# BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2026

Prepared by CalPERS' Financial Reporting and Accounting Services division with the joint effort of team members across the organization.

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California Public Employees' Retirement System
A Component Unit of the State of California

# Management's Discussion & Analysis (Unaudited)

## OVERVIEW OF THE FINANCIAL STATEMENTS

This section presents Management's Discussion and Analysis (MD&A) of the California Public Employees' Retirement System's (CalPERS or the System) financial performance for the fiscal year ended June 30, 2026. The MD&A provides a narrative overview and analysis of the System's financial position and results of operations and is intended to complement the Chief Executive Officer's Letter of Transmittal included in the Introductory Section of this Annual Comprehensive Financial Report (ACFR). Readers are encouraged to read this section in conjunction with the Basic Financial Statements and accompanying notes for a comprehensive understanding of the System's financial condition and performance.

The MD&A summarizes information contained in the Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information. Collectively, these sections present a comprehensive picture of the System's financial health as of June 30, 2026. The discussion includes CalPERS' combined net position restricted for pension benefits, other postemployment benefits (OPEB), deferred compensation, and replacement benefits, as well as the unrestricted net position of the proprietary funds administered by CalPERS. It also addresses changes in fiduciary net position restricted for pension, OPEB, and replacement benefits; changes in unrestricted net position; and cash flows for the proprietary funds during the fiscal year.

In addition, the MD&A includes forward-looking statements that reflect known facts and assumptions as of the date of the report. Actual results may differ materially from those expressed or implied as a result of various factors, including changes in interest rates, securities markets, general economic conditions, legislative developments, and other external influences. The MD&A also includes disclosures regarding the net pension liabilities of the single-employer and cost-sharing multiple-employer defined benefit pension plans. This analysis is intended to assist stakeholders in understanding the System's financial results, significant changes, and overall fiscal condition.

### BASIC FINANCIAL STATEMENTS

As of June 30, 2026, the funds administered by CalPERS are reported in two categories: fiduciary funds and proprietary funds. These fund categories reflect CalPERS' dual role as both a trustee and administrator of financial resources. Financial reporting is presented with oversight of financial positions for both categories, except for the Old Age and Survivors' Insurance Revolving Fund (OASI). Fiduciary funds primarily reflect CalPERS' responsibility for the payment of benefits, while proprietary funds primarily reflect the provision of services.

**Fiduciary Funds**

Fiduciary funds are used to account for resources held in trust for the benefit of CalPERS participants and other beneficiaries. These funds include:

- Public Employees' Retirement Fund (PERF): Reported as PERF A, PERF B, and PERF C for financial reporting purposes.
- Legislators' Retirement Fund (LRF)
- Judges' Retirement Fund (JRF)
- Judges' Retirement Fund II (JRF II)
- Public Employees' Deferred Compensation Fund (DCF)
- Supplemental Contributions Program Fund (SCPF)
- California Employers' Pension Prefunding Trust Fund (CEPPTF)
- California Employers' Retiree Benefit Trust Fund (CERBTF)
- Old Age and Survivors' Insurance Revolving Fund (OASI)
- Replacement Benefit Fund (RBF)

A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary funds for the fiscal year ended June 30, 2026, alongside comparative total information for the fiscal year ended June 30, 2025. These statements provide a detailed view of the resources available to pay benefits to retirees and other beneficiaries at year-end, as well as the changes in those resources during the fiscal year.

**Proprietary Funds**

Proprietary funds account for CalPERS' business type activities related to the provision of services. These funds include:

- Public Employees' Health Care Fund (HCF)
- Public Employees' Contingency Reserve Fund (CRF)
- Public Employees' Long-Term Care Fund (LTCF)

For proprietary funds, the financial statements include a Statement of Fund Net Position, the Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for the fiscal year ended June 30, 2026, with comparative totals for the fiscal year ended June 30, 2025. These statements provide information regarding fund net position, changes in fund net position, and cash flows associated with CalPERS business-type activities.

This structure promotes transparency and accountability in financial reporting and provides stakeholders with a clear understanding of the resources managed by CalPERS, the manner in which those resources are allocated, and the financial results of both fiduciary and proprietary activities.

### NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements provide essential supplementary information that supports understanding of the fund financial statements. These notes include detailed explanations of accounting policies, investment practices, actuarial assumptions, and other key elements of CalPERS' financial operations.

## FINANCIAL SUMMARY AND DETAILED ANALYSES

### PUBLIC EMPLOYEES' RETIREMENT FUND (PERF)

The PERF's total net position increased by $87.6 billion, or 15.6 percent, from $563.0 billion as of June 30, 2025, to $650.5 billion as of June 30, 2026. The increase was primarily driven by strong equity markets and exceptional relative performance from our private market investments during the fiscal year.

Total assets increased by $270.8 billion, or 38.8 percent, from $698.8 billion in Fiscal Year 2024-25 to $969.6 billion in Fiscal Year 2025-26. Key drivers of this increase include:

- Investments increased by $128.1 billion, or 20.2 percent, reflecting strong investment performance.
- Receivables increased by $79.8 billion, or 148.9 percent, primarily due to higher outstanding investment sales.
- Capital Assets and Other Assets decreased by $16.6 million, or 8.4 percent, primarily due to depreciation of buildings and equipment.

Total liabilities increased by $183.2 billion, or 134.8 percent, from $135.8 billion as of June 30, 2025, to $319.0 billion as of June 30, 2026. Key contributors include:

- Retirement Benefits, Investment Settlement, and Other Liabilities increased by $154.7 billion, or 142.1 percent, from $108.8 billion to $263.5 billion, primarily due to increases in the volume and timing of outstanding trade settlements.
- Securities Lending Obligations increased by $28.6 billion, or 109.5 percent, from $26.1 billion to $54.7 billion due to an increase in demand to borrow securities at year-end.
- Net Pension and OPEB Liabilities decreased by $139 million, or 15.4 percent, reflecting favorable investment returns and an increase in the blended discount rate used to value future retiree health benefits. The blended discount rate reflects both the expected earnings on assets set aside to pay those benefits and a lower rate for costs not expected to be covered by those assets.

Additions to the PERF's net position primarily consist of member contributions, employer contributions, and net investment income.

- Member Contributions increased by $290.8 million, or 4.3 percent, from $6.8 billion in Fiscal Year 2024-25 to $7.1 billion in Fiscal Year 2025-26. The increase was primarily driven by growth in covered payroll resulting from a 2.2 percent increase in active member count, from 983,262 as of June 30, 2025, to 1,004,620 as of June 30, 2026.
- Employer Contributions increased by $3.6 billion, or 15.2 percent, from $23.4 billion in Fiscal Year 2024-25 to $27.0 billion in Fiscal Year 2025-26. The increase was primarily due to employer contribution rates for the State of California in Fiscal Year 2025-26, combined with an increase in discretionary employer contributions.
- Net Investment Income increased by $29.4 billion, or 47.8 percent, from $61.4 billion in Fiscal Year 2024-25 to $90.7 billion in Fiscal Year 2025-26. PERF's fiscal year excess performance was driven primarily by public equity, private equity, and private debt. The Money-Weighted Rate of Return (MWRR) was 16.1 percent for Fiscal Year 2025-26, compared to 12.1 percent for the prior year.

Deductions from the PERF primarily consist of benefit payments, refunds of contributions, and administrative expenses.

- Benefit Payments increased by $1.9 billion, or 5.6 percent, from $34.6 billion in Fiscal Year 2024-25 to $36.5 billion in Fiscal Year 2025-26. The increase was primarily due to cost-of-living adjustments and growth in the number of retirees and beneficiaries. The number of retirees and beneficiaries increased by 2.9 percent, from 825,399 as of June 30, 2025 to 849,153 as of June 30, 2026.
- Refunds of Contributions increased by $52.6 million, or 13.4 percent, from $393.1 million in Fiscal Year 2024-25 to $445.7 million in Fiscal Year 2025-26.
- Administrative Expenses increased by $25.7 million, or 7.1 percent, from $363.7 million in Fiscal Year 2024-25 to $389.4 million in Fiscal Year 2025-26. The increase was primarily due to higher depreciation expense related to capitalized building costs and an increase in CalPERS' employer contribution rates.

The PERF recorded a significant increase in net position during Fiscal Year 2025-26, driven primarily by increased net investment income and supported by the Fund's diversified investment portfolio. Strong performance across key asset classes, including outperformance by public equities and several private market programs relative to their policy

## Management's Discussion & Analysis (Unaudited) (continued)

benchmarks, contributed to the Fund's results. Although liabilities increased during the fiscal year, the PERF's net position rose substantially, reflecting the Fund's continued ability to meet its long-term obligations to members and beneficiaries.

### Fiduciary Net Position – PERF (Dollars in Thousands)

| | PERF A | PERF B | PERF C | | | |
|---|---|---|---|---|---|---|
| | Agent | Cost-Sharing Schools | Cost-Sharing Public Agencies | 2026 PERF Total | 2025 PERF Total | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Cash & Cash Equivalents | $13,064,073 | $3,420,429 | $1,534,009 | $18,018,511 | $1,523,889 | $16,494,622 |
| Receivables | 96,562,530 | 25,589,504 | 11,260,141 | 133,412,175 | 53,609,237 | 79,802,938 |
| Investments | 553,181,780 | 144,482,666 | 65,017,483 | 762,681,929 | 634,609,436 | 128,072,493 |
| Securities Lending Collateral | 40,075,695 | 10,492,599 | 4,705,769 | 55,274,063 | 8,824,622 | 46,449,441 |
| Capital Assets, Net & Other Assets | 130,758 | 34,235 | 15,354 | 180,347 | 196,956 | (16,609) |
| **Total Assets** | **$703,014,836** | **$184,019,433** | **$82,532,756** | **$969,567,025** | **$698,764,140** | **$270,802,885** |
| Deferred Outflows of Resources | $111,041 | $29,073 | $13,039 | $153,153 | $174,929 | ($21,776) |
| **Total Assets and Deferred Outflows of Resources** | **$703,125,877** | **$184,048,506** | **$82,545,795** | **$969,720,178** | **$698,939,069** | **$270,781,109** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Retirement Benefits, Investment Settlement & Other | $191,099,258 | $49,989,949 | $22,422,594 | $263,511,801 | $108,826,503 | $154,685,298 |
| Net Pension & OPEB Liabilities | 553,807 | 144,997 | 65,029 | 763,833 | 903,071 | (139,238) |
| Securities Lending Obligations | 39,672,194 | 10,386,954 | 4,658,389 | 54,717,537 | 26,113,443 | 28,604,094 |
| **Total Liabilities** | **$231,325,259** | **$60,521,900** | **$27,146,012** | **$318,993,171** | **$135,843,017** | **$183,150,154** |
| Deferred Inflows of Resources | $142,511 | $37,312 | $16,734 | $196,557 | $120,251 | $76,306 |
| **Total Liabilities and Deferred Inflows of Resources** | **$231,467,770** | **$60,559,212** | **$27,162,746** | **$319,189,728** | **$135,963,268** | **$183,226,460** |
| **TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS** | **$471,658,107** | **$123,489,294** | **$55,383,049** | **$650,530,450** | **$562,975,801** | **$87,554,649** |

### Changes in Fiduciary Net Position – PERF (Dollars in Thousands)

| | PERF A | PERF B | PERF C | | | |
|---|---|---|---|---|---|---|
| | Agent | Cost-Sharing Schools | Cost-Sharing Public Agencies | 2026 PERF Total | 2025 PERF Total | Increase/ (Decrease) |
| **ADDITIONS** | | | | | | |
| Member Contributions | $4,770,463 | $1,719,278 | $602,627 | $7,092,368 | $6,801,588 | $290,780 |
| Employer Contributions | 18,931,710 | 6,000,349 | 2,050,022 | 26,982,081 | 23,421,228 | 3,560,853 |
| Net Investment Income (Loss) | 65,952,576 | 17,010,234 | 7,780,680 | 90,743,490 | 61,393,419 | 29,350,071 |
| Securities Lending & Other Income | 79,396 | 20,788 | 9,321 | 109,505 | 95,508 | 13,997 |
| Plan-to-Plan Resource Movement | 617 | — | — | 617 | 968 | (351) |
| **Total Additions** | **$89,734,762** | **$24,750,649** | **$10,442,650** | **$124,928,061** | **$91,712,711** | **$33,215,350** |
| **DEDUCTIONS** | | | | | | |
| Retirement, Death & Survivor Benefits | $26,961,292 | $6,588,760 | $2,987,636 | $36,537,688 | $34,602,108 | $1,935,580 |
| Refund of Contributions | 257,357 | 151,002 | 37,389 | 445,748 | 393,145 | 52,603 |
| Administrative Expenses | 282,373 | 73,861 | 33,125 | 389,359 | 363,655 | 25,704 |
| Plan-to-Plan Resource Movement | — | 189 | 428 | 617 | 968 | (351) |
| **Total Deductions** | **$27,501,022** | **$6,813,812** | **$3,058,578** | **$37,373,412** | **$35,359,876** | **$2,013,536** |
| **INCREASE IN NET POSITION** | **$62,233,740** | **$17,936,837** | **$7,384,072** | **$87,554,649** | **$56,352,835** | **$31,201,814** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$409,424,367** | **$105,552,457** | **$47,998,977** | **$562,975,801** | **$506,622,966** | **$56,352,835** |
| **End of Year** | **$471,658,107** | **$123,489,294** | **$55,383,049** | **$650,530,450** | **$562,975,801** | **$87,554,649** |

## LEGISLATORS' RETIREMENT FUND (LRF)

In Fiscal Year 2025-26, the LRF's net position decreased by $0.5 million, or 0.6 percent, from $91.0 million as of June 30, 2025, to $90.4 million as of June 30, 2026. The decrease was primarily attributable to a $1.0 million, or 1.2 percent, reduction in investment assets as investments were used to fund benefit payments. While the Fund is currently closed to new members, the State must continue to pay actuarially determined contributions until all benefit obligations are fully met.

Total liabilities decreased by $200 thousand, or 8.6 percent, primarily due to a $191 thousand decrease in the Net Pension and OPEB Liabilities, reflecting more favorable investment performance and an increase in the blended discount rate.

Additions to the LRF totaled $7.2 million in Fiscal Year 2025-26, including net investment income of $6.7 million. Net investment income increased by 4.4 percent, from $6.5 million in the prior year, reflecting stronger investment returns. The LRF achieved a 7.5 percent MWRR in Fiscal Year 2025-26, compared with a 7.1 percent return in Fiscal Year 2024-25.

Deductions from the LRF, which consist primarily of benefit payments and administrative expenses, decreased by $273 thousand, or 3.4 percent, primarily due to lower benefit payments and reduced administrative expenses. As a closed fund, the LRF relies on investment earnings and contributions to meet its obligations to members and beneficiaries.

Overall, the LRF's net position decreased slightly during Fiscal Year 2025-26, as investment assets were used to fund benefit payments during the year, offset by stronger investment returns and lower deductions to support its ongoing obligations to members and beneficiaries.

## JUDGES' RETIREMENT FUND (JRF)

In Fiscal Year 2025-26, the JRF's net position decreased by $17.6 million, or 27.5 percent, from $64.0 million as of June 30, 2025, to $46.4 million as of June 30, 2026. The decrease was primarily attributable to a $17.6 million, or 26.2 percent, reduction in investment assets, resulting from benefit payments exceeding contributions received during the fiscal year. As a closed fund, the JRF relies on existing contributions and investment income to fund ongoing benefit obligations.

Total liabilities decreased by $770 thousand, or 9.5 percent, primarily due to a $615 thousand decrease in the Net Pension and OPEB Liabilities, reflecting an increase in investment performance for Fiscal Year 2024-25 and an increase in the blended discount rate.

Additions to the JRF consist of employer contributions, member contributions, and contributions from the State of California General Fund. Total additions decreased by $36.7 million, or 16.2 percent, in Fiscal Year 2025-26, primarily due to lower contributions from the State of California General Fund as a result of continued decline in the number of contributing members. Net Investment Income also decreased, reflecting lower investment returns. The JRF achieved a MWRR of 4.9 percent in Fiscal Year 2025-26, compared with 5.9 percent in Fiscal Year 2024-25.

Deductions from the JRF consist primarily of retirement, death, and survivor benefit payments, as well as administrative expenses. Retirement, Death & Survivor Benefit payments decreased by $6.7 million, or 3.2 percent, reflecting lower benefit payouts compared with the prior year. Administrative Expenses decreased by $0.4 million, or 17.1 percent, primarily due to lower costs associated with the paid absence obligation.

Overall, the JRF's net position decreased in Fiscal Year 2025-26, primarily due to lower investment returns and reduced contributions from the State of California General Fund. As a closed fund, the JRF continues to rely on existing contributions and investment income to support ongoing benefit obligations. Despite the decline in net position, the Fund continued to meet its obligations to retirees and beneficiaries during the fiscal year.

## JUDGES' RETIREMENT FUND II (JRF II)

In Fiscal Year 2025-26, the JRF II's net position increased by $500.0 million, or 16.8 percent, from $3.0 billion as of June 30, 2025, to $3.5 billion as of June 30, 2026. The increase was primarily attributable to favorable market conditions, which contributed to growth in investment assets. Investments increased by $502.0 million, or 16.9 percent, reflecting improved market performance during the fiscal year.

Total liabilities decreased by $0.8 million, or 9.9 percent, primarily due to a $0.8 million decrease in the Net Pension and OPEB Liabilities, reflecting an increase in investment performance for Fiscal Year 2024-25 and an increase in the blended discount rate.

Additions to the JRF II consist of member contributions, employer contributions, and investment income. Member contributions increased by $2.7 million, or 5.8 percent, driven by an increase in the number of active members, from 1,716 as of June 30, 2025, to 1,729 as of June 30, 2026. Employer Contributions decreased by $3.3 million, or 3.2 percent, reflecting lower contributions from participating employers. Net Investment Income increased by $175.4 million, or 57.0 percent, from $307.5 million in Fiscal Year 2024-25 to $482.8 million in Fiscal Year 2025-26. The increase was driven by stronger investment earnings and favorable market conditions. The JRF II achieved a MWRR of 16.2 percent in Fiscal Year 2025-26, compared with 11.6 percent in Fiscal Year 2024-25.

Deductions from the JRF II consist primarily of benefit payments, refunds of contributions, and administrative expenses. Retirement, Death & Survivor Benefit payments increased by $20.9 million, or 19.7 percent, due to an increase in the number of benefit recipients, from 720 in Fiscal Year 2024-25 to 786 in Fiscal Year 2025-26. Refunds of Contributions decreased by $78 thousand, or 13.2 percent, reflecting lower refund activity during the fiscal year. Administrative Expenses decreased by $0.4 million, or 15.2 percent, primarily due to lower costs associated with the paid absence obligation.

Overall, the JRF II experienced significant growth during Fiscal Year 2025-26, driven primarily by favorable investment performance and increased member contributions. These factors contributed to higher investment assets and an improved financial position at year-end.

## Management's Discussion & Analysis (Unaudited) (continued)

### Fiduciary Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

| | LRF | | | JRF | | | JRF II | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | | | | |
| Cash & Cash Equivalents | $1,200 | $1,200 | $0 | $3,154 | $3,367 | ($213) | $1,837 | $1,630 | $207 |
| Receivables | 596 | 103 | 493 | 1,210 | 1,397 | (187) | 11,226 | 13,808 | (2,582) |
| Investments | 90,755 | 91,862 | (1,107) | 49,484 | 67,049 | (17,565) | 3,473,558 | 2,971,516 | 502,042 |
| **Total Assets** | **$92,551** | **$93,165** | **($614)** | **$53,848** | **$71,813** | **($17,965)** | **$3,486,621** | **$2,986,954** | **$499,667** |
| Deferred Outflows of Resources | $221 | $251 | ($30) | $706 | $802 | ($96) | $792 | $922 | ($130) |
| **Total Assets and Deferred Outflows of Resources** | **$92,772** | **$93,416** | **($644)** | **$54,554** | **$72,615** | **($18,061)** | **$3,487,413** | **$2,987,876** | **$499,537** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | | | | |
| Retirement Benefits, Investment Settlement & Other | $914 | $923 | ($9) | $4,101 | $4,256 | ($155) | $3,341 | $3,316 | $25 |
| Net Pension & OPEB Liabilities | 1,220 | 1,411 | (191) | 3,200 | 3,815 | (615) | 3,968 | 4,800 | (832) |
| **Total Liabilities** | **$2,134** | **$2,334** | **($200)** | **$7,301** | **$8,071** | **($770)** | **$7,309** | **$8,116** | **($807)** |
| Deferred Inflows of Resources | $232 | $128 | $104 | $881 | $543 | $338 | $1,086 | $630 | $456 |
| **Total Liabilities and Deferred Inflows of Resources** | **$2,366** | **$2,462** | **($96)** | **$8,182** | **$8,614** | **($432)** | **$8,395** | **$8,746** | **($351)** |
| **TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS** | **$90,406** | **$90,954** | **($548)** | **$46,372** | **$64,001** | **($17,629)** | **$3,479,018** | **$2,979,130** | **$499,888** |

### Changes in Fiduciary Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

| | LRF | | | JRF | | | JRF II | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ADDITIONS** | | | | | | | | | |
| Member Contributions | $0 | $0 | $0 | $1,016 | $1,274 | ($258) | $48,578 | $45,898 | $2,680 |
| Employer Contributions | 493 | 75 | 418 | 182,479 | 218,682 | (36,203) | 98,239 | 101,531 | (3,292) |
| Net Investment Income (Loss) | 6,734 | 6,452 | 282 | 2,889 | 3,576 | (687) | 482,846 | 307,480 | 175,366 |
| Securities Lending & Other Income | — | — | — | 3,592 | 3,136 | 456 | — | — | — |
| **Total Additions** | **$7,227** | **$6,527** | **$700** | **$189,976** | **$226,668** | **($36,692)** | **$629,663** | **$454,909** | **$174,754** |
| **DEDUCTIONS** | | | | | | | | | |
| Retirement, Death & Survivor Benefits | $7,203 | $7,336 | ($133) | $204,978 | $211,739 | ($6,761) | $126,796 | $105,931 | $20,865 |
| Refund of Contributions | — | — | — | 502 | — | 502 | 511 | 589 | (78) |
| Administrative Expenses | 572 | 712 | (140) | 2,125 | 2,562 | (437) | 2,468 | 2,909 | (441) |
| **Total Deductions** | **$7,775** | **$8,048** | **($273)** | **$207,605** | **$214,301** | **($6,696)** | **$129,775** | **$109,429** | **$20,346** |
| **INCREASE (DECREASE) IN NET POSITION** | **($548)** | **($1,521)** | **$973** | **($17,629)** | **$12,367** | **($29,996)** | **$499,888** | **$345,480** | **$154,408** |
| **NET POSITION** | | | | | | | | | |
| **Beginning of Year** | **$90,954** | **$92,475** | **($1,521)** | **$64,001** | **$51,634** | **$12,367** | **$2,979,130** | **$2,633,650** | **$345,480** |
| **End of Year** | **$90,406** | **$90,954** | **($548)** | **$46,372** | **$64,001** | **($17,629)** | **$3,479,018** | **$2,979,130** | **$499,888** |

## PUBLIC EMPLOYEES' DEFERRED COMPENSATION FUND (DCF)

In Fiscal Year 2025-26, the DCF's net position increased by $432.8 million, or 15.2 percent, from $2.9 billion as of June 30, 2025, to $3.3 billion as of June 30, 2026. The increase was primarily attributable to favorable investment performance, which resulted in growth in investment assets. Investments increased by $431.8 million, or 15.2 percent, during the fiscal year. Receivables increased by $0.4 million, or 1.5 percent, reflecting higher outstanding contributions from members and employers at year-end. Total liabilities fell by $1.1 million, or 13.4 percent, primarily due to lower outstanding distributions.

Additions to the DCF consist of member contributions, investment income, and participant fee revenue. Member Contributions increased by $22.7 million, or 12.8 percent, from $177.9 million in Fiscal Year 2024-25 to $200.7 million in Fiscal Year 2025-26, reflecting growth in membership from 37,301 participants to 38,510 participants. Total additions to the Fund increased by $208.0 million, or 40.8 percent, primarily due to higher discretionary member contributions and increased investment income.

Deductions from the DCF consist primarily of participant withdrawals and administrative expenses. Participant Withdrawals increased by $109.0 million, or 64.1 percent, from $170.1 million in Fiscal Year 2024-25 to $279.1 million in Fiscal Year 2025-26, reflecting higher participant activity during the fiscal year. Administrative Expenses increased by $1.6 million, or 33.7 percent, primarily due to higher third-party administrator fees.

Overall, the DCF experienced strong growth in Fiscal Year 2025-26, driven primarily by favorable investment performance and increased member contributions. Although participant withdrawals and administrative expenses increased during the year, the Fund's net position rose substantially, reflecting continued growth in investment assets and the Fund's strong financial position at year-end.

## SUPPLEMENTAL CONTRIBUTIONS PROGRAM FUND (SCPF)

In Fiscal Year 2025-26, the SCPF's net position increased by $10.0 million, or 7.9 percent, from $127.0 million as of June 30, 2025, to $137.0 million as of June 30, 2026. The increase was primarily attributable to favorable investment returns, which contributed to higher asset values. Total assets increased by $10.0 million, or 7.8 percent, reflecting higher investment balances during the fiscal year. Total liabilities decreased by $55 thousand, or 5.8 percent, primarily due to a decrease in the OPEB obligation, reflecting an increase in the blended discount rate.

Additions to the SCPF consist of member contributions, investment income, and participant fee revenue. Net Investment Income increased from $13.0 million in Fiscal Year 2024-25 to $17.4 million in Fiscal Year 2025-26, reflecting favorable market conditions resulting in stronger investment returns. As a result, total additions increased by $4.1 million, or 30.0 percent, primarily due to investment performance.

Deductions from the SCPF consist primarily of participant withdrawals and administrative expenses. Participant withdrawals increased by $0.7 million, or 10.9 percent, from $6.7 million in Fiscal Year 2024-25 to $7.4 million in Fiscal Year 2025-26. Administrative Expenses increased by $33 thousand, or 11.9 percent, primarily due to increased operational costs.

Overall, the SCPF experienced steady growth during Fiscal Year 2025-26, driven primarily by favorable investment returns and increased asset values. Although participant withdrawals and administrative expenses increased during the year, the Fund ended the fiscal year with a higher net position.

## Management's Discussion & Analysis (Unaudited) (continued)

### Fiduciary Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

| | DCF | | | SCPF | | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Cash & Cash Equivalents | $1 | $0 | $1 | $0 | $0 | $0 |
| Receivables | 24,549 | 24,187 | 362 | 454 | 479 | (25) |
| Investments | 3,271,254 | 2,839,423 | 431,831 | 137,431 | 127,423 | 10,008 |
| **Total Assets** | **$3,295,804** | **$2,863,610** | **$432,194** | **$137,885** | **$127,902** | **$9,983** |
| Deferred Outflows of Resources | $628 | $747 | ($119) | $43 | $54 | ($11) |
| **Total Assets and Deferred Outflows of Resources** | **$3,296,432** | **$2,864,357** | **$432,075** | **$137,928** | **$127,956** | **$9,972** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Retirement Benefits, Investment Settlement & Other | $4,190 | $4,558 | ($368) | $618 | $604 | $14 |
| Net Pension & OPEB Liabilities | 3,116 | 3,877 | (761) | 283 | 352 | (69) |
| **Total Liabilities** | **$7,306** | **$8,435** | **($1,129)** | **$901** | **$956** | **($55)** |
| Deferred Inflows of Resources | $887 | $470 | $417 | $61 | $24 | $37 |
| **Total Liabilities and Deferred Inflows of Resources** | **$8,193** | **$8,905** | **($712)** | **$962** | **$980** | **($18)** |
| **TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS** | **$3,288,239** | **$2,855,452** | **$432,787** | **$136,966** | **$126,976** | **$9,990** |

### Changes in Fiduciary Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

| | DCF | | | SCPF | | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ADDITIONS** | | | | | | |
| Member Contributions | $200,654 | $177,942 | $22,712 | $249 | $569 | ($320) |
| Net Investment Income (Loss) | 511,954 | 326,605 | 185,349 | 17,379 | 12,983 | 4,396 |
| Other Income | 5,647 | 5,660 | (13) | 62 | 58 | 4 |
| **Total Additions** | **$718,255** | **$510,207** | **$208,048** | **$17,690** | **$13,610** | **$4,080** |
| **DEDUCTIONS** | | | | | | |
| Administrative Expenses | $6,319 | $4,728 | $1,591 | $310 | $277 | $33 |
| Participant Withdrawals | 279,149 | 170,136 | 109,013 | 7,390 | 6,666 | 724 |
| **Total Deductions** | **$285,468** | **$174,864** | **$110,604** | **$7,700** | **$6,943** | **$757** |
| **INCREASE IN NET POSITION** | **$432,787** | **$335,343** | **$97,444** | **$9,990** | **$6,667** | **$3,323** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$2,855,452** | **$2,520,109** | **$335,343** | **$126,976** | **$120,309** | **$6,667** |
| **End of Year** | **$3,288,239** | **$2,855,452** | **$432,787** | **$136,966** | **$126,976** | **$9,990** |

## Management's Discussion & Analysis (Unaudited) (continued)

### CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND (CEPPTF)

As of June 30, 2026, the CEPPTF's net position was $383.4 million, representing an increase of $70.0 million, or 22.4 percent, from $313.3 million as of June 30, 2025.

Additions to the CEPPTF's net position consist of employer contributions, net investment income, and other income. Employer Contributions totaled $45.4 million in Fiscal Year 2025-26, a decrease of $8.8 million, or 16.2 percent, from $54.2 million in Fiscal Year 2024-25. Contributions are voluntarily determined by each participating employer, as the trust does not require long-term contractual contributions. Net Investment Income increased by $11.3 million, or 42.4 percent, from $26.6 million in Fiscal Year 2024-25 to $37.9 million in Fiscal Year 2025-26, reflecting favorable market conditions. The CEPPTF achieved a MWRR of 11.4 percent for Fiscal Year 2025-26, compared with 9.8 percent in Fiscal Year 2024-25.

Deductions from the CEPPTF consist primarily of employer withdrawals from the trust. In Fiscal Year 2025-26, Employer Withdrawals totaled $13.9 million, compared with $31.1 million in Fiscal Year 2024-25, reflecting lower employer-initiated withdrawal activity during the fiscal year.

Overall, the CEPPTF's financial position improved during Fiscal Year 2025-26, as favorable investment performance resulting in higher net investment income contributed to growth in net position. Although employer contributions declined and withdrawals continued during the year, the Fund ended the fiscal year in a stronger financial position.

Fiduciary Net Position – Pension Prefunding Trust Fund (Dollars in Thousands)

| | CEPPTF | | |
|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Cash & Cash Equivalents | $0 | $0 | $0 |
| Receivables | 18 | 41 | (23) |
| Investments | 395,670 | 313,504 | 82,166 |
| **Total Assets** | **$395,688** | **$313,545** | **$82,143** |
| Deferred Outflows of Resources | ($2) | $11 | ($13) |
| **Total Assets and Deferred Outflows of Resources** | **$395,686** | **$313,556** | **$82,130** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | |
| Investment Settlement & Other | $12,276 | $168 | $12,108 |
| Net Pension & OPEB Obligation | (77) | 4 | (81) |
| **Total Liabilities** | **$12,199** | **$172** | **$12,027** |
| Deferred Inflows of Resources | $100 | $56 | $44 |
| **Total Liabilities and Deferred Inflows of Resources** | **$12,299** | **$228** | **$12,071** |
| **TOTAL NET POSITION RESTRICTED FOR PENSION** | **$383,387** | **$313,328** | **$70,059** |

Changes in Fiduciary Net Position – Pension Prefunding Trust Fund (Dollars in Thousands)

| | CEPPTF | | |
|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) |
| **ADDITIONS** | | | |
| Employer Contributions | $45,427 | $54,238 | ($8,811) |
| Net Investment Income (Loss) | 37,885 | 26,603 | 11,282 |
| Other Income | 811 | 650 | 161 |
| **Total Additions** | **$84,123** | **$81,491** | **$2,632** |
| **DEDUCTIONS** | | | |
| Administrative Expenses | $158 | $190 | ($32) |
| Employer Withdrawals | 13,906 | 31,105 | (17,199) |
| **Total Deductions** | **$14,064** | **$31,295** | **($17,231)** |
| **INCREASE IN NET POSITION** | **$70,059** | **$50,196** | **$19,863** |
| **NET POSITION** | | | |
| **Beginning of Year** | **$313,328** | **$263,132** | **$50,196** |
| **End of Year** | **$383,387** | **$313,328** | **$70,059** |

## CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBTF)

As of June 30, 2026, the CERBTF's net position restricted for OPEB benefits increased by $4.5 billion, or 17.9 percent, to $29.7 billion, primarily due to employer contributions and favorable investment performance during the fiscal year. Receivables decreased by $109.9 million, or 87.2 percent, due to the timing of receivables collected at year-end. Investments at fair value increased by $4.7 billion, or 18.5 percent, reflecting favorable market conditions resulting in improved portfolio performance during Fiscal Year 2025-26. Total liabilities increased by $38.0 million, or 30.5 percent, primarily due to higher pending OPEB reimbursements at year-end. Total Net Pension and OPEB Liabilities decreased by $2.2 million, or 31.3 percent, primarily due to an increase in the blended discount rate.

Additions to the CERBTF's net position consist of employer contributions, net investment income, and participant fee revenue. Employer contributions totaled $5.0 billion in Fiscal Year 2025-26, a decrease of $0.8 billion, or 14.5 percent, compared to $5.8 billion in Fiscal Year 2024-25, reflecting a decrease in discretionary contributions made during the fiscal year, partially offset by an increase in contributions made outside the trust. Additionally, the State of California ceased contributions to the CERBTF in August 2025. Net Investment Income rose by $1.7 billion, or 64.2 percent, increasing from $2.6 billion in Fiscal Year 2024-25 to $4.3 billion in Fiscal Year 2025-26, reflecting favorable market conditions resulting in higher investment returns. The CERBTF achieved a MWRR of 16.8 percent in Fiscal Year 2025-26, compared with 12.0 percent in the prior year.

Deductions from the CERBTF's net position consist primarily of administrative expenses, employer withdrawals, and OPEB reimbursements to employers. Employer Withdrawals increased by $238.0 million, or 512.6 percent, totaling $284.4 million in Fiscal Year 2025-26, compared with $46.4 million in Fiscal Year 2024-25, reflecting an increase in balances transferred out of the plan. OPEB Reimbursements to employers totaled $4.2 billion in Fiscal Year 2025-26, compared with $4.1 billion in Fiscal Year 2024-25, an increase of $66 million, or 1.61 percent. Administrative Expenses decreased by $1.2 million, or 18.0 percent, primarily due to lower paid absence obligation expenses, partially offset by higher pension and OPEB expenses.

Overall, the CERBTF experienced growth during Fiscal Year 2025-26, driven primarily by favorable investment performance. Although employer contributions declined from the prior year, strong investment values contributed to a $4.5 billion increase in net position restricted for OPEB benefits, strengthening the Fund's financial position at year-end.

## Management's Discussion & Analysis (Unaudited) (continued)

### Fiduciary Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

| | CERBTF | | |
|---|---|---|---|
| | 2026 | 2025 | Increase/(Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Cash & Cash Equivalents | ($351) | $1 | ($352) |
| Receivables | 16,080 | 125,979 | (109,899) |
| Investments | 29,871,846 | 25,212,010 | 4,659,836 |
| **Total Assets** | **$29,887,575** | **$25,337,990** | **$4,549,585** |
| Deferred Outflows of Resources | $1,279 | $1,621 | ($342) |
| **Total Assets and Deferred Outflows of Resources** | **$29,888,854** | **$25,339,611** | **$4,549,243** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | |
| Other Post-Employment Benefits, Investment Settlement & Other | $158,078 | $117,868 | $40,210 |
| Net Pension & OPEB Liabilities | 4,798 | 6,985 | (2,187) |
| **Total Liabilities** | **$162,876** | **$124,853** | **$38,023** |
| Deferred Inflows of Resources | $2,712 | $1,514 | $1,198 |
| **Total Liabilities and Deferred Inflows of Resources** | **$165,588** | **$126,367** | **$39,221** |
| **TOTAL NET POSITION RESTRICTED FOR OPEB** | **$29,723,266** | **$25,213,244** | **$4,510,022** |

### Changes in Fiduciary Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

| | CERBTF | | |
|---|---|---|---|
| | 2026 | 2025 | Increase/(Decrease) |
| **ADDITIONS** | | | |
| Employer Contributions | $4,921,750 | $5,755,686 | ($833,936) |
| Net Investment Income | 4,267,676 | 2,599,654 | 1,668,022 |
| Other Income | 19,280 | 16,873 | 2,407 |
| **Total Additions** | **$9,208,706** | **$8,372,213** | **$836,493** |
| **DEDUCTIONS** | | | |
| Administrative Expenses | $5,567 | $6,786 | ($1,219) |
| Employer Withdrawals | 284,439 | 46,434 | 238,005 |
| OPEB Reimbursements | 4,408,678 | 4,093,013 | 315,665 |
| **Total Deductions** | **$4,698,684** | **$4,146,233** | **$552,451** |
| **INCREASE IN NET POSITION** | **$4,510,022** | **$4,225,980** | **$284,042** |
| **NET POSITION** | | | |
| **Beginning of Year** | **$25,213,244** | **$20,987,264** | **$4,225,980** |
| **End of Year** | **$29,723,266** | **$25,213,244** | **$4,510,022** |

## REPLACEMENT BENEFIT FUND (RBF)

As of June 30, 2026, the RBF's net position increased by $0.3 million, or 22.6 percent, from $1.3 million as of June 30, 2025 to $1.6 million as of June 30, 2026. The increase was primarily attributable to growth in the number of retirees participating in the plan. Total assets increased by $4.8 million, or 23.3 percent, to $25.1 million as of June 30, 2026, primarily due to higher investment balances and a $0.1 million increase in receivables. Total liabilities increased by $4.5 million, or 23.4 percent, largely due to a $3.5 million increase in Unearned Replacement Benefits, reflecting higher amounts owed to retirees.

