BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2024

Prepared through the joint efforts of CalPERS team members.

Available online at **www.calpers.ca.gov**

CalPERS

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

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Management's Discussion & Analysis (Unaudited)

INTRODUCTION

This section presents Management's Discussion & Analysis of the California Public Employees' Retirement System's (CalPERS or the System) financial performance during the fiscal year ended June 30, 2024. It is a narrative overview and analysis that is presented in conjunction with the Chief Executive Officer's Letter of Transmittal included in the Introductory Section of this Annual Comprehensive Financial Report. It should also be read in conjunction with the Basic Financial Statements as presented in this report.

In addition to historical information, the Management's Discussion & Analysis includes certain forward-looking statements, which involve currently known facts and certain risks and uncertainties. CalPERS' actual results, performance, and achievements may differ from the results, performance, and achievements expressed or implied in such forward-looking statements due to a wide range of factors, including changes in interest rates, changes in the securities markets, general economic conditions, legislative changes, and other factors.

CalPERS is primarily responsible for administering retirement and health benefits. CalPERS also administers long-term care benefits, a fund to prefund employer contributions, a post-employment benefit fund for retiree health, and supplemental retirement savings plans.

MANAGEMENT DISCUSSION

Strategic Planning

CalPERS began the second year of its *2022-27 Strategic Plan*. This plan is a blueprint that guides the enterprise to meet the investment, retirement, and health benefit needs of our members and their families.

The *2022-27 Strategic Plan* development was a multi-year effort by CalPERS Board of Administration members, senior leaders, and team members, with contributions from multiple stakeholders including employer associations, labor groups, retiree associations, federal representatives, health and investment business partners, and state government officials.

The strategic plan took effect on July 1, 2022, and has five overarching goals:

- Member Experience: Ensure member satisfaction through accuracy, responsiveness, and respect
- Pension Sustainability: Strengthen the long-term sustainability of the pension fund
- Exceptional Health Care: Ensure our members have access to equitable, high-quality, affordable health care
- Stakeholder Engagement: Promote collaboration, support, and transparency
- Organizational Excellence: Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes

The strategic planning framework includes the annual Business Plan Initiatives. The 2023-24 Business Plan Initiatives allowed the organization to set priorities and guided the allocation of resources. It aligned with the 2023-24 budget cycle to accomplish the goals and objectives of the strategic plan. CalPERS identified 40 initiatives to continue the work needed to support the overall strategic direction of the organization.

Key Initiatives

CalPERS continued to enhance its operations as follows:

- The Investment team developed five strategic initiatives that lay the ground work for a best-in-class investment operations centered around the investment portfolio, processes, people and performance:
    - Operational Excellence
    - Stakeholder Engagement
    - People & Culture
    - Sustainable Investing
    - Pension Resiliency

- CalPERS launched the Sustainable Investments Plan to put the organization on a path to Net Zero by 2050, investing over $100 billion toward climate solutions by 2030. The plan supports the transition to a low-carbon economy through more selective investments in high emitting sectors. The five objectives of the plan include:
    - Generate outperformance by investing in climate solutions and emerging and diverse managers
    - Increase portfolio resilience by fully integrating ESG analysis, including climate risk analysis
    - Implement a thoughtful path to Net Zero through investments, engagement and advocacy
    - Promote greater inclusion and representation in the financial industry and the global economy
    - Build and promote efficient and equitable financial markets through advocacy and regulatory action

- The Customer Services & Support team developed and incorporated a formal quality assurance program for the Refund Election Application process. Implementation of quality assurance strengthens the integrity of the process, confirms the accuracy of the benefits being paid, ensures compliance with federal and state guidelines, and provides opportunities to offer feedback to team members. Additionally, the paper-based separation letter was transitioned to an electronic notification, empowering members to access their myCalPERS account to find vital information online and make informed decisions.

OVERVIEW OF THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

Management's Discussion & Analysis provides an overview of the financial position, which is comprised of the following components: Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplementary Information. Collectively, this information presents the combined net position restricted for pension benefits, other post-employment benefits (OPEB), deferred compensation, replacement benefits, and the unrestricted net position of the proprietary funds administered by CalPERS as of June 30, 2024. It also summarizes the combined changes in fiduciary net position restricted for pension, other post-employment, and replacement benefits; the changes in unrestricted net position; and the cash flows of the proprietary funds for the year then ended, along with disclosures about the net pension liabilities of the single-employer and cost-sharing multiple-employer defined benefit pension plans.

FINANCIAL HIGHLIGHTS

Major events and initiatives impacting the current fiscal year's financial statements include:

- The Public Employees' Retirement Fund (PERF) realized a money-weighted rate of return (MWRR) of 9.5 percent and realized a time-weighted rate of return of 9.3 percent in Fiscal Year 2023-24. The investment results reflect a globally diversified portfolio with primary drivers including strong performance from public equity and private debt.

- In July 2023, the CalPERS Board of Administration (the Board) approved health plan premiums for calendar year 2024, at an overall average premium increase of 10.77 percent.

- CalPERS as the State Social Security Administrator (SSSA) began collecting an Annual Maintenance Fee on July 1, 2019. The fee is charged to fund the State Social Security Administration (SSA) and its services. Due to adequate funding, the Annual Maintenance Fee was suspended in Fiscal Year 2023-24.

- The total pension administration cost in Fiscal Year 2022-23 (most recent available) was $194 per active member and annuitant, compared with $223 in Fiscal Year 2021-22.

BASIC FINANCIAL STATEMENTS

The June 30, 2024 financial statements separate the funds administered by CalPERS into two categories: fiduciary funds and proprietary funds. With the exception of the Old Age and Survivors' Insurance Revolving Fund (OASI), CalPERS' role as a trustee and monitoring of financial position occur in both categories. The primary focus of fiduciary funds is CalPERS' duty with respect to the payment of benefits, whereas a core function for proprietary funds is the payment of services.

Fiduciary Funds – include the PERF (split into PERF A, PERF B, and PERF C for 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), Annuitants' Health Care Coverage Fund, also known as California Employers' Retiree Benefit Trust Fund (CERBTF), OASI, and Replacement Benefit Fund (RBF). Generally, fiduciary funds are used to account for resources held for the benefit of CalPERS participants.

A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary funds as of, and for, the fiscal year ended June 30, 2024, along with comparative total information as of, and for, fiscal year ended June 30, 2023. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year-end, and the changes in those resources during the year.

