CalPERS | Investment Office



Quarterly
Portfolio Report

As of September 30, 2026

PERF Summary

Public Employees Retirement Fund (PERF) Metrics As of September 30, 2026

PERF Performance

Total Assets
Current: $651.3B
Data as of 09/30/26

20-Yr Total Return
Current: +6.7%
Data as of 09/30/26

10-Yr Total Return
Current: +8.4%
Data as of 09/30/26

5-Yr Total Return
Current: +6.9%
Data as of 09/30/26

1-Yr Total Return
Current: +11.3%
Data as of 09/30/26

FYTD Total Return
Current: +1.5%
Data as of 09/30/26

QTD Total Return
Current: +1.5%
Data as of 09/30/26

5-Year Total Return
Ref Portfolio: 6.1%
Excess: 79 bps
Data as of 09/30/26

FYTD Total Return
Ref Portfolio: 0.2%
Excess: 131 bps
Data as of 09/30/26

CEM 5-Yr Net Value Added [1]
Below US Peer median
2024 Calendar Year | Updated Annually

Estimated Funded Status
Current: 86.4%
Data as of 09/30/26

Governance

Policy Exceptions
Current: 0
Data as of 09/30/26

Equity Equivalent Exposure
Operating Range: 75% +/-5%
Current: 75.2%
Data as of 09/30/26

Active Risk (Use of Discretion)
Operating Range: 250-350 bps
Current: 250 bps
Data as of 09/30/26

Market Risk, Liquidity, and Leverage

Chance Funded Status < 70%
Over 5-year period
Current: 22.2%
Data as of 06/30/26 | Updated Annually

Forecasted Volatility
Current: 14.2%
Data as of 09/30/26

Sustainability Climate Solutions
$100 bn by 2030
Current Allocation: $71.0 bn
Data as of 06/30/26 | Updated Annually

Surplus Accessible Liquidity Ratio
Current: 3.3x
Data as of 09/30/26

Total Fund Leverage
Current Limit 20%[2]
Current: 11.8%
Data as of 09/30/26

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

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

1. *CEM report reflects 5-Year period ending 12/31/2024*
2. *Total Fund Leverage measures financing and derivatives activities that create recourse to PERF. The value includes 6.9% total fund financing (allocation related) and an additional 4.9% from asset class-level positioning*

PERF Performance

PERF Returns As of September 30, 2026

	End Value (B)	20-Yr	10-Yr	5-Yr	3-Yr	1-Yr	FYTD
Total PERF	**$ 651.3**	**6.7%**	**8.4%**	**6.9%**	**13.4%**	**11.3%**	**1.5%**
Reference Portfolio[1]		7.0%	8.0%	6.1%	12.2%	7.6%	0.2%
Excess[1]		(39) bps	39 bps	79 bps	121 bps	368 bps	131 bps
Cumulative Value Add[1] (B)		$ (0.0)	$ 21.7	$ 21.6	$ 20.0	$ 21.3	$ 8.5
Reference Portfolio Assets							
Indexed Public Equity	$ 102.9	-	12.7%	11.5%	21.6%	16.7%	1.3%
Indexed Treasury	$ 33.1	-	-	(4.8)%	3.0%	(2.5)%	(3.0)%
Active Investment Programs							
Public Equity	$ 133.2	-	13.9%	13.8%	24.5%	20.9%	1.6%
Fixed Income	$ 97.3	4.4%	2.1%	0.3%	6.4%	(0.9)%	(4.1)%
Private Equity	$ 145.6	11.8%	13.8%	11.6%	16.4%	22.6%	8.8%
Real Estate	$ 55.3	1.4%	3.7%	1.9%	(0.5)%	4.6%	1.1%
Infrastructure	$ 26.5	-	9.3%	8.0%	7.8%	8.2%	3.2%
Private Debt[2]	$ 31.5	-	-	-	13.0%	10.7%	2.3%
Balance Sheet Related[3]	$ 35.2	-	-	-	-	-	-
Diversifiers							
Diversifying Multi-Strategy[4]	$ 2.6	-	-	-	-	13.6%	4.3%
Treasuries	$ 27.6	-	-	-	-	-	(7.0)%
Other	$ 0.6	-	-	-	-	-	-
Financing & Liquidity	$ (40.1)	-	-	-	-	-	-

Exhibit 1

All performance reported net of investment expenses and annualized for periods greater than 1-Yr unless noted as cumulative.
Private asset performance reflects prior quarter financial reporting received through 6/30/2026.
[1] Reference Portfolio performance consists of the SAA Policy Benchmark through 06/30/2026 and the Reference Portfolio from 7/1/2026.
[2] Information represents Private Debt performance from 7/1/2022 forward. Prior to 7/1/2022, Private Debt was part of Opportunistic.
[3] Balance Sheet-Related was defined as a standalone Active Investment Program beginning with the Total Portfolio Approach, which became effective 7/1/2026. Performance inclusive of historical related investments will be included in future reporting.
[4] Diversifying Multi-Strategy is a new strategy and is being incubated.