Additions to the RBF consist of replacement benefits received from participating employers, investment income, and participant fee revenue. Replacement Benefits received from participating employers increased by $3.8 million, or 12.7 percent, reflecting a higher average number of retirees participating in the plan during Fiscal Year 2025-26. Investment Income decreased by $18 thousand, or 2.4 percent, primarily due to a decrease in the Surplus Money Investment Fund (SMIF) yield rate. Other income increased by $21 thousand, or 14.3 percent, reflecting growth in the number of retirees participating in the plan.

Deductions from the RBF consist of benefit payments and administrative expenses. Replacement Benefit Payments increased by $3.8 million, or 12.7 percent, to $33.9 million in Fiscal Year 2025-26, primarily due to a higher number of program participants compared with the prior year. Administrative Expenses increased by $46 thousand, or 8.0 percent, reflecting slightly higher operating costs.

Overall, the RBF experienced modest growth in Fiscal Year 2025-26, driven primarily by increased replacement benefits received from participating employers and other income associated with the growing number of retirees in the plan. Although investment income declined slightly and administrative expenses increased, the Fund's net position increased during the fiscal year.

## OLD AGE AND SURVIVORS' INSURANCE REVOLVING FUND (OASI)

The OASI program was established to administer Social Security coverage for California public agencies. The OASI Revolving Fund accounts for activities related to the administration of the State Social Security Administrator (SSSA) program, including annual maintenance fees collected from participating agencies and the administrative costs of operating the program. CalPERS serves as the SSSA and works with participating agencies to help ensure compliance with federal Social Security requirements.

As of June 30, 2026, the OASI's net position increased by approximately $0.2 million, from $1.1 million as of June 30, 2025 to $1.3 million as of June 30, 2026. Total assets increased by $0.2 million, or 16.9 percent, during Fiscal Year 2025-26, primarily reflecting higher investment values. Total liabilities changed by $190 thousand, primarily due to a change in the Net Pension & OPEB Liabilities resulting from favorable investment returns in Fiscal Year 2024-25 and an increase in the blended discount rate.

Additions to the OASI consist of investment and other income, which increased by $0.3 million, or 45.7 percent, in Fiscal Year 2025-26. The increase was primarily driven by annual maintenance fees, which were assessed for participating employers beginning in July 2024 to help cover the costs of administering the program. Administrative Expenses for CalPERS personnel decreased by $49 thousand, or 5.2 percent, during the fiscal year.

Overall, the OASI's financial position improved during Fiscal Year 2025-26, with higher investment values and lower administrative expenses contributing to growth in net position. The OASI continued to support California public agencies in complying with federal Social Security requirements and maintained a stable financial position throughout the fiscal year.

## Management's Discussion & Analysis (Unaudited) (continued)

### Fiduciary Net Position – Custodial Funds (Dollars in Thousands)

| | RBF | | | OASI | | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| Cash & Cash Equivalents | $0 | $0 | $0 | $0 | $1 | ($1) |
| Receivables | 732 | 606 | 126 | 78 | 76 | 2 |
| Investments | 24,400 | 19,771 | 4,629 | 1,244 | 1,054 | 190 |
| **Total Assets** | **$25,132** | **$20,377** | **$4,755** | **$1,322** | **$1,131** | **$191** |
| Deferred Outflows of Resources | $0 | $0 | $0 | $130 | $170 | ($40) |
| **Total Assets and Deferred Outflows of Resources** | **$25,132** | **$20,377** | **$4,755** | **$1,452** | **$1,301** | **$151** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Due to Members & Employers | $2,538 | $1,582 | $956 | $0 | $0 | $0 |
| Due to Other Funds | 71 | 65 | 6 | 113 | 82 | 31 |
| Net Pension & OPEB Liabilities | — | — | — | (460) | (205) | (255) |
| Unearned Replacement Benefits | 20,919 | 17,422 | 3,497 | — | — | — |
| Other Program Liabilities | — | — | — | 154 | 120 | 34 |
| **Total Liabilities** | **$23,528** | **$19,069** | **$4,459** | **($193)** | **($3)** | **($190)** |
| Deferred Inflows of Resources | $0 | $0 | $0 | $355 | $215 | $140 |
| **Total Liabilities and Deferred Inflows of Resources** | **$23,528** | **$19,069** | **$4,459** | **$162** | **$212** | **($50)** |
| **TOTAL NET POSITION RESTRICTED FOR REPLACEMENT BENEFITS/PROGRAM ADMINISTRATION** | **$1,604** | **$1,308** | **$296** | **$1,290** | **$1,089** | **$201** |

### Changes in Fiduciary Net Position – Custodial Funds (Dollars in Thousands)

| | RBF | | | OASI | | |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ADDITIONS** | | | | | | |
| Replacement Benefits | $33,915 | $30,086 | $3,829 | $0 | $0 | $0 |
| Investment Income | 746 | 764 | (18) | 41 | 44 | (3) |
| Other Income | 168 | 147 | 21 | 1,062 | 713 | 349 |
| **Total Additions** | **$34,829** | **$30,997** | **$3,832** | **$1,103** | **$757** | **$346** |
| **DEDUCTIONS** | | | | | | |
| Replacement Benefit Payments | $33,915 | $30,086 | $3,829 | $0 | $0 | $0 |
| Administrative Expenses | 618 | 572 | 46 | 902 | 951 | (49) |
| **Total Deductions** | **$34,533** | **$30,658** | **$3,875** | **$902** | **$951** | **($49)** |
| **INCREASE (DECREASE) IN NET POSITION** | **$296** | **$339** | **($43)** | **$201** | **($194)** | **$395** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$1,308** | **$969** | **$339** | **$1,089** | **$1,283** | **($194)** |
| **End of Year** | **$1,604** | **$1,308** | **$296** | **$1,290** | **$1,089** | **$201** |

## Management's Discussion & Analysis (Unaudited) (continued)

### PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

As of June 30, 2026, the HCF's net position was $1.2 billion, representing an increase of $933.4 million, or 422.4 percent, from $221.0 million as of June 30, 2025. The increase was primarily attributable to higher operating income from premiums, an increase in federal subsidies, and favorable investment performance.

Total assets increased by $970.1 million, or 72.4 percent, to $2.3 billion as of June 30, 2026. This increase was largely attributable to a $1.1 billion, or 154.0 percent, increase in short-term investments. Total liabilities increased by $27.7 million, or 12.5 percent, to $1.2 billion as of June 30, 2026, primarily due to higher unearned premiums and a slight increase in management fees.

Revenues for the HCF consist of premiums collected from members and employers, federal government subsidies, and investment income. Total revenue increased by $976.3 million, or 20.4 percent, to $5.8 billion in Fiscal Year 2025-26. Premiums collected increased by $818.8 million, or 17.7 percent, reflecting higher enrollment and premium adjustments, as well as the transfer of all risk adjusted balances from the CRF to the HCF. Federal Government Subsidies increased by $124.8 million, while investment income increased by $31.0 million, or 92.0 percent, reflecting higher interest income associated with elevated short-term interest rates during the fiscal year.

In July 2025, the CalPERS Board of Administration approved health plan premiums for calendar year 2026, resulting in an overall weighted premium increase of 8.21 percent.

Expenses for the HCF consist primarily of claims, investment fees, and administrative costs associated with managing the plans. Claims Expense increased by $354.1 million, or 8.5 percent, primarily due to rising health care costs associated with increased hospital admissions, outpatient surgical procedures, and pharmacy costs. Administrative Expenses increased by $34.8 million, or 12.5 percent, primarily due to higher medical plan administrative fees.

Overall, the HCF experienced significant growth during Fiscal Year 2025-26, with net position increasing substantially as a result of higher operating income and favorable investment performance. Growth in premiums, federal government subsidies, and investment income contributed to increased revenues, while elevated claims and administrative expenses partially offset those gains. Even with higher liabilities, the Fund ended the fiscal year with a materially stronger financial position, reflecting continued support for the health benefits program.

### PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

As of June 30, 2026, the CRF's net position was $17.0 million, representing an increase of $2.3 million, or 15.5 percent, from the prior year. The increase was primarily attributable to a reduction in expenses.

Total assets decreased by $124.7 million, or 10.6 percent, to $1.1 billion as of June 30, 2026, compared with $1.2 billion at June 30, 2025. This decrease was largely due to a $122.2 million, or 10.7 percent, reduction in short-term investments during the fiscal year. Receivables also decreased by $2.6 million, or 7.2 percent, primarily due to lower interest receivables.

Total liabilities decreased by $134.0 million, or 11.5 percent, to $1.0 billion as of June 30, 2026. This decrease was primarily due to the transfer of all risk adjustment balances from the CRF to the HCF. This was slightly offset by an increase in health premiums awaiting transfer to the HCF at year-end.

Revenues for the CRF consist of administrative fees collected and investment income. Administrative Fees are calculated as a percentage of total active and retired health premiums. These fees decreased by $20.3 million, or 63.2 percent, due to a reduction in the administrative fee rate from 0.24 percent in Fiscal Year 2024-25 to 0.08 percent in Fiscal Year 2025-26. Investment income decreased by $9.2 million, or 28.0 percent, reflecting lower short-term investments and reduced average short-term interest rates during Fiscal Year 2025-26.

Expenses for the CRF consist primarily of costs incurred to administer the Fund. Administrative Expenses decreased by $0.8 million, or 2.3 percent, primarily due to lower Paid Absence Obligation expenses in Fiscal Year 2025-26.

Overall, the CRF's financial position improved modestly during Fiscal Year 2025-26, with net position increasing as a result of lower expenses. Although total assets and liabilities both declined, the Fund continued to maintain a stable financial position. Lower administrative fees and reduced investment income reflected the decrease in the administrative fee rate, lower short-term investments, and reduced average short-term interest rates, while administrative expenses also declined slightly.

## Management's Discussion & Analysis (Unaudited) (continued)

### PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

During Fiscal Year 2025-26, the LTCF experienced a significant improvement in financial position, with unrestricted net position increasing by $168.2 million, from a deficit of $68.2 million to a surplus of $100.0 million. The improvement was driven primarily by favorable investment performance, partially offset by higher estimated liabilities for future policy benefits and related expenses.

As of June 30, 2026, total assets increased by $530.0 million, or 10.9 percent, to $5.4 billion. The increase was largely due to higher investment values, which rose by $390.5 million, or 8.4 percent, reflecting favorable market conditions. Total liabilities increased by $360.1 million, or 7.3 percent, to $5.3 billion, primarily due to a higher estimated liability for future policy benefits resulting from assumption changes made in the 2025 valuation, combined with an increase in outstanding investment purchases.

LTCF revenues consist of participant premiums and investment income. Participant premiums remained stable in Fiscal Year 2025-26, while investment income increased by $90.6 million, or 21.7 percent, compared with the prior year, reflecting favorable market conditions. Non-Operating Revenues included net appreciation in the fair value of investments, as well as interest, dividend, and other investment income.

Total expenses increased by $438.5 million, or 235.2 percent, during Fiscal Year 2025-26, primarily due to changes in the estimated liability for future policy benefits. This liability increased by $216.9 million as a result of assumption changes made in the 2025 valuation. The Estimated Settlement Liability decreased by $5.2 million due to payments made during the fiscal year and adjustments to the liability as of June 30, 2026. Administrative Expenses decreased by $1.8 million, or 6.2 percent, primarily due to lower third-party administrator fees.

Overall, the LTCF experienced a significant improvement in financial position during Fiscal Year 2025-26, with unrestricted net position increasing from a deficit to a surplus. The improvement was driven primarily by favorable investment performance, which was partially offset by higher estimated liabilities for future policy benefits and related expenses. Despite the increase in total liabilities, the Fund's strengthened financial position at year-end reflects positive market conditions and continued progress in supporting long-term obligations.

## Management's Discussion & Analysis (Unaudited) (continued)

### Fund Net Position – Enterprise Funds (Dollars in Thousands)

| | HCF | | | CRF | | | LTCF | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | | | | |
| Cash & Cash Equivalents & Short-Term Investments | $1,775,976 | $699,239 | $1,076,737 | $1,021,371 | $1,143,524 | ($122,153) | $109,581 | $157,082 | ($47,501) |
| Receivables | 533,750 | 640,420 | (106,670) | 33,472 | 36,067 | (2,595) | 239,315 | 52,284 | 187,031 |
| Investments | — | — | — | — | — | — | 5,041,952 | 4,651,433 | 390,519 |
| **Total Assets** | **$2,309,726** | **$1,339,659** | **$970,067** | **$1,054,843** | **$1,179,591** | **($124,748)** | **$5,390,848** | **$4,860,799** | **$530,049** |
| Deferred Outflows of Resources | $17,385 | $19,374 | ($1,989) | $11,003 | $12,527 | ($1,524) | $2,071 | $2,455 | ($384) |
| **Total Assets and Deferred Outflows of Resources** | **$2,327,111** | **$1,359,033** | **$968,078** | **$1,065,846** | **$1,192,118** | **($126,272)** | **$5,392,919** | **$4,863,254** | **$529,665** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | | | | |
| Claims Payable, Unearned Premiums, Estimated Insurance Claims Due & Due to Carriers | $1,007,311 | $970,808 | $36,503 | $726,425 | $699,098 | $27,327 | $39,482 | $49,023 | ($9,541) |
| Due to Employers | — | — | — | 365 | 398 | (33) | — | — | — |
| Other Liabilities | 52,899 | 50,633 | 2,266 | 246,602 | 398,729 | (152,127) | 332,677 | 172,764 | 159,913 |
| Estimated Settlement Liability | — | — | — | — | — | — | 786 | 6,000 | (5,214) |
| Estimated Liability for Future Policy Benefits | — | — | — | — | — | — | 4,908,955 | 4,692,049 | 216,906 |
| Net Pension, OPEB & Other Program Liabilities | 92,111 | 103,216 | (11,105) | 60,974 | 70,029 | (9,055) | 8,158 | 10,082 | (1,924) |
| **Total Liabilities** | **$1,152,321** | **$1,124,657** | **$27,664** | **$1,034,366** | **$1,168,254** | **($133,888)** | **$5,290,058** | **$4,929,918** | **$360,140** |
| Deferred Inflows of Resources | $20,340 | $13,373 | $6,967 | $14,527 | $9,188 | $5,339 | $2,863 | $1,518 | $1,345 |
| **Total Liabilities and Deferred Inflows of Resources** | **$1,172,661** | **$1,138,030** | **$34,631** | **$1,048,893** | **$1,177,442** | **($128,549)** | **$5,292,921** | **$4,931,436** | **$361,485** |
| **TOTAL FUND NET POSITION (DEFICIT)** | **$1,154,450** | **$221,003** | **$933,447** | **$16,953** | **$14,676** | **$2,277** | **$99,998** | **($68,182)** | **$168,180** |

## Management's Discussion & Analysis (Unaudited) (continued)

### Changes in Fund Net Position – Enterprise Funds (Dollars in Thousands)

| | HCF | | | CRF | | | LTCF | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) | 2026 | 2025 | Increase/ (Decrease) |
| **REVENUES** | | | | | | | | | |
| Premiums | $5,445,574 | $4,626,734 | $818,840 | $0 | $0 | $0 | $284,775 | $277,141 | $7,634 |
| Federal Government Subsidies[1] | — | 114,572 | (114,572) | — | — | — | — | — | — |
| Non-Operating Revenues (Losses)[1] | — | 33,722 | (33,722) | — | 33,064 | (33,064) | — | 417,483 | (417,483) |
| Administrative Fees & Other | 1,683 | — | 1,683 | 11,770 | 32,027 | (20,257) | 258 | 322 | (64) |
| **Total Operating Revenues** | **$5,447,257** | **$4,775,028** | **$672,229** | **$11,770** | **$65,091** | **($53,321)** | **$285,033** | **$694,946** | **($409,913)** |
| **EXPENSES** | | | | | | | | | |
| Claims Expense | $4,486,590 | $4,150,141 | $336,449 | $0 | $0 | $0 | $373,571 | $367,143 | $6,428 |
| Increase (Decrease) in Estimated Liabilities | 17,662 | (14,277) | 31,939 | — | — | — | 216,906 | (193,588) | 410,494 |
| Decrease in Estimated Settlement Liability | — | — | — | — | — | — | (526) | (23,891) | 23,365 |
| Non-Operating Expenses[1] | — | 99 | (99) | — | — | — | — | 7,239 | (7,239) |
| Administrative Expenses | 313,593 | 278,802 | 34,791 | 33,308 | 34,086 | (778) | 27,710 | 29,531 | (1,821) |
| **Total Operating Expenses** | **$4,817,845** | **$4,414,765** | **$403,080** | **$33,308** | **$34,086** | **($778)** | **$617,661** | **$186,434** | **$431,227** |
| **Operating Income (Loss)** | **$629,412** | **$360,263** | **$269,149** | **($21,538)** | **$31,005** | **($52,543)** | **($332,628)** | **$508,512** | **($841,140)** |
| **NONCAPITAL SUBSIDIES** | | | | | | | | | |
| Federal Government Subsidies[1] | $239,367 | $0 | $239,367 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Noncapital Subsidies** | **$239,367** | **$0** | **$239,367** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **Operating Income (Loss) and Noncapital Subsidies** | **$868,779** | **$360,263** | **$508,516** | **($21,538)** | **$31,005** | **($52,543)** | **($332,628)** | **$508,512** | **($841,140)** |
| **OTHER NON-OPERATING REVENUES (EXPENSES)** | | | | | | | | | |
| Non-Operating Revenues (Losses)[1] | $64,738 | $0 | $64,738 | $23,815 | $0 | $23,815 | $508,120 | $0 | $508,120 |
| Non-Operating Expenses[1] | 70 | — | 70 | — | — | — | 7,312 | — | 7,312 |
| **Total Other Non-Operating Revenues (Expenses)[1]** | **$64,668** | **$0** | **$64,668** | **$23,815** | **$0** | **$23,815** | **$500,808** | **$0** | **$500,808** |
| **INCREASE IN FUND NET POSITION** | **$933,447** | **$360,263** | **$573,184** | **$2,277** | **$31,005** | **($28,728)** | **$168,180** | **$508,512** | **($340,332)** |
| **FUND NET POSITION (DEFICIT)** | | | | | | | | | |
| **Beginning of Year** | **$221,003** | **($139,260)** | **$360,263** | **$14,676** | **($16,329)** | **$31,005** | **($68,182)** | **($576,694)** | **$508,512** |
| **End of Year** | **$1,154,450** | **$221,003** | **$933,447** | **$16,953** | **$14,676** | **$2,277** | **$99,998** | **($68,182)** | **$168,180** |

(1) Presentation of certain 2026 amounts has changed to conform with GASB No. 103, *Financial Reporting Model Improvements*, see note 2 for more information.

## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

### ASSET LIABILITY MANAGEMENT – DEFINED BENEFIT PLANS

The Asset Liability Management (ALM) process is a comprehensive and integrated review of pension assets and liabilities designed to support decisions that promote a sound and sustainable fund. Overseen by the Financial Office, the ALM process fosters collaboration between the Investment and Actuarial Offices, providing education, coordinated analyses for Board deliverables, and a structured framework for evaluating assets and liabilities. This approach enhances the understanding, communication, and management of financial risks to the System.

The ALM process focuses on establishing appropriate levels of risk by aligning investment and actuarial policies with key decision factors. Its primary goal is to drive an optimal investment strategy while stabilizing employer contribution rates and minimizing year-to-year rate volatility. CalPERS employs an integrated ALM approach with the goal of ensuring the sustainability and soundness of the PERF and affiliate funds, aiming to achieve and maintain 100 percent funding at an acceptable level of risk. Balancing short-term and long-term priorities involves tradeoffs to reduce funding risks across the System.

During the ALM review in Fiscal Year 2025-26, the Board adopted a Total Portfolio Approach (TPA) investment framework for the PERF, effective July 1, 2026, replacing the previous Strategic Asset Allocation (SAA) approach. Throughout the process, the Board received educational materials regarding portfolio risk, the potential benefits of TPA, and the role of the reference portfolio and active risk limits in guiding investment decisions under TPA.

The discount rate remained at 6.8 percent for the PERF, unchanged since 2021, when a strong return year automatically triggered a reduction under the Funding Risk Mitigation Policy (FRMP). Fiscal Year 2024-25 also saw a strong return of 9.3 percent, which would have triggered the FRMP again. However, in April 2024, the Board modified the FRMP by removing the automatic trigger and replacing it with a deliberative action for changes to the discount rate.

Consistent with prior analysis, private markets were projected to offer greater long-term return potential during the ALM review. In 2021, the Investment Office had identified operational constraints in deploying capital into private markets, which led to a lower recommended SAA target than would be recommended based on the CMA alone. The Investment Office exceeded expectations in successfully deploying into private markets, and thus recommended an increased allocation to private markets in alignment with the CMAs and the increased capacity of the Investment Office, which was adopted by the Board in March 2024, during the ALM mid-cycle review. Under TPA, there are no adopted allocation ranges for specific asset classes. However, with the reference portfolio and active risk limits adopted in connection with the 2025-26 ALM review, the allocation of assets to private markets remains at the increased levels.

### FUNDING ANALYSIS – DEFINED BENEFIT PLANS

As of the most recent actuarial valuation on June 30, 2025, the funded ratio of the PERF was 78.2 percent. This ratio is calculated by dividing the total assets in the PERF by the total liabilities for all plans reported under the PERF. CalPERS determined the funded ratio using a 6.8 percent discount rate, with the exception of the Terminated Agency Pool (TAP), which accounts for less than 0.03 percent of the PERF liability.

While an aggregate funded status can be determined for the System, each plan within CalPERS has its own asset and liability values that are used to determine required contributions and funded status for that plan. Funded status for a specific CalPERS plan can be significantly higher or lower than the aggregate funded status of the System. In the event of a plan termination, the assets and liabilities of that plan determine the amount of any unfunded termination liability.

As of June 30, 2025, the funded ratio of the JRF II was 108.9 percent, calculated using a 6.0 percent discount rate. The funded ratio of the LRF, as of June 30, 2025, was 96.4 percent, calculated using a 4.5 percent discount rate. All funded ratios were based on the fair value of assets used in actuarial valuations that establish funding requirements for employers.

Under GASB 67, there are differences in the assumptions and components used to calculate net pension liabilities for financial reporting purposes compared to those used for actuarial accrued liabilities and actuarial asset values used to determine employer pension contributions. The information provided in the Actuarial Section of this report is derived specifically to establish employer funding requirements for retirement benefits administered by CalPERS.

For GASB 67 financial reporting purposes, the discount rate for the PERF remained at 6.90 percent as of June 30, 2026. The assets used for GASB 67 reporting differ slightly from those used for funding requirements, as they include amounts for deficiency reserves, fiduciary self-insurance, and adjustments for OPEB and pension expenses related to CalPERS team members. CalPERS is required to report the Plan Fiduciary Net Position as a percentage of Total Pension Liability for cost-sharing multiple-employer plans (PERF B and PERF C) and single-employer pension plans (LRF, JRF, and JRF II).

The discount rates used for financial reporting purposes for PERF B, PERF C, LRF, and JRF II are equal to the unadjusted long-term expected return assumption for each plan. In contrast, the discount rates used for funding purposes are net of administrative expenses. For the JRF, the funding discount rate differs from the financial reporting discount rate, which is based on the Bond Buyer Index for 20-year tax-exempt General Obligation Municipal Bonds with an average rating equivalent to AA by S&P Global Ratings.

The following table displays the discount rates for the LRF, JRF, and JRF II for funding and financial reporting purposes as of June 30, 2026:

| Fund | Funding Discount Rate | Financial Reporting Discount Rate |
|---|---|---|
| LRF | 4.50% | 5.20% |
| JRF | 3.00% | 4.67% |
| JRF II | 6.00% | 6.15% |

## KEY INITIATIVES

CalPERS continued to advance and refine its operations through a series of strategic initiatives and forward-looking plans designed to strengthen its investment portfolio, processes, and overall organizational impact. Key highlights include:

- In November 2025, the Board of Administration adopted the Total Portfolio Approach (TPA), shifting away from the traditional Strategic Asset Allocation (SAA) framework. CalPERS is the first major U.S. public pension fund to implement this approach, which became effective on July 1, 2026. Under TPA, the Board established a reference portfolio of 75 percent global equities and 25 percent U.S. Treasuries, and a 400-basis-point active risk limit relative to the reference portfolio. These parameters will be reviewed every four years as part of the Asset Liability Management cycle, with a midpoint review after two years.
- In November 2023, CalPERS announced plans to more than double its climate solutions investments from a $47 billion baseline to $100 billion by the end of 2030 in accordance with the Board's fiduciary responsibilities. Climate solutions investments were estimated at approximately $60 billion at the end of June 2025, spanning the mitigation, adaptation, and transition categories as defined in the CalPERS climate solutions taxonomy.

## REQUESTS FOR INFORMATION

This financial report serves as a comprehensive overview of CalPERS' financial activities and performance. For any questions regarding the information presented in this report or to request additional financial details, please contact the CalPERS Financial Office at P.O. Box 942703, Sacramento, CA 94229-2703, or reach us by phone at 888-CalPERS (888-225-7377).

# Basic Financial Statements

## STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

As of June 30, 2026, with Comparative Totals as of June 30, 2025 (Dollars in Thousands)

| | Pension Trust Funds | | | | | |
|---|---|---|---|---|---|---|
| | PERF A | PERF B | PERF C | | | |
| | Agent | Schools Cost-Sharing | Public Agency Cost-Sharing | LRF | JRF | JRF II |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | | |
| **Cash & Cash Equivalents** | **$13,064,073** | **$3,420,429** | **$1,534,009** | **$1,200** | **$3,154** | **$1,837** |
| **Receivables** | | | | | | |
| Members | $234,336 | $66,184 | $21,156 | $25 | $833 | $1,725 |
| Employers | 1,284,399 | 639,001 | 78,750 | 568 | 88 | 9,371 |
| Investment Sales & Other | 91,975,876 | 24,081,078 | 10,799,993 | 1 | — | 7 |
| Interest & Dividends | 2,976,638 | 779,342 | 349,523 | 2 | 289 | 123 |
| Due from Other Funds | 13,010 | 3,406 | 1,528 | — | — | — |
| Other Program | 78,271 | 20,493 | 9,191 | — | — | — |
| **Total Receivables** | **$96,562,530** | **$25,589,504** | **$11,260,141** | **$596** | **$1,210** | **$11,226** |
| **Investments, at Fair Value** | | | | | | |
| Short-Term Investments | $16,169,056 | $4,223,112 | $1,900,409 | $786 | $49,484 | $10,344 |
| Public Equity | 196,060,991 | 51,208,149 | 23,043,767 | 18,737 | — | 2,359,270 |
| Fixed Income | 151,078,398 | 39,459,379 | 17,756,798 | 71,232 | — | 1,103,944 |
| Real Assets | 58,708,722 | 15,333,825 | 6,900,251 | — | — | — |
| Private Equity/Debt | 129,381,204 | 33,792,402 | 15,206,647 | — | — | — |
| Opportunistic Investments | 1,783,409 | 465,799 | 209,611 | — | — | — |
| **Total Investments** | **$553,181,780** | **$144,482,666** | **$65,017,483** | **$90,755** | **$49,484** | **$3,473,558** |
| Securities Lending Collateral | $40,075,695 | $10,492,599 | $4,705,769 | $0 | $0 | $0 |
| Capital Assets, Net & Other Assets | 130,758 | 34,235 | 15,354 | — | — | — |
| **TOTAL ASSETS** | **$703,014,836** | **$184,019,433** | **$82,532,756** | **$92,551** | **$53,848** | **$3,486,621** |
| Deferred Outflows of Resources | $111,041 | $29,073 | $13,039 | $221 | $706 | $792 |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | **$703,125,877** | **$184,048,506** | **$82,545,795** | **$92,772** | **$54,554** | **$3,487,413** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Retirement & Other Benefits | $2,274,069 | $556,602 | $252,388 | $613 | $0 | $0 |
| Investment Purchases & Other | 132,325,758 | 34,645,465 | 15,537,958 | — | — | — |
| Obligations Under Reverse Repurchase Agreements | 56,278,368 | 14,734,775 | 6,608,320 | — | — | — |
| Due to Members & Employers | 12,265 | — | — | 12 | 20 | 5 |
| Net Pension & OPEB Liabilities | 553,807 | 144,997 | 65,029 | 1,220 | 3,200 | 3,968 |
| Securities Lending Obligations | 39,672,194 | 10,386,954 | 4,658,389 | — | — | — |
| Due to Other Funds | 1 | — | — | 101 | 235 | 465 |
| Management & Third-Party Administrator Fees | 2,454 | 643 | 288 | 6 | — | 247 |
| Unearned Replacement Benefits | — | — | — | — | — | — |
| Other Program | 206,343 | 52,464 | 23,640 | 182 | 3,846 | 2,624 |
| **TOTAL LIABILITIES** | **$231,325,259** | **$60,521,900** | **$27,146,012** | **$2,134** | **$7,301** | **$7,309** |
| Deferred Inflows of Resources | $142,511 | $37,312 | $16,734 | $232 | $881 | $1,086 |
| **TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | **$231,467,770** | **$60,559,212** | **$27,162,746** | **$2,366** | **$8,182** | **$8,395** |
| **NET POSITION – RESTRICTED FOR PENSION, OTHER POST-EMPLOYMENT, REPLACEMENT BENEFITS AND PROGRAM ADMINISTRATION** | **$471,658,107** | **$123,489,294** | **$55,383,049** | **$90,406** | **$46,372** | **$3,479,018** |

The accompanying notes are an integral part of these financial statements.

## Basic Financial Statements (continued)

| Pension Trust Funds | | Investment Trust Fund | Other Post-Employment Benefit Trust Fund | Custodial Funds | Totals | |
|---|---|---|---|---|---|---|
| DCF | SCPF | CEPPTF | CERBTF | RBF & OASI[1] | 2026 | 2025 |
| **$1** | **$0** | **$0** | **($351)** | **$0** | **$18,024,352** | **$1,530,088** |
| $5,991 | $435 | $0 | $0 | $83 | $330,768 | $492,920 |
| — | — | — | 15,872 | 393 | 2,028,442 | 859,178 |
| — | — | — | — | — | 126,856,955 | 50,011,075 |
| 35 | 19 | 18 | 208 | 267 | 4,106,464 | 2,273,740 |
| — | — | — | — | — | 17,944 | 17,505 |
| 18,523 | — | — | — | 67 | 126,545 | 121,495 |
| **$24,549** | **$454** | **$18** | **$16,080** | **$810** | **$133,467,118** | **$53,775,913** |
| $219,187 | $16,686 | $10,974 | $57,069 | $25,644 | $22,682,751 | $22,948,870 |
| 2,504,145 | 74,581 | 185,501 | 21,250,472 | — | 296,705,613 | 247,825,476 |
| 547,922 | 46,164 | 199,195 | 8,564,305 | — | 218,827,337 | 196,212,380 |
| — | — | — | — | — | 80,942,798 | 74,476,098 |
| — | — | — | — | — | 178,380,253 | 124,790,224 |
| — | — | — | — | — | 2,458,819 | — |
| **$3,271,254** | **$137,431** | **$395,670** | **$29,871,846** | **$25,644** | **$799,997,571** | **$666,253,048** |
| $0 | $0 | $0 | $0 | $0 | $55,274,063 | $8,824,622 |
| — | — | — | — | — | 180,347 | 196,956 |
| **$3,295,804** | **$137,885** | **$395,688** | **$29,887,575** | **$26,454** | **$1,006,943,451** | **$730,580,627** |
| $628 | $43 | ($2) | $1,279 | $130 | $156,950 | $179,507 |
| **$3,296,432** | **$137,928** | **$395,686** | **$29,888,854** | **$26,584** | **$1,007,100,401** | **$730,760,134** |
| $0 | $0 | $12,107 | $152,685 | $0 | $3,248,464 | $3,037,497 |
| — | — | — | — | — | 182,509,181 | 105,656,784 |
| — | — | — | — | — | 77,621,463 | — |
| 1,779 | 435 | — | — | 2,538 | 17,054 | 16,629 |
| 3,116 | 283 | (77) | 4,798 | (460) | 779,881 | 924,110 |
| — | — | — | — | — | 54,717,537 | 26,113,443 |
| 906 | 91 | 75 | 1,759 | 184 | 3,817 | 3,536 |
| 989 | 41 | 30 | 2,111 | — | 6,809 | 5,077 |
| — | — | — | — | 20,919 | 20,919 | 17,422 |
| 516 | 51 | 64 | 1,523 | 154 | 291,407 | 240,522 |
| **$7,306** | **$901** | **$12,199** | **$162,876** | **$23,335** | **$319,216,532** | **$136,015,020** |
| $887 | $61 | $100 | $2,712 | $355 | $202,871 | $123,831 |
| **$8,193** | **$962** | **$12,299** | **$165,588** | **$23,690** | **$319,419,403** | **$136,138,851** |
| **$3,288,239** | **$136,966** | **$383,387** | **$29,723,266** | **$2,894** | **$687,680,998** | **$594,621,283** |

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 110.

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2026, with Comparative Totals for the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

| | Pension Trust Funds | | | | | |
|---|---|---|---|---|---|---|
| | PERF A | PERF B | PERF C | | | |
| | Agent | Schools Cost-Sharing | Public Agency Cost-Sharing | LRF | JRF | JRF II |
| **ADDITIONS** | | | | | | |
| **Retirement and OPEB Contributions** | | | | | | |
| Members | $4,770,463 | $1,719,278 | $602,627 | $0 | $1,016 | $48,578 |
| Employers | 18,931,710 | 6,000,349 | 2,050,022 | 493 | 1,851 | 98,239 |
| Replacement Benefits | — | — | — | — | — | — |
| State of California General Fund | — | — | — | — | 180,628 | — |
| Employer Contributions Direct – OPEB | — | — | — | — | — | — |
| Employer Contributions Outside of Trust – OPEB | — | — | — | — | — | — |
| **Total Retirement and OPEB Contribution** | **$23,702,173** | **$7,719,627** | **$2,652,649** | **$493** | **$183,495** | **$146,817** |
| **Investment Income** | | | | | | |
| Net Appreciation in Fair Value of Investments | $58,281,229 | $15,001,725 | $6,879,895 | $6,859 | $0 | $483,836 |
| Interest & Amortization | 5,979,475 | 1,565,543 | 702,122 | 9 | 2,897 | 468 |
| Dividends | 3,252,531 | 851,576 | 381,919 | 2 | — | 91 |
| Other Investment Income/(Loss) | 35,855 | 9,388 | 4,210 | — | — | — |
| Less Investment Costs: | | | | | | |
| Management & Performance Fees | (1,126,068) | (294,826) | (132,225) | (26) | — | (978) |
| Other | (470,446) | (123,172) | (55,241) | (110) | (8) | (571) |
| **Net Investment Income** | **$65,952,576** | **$17,010,234** | **$7,780,680** | **$6,734** | **$2,889** | **$482,846** |
| Securities Lending Income | $906,199 | $237,260 | $106,408 | $0 | $0 | $0 |
| Securities Lending Expense | (834,601) | (218,515) | (98,001) | — | — | — |
| **Net Securities Lending** | **$71,598** | **$18,745** | **$8,407** | **$0** | **$0** | **$0** |
| Other Income | $7,798 | $2,043 | $914 | $0 | $3,592 | $0 |
| Plan-to-Plan Resource Movement | 617 | — | — | — | — | — |
| **TOTAL ADDITIONS** | **$89,734,762** | **$24,750,649** | **$10,442,650** | **$7,227** | **$189,976** | **$629,663** |
| **DEDUCTIONS** | | | | | | |
| Retirement, Death & Survivor Benefits | $26,961,292 | $6,588,760 | $2,987,636 | $7,203 | $204,978 | $126,796 |
| Replacement Benefit Payments | — | — | — | — | — | — |
| Refund of Contributions | 257,357 | 151,002 | 37,389 | — | 502 | 511 |
| Administrative Expenses | 282,373 | 73,861 | 33,125 | 572 | 2,125 | 2,468 |
| Plan-to-Plan Resource Movement | — | 189 | 428 | — | — | — |
| Participant & Employer Withdrawals | — | — | — | — | — | — |
| OPEB Reimbursements Direct | — | — | — | — | — | — |
| OPEB Reimbursements – Outside Trust | — | — | — | — | — | — |
| **TOTAL DEDUCTIONS** | **$27,501,022** | **$6,813,812** | **$3,058,578** | **$7,775** | **$207,605** | **$129,775** |
| **INCREASE (DECREASE) IN NET POSITION** | **$62,233,740** | **$17,936,837** | **$7,384,072** | **($548)** | **($17,629)** | **$499,888** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$409,424,367** | **$105,552,457** | **$47,998,977** | **$90,954** | **$64,001** | **$2,979,130** |
| **End of year** | **$471,658,107** | **$123,489,294** | **$55,383,049** | **$90,406** | **$46,372** | **$3,479,018** |

The accompanying notes are an integral part of these financial statements.