Proprietary Funds – include Public Employees' Health Care Fund (HCF), Public Employees' Contingency Reserve Fund (CRF), and the Public Employees' Long-Term Care Fund (LTCF). A Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows are presented for the proprietary funds as of, and for, fiscal year ended June 30, 2024, along with comparative total information as of, and for, fiscal year ended June 30, 2023. These financial statements reflect the net position, changes in net position, and cash flows resulting from CalPERS business-type activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the information provided in the fund financial statements. The following is a description of information available in the Notes to the Basic Financial Statements:

Note 1 – provides general information on CalPERS, each of the funds administered, employer and member participation in the pension plans, and other post-employment benefit plans administered by CalPERS.

Note 2 – provides a summary of significant accounting policies, including the basis of accounting for each of the fund types, strategic asset allocation, management's use of estimates, and other significant accounting policies.

Note 3 – provides information on cash and cash equivalents.

Note 4 – provides detail on the fair value of investments, and information on MWRR.

Note 5 – provides information about investment risk categorizations.

Note 6 – provides information about securities lending.

Note 7 – provides information about investment derivatives.

Note 8 – provides information about the net pension liabilities/(asset) and actuarial assumptions for cost-sharing and single-employer plans.

Note 9 – provides information about the CEPPTF, including plan members, participating employers, and contributions.

Note 10 – provides information about the CERBTF, including plan members, participating employers, and contributions.

Note 11 – provides information about the RBF, as well as applicable internal revenue and government codes.

Note 12 – provides detailed information about the OASI.

Note 13 – provides detailed information about the HCF and the estimated claims liability of the HCF.

Note 14 – provides additional information about participating agencies and insurance premiums paid by the CRF.

Note 15 – provides information about the LTCF actuarial valuation and the estimated liability for future policy benefits.

Note 16 – provides information on potential contingencies of CalPERS.

Note 17 – provides information about future accounting pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information schedules include information about the changes in the net pension liability, employer contributions, actuarial assumptions used to calculate the actuarially determined contributions, historical trends, and other required supplementary information related to the System's cost-sharing multiple-employer and single-employer defined benefit pension plans as required by Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* (GASB 67).

The MWRR expresses investment performance, net of investment expense, and is disclosed per the requirements of GASB 67 and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

The Schedule of Claims Development Information for the HCF provides earned revenues and expenses over the past 10 years, as required by GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, investment expenses, and other professional services expenses incurred.

FINANCIAL ANALYSIS

PUBLIC EMPLOYEES' RETIREMENT FUND (PERF)

The PERF is a trust fund established under section 20170 of the Public Employees' Retirement Law (PERL). The PERF provides retirement benefits to State of California, school, and other California public agency employees. The PERF benefits are funded by member and employer contributions and by earnings on investments.

For financial reporting purposes only, the PERF is comprised of, and reported as, three separate entities. PERF A is comprised of agent multiple-employer plans, which includes the State of California and most public agency rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies with generally fewer than 100 active members. Under applicable law, the Board may terminate, or a public agency may terminate, that agency's plan under either PERF A or PERF C. The terminated agency is liable to the System for all costs to fund all benefits under the agency's contract. An unpaid deficit in funding will result in a commensurate reduction in benefits provided under that agency's contract.

Movements of member account asset balances occur between PERF A, PERF B, and PERF C when employer rate plans have fewer than 100 members, or when there are other member accounting adjustments. These plan-to-plan resource movements are reported as a separate line item within the additions and deductions sections, respectively, of each plan's Statement of Changes in Fiduciary Net Position.

The PERF net position increased by $42.0 billion or 9.1 percent from $464.6 billion as of June 30, 2023, to $506.6 billion as of June 30, 2024, mainly due to more favorable investment returns this year. Receivables increased $17.7 billion or 100.3 percent due to higher outstanding investment sales. Investment balances increased by $85.5 billion from $465.9 billion as of June 30, 2023, to $551.4 billion as of June 30, 2024, due to more favorable market conditions. Securities lending cash collateral increased a total of $2.2 billion, which includes a decrease of $5.7 billion due to these funds being utilized for total fund financing and $7.9 billion increase due to an increase in demand to borrow securities at year-end. Securities lending obligations increased $7.9 billion due to an increase in demand to borrow securities at year-end. Capital Assets, Net and Other Assets decreased $11.4 million or 5.3 percent primarily due to increased cumulative depreciation of buildings and equipment.

Total liabilities increased $62.5 billion or 222.9 percent primarily due to higher retirement and other benefits, outstanding investment and repurchase payables, and securities lending obligations. Total net pension and OPEB liabilities increased by $17.9 million or 1.9 percent. The net pension liability increased due to an increase in the interest on the total pension liability. The net OPEB liability increased as a result of the use of updated actuarial estimates for healthcare trend rates.

Additions to the PERF net position include member contributions, employer contributions, and investment income. Member contributions increased $716.8 million or 12.6 percent. Employer contributions increased $641.2 million or 2.6 percent. Employer contribution rates changed between a 1.0 percent decrease and a 3.8 percent increase for State plans; increased 1.3 percent for schools; and increased 0.042 percent and decreased 1.807 percent on average for public agency miscellaneous and safety plans, respectively.

Net investment income is comprised of interest income, dividend income, and net appreciation or depreciation in fair value of investments and is net of investment expenses.

Net investment gains were $44.2 billion in Fiscal Year 2023-24, compared to $27.0 billion in gains in Fiscal Year 2022-23, an increase of $17.2 billion or 63.8 percent. The current year returns were driven by gains in public equity and private debt. The PERF recognized a MWRR of 9.5 percent for Fiscal Year 2023-24 compared with 6.1 percent for Fiscal Year 2022-23 due to improved market conditions.

Deductions from the PERF are comprised of benefit payments, refunds of contributions to members and beneficiaries, and costs of administering the PERF. Benefit payments are the primary expense of a retirement system. For Fiscal Year 2023-24, retirement, death, and survivor benefits payments increased $1.7 billion or 5.6 percent, primarily due to cost-of-living increases in benefit payments, and an increase in the number of retirees and beneficiaries from 789,016 as of June 30, 2023, to 804,771 as of June 30, 2024. Administrative expenses for CalPERS personnel increased $55.9 million or 17.3 percent primarily due to an increase in internal management compensation and OPEB expenses.