PERF Allocation

As of September 30, 2026

	Market Value ($ Billions)	Current Allocation
Reference Portfolio Assets		
Indexed Public Equity	102.9	15.8%
Indexed Treasury	33.1	5.1%
Active Investment Programs		
Public Equity	133.2	20.5%
Fixed Income	97.3	14.9%
Private Equity	145.6	22.4%
Real Estate	55.3	8.5%
Infrastructure	26.5	4.1%
Private Debt	31.5	4.8%
Balance Sheet-Related Strategies[1]	35.2	5.4%
Diversifiers		
Diversifying Multi-Strategy[2]	2.6	0.4%
Treasuries	27.6	4.2%
Other	0.6	0.1%
Financing & Liquidity	-40.1	-6.2%
Total	**651.3**	**100%**

[1] Includes Balance Sheet and Low Liquidity Enhanced Return (LLER)
[2] New investment strategy, currently being incubated

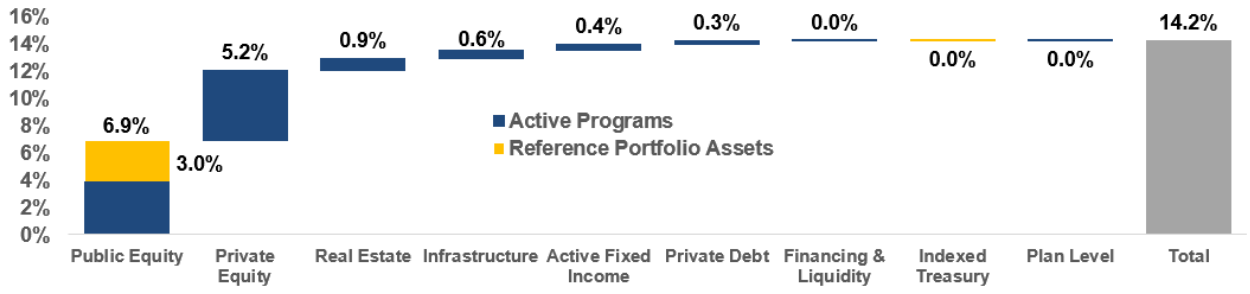
PERF Risk Summary

As of September 30, 2026

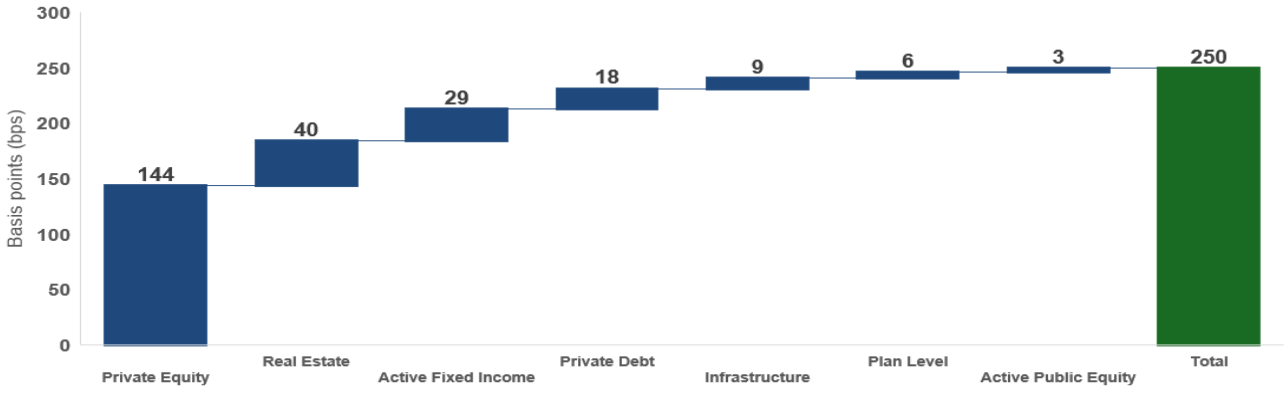
Equity Equivalent Exposure (EEE) and Forecasted Volatility

	Current 09/30/26	Last Qtr. 06/30/26	Last Year 09/30/25	Expected Range	Policy Limit
Equity Equivalent Exposure	75.2%	74.6%	N/A	70 - 80%	
Active Risk (bps)	250	235	N/A	250 - 350	400
Total Fund Volatility	14.2%	13.9%	13.0%		
Reference Portfolio Volatility	14.4%	14.3%	N/A		

Contribution to Total Portfolio Volatility



Contribution to Active Risk (Use of Discretion)



Risk estimates are forward looking and are based on economic fundamentals. Reported outcomes may differ from forecasts due to lagging in private asset valuations and other factors. Data source: Blackrock Aladdin and CalPERS Active Risk model.

Affiliates Performance and Risk

CERBT Strategy 1 Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
CERBT Strategy 1 Fund	**$ 26,016.0**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 12,753.3	49.0%	49.0%	0.0%	± 5%
Fixed Income	$ 5,978.3	23.0%	23.0%	(0.0)%	± 5%
TIPS	$ 1,304.5	5.0%	5.0%	0.0%	± 3%
REITS	$ 5,184.2	19.9%	20.0%	(0.1)%	± 5%
Commodities	$ 778.8	3.0%	3.0%	(0.0)%	± 3%
Liquidity	$ 16.9	0.1%	0.0%	0.1%	+ 2%

CERBT Strategy 1 Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
CERBT Strategy 1 Fund	**8.0%**	**6.0%**	**14.5%**	**9.7%**	**(1.3)%**	**(1.3)%**
Benchmark	7.7%	5.8%	14.3%	9.5%	(1.3)%	(1.3)%
Excess vs Benchmark	27 bps	23 bps	27 bps	27 bps	5 bps	5 bps
Public Equity	**12.4%**	**11.4%**	**21.6%**	**17.0%**	**1.1%**	**1.1%**
Benchmark	12.1%	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	32 bps	31 bps	31 bps	35 bps	7 bps	7 bps
Fixed Income	**0.8%**	**(2.2)%**	**4.6%**	**(3.2)%**	**(5.3)%**	**(5.3)%**
Benchmark	0.7%	(2.2)%	4.7%	(3.2)%	(5.2)%	(5.2)%
Excess vs Benchmark	10 bps	(6) bps	(1) bps	(2) bps	(1) bps	(1) bps
TIPS	**2.1%**	**(0.0)%**	**3.7%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	2.1%	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	(0) bps	(0) bps	(1) bps	0 bps	2 bps	2 bps
REITS	**3.3%**	**1.4%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	2.5%	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	83 bps	75 bps	83 bps	77 bps	18 bps	18 bps
Commodities	**10.2%**	**17.1%**	**17.4%**	**56.5%**	**25.0%**	**25.0%**
Benchmark	10.3%	17.3%	17.5%	56.7%	25.1%	25.1%
Excess vs Benchmark	(4) bps	(21) bps	(9) bps	(22) bps	(7) bps	(7) bps