## Basic Financial Statements (continued)

| Pension Trust Funds | | Investment Trust Fund | Other Post-Employment Benefit Trust Fund | Custodial Funds | Totals | |
|---|---|---|---|---|---|---|
| DCF | SCPF | CEPPTF | CERBTF | RBF & OASI[1] | 2026 | 2025 |
| $200,654 | $249 | $0 | $0 | $0 | $7,342,865 | $7,027,271 |
| — | — | 45,427 | — | — | 27,128,091 | 23,579,189 |
| — | — | — | — | 33,915 | 33,915 | 30,086 |
| — | — | — | — | — | 180,628 | 216,565 |
| — | — | — | 762,733 | — | 762,733 | 1,876,992 |
| — | — | — | 4,159,017 | — | 4,159,017 | 3,878,694 |
| **$200,654** | **$249** | **$45,427** | **$4,921,750** | **$33,915** | **$39,607,249** | **$36,608,797** |
| $506,275 | $17,189 | $38,066 | $4,276,079 | $0 | $85,491,153 | $58,241,336 |
| 6,672 | 324 | 71 | 1,691 | 787 | 8,260,059 | 3,533,785 |
| — | — | 5 | 1,293 | — | 4,487,417 | 4,731,226 |
| 6 | — | — | — | — | 49,459 | 53,894 |
| (414) | (21) | (89) | (8,273) | — | (1,562,920) | (1,246,612) |
| (585) | (113) | (168) | (3,114) | — | (653,528) | (636,049) |
| **$511,954** | **$17,379** | **$37,885** | **$4,267,676** | **$787** | **$96,071,640** | **$64,677,580** |
| $0 | $0 | $0 | $0 | $0 | $1,249,867 | $1,095,899 |
| — | — | — | — | — | (1,151,117) | (1,008,863) |
| **$0** | **$0** | **$0** | **$0** | **$0** | **$98,750** | **$87,036** |
| $5,647 | $62 | $811 | $19,280 | $1,230 | $41,377 | $35,709 |
| — | — | — | — | — | 617 | 968 |
| **$718,255** | **$17,690** | **$84,123** | **$9,208,706** | **$35,932** | **$135,819,633** | **$101,410,090** |
| $0 | $0 | $0 | $0 | $0 | $36,876,665 | $34,927,114 |
| — | — | — | — | 33,915 | 33,915 | 30,086 |
| — | — | — | — | — | 446,761 | 393,734 |
| 6,319 | 310 | 158 | 5,567 | 1,520 | 408,398 | 383,342 |
| — | — | — | — | — | 617 | 968 |
| 279,149 | 7,390 | 13,906 | 284,439 | — | 584,884 | 254,341 |
| — | — | — | 249,661 | — | 249,661 | 214,319 |
| — | — | — | 4,159,017 | — | 4,159,017 | 3,878,694 |
| **$285,468** | **$7,700** | **$14,064** | **$4,698,684** | **$35,435** | **$42,759,918** | **$40,082,598** |
| **$432,787** | **$9,990** | **$70,059** | **$4,510,022** | **$497** | **$93,059,715** | **$61,327,492** |
| **$2,855,452** | **$126,976** | **$313,328** | **$25,213,244** | **$2,397** | **$594,621,283** | **$533,293,791** |
| **$3,288,239** | **$136,966** | **$383,387** | **$29,723,266** | **$2,894** | **$687,680,998** | **$594,621,283** |

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 110.

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF FUND NET POSITION – PROPRIETARY FUNDS

As of June 30, 2026, with Comparative Totals as of June 30, 2025 (Dollars in Thousands)

| | Proprietary Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2026 | 2025 |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| **Current Assets** | | | | | |
| Cash & Cash Equivalents | $0 | $0 | $18,450 | $18,450 | $31,422 |
| Short-Term Investments | 1,775,976 | 1,021,371 | 91,131 | 2,888,478 | 1,968,423 |
| **Receivables** | | | | | |
| Members & Employers | $0 | $22,742 | $573 | $23,315 | $22,243 |
| Health Carriers & Pharmacy Benefit Managers | 299,153 | 839 | — | 299,992 | 433,591 |
| Interest & Dividends | 14,202 | 9,827 | 35,146 | 59,175 | 51,086 |
| Due from Other Funds | 220,384 | 61 | — | 220,445 | 202,315 |
| Investment Sales and Other | — | — | 203,596 | 203,596 | 19,523 |
| Other Receivables | 11 | 3 | — | 14 | 13 |
| **Total Receivables** | **$533,750** | **$33,472** | **$239,315** | **$806,537** | **$728,771** |
| **Subtotal Current Assets** | **$2,309,726** | **$1,054,843** | **$348,896** | **$3,713,465** | **$2,728,616** |
| **Noncurrent Assets** | | | | | |
| **Investments, at Fair Value** | | | | | |
| Public Equity | $0 | $0 | $1,579,210 | $1,579,210 | $1,518,212 |
| Fixed Income | — | — | 3,462,742 | 3,462,742 | 3,133,221 |
| **Total Investments** | **$0** | **$0** | **$5,041,952** | **$5,041,952** | **$4,651,433** |
| **Subtotal Noncurrent Assets** | **$0** | **$0** | **$5,041,952** | **$5,041,952** | **$4,651,433** |
| **TOTAL ASSETS** | **$2,309,726** | **$1,054,843** | **$5,390,848** | **$8,755,417** | **$7,380,049** |
| Deferred Outflows of Resources | $17,385 | $11,003 | $2,071 | $30,459 | $34,356 |
| **Total Assets and Deferred Outflows of Resources** | **$2,327,111** | **$1,065,846** | **$5,392,919** | **$8,785,876** | **$7,414,405** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | | | |
| **Current Liabilities** | | | | | |
| Claims Payable | $228,277 | $0 | $26,747 | $255,024 | $254,712 |
| Unearned Premiums | 202,768 | — | 12,735 | 215,503 | 206,515 |
| Due to Employers | — | 365 | — | 365 | 398 |
| Estimated Insurance Claims Due | 576,266 | — | — | 576,266 | 558,604 |
| Estimated Liability for Future Policy Benefits Short-Term | — | — | 109,818 | 109,818 | 98,905 |
| Due to Carriers | — | 726,425 | — | 726,425 | 699,098 |
| Due to Other Funds | 6,772 | 225,055 | 2,745 | 234,572 | 216,284 |
| Investment Purchases & Other | — | — | 322,446 | 322,446 | 161,993 |
| Estimated Settlement Liability | — | — | 786 | 786 | 6,000 |
| Management & Third-Party Administrator Fees | 46,127 | — | 4,115 | 50,242 | 47,619 |
| Other | — | 21,547 | 3,371 | 24,918 | 196,230 |
| **Total Current Liabilities** | **$1,060,210** | **$973,392** | **$482,763** | **$2,516,365** | **$2,446,358** |
| **Long-Term Liabilities** | | | | | |
| Estimated Liability for Future Policy Benefits | $0 | $0 | $4,799,137 | $4,799,137 | $4,593,144 |
| Net Pension, OPEB & Other Program Liabilities | 92,111 | 60,974 | 8,158 | 161,243 | 183,327 |
| **Total Long-Term Liabilities** | **$92,111** | **$60,974** | **$4,807,295** | **$4,960,380** | **$4,776,471** |
| **TOTAL LIABILITIES** | **$1,152,321** | **$1,034,366** | **$5,290,058** | **$7,476,745** | **$7,222,829** |
| Deferred Inflows of Resources | $20,340 | $14,527 | $2,863 | $37,730 | $24,079 |
| **Total Liabilities and Deferred Inflows of Resources** | **$1,172,661** | **$1,048,893** | **$5,292,921** | **$7,514,475** | **$7,246,908** |
| **TOTAL FUND NET POSITION (DEFICIT)** | **$1,154,450** | **$16,953** | **$99,998** | **$1,271,401** | **$167,497** |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2026, with Comparative Totals for the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

| | Proprietary Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2026 | 2025 |
| **Operating Revenues** | | | | | |
| Premiums | $5,445,574 | $0 | $284,775 | $5,730,349 | $4,903,875 |
| Federal Government Subsidies[1] | — | — | — | — | 114,572 |
| Administrative Fees Earned | — | 11,628 | — | 11,628 | 31,870 |
| Other | 1,683 | 142 | 258 | 2,083 | 479 |
| **Total Operating Revenues** | **$5,447,257** | **$11,770** | **$285,033** | **$5,744,060** | **$5,050,796** |
| **Operating Expenses** | | | | | |
| Claims Expense | $4,486,590 | $0 | $373,571 | $4,860,161 | $4,517,284 |
| Increase (Decrease) in Estimated Liabilities | 17,662 | — | 216,906 | 234,568 | (207,865) |
| Decrease in Estimated Settlement Liability | — | — | (526) | (526) | (23,891) |
| Administrative Expenses | 313,593 | 33,308 | 27,710 | 374,611 | 342,419 |
| **Total Operating Expenses** | **$4,817,845** | **$33,308** | **$617,661** | **$5,468,814** | **$4,627,947** |
| **OPERATING INCOME (LOSS)** | **$629,412** | **($21,538)** | **($332,628)** | **$275,246** | **$422,849** |
| **Noncapital Subsidies** | | | | | |
| Federal Government Subsidies[1] | $239,367 | $0 | $0 | $239,367 | $0 |
| **Total Noncapital Subsidies** | **$239,367** | **$0** | **$0** | **$239,367** | **$0** |
| **Operating Income (Loss) and Noncapital Subsidies** | **$868,779** | **($21,538)** | **($332,628)** | **$514,613** | **$422,849** |
| **Non-Operating Revenues** | | | | | |
| Net Appreciation in Fair Value of Investments[1] | $0 | $0 | $0 | $0 | $213,677 |
| Interest, Dividends & Other Investment Income[1] | — | — | — | — | 270,592 |
| **Total Non-Operating Revenues[1]** | **$0** | **$0** | **$0** | **$0** | **$484,269** |
| **Non-Operating Expenses** | | | | | |
| Management Fees[1] | $0 | $0 | $0 | $0 | $3,659 |
| Other Investment Expenses[1] | — | — | — | — | 3,679 |
| **Total Non-Operating Expenses[1]** | **$0** | **$0** | **$0** | **$0** | **$7,338** |
| **NON-OPERATING INCOME[1]** | **$0** | **$0** | **$0** | **$0** | **$476,931** |
| **Other Non-Operating Revenues (Expenses)** | | | | | |
| Net Appreciation in Fair Value of Investments[1] | $0 | $0 | $300,693 | $300,693 | $0 |
| Interest, Dividends & Other Investment Income[1] | 64,738 | 23,815 | 207,427 | 295,980 | — |
| Management Fees[1] | — | — | 3,762 | 3,762 | — |
| Other Investment Expenses[1] | 70 | — | 3,550 | 3,620 | — |
| **Total Other Non-Operating Revenues (Expenses)[1]** | **$64,668** | **$23,815** | **$500,808** | **$589,291** | **$0** |
| **CHANGE IN FUND NET POSITION** | **$933,447** | **$2,277** | **$168,180** | **$1,103,904** | **$899,780** |
| **TOTAL FUND NET POSITION (DEFICIT)** | | | | | |
| **Beginning of Year** | **$221,003** | **$14,676** | **($68,182)** | **$167,497** | **($732,283)** |
| **End of Year** | **$1,154,450** | **$16,953** | **$99,998** | **$1,271,401** | **$167,497** |

The accompanying notes are an integral part of these financial statements.

(1) Presentation of certain 2026 amounts has changed to conform with GASB No. 103, *Financial Reporting Model Improvements*, see note 2 for more information.

## STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2026, with Comparative Totals for the Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

| | Proprietary Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2026 | 2025 |
| **Cash Flows From Operating Activities** | | | | | |
| Premiums Collected | $5,579,025 | $0 | $276,101 | $5,855,126 | $4,890,645 |
| Federal Government Subsidies[1] | — | — | — | — | 114,572 |
| Administrative Fees Collected | — | 11,770 | — | 11,770 | 32,027 |
| Claims Paid | (4,485,656) | — | (374,193) | (4,859,849) | (4,562,498) |
| Administrative Expenses Paid | (313,333) | (35,267) | (27,899) | (376,499) | (337,892) |
| Settlement Returned (Paid) | — | — | (4,688) | (4,688) | 8,966 |
| Other (Payments) Receipts, Net | — | (124,664) | (676) | (125,340) | 240,311 |
| **Net Cash Provided by (Used for) Operating Activities** | **$780,036** | **($148,161)** | **($131,355)** | **$500,520** | **$386,131** |
| **Cash Flows From Noncapital Financing Activities** | | | | | |
| Federal Government Subsidies[1] | $239,367 | $0 | $0 | $239,367 | $0 |
| Federal Government Subsidy Recapture | — | — | — | — | — |
| **Net Cash Provided by (Used in) Noncapital Financing Activities** | **$239,367** | **$0** | **$0** | **$239,367** | **$0** |
| **Cash Flows From Investing Activities** | | | | | |
| Net Sales (Purchases) of Investments | $0 | $0 | ($113,445) | ($113,445) | ($45,112) |
| Net Change in Short-Term Investments | (1,076,737) | 122,152 | 34,529 | (920,056) | (587,036) |
| Interest & Dividends Received | 57,403 | 26,008 | 204,144 | 287,555 | 267,301 |
| Other Investment (Payments) Receipts, Net | (69) | — | (6,844) | (6,913) | (6,091) |
| **Net Cash Provided by (Used for) Investing Activities** | **($1,019,403)** | **$148,160** | **$118,384** | **($752,859)** | **($370,938)** |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | **$0** | **($1)** | **($12,971)** | **($12,972)** | **$15,193** |
| **Cash & Cash Equivalents, Beginning of Year** | **$0** | **$1** | **$31,421** | **$31,422** | **$16,229** |
| **Cash & Cash Equivalents, End of Year** | **$0** | **$0** | **$18,450** | **$18,450** | **$31,422** |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities** | | | | | |
| Operating Income (Loss) | $629,412 | ($21,538) | ($332,628) | $275,246 | $422,849 |
| Changes in Assets and Liabilities: | | | | | |
| Receivables: | | | | | |
| Members & Employers | — | (1,059) | (13) | (1,072) | 2,408 |
| Health Carriers & Pharmacy Benefit Managers | 132,281 | 1,318 | — | 133,599 | (21,703) |
| Due from Other Funds | (18,275) | 145 | — | (18,130) | (31,340) |
| Claims Payable | 934 | — | (622) | 312 | (45,214) |
| Unearned Premiums | 17,907 | — | (8,919) | 8,988 | 37,984 |
| Due to Employers | — | (33) | — | (33) | (36) |
| Estimated Insurance Claims Due | 17,662 | — | — | 17,662 | (14,277) |
| Net Pension, OPEB & Other Program Liabilities | (2,150) | (2,193) | (195) | (4,538) | (348) |
| Estimated Liability for Future Policy Benefits Short-Term | — | — | 10,913 | 10,913 | (9,788) |
| Estimated Liability for Future Policy Benefits Long-Term | — | — | 205,993 | 205,993 | (183,801) |
| Estimated Settlement Liability | — | — | (5,213) | (5,213) | (14,925) |
| Due to Carriers | — | 27,327 | — | 27,327 | 100,337 |
| Due to Other Funds | (317) | 18,509 | 95 | 18,287 | 29,468 |
| Management & Third-Party Administrator Fees | 2,582 | — | (90) | 2,492 | 6,747 |
| Other | — | (170,637) | (676) | (171,313) | 107,770 |
| **Net Cash Provided by (Used for) Operating Activities** | **$780,036** | **($148,161)** | **($131,355)** | **$500,520** | **$386,131** |
| **Noncash Investing Activities** | | | | | |
| Noncash Increase in Fair Value of Investments | **$0** | **$0** | **$167,265** | **$167,265** | **$136,606** |

The accompanying notes are an integral part of these financial statements.

(1) Presentation of certain 2026 amounts has changed to conform with GASB Statement No. 103, *Financial Reporting Model Improvements,* see note 2 for more information.

# Notes to the Basic Financial Statements

## 1. DESCRIPTION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

### ORGANIZATION

The California Public Employees' Retirement System (CalPERS or the System) was established in 1931 through legislative action to provide a secure retirement for employees of the State of California. The PERF is a trust fund established under Section 20170 of the Public Employees' Retirement Law (PERL) to provide retirement benefits to employees of the State of California, schools, and other California public agencies. In 1939, additional legislation expanded CalPERS membership to include public agency employees and classified school employees, granting them access to retirement benefits. By 1962, CalPERS began administering health benefits for state employees, and in 1967, it extended health benefits to public agencies on a contractual basis.

CalPERS is overseen by the Board of Administration (the Board), a 13-member governing body responsible for managing and controlling the System. The Board is comprised of elected, appointed, and ex officio members:

- **Elected Members**: Two representatives chosen by all active and retired members, one elected by active state employees, one elected by active CalPERS school employees, one elected by active public agency employees, and one elected by retired CalPERS members.
- **Appointed Members**: Two individuals appointed by the Governor and one public representative jointly appointed by the Senate Rules Committee and the Speaker of the Assembly.
- **Ex Officio Members**: The State Treasurer, State Controller, the Director of the California Department of Human Resources, and a designee from the State Personnel Board.

The Board holds exclusive authority over the administration and investment of the System, ensuring its effective operation and long-term sustainability.

### RETIREMENT AND HEALTH BENEFIT PLANS

As a centralized investment and administrative agency, CalPERS manages several retirement and health benefit plans, serving as a vital resource for California's public employees.

#### CalPERS Plans

| Plan Name | Type of Plan |
|---|---|
| **Defined Benefit Pension Plans:** | |
| Public Employees' Retirement Fund A | Agent multiple-employer |
| Public Employees' Retirement Fund B | Cost-sharing multiple-employer |
| Public Employees' Retirement Fund C | Cost-sharing multiple-employer |
| Legislators' Retirement Fund | Single-employer |
| Judges' Retirement Fund | Single-employer |
| Judges' Retirement Fund II | Single-employer |
| **Defined Contribution Plans:** | |
| Public Employees' Deferred Compensation Fund | Multiple-employer (457 plan) |
| Supplemental Contributions Program Fund | Single-employer |
| **Pension Prefunding Plan:** | |
| California Employers' Pension Prefunding Trust Fund | Multiple-employer (Investment Trust Fund) |
| **Defined Benefit Other Post-Employment Benefit Plan:** | |
| California Employers' Retiree Benefit Trust Fund | Agent multiple-employer |
| **Additional Programs and Funds:** | |
| Replacement Benefit Fund | Custodial Fund |
| Old Age and Survivors' Insurance Revolving Fund | Custodial Fund |
| Public Employees' Health Care Fund | Proprietary Fund |
| Public Employees' Contingency Reserve Fund | Proprietary Fund |
| Public Employees' Long-Term Care Fund | Proprietary Fund |

### DEFINED BENEFIT PENSION PLANS

The following provides a summary of each defined benefit pension plan administered by CalPERS:

*Public Employees' Retirement Fund* (PERF)

The PERF was established under Chapter 700 of the 1931 Statutes to provide retirement, death, and disability benefits to members of participating employers. These employers include the State of California, non-teaching and non-certified school employees, and various other public agencies.

The benefit provisions for state and school employees are determined by statute, while public agency benefit options are also established by statute but are voluntarily selected through contracts with the System, in accordance with the Public Employees' Retirement Law (PERL).

For financial reporting purposes, the PERF is divided into three distinct entities:

- PERF A: An agent multiple-employer plan that includes the State of California and most public agency rate plans with more than 100 active members.
- PERF B: A cost-sharing multiple-employer plan for school employers, covering non-teaching and non-certified employees.
- PERF C: A cost-sharing multiple-employer plan for public agencies, generally covering those with fewer than 100 active members.

Under applicable law, the Board of Administration has the authority to terminate an agency's plan under PERF A or PERF C. Similarly, a public agency may choose to terminate its plan. In either case, the terminating agency is responsible for covering all costs required to fully fund the benefits under its contract. If the agency fails to pay any funding deficit, the benefits provided under that agency's contract will be reduced proportionally to account for the shortfall.

As of June 30, 2026, the PERF included the following participating employers:

### Employers for PERF

| PERF Employers | 2026 |
|---|---|
| PERF A | |
| State | 1 |
| Public Agencies[1] | 307 |
| **Total** | **308** |
| PERF B | |
| School Districts and Charter Schools | 1,356 |
| PERF C | |
| Public Agencies[1] | 1,290 |
| **Total Employers** | **2,954** |

(1) Each public agency employer may be counted in both PERF A and PERF C due to active contracts under both plans.

*Legislators' Retirement Fund* (LRF)

The LRF was established under Chapter 879 of the 1947 Statutes to provide retirement, death, and disability benefits to state legislators, constitutional officers, and legislative statutory officers. The benefits offered through the LRF are governed by the provisions of the Legislators' Retirement Law.

In November 1990, Article IV, Section 4.5 was added to the California State Constitution following the passage of Proposition 140. This amendment prohibited future legislators from earning state retirement benefits for legislative service performed on or after November 7, 1990. However, it preserved vested pension benefits that had been accrued prior to that date. As a result, there are no active members currently in the fund. Additionally, the Public Employees' Pension Reform Act of 2013 (PEPRA) officially closed the Legislators' Retirement System to new participants as of January 1, 2013.

*Judges' Retirement Fund* (JRF)

The JRF was established under Chapter 206 of the 1953 Statutes to provide retirement, death, and disability benefits to judges serving in the California Supreme Court, Courts of Appeal, and Superior Courts who were appointed or elected before November 9, 1994. The benefits provided under the JRF are governed by the provisions of the Judges' Retirement Law.

The JRF operates on a pay-as-you-go funding basis, meaning benefit payments are funded through short-term investments, annual contributions, and a State General Fund augmentation. Unlike a fully funded plan, this method does not generate investment returns, making it more expensive over the long term.

Without the State General Fund augmentation, the JRF will not have sufficient resources to cover the accumulated benefit payments due in Fiscal Year 2026-27.

*Judges' Retirement Fund II* (JRF II)

The JRF II was established under Chapter 879 of the 1994 Statutes to provide retirement, death, and disability benefits to judges serving in the California Supreme Court, Courts of Appeal, and Superior Courts who were appointed or elected on or after November 9, 1994. The benefits offered through JRF II are governed by the provisions of the Judges' Retirement System II Law.

**Plan Membership**

Employees in eligible classes of employment who work half-time or more are eligible to participate in the retirement plans. The data presented in the following table reflects the current classifications of members and beneficiaries within the defined benefit pension plans.

As of June 30, 2026, membership in the defined benefit pension plans was as follows:

Benefit Recipients and Members in the PERF A, PERF B, PERF C, LRF, JRF, and JRF II

| Plan | Retirees[1] | Survivors & Beneficiaries[1] | Members | | Total |
|---|---|---|---|---|---|
| | | | Active | Inactive or Deferred not receiving benefits | |
| PERF A Agent | 450,431 | 75,483 | 530,965 | 269,046 | 1,325,925 |
| PERF B Schools Cost-Sharing | 233,320 | 36,532 | 416,162 | 287,984 | 973,998 |
| PERF C Public Agency Cost-Sharing | 46,535 | 6,852 | 57,493 | 35,070 | 145,950 |
| **Total PERF** | **730,286** | **118,867** | **1,004,620** | **592,100** | **2,445,873** |
| LRF | 79 | 99 | — | — | 178 |
| JRF | 997 | 610 | 44 | — | 1,651 |
| JRF II | 684 | 102 | 1,729 | 39 | 2,554 |
| **Total** | **732,046** | **119,678** | **1,006,393** | **592,139** | **2,450,256** |

(1) Retirees and Survivors & Beneficiaries represent inactives receiving benefits.

**Plan Benefits**

The benefits provided under the defined benefit pension plans are determined by a combination of factors, including a member's years of service, age, final compensation, and the applicable benefit formula. These plans offer benefits for disability, death, and survivors of eligible members or beneficiaries. Public agency contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected from the group of 41 benefits. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

Members become vested in their earned retirement benefits, to the extent funded, after completing five years of credited service (10 years for State Second Tier members).

Cost-of-living adjustments (COLA) are available as follows:

- Non-State Second Tier Members: Eligible for COLA of up to 2 percent compounded annually, with an option for local agency retirees to receive up to 5 percent annually, depending on the agency's contract.
- State Second Tier Members: Eligible for a fixed COLA of 3 percent compounded annually.

**Contributions**

The benefits provided under the defined benefit pension plans are funded through contributions from members, employers, non-employers, and investment earnings. Member and employer contributions are calculated as a percentage of applicable member compensation.

- Member Contribution Rates: Defined by law and based on the employer's benefit formulas. In some cases, employers may contribute on behalf of members to meet member contribution requirements.
- Employer Contribution Rates: Determined by periodic actuarial valuations or state statute, based on the benefit formulas and employee groups of each employer.
- Non-Employer Contributions: These contributions are not required annually but are accrued when provided.

*Actuarial Valuations*

Actuarial valuations are used to determine the required contribution rates for members and employers. These valuations ensure that contributions are sufficient to fund the benefits promised under the plans.

*PEPRA and Member Classifications*

The Public Employees' Pension Reform Act of 2013 (PEPRA) introduced significant changes to CalPERS retirement benefits, particularly for new members. PEPRA also established compensation limits for members, with the greatest impact on those joining CalPERS after January 1, 2013.

Under PEPRA, new members are defined as:

1. Individuals who first joined CalPERS on or after January 1, 2013, with no prior membership in another California public retirement system.
2. Individuals who first joined CalPERS before January 1, 2013, but were hired by a different CalPERS employer after January 1, 2013, following a break in service of more than six months.
3. Individuals who first joined CalPERS on or after January 1, 2013, and are ineligible for reciprocity with another California public retirement system.

Members who do not meet the above criteria are generally classified as classic members.

## Notes to the Basic Financial Statements (continued)

The required contribution rates for active plan members and employers, expressed as a percentage of covered payroll for the fiscal year ended June 30, 2026, were as follows:

### Required Contribution Rates

| | Employee Contribution Rates | | Employer - Required Contribution Rates |
|---|---|---|---|
| | Classic | PEPRA | |
| **PERF A – Agent** | | | |
| State: | | | |
| Miscellaneous – First Tier | 5.00% - 11.00% | 6.00% - 11.00% | 31.32%[3] |
| Miscellaneous – Second Tier | 3.75% | 3.75% | 31.32%[3] |
| Industrial – First Tier | 5.00% - 11.00% | 6.00% - 10.50% | 20.54%[3] |
| Industrial – Second Tier | 3.75% | 3.75% | 20.54%[3] |
| Safety | 6.00% - 11.50% | 11.00% - 11.50% | 21.67%[3] |
| and Firefighters | 8.00% - 15.00% | 13.00% - 15.00% | 49.36%[3] |
| Highway Patrol | 13.50% | 13.50% | 69.29%[3] |
| Public Agency: | | | |
| Miscellaneous | 5.00% - 8.00% | 5.25% - 9.50% | varies[1] |
| Safety | 7.00% - 9.00% | 10.75% - 16.50% | varies[1] |
| **PERF B – Schools Cost-Sharing** | | | |
| Classified School | 7.00% | 8.00% | 26.81% |
| **PERF C – Public Agency Cost-Sharing** | | | |
| Public Agency: | | | |
| Miscellaneous | 2.00% - 7.97% | 4.50% - 8.50% | varies[1] |
| Safety | 7.00% - 15.00% | 11.00% - 17.00% | varies[1] |
| **LRF** | N/A | N/A | $493,219 |
| **JRF** | 8.00% | N/A | 8.00%[2] |
| **JRF II** | 8.00% | 16.75% | 22.62% |

(1) Required contributions for individual public agencies plans are the sum of the normal cost (expressed as a percentage of pay) and a payment toward any unfunded liability. Individual plan results vary.
(2) The employee and State contribution rates for the JRF are set by statute and are equal to 8% of payroll each. The JRF is currently funded using a pay-as-you-go approach, and statutory contributions made by the employees and the State are not adequate to meet current benefit payments. In Fiscal Year 2025-26, an additional state contribution of $199,979,563 was required to satisfy the pay-as-you-go cost.
(3) Required employer contribution rates are actuarially determined and exclude the impact of the Government Code Section 20683.2(d) additional contributions..

### DEFINED CONTRIBUTION PLANS

CalPERS currently administers a defined contribution plan and a deferred compensation plan for certain members. Below is an overview of each plan:

*Public Employees' Deferred Compensation Fund* (DCF)
The DCF was established under Chapter 1659 of the 1990 Statutes to provide public employees with maximum tax-preferred retirement savings opportunities. To administer the program, CalPERS partners with a third-party administrator, Voya Retirement Insurance and Annuity Company and Voya Institutional Plan Services, LLC (Voya). The plan is available to public agencies and school districts across California.

- Participant Contributions: Contributions are made voluntarily on a pre-tax or after-tax basis. Participants may contribute up to the limit established by Internal Revenue Code (IRC) Section 457(b).
- Access to Funds: Participants can access their funds upon retirement, separation from employment, or other distributable events as permitted under the IRC.

*Supplemental Contributions Program Fund* (SCPF)
The SCPF was established under Chapter 307 of the 1999 Statutes and is qualified under IRC Section 401(a). This plan is available exclusively to State of California employees who are members of CalPERS and active judges who are members of the Judges' Retirement System or Judges' Retirement System II. To administer the program, CalPERS partners with a third-party administrator, Voya Retirement Insurance and Annuity Company and Voya Institutional Plan Services, LLC (Voya).

- Participant Contributions: Contributions are made voluntarily on an after-tax basis. Participants may also contribute to a deferred compensation plan in conjunction with the SCPF, subject to the limits set by IRC Section 415(c).
- Access to Funds: Distributions are only allowed upon retirement or permanent separation from employment.

As of June 30, 2026, membership in the defined contribution plans was as follows:

### Members in DCF and SCPF

| Plan | Employers | Members |
|---|---|---|
| DCF | 867 | 38,744 |
| SCPF | 1 | 5,533 |

### PENSION PREFUNDING PLAN

*The California Employers' Pension Prefunding Trust Fund* (CEPPTF)
The CEPPTF was established under Chapter 665 of the 2018 Statutes to allow employers to voluntarily prefund pension contributions for their defined benefit pension plans. As of June 30, 2026, the CEPPTF has 106 participating employers, of which 92 employers have contributed assets to the fund. Additional details about the CEPPTF can be found in Note 9 of the financial statements.

### DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLAN

*The California Employers' Retiree Benefit Trust Fund* (CERBTF)

The CERBTF, also known as the Annuitants' Health Care Coverage Fund, was established under Chapter 331 of the 1988 Statutes. The CERBTF allows employers to voluntarily prefund future retiree and survivor health care costs as well as other post-employment benefits (OPEB).

As of June 30, 2026, the CERBTF has 596 participating employers, with 582 employers having contributed assets to the fund. Additional details about the CERBTF can be found in Note 10 of the financial statements.

### ADDITIONAL PROGRAMS AND FUNDS

CalPERS administers several additional programs and plans, which are summarized below:

*Replacement Benefit Fund* (RBF)

The RBF was established under Chapter 798 of the 1990 Statutes to provide replacement benefits to participants of the defined benefit pension plans. Further details about the RBF can be found in Note 11 of the financial statements.

*Old Age and Survivors' Insurance Revolving Fund* (OASI)

The OASI was created pursuant to Government Code Section 22600 to implement the provisions of the Old Age and Survivors' Insurance Program in accordance with Section 218 of Title 2 of the Social Security Act. Additional information about the OASI Fund is available in Note 12 of the financial statements.

*Public Employees' Health Care Fund* (HCF)

The HCF was established under Chapter 1129 of the 1987 Statutes as part of the Public Employees' Medical and Hospital Care Act (PEMHCA). It provides health insurance coverage to CalPERS members through a pooled risk plan. Further details about the HCF can be found in Note 13 of the financial statements.

*Public Employees' Contingency Reserve Fund* (CRF)

The CRF was created under Chapter 1236 of the 1961 Statutes with the enactment of PEMHCA. It serves as a contingency reserve to cover items such as future premiums or benefits. Additional information about the CRF is provided in Note 14 of the financial statements.

*Public Employees' Long-Term Care Fund* (LTCF)

The LTCF was established under Chapter 1154 of the 1992 Statutes as part of the Public Employees' Long-Term Care Act. It administers long-term care insurance plans for eligible participants. Further details about the LTCF are available in Note 15 of the financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REPORTING ENTITY

The accompanying financial statements include all activities and funds administered by CalPERS. For financial reporting purposes, CalPERS is classified as a component unit of the State of California. The accompanying financial statements are incorporated into the fiduciary fund and component unit sections of the State of California's Annual Comprehensive Financial Report.

### MEASUREMENT FOCUS, BASIS OF ACCOUNTING & BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) applicable to governmental organizations. CalPERS complies with the reporting standards established by the Governmental Accounting Standards Board (GASB).

CalPERS organizes and operates its accounts based on funds, with the Board maintaining fiduciary responsibility for investments within both fiduciary and proprietary funds. As of June 30, 2026, CalPERS manages the following fund types:

**Fiduciary Funds**

Fiduciary funds include the pension trust funds (PERF A, PERF B, PERF C, LRF, JRF, JRF II, DCF, SCPF), the investment trust fund (CEPPTF), the other post-employment benefits trust fund (CERBTF), and custodial funds (RBF and OASI). These funds account for assets that CalPERS holds in a trustee or custodial capacity on behalf of others.

The pension trust funds include both defined benefit and defined contribution plans and are accounted for using the economic resources measurement focus and the accrual basis of accounting. Other fiduciary trust funds including the California Employers' Pension Prefunding Trust (CEPPTF) and the California Employers' Retiree Benefit Trust (CERBTF), are also accounted for using the economic resources measurement focus and the accrual basis of accounting. Contributions to defined benefit pension plans are recognized in the period they are legally due, while contributions to defined contribution plans, CEPPTF, and OPEB plans are recognized upon receipt. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Custodial funds are also accounted for using the economic resources measurement focus and the accrual basis of

accounting because they represent assets held on behalf of others.

**Proprietary Funds**
Proprietary funds include HCF, CRF, and LTCF. These funds are also accounted for using the economic resources measurement focus and the accrual basis of accounting. Operating revenues primarily consist of premiums. Nonoperating revenue and expenses include investment income and expenses and subsidies received and provided. Federal Employer Group Waiver Plan (EGWP) subsidies are presented separately as noncapital subsidies below operating income (loss) and before other nonoperating revenues and expenses in accordance with GASB 103. All revenues and expenses not meeting the definitions of nonoperating revenue and expenses are reported as operating revenue and expenses.

## STRATEGIC ASSET ALLOCATION

State statutes and Board policies authorize investments across a diverse range of asset classes, including government securities, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investment types.

The table below outlines the Board-approved strategic asset allocation policy for the defined benefit pension plans, effective as of June 30, 2026:

### Strategic Asset Allocation

| Asset Class | PERF A | PERF B | PERF C | LRF | JRF | JRF II |
|---|---|---|---|---|---|---|
| Public Equity | 37% | 37% | 37% | 7% | — | 43% |
| Private Equity | 17% | 17% | 17% | — | — | — |
| Fixed Income | 28% | 28% | 28% | 45% | — | 29% |
| Real Assets | 15% | 15% | 15% | — | — | — |
| Private Debt | 8% | 8% | 8% | — | — | — |
| Strategic Leverage | (5%) | (5%) | (5%) | — | — | — |
| Liquidity | — | — | — | — | 100% | — |
| TIPS | — | — | — | 35% | — | 5% |
| REITs | — | — | — | 10% | — | 20% |
| Commodities | — | — | — | 3% | — | 3% |
| **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

The CERBTF allows employers to prefund future retiree and survivor health care costs as well as OPEB. Employers can choose from three diversified policy portfolios—Strategy 1, Strategy 2, and Strategy 3—based on their preferences for risk and return expectations.

- Strategy 1 offers the highest long-term expected rate of return but also comes with higher return volatility.
- Strategy 2 provides a balanced approach, with moderate long-term return and volatility expectations.
- Strategy 3 emphasizes lower risk, offering the lowest long-term expected rate of return and volatility.

The table below presents the Board-approved strategic asset allocation policy for the three CERBTF strategies, effective as of June 30, 2026:

### CERBTF Strategic Asset Allocation

| Asset Class | CERBTF Strategy 1 | CERBTF Strategy 2 | CERBTF Strategy 3 |
|---|---|---|---|
| Public Equity | 49% | 34% | 23% |
| Fixed Income | 23% | 41% | 51% |
| TIPS | 5% | 5% | 9% |
| REITs | 20% | 17% | 14% |
| Commodities | 3% | 3% | 3% |
| **Total** | **100%** | **100%** | **100%** |

The CEPPTF allows employers to pre-fund pension contributions to defined benefit pension plans. Employers can choose between two diversified policy portfolios—Strategy 1 and Strategy 2—based on their preferences for risk and return expectations.

- Strategy 1 offers a higher long-term expected rate of return but comes with greater return volatility.
- Strategy 2 provides a lower long-term expected rate of return with reduced return volatility.

The table below outlines the Board-approved strategic asset allocation policy for the two CEPPTF strategies, effective as of June 30, 2026:

### CEPPTF Strategic Asset Allocation

| Asset Class | CEPPTF Strategy 1 | CEPPTF Strategy 2 |
|---|---|---|
| Public Equity | 37% | 21% |
| Fixed Income | 44% | 61% |
| TIPS | 5% | 9% |
| REITs | 14% | 9% |
| **Total** | **100%** | **100%** |

## CAPITAL ASSETS

Capital assets are defined as assets with an initial individual cost of $5 thousand or more for tangible assets, or $1 million or more for intangible assets, and an estimated useful life of more than one year. These assets include buildings, furniture, equipment, and intangible assets, which are recorded at cost or, if donated, at their acquisition value.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets:

- Furniture and equipment: 3 to 5 years
- Buildings: 40 years
- Intangible assets: Depreciation is determined on an asset-by-asset basis.

## INVESTMENT COSTS

Investment costs reported in the accompanying financial statements include management and performance fees, as well as other investment-related expenses. Management and performance fees represent payments to external managers for both public and private market investments. Other investment-related expenses include fund administration costs, internal investment staff salaries, dividend tax withholding, trading fees, consulting services, data and analytics, custody services, appraisals, legal services, technology, trading and portfolio management systems, audits, and tax advisory services. These expenses are reported as "Other Investment Expenses" in the Statement of Changes in Fiduciary Net Position and further detailed in the Investment Expenses Schedule within the Other Supplementary Information section.

Certain costs, including commissions and fees related to public securities transactions, as well as private equity, and private debt profit sharing realized by the PERF, are excluded from investment costs. Instead, these amounts are reported as "Net Appreciation in Fair Value of Investments" in the Statement of Changes in Fiduciary Net Position. For additional details, refer to the Schedule of Commissions & Fees table and the Private Equity and Private Debt Management Fees & Profit Sharing tables in the Investment Section.

## USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with GAAP requires management to make significant estimates and assumptions. These estimates impact the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities as of the financial statement date, as well as the reported revenue/additions and expenses/deductions during the reporting period. Actual results may differ from these estimates.

## RISKS AND UNCERTAINTIES

CalPERS invests in securities subject to various risks, including interest rate, market, credit, liquidity, and foreign currency risks. Given the inherent level of risk, it is reasonably possible that changes in the value of these investment securities could occur in the near term, potentially having a material impact on the amounts reported in the accompanying financial statements.

The total pension liabilities disclosed in Note 8 to the Basic Financial Statements for cost-sharing multiple-employer and single-employer defined benefit pension plans are based on key assumptions, including the long-term rate of return on pension investments, inflation rates, and employee demographics, all of which are subject to change.