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

Fiduciary Net Position – PERF (Dollars in Thousands)

	PERF A Agent	PERF B Cost-Sharing Schools	PERF C Cost-Sharing Public Agencies	2024 PERF Total	2023 PERF Total	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$964,946	$243,423	$112,539	$1,320,908	$2,106,258	($785,350)
Receivables	25,523,719	6,855,954	2,928,311	35,307,984	17,629,669	17,678,315
Investments	403,116,902	101,247,620	47,047,101	551,411,623	465,884,014	85,527,609
Securities Lending Collateral	6,504,497	1,640,861	758,600	8,903,958	6,735,918	2,168,040
Capital Assets, Net & Other Assets	149,481	37,709	17,433	204,623	216,058	(11,435)
Total Assets	**$436,259,545**	**$110,025,567**	**$50,863,984**	**$597,149,096**	**$492,571,917**	**$104,577,179**
Deferred Outflows of Resources	$161,856	$40,831	$18,877	$221,564	$218,708	$2,856
Total Assets and Deferred Outflows of Resources	**$436,421,401**	**$110,066,398**	**$50,882,861**	**$597,370,660**	**$492,790,625**	**$104,580,035**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement Benefits, Investment Settlement & Other	$50,010,356	$12,587,976	$5,816,995	$68,415,327	$13,757,555	$54,657,772
Net Pension & OPEB Liabilities	700,976	176,832	81,753	959,561	941,708	17,853
Securities Lending Obligations	15,502,331	3,910,706	1,807,989	21,221,026	13,357,902	7,863,124
Total Liabilities	**$66,213,663**	**$16,675,514**	**$7,706,737**	**$90,595,914**	**$28,057,165**	**$62,538,749**
Deferred Inflows of Resources	$110,878	$27,971	$12,931	$151,780	$155,301	($3,521)
Total Liabilities and Deferred Inflows of Resources	**$66,324,541**	**$16,703,485**	**$7,719,668**	**$90,747,694**	**$28,212,466**	**$62,535,228**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$370,096,860**	**$93,362,913**	**$43,163,193**	**$506,622,966**	**$464,578,159**	**$42,044,807**

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

	PERF A Agent	PERF B Cost-Sharing Schools	PERF C Cost-Sharing Public Agencies	2024 PERF Total	2023 PERF Total	Increase/ (Decrease)
ADDITIONS						
Member Contributions	$4,329,514	$1,534,166	$525,572	$6,389,252	$5,672,430	$716,822
Employer Contributions	17,884,869	5,368,856	1,614,768	24,868,493	24,227,246	641,247
Nonemployer Contributions	—	—	4,306	4,306	—	4,306
Net Investment Income (Loss)	32,327,552	8,151,310	3,768,911	44,247,773	27,013,684	17,234,089
Securities Lending & Other Income	70,253	17,611	8,128	95,992	104,143	(8,151)
Plan-to-Plan Resource Movement	—	—	4,167	4,167	137,356	(133,189)
Total Additions	**$54,612,188**	**$15,071,943**	**$5,925,852**	**$75,609,983**	**$57,154,859**	**$18,455,124**
DEDUCTIONS						
Retirement, Death & Survivor Benefits	$24,315,216	$5,833,884	$2,666,545	$32,815,645	$31,084,243	$1,731,402
Refund of Contributions	215,907	120,028	30,488	366,423	391,113	(24,690)
Administrative Expenses	276,902	69,779	32,260	378,941	323,014	55,927
Plan-to-Plan Resource Movement	4,167	—	—	4,167	137,356	(133,189)
Total Deductions	**$24,812,192**	**$6,023,691**	**$2,729,293**	**$33,565,176**	**$31,935,726**	**$1,629,450**
INCREASE IN NET POSITION	**$29,799,996**	**$9,048,252**	**$3,196,559**	**$42,044,807**	**$25,219,133**	**$16,825,674**
NET POSITION						
Beginning of Year	**$340,296,864**	**$84,314,661**	**$39,966,634**	**$464,578,159**	**$439,359,026**	**$25,219,133**
End of Year	**$370,096,860**	**$93,362,913**	**$43,163,193**	**$506,622,966**	**$464,578,159**	**$42,044,807**

OTHER DEFINED BENEFIT PLANS

LEGISLATORS' RETIREMENT FUND (LRF)

The LRF provides retirement benefits to California legislators elected to office before November 7, 1990, and to constitutional, legislative, and statutory officers elected or appointed prior to January 1, 2013. The number of LRF members has declined to zero as the last eligible incumbent legislators have left office. Actuarially determined contributions will continue to be made by the State of California to supplement the existing assets until all benefit obligations have been fulfilled.

Because the LRF is closed to new members and income is primarily limited to investment returns, CalPERS expects the net position of the fund to decrease over time.

The LRF's net position in Fiscal Year 2023-24 decreased by $3.2 million or 3.3 percent from the beginning balance of $95.7 million to $92.5 million mainly due to a decrease in investment assets. Investments at fair value decreased by $2.5 million or 2.6 percent, due to the utilization of the investment assets for benefit payments (offset by an investment gain) and no contributions collected. The total liabilities increased by $0.6 million or 36.8 percent, mainly due to an increase in outstanding retirement benefit claims payable.

Additions to the LRF increased to $4.9 million as a result of a net investment return of $4.9 million in Fiscal Year 2023-24, which is 716.0 percent higher than the gain of $0.6 million in the prior year due to more favorable market conditions. The LRF recognized a MWRR of 5.2 percent for Fiscal Year 2023-24 compared with 0.6 percent for Fiscal Year 2022-23. Member and employer contributions decreased to zero due to the final remaining active members retiring during the Fiscal year 2022-23.

Deductions from the LRF are primarily comprised of benefit payments and administrative expenses. Total deductions increased by $0.5 million or 6.4 percent due to an increase in benefit payments as a result of an increase in the average monthly payments.

JUDGES' RETIREMENT FUND (JRF)

The JRF provides retirement benefits to California Supreme and Appellate Court justices and Superior Court judges appointed or elected before November 9, 1994. The State of California does not pre-fund the benefits for this fund, and the benefits are funded on a pay-as-you-go basis.

The JRF's net position in Fiscal Year 2023-24 increased by $5.3 million or 11.5 percent from the beginning balance of $46.3 million to $51.6 million mainly due to an increase in investment assets. Investments increased by $5.3 million or 10.8 percent, primarily due to more favorable interest rate earnings. The total liabilities increased by $0.1 million or 1.0 percent, mainly due to a increases in other post employment benefit liability and outstanding retirement benefit claims payable.

Additions to the JRF come from employer, member, and state balancing contributions from the General Fund. The JRF recognized a MWRR of 6.6 percent for Fiscal Year 2023-24 compared with 4.5 percent for Fiscal Year 2022-23. The total Additions increased $4.5 million or 2.1 percent primarily due to an increase in investment income and an increase in the State General Fund contributions compared to the prior year.

Deductions from the JRF are primarily comprised of benefit payments, refunds, and administrative expenses. Retirement, death, and survivor benefits decreased by $3.7 million or 1.7 percent, due to a decrease in the Extended Service Incentive Benefit payments of $2.9 million. Administrative Expenses increased by $0.4 million or 18.7 percent primarily due to an increase in OPEB expense and an increase in shared administrative costs.

