CalPERS

Investment Committee

Agenda Item 7e

November 16, 2026

Item Name: Consultant Review of CalPERS Divestments

Program: Total Fund

Item Type: Information

Executive Summary

CalPERS Divestment Policy requires a comprehensive review of CalPERS divestments by the Board's General Pension Consultant on an annual basis. Wilshire Associates' annual analysis of CalPERS' divestment activities, as of June 30, 2026, is provided as Attachment 1.

Strategic Plan

A periodic review of existing CalPERS divestments promotes the CalPERS Strategic Plan's goal of strengthening pension resiliency by supporting the Investment Committee in evaluating whether existing investment strategies continue to support the System's investment objectives.

Investment Beliefs

This item supports CalPERS Investment Belief 9 – that risk is multifaceted and not fully captured through measures such as volatility or tracking error and that, as a long-term investor, CalPERS must consider risk factors impacting a company or portfolio returns. Periodic review of investment outcomes, including policy-level divestment programs, through disciplined processes supports accountability and provides an opportunity for corrective action if warranted.

Background

This report provides an updated financial analysis of CalPERS' divestments and takes into consideration the "5-year affirmation" process for active CalPERS divestments.

Analysis

Additional information is provided in Attachment 1.

Budget and Fiscal Impacts

Not Applicable

Benefits and Risks

Benefits associated with periodic review of CalPERS' divestment decisions are as follows:

- Establishment of a baseline against which trends and economic impacts to CalPERS portfolios can be systematically monitored
- Support for the committee members in meeting their fiduciary obligations

Attachments

Attachment 1 – Wilshire Associates Financial Analysis of CalPERS' Divestment Programs as of June 30, 2026

Amy Deming
Investment Director
Investment Controls & Operational Risk

Michael Cohen
Chief Operating Investment Officer

Stephen Gilmore
Chief Investment Officer