CERBT Strategy 1 Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
CERBT Strategy 1 Fund	**12.4%**	**0.1%**

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

Affiliates Performance and Risk

CERBT Strategy 2 Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
CERBT Strategy 2 Fund	**$ 2,258.0**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 768.5	34.0%	34.0%	0.0%	± 5%
Fixed Income	$ 925.6	41.0%	41.0%	(0.0)%	± 5%
TIPS	$ 113.3	5.0%	5.0%	0.0%	± 3%
REITS	$ 382.7	16.9%	17.0%	(0.1)%	± 5%
Commodities	$ 67.6	3.0%	3.0%	(0.0)%	± 3%
Liquidity	$ 0.3	0.0%	0.0%	0.0%	+ 2%

CERBT Strategy 2 Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
CERBT Strategy 2 Fund	**6.1%**	**3.9%**	**11.8%**	**6.5%**	**(2.2)%**	**(2.2)%**
Benchmark	5.9%	3.8%	11.6%	6.3%	(2.2)%	(2.2)%
Excess vs Benchmark	21 bps	15 bps	20 bps	20 bps	4 bps	4 bps
Public Equity	**12.4%**	**11.4%**	**21.6%**	**17.0%**	**1.1%**	**1.1%**
Benchmark	12.1%	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	31 bps	31 bps	31 bps	35 bps	7 bps	7 bps
Fixed Income	**0.8%**	**(2.2)%**	**4.6%**	**(3.2)%**	**(5.3)%**	**(5.3)%**
Benchmark	0.7%	(2.2)%	4.7%	(3.2)%	(5.2)%	(5.2)%
Excess vs Benchmark	10 bps	(6) bps	(1) bps	(2) bps	(1) bps	(1) bps
TIPS	**2.2%**	**(0.0)%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	2.1%	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	1 bps	(0) bps	(0) bps	0 bps	2 bps	2 bps
REITS	**3.3%**	**1.4%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	2.5%	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	83 bps	75 bps	83 bps	77 bps	18 bps	18 bps
Commodities	**10.3%**	**17.1%**	**17.4%**	**56.5%**	**25.0%**	**25.0%**
Benchmark	10.3%	17.3%	17.5%	56.7%	25.1%	25.1%
Excess vs Benchmark	3 bps	(21) bps	(10) bps	(22) bps	(7) bps	(7) bps

CERBT Strategy 2 Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
CERBT Strategy 2 Fund	**11.2%**	**0.1%**

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

Affiliates Performance and Risk

CERBT Strategy 3 Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
CERBT Strategy 3 Fund	**$ 1,151.6**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 265.1	23.0%	23.0%	0.0%	± 5%
Fixed Income	$ 587.1	51.0%	51.0%	(0.0)%	± 5%
TIPS	$ 104.0	9.0%	9.0%	0.0%	± 3%
REITS	$ 160.7	14.0%	14.0%	(0.0)%	± 5%
Commodities	$ 34.5	3.0%	3.0%	(0.0)%	± 3%
Liquidity	$ 0.2	0.0%	0.0%	0.0%	+ 2%

CERBT Strategy 3 Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
CERBT Strategy 3 Fund	**4.7%**	**2.6%**	**9.7%**	**4.1%**	**(2.8)%**	**(2.8)%**
Benchmark	4.5%	2.6%	9.6%	4.0%	(2.8)%	(2.8)%
Excess vs Benchmark	16 bps	10 bps	14 bps	13 bps	2 bps	2 bps
Public Equity	**12.4%**	**11.4%**	**21.6%**	**17.0%**	**1.1%**	**1.1%**
Benchmark	12.1%	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	30 bps	31 bps	31 bps	35 bps	7 bps	7 bps
Fixed Income	**0.8%**	**(2.2)%**	**4.6%**	**(3.2)%**	**(5.3)%**	**(5.3)%**
Benchmark	0.7%	(2.2)%	4.7%	(3.2)%	(5.2)%	(5.2)%
Excess vs Benchmark	9 bps	(5) bps	(1) bps	(1) bps	(1) bps	(1) bps
TIPS	**2.2%**	**(0.0)%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	2.1%	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	1 bps	(0) bps	(0) bps	0 bps	2 bps	2 bps
REITS	**3.3%**	**1.4%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	2.5%	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	81 bps	75 bps	83 bps	77 bps	18 bps	18 bps
Commodities	**10.4%**	**17.1%**	**17.4%**	**56.5%**	**25.0%**	**25.0%**
Benchmark	10.3%	17.3%	17.5%	56.7%	25.1%	25.1%
Excess vs Benchmark	15 bps	(21) bps	(9) bps	(22) bps	(7) bps	(7) bps

CERBT Strategy 3 Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
CERBT Strategy 3 Fund	**10.1%**	**0.1%**

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

Affiliates Performance and Risk

Legislators' Retirement System (LRS) Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
LRS Fund	**$ 85.0**	**100.0%**	**-**	**-**	**-**
Fixed Income	$ 33.9	39.9%	40.0%	(0.1)%	± 5%
TIPS	$ 41.7	49.1%	49.0%	0.1%	± 3%
REITS	$ 6.8	8.0%	8.0%	(0.0)%	± 5%
Commodities	$ 2.5	3.0%	3.0%	(0.0)%	± 3%
Liquidity	$ 0.0	0.0%	0.0%	0.0%	+ 2%