JUDGES' RETIREMENT FUND II (JRF II)

The JRF II provides retirement benefits to California Supreme and Appellate Court justices and Superior Court judges first appointed or elected on or after November 9, 1994.

The net position of JRF II in Fiscal Year 2023-24 increased by $304.9 million or 13.1 percent from the beginning net position of $2.3 billion to $2.6 billion. Receivables increased by $0.9 million or 8.0 percent primarily due to increased outstanding members and employers' contributions owed to the fund as of fiscal year ended June 30, 2024. JRF II investments increased by $304.1 million or 13.1 percent primarily due to more favorable market conditions at the end of Fiscal Year 2023-24. Total liabilities increased by $0.3 million or 4.7 percent primarily due to an increase in the net pension and OPEB liabilities and tax liabilities.

Additions to the JRF II include member contributions, employer contributions, and investment income. As a result of an increase in the number of active members (1,657 as of June 30, 2023, and 1,681 as of June 30, 2024), as well as an increase in the contribution rates, member contributions increased by $4.3 million or 11.0 percent, while employer contributions increased by $6.3 million or 7.1 percent. Net investment income increased by $115.7 million or 76.2 percent from $151.7 million in Fiscal Year 2022-23 to $267.4 million in Fiscal Year 2023-24 due to more favorable market conditions. The JRF II recognized a MWRR of 11.4 percent for Fiscal Year 2023-24 compared with 7.1 percent for Fiscal Year 2022-23.

Deductions from the JRF II are comprised of benefit payments, refunds, and administrative expenses. There was an increase in benefit payments of $15.3 million or 18.4 percent due to an increase in benefit recipients from 570 in Fiscal Year 2022-23 to 648 in Fiscal Year 2023-24. Administrative expenses increased by $0.5 million or 24.0 percent primarily due to an increase in OPEB expense and an increase in shared administrative costs.

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

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

	LRF			JRF			JRF II		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Cash & Cash Equivalents	$1,201	$1,273	($72)	$3,351	$3,377	($26)	$1,395	$1,157	$238
Receivables	35	55	(20)	1,602	1,493	109	11,479	10,627	852
Investments	93,360	95,863	(2,503)	54,089	48,818	5,271	2,627,569	2,323,510	304,059
Total Assets	**$94,596**	**$97,191**	**($2,595)**	**$59,042**	**$53,688**	**$5,354**	**$2,640,443**	**$2,335,294**	**$305,149**
Deferred Outflows of Resources	$319	$314	$5	$1,017	$1,003	$14	$1,205	$1,187	$18
Total Assets and Deferred Outflows of Resources	**$94,915**	**$97,505**	**($2,590)**	**$60,059**	**$54,691**	**$5,368**	**$2,641,648**	**$2,336,481**	**$305,167**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES									
Retirement Benefits, Investment Settlement & Other	$773	$191	$582	$3,660	$3,673	($13)	$2,033	$1,826	$207
Net Pension & OPEB Liabilities	1,493	1,465	28	4,076	3,984	92	5,143	5,029	114
Total Liabilities	**$2,266**	**$1,656**	**$610**	**$7,736**	**$7,657**	**$79**	**$7,176**	**$6,855**	**$321**
Deferred Inflows of Resources	$174	$180	($6)	$689	$707	($18)	$822	$844	($22)
Total Liabilities and Deferred Inflows of Resources	**$2,440**	**$1,836**	**$604**	**$8,425**	**$8,364**	**$61**	**$7,998**	**$7,699**	**$299**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$92,475**	**$95,669**	**($3,194)**	**$51,634**	**$46,327**	**$5,307**	**$2,633,650**	**$2,328,782**	**$304,868**

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

	LRF			JRF			JRF II		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ADDITIONS									
Member Contributions	$0	$11	($11)	$1,481	$1,697	($216)	$42,936	$38,669	$4,267
Employer Contributions	—	44	(44)	212,532	208,785	3,747	96,316	89,970	6,346
Net Investment Income (Loss)	4,904	601	4,303	3,416	2,233	1,183	267,416	151,745	115,671
Securities Lending & Other Income	1	2	(1)	2,831	3,028	(197)	5	4	1
Total Additions	**$4,905**	**$658**	**$4,247**	**$220,260**	**$215,743**	**$4,517**	**$406,673**	**$280,388**	**$126,285**
DEDUCTIONS									
Retirement, Death & Survivor Benefits	$7,436	$7,088	$348	$212,542	$216,271	($3,729)	$98,912	$83,573	$15,339
Refund of Contributions	—	—	—	—	—	—	256	295	(39)
Administrative Expenses	663	525	138	2,411	2,031	380	2,637	2,126	511
Total Deductions	**$8,099**	**$7,613**	**$486**	**$214,953**	**$218,302**	**($3,349)**	**$101,805**	**$85,994**	**$15,811**
INCREASE (DECREASE) IN NET POSITION	**($3,194)**	**($6,955)**	**$3,761**	**$5,307**	**($2,559)**	**$7,866**	**$304,868**	**$194,394**	**$110,474**
NET POSITION									
Beginning of Year	**$95,669**	**$102,624**	**($6,955)**	**$46,327**	**$48,886**	**($2,559)**	**$2,328,782**	**$2,134,388**	**$194,394**
End of Year	**$92,475**	**$95,669**	**($3,194)**	**$51,634**	**$46,327**	**$5,307**	**$2,633,650**	**$2,328,782**	**$304,868**

ASSET LIABILITY MANAGEMENT – DEFINED BENEFIT PLANS

The Asset Liability Management (ALM) process is an integrated review of pension assets and liabilities to inform decisions designed to achieve a sound and sustainable fund. Overseen and facilitated by the Financial Office, ALM brings together the Investment and Actuarial Offices for education, coordinated analyses for Board deliverables, and provides an overarching structure and culture of collaboration toward the review of assets and liabilities so that financial risks to the System can be better understood, communicated, and managed.

To establish appropriate levels of risk, ALM is focused on investment and actuarial policies and key decision factors intended to drive an optimum asset allocation while stabilizing employer contribution rates and the year-to-year rate volatility. Designed to improve the sustainability and soundness of the PERF and affiliate trusts, CalPERS employs an integrated ALM approach to attain the goal of achieving and maintaining 100 percent funding at an acceptable level of risk. Reducing the risk in the funding of the System involves tradeoffs between short-term and long-term priorities.

This ALM mid-cycle review in Fiscal Year 2023-24 resulted in no changes to the actuarial assumptions adopted in 2021, but there was a change to the Strategic Asset Allocation (SAA). Throughout the review, the Board was provided with education items on risk budgeting strategy, macroenvironment analyses, and updated capital market assumptions (CMAs).