The estimated liability for future policy benefits in the LTCF is calculated as the present value of future benefits and expenses, less the present value of future premiums. This liability, reported in the Statement of Net Position, is based on assumptions such as a discount rate of 4.75 percent, morbidity rates, lapse rates, mortality, and plan expenses.

Due to the uncertainties inherent in these estimates and assumptions, it is reasonably possible that changes in these factors in the near term could materially affect the financial statements.

Additionally, CalPERS participates in commercial insurance programs and maintains self-insurance for fiduciary liability. During the fiscal year, insurance settlements did not exceed coverage limits.

## COMPARATIVE TOTALS

The Basic Financial Statements include summarized comparative information from the prior year presented in total, but not at the level of detail required for full conformity with GAAP. Therefore, this information should be read in conjunction with CalPERS financial statements for the fiscal year ended June 30, 2025, from which the summarized data was derived.

## TERMINATION OF PENSION PLANS

Public agency participation in the System may be terminated through one of three methods: a transfer of the agency's plan to another qualified system as permitted by law, voluntary termination of the plan by the agency, or involuntary termination by the Board. If a public agency elects to transfer its plan, the plan’s assets and the corresponding liability for accrued benefits are transferred to the receiving system. If a public agency voluntarily terminates its plan or if the Board initiates an involuntary termination, the agency becomes liable to the System for all costs required to fully fund the benefits under its contract. Any unpaid funding deficit will result in a proportional reduction in the benefits provided under the agency's contract.

## EMPLOYER SHARE OF POST-EMPLOYMENT BENEFITS

As of June 30, 2026, CalPERS has updated its proportionate share of the State of California's net pension and OPEB liabilities, which amount to approximately $431 million and $491 million, respectively. These post-employment liabilities have been recorded by CalPERS, along with the corresponding deferred inflows and outflows of resources, as well as the related post-employment benefit expenses for all affected funds.

CalPERS has determined that providing additional disclosures regarding employer-specific pension and post-employment obligations would not be appropriate, as such disclosures could mislead users of CalPERS' financial statements. The focus of these statements is on the pension and OPEB plans as a whole, rather than on individual employer obligations. For more detailed information regarding CalPERS' pension and OPEB liabilities, please refer to the State of California's Annual Comprehensive Financial Report.

## INTERFUND BALANCES

The Basic Financial Statements include amounts classified as "Due from Other Funds" and "Due to Other Funds." These interfund balances primarily arise from the following activities: reimbursement of administrative expenses owed by other CalPERS funds to the PERF; health premiums in transit, which are due from the CRF to the HCF; and member transfers in transit, which result in amounts due to and from one pension plan to another. As of June 30, 2026, the balance of health premiums due from the CRF to the HCF totaled $239 million.

All interfund balances are expected to be settled within one year from the date of these financial statements. This interfund activity is routine and aligns with the normal operations of the funds involved.

## NEW ACCOUNTING PRONOUNCEMENTS

**GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103)**

In March 2024, the Governmental Accounting Standards Board (GASB) issued Statement No. 103, *Financial Reporting Model Improvements*, to enhance the analytical usefulness, consistency, and comparability of financial reporting. The Statement is effective for fiscal years beginning after June 15, 2025, and requires a restructured Management's Discussion and Analysis (MD&A), revised presentation of operating and nonoperating revenues and expenses in the proprietary fund financial statements, and the presentation of a new subtotal for operating income (loss) and noncapital subsidies.

CalPERS adopted GASB 103 in Fiscal Year 2025-26, resulting in a change in accounting principle. As a result of implementation, applicable noncapital subsidies, including federal government subsidies reported in the Health Care Fund (HCF), are presented separately below operating income (loss) and before other nonoperating revenues and expenses. CalPERS evaluated the Statement's provisions and determined that the requirements related to major component units, unusual or infrequent items, and budgetary comparisons are not applicable. CalPERS also updated its reporting and review processes to support ongoing compliance with the revised financial reporting model.

**GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104)**

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, requiring certain capital assets to be presented separately in the capital assets note disclosures. Lease assets recognized under GASB Statement No. 87, *Leases*, intangible right-to-use assets recognized under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and subscription assets recognized under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are required to be disclosed separately by major class of underlying asset. The Statement also requires intangible assets other than these three types to be disclosed separately by major class and includes additional disclosure requirements for capital assets held for sale.

For Fiscal Year 2025-26, CalPERS evaluated its capital assets and determined that no additional disclosures were required in connection with the adoption of GASB 104. CalPERS will continue to evaluate capital assets annually and disclose any assets held for sale that are considered significant to the pension trust funds.

**GASB Statement No. 105, *Subsequent Events* (GASB 105)**

In December 2025, GASB issued Statement No. 105, *Subsequent Events*, which updates the reporting requirements for subsequent events and requires disclosure of the date through which subsequent events were evaluated. The Statement clarifies the distinction between recognized and nonrecognized subsequent events and includes additional note disclosure requirements for nonrecognized events. Although GASB 105 is effective for fiscal years beginning after June 15, 2026, CalPERS elected to early implement the Statement in Fiscal Year 2025-26.

## SUBSEQUENT EVENTS

Subsequent events were evaluated through November 18, 2026, and management did not identify any material subsequent events requiring adjustment or additional disclosure.

## 3. CASH AND CASH EQUIVALENTS

As of June 30, 2026, CalPERS held approximately $18.0 billion in cash and cash equivalents across its general operating accounts with the State Treasury and its master custodian, State Street Bank and Trust Company. The funds managed by the State Treasurer's Office are pooled with monies from other state agencies, making the underlying investments not individually identifiable by fund. The cash balances reported in the Statement of Cash Flows for proprietary fund types include amounts held in general operating accounts with the State Treasury, as well as cash and money market funds (classified as short-term investments) maintained in checking and demand deposit accounts at the Bank of New York Mellon.

## 4. INVESTMENTS

### SHORT-TERM INVESTMENTS

Short-term investments consist of U.S. Treasury and government-sponsored securities, money market funds, commercial paper, certificates of deposit, repurchase agreements, asset-backed securities, notes, bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions.

### INVESTMENTS AT FAIR VALUE

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72) requires investments measured at fair value to be categorized under a fair value hierarchy. CalPERS determines fair value of its investments using both observable and unobservable inputs. The System categorizes its fair value measurements within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 – inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly. These inputs may include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs.
- Level 3 – unobservable inputs for an asset or liability, which generally require a government to use the best information available and may include the government’s own data.

Investments not categorized within the fair value hierarchy are reported at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of CalPERS interests in such investments unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2026, CalPERS had no specific plans or intentions to sell investments at amounts different from NAV.

## Notes to the Basic Financial Statements (continued)

The following table presents a summary of CalPERS investments by type as of June 30, 2026, at fair value:

CalPERS – Investments at Fair Value[1] (Dollars in Thousands)

| | Fair Value June 30, 2026 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---|---|---|---|---|
| **Investments by Fair Value Level** | | | | |
| Public Equity | | | | |
| Domestic Equity | $156,825,408 | $156,825,408 | $0 | $0 |
| International Equity | 92,171,523 | 92,171,523 | — | — |
| **Total Public Equity** | **$248,996,931** | **$248,996,931** | **$0** | **$0** |
| Global Debt | | | | |
| Asset-Backed | $44,349,653 | $0 | $44,349,653 | $0 |
| Bank Loans | 525,951 | — | 525,951 | — |
| International Debt | 7,112,943 | 5,607,303 | 1,505,640 | — |
| Municipal/Public Bonds | 50,691 | — | 50,691 | — |
| Sovereign Debt | 19,212,156 | — | 19,212,156 | — |
| U.S. Corporate | 28,340,237 | 26,990,535 | 1,349,702 | — |
| U.S. Treasuries, STRIPS and TIPS | 49,196,488 | | 49,196,488 | — |
| **Total Global Debt** | **$148,788,119** | **$32,597,838** | **$116,190,281** | **$0** |
| Derivatives | | | | |
| Futures | $1,832,640 | $1,832,640 | $0 | $0 |
| Rights & Warrants | 1,855 | — | 1,855 | — |
| Forward Contract Assets | 323,985 | — | 323,985 | — |
| Forward Contract (Liabilities) | (563,516) | — | (563,516) | — |
| Swap Assets | 522,955 | — | 522,955 | — |
| Swap (Liabilities) | (852,635) | — | (852,635) | — |
| Options | (2,219) | (259) | (1,960) | — |
| **Total Derivatives** | **$1,263,065** | **$1,832,381** | **($569,316)** | **$0** |
| Other | | | | |
| Rule 144(a) Securities | $52,124,993 | $0 | $52,124,993 | $0 |
| Securitized Assets | 443,380 | — | — | 443,380 |
| Private Equity[2] | 307,389 | — | — | 307,389 |
| **Total Other** | **$52,875,762** | **$0** | **$52,124,993** | **$750,769** |
| **Total Investments by Fair Value Level** | **$451,923,877** | **$283,427,150** | **$167,745,958** | **$750,769** |
| **Investments Measured at NAV** | | | | |
| Commingled/Pooled Funds | $71,557,835 | | | |
| Real Assets | 80,942,798 | | | |
| Private Equity[2] | 149,713,237 | | | |
| Private Debt | 28,359,629 | | | |
| Opportunistic Investments | 2,458,819 | | | |
| **Total Investments Measured at NAV** | **$333,032,318** | | | |
| **Total Investments Measured at Fair Value** | **$784,956,195** | | | |

(1) Certain securities and derivatives disclosed in this table may be classified as short-term investments, global equity or debt securities, investment sales and other receivables, and investment purchases and other payables on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.

(2) Private Equity investments are reported at fair value on the Statement of Fiduciary Net Position – Fiduciary Funds. For GASB 72 purposes, certain private equity investments are valued at NAV. Other private equity investments, including direct holdings and investments valued using unobservable inputs, are classified as Level 3 and measured at fair value using valuation techniques based on the best available information.

Public equity includes both domestic and international securities and is classified in Level 1 of the fair value hierarchy. Fair value is based on quoted prices in active markets using the market approach. Inputs are observable in exchange, dealer, brokered, and principal-to-principal markets, where prices are based on trades of identical securities.

Fixed Income primarily includes asset-backed securities, bank loans, international debt securities, municipal/public bonds, global debt, sovereign debt, U.S. treasuries, and U.S. corporate securities. U.S. corporate bonds classified in Level 1 are valued using quoted prices from active markets.

Debt securities classified in Level 2 are valued using matrix pricing, which relies on quoted prices for securities with similar maturities and ratings. Because many of these securities are traded infrequently, observable inputs are used to determine fair value. Asset-backed securities not classified as Level 2 include collateralized mortgage obligations (CMO), which are classified in Level 3 because fair value estimates require unobservable assumptions such as prepayment rates, default probabilities, and loss severity.

Futures are actively traded on major exchanges and are classified in Level 1. Index, commodity, and fixed income futures are valued using quoted market prices and the market approach. All other derivatives are classified in Level 2. For swaps, observable inputs may include yield curves or interest rates. Options, rights, warrants, and forward contracts are generally valued using the cost approach or dealer-market inputs and may rely on less observable pricing data. Refer to Note 7 in the Notes to the Basic Financial Statements for additional information on other derivatives.

Other investments at fair value include securities subject to Rule 144(a) of the Securities Act of 1933, which permits qualified institutional buyers to trade privately placed securities among themselves after the applicable holding period. These securities are typically acquired through unregistered private sales, or represent control interests in issuing companies. Because valuation inputs are observable directly or indirectly, including quoted prices for similar securities or market-corroborated data, these investments are classified in Level 2. Other investments also include securitized investments, limited partnership investments, and similar structures. These holdings are generally valued using unobservable assumptions and are classified as Level 3. Direct private equity are also classified as Level 3 and are valued using the income, cost, or market approach, depending on the nature of the investment.

Investments Measured at NAV (Dollars in Thousands)

| Asset class | Fair Value | Unfunded Commitments |
|---|---|---|
| Commingled/Pooled Funds | $71,557,835 | $0 |
| Real Assets | 80,942,798 | 11,701,213 |
| Private Equity | 149,713,237 | 64,600,949 |
| Private Debt | 28,359,629 | 42,433,571 |
| Opportunistic Investments | 2,458,819 | 98,262 |
| **Total** | **$333,032,318** | **$118,833,995** |

Commingled funds and pooled investment vehicles are funds in which capital from multiple investors is pooled and invested according to a mutually agreed upon strategy. These investments are measured at NAV, based on the pool's share price multiplied by the number of shares held. These investments typically do not have redemption restrictions.

Real asset investments include real estate, infrastructure, and forestland and are held through separate accounts, limited partnership interests, joint ventures, or commingled funds. Certain real asset investments are leveraged through partnerships that acquire properties using capital contributed by CalPERS and other investors, together with debt financing. Separate accounts are the predominant structure and are generally established through an annual investment process. Direct investments generally involve a contractual commitment to an operating company that is not controlled by a general partner. For commingled funds, CalPERS commits a stated amount of capital and funds it at the request of the partners; undrawn amounts are included in unfunded commitment disclosures. Real asset investments of approximately $80.9 billion are reported at NAV.

Private equity holdings include fund investments, co-investments with existing CalPERS general partners, direct secondary investments, and fund-of-funds investments. These investments are illiquid and are generally not redeemed or readily resold. Distributions are received as the underlying investments are liquidated, typically over an average period of 10 years.

Private debt strategies include direct lending, specialty lending, real estate financing, liquidity financing, and private structured products.

Other investments include externally managed funds pursuing the following strategies:

- Emerging Managers Program – identifies early-stage funds and managers with strong potential, seeks attractive risk-adjusted returns, and helps develop emerging external investment manager talent.
- Absolute Return Strategies – seeks returns independent of broad market movements through active risk management. This strategy is no longer

actively managed, although residual balances remain at fiscal year-end.

- Venture Capital Funds – provides financing to small, early-stage, emerging companies with long-term growth potential.
- Opportunistic Strategies – invests outside the mandate of traditional asset classes.
- Multi-Asset Class Strategies – invests across multiple asset classes and strategies.

These other investment strategies are reported at NAV because they are externally managed fund-structure investments in nongovernmental entities that do not have readily determinable fair values. Redemption terms typically range from at-will to 90 days, except for Multi-Asset Class Strategies, Absolute Return Strategies, Opportunistic Strategies, and Venture Capital Funds.

### RATE OF RETURN

The money-weighted rate of return (MWRR) expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Following is the annual MWRR, net of investment expense, for the fiscal year ended June 30, 2026:

#### Money-Weighted Rate of Return

| Plan | Rate of Return |
|---|---|
| PERF A | |
| Agent | 16.1% |
| PERF B | |
| Schools Cost-Sharing | 16.1% |
| PERF C | |
| Public Agency Cost-Sharing | 16.1% |
| LRF | 7.5% |
| JRF | 4.9% |
| JRF II | 16.2% |
| CERBTF | 16.8% |
| CEPPTF | 11.4% |

## 5. INVESTMENT RISK DISCLOSURES

### INVESTMENT LEGAL DISCLOSURES

The Board of Administration's investment authority and related administrative responsibilities are set forth in Article XVI, Section 17 of the California Constitution, Article 6, Section 20190 of the Public Employees' Retirement Law, and Article 4 of Chapter 21 of Division 7 of Title 1 of the California Public Employees' Pension Reform Act of 2013. These provisions require investments to be diversified to minimize the risk of loss and maximize returns, unless it is clearly not prudent to do so. Accordingly, Board-approved policies permit investments in government securities, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investments, except as otherwise prohibited by statute.

### DEPOSIT AND INVESTMENT RISK DISCLOSURES

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3* (GASB 40), CalPERS discloses investments of CalPERS-managed funds that are subject to certain risks including custodial credit risk, concentration of credit risk, interest rate risk, credit risk, and foreign currency risk.

**Custodial Credit Risk**

Custodial credit risk is the risk that, if a depository institution or counterparty fails, the System would be unable to recover the value of its deposits, investments, or collateral securities. Investment securities sold but not yet settled are subject to custodial credit risk. As of June 30, 2026, a portion of the System's investments, other than posted collateral for futures and over-the-counter instruments, is held in the System's name and is not exposed to custodial credit risk. Investments in commingled funds are held in the name of the fund trustee rather than in CalPERS' name. The System has no general policy relating to custodial credit risk.

**Concentration of Credit Risk**

Except for U.S. government securities, which are not subject to concentration of credit risk disclosure requirements, CalPERS uses a control framework that includes policies and procedures addressing issuer concentration and credit quality limits. As of June 30, 2026, no single issuer represented 5 percent or more of fiduciary net position or total investments.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. CalPERS manages this risk within its portfolios using effective duration or option-adjusted duration methodologies. Investment policies and related procedures require the option-adjusted duration of fixed income segments to remain within specified bands relative to their benchmarks. In general, individual portfolios are managed within specified risk parameters relative to their benchmarks.

CalPERS invests in securities with contractual cash flows, including asset-backed securities, collateralized mortgage obligations, commercial mortgage-backed securities, securities backed by residential and commercial mortgage loans, high-yield and investment-grade corporate securities, emerging market sovereign debt, and U.S. Treasuries. The value, liquidity, and related income of these securities are sensitive to changes in economic and market conditions, interest rates, market perceptions of issuers, credit quality, supply and demand, and maturity.

The following table presents the weighted-average effective duration of CalPERS investments subject to interest rate risk as of June 30, 2026.

CalPERS – Debt Securities Subject to Interest Rate Risk

(Dollars in Thousands)

| Debt Security Type | Portfolio Weighted Average Effective Duration | Fair Value June 30, 2026 | Percent of Debt Securities |
|---|---|---|---|
| Corporate | 6.24 | $63,796,381 | 29.97% |
| U.S. Treasuries and Agencies: | | | |
| U.S. Treasury Bonds | 13.99 | 27,027,965 | 12.70% |
| U.S. Treasury Notes | 4.50 | 21,277,350 | 10.00% |
| U.S. Treasury Strips | 5.19 | 796,874 | 0.37% |
| Mortgages | 3.66 | 45,474,228 | 21.37% |
| Foreign Government | 7.22 | 24,494,933 | 11.51% |
| Asset-Backed | 0.25 | 16,303,177 | 7.66% |
| Municipals | 9.95 | 50,691 | 0.02% |
| **No Effective Duration:** | | | |
| Swaps | N/A | $10,992,932 | 5.17% |
| Corporate | N/A | 1,468,819 | 0.69% |
| Mortgage | N/A | 14,752 | 0.01% |
| Foreign Government | N/A | 176,582 | 0.08% |
| Asset-Backed | N/A | 483,347 | 0.23% |
| Commingled Funds | N/A | 466,090 | 0.22% |
| **Total** | | **$212,824,121** | **100.00%** |

CalPERS invests in the State Treasury pool, the State Street Investment Management Short-Term Investment Fund (STIF), the U.S. Government Short-Term Investment Fund (GSTIF), and other short-term investment funds. These investments are included in short-term investments in the financial statements and are reported at fair value or amortized costs as required under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. As of June 30, 2026, the State Treasury pooled money investment account totaled approximately $6.0 billion, and the State Street Investment Management STIF totaled approximately $13.2 billion. The weighted-average maturity was 281 days for the State Treasury pool and 44 days for the State Street Investment Management STIF. The State Street Investment Management STIF is rated A1/P1. An A1 (S&P) and P1 (Moody's) rating indicates a very strong capacity to meet short-term financial obligations and a very low risk of default. The State Treasury pool is not rated.

The LRF, JRF II, CERBTF, SCPF, DCF, and CEPPTF invest in various State Street Investment Management funds. The following table presents the weighted-average maturities and credit ratings as of June 30, 2026:

CalPERS – State Street Investment Management Weighted Average Maturity and Credit Risk (Dollars in Thousands)

| State Street Investment Management Fund | Fair Value June 30, 2026 | Credit Rating[1] | Weighted Average Maturity[2] |
|---|---|---|---|
| Bloomberg Barclays Long Liability Index | $8,582,669 | A2 | 13.00 |
| 1-10 Year U.S. TIPS Index | 13,082 | AA1 | 4.59 |
| U.S. Aggregate Bond Index | 187,587 | Aa3 | 8.24 |
| U.S. Bond Index | 585,822 | Aa3 | 8.22 |
| U.S. Short-Term Government/ Credit Bond Index | 43,379 | Aa3 | 1.98 |
| U.S. TIPS Index Non Lending | 1,551,633 | AA1 | 7.14 |
| U.S. TIPS Index Security Lending | 216,351 | AA1 | 7.13 |
| **Total** | **$11,180,523** | | |

(1) Credit rating reflects fair value weight of all the rated securities held by the portfolio (excludes unrated securities) using the middle rating provided by either S&P, Moody's, and Fitch or lower if only two agency ratings are available.
(2) The weighted average maturity disclosed in this table is in years.

The following table presents the weighted average duration for securities lending collateral subject to interest rate risk as of June 30, 2026:

CalPERS – Securities Lending Collateral Subject to Interest Rate Risk (Dollars in Thousands)

| Security Type | Fair Value June 30, 2026 | Percent of Securities Lending Collateral |
|---|---|---|
| **No Effective Duration:** | | |
| Money Market Fund[1] | $4,419,460 | 9.5% |
| Short-Term Investment Fund[2] | 66 | —% |
| U.S. Treasury | 9,155,583 | 19.7% |
| Time Deposit | 32,998,417 | 70.8% |
| **Total[3]** | **$46,573,526** | **100.0%** |

(1) Money Market Fund is invested in U.S. Treasury securities with a weighted average maturity (to final maturity) of 31 days.
(2) Short-Term Investment Fund has a weighted average maturity (to final maturity) of 50 days.
(3) This figure does not include $8,700,537 in repurchase agreements, since they are not subject to GASB 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is $55,274,063 for fiduciary funds.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System manages credit risk through its investment policy and related procedures, which establish general and specific risk limits, including sector, issuer concentration, and credit quality limits. Of the rated securities in the fixed income portfolio, 63 percent are investment-grade. Investment-grade securities are rated at least Baa3 by Moody's or BBB- by Standard & Poor's or Fitch.

Each portfolio is required to be managed within a specified risk level.

The following table is a summary of the ratings of CalPERS fixed income securities as of June 30, 2026:

CalPERS – Debt Security Investments Subject to Credit Risk
(Dollars in Thousands)

| Moody's Quality Rating | Fair Value June 30, 2026[1] | Fair Value as a Percent of Debt Security Investments |
|---|---|---|
| Aaa | $5,876,921 | 2.76% |
| Aa1 | 921,749 | 0.43% |
| Aa2 | 1,070,520 | 0.50% |
| Aa3 | 2,549,631 | 1.20% |
| A1 | 3,229,048 | 1.52% |
| A2 | 5,463,596 | 2.57% |
| A3 | 4,088,022 | 1.92% |
| Baa1 | 7,206,321 | 3.39% |
| Baa2 | 9,996,471 | 4.70% |
| Baa3 | 7,836,109 | 3.68% |
| Ba1 | 4,138,607 | 1.94% |
| Ba2 | 8,786,820 | 4.13% |
| Ba3 | 7,593,398 | 3.57% |
| B1 | 7,411,192 | 3.48% |
| B2 | 4,851,531 | 2.28% |
| B3 | 5,161,436 | 2.43% |
| Caa1 | 2,547,469 | 1.20% |
| Caa2 | 394,824 | 0.18% |
| Caa3 | 78,966 | 0.04% |
| Ca | 6,453 | —% |
| NA[2] | 61,132,420 | 28.72% |
| NR[3] | 62,482,617 | 29.36% |
| **Total** | **$212,824,121** | **100.00%** |

(1) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table may not agree to the combined totals of investments presented in those statements.
(2) NA represents U.S. government securities that are not applicable to the GASB 40 disclosure requirements.
(3) NR represents those securities that are not rated by credit agencies.

The following table is a summary of the ratings of the securities lending collateral subject to credit risk:

CalPERS – Securities Lending Collateral Subject to Credit Risk (Dollars in Thousands)

| Moody's Quality Rating | Fair Value | Fair Value as a Percent of Securities Lending Collateral |
|---|---|---|
| NR[1, 2] | $37,417,943 | 100.0% |
| **Total[3]** | **$37,417,943** | **100.0%** |

(1) NR represents those securities that are not rated.
(2) This figure includes $4,419,460 invested in a money market fund and $66 invested in short-term investment fund and $32,998,417 invested in time deposits.
(3) This figure does not include $8,700,537 in repurchase agreements, and $9,155,583 in U.S Treasury, since they are not subject to GASB 40 disclosure for credit risk. The fair value of the investments in the securities lending collateral portfolio is $55,274,063 for fiduciary funds.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of deposits or investments denominated in foreign currencies. The System's asset allocation and investment policies allow for active and passive international investments aligned with benchmarks that include both U.S. and foreign currency exposures. Although the System does not have a formal foreign currency risk policy, it manages this risk through asset-class policies and related procedures, including tracking error metrics. The System also reports total non-U.S. dollar currency exposures to the Board as part of its Trust Level Review. International stocks represent approximately the same proportion of the public equity portfolio as their market-capitalization weight in the public equity benchmark. Fixed income investments may also include exposure to non-U.S. dollar-denominated securities. Real assets and private equity do not have target allocations for international investments. Foreign currency risk disclosures are presented in the CalPERS – International Investment Securities table.

CalPERS – International Investment Securities[1] – Fair Value[2] at June 30, 2026 (U.S. Dollars in Thousands)

| Currency | Cash | Equity | Fixed Income | Real Assets | Private Equity | Forward Contracts | Total U.S. Dollars | Total Foreign Currency |
|---|---|---|---|---|---|---|---|---|
| Argentine Peso | $0 | $0 | $0 | $44,328 | $0 | $0 | $44,328 | 65,568,648 |
| Australian Dollar | 11,511 | 2,937,257 | 21,167 | 1,256,154 | — | 17,065 | 4,243,154 | 6,124,636 |
| Bahamian Dollar | — | — | — | 1,207 | — | — | 1,207 | 1,207 |
| Brazilian Real | 8,212 | 1,042,489 | 10,666 | 525,140 | — | (115,814) | 1,470,693 | 7,612,233 |
| British Pound | 128,484 | 6,722,556 | 65,672 | 3,523,157 | 432,920 | (45,553) | 10,827,236 | 8,157,670 |
| Canadian Dollar | 6,215 | 6,321,002 | 18,310 | 105,472 | 4,841 | (7,484) | 6,448,356 | 9,148,600 |
| Chilean Peso | 46 | 1,294 | 435 | 38,807 | — | 3 | 40,585 | 37,423,226 |
| Chinese Yuan Renminbi | 12,737 | 2,065,595 | — | 492,404 | — | 1,866 | 2,572,602 | 17,462,823 |
| Colombian Peso | 9,500 | 414 | 294,635 | — | — | (29,184) | 275,365 | 949,461,302 |
| Czech Koruna | 275 | 283 | 1,162 | — | — | 25 | 1,745 | 37,039 |
| Danish Krone | 1,602 | 748,306 | 819 | 53,624 | — | 16,801 | 821,152 | 5,368,692 |
| Dominican Peso | — | — | 29,766 | — | — | — | 29,766 | 1,774,351 |
| Egyptian Pound | 11 | 242 | 94,011 | — | — | 3,228 | 97,492 | 4,795,631 |
| Euro | 89,534 | 16,749,380 | 1,149,127 | 5,630,722 | 10,268,317 | 176,639 | 34,063,719 | 29,794,206 |
| Guatemalan Quetzal | — | — | — | 103,285 | — | — | 103,285 | 775,102 |
| Hong Kong Dollar | 3,297 | 5,042,180 | — | 4,946 | — | (366) | 5,050,057 | 39,602,761 |
| Hungarian Forint | (378) | 986 | 2,269 | — | — | 36 | 2,913 | 906,857 |
| Indian Rupee | 18,738 | 3,096,503 | — | 85,540 | — | (3,109) | 3,197,672 | 302,687,632 |
| Indonesian Rupiah | 949 | 176,104 | 4,873 | — | — | (3,900) | 178,026 | 3,183,104,867 |
| Israeli New Shekel | 1,837 | 586,671 | 2,237 | 23,974 | — | (185) | 614,534 | 1,830,973 |
| Japanese Yen | 29,587 | 14,003,956 | 118,340 | 132,482 | — | (122,785) | 14,161,580 | 2,301,610,806 |
| Korean Won | 228 | 7,020,287 | 12,269 | 25,345 | — | (28,846) | 7,029,283 | 10,890,468,117 |
| Kuwaiti Dinar | — | 1,494 | — | — | — | — | 1,494 | 463 |
| Malaysian Ringgit | 1,982 | 404,229 | 5,674 | 111,359 | — | 16 | 523,260 | 2,133,593 |
| Mexican Peso | 3,049 | 474,897 | 5,923 | 209,903 | — | 52 | 693,824 | 12,123,708 |
| New Zealand Dollar | 79 | 951 | 903 | 24,899 | — | 7,900 | 34,732 | 61,057 |
| Nigerian Naira | 7,436 | — | 94,238 | — | — | — | 101,674 | 140,218,105 |
| Norwegian Krone | 2,081 | 345,744 | 409 | 803 | — | (282) | 348,755 | 3,451,105 |
| Paraguay Guarani | — | — | 5,660 | — | — | — | 5,660 | 34,419,309 |
| Peruvian Nuevo Sol | 3,823 | — | 124,861 | — | — | 1,429 | 130,113 | 443,633 |
| Philippine Peso | 4 | 806 | — | — | — | — | 810 | 49,710 |
| Polish Zloty | 2,217 | 214,136 | 4,296 | 8,439 | — | 198 | 229,286 | 861,852 |
| Qatari Rial | 166 | 1,469 | — | — | — | (1) | 1,634 | 5,949 |
| Romanian Leu | 700 | — | 1,818 | — | — | 76 | 2,594 | 11,886 |
| Russian Ruble | — | — | — | 78,163 | — | — | 78,163 | 6,018,551 |
| Saudi Riyal | 4,419 | 598,969 | — | — | — | 10 | 603,398 | 2,267,087 |
| Singapore Dollar | 1,560 | 715,486 | 1,926 | 95,223 | — | 78 | 814,273 | 1,053,221 |
| South African Rand | 1,929 | 775,778 | 153,702 | — | — | (3,050) | 928,359 | 15,215,804 |
| Swedish Krona | 2,150 | 1,493,319 | 445 | 146,611 | — | 5,285 | 1,647,810 | 15,947,738 |
| Swiss Franc | 1,171 | 4,151,910 | 19,655 | 106,254 | — | (6,260) | 4,272,730 | 3,446,598 |
| Taiwan Dollar | 12,640 | 8,080,650 | — | — | — | (24,199) | 8,069,091 | 257,052,998 |
| Thai Baht | 2,032 | 458,019 | 4,540 | — | — | 649 | 465,240 | 15,455,505 |
| Turkish Lira | 2 | 1,076 | 34,502 | — | — | 509 | 36,089 | 1,683,750 |
| UAE Dirham | 645 | 305,975 | — | 3,109 | — | (6) | 309,723 | 1,137,535 |
| Uruguayan Peso | — | — | 8,436 | — | — | — | 8,436 | 339,085 |
| Vietnamese Dong | — | — | 3,716 | — | — | (110) | 3,606 | 43,305,428 |
| West African CFA franc | — | — | — | 10,580 | — | — | 10,580 | 6,083,225 |
| **Total** | **$370,470** | **$84,540,413** | **$2,296,462** | **$12,841,930** | **$10,706,078** | **($159,269)** | **$110,596,084** | |

(1) This table presents investment securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk; investment securities includes partnership level information for private assets. Applicable derivative instrument amounts are reflected under Equity and Forward Contracts columns.

(2) Certain securities disclosed in this table may be classified as short-term investments on the combined Statement of Fiduciary Net Position – Fiduciary Funds and the Statement of Net Position – Proprietary Funds. Accordingly, the totals presented in this table will not agree to the combined totals of investments presented in those statements.

## 6. SECURITIES LENDING

The State Constitution and Board policy authorize CalPERS to engage in securities lending transactions, which are collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement for the return of equivalent securities in the future.

CalPERS has contracted with eSecLending, LLC (eSec) and Fidelity Investments to serve as securities lending agents for domestic and international equity and debt securities. CalPERS receives both cash and noncash collateral. Domestic and international securities are collateralized at no less than 102 percent and 105 percent, respectively, of the fair value of the securities lent. CalPERS does not have the ability to seize noncash collateral absent borrower default; however, it can pledge a portion of the noncash collateral without borrower default. The noncash collateral that it cannot pledge or sell is therefore not reported in the financial statements in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*. Management believes credit risk is mitigated through over-collateralization, daily valuation of securities on loan by third-party pricing sources, and daily margining to maintain collateral levels above required thresholds. Securities on loan may be recalled by CalPERS or returned by the borrower at any time. Accordingly, loan terms generally do not correspond to the duration of the investments made with cash collateral. CalPERS may also enter into term loan agreements, which are evaluated on an individual basis.

As of June 30, 2026, the fair value of securities on loan was approximately $71.9 billion. These securities remain reported in their respective investment categories on the Statement of Fiduciary Net Position. On June 30, 2026, CalPERS reported $54.7 billion of cash collateral received in connection with securities lending obligations of $29.3 billion of noncash collateral of which $9.2 billion of the noncash collateral is available to be pledged. The Statement of Fiduciary Net Position reports $55.3 billion as the fair value of reinvested cash collateral from securities lending and $9.2 billion of noncash collateral available for pledge, also including $234.6 million related to pending loans.

## 7. INVESTMENT DERIVATIVES

CalPERS holds investments in swaps, options, futures, rights, and warrants, and enters into forward foreign currency exchange contracts. The fair value of futures contracts is determined using the market approach based on quoted market prices. The fair value of options, rights, warrants, and swaps is determined using the cost approach, as these instruments are traded less frequently. Exchange-traded derivative investments, such as options, rights, and warrants, are valued using quoted prices from the exchange on which they are traded. Non-exchange-traded investments, such as swaps, are valued by an external pricing service using various proprietary methods. The fair value of international currency forward contracts represents the unrealized gain or loss on the related contracts, calculated as the difference between the contract exchange rate and the exchange rate at the end of the reporting period.

Futures contracts are marked to market at the end of each trading day, and gains or losses are settled on the following business day through the movement of variation margin. Over-the-counter derivatives, such as swaps, generally reset monthly, and gains or losses are settled on the following business day. Currency forward contracts roll quarterly, updating the contract exchange rate.

With respect to over-the-counter derivatives, including swaps and currency forward contracts, CalPERS is exposed to counterparty risk. CalPERS investment managers seek to mitigate this risk through counterparty credit evaluations and approvals, counterparty credit limits, collateral requirements, and monitoring procedures, as well as compliance with standard International Swaps and Derivatives Association and Credit Support Annex agreements with counterparties.

At June 30, 2026, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately $1.2 billion. The aggregate amount of cash collateral held by CalPERS on behalf of over-the-counter derivatives was approximately $0.3 billion.

## Notes to the Basic Financial Statements (continued)

### CalPERS – Derivative Instruments Summary[1, 2] (Dollars in Thousands)

| Investment | Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2026 | Fair value at June 30, 2026 | | |
|---|---|---|---|---|
| **Derivatives (by Type)** | **Amount** | **Classification** | **Amount** | **Notional** |
| Credit Default Swaps Bought | $43,710 | Investment Revenue | ($8,242) | $1,474,651 |
| Credit Default Swaps Written | (55,012) | Investment Revenue | 5,022 | 1,627,756 |
| Currency Swaps | (3,106) | Investment Revenue | — | — |
| Fixed Income Futures Long | (57,038) | Investment Revenue | 6,109,987 | 2,519,554,077 |
| Fixed Income Futures Short | 88,794 | Investment Revenue | (4,068,324) | (988,711,513) |
| Fixed Income Options Bought | (619) | Investment Revenue | — | — |
| Fixed Income Options Written | (2,354) | Investment Revenue | (1,758) | (181,938) |
| Foreign Currency Options Bought | 1,791 | Investment Revenue | 333 | 54,356 |
| Rights[3] | 4,277 | Investment Revenue | (535) | (90,477) |
| Futures Options Written | (123) | Investment Revenue | (259) | (1,045) |
| FX Forwards | 237,518 | Investment Revenue | (239,531) | 30,099,884 |
| Index Futures Long | 965,701 | Investment Revenue | 34,314 | 5,276,652 |
| Index Futures Short | (3,200,351) | Investment Revenue | (243,337) | (28,581,273) |
| Pay Fixed Interest Rate Swaps | 134,497 | Investment Revenue | 126,136 | 48,204,695 |
| Receive Fixed Interest Rate Swaps | (167,734) | Investment Revenue | (132,420) | 35,464,870 |
| Rights | (2,473) | Investment Revenue | 1,352 | 1,242 |
| Total Return Swaps Bond | (7,689,551) | Investment Revenue | (171,116) | 11,394,170 |
| Total Return Swaps Equity | (47,416) | Investment Revenue | (149,060) | (208,201) |
| Warrants[3] | 2,138 | Investment Revenue | 503 | 2,710 |
| **Total** | **($9,747,351)** | | **$1,263,065** | |

(1) The information presented in this table is derived from CalPERS' June 30, 2026, accounting records and in some instances may reflect trades on a one-day lag basis.
(2) Derivative instruments subject to foreign currency risk include FX Forwards, and a portion of the Rights and Index Futures amounts listed. These amounts are reflected in the International Investment Securities table under Forward Contracts and Equity columns.
(3) Rights and Warrants are Notional units.