Legislators' Retirement System (LRS) Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
LRS Fund	**3.9%**	**1.1%**	**7.1%**	**0.7%**	**(3.4)%**	**(3.4)%**
Benchmark	3.8%	1.1%	7.1%	0.7%	(3.4)%	(3.4)%
Excess vs Benchmark	11 bps	0 bps	(2) bps	(5) bps	3 bps	3 bps
Fixed Income	**0.8%**	**(2.2)%**	**4.7%**	**(3.2)%**	**(5.3)%**	**(5.3)%**
Benchmark	0.7%	(2.2)%	4.7%	(3.2)%	(5.2)%	(5.2)%
Excess vs Benchmark	10 bps	(5) bps	(0) bps	(0) bps	(1) bps	(1) bps
TIPS	**2.2%**	**0.0%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	2.1%	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	2 bps	1 bps	1 bps	(1) bps	2 bps	2 bps
REITS	**3.4%**	**1.3%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	2.8%	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	68 bps	74 bps	83 bps	77 bps	18 bps	18 bps
Commodities	**10.4%**	**17.1%**	**17.4%**	**56.5%**	**25.0%**	**25.0%**
Benchmark	10.3%	17.3%	17.5%	56.7%	25.1%	25.1%
Excess vs Benchmark	10 bps	(21) bps	(9) bps	(22) bps	(7) bps	(7) bps

Legislators' Retirement System (LRS) Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
LRS Fund	**9.4%**	**0.2%**

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

Affiliates Performance and Risk

Judges' Retirement Fund (JRF) Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
JRF	**$ 49.7**	**100.0%**	**-**	**-**	**-**
Liquidity	$ 49.7	100.0%	100.0%	0.0%	+ 0%

Judges' Retirement Fund (JRF) Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
JRF	**2.6%**	**4.0%**	**4.8%**	**4.0%**	**1.0%**	**1.0%**
Benchmark	2.4%	3.7%	4.5%	3.6%	0.9%	0.9%
Excess vs Benchmark	20 bps	30 bps	28 bps	35 bps	11 bps	11 bps
Liquidity	**2.6%**	**4.0%**	**4.8%**	**4.0%**	**1.0%**	**1.0%**
Benchmark	2.4%	3.7%	4.5%	3.6%	0.9%	0.9%
Excess vs Benchmark	20 bps	30 bps	28 bps	35 bps	11 bps	11 bps

Judges' Retirement Fund (JRF) 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
JRF	**0.5%**	**0.1%**

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

Affiliates Performance and Risk

Judges' Retirement System Fund II (JRF II) Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
JRF II	**$ 3,399.0**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 1,463.1	43.0%	43.0%	0.0%	± 5%
Fixed Income	$ 985.4	29.0%	29.0%	(0.0)%	± 5%
TIPS	$ 170.6	5.0%	5.0%	0.0%	± 3%
REITS	$ 677.7	19.9%	20.0%	(0.1)%	± 5%
Commodities	$ 101.9	3.0%	3.0%	(0.0)%	± 3%
Liquidity	$ 0.2	0.0%	0.0%	0.0%	+ 2%

Judges' Retirement System Fund II (JRF II) Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
JRF II	**7.6%**	**5.8%**	**13.9%**	**8.5%**	**(1.6)%**	**(1.6)%**
Benchmark	7.4%	5.5%	13.6%	8.2%	(1.7)%	(1.7)%
Excess vs Benchmark	28 bps	25 bps	26 bps	27 bps	6 bps	6 bps
Public Equity	**12.5%**	**11.5%**	**21.7%**	**17.1%**	**1.2%**	**1.2%**
Benchmark	12.2%	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	36 bps	41 bps	40 bps	44 bps	8 bps	8 bps
Fixed Income	**0.8%**	**(2.2)%**	**4.6%**	**(3.2)%**	**(5.3)%**	**(5.3)%**
Benchmark	0.7%	(2.2)%	4.7%	(3.2)%	(5.2)%	(5.2)%
Excess vs Benchmark	10 bps	(6) bps	(10) bps	(2) bps	(1) bps	(1) bps
TIPS	**2.2%**	**0.0%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	2.1%	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	1 bps	0 bps	0 bps	(1) bps	2 bps	2 bps
REITS	**3.4%**	**1.3%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	2.8%	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	68 bps	73 bps	83 bps	77 bps	18 bps	18 bps
Commodities	**10.2%**	**17.1%**	**17.4%**	**56.5%**	**25.0%**	**25.0%**
Benchmark	10.3%	17.3%	17.5%	56.7%	25.1%	25.1%
Excess vs Benchmark	(3) bps	(21) bps	(10) bps	(22) bps	(7) bps	(7) bps

Judges' Retirement System Fund II (JRF II) 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
JRF II	**12.1%**	**0.1%**

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

Affiliates Performance and Risk

Health Care Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
Health Care Fund	**$ 81.1**	**100.0%**	**-**	**-**	**-**
Liquidity	$ 81.1	100.0%	100.0%	0.0%	+ 0%

Health Care Fund (JRF) Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
Health Care Fund	**1.5%**	**0.1%**	**5.3%**	**3.9%**	**1.0%**	**1.0%**
Benchmark	1.5%	(0.0)%	5.2%	3.6%	0.9%	0.9%
Excess vs Benchmark	5 bps	8 bps	15 bps	25 bps	11 bps	11 bps
Liquidity	**1.5%**	**0.1%**	**5.3%**	**3.9%**	**1.0%**	**1.0%**
Benchmark	1.5%	(0.0)%	5.2%	3.6%	0.9%	0.9%
Excess vs Benchmark	5 bps	8 bps	15 bps	25 bps	11 bps	11 bps