The discount rate remained at 6.8 percent, last changed in 2021 following a strong return year that automatically triggered a reduction under the Funding Risk Mitigation Policy (FRMP). Fiscal Year 2023-24’s strong return of 9.3 percent also triggered the FRMP. However, in April 2024 the Board modified the FRMP by removing the automatic trigger over any changes to the discount rate.

Consistent with the 2021 ALM CMAs, private markets were projected for more investment growth potential in the mid-cycle CMAs. In the 2021 ALM, the Investment Office identified its constrained operational ability to deploy capital into private markets, resulting in a lower recommended SAA target than the CMA potential. Notably, the Investment Office exceeded these constrained expectations and recommended to the Board an increase into private markets in alignment with the CMAs. In March 2024, the Board adopted a new SAA with a projected volatility of 11.3 percent and return of 7.0 percent, effective July 1, 2024, that will guide the fund’s investment portfolio into the next full ALM cycle in 2025.

FUNDING ANALYSIS – DEFINED BENEFIT PLANS

As of the most recent actuarial valuation at June 30, 2023, the funded ratio of the PERF was 71.4 percent. This percentage was determined by dividing the total assets in the PERF by the sum of liabilities for all plans reported under the PERF. CalPERS calculated the PERF funded ratio using a 6.8 percent discount rate, except for the Terminated Agency Pool (TAP), which makes up less than 0.03 percent of the PERF liability. As of June 30, 2023, the funded ratio of the JRF II was 98.8 percent. CalPERS calculated the JRF II funded ratio value using a 6.0 percent discount rate. As of June 30, 2023, the funded ratio of the LRF was 99.9 percent. CalPERS calculated the LRF funded ratio value using a 4.5 percent discount rate. All funded ratios were calculated based on the fair value of assets used in actuarial valuations that set funding requirements for employers.

Under GASB 67, there is a difference between the assumptions and components used to determine the net pension liabilities that must be reported in financial statements, the actuarial accrued liabilities, and actuarial value of assets used to determine pension contributions established as part of funding valuations. The Actuarial Section included in this report provides actuarial information derived for purposes of establishing the funding requirements of employers for which CalPERS administers retirement benefits.

The GASB 67 financial reporting discount rate for the PERF remained at 6.90 percent. Assets used for GASB 67 financial reporting purposes are slightly different than assets used for funding requirements, as the former include amounts for deficiency reserves, fiduciary self-insurance, and adjustments for OPEB and pension expense for CalPERS staff. CalPERS is required to report Plan Fiduciary Net Position as a percentage of Total Pension Liability for the cost-sharing multiple employer plans (PERF B and PERF C) and for the single-employer pension plans (LRF, JRF, and JRF II). The discount rates used for financial reporting for the PERF B, PERF C, LRF, and JRF II are set equal to the unadjusted long-term expected return assumption for each plan. The discount rates used for funding are net of administrative expenses. The funding discount rate used in the JRF valuation differs from the financial reporting discount rate which is based on 20-year tax-exempt General Obligation Municipal Bonds.

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

The LRF funding discount rate is 4.50 percent, JRF is 3.00 percent, and JRF II is 6.00 percent.

The following table displays the discount rates for the LRF, JRF, and JRF II for funding and financial reporting purposes as of June 30, 2024:

Fund	Funding Discount Rate	Financial Reporting Discount Rate
LRF	4.50%	4.85%
JRF	3.00%	3.97%
JRF II	6.00%	6.15%

DEFINED CONTRIBUTION PLANS

PUBLIC EMPLOYEES' DEFERRED COMPENSATION FUND (DCF)

The DCF is a fund into which CalPERS deposits contributions by employees of public agencies and school districts within the State of California that have elected to contract for a deferred compensation plan. To help administer the program, CalPERS contracts with a third-party administrator (TPA). In January 2020, the Board approved the renewal of a five-year contract through December 2025 with Voya Financial, LLC (Voya). As the TPA, Voya provides full recordkeeping, plan administration services, and new business development in support of the DCF.

The net position of the DCF increased by $328.1 million or 15.0 percent from the beginning balance of $2.2 billion to $2.5 billion mainly due to a positive market experience. Investment balances increased by $323.8 million or 14.9 percent from Fiscal Year 2022-23 to Fiscal Year 2023-24 due to favorable market conditions. There was an increase of $3.0 million or 15.8 percent in receivables due to higher amounts of outstanding contributions at year-end. Total liabilities decreased by $1.2 million or 17.0 percent due to lower amounts of outstanding distributions.

Member contributions to the fund increased $19.6 million or 13.8 percent compared with the prior year primarily due to an increase in members from 34,624 in Fiscal Year 2022-23 to 35,446 in Fiscal Year 2023-24.

Total additions increased by $120.5 million primarily due to investment gains of $325.6 million in Fiscal Year 2023-24 compared with $225.1 million in gains in Fiscal Year 2022-23, resulting in a 44.7 percent increase in investment income.

Total deductions in the DCF increased by $55.3 million or 50.9 percent. This was primarily due to an increase of $54.8 million in participant withdrawals from the plan from $104.0 million in Fiscal Year 2022-23 to $158.9 million in Fiscal Year 2023-24. Administrative expenses for CalPERS personnel increased $0.5 million or 10.5 percent primarily as a result of an increase in third-party administrator fees.

SUPPLEMENTAL CONTRIBUTIONS PROGRAM FUND (SCPF)

The SCPF is a member-funded program that provides supplemental retirement benefits to State of California employees who are CalPERS members and active judges who are members of the Judges' Retirement System or Judges' Retirement System II. To help administer the program, CalPERS contracts with a TPA. In January 2020, the Board approved the renewal of a five-year contract through December 2025 with Voya. As the TPA, Voya provides full recordkeeping, plan administration services, and new business development in support of the SCPF.

The net position of the SCPF increased $6.0 million or 5.2 percent from the beginning balance of $114.3 million to $120.3 million mainly due to positive return on investments. Total assets increased by $6.0 million or 5.2 percent mainly due to an increase in investments, and total liabilities increased by $33 thousand or 3.2 percent due to an increase in the administrative expenses payable, partially offset by lower amounts of outstanding distributions payables.

Total additions increased $3.3 million primarily due to an investment gain in Fiscal Year 2023-24. Net investment income increased by $3.4 million, from a gain of $8.7 million in Fiscal Year 2022-23 to a gain of $12.1 million in Fiscal Year 2023-24 due to favorable market conditions.

The primary deductions in the SCPF reflect withdrawals made by participants. Participant withdrawals increased $274 thousand or 4.8 percent, from $5.8 million in Fiscal Year 2022-23 to $6.0 million in Fiscal Year 2023-24. Administrative expenses increased $69 thousand or 26.6 percent.