### CalPERS – Derivative Instruments Subject to Interest Rate Risk (Dollars in Thouands)

| | | Investment Maturities (in years) | | | |
|---|---|---|---|---|---|
| **Investment Type** | **Fair Value June 30, 2026** | **Under 1** | **1–5** | **6–10** | **10+** |
| Total Credit Default Swaps Bought | ($8,242) | $0 | ($8,032) | ($210) | $0 |
| Total Credit Default Swaps Written | 5,022 | 1,285 | 7,568 | (3,832) | — |
| Total Fixed Income Options Written | (1,758) | (1,421) | (336) | — | — |
| Total Pay Fixed Interest Rate Swaps | 126,136 | 9,050 | 61,725 | 58,246 | (2,886) |
| Total Receive Fixed Interest Rate Swaps | (132,420) | (287) | (132,159) | 622 | (595) |
| Total Return Swaps Bond | (171,116) | (171,116) | — | — | — |
| Total Return Swaps Equity | 2,847 | 2,847 | — | — | — |
| **Total** | **($179,531)** | **($159,642)** | **($71,234)** | **$54,826** | **($3,481)** |

## Notes to the Basic Financial Statements (continued)

### CalPERS – Derivative Instruments Highly Sensitive to Interest Rate Changes (Dollars in Thousands)

| Investment Type | Reference Rate | Fair Value at June 30, 2026 | Notional |
|---|---|---|---|
| Interest Rate Swaps | Receive Variable 00-month TONAR funds, Pay Fixed, 2.1% | $1,108 | $32,272 |
| Interest Rate Swaps | Receive Variable 01-month TIE funds, Pay Fixed, 8.2% | (26) | 4,601 |
| Interest Rate Swaps | Receive Variable 06-month BUBOR funds, Pay Fixed, 6% | (414) | 4,211 |
| Interest Rate Swaps | Receive Variable 06-month BUBOR funds, Pay Fixed, 6.1% | (686) | 6,817 |
| Interest Rate Swaps | Receive Variable 06-month BUBOR funds, Pay Fixed, 6.4% | (421) | 3,297 |
| Interest Rate Swaps | Receive Variable 06-month EURIBOR funds, Pay Fixed, 2.5% | 131 | 11,433 |
| Interest Rate Swaps | Receive Variable 06-month EURIBOR funds, Pay Fixed, 2.8% | 4,465 | 284,339 |
| Interest Rate Swaps | Receive Variable 06-month EURIBOR funds, Pay Fixed, 3.1% | (595) | 37,140 |
| Interest Rate Swaps | Receive Variable 06-month EURIBOR funds, Pay Fixed, 3.2% | (983) | 41,959 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.2% | 4,152 | 400,000 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.3% | 30,698 | 2,110,910 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.4% | 29,678 | 2,879,500 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.5% | 57,940 | 2,797,640 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.6% | 4,498 | 515,000 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.7% | 9,876 | 34,747,230 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.8% | 1,158 | 85,200 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 3.9% | 1,230 | 285,466 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 4% | 712 | 132,680 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 4.1% | 17,742 | 1,625,000 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 4.2% | (921) | 1,150,000 |
| Interest Rate Swaps | Receive Variable SOFR, Pay Fixed 4.4% | (33,206) | 1,050,000 |
| Interest Rate Swaps | Receive Fixed 14%, Pay Variable 00-month BRAZIL CETIP | (8) | 28,149 |
| Interest Rate Swaps | Receive Fixed 13%, Pay Variable 00-month BRAZIL CETIP | (469) | 20,885 |
| Interest Rate Swaps | Receive Fixed 13.3%, Pay Variable 00-month BRAZIL CETIP | (2,079) | 121,749 |
| Interest Rate Swaps | Receive Fixed 13.4%, Pay Variable 00-month BRAZIL CETIP | (535) | 31,840 |
| Interest Rate Swaps | Receive Fixed 13.5%, Pay Variable 00-month BRAZIL CETIP | (458) | 36,051 |
| Interest Rate Swaps | Receive Fixed 13.6%, Pay Variable 00-month BRAZIL CETIP | (635) | 55,758 |
| Interest Rate Swaps | Receive Fixed 13.7%, Pay Variable 00-month BRAZIL CETIP | (57) | 6,414 |
| Interest Rate Swaps | Receive Fixed 13.8%, Pay Variable 00-month BRAZIL CETIP | (232) | 51,140 |
| Interest Rate Swaps | Receive Fixed 14.1%, Pay Variable 00-month BRAZIL CETIP | (287) | 94,147 |
| Interest Rate Swaps | Receive Fixed 2.3%, Pay Variable 06-month EURIBOR funds | (1,725) | 188,759 |
| Interest Rate Swaps | Receive Fixed 2.9%, Pay Variable 06-month EURIBOR funds | 2 | 2,738 |
| Interest Rate Swaps | Receive Fixed 3%, Pay Variable 06-month EURIBOR funds | (597) | 36,952 |
| Interest Rate Swaps | Receive Fixed 4.7%, Pay Variable 06-month WIBOR funds | 580 | 17,372 |
| Interest Rate Swaps | Receive Fixed 4.8%, Pay Variable 06-month WIBOR funds | 110 | 2,394 |
| Interest Rate Swaps | Receive Fixed 6.8%, Pay Variable 06-month JIBOR funds | (119) | 13,661 |
| Interest Rate Swaps | Receive Fixed 7.1%, Pay Variable 06-month BUBOR funds | 408 | 2,331 |
| Interest Rate Swaps | Receive Fixed 7.2%, Pay Variable 06-month BUBOR funds | 2,792 | 14,928 |
| Interest Rate Swaps | Receive Fixed 8.3%, Pay Variable 01-month TIE funds | 58 | 4,573 |
| Interest Rate Swaps | Receive Fixed 8.5%, Pay Variable 01-month TIE funds | 1 | 29 |
| Interest Rate Swaps | Recieive Fixed 3.3%, Pay Variable SOFR | (20,158) | 835,000 |
| Interest Rate Swaps | Recieive Fixed 3.4%, Pay Variable SOFR | (16,458) | 850,000 |
| Interest Rate Swaps | Recieive Fixed 3.5%, Pay Variable SOFR | (15,967) | 990,000 |
| Interest Rate Swaps | Recieive Fixed 3.7%, Pay Variable SOFR | (48,243) | 7,750,000 |
| Interest Rate Swaps | Recieive Fixed 3.8%, Pay Variable SOFR | (21,982) | 5,875,000 |
| Interest Rate Swaps | Recieive Fixed 3.9%, Pay Variable SOFR | (13,871) | 12,750,000 |
| Interest Rate Swaps | Recieive Fixed 4%, Pay Variable SOFR | 7,509 | 5,685,000 |
| **Subtotal – Interest Rate Swaps** | | **($6,284)** | **$83,669,565** |
| Total Return Swaps Bond | Receive Variable 12-month FED funds, Pay Equity | ($171,116) | $11,210,638 |
| Total Return Swaps Bond | Receive Variable 12-month FED funds, Pay fixed 0% | — | 183,532 |
| **Subtotal – Total Return Bond Swaps** | | **($171,116)** | **$11,394,170** |
| **TOTAL** | | **($177,400)** | **$95,063,735** |

## Notes to the Basic Financial Statements (continued)

### CalPERS – Derivative Instruments Subject to Counterparty Credit Risk

| Counterparty | Percentage of Net Exposure | Moody's Ratings |
|---|---|---|
| Goldman Sachs International | 18.20% | A1 |
| Barclays Bank, PLC | 13.85% | A1 |
| Goldman Sachs + Co., LLC | 13.76% | NR |
| Citigroup Global Markets CME | 11.58% | A3 |
| JP Morgan Chase Bank, N.A. | 6.12% | Aa2 |
| Citibank N.A. | 5.38% | Aa3 |
| UBS AG (Union Bank Of Switzerland) Zurch | 5.25% | Aa2 |
| UBS AG | 4.58% | Aa2 |
| HSBC Bank USA | 4.29% | Aa3 |
| BNP Paribas | 2.63% | A1 |
| Natwest Markets PLC | 1.99% | A1 |
| Societe Generale | 1.59% | A1 |
| Hsbc Bank PLC | 1.55% | A3 |
| The Bank of New York Mellon | 1.27% | Aa3 |
| BNP Paribas Securities Corporation | 1.01% | A1 |
| State Street Bank and Trust Company | 0.96% | Aa2 |
| Bank of America Merrill Lynch, Inc. | 0.81% | A1 |
| Citigroup Global Markets ICE | 0.76% | NR |
| Bank of America CME | 0.61% | A1 |
| Standard Chartered Bank | 0.49% | A1 |
| Bank of America N.A. | 0.44% | Aa2 |
| Commonwealth Bank of Australia | 0.43% | Aa2 |
| Canadian Imperial Bank of Commerce | 0.42% | A2 |
| Royal Bank of Canada | 0.31% | A1 |
| Morgan Stanley Capital Services, LLC | 0.29% | Aa3 |
| Wells Fargo Bank NA | 0.25% | Aa2 |
| Bank of Montreal | 0.22% | A2 |
| Barclays Bank PLC Wholesale | 0.21% | A1 |
| State Street Bank London | 0.14% | Aa3 |
| Goldman Sachs Bank USA | 0.12% | A2 |
| Deutsche Bank Ag | 0.11% | A1 |
| Citigroup Global Markets Lch | 0.09% | A3 |
| Toronto Dominion Bank | 0.09% | A2 |
| Morgan Stanley And Co. International PLC | 0.07% | A1 |
| Morgan Stanley Bank, N.A. | 0.06% | Aa3 |
| Morgan Stanley Capital Services, Inc. | 0.06% | A1 |
| Jpmorgan Chase Bank NA London | 0.01% | Aa2 |
| **TOTAL** | **100.00%** | |

## 8. EMPLOYERS' NET PENSION LIABILITY/(ASSET)

The components of the net pension liability of the PERF B, PERF C, LRF, JRF, and JRF II as of June 30, 2026, are reported in the following Net Pension Liability/(Asset) table. PERF A is an agent multiple-employer plan and therefore not disclosed in the following tables, consistent with GASB Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67) reporting requirements.

Net Pension Liability/(Asset) (Dollars in Thousands)

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) | Plan Fiduciary Net Position as a Percentage of Total Pension Liability |
|---|---|---|---|---|
| **PERF B** | | | | |
| Schools Cost-Sharing | $146,010,720 | $123,489,294 | $22,521,426 | 84.6% |
| **PERF C** | | | | |
| Public Agencies Cost-Sharing | 61,387,788 | 55,383,049 | 6,004,739 | 90.2% |
| **LRF** | | | | |
| State of California | 88,236 | 90,406 | (2,170) | 102.5% |
| **JRF** | | | | |
| State of California | 2,102,378 | 46,372 | 2,056,006 | 2.2% |
| **JRF II** | | | | |
| State of California | 2,948,872 | 3,479,018 | (530,146) | 118.0% |

The total pension liability for each defined benefit plan was determined by actuarial valuations as of June 30, 2025, rolled forward to June 30, 2026, using the following actuarial assumptions:

Actuarial Assumptions Used to Measure the Total Pension Liability

| | PERF B Schools Cost-Sharing | PERF C Public Agency Cost-Sharing | LRF | JRF | JRF II |
|---|---|---|---|---|---|
| Inflation Rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Salary Increases | Varies by Entry Age and Service | Varies by Entry Age and Service | N/A | 3.00% | 3.00% |
| Mortality Rate Table [1, 2] | Derived using CalPERS membership data for all funds | | | | |
| The above actuarial assumptions were based upon the following experience study periods: | Varies by individual assumptions[2]. The 2025 experience study generally covers fiscal years 2000 – 2023 unless deemed inappropriate. | | | | |
| Post-Retirement Benefit Increase | 2.00% until PPPA[3] floor on purchasing power applies, 2.50% thereafter | Contract COLA up to 2.50% until PPPA[3] floor on purchasing power applies, 2.50% thereafter | 2.50% | 3.00% | 2.50% |
| Long-term rate of return assumption on plan investments used in discounting liabilities: | 6.90% | 6.90% | 5.20% | 4.67% | 6.15% |

(1) The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP-2021 published by the Society of Actuaries.

(2) For more details, please refer to the 2025 CalPERS Experience Study and Review of Actuarial Assumptions report, which can be found on the CalPERS website.

(3) Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

In estimating the long-term rate of return for the PERF, CalPERS considered the Total Portfolio Approach (TPA) investment strategy adopted in November 2025, along with the corresponding reference portfolio and active risk limit. CalPERS also reviewed the expected returns and associated risks for each asset class in combination with the Strategic Asset Allocation in place through June 30, 2026, adopted in the 2024 Mid-Cycle Asset Liability Management study.

### PERF B & PERF C – Long-Term Expected Real Rates of Return by Asset Class

| Asset Class | Assumed Asset Allocation[1] | Real Return[2] |
|---|---|---|
| Public Equity | 37.00% | 4.36% |
| Private Equity | 17.00% | 5.36% |
| Fixed Income | 28.00% | 2.33% |
| Real Assets | 15.00% | 2.83% |
| Private Debt | 8.00% | 4.73% |
| Strategic Leverage | (5.00%) | 1.20% |

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.50% used for this period.

For the LRF and JRF II plans, the long-term rates of return were estimated using the estimated returns for each asset class as shown below.

### LRF – Long-Term Expected Real Rates of Return by Asset Class

| Asset Class | Assumed Asset Allocation[1] | Real Return[2] |
|---|---|---|
| Public Equity | 7.00% | 4.36% |
| Fixed Income | 45.00% | 2.33% |
| TIPS | 35.00% | 1.40% |
| Commodities | 3.00% | 2.10% |
| REITs | 10.00% | 2.83% |

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.50% used for this period.

### JRF II – Long-Term Expected Real Rates of Return by Asset Class

| Asset Class | Assumed Asset Allocation[1] | Real Return[2] |
|---|---|---|
| Public Equity | 43.00% | 4.36% |
| Fixed Income | 29.00% | 2.33% |
| TIPS | 5.00% | 1.40% |
| Commodities | 3.00% | 2.10% |
| REITs | 20.00% | 2.83% |

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected price inflation of 2.50% used for this period.

## DISCOUNT RATE

**PERF B, PERF C, LRF, and JRF II**

The discount rates used to measure the total pension liability as of June 30, 2026, for PERF B, PERF C, LRF, and JRF II were 6.90 percent, 6.90 percent, 5.20 percent, and 6.15 percent, respectively. These discount rates are consistent with the long-term expected rates of return on the respective plan assets and are net of investment expense, but not reduced for administrative expenses.

The fiduciary net position of PERF B, PERF C, LRF, and JRF II was projected to be sufficient to make all projected future benefit payments of current plan members. Accordingly, the long-term expected rates of return for those pension plans' investments were applied to all periods of projected benefit payments in determining the total pension liability.

**JRF**

The discount rate used to measure the total pension liability as of June 30, 2026, was 4.67 percent, which differs from the discount rate used as of June 30, 2025, of 5.20 percent. The State funds JRF benefit obligations using the pay-as-you-go method. Under this method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments to current active and inactive employees. Therefore, the discount rate was based on the Bond Buyer Index 20-year tax-exempt General Obligation Municipal Bonds with an average rating equivalent to AA from S&P Global Ratings and was applied to all periods of projected benefit payments in measuring the total pension liability.

## Notes to the Basic Financial Statements (continued)

### SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability/(asset) of PERF B, PERF C, LRF, JRF, and JRF II, calculated using the current discount rate, as well as the net pension liability/(asset) that would result if the discount rate were one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

Sensitivity Analysis (Dollars in Thousands)

Discount Rate (assumed)

| Plan | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) | Plan Fiduciary Net Position as a Percentage of Total Pension Liability |
|---|---|---|---|---|
| **PERF B** | | | | |
| Schools Cost-Sharing | $146,010,720 | $123,489,294 | $22,521,426 | 84.6% |
| **PERF C** | | | | |
| Public Agencies Cost-Sharing | 61,387,788 | 55,383,049 | 6,004,739 | 90.2% |
| **LRF** | | | | |
| State of California | 88,236 | 90,406 | (2,170) | 102.5% |
| **JRF** | | | | |
| State of California | 2,102,378 | 46,372 | 2,056,006 | 2.2% |
| **JRF II** | | | | |
| State of California | 2,948,872 | 3,479,018 | (530,146) | 118.0% |

Sensitivity Analysis (Dollars in Thousands)

Discount Rate -1.00%

| Plan | Total Pension Liability (-1%) | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) (-1%) | Plan Fiduciary Net Position as a Percentage of Total Pension Liability |
|---|---|---|---|---|
| **PERF B** | | | | |
| Schools Cost-Sharing | $165,801,152 | $123,489,294 | $42,311,858 | 74.5% |
| **PERF C** | | | | |
| Public Agencies Cost-Sharing | 69,721,545 | 55,383,049 | 14,338,496 | 79.4% |
| **LRF** | | | | |
| State of California | 98,353 | 90,406 | 7,947 | 91.9% |
| **JRF** | | | | |
| State of California | 2,274,449 | 46,372 | 2,228,077 | 2.0% |
| **JRF II** | | | | |
| State of California | 3,285,018 | 3,479,018 | (194,000) | 105.9% |

Sensitivity Analysis (Dollars in Thousands)

Discount Rate +1.00%

| Plan | Total Pension Liability (+1%) | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) (+1%) | Plan Fiduciary Net Position as a Percentage of Total Pension Liability |
|---|---|---|---|---|
| **PERF B** | | | | |
| Schools Cost-Sharing | $129,675,575 | $123,489,294 | $6,186,281 | 95.2% |
| **PERF C** | | | | |
| Public Agencies Cost-Sharing | 54,555,303 | 55,383,049 | (827,746) | 101.5% |
| **LRF** | | | | |
| State of California | 80,019 | 90,406 | (10,387) | 113.0% |
| **JRF** | | | | |
| State of California | 1,951,773 | 46,372 | 1,905,401 | 2.4% |
| **JRF II** | | | | |
| State of California | 2,671,674 | 3,479,018 | (807,344) | 130.2% |

## 9. CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND

The CEPPTF was established by Chapter 665 of the 2018 Statutes and was initially funded in 2019. As of June 30, 2026, 106 employers had elected to participate in the fund, and 92 of those employers had made contributions to their CEPPTF accounts. The CEPPTF is an Internal Revenue Code (IRC) Section 115 trust fund established to receive contributions from participating employers and to maintain separate employer prefunding accounts for future contributions to defined benefit pension plans. Employer contributions are voluntarily determined based on each employer's funding schedule, and there are no long-term contracts requiring contributions to the trust. Accordingly, contributions to the CEPPTF are elective rather than required. Under GASB Statement No. 84, *Fiduciary Activities*, the CEPPTF is an investment trust fund with pooled administrative and investment functions.

Participating employers may receive distributions from the fund, not to exceed the actual contributions made to their pension plans during the fiscal year. If an employer terminates participation in the fund, all assets in the employer's prefunding account generally remain in the fund unless otherwise provided. Permitted termination distributions may be made to a trustee or through a trustee-to-trustee transfer, provided the employer satisfactorily demonstrates to the Board that either: (1) the transfer satisfies applicable IRC requirements, other laws, accounting standards, and the Board's fiduciary duties; or (2) in accordance with applicable IRC requirements, other laws, accounting standards, and the Board's fiduciary duties, all obligations for the payment of defined benefit pension benefits and reasonable administrative costs have been satisfied.

CEPPTF costs include direct administrative and investment costs, as well as indirect costs allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with Northeast Retirement Services (NRS) to provide recordkeeping services for individual CEPPTF employer accounts. During fiscal year 2025-26, participating employers contributed $45.4 millon. There were eight distributions from the CEPPTF totaling $13.9 millon.

The CEPPTF mirrors the investment policies of the System as a whole. These policies are adopted by the CalPERS Investment Committee and establish the System's overarching investment beliefs, purposes, and objectives for all investment programs. In addition, the CEPPTF has separate Board-approved asset allocation policies for the two investment options offered by the fund. Each strategy is designed to provide employers with investment alternatives based on their expected return and volatility preferences.

## 10. OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

The CERBTF, also known as the Annuitants' Health Care Coverage Fund, was established by Chapter 331 of the 1988 Statutes and was initially funded in 2007. As of June 30, 2026, 596 employers had elected to participate in the fund, and 582 of those employers had made contributions to their CERBTF accounts. The CERBTF is an Internal Revenue Code (IRC) Section 115 trust fund established to receive contributions from participating employers, including the State of California through August 2025, and to maintain separate employer prefunding accounts for payment of health care and other post-employment benefits in accordance with the terms of participating employers' plans. Employer contributions are voluntarily determined based on each employer's funding schedule, and there are no long-term contracts requiring contributions to the plan. Accordingly, contributions to the CERBTF are elective rather than required. Under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the CERBTF is an agent multiple-employer plan with pooled administrative and investment functions.

Participating employers may receive distributions from the fund, not to exceed the annual premium and other costs of eligible post-employment benefits. If an employer terminates participation in the fund, all assets in the employer's prefunding account generally remain in the fund unless otherwise provided. Permitted termination distributions may be made to a trustee or through a trustee-to-trustee transfer, provided the employer satisfactorily demonstrates to the Board that either: (1) the transfer satisfies applicable IRC requirements, other laws, accounting standards, and the Board's fiduciary duties; or (2) in accordance with applicable IRC requirements, other laws, accounting standards, and the Board's fiduciary duties, all obligations for the payment of post-employment benefits have been satisfied. During fiscal year 2025-26, ten employers terminated their participation in the CERBTF.

As of June 30, 2026, there were 522,122 active plan members, 342,059 inactive plan members currently receiving benefit payments, and 14,635 inactive plan members entitled to but not yet receiving benefit payments.

CERBTF costs include direct administrative and investment costs, as well as indirect costs allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with Northeast Retirement Services (NRS) to provide recordkeeping services for individual CERBTF employer accounts. During fiscal year 2025-26, actual OPEB employer contributions from participating employers representing 620 OPEB plans totaled $4.9 billion. In compliance with GASB 74, this amount includes $0.8 billion in

contributions made to the CERBTF, plus an additional $4.2 billion in retiree health care premiums paid directly by employers to health care providers.

The CERBTF mirrors the investment policies of the System as a whole. These policies are adopted by the CalPERS Investment Committee and establish the System's overarching investment beliefs, purposes, and objectives for all investment programs. In addition, the CERBTF has separate Board-approved asset allocation policies for the three investment options offered by the fund. Each strategy is designed to provide employers with investment alternatives based on expected return and volatility. For fiscal year 2025-26, the CERBTF recognized an annual money-weighted rate of return of 16.8 percent.

## 11. REPLACEMENT BENEFIT FUND (RBF)

The RBF was established as a custodial fund by Chapter 798 of the 1990 Statutes. Regulations implementing the Replacement Benefits Plan (RBP) became effective in 2001. The RBP provides benefits to participants in the PERF whose retirement allowances exceed the limits imposed by IRC Section 415(b). IRC Section 415(b) establishes a dollar limit on the annual retirement benefits that may be paid from a qualified defined benefit pension plan.

The RBF is funded on a pay-as-you-go basis. Under this arrangement, the employer is invoiced on a calendar-year basis for amounts payable to former employees, and upon receipt of payment, CalPERS remits the replacement benefits to participants on a monthly basis. Employer contributions must equal the benefits not payable from the PERF as a result of IRC Section 415(b) limitations and, if applicable, the employer's Federal Insurance Contributions Act (FICA) taxes. CalPERS is responsible for calculating the applicable IRC Section 415(b) dollar limit and notifying the employer. As of June 30, 2026, 1,702 participants were receiving replacement benefits.

Government Code section 7522.43 provides that a public retirement system may continue to administer a replacement benefits plan only for employees first hired before January 1, 2013. Accordingly, employers may not offer a replacement benefits plan to employees hired on or after January 1, 2013.

## 12. OLD AGE AND SURVIVORS' INSURANCE REVOLVING FUND (OASI)

The Old Age and Survivors' Insurance Revolving Fund (OASI) was established to consolidate the collection and remittance of employee and employer contributions for California public agencies under federal Social Security requirements.

The Board of Administration serves as the State Social Security Administrator (SSSA). From 1955 through 1986, the SSSA was responsible for collecting Social Security and Medicare taxes from public employers, reconciling the submissions, and remitting the taxes to the Internal Revenue Service (IRS). Effective January 1, 1987, under the Omnibus Budget Reconciliation Act of 1986, responsibility for collecting these taxes transferred from CalPERS to the IRS. Beginning in 1987, the SSSA operated using interest earnings accumulated in the OASI Fund. As OASI balances declined, additional funding was required to support the administrative costs of the SSSA program. Accordingly, the SSSA began assessing an Annual Maintenance Fee on July 1, 2019. Collections exceeded the amount needed to fund fiscal year 2019-20 expenditures, and no fees were assessed for fiscal years 2021-22, 2022-23, and 2023-24. The SSSA resumed assessing the Annual Maintenance Fee beginning July 1, 2024, after the fund reached its minimum threshold. Annual Maintenance Fees are reviewed and adjusted annually to fund ongoing administrative expenses and maintain required fund reserves.

## 13. PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF was established under the Public Employees' Medical and Hospital Care Act (PEMHCA) effective July 1, 1988, for self-funded plans. Effective January 1, 2014, flex-funded plans, Anthem Blue Cross, Blue Shield of California, Health Net, Sharp, and UnitedHealthcare were added. Western Health Advantage was added effective January 1, 2018. Through December 31, 2021, CalPERS self-funded plan offerings included PERS Choice, PERSCare, and PERS Select. Effective January 1, 2022, CalPERS merged the PERSCare and PERS Choice plans and renamed the combined plan PERS Platinum, and renamed PERS Select as PERS Gold. These changes did not affect provider networks or benefit designs for the former PERSCare and PERS Select plans. Effective January 1, 2024, Blue Shield of California transitioned from a flex-funded plan to a fully insured plan; accordingly, Blue Shield of California's fully insured transactions are no longer included in the HCF.

Health plans are available to entities that contract for health insurance coverage under PEMHCA based on ZIP codes, as prescribed by state law. Participation in large risk pools spreads catastrophic claims across a broader base and minimizes administrative expenses. The self-funded plans retain all risk of loss for allowable health claims. Effective January 1, 2019, the flex-funded plans retained no risk of loss when capitated and fee-for-service expenses exceeded amounts agreed to with the health plan carrier. Members are

not subject to supplemental assessments in the event of deficiencies.

Health insurance premiums are established by the Board based on trend analysis of historical cost, utilization, demographics, and administrative expenses of the HCF to provide for claims incurred and the actuarially determined required level of reserves. The health plans rely on operating cash flows and investment income to fund health benefit payments. During Fiscal Year 2025-26, the Board approved aggregate premium increases for the 2026 plan year to continue providing health plan benefits.

Public agencies participating in the health plans are required to make monthly premium payments based on premiums established annually by CalPERS. The employer share of premiums is determined by the public agency through benefit negotiations, subject to minimum employer contribution requirements established under PEMHCA. Public agency employees pay the difference between the premium rate and the employer's share.

As of June 30, 2026, 100 percent of the HCF's investments were held in short-term and cash equivalent assets.

The HCF establishes claim liabilities based on estimates of the ultimate cost of claims, including future claim adjustment expenses, that have been reported but not settled, as well as claims that have been incurred but not reported (IBNR). The estimated claims liability was calculated by health plan partners as of June 30, 2026, using a variety of actuarial and statistical techniques and adjusted for actual experience to reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of $576.3 million is recorded at face amount, with no interest discount assumed. The IBNR portion of $480.3 million represents an estimate for claims incurred prior to June 30, 2026, but not yet reported to the HCF. Total estimated claims liabilities at June 30, 2026, were $804.5 million, which includes $228.3 million of known claims reported as claims payable liability in the Statement of Net Position.

### ANTICIPATED INVESTMENT INCOME AND REINSURANCE

Anticipated investment income is included in the annual premium requirement for HCF members. The HCF has not entered into any reinsurance or excess insurance agreements. However, CalPERS has entered into agreements with flex-funded health plan partners that limit the HCF's risk to a maximum aggregate monthly cost per member.

The following schedule represents changes in the aggregate estimated claims liabilities for the fiscal years ended June 30, 2026, and June 30, 2025.

Changes in the Aggregate Estimated Claims Liabilities of the HCF (Dollars in Thousands)

| Year Ended June 30 | 2026 | 2025 |
|---|---|---|
| **Total Estimated Claims at Beginning of Fiscal Year** | **$785,947** | **$845,365** |
| Total Incurred Claims and Claim Adjustment Expenses | 4,504,252 | 4,135,864 |
| Total Payments | (4,485,656) | (4,195,282) |
| **Total Estimated Claims at End of Fiscal Year** | **$804,543** | **$785,947** |

## 14. PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established in 1962 to fund administrative expenses related to the PEMHCA program and to serve as a contingency reserve for items such as future premium increases or benefit enhancements. PEMHCA was expanded in 1967 to include local public agency employees on a contract basis. The CRF is reimbursed by the State and contracting public agencies for expenses incurred in administering the program.

PEMHCA establishes eligibility rules for the following groups:

- Retirees and beneficiaries receiving health care benefits
- Terminated plan members entitled to but not yet receiving benefits
- Active plan members

Amounts charged to employers for CRF administrative expenses are determined as a percentage of gross health insurance premiums paid by the employer and employees. For the fiscal year ended June 30, 2026, the administrative rate was 0.08 percent. Administrative rates are reviewed annually and adjusted, if necessary, to cover budgeted administrative expenses.

As of June 30, 2026, 1,142 public agencies and schools participated in health insurance coverage under PEMHCA.

## 15. PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF began offering long-term care benefits in 1995 through the CalPERS Long-Term Care (LTC) Program. The LTC Program provides long-term care coverage to enrolled participants under the Public Employees' Retirement Law (PERL), Chapter 15. Administered by the third-party administrator illumifin Corporation (illumifin), the CalPERS LTC Program is a voluntary program funded solely by participant-paid premiums and investment returns.

There are four LTC policy series:

- LTC 1: policies purchased from the program inception in 1995 through 2002
- LTC 2: policies purchased from 2003 through 2004
- LTC 3: policies purchased from 2005 through 2008
- LTC 4: policies purchased from 2013 through 2020

As of June 30, 2026, the LTC Program had 71,605 in-force participants across the LTC 1, LTC 2, LTC 3, and LTC 4 policy series, including 6,410 participants receiving benefits.

In June 2020, CalPERS suspended open enrollment in the LTC Program due to continued uncertainty in the long-term care market. The program is currently not accepting new applications.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The actuarial valuations are highly sensitive to underlying assumptions, including the discount rate of 4.75 percent, morbidity, lapse rates, mortality, and plan expenses. During fiscal year 2025-26, actual investment returns were approximately $285 million higher than expected due to favorable market conditions. Economic assumptions are evaluated periodically in accordance with Board policy. The most recent liability assumptions were updated in the June 30, 2025, valuation. The estimated liability for future policy benefits reported in the June 30, 2026 ACFR reflects a cash flow projection based on the in-force population information from the June 30, 2025 valuation and was rolled forward to June 30, 2026 using standard actuarial techniques.

The following schedule presents changes in aggregate estimated claims liabilities and liabilities for future policy benefits for the fiscal years ended June 30, 2026, and June 30, 2025.

Changes in the Aggregate Estimated Liability for Future Policy Benefits of the LTCF (Dollars in Thousands)

| Year Ended June 30 | 2026 | 2025 |
|---|---|---|
| **Total Estimated Future Policy Liabilities at Beginning of Fiscal Year** | **$4,692,049** | **$4,885,637** |
| Increase in Liability and Change in Estimate | 591,626 | 197,519 |
| Claim Payments | (374,196) | (367,216) |
| Change related to Estimated Settlement Liability | (526) | (23,891) |
| **Total Estimated Future Policy Liabilities at End of Fiscal Year** | **$4,908,953** | **$4,692,049** |

Total LTCF investments as of June 30, 2026, were approximately $5.0 billion. As of that date, the LTCF investment portfolio consisted of approximately 66.2 percent Custom Fixed Income Blend, 30.7 percent Custom MSCI Blend, and 3.1 percent FTSE EPRA/NAREIT Developed REITs 100% Hedged to USD Net Index, as further discussed in Note 4.

For fiscal year 2025-26, annual premium revenue was $284.8 million and total benefits paid were $373.6 million. Since the program's inception in 1995 through June 30, 2026, total benefits paid have been approximately $5.3 billion.

In September 2024, the Board approved rate increases for all policy series (LTC 1, LTC 2, LTC 3, and LTC 4), including two annual 10.0 percent rate increases for non-Partnership policies and three annual 6.7 percent rate increases for Partnership policies. In 2025, the LTC Program implemented the first rate increases for both non-Partnership and Partnership policies. In 2026, the Program implemented the second rate increases for both policy types, effective in January for non-Partnership policies and April for Partnership policies. The third rate increase for Partnership policies is scheduled for early 2027.

## 16. CONTINGENCIES

CalPERS is a defendant in litigation involving investments, individual pension and health benefit payments, and participant eligibility issues arising from its normal activities. Generally, in the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the affected employer's contribution rate or rates and, where applicable, member premiums. During the fiscal year, specific pending cases were litigated that could potentially impact the future financial health of funds administered by CalPERS.

*Wedding, et al. v. CalPERS* (previously identified as *Sanchez, et al. v. CalPERS*) was filed in 2013. This class action challenges the propriety of CalPERS' decision to increase premiums by 85 percent on certain categories of its Long-Term Care (LTC) policyholders. Plaintiffs allege that the increase breached the relevant insurance contracts and seek to recover all allegedly excess premiums paid by affected policyholders since the increase was effectuated in 2014 and 2015, as well as interest and attorneys' fees. CalPERS denies that it breached the relevant insurance contracts and denies that plaintiffs are entitled to any relief on any cause of action.

In January 2016, the court granted plaintiffs' Motion for Class Certification over CalPERS' objection. The claims certified for class treatment were (1) the breach of contract claim; and (2) the breach of fiduciary duty claim, on the "duty of care" only. However, the court later granted CalPERS' motion for summary adjudication of the breach of fiduciary duty claim, leaving only the breach of contract claim certified for class treatment.

The only other defendants in the case—the actuarial firm that originally helped CalPERS establish the LTC program

(Towers-Watson)—entered into a settlement agreement with plaintiffs that was approved by the court in January 2018.

In early June 2019, the first part of the case regarding the proper interpretation of the insurance contracts (the "Evidence of Coverage") at issue was tried to the court, sitting without a jury. The court held in favor of plaintiffs on the interpretation of the "Inflation-Protection" clauses in the Evidence of Coverage, and in favor of CalPERS on the premium adjustments permitted by the "Guaranteed Renewable" clauses. The court held in favor of CalPERS on its Cross-Claim that CalPERS can subject insureds with Inflation-Protection benefits to future rate increases, insofar as any such rate increases are driven by cost factors other than the inherent escalation of daily/monthly limits on Inflation-Protection benefits over time, and as long as these increases are spread over the entire risk pool and not selectively imposed to a greater-than-average degree on the Inflation-Protection insureds. The second part of the case was set for trial by jury on the issue of whether the subject 85 percent premium increase had, in fact, breached the contracts given the court's interpretation of them in the first part of the trial.

After several continuances to the trial date, the parties settled the case in July 2021. However, the Settlement was terminated in April 2022 because more than 30% of the Settlement Class opted out of the Settlement in order to retain their CalPERS LTC policies. The parties entered into a second settlement agreement in early 2023. On July 28, 2023, the court approved this agreement, which is now being implemented. No one has appealed this approval. Since then, the agreement has been administered by a third-party settlement administrator, and CalPERS has funded the settlement. Approximately 400 class members dispute the settlement classifications that were assigned to them or have requested to change the settlement option they originally selected.

Approximately 447 policyholders have opted out of the case and are therefore not bound by the settlement. To date, none of these policyholders have filed actions. In addition, there is a group of approximately 18,000 policyholders who had "Lifetime Only" policies without Inflation-Protection benefits whose claims were eliminated by the court's ruling after the 2019 trial. Plaintiffs have appealed the court's ruling dismissing those claims. In April 2025, CalPERS and these plaintiffs (the Lifetime Only plaintiffs) agreed to settle their remaining claims, with plaintiffs withdrawing their appeal. The Court granted final approval of this settlement agreement on July 24, 2025. No appeals were filed and the Court's Final Approval Order and Judgment became final and non-appealable on October 13, 2025. Since then, settlement administration has been ongoing and concluded on August 25, 2026, fully resolving the case.

*Terry Cheng, Carlos Aguilera, Michael Stoker et al. v. CalPERS* (formerly identified as *Cheng v. CalPERS and Stoker v. CalPERS*) is a consolidated class action lawsuit that arose from a data breach that occurred in late May 2023, when a group of international cybercriminals gained unauthorized access to an external software platform used by PBI Research Services/Berwyn Group (PBI), a third-party vendor hired by CalPERS. To carry out its crucial service of identifying deceased members and preventing overpayments and other errors, PBI was obligated to collect and analyze the personal information of hundreds of thousands of CalPERS members. As a result of the data breach, this sensitive personal information became exposed. Two separate class action lawsuits were subsequently filed in the Sacramento County Superior Court, both focused on the central allegation that CalPERS failed to properly safeguard the exposed personal information. Those lawsuits, *Terry Cheng et al. v. CalPERS* and *Michael Stoker v. CalPERS*, were filed on October 27, 2023, and January 31, 2024, respectively, by CalPERS retiree members on behalf of themselves and similarly situated CalPERS members and beneficiaries whose personal data was actually or potentially exposed in the breach.

On October 11, 2024, at the request of the parties in both actions, the court ordered the Cheng and Stoker lawsuits consolidated, with Cheng serving as the leading case. Pursuant to the court's order, on or about November 6, 2024, the Cheng and Stoker plaintiffs served CalPERS with an initial Consolidated Class Action Complaint. This first consolidated complaint primarily alleges that CalPERS had failed to safeguard the affected personal information of its members by permitting the information to be transferred through a software platform that was vulnerable to breach, and asserts multiple causes of action including: (1) negligence; (2) breach of fiduciary duty; (3) breach of implied contract; (4) breach of contract; (5) invasion of privacy; (6) violations of California's Unfair Competition Law; (7) breach of confidence; (8) breach of the implied or express covenant of good faith and fair dealing; (9) violations of the California Consumer Privacy Act; and, (10) declaratory and injunctive relief. Plaintiffs further claimed damages in the form of expenses and lost time for remediation, an increased risk of identity theft, a diminution in the value of the affected personal information, and an invasion of privacy.

Following service of the initial Consolidated Class Action Complaint, CalPERS filed a demurrer seeking dismissal of all ten asserted causes of action. On April 4, 2025, the court issued its ruling dismissing the causes of action for invasion of privacy, violation of California's Unfair Competition Law, breach of the implied or express covenant of good faith and fair dealing, and violation of the California Consumer Privacy

Act. The court also sustained the demurrer as to the causes of action for negligence, breach of fiduciary duty, and breach of confidence, rejecting Plaintiff's theory of direct liability as to each claim, but granted leave to amend to allege an alternative theory of liability. The court overruled the demurrer as to the remaining causes of action for breach of contract, breach of implied contract, and declaratory and injunctive relief.