Health Care Fund (JRF) 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
Health Care Fund	**5.7%**	**0.2%**

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

Affiliates Performance and Risk

Long-Term Care Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
Long-Term Care Fund	**$ 4,940.2**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 1,424.7	28.8%	28.0%	0.8%	± 7%
Fixed Income	$ 3,372.6	68.3%	69.0%	(0.7)%	± 7%
REITS	$ 141.5	2.9%	3.0%	(0.1)%	± 2%
Liquidity	$ 1.5	0.0%	0.0%	0.0%	+ 2%

Long-Term Care Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
Long-Term Care Fund	**4.4%**	**3.0%**	**10.5%**	**4.8%**	**(1.8)%**	**(1.8)%**
Benchmark	4.4%	3.1%	10.8%	5.0%	(1.7)%	(1.7)%
Excess vs Benchmark	(4) bps	(15) bps	(21) bps	(20) bps	(15) bps	(15) bps
Public Equity	**12.6%**	**11.9%**	**22.0%**	**20.1%**	**1.4%**	**1.4%**
Benchmark	12.4%	11.8%	22.0%	20.2%	1.4%	1.4%
Excess vs Benchmark	20 bps	10 bps	(8) bps	(10) bps	0 bps	0 bps
Fixed Income	**1.3%**	**(1.2)%**	**5.9%**	**(1.1)%**	**(3.0)%**	**(3.0)%**
Benchmark	1.4%	(1.0)%	6.2%	(0.9)%	(2.8)%	(2.8)%
Excess vs Benchmark	(9) bps	(21) bps	(25) bps	(22) bps	(22) bps	(22) bps
REITS	**3.4%**	**1.5%**	**10.9%**	**4.4%**	**(6.1)%**	**(6.1)%**
Benchmark	2.8%	1.2%	10.1%	3.7%	(6.2)%	(6.2)%
Excess vs Benchmark	61 bps	35 bps	74 bps	67 bps	9 bps	9 bps

Long-Term Care Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
Long-Term Care Fund	**9.4%**	**0.2%**

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

Affiliates Performance and Risk

CEPPT Strategy 1 Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
CEPPT Strategy 1 Fund	**$ 275.4**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 101.9	37.0%	37.0%	(0.0)%	± 5%
Fixed Income	$ 121.3	44.1%	44.0%	0.1%	± 5%
TIPS	$ 13.8	5.0%	5.0%	0.0%	± 3%
REITS	$ 38.4	13.9%	14.0%	(0.1)%	± 5%
Liquidity	$ 0.0	0.0%	0.0%	0.0%	+ 2%

CEPPT Strategy 1 Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
CEPPT Strategy 1 Fund	**-**	**4.1%**	**11.2%**	**5.6%**	**(2.1)%**	**(2.1)%**
Benchmark	-	4.0%	11.1%	5.5%	(2.2)%	(2.2)%
Excess vs Benchmark	-	11 bps	8 bps	13 bps	2 bps	2 bps
Public Equity	**-**	**11.4%**	**21.6%**	**17.0%**	**1.1%**	**1.1%**
Benchmark	-	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	-	30 bps	30 bps	35 bps	7 bps	7 bps
Fixed Income	**-**	**(0.6)%**	**4.1%**	**(1.9)%**	**(3.5)%**	**(3.5)%**
Benchmark	-	(0.6)%	4.1%	(1.8)%	(3.5)%	(3.5)%
Excess vs Benchmark	-	2 bps	2 bps	(1) bps	(1) bps	(1) bps
TIPS	**-**	**(0.0)%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	-	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	-	(0) bps	(0) bps	0 bps	2 bps	2 bps
REITS	**-**	**1.3%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	-	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	-	72 bps	82 bps	77 bps	18 bps	18 bps

CEPPT Strategy 1 Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
CEPPT Strategy 1 Fund	**10.1%**	**0.1%**

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

Affiliates Performance and Risk

CEPPT Strategy 2 Fund Asset Allocation As of September 30, 2026

	End Value (M)	Current Allocation	Policy Weight	Variance	Policy Range
CEPPT Strategy 2 Fund	**$ 97.6**	**100.0%**	**-**	**-**	**-**
Public Equity	$ 20.5	21.0%	21.0%	(0.0)%	± 5%
Fixed Income	$ 59.6	61.0%	61.0%	0.0%	± 5%
TIPS	$ 8.8	9.0%	9.0%	0.0%	± 3%
REITS	$ 8.7	8.9%	9.0%	(0.1)%	± 5%
Liquidity	$ 0.0	0.0%	0.0%	0.0%	+ 2%

CEPPT Strategy 2 Fund Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
CEPPT Strategy 2 Fund	**-**	**2.2%**	**8.2%**	**2.4%**	**(2.7)%**	**(2.7)%**
Benchmark	-	2.2%	8.1%	2.3%	(2.8)%	(2.8)%
Excess vs Benchmark	-	3 bps	6 bps	5 bps	1 bps	1 bps
Public Equity	**-**	**11.4%**	**21.6%**	**17.0%**	**1.1%**	**1.1%**
Benchmark	-	11.1%	21.3%	16.6%	1.1%	1.1%
Excess vs Benchmark	-	30 bps	30 bps	35 bps	7 bps	7 bps
Fixed Income	**-**	**(0.6)%**	**4.1%**	**(1.9)%**	**(3.5)%**	**(3.5)%**
Benchmark	-	(0.6)%	4.1%	(1.8)%	(3.5)%	(3.5)%
Excess vs Benchmark	-	2 bps	2 bps	(1) bps	(1) bps	(1) bps
TIPS	**-**	**0.0%**	**3.8%**	**(2.0)%**	**(3.2)%**	**(3.2)%**
Benchmark	-	0.0%	3.8%	(2.0)%	(3.2)%	(3.2)%
Excess vs Benchmark	-	0 bps	(0) bps	0 bps	2 bps	2 bps
REITS	**-**	**1.3%**	**10.3%**	**3.0%**	**(5.9)%**	**(5.9)%**
Benchmark	-	0.6%	9.5%	2.2%	(6.1)%	(6.1)%
Excess vs Benchmark	-	73 bps	83 bps	77 bps	18 bps	18 bps

