1: PERF Benchmarks

For the fiscal year ending June 30, 2026, the below benchmarks were in effect under Strategic Asset Allocation.

Asset Class	Policy Benchmarks
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), Quarter Lag
Private Debt	Morningstar LSTA U.S. Leveraged Loan 100 Index +125 basis points, Quarter Lag
Strategic Leverage	ICE BofA US 3-Month Treasury Bill Index +50 basis points

As of July 1, 2026, under the Total Portfolio Approach the PERF Reference Portfolio and component benchmarks are in effect.

Reference Portfolio Weights and Benchmarks

Asset Class	Asset Segment	Weight	Benchmark
Public Equity	Cap Weighted	75%	Custom FTSE All World, All Cap Equity
Fixed Income	Treasuries	25%	Bloomberg US Treasury Index

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

Asset Class	Policy Benchmark
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

Asset Class	Policy Benchmark
Cash Equivalents	ICE BofA US 3-Month Treasury Bill Index

Judges' Retirement System II Fund

Asset Class	Policy Benchmark
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

Asset Class	Policy Benchmark
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 Fund[3]

Asset Class	Policy Benchmark
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

Asset Class	Policy Benchmark
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.

Asset Class	Policy Benchmark
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: • Dow Jones U.S. Select REIT Index • Bloomberg Roll Enhanced Roll Yield Commodity Total Return Index[5] • 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

Asset Class	Policy Benchmark
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)

[4] *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.*

[5] *Effective as of March 31, 2025.*

Appendix 3: Definitions

Term	Definition
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” can also be viewed as a sign of investor sentiment about the economy. A rising 10-yr yield indicates falling demand for Treasury bonds, which means investors prefer higher-risk, higher-reward investments. A falling yield suggests the opposite.
Active Leverage	The portion of Total Fund leverage that is controlled by staff and used to fund exposures incremental to the Strategic Asset Allocation.
Active Risk	Measurement of the deviation from the Reference Portfolio.
Alpha	The measure of the return of an investment relative to an appropriate benchmark.
Annual percent change (apc)	The change in a variable between one apoint in time compared with the same point in time a year. This compares to annual average percent change (apc), which compares an entire year and the prior entire year.
Balance Sheet	Core financial statement of assets, liabilities, and equity.
Basis Point (bps)	1 basis point is 1/100 of a percent or 0.01%
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.
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 sync 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%.
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.
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.

Term	Definition
Consumer Price 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.
Core Portfolio	Real Assets risk classification of investments producing a stable and predictable income after debt service. Generally, high-quality essential assets with strong competitive positions and downside protections with low risk-return profiles.
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.
Emerging Markets (EM)	Developing country's market that is transitioning to becoming a developed nation. Typically has rapid GDP growth and increasing industrialization but lacks the financial maturity, stability, or regulatory standards of advanced economies.
Equity Equivalent Exposure (EEE)	Measures the sensitivity to growth risk.
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.

Term	Definition
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 contacts. 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 (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.
Liquidity Coverage Ratio (LCR)	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.
Low Liquidity Enhanced Return (LLER)	A CalPERS investment strategy that seeks to generate modest incremental return by taking advantage of incremental plan liquidity. The strategy primarily invests in securities that generate incremental yield minimal to no default risk when held to maturity.
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 Treasury and Mortgage securities and to post/receive collateral in return (also known as Repo and Reverse Repo).

Term	Definition
Master Securities Forward Transaction Agreement (MSFTA)	The bilateral agreement that CalPERS uses to enter into forward purchase or sale of mortgage bonds and "TBA" instruments.
Mortgage-Backed Securities (MBS)	Investment instrument where banks bundle many individual home loans together into one large group, then sell shares of the bundle to investors, who receive a commensurate share of the homeowner mortgage payments.
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 • 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.
Non-Core Portfolio	Real Assets risk classification that includes both Value Add and Opportunistic. Value Add investments produce predictable net income after debt service over a one-to-three-year period, have greater risk exposure than Core, have moderate risk-return profiles, and may carry greater leverage than Core. Opportunistic investments, generally, are higher risk assets expected to produce substantial capital appreciation and higher total returns with little to no income in the short-term and may have high leverage. All development, land, and frontier markets investments are Opportunistic.
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.
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.

Term	Definition
Portfolio Market Value	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. • 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.
Public Employees' 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.
Real Gross Domestic Product (GDP)	Measures the total economic output of a country over a specified period, 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.
Reference Portfolio (RP)	Hypothetical, low cost, passive benchmark portfolio reflecting a long-term investor's risk appetite.
SLA/Sec Lending	Refers to the Securities Lending Agreement ("SLA") under which CalPERS lends securities and receives either cash or other securities as collateral.
Supplemental Income Plans (SIP)	Refers to the combined program for the Public Employees' Deferred Compensation Fund and the Supplemental Contributions Program.
Supply-Chain	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.

Term	Definition
Total Portfolio Approach (TPA)	Framework where governance, strategy, and decisions are made with the total fund in mind.
Uncertainty	The range of possible values or paths. These are unknown.
Unfunded Commitments	A legally binding commitment to a private asset investment fund/vehicle for which the capital has not yet been drawn.
Value Added	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”.
Volatility	A measure of the distribution of portfolio returns (or a given security). It is typically defined as the statistical standard deviation of returns, annualized.
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.