Consistent with the court's ruling, Plaintiffs filed a First Amended Consolidated Class Action Complaint on or about May 5, 2025. The parties thereafter stipulated to stay the litigation to pursue alternative dispute resolution. When those efforts proved unsuccessful, the stay was lifted, and Plaintiffs filed a Second Amended Consolidated Class Action Complaint on or about November 21, 2025. In that pleading, Plaintiffs reasserted their claims for negligence, breach of fiduciary duty, and breach of confidence under a new theory of vicarious liability. CalPERS responded by filing a further demurrer on May 22, 2026.

Following oral argument, the court issued its ruling on July 10, 2026, again sustaining the demurrer as to the negligence, breach of fiduciary duty, and breach of confidence claims, while granting Plaintiffs further leave to amend. The court also overruled the demurrer as to the claim for declaratory and injunctive relief. Plaintiffs were granted until August 3, 2026, to file a Third Amended Consolidated Class Action Complaint. CalPERS anticipates filing a further demurrer to the amended pleading.

The parties have commenced written discovery. A Case Management Conference is currently scheduled for August 7, 2026. Plaintiffs filed a Third Amended Consolidated Class Action Complaint on August 3, 2026. CalPERS demurred to the Third Amended Consolidated Class Action Complaint. The demurrer is scheduled for hearing on January 29, 2027. The Parties have since agreed to attend mediation, which is scheduled for December 7, 2026. The Parties stipulated that all case deadlines would be stayed pending mediation, and that the next Case Management Conference be held on January 29, 2027, to coincide with the demurrer hearing. The court approved the stipulation and entered it as an order.

The amount of potential loss or range of loss on these cases is not estimable at this time due to the many unknowns and complexities of litigation.

*McCormick v. CalPERS, et al*. is a putative class action against CalPERS and the State of California that was filed in Sacramento Superior Court on August 14, 2023. Plaintiff alleged that the Public Employees' Retirement Law's formula for paying disability retirement benefits discriminated against workers who were hired at age 41 and older and then retired on disability, as compared to workers hired at age 40 or younger. The suit asserted causes of action for age discrimination, breach of contract, and equal protection. The proposed plaintiff class was all members who were first hired by CalPERS-covered agencies when they were 41 or older, and who were granted disability retirement. The proposed defendant class was CalPERS, the State of California, and more than 1,000 CalPERS-covered agencies who employed members in the plaintiff class. The lawsuit sought enhanced retirement benefits, compensatory damages, interest, fees and costs, and declaratory relief.

CalPERS filed and served its demurrer in November 2023. After taking the matter under submission, the court sustained the demurrer in part, with leave to amend, and overruled it in part. On April 24, 2024, Plaintiff filed a first amended complaint. Plaintiff's amended complaint added the California Department of Transportation (CalTrans) as a defendant. Plaintiff's amended complaint asserted discrimination and breach of contract claims against CalTrans and the County of Lake (as representative employer defendants), and equal protection against all defendants, including CalPERS. On May 16, 2024, the Court approved the parties' stipulation to stay the *McCormick* action pending a decision in the appeal entitled *Carroll v. City and County of San Francisco* (First Appellate District, Case No. A169408), which involved similar claims asserted against the retirement program of San Francisco.

On November 12, 2025, the First District Court of Appeal issued a published decision in *Carroll*, in which the court affirmed the judgment in favor of the City and County of San Francisco (CCSF), finding that, because credited years of service, rather than age, motivated CCSF's disability retirement formulas, CCSF did not violate the Fair Housing and Employment Act. The *Carroll* plaintiff's petition for review with the California Supreme Court was denied.

Following the *Carroll* decision, on April 3, 2026, the *McCormick* Plaintiff filed a request for dismissal, which was granted. The Court dismissed the case on April 23, 2026. With the Court's dismissal, the case is fully resolved.

# Required Supplementary Information

## SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

PERF B – 10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Discount Rate Assumption** | **6.90%** | **6.90%** | **6.90%** | **6.90%** | **6.90%** | **7.15%** |
| **Total Pension Liability:** | | | | | | |
| Service Cost | $3,760,412 | $3,455,301 | $3,099,157 | $2,743,978 | $2,485,322 | $2,347,398 |
| Interest | 9,520,605 | 9,032,764 | 8,416,827 | 7,873,335 | 7,435,819 | 7,216,728 |
| Changes of Assumptions | 222,838 | — | — | — | 3,423,109 | — |
| Differences Between Expected and Actual Experience | 738,275 | 3,371,213 | 2,896,834 | 1,777,808 | (1,108,386) | (63,915) |
| Benefit Payments, Including Refunds of Member Contributions | (6,739,761) | (6,323,382) | (5,953,912) | (5,676,166) | (5,298,758) | (4,932,395) |
| **Net Change in Total Pension Liability** | **$7,502,369** | **$9,535,896** | **$8,458,906** | **$6,718,955** | **$6,937,106** | **$4,567,816** |
| Total Pension Liability – Beginning | $138,508,351 | $128,972,455 | $120,513,549 | $113,794,594 | $106,857,488 | $102,289,672 |
| **Total Pension Liability – Ending (a)** | **$146,010,720** | **$138,508,351** | **$128,972,455** | **$120,513,549** | **$113,794,594** | **$106,857,488** |
| **Plan Fiduciary Net Position:** | | | | | | |
| Contributions – Employer | $6,000,349 | $5,739,305 | $5,368,856 | $4,457,043 | $3,557,108 | $2,972,220 |
| Contributions – Member | 1,719,278 | 1,622,675 | 1,534,166 | 1,334,265 | 1,104,241 | 1,019,154 |
| Contributions – Nonemployer | — | — | — | — | — | — |
| Total Net Investment Income | 17,031,022 | 11,348,321 | 8,039,663 | 4,872,599 | (6,446,442) | 15,928,499 |
| Benefit Payments, Including Refunds of Member Contributions | (6,739,762) | (6,323,382) | (5,953,912) | (5,676,166) | (5,298,758) | (4,932,395) |
| Net Plan-to-Plan Resource Movement | (189) | 15 | — | (10) | 3 | — |
| Administrative Expenses | (73,861) | (68,132) | (69,779) | (58,579) | (53,699) | (71,018) |
| **Net Change in Plan Fiduciary Net Position** | **$17,936,837** | **$12,318,802** | **$8,918,994** | **$4,929,152** | **($7,137,547)** | **$14,916,460** |
| Plan Fiduciary Net Position – Beginning | $105,552,457 | $93,233,655 | $84,314,661 | $79,385,509 | $86,523,056 | $71,606,596 |
| Adjustments[1] | — | — | — | — | — | — |
| Total Adjusted Plan Fiduciary Net Position – Beginning | 105,552,457 | 93,233,655 | 84,314,661 | 79,385,509 | 86,523,056 | 71,606,596 |
| Plan Fiduciary Net Position – Ending (b) | 123,489,294 | 105,552,457 | 93,233,655 | 84,314,661 | 79,385,509 | 86,523,056 |
| **Net Pension Liability (a) - (b)** | **$22,521,426** | **$32,955,894** | **$35,738,800** | **$36,198,888** | **$34,409,085** | **$20,334,432** |
| **Plan Fiduciary Net Position as a Percentage of the Total Pension Liability** | **84.6%** | **76.2%** | **72.3%** | **70.0%** | **69.8%** | **81.0%** |
| Covered Payroll | $22,277,324 | $20,865,342 | $18,535,628 | $16,275,075 | $14,767,213 | $14,885,212 |
| **Net Pension Liability as a Percentage of Covered Payroll** | **101.1%** | **157.9%** | **192.8%** | **222.4%** | **233.0%** | **136.6%** |

(1) Cumulative effect of CalPERS employer proportionate share of post-employment benefit obligations.

### NOTES TO SCHEDULE

**Change of Assumptions and Methods**

In November 2025, the CalPERS Board of Administration adopted a Total Portfolio Approach (TPA) investment strategy and several actuarial assumption changes for the PERF. For PERF B, these changes were reflected in the June 30, 2025, actuarial valuation for funding purposes. The changes included updated inflation and selected demographic assumptions, including mortality. The price inflation assumption increased from 2.30 percent to 2.50 percent, and the wage inflation assumption increased from 2.80 percent to 3.00 percent. No changes were made to actuarial assumptions or methods for financial reporting in Fiscal Years 2024-25, 2023-24, or 2022-23.

In November 2021, the Board adopted new investment portfolios and several actuarial assumption changes. For PERF B, these changes were reflected in the June 30, 2021 actuarial valuation for funding purposes. The changes included inflation, discount rate, administrative expense, and demographic assumptions, including mortality. The inflation assumption decreased from 2.50 percent to 2.30 percent, the administrative expense assumption decreased from 0.15 percent to 0.10 percent, and the discount rate for the PERF B decreased from 7.00 percent to 6.80 percent. For financial reporting purposes, the discount rate was reduced from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

There were no changes to actuarial assumptions or methods in Fiscal Year 2020-21 or 2019-20.

Effective with the June 30, 2019 actuarial valuation, the Board adopted a new amortization policy. This policy shortened the amortization period for actuarial gains and losses from 30 years to 20 years and requires level-dollar

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| **7.15 %** | **7.15%** | **7.15 %** | **7.15%** |
| | | | |
| $2,302,877 | $2,226,797 | $2,172,696 | $2,031,914 |
| 6,904,699 | 6,563,541 | 6,165,715 | 5,719,835 |
| — | — | 450,064 | 4,649,299 |
| 452,461 | 1,398,796 | 1,852,902 | 531,862 |
| | | | |
| (4,671,357) | (4,347,426) | (4,053,119) | (3,724,910) |
| **$4,988,680** | **$5,841,708** | **$6,588,258** | **$9,208,000** |
| $97,300,992 | $91,459,284 | $84,871,026 | $75,663,026 |
| **$102,289,672** | **$97,300,992** | **$91,459,284** | **$84,871,026** |
| | | | |
| | | | |
| $2,866,144 | $2,527,726 | $2,070,832 | $1,783,736 |
| 1,047,983 | 1,014,070 | 952,979 | 897,438 |
| 904,000 | — | — | — |
| 3,398,535 | 4,212,090 | 5,095,064 | 6,211,781 |
| | | | |
| (4,671,357) | (4,347,426) | (4,053,119) | (3,724,910) |
| 164 | 304 | 2 | (134) |
| (95,614) | (46,159) | (92,448) | (82,489) |
| **$3,449,855** | **$3,360,605** | **$3,973,310** | **$5,085,422** |
| $68,156,741 | $64,796,136 | $60,998,387 | $55,912,965 |
| — | — | (175,561) | — |
| 68,156,741 | 64,796,136 | 60,822,826 | 55,912,965 |
| 71,606,596 | 68,156,741 | 64,796,136 | 60,998,387 |
| **$30,683,076** | **$29,144,251** | **$26,663,148** | **$23,872,639** |
| | | | |
| **70.0 %** | **70.0%** | **70.8 %** | **71.9%** |
| $14,447,159 | $13,819,881 | $13,252,995 | $12,643,354 |
| | | | |
| **212.4 %** | **210.9%** | **201.2 %** | **188.8%** |

amortization. It also eliminated the five-year ramp-up and ramp-down for Unfunded Accrued Liability (UAL) bases related to assumption changes, and noninvestment gains and losses. Bases attributable to investment gains/losses utilize a ramp up only unfunded liability payment schedule. These changes apply only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system improved calculation methodology.

In December 2017, the Board adopted a lower inflation assumption. The inflation assumption decreased from 2.75 percent to 2.50 percent, and the assumptions for individual salary increases and overall payroll growth decreased from 3.00 percent to 2.75 percent. These changes were implemented in two steps beginning with the June 30, 2018 funding valuation. However, for financial reporting purposes, these assumption changes were fully reflected in the results as of measurement date June 30, 2018.

## Required Supplementary Information (continued)

### SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

### PERF C – 10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Discount Rate Assumption** | **6.90%** | **6.90%** | **6.90%** | **6.90%** | **6.90%** | **7.15%** |
| **Total Pension Liability:** | | | | | | |
| Service Cost | $1,367,462 | $1,265,540 | $1,181,293 | $1,096,304 | $1,039,473 | $947,349 |
| Interest | 4,015,849 | 3,809,778 | 3,619,682 | 3,431,712 | 3,239,025 | 3,123,532 |
| Changes of Benefit Terms | 2,393 | 675 | 43 | 305 | 4,481 | 1,390 |
| Changes of Assumptions | 236,726 | — | — | — | 1,606,551 | — |
| Differences Between Expected and Actual Experience | 561,675 | 687,817 | 774,988 | 933,368 | (188,502) | 615,793 |
| Benefit Payments, Including Refunds of Member Contributions[1] | (3,025,025) | (2,856,059) | (2,697,033) | (2,545,680) | (2,349,632) | (2,216,053) |
| **Net Change in Total Pension Liability** | **$3,159,080** | **$2,907,751** | **$2,878,973** | **$2,916,009** | **$3,351,396** | **$2,472,011** |
| Total Pension Liability – Beginning | $58,228,708 | $55,320,957 | $52,441,984 | $49,526,338 | $46,174,942 | $43,702,931 |
| Adjustment to Beginning Amount | — | — | — | (363) | — | — |
| **Total Adjusted Pension Liability – Beginning** | **$58,228,708** | **$55,320,957** | **$52,441,984** | **$49,525,975** | **$46,174,942** | **$43,702,931** |
| **Total Pension Liability – Ending (a)** | **$61,387,788** | **$58,228,708** | **$55,320,957** | **$52,441,984** | **$49,526,338** | **$46,174,942** |
| **Plan Fiduciary Net Position:** | | | | | | |
| Contributions – Employer[1] | $2,050,022 | $1,854,271 | $1,614,768 | $1,623,130 | $2,284,579 | $1,921,032 |
| Contributions – Member[1] | 602,627 | 560,838 | 525,572 | 457,581 | 417,129 | 395,130 |
| Contributions – Nonemployer | — | — | 4,306 | — | — | — |
| Total Net Investment Income[1] | 7,790,001 | 5,276,441 | 3,815,696 | 2,347,184 | (3,109,188) | 7,523,678 |
| Benefit Payments, Including Refunds of Member Contributions[1] | (3,025,025) | (2,856,059) | (2,697,033) | (2,545,680) | (2,349,632) | (2,210,327) |
| Net Plan-to-Plan Resource Movement[1] | (428) | 953 | (4,167) | 136,654 | (8,335) | 348,384 |
| Administrative Expenses | (33,125) | (30,983) | (32,260) | (27,756) | (25,686) | (33,744) |
| **Net Change in Plan Fiduciary Net Position** | **$7,384,072** | **$4,805,461** | **$3,226,882** | **$1,991,113** | **($2,791,133)** | **$7,944,153** |
| Plan Fiduciary Net Position – Beginning | $47,998,977 | $43,193,516 | $39,966,634 | $37,975,521 | $40,766,654 | $32,822,501 |
| Adjustments[2] | — | — | — | — | — | — |
| Total Adjusted Plan Fiduciary Net Position – Beginning | 47,998,977 | 43,193,516 | 39,966,634 | 37,975,521 | 40,766,654 | 32,822,501 |
| Plan Fiduciary Net Position – Ending (b) | 55,383,049 | 47,998,977 | 43,193,516 | 39,966,634 | 37,975,521 | 40,766,654 |
| **Net Pension Liability (a) - (b)** | **$6,004,739** | **$10,229,731** | **$12,127,441** | **$12,475,350** | **$11,550,817** | **$5,408,288** |
| **Plan Fiduciary Net Position as a Percentage of the Total Pension Liability** | **90.2%** | **82.4%** | **78.1%** | **76.2%** | **76.7%** | **88.3%** |
| Covered Payroll | $6,030,513 | $5,619,285 | $5,161,783 | $4,723,688 | $4,428,659 | $4,371,563 |
| **Net Pension Liability as a Percentage of Covered Payroll** | **99.6%** | **182.0%** | **234.9%** | **264.1%** | **260.8%** | **123.7%** |

(1) May not agree to the Basic Financial Statements in 2021 and 2020 as a result of adjustments made in both years.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

### NOTES TO SCHEDULE

**Changes in Benefit Terms**

In August 2022, California Senate Bill (SB) 1168 increased the standard retiree lump-sum death benefit from $500 to $2,000 for deaths occurring on or after July 1, 2023. The effect of this change was immaterial and was included in Differences Between Expected and Actual Experience.

Public agencies may amend plan provisions on an ongoing basis. A summary of the provisions used for each plan is included in the plan's annual valuation report.

**Change of Assumptions and Methods**

In November 2025, the CalPERS Board of Administration adopted a Total Portfolio Approach (TPA) investment strategy and several actuarial assumption changes. For PERF C, these changes were reflected in the June 30, 2025, actuarial valuation for funding purposes. The changes included updates to inflation and certain demographic assumptions, including mortality. The price inflation assumption increased from 2.30 percent to 2.50 percent, and the wage inflation assumption increased from 2.80 percent to 3.00 percent. No changes were made to actuarial assumptions or methods for financial reporting in Fiscal Years 2024-25, 2023-24, or 2022-23.

In November 2021, the Board adopted new investment portfolios and additional actuarial assumption changes. For PERF C, these changes were reflected in the June 30, 2021 actuarial valuation for funding purposes. The changes included updates to inflation, discount rate, administrative expense, and demographic assumptions, including mortality. The inflation assumption decreased from 2.50 percent to 2.30 percent, the administrative expense assumption decreased from

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| **7.15%** | **7.15%** | **7.15%** | **7.15%** |
| | | | |
| $912,529 | $878,707 | $844,273 | $820,583 |
| 2,954,008 | 2,798,484 | 2,629,157 | 2,506,761 |
| 900 | 1,283 | 668 | 2,119 |
| — | — | (248,318) | 2,122,413 |
| 453,273 | 705,149 | 313,467 | (18,554) |
| | | | |
| (2,044,232) | (1,902,025) | (1,755,740) | (1,630,602) |
| **$2,276,478** | **$2,481,598** | **$1,783,507** | **$3,802,720** |
| $41,426,453 | $38,944,855 | $37,161,348 | $33,358,628 |
| — | — | — | — |
| **$41,426,453** | **$38,944,855** | **$37,161,348** | **$33,358,628** |
| **$43,702,931** | **$41,426,453** | **$38,944,855** | **$37,161,348** |
| | | | |
| | | | |
| $1,594,811 | $1,333,559 | $1,182,686 | $980,359 |
| 381,786 | 357,159 | 334,140 | 317,024 |
| — | — | — | — |
| 1,565,953 | 1,935,939 | 2,308,558 | 2,774,321 |
| | | | |
| (2,044,232) | (1,902,025) | (1,755,740) | (1,630,602) |
| 188,629 | 167,308 | 116,550 | 134,513 |
| (43,860) | (21,115) | (41,980) | (37,052) |
| **$1,643,087** | **$1,870,825** | **$2,144,214** | **$2,538,563** |
| $31,179,414 | $29,308,589 | $27,244,095 | $24,705,532 |
| — | — | (79,720) | — |
| 31,179,414 | 29,308,589 | 27,164,375 | 24,705,532 |
| 32,822,501 | 31,179,414 | 29,308,589 | 27,244,095 |
| **$10,880,430** | **$10,247,039** | **$9,636,266** | **$9,917,253** |
| | | | |
| **75.1%** | **75.3%** | **75.3%** | **73.3%** |
| $4,155,772 | $3,949,226 | $3,793,609 | $3,631,919 |
| | | | |
| **261.8%** | **259.5%** | **254.0%** | **273.1%** |

0.15 percent to 0.10 percent, and the discount rate decreased from 7.00 percent to 6.80 percent. For financial reporting purposes, the discount rate for PERF C was reduced from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

Effective with the June 30, 2019 actuarial valuation, the Board adopted a new amortization policy. The policy reduced the amortization period for actuarial gains and losses from 30 years to 20 years, using level-dollar payments, and eliminated the five-year ramp-up and ramp-down for certain Unfunded Accrued Liability (UAL) bases. These changes apply only to new UAL bases established on or after June 30, 2019. No changes were made to actuarial assumptions for financial reporting in Fiscal Years 2020-21 or 2019-20.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions for plans participating in PERF, along with lower inflation, salary increase, and payroll growth assumptions. The inflation assumption decreased from 2.75 percent to 2.50 percent, and the assumptions for individual salary increases and payroll growth decreased from 3.00 percent to 2.75 percent. These changes were implemented in two steps beginning with the June 30, 2017, funding valuation and were fully reflected for financial reporting in Fiscal Year 2017-18.

In December 2016, the Board approved a reduction in the funding discount rate for PERF C from 7.50 percent to 7.00 percent, phased in over three years beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining reduction is consistent with the change in the financial reporting discount rate, which was reduced from 7.65 percent to 7.15 percent in Fiscal Year 2016-17.

## Required Supplementary Information (continued)

### SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

### LRF – 10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Discount Rate Assumption** | **5.20%** | **4.85%** | **4.85%** | **4.85%** | **4.85%** | **5.25%** |
| **Total Pension Liability:** | | | | | | |
| Service Cost | $0 | $0 | $0 | $52 | $108 | $101 |
| Interest | 4,539 | 4,385 | 4,351 | 4,248 | 4,299 | 4,749 |
| Changes of Assumptions | (1,241) | — | — | — | 1,024 | — |
| Differences Between Expected and Actual Experience | 1,015 | 3,728 | 5,119 | 1,444 | (992) | (732) |
| Benefit Payments, Including Refunds of Member Contributions | (7,203) | (7,336) | (7,436) | (7,088) | (6,647) | (6,761) |
| **Net Change in Total Pension Liability** | **($2,890)** | **$777** | **$2,034** | **($1,344)** | **($2,208)** | **($2,643)** |
| Total Pension Liability – Beginning | $91,126 | $90,349 | $88,315 | $89,659 | $91,867 | $94,510 |
| Adjustment to Beginning Amount | — | — | — | — | — | — |
| **Total Adjusted Pension Liability – Beginning** | **$91,126** | **$90,349** | **$88,315** | **$89,659** | **$91,867** | **$94,510** |
| **Total Pension Liability – Ending (a)** | **$88,236** | **$91,126** | **$90,349** | **$88,315** | **$89,659** | **$91,867** |
| **Plan Fiduciary Net Position:** | | | | | | |
| Contributions – Employer | $493 | $75 | $0 | $44 | $85 | $92 |
| Contributions – Member | — | — | — | 11 | 23 | 21 |
| Total Net Investment Income | 6,734 | 6,452 | 4,905 | 603 | (12,449) | 15,098 |
| Benefit Payments, Including Refunds of Member Contributions | (7,203) | (7,336) | (7,436) | (7,088) | (6,647) | (6,761) |
| Administrative Expenses | (572) | (712) | (663) | (525) | (436) | (450) |
| **Net Change in Plan Fiduciary Net Position** | **($548)** | **($1,521)** | **($3,194)** | **($6,955)** | **($19,424)** | **$8,000** |
| Plan Fiduciary Net Position – Beginning | $90,954 | $92,475 | $95,669 | $102,624 | $122,048 | $114,048 |
| Adjustments[1] | — | — | — | — | — | — |
| Total Adjusted Plan Fiduciary Net Position – Beginning | 90,954 | 92,475 | 95,669 | 102,624 | 122,048 | 114,048 |
| Plan Fiduciary Net Position – Ending (b) | 90,406 | 90,954 | 92,475 | 95,669 | 102,624 | 122,048 |
| **Net Pension Asset (a) - (b)** | **($2,170)** | **$172** | **($2,126)** | **($7,354)** | **($12,965)** | **($30,181)** |
| **Plan Fiduciary Net Position as a Percentage of the Total Pension Liability** | **102.5%** | **99.8%** | **102.4%** | **108.3%** | **114.5%** | **132.9%** |
| Covered Payroll | $0 | $0 | $0 | $138 | $290 | $267 |
| **Net Pension Asset as a Percentage of Covered Payroll** | **N/A** | **N/A** | **N/A** | **(5,329.0%)** | **(4,470.7%)** | **(11,303.7%)** |

(1) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

### NOTES TO SCHEDULE

**Change of Assumptions and Methods**

In June 2026, changes to economic and selected demographic assumptions were adopted and reflected in financial reporting as of June 30, 2026. These changes will also be reflected in the June 30, 2026 actuarial valuation for funding purposes.

No changes to assumptions or methods were made for financial reporting in Fiscal Years 2024-25, 2023-24, or 2022-23.

In April 2022, the CalPERS Board of Administration adopted new investment portfolios and several actuarial assumption changes. For the Legislators' Retirement Fund (LRF), these changes were reflected in the June 30, 2021 actuarial valuation for funding purposes. The changes included updated assumptions for inflation, the discount rate, administrative expenses, and mortality. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption increased from 0.25 percent to 0.35 percent, and the discount rate was reduced from 5.00 percent to 4.50 percent. For financial reporting purposes, the discount rate for the LRF was reduced from 5.25 percent to 4.85 percent in Fiscal Year 2021-22.

Effective with the June 30, 2019 actuarial valuation, the Board adopted a new amortization policy that reduced the amortization period for actuarial gains and losses from 30 years to 20 years and eliminated the five-year ramp-up and ramp-down for certain Unfunded Accrued Liability (UAL) bases. These changes apply only to new UAL bases established on or after June 30, 2019. No changes to actuarial assumptions were made for financial reporting in Fiscal Years 2020-21 or 2019-20.

## Required Supplementary Information (continued)

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| **5.25%** | **5.25%** | **5.25%** | **5.25%** |
| | | | |
| $100 | $268 | $542 | $639 |
| 4,885 | 4,871 | 4,987 | 5,291 |
| — | — | (2,529) | 7,857 |
| 2,320 | (427) | (2,061) | (5,998) |
| | | | |
| (6,939) | (7,349) | (6,918) | (7,249) |
| **$366** | **($2,637)** | **($5,979)** | **$540** |
| $94,144 | $96,781 | $102,760 | $102,220 |
| — | — | — | — |
| **$94,144** | **$96,781** | **$102,760** | **$102,220** |
| **$94,510** | **$94,144** | **$96,781** | **$102,760** |
| | | | |
| | | | |
| $98 | $250 | $467 | $516 |
| 22 | 91 | 82 | 94 |
| 7,013 | 7,860 | 5,486 | 5,048 |
| | | | |
| (6,939) | (7,349) | (6,918) | (7,249) |
| (550) | (324) | (671) | (575) |
| **($356)** | **$528** | **($1,554)** | **($2,166)** |
| $114,404 | $113,876 | $116,884 | $119,050 |
| — | — | (1,454) | — |
| 114,404 | 113,876 | 115,430 | 119,050 |
| 114,048 | 114,404 | 113,876 | 116,884 |
| **($19,538)** | **($20,260)** | **($17,095)** | **($14,124)** |
| | | | |
| **120.7%** | **121.5%** | **117.7%** | **113.7%** |
| $278 | $655 | $1,242 | $1,360 |
| | | | |
| **(7,028.1%)** | **(3,093.1%)** | **(1,376.4%)** | **(1,038.5%)** |

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions and lowered the inflation assumption from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were also reduced from 3.00 percent to 2.75 percent.

In April 2017, the Board also approved a phased reduction in the LRF funding discount rate from 5.75 percent to 5.00 percent, beginning with the June 30, 2016 valuation reports. The funding discount rate includes a 25 basis-point reduction for administrative expenses, and the remaining reduction is consistent with the change in the financial reporting discount rate, which was reduced from 6.00 percent to 5.25 percent in Fiscal Year 2016-17.

## Required Supplementary Information (continued)

### SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

### JRF – 10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Discount Rate Assumption** | **4.67%** | **5.20%** | **3.97%** | **3.86%** | **3.69%** | **1.92%** |
| **Total Pension Liability:** | | | | | | |
| Service Cost | $5,004 | $4,944 | $7,660 | $9,541 | $10,345 | $17,861 |
| Interest | 98,273 | 107,006 | 93,495 | 96,524 | 93,559 | 64,480 |
| Changes of Assumptions | 120,074 | (216,806) | (21,972) | (36,907) | (598,096) | 179,421 |
| Differences Between Expected and Actual Experience | 23,082 | 31,928 | (14,317) | 111,908 | (92,633) | 40,007 |
| Benefit Payments, Including Refunds of Member Contributions | (205,480) | (211,739) | (212,542) | (216,271) | (210,491) | (210,951) |
| **Net Change in Total Pension Liability** | **$40,953** | **($284,667)** | **($147,676)** | **($35,205)** | **($797,316)** | **$90,818** |
| Total Pension Liability – Beginning | $2,061,425 | $2,346,092 | $2,493,768 | $2,528,973 | $3,326,289 | $3,235,471 |
| Adjustment to Beginning Amount | — | — | — | — | — | — |
| **Total Adjusted Pension Liability – Beginning** | **$2,061,425** | **$2,346,092** | **$2,493,768** | **$2,528,973** | **$3,326,289** | **$3,235,471** |
| **Total Pension Liability – Ending (a)** | **$2,102,378** | **$2,061,425** | **$2,346,092** | **$2,493,768** | **$2,528,973** | **$3,326,289** |
| **Plan Fiduciary Net Position:** | | | | | | |
| Contributions – Employer and General Fund[1] | $182,479 | $218,682 | $212,532 | $208,785 | $194,960 | $225,824 |
| Contributions – Member | 1,016 | 1,274 | 1,481 | 1,697 | 1,956 | 2,146 |
| Total Net Investment Income | 6,481 | 6,712 | 6,247 | 5,261 | 2,499 | 2,625 |
| Benefit Payments, Including Refunds of Member Contributions | (205,480) | (211,739) | (212,542) | (216,271) | (210,492) | (210,951) |
| Administrative Expenses | (2,125) | (2,562) | (2,411) | (2,031) | (1,677) | (1,731) |
| **Net Change in Plan Fiduciary Net Position** | **($17,629)** | **$12,367** | **$5,307** | **($2,559)** | **($12,754)** | **$17,913** |
| Plan Fiduciary Net Position – Beginning | $64,001 | $51,634 | $46,327 | $48,886 | $61,640 | $43,727 |
| Adjustments[2] | — | — | — | — | — | — |
| Total Adjusted Plan Fiduciary Net Position – Beginning | 64,001 | 51,634 | 46,327 | 48,886 | 61,640 | 43,727 |
| Plan Fiduciary Net Position – Ending (b) | 46,372 | 64,001 | 51,634 | 46,327 | 48,886 | 61,640 |
| **Net Pension Liability (a) - (b)** | **$2,056,006** | **$1,997,424** | **$2,294,458** | **$2,447,441** | **$2,480,087** | **$3,264,649** |
| **Plan Fiduciary Net Position as a Percentage of the Total Pension Liability** | **2.2%** | **3.1%** | **2.2%** | **1.9%** | **1.9%** | **1.9%** |
| Covered Payroll | $12,159 | $14,330 | $16,462 | $20,083 | $20,916 | $20,808 |
| **Net Pension Liability as a Percentage of Covered Payroll** | **16,909.3%** | **13,938.8%** | **13,937.9%** | **12,186.6%** | **11,857.4%** | **15,689.4%** |

(1) Includes State of California General Fund.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

### NOTES TO SCHEDULE

**Change of Assumptions and Methods**

In Fiscal Year 2025-26, the discount rate used to measure the total pension liability was 4.67 percent. In June 2026, changes to inflation and selected demographic assumptions were adopted and reflected in financial reporting as of June 30, 2026. These changes will also be reflected in the June 30, 2026 actuarial valuation for funding purposes.

In Fiscal Year 2024-25, the discount rate was 5.20 percent. The State funds the Judges' Retirement Fund (JRF) on a pay-as-you-go basis, with member and State contributions intended to cover current benefit payments and expenses. Because the fiduciary net position was not projected to be sufficient to pay all future benefits, a discount rate of 5.20 percent was applied to all projected benefit payments.

No changes to assumptions or methods were made for financial reporting in Fiscal Years 2023-24 or 2022-23.

In Fiscal Year 2021-22, the discount rate was 3.69 percent. In November 2021 and April 2022, the CalPERS Board adopted several actuarial assumption changes. For the JRF, these changes were reflected in the June 30, 2021 actuarial valuation for funding purposes and included updated assumptions for inflation, mortality, retirement, and salary growth. The assumptions for individual salary increases and overall payroll growth increased from 2.75 percent to 2.80 percent. Because retirement benefits are fully adjusted for salary increases of active judges in the same court, the cost-of-living adjustment was also increased to 2.80 percent.

No changes to assumptions or methods were made for financial reporting in Fiscal Years 2020-21 or 2019-20.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system improved calculation methodology.

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| **2.45%** | **3.13%** | **3.62%** | **3.56%** |
| | | | |
| $17,026 | $20,073 | $19,131 | $22,733 |
| 79,719 | 99,428 | 109,395 | 115,067 |
| 218,683 | 153,651 | (20,879) | (107,670) |
| (41,794) | 86,873 | (121,259) | (366,200) |
| | | | |
| (213,233) | (221,954) | (207,823) | (200,440) |
| **$60,401** | **$138,071** | **($221,435)** | **($536,510)** |
| $3,175,070 | $3,036,999 | $3,258,434 | $3,794,944 |
| — | — | — | — |
| **$3,175,070** | **$3,036,999** | **$3,258,434** | **$3,794,944** |
| **$3,235,471** | **$3,175,070** | **$3,036,999** | **$3,258,434** |
| | | | |
| | | | |
| $243,131 | $195,903 | $199,241 | $204,475 |
| 2,843 | 2,679 | 3,062 | 3,398 |
| 3,087 | 3,942 | 3,378 | 2,819 |
| | | | |
| (213,233) | (221,954) | (207,823) | (200,440) |
| (2,270) | (10,032) | (2,106) | (1,771) |
| **$33,558** | **($29,462)** | **($4,248)** | **$8,481** |
| $10,169 | $39,631 | $48,275 | $39,794 |
| — | — | (4,396) | — |
| 10,169 | 39,631 | 43,879 | 39,794 |
| 43,727 | 10,169 | 39,631 | 48,275 |
| **$3,191,744** | **$3,164,901** | **$2,997,368** | **$3,210,159** |
| | | | |
| **1.4%** | **0.3%** | **1.3%** | **1.5%** |
| $22,875 | $31,945 | $35,507 | $39,413 |
| | | | |
| **13,953.0%** | **9,907.3%** | **8,441.6%** | **8,144.9%** |

In December 2017, the Board adopted new mortality assumptions and reduced the inflation assumption from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were also reduced from 3.00 percent to 2.75 percent.

In the June 30, 2016 actuarial valuation, the Board adopted assumption changes that lowered retirement rates and removed pre-retirement termination and disability rates due to low expected future experience for this group.

## Required Supplementary Information (continued)

### SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONCLUDED)

### JRF II – 10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **Discount Rate Assumption** | **6.15%** | **6.15%** | **6.15%** | **6.15%** | **6.15%** | **6.65%** |
| **Total Pension Liability:** | | | | | | |
| Service Cost | $145,642 | $134,804 | $128,636 | $121,141 | $115,808 | $116,782 |
| Interest | 170,318 | 155,541 | 143,958 | 131,805 | 120,585 | 126,948 |
| Changes of Benefit Terms | — | — | — | (1,452) | — | — |
| Changes of Assumptions | 38,601 | — | — | — | (59,394) | — |
| Differences Between Expected and Actual Experience | 22,817 | 15,490 | 32,448 | 20,135 | (67,751) | (10,975) |
| Benefit Payments, Including Refunds of Member Contributions | (127,307) | (106,520) | (99,168) | (83,868) | (66,739) | (61,994) |
| **Net Change in Total Pension Liability** | **$250,071** | **$199,315** | **$205,874** | **$187,761** | **$42,509** | **$170,761** |
| Total Pension Liability – Beginning | $2,698,801 | $2,499,486 | $2,293,612 | $2,105,851 | $2,063,342 | $1,892,581 |
| Adjustment to Beginning Amount | — | — | — | — | — | — |
| **Total Adjusted Pension Liability – Beginning** | **$2,698,801** | **$2,499,486** | **$2,293,612** | **$2,105,851** | **$2,063,342** | **$1,892,581** |
| **Total Pension Liability – Ending (a)** | **$2,948,872** | **$2,698,801** | **$2,499,486** | **$2,293,612** | **$2,105,851** | **$2,063,342** |
| **Plan Fiduciary Net Position:** | | | | | | |
| Contributions – Employer and General Fund[1] | $98,239 | $101,531 | $96,316 | $89,970 | $92,773 | $84,147 |
| Contributions – Member | 48,578 | 45,898 | 42,936 | 38,669 | 36,529 | 34,094 |
| Total Net Investment Income | 482,846 | 307,480 | 267,421 | 151,749 | (324,362) | 463,478 |
| Benefit Payments, Including Refunds of Member Contributions | (127,307) | (106,520) | (99,168) | (83,868) | (66,739) | (61,994) |
| Administrative Expenses | (2,468) | (2,909) | (2,637) | (2,126) | (1,842) | (1,703) |
| **Net Change in Plan Fiduciary Net Position** | **$499,888** | **$345,480** | **$304,868** | **$194,394** | **($263,641)** | **$518,022** |
| Plan Fiduciary Net Position – Beginning | $2,979,130 | $2,633,650 | $2,328,782 | $2,134,388 | $2,398,029 | $1,880,007 |
| Adjustments[2] | — | — | — | — | — | — |
| Total Adjusted Plan Fiduciary Net Position – Beginning | 2,979,130 | 2,633,650 | 2,328,782 | 2,134,388 | 2,398,029 | 1,880,007 |
| Plan Fiduciary Net Position – Ending (b) | 3,479,018 | 2,979,130 | 2,633,650 | 2,328,782 | 2,134,388 | 2,398,029 |
| **Net Pension Liability/(Asset) (a) - (b)** | **($530,146)** | **($280,329)** | **($134,164)** | **($35,170)** | **($28,537)** | **($334,687)** |
| **Plan Fiduciary Net Position as a Percentage of the Total Pension Liability** | **118.0%** | **110.4%** | **105.4%** | **101.5%** | **101.4%** | **116.2%** |
| Covered Payroll | $439,608 | $417,221 | $399,244 | $378,328 | $360,771 | $361,108 |
| **Net Pension Liability/(Asset) as a Percentage of Covered Payroll** | **(120.6%)** | **(67.2%)** | **(33.6%)** | **(9.3%)** | **(7.9%)** | **(92.7%)** |

(1) Includes State of California General Fund.
(2) Cumulative effect of CalPERS employer proportionate share of postemployment benefit obligations.