CEPPT Strategy 2 Fund 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
CEPPT Strategy 2 Fund	**8.2%**	**0.1%**

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

Affiliates Performance and Risk

Supplemental Income Plans Asset Allocation As of September 30, 2026

		Global Equity			US Fixed Income			Real Assets			Cash and Equivalents		
	End Value (M)	Current Allocation	Policy Weight	Policy Range	Current Allocation	Policy Weight	Policy Range	Current Allocation	Policy Weight	Policy Range	Current Allocation	Policy Weight	Policy Range
Target Income Fund	$ 193.5	32.8%	32.0%	± 4%	53.8%	55.0%	± 4%	3.2%	3.0%	± 1%	10.2%	10.0%	± 2%
Target 2020 Fund	$ 176.0	34.8%	34.0%	± 4%	51.8%	53.0%	± 4%	3.2%	3.0%	± 1%	10.2%	10.0%	± 2%
Target 2025 Fund	$ 251.6	47.9%	47.0%	± 4%	40.8%	42.0%	± 4%	3.2%	3.0%	± 1%	8.1%	8.0%	± 2%
Target 2030 Fund	$ 348.8	60.9%	60.0%	± 4%	31.0%	32.0%	± 4%	2.1%	2.0%	± 1%	6.1%	6.0%	± 1%
Target 2035 Fund	$ 286.8	71.7%	71.0%	± 5%	21.2%	22.0%	± 2%	2.1%	2.0%	± 0.5%	5.0%	5.0%	± 1%
Target 2040 Fund	$ 283.1	85.4%	85.0%	± 5%	10.5%	11.0%	± 1%	1.0%	1.0%	± 0.5%	3.0%	3.0%	± 1%
Target 2045 Fund	$ 197.4	94.1%	94.0%	± 5%	2.9%	3.0%	± 1%	1.0%	1.0%	± 0.5%	2.0%	2.0%	± 1%
Target 2050 Fund	$ 130.5	94.1%	94.0%	± 5%	2.9%	3.0%	± 1%	1.0%	1.0%	± 0.5%	2.0%	2.0%	± 1%
Target 2055 Fund	$ 57.7	94.1%	94.0%	± 5%	2.9%	3.0%	± 1%	1.0%	1.0%	± 0.5%	2.0%	2.0%	± 1%
Target 2060 Fund	$ 26.8	94.1%	94.0%	± 5%	2.9%	3.0%	± 1%	1.0%	1.0%	± 0.5%	2.0%	2.0%	± 1%
Target 2065 Fund	$ 12.7	94.1%	94.0%	± 5%	2.9%	3.0%	± 1%	1.0%	1.0%	± 0.5%	2.0%	2.0%	± 1%
SIP STIF Core	$ 117.4	-	-	-	-	-	-	-	-	-	100.0%	100.0%	-
SIP US ST Bond Core	$ 42.3	-	-	-	100.0%	100.0%	-	-	-	-	-	-	-
SIP US Bond Core	$ 52.1	-	-	-	100.0%	100.0%	-	-	-	-	-	-	-
SIP Real Asset Core	$ 26.9	-	-	-	-	-	-	100.0%	100.0%	-	-	-	-
SIP Russell All Cap Core	$ 990.2	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-
SIP Glbl All Cap EX-US	$ 112.9	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-

Affiliates Performance and Risk

Supplemental Income Plans Performance As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
Target Income Fund	**5.0%**	**4.0%**	**10.0%**	**5.3%**	**(1.3)%**	**(1.3)%**
Benchmark	4.9%	3.9%	9.9%	5.2%	(1.3)%	(1.3)%
Excess	11 bps	9 bps	7 bps	8 bps	1 bps	1 bps
Target 2020 Fund	**5.8%**	**4.6%**	**10.8%**	**5.7%**	**(1.2)%**	**(1.2)%**
Benchmark	5.7%	4.5%	10.7%	5.6%	(1.3)%	(1.3)%
Excess	12 bps	10 bps	7 bps	8 bps	1 bps	1 bps
Target 2025 Fund	**7.2%**	**6.1%**	**13.1%**	**8.0%**	**(0.7)%**	**(0.7)%**
Benchmark	7.1%	6.0%	13.0%	7.9%	(0.7)%	(0.7)%
Excess	13 bps	12 bps	8 bps	10 bps	2 bps	2 bps
Target 2030 Fund	**8.3%**	**7.4%**	**15.1%**	**10.1%**	**(0.3)%**	**(0.3)%**
Benchmark	8.2%	7.3%	15.0%	10.0%	(0.3)%	(0.3)%
Excess	11 bps	14 bps	9 bps	11 bps	2 bps	2 bps
Target 2035 Fund	**9.6%**	**8.8%**	**17.1%**	**12.1%**	**0.2%**	**0.2%**
Benchmark	9.4%	8.6%	17.0%	12.0%	0.2%	0.2%
Excess	12 bps	16 bps	10 bps	13 bps	2 bps	2 bps
Target 2040 Fund	**10.8%**	**10.2%**	**19.4%**	**14.4%**	**0.7%**	**0.7%**
Benchmark	10.7%	10.1%	19.3%	14.2%	0.7%	0.7%
Excess	12 bps	18 bps	12 bps	15 bps	2 bps	2 bps
Target 2045 Fund	**11.5%**	**11.0%**	**20.7%**	**16.1%**	**1.1%**	**1.1%**
Benchmark	11.4%	10.8%	20.6%	15.9%	1.0%	1.0%
Excess	13 bps	18 bps	12 bps	17 bps	3 bps	3 bps
Target 2050 Fund	**11.5%**	**11.0%**	**20.7%**	**16.1%**	**1.1%**	**1.1%**
Benchmark	11.4%	10.8%	20.6%	15.9%	1.0%	1.0%
Excess	13 bps	18 bps	12 bps	17 bps	3 bps	3 bps
Target 2055 Fund	**11.5%**	**11.0%**	**20.7%**	**16.1%**	**1.1%**	**1.1%**
Benchmark	11.4%	10.8%	20.6%	15.9%	1.0%	1.0%
Excess	13 bps	18 bps	12 bps	17 bps	3 bps	3 bps
Target 2060 Fund[1]	**-**	**11.0%**	**20.7%**	**16.1%**	**1.1%**	**1.1%**
Benchmark	-	10.8%	20.6%	15.9%	1.0%	1.0%
Excess	-	18 bps	12 bps	17 bps	3 bps	3 bps
Target 2065 Fund[1]	**-**	**-**	**20.7%**	**16.1%**	**1.1%**	**1.1%**
Benchmark	-	-	20.6%	15.9%	1.0%	1.0%
Excess	-	-	12 bps	17 bps	3 bps	3 bps