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

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

	DCF			SCPF		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$1	$0	$1	$0	$0	$0
Receivables	21,990	18,982	3,008	565	573	(8)
Investments	2,503,674	2,179,833	323,841	120,764	114,764	6,000
Total Assets	**$2,525,665**	**$2,198,815**	**$326,850**	**$121,329**	**$115,337**	**$5,992**
Deferred Outflows of Resources	$985	$971	$14	$77	$75	$2
Total Assets and Deferred Outflows of Resources	**$2,526,650**	**$2,199,786**	**$326,864**	**$121,406**	**$115,412**	**$5,994**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement Benefits, Investment Settlement & Other	$1,743	$3,039	($1,296)	$678	$656	$22
Net Pension & OPEB Liabilities	4,166	4,077	89	380	369	11
Total Liabilities	**$5,909**	**$7,116**	**($1,207)**	**$1,058**	**$1,025**	**$33**
Deferred Inflows of Resources	$632	$649	($17)	$39	$41	($2)
Total Liabilities and Deferred Inflows of Resources	**$6,541**	**$7,765**	**($1,224)**	**$1,097**	**$1,066**	**$31**
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	**$2,520,109**	**$2,192,021**	**$328,088**	**$120,309**	**$114,346**	**$5,963**

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

	DCF			SCPF		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ADDITIONS						
Member Contributions	$161,022	$141,451	$19,571	$190	$310	($120)
Net Investment Income (Loss)	325,610	225,075	100,535	12,062	8,655	3,407
Other Income	5,614	5,198	416	78	77	1
Total Additions	**$492,246**	**$371,724**	**$120,522**	**$12,330**	**$9,042**	**$3,288**
DEDUCTIONS						
Administrative Expenses	$5,281	$4,780	$501	$328	$259	$69
Participant Withdrawals	158,877	104,032	54,845	6,039	5,765	274
Total Deductions	**$164,158**	**$108,812**	**$55,346**	**$6,367**	**$6,024**	**$343**
INCREASE IN NET POSITION	**$328,088**	**$262,912**	**$65,176**	**$5,963**	**$3,018**	**$2,945**
NET POSITION						
Beginning of Year	**$2,192,021**	**$1,929,109**	**$262,912**	**$114,346**	**$111,328**	**$3,018**
End of Year	**$2,520,109**	**$2,192,021**	**$328,088**	**$120,309**	**$114,346**	**$5,963**

PENSION PREFUNDING TRUST FUND

CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND (CEPPTF)

The California Employers' Pension Prefunding Trust Fund (CEPPTF) is a trust dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. CalPERS contracts with a TPA, Northeast Retirement Services (NRS), to perform recordkeeping for individual CEPPTF employer accounts.

The net position of the CEPPTF was $263.1 million at June 30, 2024, an increase of $123.0 million or 87.8 percent from the net position of $140.1 million at June 30, 2023.

Additions to the CEPPTF net position are primarily employer contributions and net investment income. Employer contributions were $107.7 million, an increase of $56.0 million or 108.3 percent. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for required contributions to the trust. The fund experienced net investment gains of $16.6 million, an increase of $11.8 million or 242.7 percent primarily due to a positive market experience. The CEPPTF recognized a MWRR of 8.7 percent for Fiscal Year 2023-24 compared with 4.7 percent for Fiscal Year 2022-23. Deductions from the CEPPTF are primarily administrative expenses. There were $1.6 million in employer-initiated withdrawals in Fiscal Year 2023-24.

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

	CEPPTF		
	2024	**2023**	**Increase/ (Decrease)**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	$0	$0	$0
Receivables	10	5	5
Investments	263,303	140,387	122,916
Total Assets	**$263,313**	**$140,392**	**$122,921**
Deferred Outflows of Resources	$38	$37	$1
Total Assets and Deferred Outflows of Resources	**$263,351**	**$140,429**	**$122,922**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Investment Settlement & Other	$109	$200	($91)
Net Pension & OPEB Obligation	36	31	5
Total Liabilities	**$145**	**$231**	**($86)**
Deferred Inflows of Resources	$74	$75	($1)
Total Liabilities and Deferred Inflows of Resources	**$219**	**$306**	**($87)**
TOTAL NET POSITION RESTRICTED FOR PENSION	**$263,132**	**$140,123**	**$123,009**

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

	CEPPTF		
	2024	**2023**	**Increase/ (Decrease)**
ADDITIONS			
Employer Contributions	$107,701	$51,713	$55,988
Net Investment Income (Loss)	16,597	4,843	11,754
Other Income	460	243	217
Total Additions	**$124,758**	**$56,799**	**$67,959**
DEDUCTIONS			
Administrative Expenses	$114	$64	$50
Employer Withdrawals	1,635	1,681	(46)
Total Deductions	**$1,749**	**$1,745**	**$4**
INCREASE IN NET POSITION	**$123,009**	**$55,054**	**$67,955**
NET POSITION			
Beginning of Year	**$140,123**	**$85,069**	**$55,054**
End of Year	**$263,132**	**$140,123**	**$123,009**

OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBTF)

The CERBTF is a trust for employers to pre-fund health, dental, and other non-pension post-employment benefits. CalPERS contracts with a TPA, Northeast Retirement Services (NRS), to perform recordkeeping for individual CERBTF employer accounts.

Net position restricted for OPEB benefits as of June 30, 2024, increased $3.3 billion or 18.8 percent from the prior year mainly due to employer contributions and positive return on investments. Receivables decreased $8.0 million or 6.2 percent primarily due to lower outstanding employer contribution receivables at year-end. Investments at fair value increased $3.4 billion or 19.0 percent primarily due to favorable market conditions in Fiscal Year 2023-24.

Total liabilities increased $15.9 million or 16.0 percent primarily due to an increase in OPEB reimbursements pending at year-end. Total net pension and OPEB liabilities increased by $0.3 million or 3.8 percent. Net OPEB liability increased as a result of the use of updated actuarial estimates for healthcare trend rates. Net pension liability increased primarily due to an increase in the interest on the Total Pension Liability.

Additions to the CERBTF net position restricted for OPEB benefits are primarily made up of employer contributions (directly to the trust and outside the trust) and net investment income. Employer contributions increased $327.8 million or 6.3 percent primarily due to an increase in employer contributions made directly to the trust. Net investment income increased $992.9 million or 105.1 percent primarily due to favorable market conditions. The CERBTF recognized a MWRR of 10.6 percent in Fiscal Year 2023-24, compared with 6.0 percent in Fiscal Year 2022-23.