### NOTES TO SCHEDULE

**Change of Assumptions and Methods**

In June 2026, changes to inflation and selected demographic assumptions were adopted and reflected in financial reporting as of June 30, 2026. These changes will also be reflected in the June 30, 2026 actuarial valuation for funding purposes.

No changes to assumptions or methods were made for financial reporting in Fiscal Year 2024-25 or 2023-24.

In September 2022, California Assembly Bill (AB) 2443 was approved, allowing JRF II judges the option to retire early and elect to defer receipt of their monthly retirement allowance. AB 2443 became effective on January 1, 2024, and remains in effect for five years through January 1, 2029. No changes to assumptions or methods were made for financial reporting in Fiscal Year 2022-23.

In April 2022, the CalPERS Board of Administration adopted new investment portfolios and several actuarial assumption changes. For JRF II, these changes were reflected in the June 30, 2021 actuarial valuation for funding purposes. The changes included updates to inflation, discount rate, and demographic assumptions, including mortality. The inflation assumption decreased from 2.50 percent to 2.30 percent, and the discount rate decreased from 6.50 percent to 6.00 percent. For financial reporting purposes, the discount rate for JRF II was reduced from 6.65 percent to 6.15 percent in Fiscal Year 2021-22.

Effective with the June 30, 2019 actuarial valuation, the Board adopted a new amortization policy that reduced the amortization period for actuarial gains and losses from 30 years to 20 years and eliminated the five-year ramp-up and ramp-down for certain UAL bases. These changes apply only

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| **6.65%** | **6.65%** | **6.65%** | **6.65%** |
| | | | |
| $114,486 | $103,791 | $95,843 | $97,678 |
| 115,517 | 103,889 | 91,419 | 85,654 |
| — | — | — | — |
| — | — | (41,763) | 69,233 |
| (2,797) | 30,291 | (26,876) | (26,382) |
| | | | |
| (34,547) | (36,204) | (31,795) | (22,406) |
| **$192,659** | **$201,767** | **$86,828** | **$203,777** |
| $1,699,922 | $1,498,155 | $1,411,327 | $1,207,550 |
| — | — | — | — |
| **$1,699,922** | **$1,498,155** | **$1,411,327** | **$1,207,550** |
| **$1,892,581** | **$1,699,922** | **$1,498,155** | **$1,411,327** |
| | | | |
| | | | |
| $91,147 | $84,099 | $79,699 | $67,102 |
| 35,796 | 31,376 | 27,513 | 25,076 |
| 80,074 | 106,781 | 101,820 | 115,057 |
| | | | |
| (34,547) | (36,204) | (31,795) | (22,406) |
| (2,552) | (1,477) | (2,370) | (1,683) |
| **$169,918** | **$184,575** | **$174,867** | **$183,146** |
| $1,710,089 | $1,525,514 | $1,356,099 | $1,172,953 |
| — | — | (5,452) | — |
| 1,710,089 | 1,525,514 | 1,350,647 | 1,172,953 |
| 1,880,007 | 1,710,089 | 1,525,514 | 1,356,099 |
| **$12,574** | **($10,167)** | **($27,359)** | **$55,228** |
| | | | |
| **99.3%** | **100.6%** | **101.8%** | **96.1%** |
| $352,700 | $318,827 | $299,396 | $291,097 |
| | | | |
| **3.6 %** | **(3.2%)** | **(9.1%)** | **19.0%** |

to new UAL bases established on or after June 30, 2019. No changes were made to actuarial assumptions for financial reporting in Fiscal Years 2020-21 or 2019-20.

In Fiscal Year 2018-19, CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions and reduced the inflation assumption from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were also reduced from 3.00 percent to 2.75 percent.

Required Supplementary Information (continued)

## SCHEDULES OF PLAN CONTRIBUTIONS

10-Year Review (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|
| **PERF B:** | | | | | | |
| Actuarially Determined Contribution | $5,954,048 | $5,706,849 | $5,262,302 | $4,391,877 | $3,511,338 | $2,969,799 |
| Contributions in Relation to the Actuarially Determined Contribution | 5,954,048 | 5,706,849 | 5,262,302 | 4,391,877 | 3,511,338 | 2,969,799 |
| **Contribution Excess** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Covered Payroll | $22,277,324 | $20,865,342 | $18,535,628 | $16,275,075 | $14,767,213 | $14,885,212 |
| Contributions as a Percentage of Covered Payroll | 26.7% | 27.4% | 28.4% | 27.0% | 23.8% | 20.0% |
| **PERF C:** | | | | | | |
| Actuarially Determined Contribution | $1,958,225 | $1,749,021 | $1,509,408 | $1,490,966 | $1,414,309 | $1,337,952 |
| Contributions in Relation to the Actuarially Determined Contribution | 2,050,022 | 1,854,271 | 1,614,768 | 1,623,130 | 2,284,579 | 1,921,032 |
| **Contribution Excess** | **$91,797** | **$105,250** | **$105,360** | **$132,164** | **$870,270** | **$583,080** |
| Covered Payroll | $6,030,513 | $5,619,285 | $5,161,783 | $4,723,688 | $4,428,659 | $4,371,563 |
| Contributions as a Percentage of Covered Payroll | 34.0% | 33.0% | 31.3% | 34.4% | 51.6% | 43.9% |
| **LRF:** | | | | | | |
| Actuarially Determined Contribution[1] | $493 | $75 | $0 | $44 | $85 | $78 |
| Contributions in Relation to the Actuarially Determined Contribution[2] | 493 | 75 | — | 44 | 85 | 78 |
| **Contribution Excess** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| Covered Payroll | $0 | $0 | $0 | $138 | $290 | $267 |
| Contributions as a Percentage of Covered Payroll | N/A | N/A | N/A | 31.9% | 29.3% | 29.2% |
| **JRF:** | | | | | | |
| Actuarially Determined Contribution | $284,863 | $297,054 | $315,809 | $313,118 | $352,881 | $366,446 |
| Contributions in Relation to the Actuarially Determined Contribution[3] | 182,479 | 218,682 | 212,532 | 208,785 | 194,960 | 225,824 |
| **Contribution Deficiency** | **$102,384** | **$78,372** | **$103,277** | **$104,333** | **$157,921** | **$140,622** |
| Covered Payroll | $12,159 | $14,330 | $16,462 | $20,083 | $20,916 | $20,808 |
| Contributions as a Percentage of Covered Payroll | 1,500.8% | 1,526.0% | 1,291.0% | 1,039.6% | 932.1% | 1,085.3% |
| **JRF II:** | | | | | | |
| Actuarially Determined Contribution | $98,239 | $101,531 | $96,316 | $89,970 | $91,887 | $84,147 |
| Contributions in Relation to the Actuarially Determined Contribution | 98,239 | 101,531 | 96,316 | 89,970 | 92,773 | 84,147 |
| **Contribution Excess** | **$0** | **$0** | **$0** | **$0** | **$886** | **$0** |
| Covered Payroll | $439,608 | $417,221 | $399,244 | $378,328 | $360,771 | $361,108 |
| Contributions as a Percentage of Covered Payroll | 22.3% | 24.3% | 24.1% | 23.8% | 25.7% | 23.3% |

(1) Does not agree to Basic Financial Statements due to an adjustment in 2021.
(2) Because of the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA), the required employer contribution is the greater of the actuarially determined employer contribution or the employer normal cost.
(3) Contributions to the JRF are made on the pay-as-you-go basis.

## Required Supplementary Information (continued)

| 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|
| | | | |
| $2,759,835 | $2,501,770 | $2,048,531 | $1,767,813 |
| 3,663,835 | 2,501,770 | 2,048,531 | 1,767,813 |
| **$904,000** | **$0** | **$0** | **$0** |
| $14,447,159 | $13,819,881 | $13,252,995 | $12,643,354 |
| 25.4% | 18.1% | 15.5% | 14.0% |
| | | | |
| $1,222,537 | $1,081,111 | $947,056 | $761,350 |
| 1,597,137 | 1,333,559 | 1,182,686 | 858,954 |
| **$374,600** | **$252,448** | **$235,630** | **$97,604** |
| $4,155,772 | $3,949,226 | $3,793,609 | $3,631,919 |
| 38.4% | 33.8% | 31.2% | 23.7% |
| | | | |
| $98 | $250 | $20 | $0 |
| 98 | 250 | 467 | 516 |
| **$0** | **$0** | **($447)** | **($516)** |
| $278 | $655 | $1,242 | $1,360 |
| 35.3% | 38.2% | 37.6% | 37.9% |
| | | | |
| $414,849 | $415,110 | $438,156 | $448,636 |
| 243,131 | 195,903 | 199,241 | 204,475 |
| **$171,718** | **$219,207** | **$238,915** | **$244,161** |
| $22,875 | $31,945 | $35,507 | $39,413 |
| 1,062.9% | 613.3% | 561.1% | 518.8% |
| | | | |
| $91,147 | $84,099 | $79,699 | $67,102 |
| 91,147 | 84,099 | 79,699 | 67,102 |
| **$0** | **$0** | **$0** | **$0** |
| $352,700 | $318,827 | $299,396 | $291,097 |
| 25.8% | 26.4% | 26.6% | 23.1% |

## Required Supplementary Information (continued)

### PERF B and C Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions – 10-Year Review

| | 2025-26 | 2024-25 | 2023-24 | 2022-23 | 2021-22 |
|---|---|---|---|---|---|
| **PERF B** | | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Amortization Method | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing |
| Remaining Amortization Periods[1] | 5-24 years | 6-25 years | 7-26 years | 8-27 years | 9-28 years |
| Asset Valuation Method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation | 2.30% | 2.30% | 2.30% | 2.30% | 2.50% |
| Salary Increases | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service |
| Investment Rate of Return | 6.80% | 6.80% | 6.80% | 6.80% | 7.00% |
| **PERF C** | | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Amortization Method | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing |
| Remaining Amortization Periods[1] | Differs by employer rate plan but no more than 25 years | Differs by employer rate plan but no more than 26 years | Differs by employer rate plan but no more than 27 years | Differs by employer rate plan but no more than 28 years | Differs by employer rate plan but no more than 29 years |
| Asset Valuation Method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation | 2.30% | 2.30% | 2.30% | 2.50% | 2.50% |
| Salary Increases | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service |
| Investment Rate of Return | 6.80% | 6.80% | 6.80% | 7.00% | 7.00% |

(1) Remaining periods vary by portion of unfunded liability balance being amortized.

## Required Supplementary Information (continued)

| 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **PERF B** | | | | |
| Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Level Percentage of Payroll (pre-2019 bases), Level Dollar (2019 and later bases), and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing |
| 10-29 years | 11-30 years | 12-30 years | 13-30 years | 14-30 years |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| 2.50% | 2.63% | 2.75% | 2.75% | 2.75% |
| Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service |
| 7.00% | 7.25% | 7.38% | 7.50% | 7.50% |
| **PERF C** | | | | |
| Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing |
| Differs by employer rate plan but no more than 30 years | Differs by employer rate plan but no more than 30 years | Differs by employer rate plan but no more than 30 years | Differs by employer rate plan but no more than 30 years | Differs by employer rate plan but no more than 30 years |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| 2.50% | 2.63% | 2.75% | 2.75% | 2.75% |
| Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service | Varies, Based on Entry Age and Service |
| 7.00% | 7.25% | 7.38% | 7.50% | 7.50% |

## Required Supplementary Information (continued)

### LRF, JRF, and JRF II Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions – 10-Year Review

| | 2025-26 | 2024-25 | 2023-24 | 2022-23 | 2021-22 |
|---|---|---|---|---|---|
| **LRF** | | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Amortization Method | Level Dollar | Level Dollar | Level Dollar and Direct Rate Smoothing | Level Dollar and Direct Rate Smoothing | Level Dollar and Direct Rate Smoothing |
| Remaining Amortization Periods[1] | 10 year | 1 year | N/A | N/A | N/A |
| Asset Valuation Method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation | 2.30% | 2.30% | 2.30% | 2.30% | 2.50% |
| Salary Increases | N/A | 2.80% | 2.80% | 2.80% | 2.75% |
| Investment Rate of Return | 4.50% | 4.50% | 4.50% | 4.50% | 5.00% |
| **JRF** | | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Amortization Method | Level Dollar | Level Dollar | Level Dollar | Level Dollar | Level Dollar |
| Remaining Amortization Periods | 10 years | 10 years | 10 years | 10 years | 10 years |
| Asset Valuation Method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation | 2.30% | 2.30% | 2.30% | 2.30% | 2.50% |
| Salary Increases | 2.80% | 2.80% | 2.80% | 2.80% | 2.75% |
| Investment Rate of Return | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| **JRF II** | | | | | |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Amortization Method | Level Dollar | Level Dollar and Direct Rate Smoothing | Level Dollar | Level Dollar | Level Dollar |
| Remaining Amortization Periods[1] | N/A | 9 - 20 years | 10 years | N/A | 20 years |
| Asset Valuation Method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation | 2.30% | 2.30% | 2.30% | 2.30% | 2.50% |
| Salary Increases | 2.80% | 2.80% | 2.80% | 2.80% | 2.75% |
| Investment Rate of Return | 6.00% | 6.00% | 6.00% | 6.00% | 6.50% |

(1) Remaining periods vary by portion of unfunded liability balance being amortized.

## Required Supplementary Information (continued)

| 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **LRF** | | | | |
| Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Level Dollar and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing |
| N/A | N/A | 30 years | 30 years | 63 years |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| 2.50% | 2.50% | 2.50% | 2.75% | 2.75% |
| 2.75% | 2.75% | 2.75% | 3.00% | 3.00% |
| 5.00% | 5.00% | 5.00% | 5.00% | 5.75% |
| **JRF** | | | | |
| Individual Entry Age Normal Level Dollar | Individual Entry Age Normal Level Dollar | Individual Entry Age Normal Level Dollar | Individual Entry Age Normal Level Dollar | Individual Entry Age Normal Level Dollar |
| 10 years | 10 years | 10 years | 10 years | 10 years |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| 2.50% | 2.50% | 2.50% | 2.75% | 2.75% |
| 2.75% | 2.75% | 2.75% | 3.00% | 3.00% |
| 3.00% | 3.00% | 3.00% | 3.25% | 4.25% |
| **JRF II** | | | | |
| Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal |
| Level Dollar | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing | Level Percentage of Payroll and Direct Rate Smoothing |
| 5 years | 5-30 years | 2-30 years | 20-30 years | 30 years |
| Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| 2.50% | 2.50% | 2.50% | 2.75% | 2.75% |
| 2.75% | 2.75% | 2.75% | 3.00% | 3.00% |
| 6.50% | 6.50% | 6.50% | 6.50% | 7.00% |

Required Supplementary Information (continued)

## SCHEDULE OF INVESTMENT RETURNS

Annual Money-Weighted Rate of Return, Net of Investment Expense – 10-Year Review

| Plan | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| PERF A | | | | | | | | | | |
| Agent | 16.1% | 12.1% | 9.5% | 6.1% | (7.5%) | 22.4% | 5.0% | 6.5% | 8.4% | 11.2% |
| PERF B | | | | | | | | | | |
| Schools Cost-Sharing | 16.1% | 12.1% | 9.5% | 6.1% | (7.5%) | 22.4% | 5.0% | 6.5% | 8.4% | 11.2% |
| PERF C | | | | | | | | | | |
| Public Agency Cost-Sharing | 16.1% | 12.1% | 9.5% | 6.1% | (7.5%) | 22.4% | 5.0% | 6.5% | 8.4% | 11.2% |
| LRF | 7.5% | 7.1% | 5.2% | 0.6% | (10.3%) | 13.4% | 6.2% | 7.0% | 4.8% | 4.3% |
| JRF | 4.9% | 5.9% | 6.6% | 4.5% | 0.3% | 0.3% | 2.3% | 3.2% | 1.9% | 1.0% |
| JRF II | 16.2% | 11.6% | 11.4% | 7.1% | (13.4%) | 24.3% | 4.1% | 6.9% | 7.4% | 9.6% |
| CERBTF | 16.8% | 12.0% | 10.6% | 6.0% | (14.0%) | 25.6% | 4.0% | 6.5% | 7.3% | 10.0% |
| CEPPTF[1] | 11.4% | 9.8% | 8.7% | 4.7% | (13.9%) | 14.4% | —% | —% | —% | —% |

(1) Information in this schedule is not available prior to 2021.

Required Supplementary Information (concluded)

## PUBLIC EMPLOYEES' HEALTH CARE FUND

Schedule of Claims Development Information (Dollars in Thousands)

| | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1) Net Earned Required Premium and Investment Revenues | $5,751,362 | $4,775,028 | $4,523,673 | $4,525,821 | $4,099,125 | $3,949,155 | $3,772,501 | $3,751,406 | $3,985,393 | $3,829,095 |
| 2) Unallocated Expenses | $313,593 | $278,802 | $301,247 | $315,863 | $309,473 | $304,990 | $331,235 | $299,053 | $304,408 | $312,924 |
| 3) Estimated Incurred Claims and Expenses, End of Policy Year | $4,352,188 | $4,263,588 | $4,263,764 | $4,361,650 | $4,227,754 | $3,750,063 | $3,569,208 | $3,666,596 | $3,576,081 | $3,391,183 |
| 4) Paid (Cumulative) as of: | | | | | | | | | | |
| End of Policy Year | $3,774,988 | $3,750,125 | $3,652,830 | $3,789,762 | $3,608,399 | $3,267,719 | $3,111,826 | $3,244,896 | $3,039,289 | $3,061,085 |
| One Year Later | — | 4,150,636 | 4,078,886 | 4,280,264 | 4,135,075 | 3,714,863 | 3,475,051 | 3,620,210 | 3,380,649 | 3,395,673 |
| Two Years Later | — | — | 4,097,390 | 4,299,365 | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Three Years Later | — | — | — | 4,299,365 | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Four Years Later | — | — | — | — | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Five Years Later | — | — | — | — | — | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Six Years Later | — | — | — | — | — | — | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Seven Years Later | — | — | — | — | — | — | — | 3,627,419 | 3,386,762 | 3,395,673 |
| Eight Years Later | — | — | — | — | — | — | — | — | 3,386,762 | 3,395,673 |
| Nine Years Later | — | — | — | — | — | — | — | — | — | 3,395,673 |
| 5) Re-Estimated Incurred Claims Expenses: | | | | | | | | | | |
| End of Policy Year | $4,352,188 | $4,263,588 | $4,263,764 | $4,361,650 | $4,227,754 | $3,750,063 | $3,569,208 | $3,666,596 | $3,576,081 | $3,391,183 |
| One Year Later | — | 4,150,636 | 4,078,886 | 4,280,264 | 4,135,075 | 3,714,863 | 3,475,051 | 3,620,210 | 3,380,649 | 3,395,673 |
| Two Years Later | — | — | 4,097,390 | 4,299,365 | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Three Years Later | — | — | — | 4,299,365 | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Four Years Later | — | — | — | — | 4,157,850 | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Five Years Later | — | — | — | — | — | 3,728,299 | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Six Years Later | — | — | — | — | — | — | 3,482,349 | 3,627,419 | 3,386,762 | 3,395,673 |
| Seven Years Later | — | — | — | — | — | — | — | 3,627,419 | 3,386,762 | 3,395,673 |
| Eight Years Later | — | — | — | — | — | — | — | — | 3,386,762 | 3,395,673 |
| Nine Years Later | — | — | — | — | — | — | — | — | — | 3,395,673 |
| 6) Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year | $0 | ($112,952) | ($166,374) | ($62,285) | ($69,904) | ($21,764) | ($86,859) | ($39,177) | ($189,319) | $4,490 |

Rows 1 through 6 contain the following information:

(1) This line shows the total earned premium revenues and investment revenues for each fiscal year.

(2) This line shows other HCF operating costs, including overhead and claims expense not allocable to individual claims, for each fiscal year.

(3) This line shows the HCF incurred claims and allocated claim adjustment expenses (both paid and accrued) as reported at the end of the policy year. The policy year is the first year in which the triggering event under the contract occurred.

(4) This section shows the cumulative amounts paid as of the end of each policy year and years succeeding the policy year.

(5) This section shows re-estimated incurred claims as of the end of each policy year and years succeeding the policy year. Re-estimates are based on new information on new claims not previously reported.

(6) This line compares the amount of the re-estimated incurred claims to the amount initially established (line 3), and shows whether the re-estimate is greater or less than projected. As data mature for individual policy years, the correlation between initial estimates and re-estimates is used to evaluate the accuracy of incurred claims currently recognized.

# Other Supplementary Information

## ADMINISTRATIVE EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS)

| | 2026 |
|---|---|
| **PERSONAL SERVICES** | |
| Salaries & Wages | $225,875 |
| Employee Benefits | 124,786 |
| Accrued Pension & OPEB Expense | (49,993) |
| **Total Personal Services** | **$300,668** |
| | |
| **CONSULTANT & PROFESSIONAL SERVICES** | |
| State of California Agencies | $6,142 |
| External Consultants | 33,388 |
| Retiree Benefit Trust Management Fees | 90 |
| Pension Prefunding Trust Management Fees | 18 |
| Deferred Compensation Management/Custody Fees | 4,394 |
| Health Plan Administrator Fees | 249,846 |
| Long-Term Care Administrator Fees | 20,986 |
| **Total Consultant & Professional Services** | **$314,864** |
| | |
| **OPERATING EXPENSES & EQUIPMENT** | |
| General Expense | $7,223 |
| Software | 1,418 |
| Printing | 82 |
| Building | 25,085 |
| Postage | 4,137 |
| Communications | 1,296 |
| Data Processing Services | 21,051 |
| Travel | 1,468 |
| Training | 865 |
| Medical Examiners | 1,627 |
| Facilities Operation | 3,106 |
| Central Administrative Services | 27,732 |
| Administrative Hearings | 837 |
| Consolidated Data Center | 384 |
| CSUS Foundation - Students | 168 |
| Equipment | 2,119 |
| **Total Operating Expenses & Equipment** | **$98,598** |
| | |
| **OTHER EXPENSES & ADJUSTMENTS** | |
| Depreciation Expense | $35,311 |
| Increase/(Decrease) in Paid Absence Obligation | 13,934 |
| Amortization | (1) |
| Miscellaneous | 19,635 |
| **Total Other Expenses & Adjustments** | **$68,879** |
| **TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS** | **$783,009** |

The total pension administration cost for Fiscal Year 2024-25, the most recent year available, was $208 per active member and annuitant, compared with $199 in Fiscal Year 2023-24.

## INVESTMENT EXPENSES – ALL FUNDS

Investment Management Fees[1, 2] (Dollars in Thousands)

| | Fees |
|---|---|
| **Equity Managers** | |
| Arrowstreet Capital, LP | $46,538 |
| Arrowstreet Custom Alpha Extension Fund Q, LP | 8,398 |
| Baillie Gifford Overseas, LTD | 703 |
| Connor Clark & Lunn Investment Mgmnt, LTD | 17,709 |
| Hamilton Lane Advisors, LLC | 800 |
| Man Numeric Investors, LLC | 468 |
| PanAgora Asset Management | 243 |
| Wellington Management Company, LLP | 1,555 |
| **Total Equity Managers** | **$76,414** |
| | |
| **Fixed Income Managers** | |
| Columbia Management Investment Advisers | $4,410 |
| GoldenTree Asset Management, LP | 2,145 |
| Grantham Mayo Van Otterloo & Co, LLC | 3,792 |
| JP Morgan Investment Management Inc. | 2,324 |
| Nomura Corporate Research and Asset Management Inc. | 11,128 |
| Pacific Investment Management Co, LLC | 20,674 |
| RBC Global Asset Management (UK) Limited | 10,402 |
| **Total Fixed Income Managers** | **$54,875** |
| | |
| **Private Equity Managers[3, 4]** | |
| 2SP I, LP | $0 |
| 57 Stars Global Opportunities Fund 2 (CalPERS), LLC | 1,083 |
| 57 Stars Global Opportunities Fund, LLC | 200 |
| Accel-KKR Capital Partners VII, LP | 3,217 |
| Acrew Capital Fund III, LP | 1,750 |
| Acrew Diversify Capital Fund II, LP | 1,000 |
| Advent Global Technology II Limited Partnership | 2,226 |
| Advent International GPE IX Limited Partnership | 6,543 |
| Advent International GPE VI-A, LP | 569 |
| Advent International GPE VII-C, LP | 984 |
| Advent International GPE VIII-B Limited Partnership | 2,921 |
| Advent International GPE X Limited Partnership | 9,722 |
| AlpInvest Secondaries Fund (onshore) VII, LP | 1,351 |
| Amberbrook IX, LP | 2,025 |
| American Industrial Partners Capital Fund VIII, LP | 4,000 |
| Apollo Investment Fund IX, LP | 2,390 |
| Apollo Investment Fund VIII, LP | — |
| Apollo Investment Fund X, LP | 2,608 |
| Apollo S3 Equity & Hybrid Solutions Fund, LP | 4,389 |
| Apollo Special Opportunities Managed Account, LP | 36 |
| Ares Corporate Opportunities Fund V, LP | 1,441 |
| Ares Corporate Opportunities Fund VI, LP | 2,657 |
| Arlington Capital Partners VI, LP | 3,859 |
| Arlington Capital Partners VII, LP | 1,598 |
| Arsenal Capital Partners Growth, LP | 931 |
| Arsenal Capital Partners VI, LP | 1,209 |
| ASF VIII B, LP | 1,938 |
| B Capital Ascent Fund III, LP | 3,981 |
| B Capital Ascent SSEA Fund I, LP | $948 |
| B Capital Global Growth III, LP | 1,056 |
| B Capital Global Growth IV, LP | 7,603 |
| B Capital Healthcare II, LP | 658 |
| B Capital Opportunities Fund II, LP | 2,350 |
| Bain Capital Asia Fund V, LP | 3,000 |
| Bain Capital Double Impact Fund III, LP | 1,500 |
| Bain Capital Europe Fund VI SCSp | 1,534 |
| Bain Capital Fund XIV, LP | 1,125 |
| Bain Capital Insurance Fund II, LP | 984 |
| Bain Capital Insurance Fund, LP | 1,093 |
| Bain Capital Life Sciences Fund IV, LP | 2,000 |
| Bain Capital Tech Opportunities Fund II, LP | 1,490 |
| Bain Capital Tech Opportunities Fund III, LP | 501 |
| Bain Capital Venture Fund 2022, LP | 3,716 |
| Balderton Capital Growth II, SLP | 1,260 |
| Balderton Capital IX, SLP | 1,400 |
| Base10 Advancement Initiative II, LP | 961 |
| Base10 Partners III, LP | 1,218 |
| Base10 Seed & Series A IV, LP | 1,353 |
| Base10 Series B II, LP | 1,074 |
| BDC III C, LP | 745 |
| BDC IV D, LP | 2,874 |
| BDC V C, LP | 1,719 |
| BE VI 'H', LP | 3,897 |
| Bear Coast Partnerships, LP | 821 |
| Berkshire Fund X, LP | 3,011 |
| Berkshire Fund XI, LP | 1,833 |
| Bessemer Venture Partners XII Institutional, LP | 2,588 |
| Beyond SPV I, LP | 500 |
| Biogeneration Capital Fund V Cooperatief, UA | 468 |
| Blackstone Capital Partners IX, LP | 2,984 |
| Blackstone Capital Partners VI, LP | — |
| Blackstone Capital Partners VII, LP | 1,587 |
| Blackstone Capital Partners VIII, LP | 1,902 |
| Blackstone Core Equity Partners II, LP | 6,108 |
| Blackstone Tactical Opportunities Fund - C, LP | 512 |
| Blackstone Tactical Opportunities Fund II - C, LP | 1,043 |
| Blackstone Tactical Opportunities Fund III - C, LP | 1,210 |
| Blackstone Tactical Opportunities Fund III-C (Surge), LP | 849 |
| BOND III, LP | 916 |
| BPEA Private Equity Fund IX (No.2), SCSp | 5,218 |
| Bridgepoint Europe VII D, LP | 1,585 |
| BRV Lotus Fund III, LP | 1,883 |
| Butterfly Fund III, LP | (123) |
| BVP Forge Institutional [A], LP | 700 |
| CA Co-Investment Limited Partnership | 100 |
| CA1 SPV, LP | — |
| California Emerging Ventures IV, LLC | 110 |
| Canaan Gold Coast, LP | 370 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

| | Fees |
|---|---|
| Canaan XIII Healthcare Fund, LP | $678 |
| Canaan XIII, LP | 3,749 |
| Capital Link Fund I, LLC | 382 |
| Capital Link Fund II, LLC | 380 |
| CapVest Equity Partners V SCSp | 5,651 |
| Carlyle Asia Partners V, LP | 878 |
| Carlyle Europe Partners V, S.C.Sp | 1,005 |
| Carlyle Partners V, LP | (136) |
| Carlyle Partners VI, LP | (16) |
| Carlyle Partners VII, LP | 1,572 |
| Carlyle Partners VIII, LP | 2,035 |
| Carlyle Strategic Partners IV, LP | 951 |
| Carlyle U.S. Equity Opportunities II, LP | (131) |
| Centerbridge Capital Partners III, LP | 765 |
| Cerberus CAL II Partners, LP | 481 |
| Cerberus CAL III Partners, LP | 1,627 |
| Cerberus CP Partners, LP | 292 |
| Cerberus Supply Chain Fund, LP | 2,983 |
| Cerberus Ventures One, LP | 1,819 |
| CF24XB SCSp | 185 |
| ChrysCapital X, LLC | 1,510 |
| Clayton, Dubilier & Rice Fund X, LP | 893 |
| Clayton, Dubilier & Rice Fund XI, LP | 742 |
| Clayton, Dubilier & Rice Fund XII, LP | 5,158 |
| Clearlake Capital Partners IV, LP | 282 |
| Clearlake Capital Partners V, LP | 635 |
| Clearlake Capital Partners VII, LP | 3,340 |
| Clearlake Capital Partners VIII, LP | 4,178 |
| Clearlake Opportunities Partners (P), LP | 229 |
| Coalesce Capital Fund I, LP | 2,766 |
| Coefficient Capital Apex Fund I, LP | 2,093 |
| Coefficient Capital Fund II, LP | 2,746 |
| Crosspoint Capital Fund II, LP | 5,784 |
| Crosspoint Capital ISB Fund I, LP | 2,950 |
| Crosspoint Capital Ventures Fund I, LP | 5,000 |
| CVC Capital Partners Asia V, LP | 1,850 |
| CVC Capital Partners Asia VI (A), LP | 3,815 |
| CVC Capital Partners IX (A), LP | 7,403 |
| CVC Capital Partners Strategic Opportunities Compounding Capital, LP | 4,744 |
| CVC Capital Partners VII (A), LP | 3,055 |
| CVC Capital Partners VIII (A), LP | 4,914 |
| EMAlternatives Investments, LP | 100 |
| Ember Infrastructure Fund II-B, LP | 1,650 |
| Entrepreneurs First Early Stage, LP | 818 |
| EQT Healthcare Growth (No.2) SCSp | 1,909 |
| EQT IX (No.2) USD SCSp | 7,058 |
| EQT X (No.2) USD SCSp | 6,375 |
| Essential Innovation Partners, LP | 1,161 |
| First Reserve Fund XIII, LP | 517 |
| Forbion BioEconomy Fund I Coöperatief UA | $877 |
| Forbion Growth Opportunities Fund II Cooperatief, UA | 363 |
| Forbion Growth Opportunities Fund III Coöperatief UA | 7,814 |
| Forbion Ventures Fund VI Cooperatief, UA | 3,733 |
| Forbion Ventures Fund VII Coöperatief UA | 5,540 |
| Francisco Partners Agility II, LP | 370 |
| Francisco Partners Agility III, LP | 964 |
| Francisco Partners VI, LP | 2,339 |
| Francisco Partners VII, LP | 2,421 |
| GA Continuity II (GT) Fund, LP | 144 |
| GC Creation Fund III, LP | 1,551 |
| GC Customer Value Fund II, LP | 3,166 |
| GCM Grosvenor DEM II, LP | 524 |
| GCM Grosvenor DEM III, LP | 2,111 |
| GCM Grosvenor DEM, LP | 280 |
| GCM Grosvenor Elevate Fund, LP | 3,750 |
| General Catalyst Group XI - Health Assurance, LP | 2,608 |
| General Catalyst Group XII - Creation, LP | 3,145 |
| General Catalyst Group XII - Endurance, LP | 3,401 |
| General Catalyst Group XII - Health Assurance, LP | 2,422 |
| General Catalyst Group XII - Ignition, LP | 4,345 |
| Generation IM Sustainable Private Equity Fund II (A), ILP | 1,250 |
| Genstar Capital Partners X, LP | 1,520 |
| Genstar Capital Partners XI, LP | 1,573 |
| Genstar X Opportunities Fund I, LP | 1,224 |
| Genstar XI Opportunities Fund I, LP | 828 |
| GI Data Infrastructure Fund II, LP | 227 |
| GPE IX Forescout Co-Investment, LP | 66 |
| GPE IX TKE Co-Investment, LP | 12 |
| Grafine Direct Opportunities I, LP | 11 |
| Grain Communications Opportunity Fund IV-A, LP | 3,001 |
| Green Equity Investors IX, LP | 93 |
| Green Equity Investors V, LP | (1) |
| Green Equity Investors VIII, LP | 2,400 |
| Greenbriar Equity Fund VI, LP | 1,494 |
| Griffin Gaming Partners III, LP | 853 |
| GSO Energy Partners-C II, LP | — |
| Hedosophia Strategic Partners, LP | 141 |
| Hellman & Friedman Capital Partners IX, LP | 3,730 |
| Hellman & Friedman Capital Partners VIII, LP | 2,124 |
| Hellman & Friedman Capital Partners X, LP | 8,221 |
| Hellman & Friedman Capital Partners XI, LP | 5,738 |
| Hg Genesis 10 A, LP | 2,566 |
| Hg Mercury 4 A, LP | 1,023 |
| Hg Saturn 3 A, LP | 904 |
| Hg Saturn 4 A, LP | 1,500 |
| HIG Europe Middle Market LBO Fund, LP | 1,762 |
| Highland Citrus Holdings, LP | 40 |
| HongShan Capital Expansion Fund I, LP | 2,010 |
| HongShan Capital Growth Fund VII, LP | 2,600 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

| | Fees |
|---|---|
| HongShan Capital Seed Fund III, LP | $300 |
| HongShan Capital Venture Fund IX, LP | 800 |
| Innovation Opportunities II, LP | 1,748 |
| Innovation Opportunities, LP | 16,121 |
| Insight Partners XI, LP | 5,706 |
| Insight Partners XII Buyout Annex Fund, LP | 1,849 |
| Insight Partners XII, LP | 7,495 |
| Insight Partners XIII Growth Buyout Fund, LP | 226 |
| Insight Partners XIII, LP | 5,165 |
| Insight Venture Partners Growth-Buyout Coinvestment Fund (B), LP | 106 |
| Insight Venture Partners IX, LP | — |
| Insight Venture Partners X, LP | 3,053 |
| Ithaca, LP | — |
| Jade Equity Investors II, LP | 152 |
| Jade Equity Investors, LP | 549 |
| JSC Capital Partners, LP | 1,921 |
| K5 Private Investors, LP | 2,870 |
| K6 Private Investors, LP | 2,252 |
| Karakoram Fund C, LP | 966 |
| KKR Asian Fund II, LP | (8) |
| KKR Asian Fund IV SCSp | 2,493 |
| KKR European Fund V (USD) SCSp | 2,438 |
| KKR North America Fund XIII SCSp | 3,579 |
| Lead Edge Capital VII, LP | 467 |
| Lightspeed Opportunity Fund II, LP | 1,945 |
| Lightspeed Opportunity Fund III, LP | 205 |
| Lightspeed Venture Partners Select V, LP | 2,000 |
| Lightspeed Venture Partners Select VI, LP | 2,514 |
| Lightspeed Venture Partners XIV-A (Inception), LP | 900 |
| Lightspeed Venture Partners XIV-B (Ignite), LP | 1,100 |
| Lightspeed Venture Partners XV-A (Inception), LP | 906 |
| Lightspeed Venture Partners XV-B (Ignite), LP | 1,157 |
| Lincoln Plaza Fund, LP | 2,682 |
| Lindsay Goldberg IV, LP | 369 |
| LongRange Capital Fund I, LP | 19,590 |
| Lux Ventures IX, LP | 1,286 |
| Lux Ventures VIII, LP | 7,336 |
| Mayfield Select III, a Delaware Limited Partnership | 263 |
| Mayfield XVII, a Delaware Limited Partnership | 316 |
| MBK Partners Fund VI, LP | 3,396 |
| New Mountain Partners VI, LP | 1,650 |
| New Mountain Partners VII, LP | 2,061 |
| Niobrara Founders Fund, LP | 1,501 |
| NM Pacific Parallel Series, LP (Series A) | 178 |
| Nordic Bear II SCSp | 296 |
| Nordic Bear SCSp | 2,892 |
| Oak HC/FT Partners V, LP | 2,298 |
| Oak HC/FT Partners VI, LP | 875 |
| Oaktree Latigo Investment Fund, LP | 2,534 |
| OHA Black Bear Fund, LP | $1,345 |
| One Rock Capital Partners IV, LP | 1,668 |
| One Rock Emerald Fund, LP | 359 |
| Onex Partners IV, LP | (134) |
| Onex Partners V (B), LP | 3,898 |
| Orchard Park, LP | 548 |
| Otro Capital Fund I-A, LP | 2,984 |
| PAG Asia III, LP | 3,724 |
| Palladium Equity Partners V, LP | 194 |
| Pantheon Global Secondary Fund VII Feeder (US), LP | (200) |
| Patient Square Equity Partners II, LP | 5,335 |
| Patient Square Equity Partners, LP | 2,840 |
| Patria Brazilian Private Equity Fund V, LP | 1,185 |
| Permira Growth Opportunities I, LP 1 | 1,882 |
| Permira Growth Opportunities II SCSp | 2,248 |
| Permira V, LP | (69) |
| Permira VI, LP 1 | 2,792 |
| Permira VII, LP 1 | 4,467 |
| Permira VIII-2 SCSp | 9,418 |
| Pophouse Fund (No. 1) SCS | 1,636 |
| Pophouse Investment Platform SCA SICAV-RAIF – Pophouse Co-Investment Fund II | 20 |
| Prelude Growth Partners III, LP | 436 |
| Prysm Capital Fund I, LP | 1,693 |
| Prysm Capital Fund II-C, LP | 4,000 |
| PSG Encore, LP | 327 |
| PSG Europe II, LP | 1,770 |
| PSG V, LP | 960 |
| PSG VI, LP | 3,767 |
| Red Admiral Fund, LP | 503 |
| Redwood Opportunities SCSp | — |
| Riverstone Global Energy and Power Fund V, LP | — |
| Riverstone Global Energy and Power Fund VI, LP | 1,624 |
| Rubicon Partners SCSp | 284 |
| Set Builders II, LP | 610 |
| Shoreline, LP | 624 |
| Sierra Partners, LP | 124 |
| SignalFire Early Fund IV, LP | 2,367 |
| SignalFire Sage Fund, LP | 860 |
| SignalFire Seed Fund V, LP | 2,459 |
| SignalFire XIR Venture Fund II, LP | 1,352 |
| Silver Lake Partners IV, LP | 354 |
| Silver Lake Partners V, LP | 2,343 |
| Silver Lake Partners VI, LP | 5,487 |
| Silver Lake Partners VII, LP | 3,718 |
| Siris Partners IV, LP | 1,121 |
| SL SPV-1, LP | 21 |
| SL SPV-2, LP | 89 |
| Springblue A, LP | 1,250 |
| Springblue A-V, LP | 1,500 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