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

[1] Longer-term performance not available; 2060 Fund Incepted Oct 2018; 2065 Fund Incepted Nov 2022

Affiliates Performance and Risk

Supplemental Income Plans Performance (Cont.) As of September 30, 2026

	10-Yr	5-Yr	3-Yr	1-Yr	FYTD	1-Qtr
SIP STIF Core	**2.6%**	**4.0%**	**4.8%**	**4.0%**	**1.0%**	**1.0%**
Benchmark	2.4%	3.7%	4.5%	3.6%	0.9%	0.9%
Excess	23 bps	31 bps	28 bps	34 bps	9 bps	9 bps
SIP US Short Term Bond Core	**1.9%**	**2.0%**	**4.3%**	**1.7%**	**(0.2)%**	**(0.2)%**
Benchmark	2.0%	2.1%	4.3%	1.7%	(0.2)%	(0.2)%
Excess	(5) bps	(2) bps	(3) bps	(6) bps	(3) bps	(3) bps
SIP US Bond Core	**1.1%**	**(0.6)%**	**4.1%**	**(1.9)%**	**(3.5)%**	**(3.5)%**
Benchmark	1.1%	(0.6)%	4.1%	(1.8)%	(3.5)%	(3.5)%
Excess	1 bps	0 bps	1 bps	(2) bps	(1) bps	(1) bps
SIP Real Asset Core	**8.1%**	**9.6%**	**14.5%**	**20.0%**	**4.3%**	**4.3%**
Benchmark	8.0%	9.6%	14.5%	19.8%	4.2%	4.2%
Excess	4 bps	5 bps	5 bps	16 bps	4 bps	4 bps
SIP Russell All Cap Core	**14.7%**	**12.7%**	**22.3%**	**15.1%**	**1.4%**	**1.4%**
Benchmark	14.7%	12.6%	22.3%	15.1%	1.4%	1.4%
Excess	1 bps	3 bps	(1) bps	0 bps	0 bps	0 bps
SIP Global All Cap EX-US	**9.4%**	**9.6%**	**20.5%**	**19.7%**	**0.8%**	**0.8%**
Benchmark	9.1%	9.2%	20.2%	19.2%	0.7%	0.7%
Excess	26 bps	41 bps	31 bps	42 bps	7 bps	7 bps

Supplemental Income Plans 5-Yr Realized Risk As of September 30, 2026

	Volatility	Tracking Error
Target Income Fund	8.0%	0.1%
Target 2020 Fund	8.8%	0.1%
Target 2025 Fund	10.0%	0.1%
Target 2030 Fund	11.2%	0.1%
Target 2035 Fund	12.5%	0.2%
Target 2040 Fund	13.8%	0.2%
Target 2045 Fund	14.2%	0.2%
Target 2050 Fund	14.2%	0.2%
Target 2055 Fund	14.2%	0.2%
Target 2060 Fund	14.2%	0.2%
Target 2065 Fund[1]	-	-
SIP STIF Core	0.5%	0.1%
SIP US Short Term Bond Core	2.1%	0.0%
SIP US Bond Core	6.4%	0.0%
SIP Real Asset Core	11.6%	0.1%
SIP Russell All Cap Core	15.8%	0.1%
SIP Global All Cap EX-US	15.4%	0.6%

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

[1] Longer-term performance not available; 2060 Fund Incepted Oct 2018; 2065 Fund Incepted Nov 2022

Appendix 1: PERF Benchmark

CalPERS Reference Portfolio Benchmark

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

Appendix 2: Affiliate Fund Benchmarks

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

California Employers' Retiree Benefit Trust

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

Judges' Retirement System Fund

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

Judges' Retirement System II Fund

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

Legislators Retirement System Fund

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

Long-Term Care Fund[3]

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

Public Employees' Health Care Fund

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

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

Supplemental Income Plans Target Retirement Date Funds

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

Asset Class	Policy Benchmark
U.S. Equity	Russell 3000 Index
International Equity	MSC ACWI ex-USA IMI Index (Net)
U.S. Fixed Income	Bloomberg U.S. Aggregate Bond Index
U.S. Fixed Income	Bloomberg U.S. 1-3 Year Government/ Credit Bond Index
Real Assets[4]	The benchmark is a weighted benchmark consisting of: • Dow Jones U.S. Select REIT Index • Bloomberg Roll Enhanced Roll Yield Commodity Total Return Index[5] • S&P Global Large MidCap Commodity and Resources Index • S&P Global Infrastructure Index • Bloomberg US Govt Inflation-Linked 1-10 Year Bond Index
Cash Equivalents	ICE BofA US 3-Month Treasury Bill Index

California Employers' Pension Prefunding Trust

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

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

[5] Effective as of March 31, 2025.