Deductions from the CERBTF net position restricted for OPEB benefits were primarily consists of administrative expenses, employer withdrawals, and OPEB reimbursements to employers (directly from the trust and outside the trust). Employer withdrawals increased by $179.5 million or 78.2 percent due to a higher amount of balance transfers out of the plan. The reimbursements made directly by employers to health care providers outside the trust was $3.6 billion for Fiscal Year 2023-24 compared with $3.4 billion in Fiscal Year 2022-23. Administrative expenses increased $1.4 million or 29.7 percent primarily due to an increase in shared administrative expense reimbursements and OPEB expenses.

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

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

	CERBTF		
	2024	2023	Increase/(Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	$0	$0	$0
Receivables	119,789	127,756	(7,967)
Investments	20,982,289	17,630,610	3,351,679
Total Assets	**$21,102,078**	**$17,758,366**	**$3,343,712**
Deferred Outflows of Resources	$2,413	$2,367	$46
Total Assets and Deferred Outflows of Resources	**$21,104,491**	**$17,760,733**	**$3,343,758**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Other Post-Employment Benefits, Investment Settlement & Other	$107,234	$91,627	$15,607
Net Pension & OPEB Liabilities	7,944	7,656	288
Total Liabilities	**$115,178**	**$99,283**	**$15,895**
Deferred Inflows of Resources	$2,049	$2,106	($57)
Total Liabilities and Deferred Inflows of Resources	**$117,227**	**$101,389**	**$15,838**
TOTAL NET POSITION RESTRICTED FOR OPEB	**$20,987,264**	**$17,659,344**	**$3,327,920**

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

	CERBTF		
	2024	2023	Increase/(Decrease)
ADDITIONS			
Employer Contributions	$5,548,531	$5,220,760	$327,771
Net Investment Income (Loss)	1,937,444	944,515	992,929
Other Income	16,127	13,723	2,404
Total Additions	**$7,502,102**	**$6,178,998**	**$1,323,104**
DEDUCTIONS			
Administrative Expenses	$5,977	$4,608	$1,369
Employer Withdrawals	408,933	229,444	179,489
OPEB Reimbursements	3,759,272	3,617,896	141,376
Total Deductions	**$4,174,182**	**$3,851,948**	**$322,234**
INCREASE IN NET POSITION	**$3,327,920**	**$2,327,050**	**$1,000,870**
NET POSITION			
Beginning of Year	**$17,659,344**	**$15,332,294**	**$2,327,050**
End of Year	**$20,987,264**	**$17,659,344**	**$3,327,920**

CUSTODIAL FUNDS

REPLACEMENT BENEFIT FUND (RBF)

The RBF is a qualified excess benefit arrangement pursuant to Internal Revenue Code (IRC) section 415(m) and provides for the replacement of the portion of retirement allowance that exceeds IRC section 415(b) dollar limits. Employers are invoiced by CalPERS for amounts payable to their former employees, and CalPERS subsequently pays the replacement benefit to retirees. Participants of the RBF cover the administrative costs to maintain the fund.

The net position of the RBF increased by $0.5 million or 87.4 percent, primarily as a result of an increase in interest rates. Total assets increased $0.7 million, or 4.1 percent, due an increase in investments and higher receivables. Total liabilities increased by $0.2 million, or 1.4 percent, primarily due to an increase in unearned replacement benefits.

Additions to the fund include replacement benefits received from participating employers, investment income, and other income. Employer contributions decreased $4.3 million or 13.6 percent due to a decrease in retirees participating in the plan on average throughout the year. Other income decreased $0.2 million or 29.6 percent due to a decrease in the administrative fees from 2.5 percent in calendar year 2023 to 0.5 percent in calendar year 2024.

Deductions from the RBF include benefit payments and administrative expenses. Benefit payments decreased $4.3 million or 13.6 percent primarily due to a decrease in program participants in Fiscal Year 2023-24 compared to the prior year.

OLD AGE AND SURVIVORS' INSURANCE REVOLVING FUND (OASI)

The OASI was established to consolidate the collection and payment of employee and employer contributions for California public agencies under the provisions of the federal Social Security regulations.

The Board serves as the State Social Security Administrator (SSSA). Between 1955 and 1986, the SSSA was responsible for collecting Social Security and Medicare taxes from public employers, reconciling the submissions, and then submitting to the Internal Revenue Service. Effective January 1, 1987, with the enactment of the Omnibus Budget Reconciliation Act of 1986, the responsibility of collecting taxes moved from CalPERS to the Internal Revenue Service. Starting in 1987, the SSSA operated using the interest that was earned over time on the OASI. The OASI funds diminished as the funds were used for administration of the fund, requiring additional funding to pay for the costs of administering the SSSA program. Starting July 1, 2019, CalPERS began charging participating agencies a fee to pay for these costs. For the Fiscal Year 2023-24, this Annual Maintenance Fee was suspended due to reserve levels from prior year assessments. CalPERS will continue to analyze funding and expenses to determine the necessity of future fee assessments.

The net position of the OASI decreased by $0.8 million or 39.1 percent primarily due to a decrease in investment assets. Total assets decreased $0.8 million or 38.2 percent in Fiscal Year 2023-24 due to decreased investment values and lower receivables. Total liabilities increased in Fiscal Year 2023-24 by $31 thousand or 124 percent due to an increase in the net pension liability.

Additions to the fund include investment income and fees, which increased by $19 thousand or 34.5 percent in Fiscal Year 2023-24 primarily due to an increase in interest rates. Deductions from the OASI are primarily costs incurred to administer the fund. Administrative expenses for CalPERS personnel decreased $37 thousand or 4.0 percent.

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

Fiduciary Net Position – Custodial Funds (Dollars in Thousands)

	RBF			OASI		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	$1	$1	$0	$0	$0	$0
Receivables	393	307	86	15	43	(28)
Investments	16,912	16,322	590	1,290	2,067	(777)
Total Assets	**$17,306**	**$16,630**	**$676**	**$1,305**	**$2,110**	**($805)**
Deferred Outflows of Resources	$0	$0	$0	$259	$254	$5
Total Assets and Deferred Outflows of Resources	**$17,306**	**$16,630**	**$676**	**$1,564**	**$2,364**	**($800)**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Due to Other Funds	$74	$65	$9	$102	$106	($4)
Net Pension & OPEB Liabilities	—	—	—	(97)	(131)	34
Unearned Replacement Benefits	16,263	16,048	215	—	—	—
Other Program Liabilities	—	—	—	1	—	1
Total Liabilities	**$16,337**	**$16,113**	**$224**	**$6**	**($25)**	**$31**
Deferred Inflows of Resources	$0	$0	$0	$275	$282	($7)
Total Liabilities and Deferred Inflows of Resources	**$16,337**	**$16,113**	**$224**	**$281**	**$257**	**$24**
TOTAL NET POSITION RESTRICTED FOR REPLACEMENT BENEFITS/PROGRAM ADMINISTRATION	**$969**	**$517**	**$452**	**$1,283**	**$2,107**	**($824)**