| | Fees |
|---|---|
| Springblue B, LP | $920 |
| Springblue B-III, LP | 509 |
| SR One Capital Fund II-A, LP | 1,549 |
| SR One Capital Fund III, LP | 552 |
| SR One Capital Opportunities Fund I, LP | 1,077 |
| Stone Point Fund VIII, LP | 3,852 |
| Stone Point Fund X, LP | 4,386 |
| Summit Partners Growth Equity Fund X-A, LP | 729 |
| Summit Partners Growth Equity Fund XI-A, LP | 8,000 |
| Sunshine Coast SPV, LP | 5,000 |
| TA XIV-A, LP | 1,668 |
| TA XV-A, LP | 3,364 |
| Tailwind Capital Partners III, LP | — |
| TCV X, LP | 2,536 |
| TCV XI, LP | 5,081 |
| The Rise Fund (A), LP | 597 |
| The Rise Fund III, LP | 1,710 |
| The Rise Fund IV, LP | 230 |
| The Veritas Capital Fund IX, LP | 5,657 |
| The Veritas Capital Fund VIII, LP | 3,560 |
| Thoma Bravo Europe Fund, LP | 471 |
| Thoma Bravo Fund XIV, LP | — |
| Thoma Bravo Fund XV, LP | — |
| Thoma Bravo Fund XVI, LP | — |
| Thrive Capital Partners IX Growth, LP | 49 |
| Thrive Capital Partners IX, LP | 1,117 |
| Thrive Capital Partners VIII Growth, LP | 4,752 |
| Thrive Capital Partners X Growth, LP | 1,457 |
| Tiger Global Private Investment Partners XV, LP | 2,813 |
| TowerBrook Investors IV (Onshore), LP | 1,072 |
| Towerbrook Investors V (Onshore), LP | 4,544 |
| Towerbrook Investors VI (Onshore), LP | 761 |
| Towerbrook Structured Opportunities Fund (Onshore), LP | 812 |
| Towerbrook Structured Opportunities Fund II (Onshore), LP | 875 |
| TPG Asia VIII (A), LP | 3,931 |
| TPG Emerging Companies Asia (A), LP | 1,422 |
| TPG GP Solutions (A), LP | 1,266 |
| TPG Growth IV, LP | 492 |
| TPG Growth V, LP | 1,929 |
| TPG Growth VI, LP | 2,975 |
| TPG Healthcare Partners, LP | 789 |
| TPG Life Sciences Innovations, LP | 1,500 |
| TPG NEXT (A), LP | 4,892 |
| TPG PARTNERS IX, LP | 3,600 |
| TPG Partners VIII, LP | 1,151 |
| TPG Partners X, LP | 3,029 |
| TPG Rise Climate Global South Initiative, LP | 489 |
| TPG Rise Climate II, LP | 1,257 |
| TPG Tech Adjacencies II, LP | 1,931 |
| Trident IX, LP | 5,264 |
| Trident VI | $917 |
| Trident VII, LP | 2,067 |
| Triton Fund 6 SCSp | 5,953 |
| Triton Fund IV, LP | 84 |
| Triton Fund V, LP | 2,609 |
| Valor Atreides AI I, LP | 1,819 |
| Valor Equity Partners IV, LP | 809 |
| Valor Equity Partners VI, LP | 5,949 |
| Verdane Edda III (D1) AB | 2,949 |
| Verdane Idun II (D1) AB | 858 |
| VIP IV, LP | 4,932 |
| VIP V S.C.Sp. | 5,307 |
| Vista Equity Partners Fund VII-Z, LP | 3,944 |
| WCAS XIII, LP | 2,845 |
| WCAS XIV, LP | 5,400 |
| Welsh, Carson, Anderson & Stowe XII, LP | — |
| Whitney Global Partners II, LP | 167 |
| Whitney Global Partners, LP | 925 |
| Wigeavenmore Co-Investment, LP | 502 |
| Wigmore Street (BDC III), LP | 1 |
| Wigmore Street BDC IV Co-Investment No.1, LP | 132 |
| Wigmore Street Co-investment No.1, LP | 1 |
| Wigmore Street VI Co-Investment No.1, LP | 243 |
| **Total Private Equity Managers** | **$714,776** |
| | |
| **Private Debt Managers** | |
| Antares Credit Opportunities CA, LLC | $3,916 |
| Antares Credit Opportunities CA, LLC - Series 2 | 3,581 |
| Antares Credit Opportunities CA, LLC - Series 3 | 2,683 |
| Antares Credit Opportunities CA, LLC - Series 4 | 2,224 |
| Antares Credit Opportunities CA, LLC - Series 5 | — |
| Antares Credit Opportunities CA, LLC - Series 6 | — |
| Ares Capital Europe V (D) Levered | 9,420 |
| Ares Capital Europe VI (ACE VI) | 10,645 |
| Ares Credit Investment Partnership (CP) LP – SME II Co-Invest | — |
| Ares Credit Investment Partnership (CP), LP | (34) |
| Ares Senior Credit Investment Partnership (CP), LP | (22) |
| Ares Senior Direct Lending Fund (Delaware) III, LP | 12,340 |
| Ares Senior Direct Lending Fund II | 13,870 |
| Ares SME (Parallel), LP | 4,856 |
| Ares Special Opportunities Fund III | 851 |
| Ares Sports, Media and Entertainment II (SME II) | 1,217 |
| Bain Capital Special Situations Managed Account (CLP), LP | 8,963 |
| Blackstone Credit Series Fund-C, LP - Series A | 5,009 |
| Blackstone Credit Series Fund-C, LP - Series A-2 | 250 |
| Blackstone Real Estate Debt Strategies – Supplemental Account C, LP | 55 |
| Blackstone Real Estate Debt Strategies IV - C, LP | 3,484 |
| Blackstone Real Estate Debt Strategies V - C, LP | 6,973 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (continued)

| | Fees |
|---|---|
| Blue Owl Diversified Lending (CP) | $5,332 |
| Chestnut Diversified Lending (CP) III, LLC | 190 |
| Mesa West Real Estate Income Fund V (PF) | 1,691 |
| Oaktree Gilead Investment Fund, LP - Series A | 2,169 |
| OHA CA Customized Credit Fund, LP – Grizzly Opportunities | 883 |
| OHA CA Customized Credit Fund, LP – Grizzly Opportunities E-2 | 177 |
| OHA CA Customized Credit Fund, LP – OHA Senior Private Lending Fund (OLEND) | 862 |
| OHA Credit Solutions Fund II | 2,618 |
| OHA Senior Private Lending Fund (CA 3) | 2,481 |
| OHA Senior Private Lending Fund (CA 5) | 2,424 |
| PIMCO Asset Based Finance Specialty Finance | 2,516 |
| PPDP PCO III USD Feeder (Delaware), LP | (186) |
| PPDP PSD III USD Feeder (Delaware), LP | (43) |
| Sixth Street Fundamental Strategies Partners (A), LP | 1,805 |
| Sixth Street Madrone Strategic Holdings I, LP - Series 2 | 2,643 |
| Sixth Street Mid-Stage Growth Partners (A), LP | 1,959 |
| Sixth Street Sports and Live Entertainment (A), LP | 87 |
| Sixth Street TAO Partners (B), LP | 8,793 |
| West Street Climate Credit (Del), LP | 2,201 |
| West Street Co-Investment Partners (C), LP | 938 |
| West Street Loan Partners V Co-Investment Partners (C), LP | 233 |
| West Street Loan Partners V Offshore Europe (USD), LP | 3,556 |
| West Street Mezzanine Co-Investment Partners (C), LP | 669 |
| West Street Mezzanine Partners VIII | 6,593 |
| West Street Strategic Solutions Fund I, LP | 8,785 |
| **Total Private Debt Managers** | **$149,657** |

| **Real Asset Managers** | |
|---|---|
| Affordable Housing Institutional Partners, LLC | $293 |
| ARA China Long Term Hold | 2,179 |
| Archmore International Infrastructure Fund II (B), LP | 148 |
| Archmore International Infrastructure Fund II (C), LP | 314 |
| BentallGreenOak Asia USD IV, LP | 11,088 |
| Blackstone Mileway Logistics | 2,871 |
| Blackstone Mileway Logistics LP | 1,394 |
| Blackstone Prop Prtrs Europe | 2,825 |
| Blackstone Property Partners Europe, LP | 4,151 |
| Blackstone Property Partners Life Sciences, LP | 3,609 |
| BPP Life Sciences Co-Invest | 688 |
| Brookfield Global Transition Fund II | 8,823 |
| Brookfield Infrastructure Fund V | 6,563 |
| Brookfield Renewables Co-Invest | 498 |
| Brookfield Strategic Real Estate Partners V, LP | 14,318 |
| CalEast Solstice, LLC | 7,292 |
| Canyon Catalyst Fund II, LLC | 34 |
| Carlyle Realty Partners X | 3,895 |
| CCF III Industrial | 355 |
| CCF III, LLC | 1,812 |
| CCP 2020 | $474 |
| CIM Infrastructure Fund, LP | 2,943 |
| Copenhagen Infrastructure V USD Feeder SCSp | 1,175 |
| Core Property Index Trust | 574 |
| Core Property Index Trust 2nd | 754 |
| DigitalBridge Partners II, LP | 4,098 |
| DigitalBridge Partners III, LP | 4,772 |
| DigitalBridge Strategic Assets Fund, LP | 2,700 |
| DW Life Sciences Partners, LLC | 2,350 |
| FSP - Base | 22,495 |
| FSP - DT 2012 and Beyond | 1,872 |
| FSP-DT | 1,884 |
| GIP Aquarius Fund, SCSp | 3,500 |
| Global Infrastructure Partners II, LP (GIP II) | 340 |
| Global Infrastructure Partners IV-A/B, LP | 5,150 |
| Global Infrastructure Partners V | 8,648 |
| Golden Maple Infrastructure Partners, LP | 1,327 |
| Golden Maple Infra-Value Add | 735 |
| Golden Reef Infrastructure Trust | 11,533 |
| GORP Preferred Equity | 905 |
| Gotham Office Realty Partnership | 1,677 |
| GRI - Base | 24,622 |
| GRI - DT 2012 and Beyond | 112 |
| GRI DT Legacy | 109 |
| Harbert Gulf Pacific Power, LLC (HGPP) | 6,588 |
| Harbert Infrastructure Fund VI, LP | 801 |
| Harbert Power Fund V, LP (HPF V) | 258 |
| Harbert Power Fund VII, LP | 178 |
| HC Green Development Fund LP | 405 |
| HC LTH LLC | 1,922 |
| IFM Global Infrastructure (US), LP | 7,094 |
| IIF Hedged, LP | 3,548 |
| IMI - Base | 20,822 |
| IMP - Base | 36,043 |
| IMP - DT 2012 and Beyond | 569 |
| IMP DT 2012 & Beyond – 2025 | 569 |
| IMP DT 2020 | 2,504 |
| IMP DT 2020 – 2025 | 2,550 |
| Institutional Logistics Partners, LLC | 17,281 |
| KC 2011, LLC | (2,699) |
| KKR Global Infrastructure Investors V (USD) SCSp | 5,394 |
| KSL Tactical Opportunities II | 1,406 |
| Macquarie Infrastructure Partners VI, LP | 7,050 |
| North Haven Infrastructure Partners II, LP | 715 |
| NRE U.S. Affordable Housing Fund, LP | 66 |
| Pacific Multifamily Investors, LLC | 12,870 |
| PMI DT 2025 | 4,377 |
| PMI Tactical | 4,228 |
| Sacramento Venture Hines Base | 309 |
| Sacramento Venture Hines DT | 194 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Investment Management Fees[1, 2] (Dollars in Thousands) (conluded)

| | Fees |
|---|---|
| Sculptor Real Estate Fund V, LP | $2,080 |
| Stonepeak Infrastructure Fund IV, LP | 3,299 |
| Strategic Property Fund Asia | 617 |
| Strategic Property Fund Asia SCSP | 621 |
| Sylvanus, LLC | 1,886 |
| TechCore 2019 | 18,293 |
| TechCore 2019 - Tactical | 598 |
| Tower Bridge Infrastructure Partners, LP | 16,074 |
| TPG TRC TI | 7,553 |
| **Total Real Asset Managers** | **$363,962** |
| | |
| **Other Investment Management Fees** | |
| Blackrock Financial Management | $3,762 |
| State Street Investment Management | 9,800 |
| **Total Other Investment Management Fees** | **$13,562** |
| **Total Management Fees** | **$1,373,246** |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Performance Fees[5] (Dollars in Thousands)

| | Fees |
|---|---|
| **Equity Managers** | |
| Arrowstreet Global Extension | $117,519 |
| Wellington Management Company, LLP | 4,351 |
| **Total Equity Managers** | **$121,870** |
| | |
| **Real Asset Managers** | |
| BPP Life Sciences Co-Invest | $2,193 |
| Brookfield Global Transition Fund II | 1,243 |
| Brookfield Infrastructure Fund V | 14,331 |
| Brookfield Strategic Real Estate Partners V, LP | 2,641 |
| DigitalBridge Partners II, LP | (9,142) |
| GIP Aquarius Fund, SCSp | (29,018) |
| Global Infrastructure Partners II, LP (GIP II) | (567) |
| Global Infrastructure Partners IV-A/B, LP | (13,943) |
| Global Infrastructure Partners V | 9,918 |
| GORP Preferred Equity | 1,263 |
| GRI - Base | 24,638 |
| Harbert Gulf Pacific Power, LLC (HGPP) | 9,471 |
| Harbert Infrastructure Fund VI, LP | (436) |
| Harbert Power Fund V, LP (HPF V) | 2,221 |
| IFM Global Infrastructure (US), LP | 8,658 |
| IIF Hedged, LP | 9,328 |
| IMP - Base | 6,308 |
| IMP - DT 2012 and Beyond | 13,473 |
| IMP DT 2012 & Beyond – 2025 | (12,542) |
| Institutional Logistics Partners, LLC | (13,772) |
| KC 2011, LLC | (3,205) |
| KSL Tactical Opportunities II | 223 |
| ORA Residential Investments I, LP | (37) |
| Pacific Multifamily Investors, LLC | 1,802 |
| Stonepeak Infrastructure Fund IV, LP | 14,729 |
| TechCore 2019 | 19,884 |
| Tower Bridge Infrastructure Partners, LP | 11,903 |
| **Total Real Asset Managers** | **$71,565** |
| | |
| **Total Performance Fees** | **$193,435** |
| | |
| **Total Management and Performance Fees** | **$1,566,681** |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Other Investment Expenses[1, 6] (Dollars in Thousands)

| | Fees |
|---|---|
| **Advisory Fees** | |
| Columbia Management Investment Advisers | $1,950 |
| Goldman Sachs Asset Management, LP | 128 |
| Lazard Asset Management, LLC | 6,069 |
| Principal Financial Services, Inc. | 602 |
| **Total Advisory Fees** | **$8,749** |
| | |
| **Appraisal Fees** | |
| Situsamc Holdings Corporation | $9,875 |
| **Total Appraisal Fees** | **$9,875** |
| | |
| **Auditor Fees** | |
| Conrad, LLP | ($13) |
| KPM & Associates, LP | (6) |
| Nomura Research Institute Holdings | 25 |
| Real Estate Fiduciary Services, LLC | 28 |
| **Total Auditor Fees** | **$34** |
| | |
| **Company Expense** | |
| Federated Redwood Trade Finance Fund, LP | ($12) |
| **Total Company Expense** | **($12)** |
| | |
| **Fund Administration Fees** | |
| MUFG Capital Analytics, LLC | $9,094 |
| State Street Bank and Trust Company | 3,246 |
| **Total Fund Administration Fees** | **$12,340** |
| | |
| **Investment Board Consultant Fees** | |
| Meketa Investment Group, Inc. | $2,445 |
| Wilshire Advisors, LLC | 2,950 |
| **Total Investment Board Consultant Fees** | **$5,395** |
| | |
| **Investment Consultant Fees** | |
| Agreeya Solutions, Inc. | $212 |
| Aksia CA, LLC | 90 |
| Albourne America, LLC | (31) |
| Alpha Financial Markets Consulting, Inc. | 10,586 |
| Bard Consulting, LLC | 6 |
| Callan Holdings, Inc. | 1,981 |
| Celer Systems, Inc. | 263 |
| Cogenttec, LLC | — |
| Dimensional Community, LLC | 42 |
| Ernst & Young, LLP | 4,853 |
| FTI Consulting , Inc. | 1,098 |
| Grosvenor Nichols | (20) |
| HHS Technology Group, LLC | — |
| IMP Partners, LLC | 625 |
| Invartis Consulting , Inc. | 228 |
| Investm Technology, LLC | 1,720 |
| KK Technologies, LLC | 420 |
| Lenox Park Solutions, Inc. | 125 |
| Loop Capital Financial Consulting | 93 |
| Marsh & McLennan Companies, Inc. | 182 |
| MSYS, Inc. | $193 |
| Newport, LLC | (11) |
| Nomura Research Institute Holdings | 6,789 |
| Nxtis, Inc. | 320 |
| Propoint Technology, Inc. | 4,487 |
| Qualapps, Inc. | 181 |
| R V Kuhns & Associates, Inc. | 58 |
| Rclco Fund Advisors, LLC | 534 |
| Ring Advisors, Inc. | 216 |
| Softratech, LLC | 404 |
| SPS Consulting Services, LLC | 779 |
| Sri Infotech, Inc. | 276 |
| Technology Crest Corporation | 240 |
| The Spaulding Group, Inc. | 122 |
| Trinity Technology Group, Inc. | 340 |
| **Total Investment Consultant Fees** | **$37,401** |
| | |
| **Legal Fees** | |
| Cox, Castle & Nicholson, LLP | $57 |
| DLA Piper, LLP (US) | 1,521 |
| Faegre Drinker Biddle & Reath, LLP | 67 |
| Foster Garvey, PC | 240 |
| Hogan Lovells US, LLP | 6 |
| K & L Gates, LLP | 712 |
| Katten Muchin Rosenman, LLP | 100 |
| Morgan Lewis & Bockius, LLP | 504 |
| Morrison & Foerster, LLP | 169 |
| Nielsen Merksamer Parrinello Gross | 1 |
| Nossaman, LLP | 13 |
| Orrick Herrington & Sutcliffe, LLP | 240 |
| Pillsbury Winthrop Shaw Pittman, LLP | 98 |
| Reed Smith, LLP | 18 |
| Seyfarth Shaw, LLP | 651 |
| **Total Legal Fees** | **$4,397** |
| | |
| **Master Custodian Fees** | |
| State Street Bank and Trust Company | $10,326 |
| **Total Master Custodian Fees** | **$10,326** |
| | |
| **Tax Advisory Fees** | |
| Ernst & Young, LLP | $1,436 |
| **Total Tax Advisory Fees** | **$1,436** |
| | |
| **Technology Expenses** | |
| 3D Innovations, Inc. | $32 |
| Ablegov, Inc. | 99 |
| Acadiasoft, Inc. | 108 |
| Acuity Technical Solutions, LLC | 139 |
| Agility Software Solutions, LLC | 1,034 |
| Albourne America, LLC | 212 |
| Alphasense, Inc. | 108 |
| Altus Group US, Inc. | 425 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Other Investment Expenses[1, 6] (Dollars in Thousands) (continued)

| | Fees |
|---|---|
| Aosphere, LLP | $40 |
| Axioma, Inc. | 727 |
| Barra, LLC | 313 |
| BCA Research, Inc. | 174 |
| Black Knight Technologies, LLC | 1 |
| Blackrock Financial Management , Inc. | 23,358 |
| Bloomberg Index Services Limited | 265 |
| Bloomberg Lp Dba Bloomberg Sef, LLC | 4,521 |
| Board of Trustees of the Leland Stanford | 1,000 |
| BondXN Technologies, LLC | 59 |
| Broadridge Investor Communications | 54 |
| Cambridge Associates, LLC | 30 |
| Carahsoft Technology Corp. | 872 |
| CBRE, Inc. | 471 |
| CEM Benchmarking, Inc. | 231 |
| CEPRES GmbH | 30 |
| Charles River Systems, Inc. | 4,537 |
| Chicago Mercantile Exchange, Inc. | 2 |
| Clarity Solutions Group, LLC | 66 |
| Cliffwater, LLC | 7 |
| Consensus Economics, Inc. | 55 |
| Convergence, Inc. | 20 |
| Copyright Clearance Center, Inc. | 62 |
| Costar Realty Information, Inc. | 100 |
| Dasseti, Inc. | 59 |
| DTCC ITP, LLC | 124 |
| Efront Financial Solutions, Inc. | 1,684 |
| Emerging Advisors Group Limited | 15 |
| Empirical Research Partners, LLC | 998 |
| Equilar, Inc. | 20 |
| Eurasia Group, Ltd | 147 |
| Evestment Alliance | 143 |
| Expand Consulting, Inc. | 10 |
| Factset Research Systems, Inc. | 3,182 |
| Finadium, LLC | 7 |
| Fitch Solutions, Inc. | 732 |
| Fixed Income Clearing Corporation | 17 |
| Frank Russell Company | (4) |
| FTSE International Limited | 1,885 |
| Fundapps, Inc. | 458 |
| Gartner, Inc. | 186 |
| Gavekal USA, Inc. | 48 |
| Glass Lewis & Co, LLC | 718 |
| GLMX Technologies, LLC | 30 |
| Global Investor Collaboration Services, LLC | 7 |
| Green Street Topco, LLC | 204 |
| Hamilton Lane Advisors, LLC | 271 |
| Haver Analytics, Inc. | 149 |
| HSBC Bank, PLC | 81 |
| Ice Benchmark Administration Limited | 68 |
| Ice Data Derivatives UK Limited | 25 |
| Ice Data Services, Inc. | 13 |
| IHS Global, Inc. | 33 |
| IMP Partners, LLC | $237 |
| Insight Public Sector, Inc. | 6 |
| Institutional Shareholder Services, Inc. | 145 |
| Integration Appliance, Inc. | 362 |
| Intercontinental Exchange Holdings, Inc. | 20 |
| Intex Solutions, Inc. | 632 |
| Investment Property Databank | 226 |
| IPC Systems, Inc. | 131 |
| JP Morgan Securities, LLC | 11 |
| JPX Market Innovation & Research, Inc. | 15 |
| Kadiev Global, Ltd | 14 |
| KPA Advisory Services, Ltd | 6 |
| Kyriba Corp | 42 |
| London Stock Exchange Plc | 58 |
| Markit North America, Inc. | 46 |
| Moodys Analytics, Inc. | 791 |
| Morningstar, Inc. | 37 |
| MRI Intermediate Holdings, LLC | 414 |
| MSCI, Inc. | 938 |
| Natix, Inc. | 672 |
| NYSE Market (DE), Inc. | 13 |
| Options Price Reporting Authority, LLC | 1 |
| Ortec Finance US BV | 392 |
| Oxford Economics USA, Inc. | 205 |
| Pitchbook Data, Inc. | 266 |
| Placer Labs, Inc. | 29 |
| PremiaLab HK Limited | 100 |
| Preqin Limited | 70 |
| Real Capital Analytics, Inc. | 31 |
| Refinitiv US, LLC | 251 |
| Reprisk AG | 92 |
| Rimes Technologies Corporation | 340 |
| Ryedale Europe Limited | 800 |
| S&P Dow Jones Indices, GMBH | 55 |
| S&P Dow Jones Indices, LLC | 102 |
| S&P Global Limited | 105 |
| S&P Global Market Intelligence, Inc. | 1,335 |
| S.W.I.F.T. | 54 |
| S4 Market Data, LLC | 271 |
| Scientific Infra Pte Ltd | 62 |
| Simcorp USA, Inc. | 6,140 |
| Situsamc Holdings Corporation | 10 |
| Sled It Solutions, Inc. | 289 |
| Solutions Simplified | 323 |
| Societe Generale | 55 |
| State Street Bank and Trust Company | 1,835 |
| Stepstone Group, LP | 790 |
| Sunstoneit , LLC | 326 |
| The Burgiss Group, LLC | 138 |
| The Mathworks, Inc. | 125 |
| The Yield Book, Inc. | 414 |
| Tideline Advisors, LLC | 192 |
| Tradeweb, LLC | 234 |

## Other Supplementary Information (continued)

### INVESTMENT EXPENSES – ALL FUNDS (CONCLUDED)

### Other Investment Expenses[1,6] (Dollars in Thousands) (concluded)

| | Fees |
|---|---|
| Trend Macrolytics, LLC | $17 |
| TRGRP, Inc. | 306 |
| TriOptima Ab | 79 |
| TSX, Inc. | 58 |
| Wood Mackenzie, Inc. | 270 |
| Yardeni Research, Inc. | 19 |
| **Total Technology Expenses** | **$71,459** |
| | |
| **Internal Investment Personnel and Administrative Expenses** | |
| Internal Investment Personnel and Administrative Expenses | $126,569 |
| **Total Internal Investment Personnel and Administrative Expenses** | **$126,569** |
| | |
| **Miscellaneous Investment Expense Fees** | |
| Miscellaneous Investment Expense Fees | $182 |
| Transaction Fees | 368,998 |
| **Total Miscellaneous Investment Expense Fees** | **$369,180** |
| **Total Other Investment Fees and Expenses** | **$657,149** |
| **Total Investment Expenses - All Funds** | **$2,223,830** |

(1) Expenses and fees less than one thousand dollars are indicated by a dash.
(2) Negative management fees are due to adjusting entries.
(3) CalPERS makes a good faith attempt to account for fees that are not readily separable. These management fees are net of management fee offsets. For more detail, review the Private Equity Management Fees & Profit Sharing table in the Investment Section.
(4) Investments listed reflect only those investments with management fees, rebates, offsets, and/or carried interest incurred within the fiscal reporting period.
(5) Negative performance fees are due to the reversal of accruals caused by the fluctuation in fair values.
(6) Negative expenses are due to market fluctuations, adjusting entries, and reimbursements.

Other Supplementary Information (continued)

## CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS)

| Individual or Firm | Fees | Nature of Services |
|---|---|---|
| Accenture, LLP | $456 | IT Consulting |
| Agreeya Solutions, Inc. | 225 | Information Technology Consulting and Support Services |
| Alithya Financial Solutions, Inc. | 387 | IT Systems Analysis, Design, Implementation |
| Alston & Bird, LLP | 271 | Legal Services |
| Anna D Sinaiko | 33 | Health Consulting |
| Anthem Blue Cross | 158,068 | Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| Assured Inc DBA Assured Allies | 4,724 | Health Consulting |
| Avatar IT Solutions, Inc. | 532 | IT Consulting |
| Bates White, LLC | 198 | Health Plan Strategy |
| BDO USA, PC | 2,100 | Auditor Services |
| Blue Shield of California | (3,629) | Medical Claims Administration, Account management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| BM Associates, Inc. | 233 | Software Defined Networking and Network Function |
| Buchalter, LLP | 146 | Legal Services |
| Buck Global, LLC | 150 | Actuarial Services |
| Capio Group | 473 | Application Development |
| Center for the Study of Services | 361 | Health Consulting |
| Chanin Kelly Rae | 35 | Board presentations/Strategic Project Coordinator |
| Cheiron Inc | 95 | Actuarial Review |
| Chubb Custom Insurance | (198) | Legal Services |
| Cogenttec, LLC | 573 | Consulting Services for myCalPERS Support |
| Convergeone, Inc. | 3,305 | IT Consulting |
| Cooperative Personnel Services | 30 | Organizational and Leadership Development |
| Cornerstone | (114) | Employee Training and Development |
| Cornerstone Fitness, Inc. | 256 | Employee Training and Development |
| Crowe, LLP | 26 | Legal Services |
| Department of Human Resources | 79 | Election Forms for the Alternate Retirement Program (ARP) Processing Services, Legal Services, Labor Relations |
| Department of Industrial Relations | 20 | Interagency |
| Department of Justice | 322 | Legal and Paralegal Services, External Investigative Services, Fingerprinting |
| Dore Partnership, LLP | 1,045 | Executive Position Recruitments Search and Advisory |
| Eaton Interpreting Services, Inc. | 55 | Interpreting Services |
| Elite Tech Solutions | 277 | Actuarial Valuation Systems Support |
| Endeavour Consulting, LLC | 102 | Health Consulting, Long Term Care |
| Enterprise Networking Solutions, Inc. | 549 | Project Management Services, IT Consulting |
| Equanim Technologies | 685 | Business Process Re-engineering, Project Management Services, Technical Writing |
| Equinix Inc DBA Equinix, LLC | 249 | Health Consulting |
| Fair Political Practices Commission | 96 | Assessment Services |
| FGS Holdings, LLC | 60 | Public Relations |
| First Data Merchant Services Corporation | 189 | Banking Services |
| Global Governance Advisors, LLC | 124 | Board Compensation Consultant |
| Government Operations Agency | 354 | Operations and Strategic Business Planning |
| Health Net of California | 6,858 | Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| Illumifin | 15,710 | Billing, Banking, Claims Administration, Care Advisory, Enrollment, Customer and Specialist, Reporting, Data Feed Services, IT Services, Marketing Consultant |
| Imagination Specialties, Inc. | 328 | Exhibition Management |
| IRG Advisors, LLC | 253 | Search Firm Services |
| J&K Court Reporting, LLC | 58 | Legal Services |
| K & L Gates, LLP | 440 | Legal Services |
| K&H Printers - Lithographers, Inc. | 4,150 | Board Election Voting Services, Board Election Services |
| Kearnford Application Systems Design | 79 | Business Transformation/Transition, Information Services, Release Management/Quality Assurance/ Configuration Management |

## Other Supplementary Information (continued)

### CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

| Individual or Firm | Fees | Nature of Services |
|---|---|---|
| KK Technologies, LLC | $468 | Business Analysis Services |
| Kong Consulting, Inc. | 663 | Systems Analysis, Design, Implementation, Maintenance and Support |
| Korn Ferry (US) | 400 | Search Firm Services |
| Law Office of Chirag Shah | 39 | Provide Advice and Representation to The Board on Procedural and Substantive Legal Issues |
| Lighthouse Policy Group, LLC | (314) | Federal Policy Rep |
| Medhya IT Services, LLC | 270 | IT Services |
| Mellon Bank | 354 | Banking Services |
| Michael Scales Consulting, LLC | 773 | Application Development, Data Base Administration, IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support |
| Milliman, Inc. | 1,582 | Project Management Services |
| Milliman Solutions, LLC | 3,272 | Health Consulting |
| Morrison & Foerster, LLP | 20 | Legal Services |
| Mulkey Consulting, LLC | 268 | Health Care Training Academy |
| Northeast Retirement Services | 108 | Third-Party Member Record Keeper |
| Nossaman, LLP | 54 | Legal Services |
| Office of State Publishing | 228 | Print Service |
| Oliver Wyman Actuarial Consulting, Inc. | 405 | Health and Long-Term Care |
| One Ergo Net, Inc. | 46 | Ergonomic Evaluation |
| OptumRX | 8,554 | Pharmacy Claims Administration, Account Management, Eligibility, Detail and Other Reporting Services |
| Orrick Herrington & Sutcliffe, LLP | 349 | Legal Services |
| Pasanna Consulting Group, LLC | 1,779 | Application Development, Data Base Administration, IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support |
| Peraton State & Local, Inc. | 263 | Information Technology, Consulting and Support Services |
| Peter V Lee | 213 | Health Consulting |
| Plante + Moran CPAs, PC | 470 | Auditor Services |
| Propio LS, LLC | 34 | Telephonic Interpreter |
| QualApps, Inc. | 33 | Information Technology Consulting and Support Services |
| R V Kuhns & Associates, Inc. | 95 | Portfolio Analysis, Construction, Modeling, Benchmarking, Research & Reporting |
| Reed Smith, LLP | 637 | Legal Services |
| RS3 Consulting | 209 | Information Services, Application Development |
| Runyon Saltzman, Inc. | 126 | Public Relations, Marketing and Communication Services |
| Sharp Health Plan | 9,199 | Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| Socure, Inc. | 464 | Death Audit Service |
| Sophus Consulting | 121 | Consulting Services |
| Squire Patton Boggs (US), LLP | 22 | Legal Services |
| State Controller's Office | 7,985 | MIRS Services, Account Management, Information Technology, Other Post Employment Benefits, General Administrative Services, and Premium Remittance Services |
| State Personnel Board | 96 | Compliance Review, Audit, and Processing of Appeals and Complaints |
| State Treasurers Office | 29 | Wiring of Funds |
| T5 Consulting | 1,215 | Application Development, Information Services, IT Architecture |
| The Educe Group Inc | 21 | IT Consulting |
| The Highlands Consulting Group, LLC | 28 | IT Consulting |
| The Regents of the Univ of CA Davis | 272 | Employee/Leader Training and Development |
| UnitedHealthCare | 54,727 | Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| University of California Davis | 275 | Behavioral Health Accessibility Survey |
| Vantage Consulting Group | 459 | Application Development |
| Voya | 4,394 | Third-Party Member Record Keeper |
| West Publishing Corporation | 444 | Data Hygiene Services |
| Western Health Advantage | 12,806 | Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services |
| Williams Barber & Morel, Ltd. | 65 | Pharmacy Benefits Negotiation |
| Wolfsdorf Rosenthal, LLP | (40) | Legal Services |

## Other Supplementary Information (continued)

### CONSULTANT AND PROFESSIONAL SERVICES EXPENSES[1] – ALL FUNDS (DOLLARS IN THOUSANDS) (CONCLUDED)

| Individual or Firm | Fees | Nature of Services |
|---|---|---|
| Various | $66 | |
| **Total Consultant and Professional Services Expenses** | **$314,864** | |

(1) Negative Consultant and Professional Services Expenses are due to adjusting entries as a result of reversal of accruals which are estimates.

## STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS

As of June 30, 2026 (Dollars in Thousands)

| | Custodial Funds | | |
|---|---|---|---|
| | RBF | OASI | Total |
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | |
| **Cash & Cash Equivalents** | **$0** | **$0** | **$0** |
| **Receivables** | | | |
| Members | $83 | $0 | $83 |
| Employers | 393 | — | 393 |
| Interest & Dividends | 256 | 11 | 267 |
| Other Program | — | 67 | 67 |
| **Total Receivables** | **$732** | **$78** | **$810** |
| **Investments, at Fair Value** | | | |
| Short-Term Investments | $24,400 | $1,244 | $25,644 |
| **Total Investments** | **$24,400** | **$1,244** | **$25,644** |
| **TOTAL ASSETS** | **$25,132** | **$1,322** | **$26,454** |
| Deferred Outflows of Resources | $0 | $130 | $130 |
| **TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | **$25,132** | **$1,452** | **$26,584** |
| **LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | | | |
| Due to Members & Employers | $2,538 | $0 | $2,538 |
| Net Pension & OPEB Liabilities | — | (460) | (460) |
| Due to Other Funds | 71 | 113 | 184 |
| Unearned Replacement Benefits | 20,919 | — | 20,919 |
| Other Program | — | 154 | 154 |
| **TOTAL LIABILITIES** | **$23,528** | **($193)** | **$23,335** |
| Deferred Inflows of Resources | $0 | $355 | $355 |
| **TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES** | **$23,528** | **$162** | **$23,690** |
| **NET POSITION – RESTRICTED FOR REPLACEMENT BENEFITS AND PROGRAM ADMINISTRATION** | **$1,604** | **$1,290** | **$2,894** |

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2026 (Dollars in Thousands)

| | Custodial Funds | | |
|---|---|---|---|
| | RBF | OASI | Total |
| **ADDITIONS** | | | |
| **Retirement and OPEB Contributions** | | | |
| Replacement Benefits | $33,915 | $0 | $33,915 |
| **Total Retirement and OPEB Contribution** | **$33,915** | **$0** | **$33,915** |
| **Investment Income** | | | |
| Interest & Amortization | $746 | $41 | $787 |
| **Net Investment Income** | **$746** | **$41** | **$787** |
| Other Income | $168 | $1,062 | $1,230 |
| **TOTAL ADDITIONS** | **$34,829** | **$1,103** | **$35,932** |
| **DEDUCTIONS** | | | |
| Replacement Benefit Payments | $33,915 | $0 | $33,915 |
| Administrative Expenses | 618 | 902 | 1,520 |
| **TOTAL DEDUCTIONS** | **$34,533** | **$902** | **$35,435** |
| **INCREASE (DECREASE) IN NET POSITION** | **$296** | **$201** | **$497** |
| **NET POSITION** | | | |
| **Beginning of Year** | **$1,308** | **$1,089** | **$2,397** |
| **End of year** | **$1,604** | **$1,290** | **$2,894** |