Appendix 3: Definitions

Term	Definition
Active Leverage	The portion of Total Fund leverage that is controlled by staff and used to fund exposures incremental to the Strategic Asset Allocation.
Active Risk	Measure of the degree of difference between the PERF and the Reference Portfolio. Used to track the level of discretion exercised by management.
Alpha	The measure of the return of an investment relative to an appropriate benchmark.
Balance Sheet Related	Investment strategies that generate returns primarily by monetizing the plan's excess liquidity over shorter horizons, in contrast to taking on significant market or default risk.
Basis Points (bps)	1 basis point is 1/100 of a percent or 0.01%
Benchmark	A collection of assets to compare against the portfolio's assets. These are typically market indices (e.g., SP500 or Bloomberg Barclays Global Aggregate). Benchmarks can be a useful tool to evaluate performance and risk.
Beta	A statistical measure of investment or portfolio return sensitivity to the market where the market is typically defined by a market index. A beta of 1.0 means the investment moves in sync with the market. A beta of 0.5 means the investment moves 50% as much as the market. A beta of 1.5 means the investment moves 150% as much as the market. For example, a portfolio with a beta of 0.8 is expected to have an 8% return when the market returns 10%.
Cumulative Value Add	The difference in dollar return between the PERF and a comparable investment in the benchmark being compared against (e.g., the Reference Portfolio)
Diversifiers	Investments that provide differentiated sources of risk and return, helping reduce overall portfolio risk and improve resilience across market conditions.
Equity Equivalent Exposure (EEE)	Measures the sensitivity to economic growth. Equity risk is the asset proxy for economic growth.
Event Risk	Refers to any future potential occurrence that can cause losses for investors or other stakeholders in a company or investment.
Excess Return	The portfolio return minus the portfolio benchmark return. Time-weighted excess return is not affected by the amount or timing of capital invested.

Term	Definition
Indexed	An investment approach that seeks to replicate the performance of a specified market index by holding securities that reflect the index's composition and characteristics, rather than actively selecting securities to outperform the market.
Liquidity (sources of)	Includes: Cash Equivalents, Pension Contributions & Other Inflows, Internal Funding and Liquidity on Demand.
Liquidity (uses of)	Includes: Pension Benefits, Private Asset Funding, Contingent uses and Maturing Derivatives/Repos & Others.
Liquidity Coverage Ratio (LCR)	Metric refers to the proportion of liquid assets to meet short term obligations under a stress scenario (within 30 days). The ratio divides Sources of Liquidity by Uses of Liquidity.
Low Liquidity Enhanced Return (LLER)	A CalPERS investment strategy that seeks to generate modest incremental return by taking advantage of incremental plan liquidity. The strategy primarily invests in securities that generate incremental yield with minimal to no default risk when held to maturity.
Mortgage-Backed Securities (MBS)	Investment instrument where banks bundle many individual home loans together into one large group, then sell shares of the bundle to investors, who receive a commensurate share of the homeowner mortgage payments.
Net Asset Value (NAV)	The value of an investment fund's assets less its liabilities.
Net Return	Performance net of internal and external investment office management expenses. CalPERS' performance uses a daily Modified-Dietz methodology which is geometrically linked to produce time-weighted returns for longer periods. Daily Rate of Return Formula • 6/30/2016 & Prior: Dollar Value Added / (Beginning Market Value + Net Cash Flows) • 7/1/2016 to Present: Dollar Value Added / Beginning Market Value • Dollar Value Added = Gains/losses due to price appreciation and income Daily returns are geometrically linked to produce longer period returns.

Term	Definition
Portfolio Market Value	The sum of the underlying investment values +/- any open receivables or payables (uninvested assets), consistent with the Net Asset Value or Total Net Assets reported in accounting. • Public Asset Market Values are calculated as units held x price per unit + accrued income. • Private Asset Market Values represent an opinion of value as of a certain date as stated by either the investment advisor or independent appraiser. Market value differs from amount funded or net investment in that the value includes unrealized gains or losses during the holding period.
Public Employee's Retirement Fund (PERF)	An investment fund created under California state statute and exclusively controlled by the CalPERS Board. The fund is managed with the expressed purpose of paying retirement benefits to participating members.
Reference Portfolio (RP)	Hypothetical, low cost, passive benchmark portfolio reflecting a long-term investor's risk appetite.
Supplemental Income Plans (SIP)	Refers to the combined program for the Public Employees' Deferred Compensation Fund and the Supplemental Contributions Program.
Surplus Accessible Liquidity Ratio	Readily available sources of liquidity divided by stressed uses of liquidity
Treasury	A debt security issued by the U.S. Department of the Treasury and backed by the full faith and credit of the U.S. government. Treasury securities include bills, notes, and bonds.
Total Portfolio Approach (TPA)	Framework where governance, strategy, and decisions are made with the total fund in mind.
Value Added	The incremental gain or loss in dollars resulting from portfolio implementation, active management, and imperfectly investible benchmarks. Over shorter time horizons, the benchmark component can create significant variability in outcomes. Unlike a time-weighted excess return which does not account for the size of the investment, value added will vary with the amount of capital invested. Also referred to as "Dollar Value Added".
Volatility	A measure of the distribution of portfolio returns (or a given security). It is typically defined as the statistical standard deviation of returns, annualized.