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

	RBF			OASI		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ADDITIONS						
Replacement Benefits	$27,461	$31,783	($4,322)	$0	$0	$0
Investment Income	613	350	263	67	54	13
Other Income	428	608	(180)	7	1	6
Total Additions	**$28,502**	**$32,741**	**($4,239)**	**$74**	**$55**	**$19**
DEDUCTIONS						
Replacement Benefit Payments	$27,461	$31,783	($4,322)	$0	$0	$0
Administrative Expenses	589	589	—	898	935	(37)
Total Deductions	**$28,050**	**$32,372**	**($4,322)**	**$898**	**$935**	**($37)**
INCREASE (DECREASE) IN NET POSITION	**$452**	**$369**	**$83**	**($824)**	**($880)**	**$56**
NET POSITION						
Beginning of Year	**$517**	**$148**	**$369**	**$2,107**	**$2,987**	**($880)**
End of Year	**$969**	**$517**	**$452**	**$1,283**	**$2,107**	**($824)**

ENTERPRISE FUNDS

PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF accounts for the activities of the CalPERS self-funded health plans (PERS Platinum and PERS Gold), and flex-funded health plans (Anthem Blue Cross, Blue Shield of California, Health Net, Sharp, UnitedHealthcare, and Western Health Advantage).

The net position of the HCF was negative $134.9 million as of June 30, 2024, an increase of $27.4 million or 16.9 percent from the net position of negative $162.2 million at June 30, 2023.

Total assets increased by $35.1 million or 3.6 percent primarily due to an increase in cash and cash equivalents partially offset by a decrease in investments. Cash and cash equivalents increased by $152.4 million or 78.5 percent primarily due to sales of investments and an increase in interest income. Investments decreased by $131.7 million or 64.2 percent primarily due to withdrawal of investment assets for business operations. Total liabilities increased by $8.5 million or 0.7 percent primarily due to an increase in claims payable.

Revenues include premiums collected from members and employers, federal subsidies, and investment income (non-operating revenue). Total revenue decreased slightly by $2.2 million primarily due to a decrease in premiums collected offset by an increase in investment income and federal government subsidies. Premiums collected decreased by $22.4 million or 0.5 percent. Investment income increased $14.6 million or 220.6 percent primarily due to favorable market conditions and an increase in interest income as a result of a higher short-term interest rate.

Expenses are comprised of claims, investment fees, and costs incurred to oversee the plans. Claim expenses decreased by $115.5 million, or 2.7 percent primarily because Blue Shield transitioned from a flex-funded plan to a fully insured plan effective January 1, 2024. Administrative expenses decreased by $14.6 million or 4.6 percent primarily due to a decrease in third-party administrative fees.

PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established to fund administrative costs related to the CalPERS health care programs and to provide a contingency reserve for potential increases in future health care premium rates and health care benefit costs.

The net position of the CRF was negative $12.6 million as of June 30, 2024, an increase of $27.7 million or 68.6 percent from the net position of negative $40.3 million at June 30, 2023.

Cash and cash equivalents increased by $154.0 million or 21.4 percent primarily due to timing. Total receivables increased by $5.2 million or 17.8 percent primarily due to an increase in interest receivables. Total liabilities increased by $131.9 million or 16.6 percent primarily due to the timing of health premiums that need to be transferred to health carriers at the end of Fiscal Year 2023-24.

Revenues include administrative fees collected and investment income. Administrative fees are determined as a percentage of total active and retired health premiums. These fees increased by $2.1 million or 5.7 percent primarily due to an increase in total health premiums. Investment income increased by $12.2 million or 124.1 percent due to higher short-term interest rates in Fiscal Year 2023-24.

Expenses are comprised of costs incurred to administer the CRF. Administrative expenses increased by $2.7 million or 8.9 percent primarily due to an increase in OPEB expenses.

PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF provides financial protection to participants from the high cost of eligible covered services caused by chronic illness, injury, or old age. Long-term care products reimburse the cost for covered personal care services (activities of daily living) such as bathing, dressing, toileting, transferring, continence, and eating, which are not typically covered by traditional health insurance or Medicare.

Long-term care participation is voluntary, and benefits are funded by participant-paid premiums and the LTCF investment income. The LTCF is continuously appropriated under the exclusive control of the Board for the exclusive benefit of participants in the program. illumifin is the third-party administrator (TPA) for the CalPERS Long-Term Care Program. CalPERS has suspended open enrollment in the Long-Term Care Program due to uncertainty in the long-term care market. Effective June 17, 2020, and until further notice, the CalPERS Long-Term Care Program will not accept new applications for coverage.

Unrestricted net position of the LTCF increased by $108.3 million from beginning net position of negative $684.2 million to negative $575.9 million, primarily due to an increase in return on investments in Fiscal Year 2023-24. Total assets decreased by $338.7 million or 7.0 percent primarily due to lower investment values in Fiscal Year 2023-24. Investments decreased by $584.1 million or 12.1 percent due to investments being sold to pay the settlement liability, partially offset by more favorable investment returns. Total liabilities decreased by $446.9 million or 8.1 percent primarily due to an decrease in the settlement liability.

The LTCF revenues include premiums collected from participants and investment income. Non-operating revenues are comprised of net appreciation or depreciation in fair value of investments and interest, dividend, and other investment income. The investment income for Fiscal Year 2023-24 increased by $404.3 million or 1,562.1 percent from the prior year due to favorable market conditions.

Total expenses are comprised of claims, changes in estimated liabilities for future policy benefits, change in the estimated settlement liability, administrative costs to the program, and investment expenses. In Fiscal Year 2023-24, total expenses decreased by $29.8 million or 5.0 percent. Administrative expenses decreased by $0.7 million or 2.6 percent primarily due to a decrease in third-party administrator fees, partially offset by an increase in State OPEB expense. The estimated liabilities for future policy benefits increased by $175.3 million due to the accumulation of premium and expected interest, and assumption adjustments made in the 2023 valuation. Estimated settlement liability decreased by $743.2 million for payments made in Fiscal Year 2023-24.

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

Net Position – Enterprise Funds (Dollars in Thousands)

	HCF			CRF			LTCF		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Cash & Cash Equivalents & Short-Term Investments	$346,604	$194,218	$152,386	$874,357	$720,365	$153,992	$176,654	$12,667	$163,987
Receivables	585,362	570,932	14,430	34,045	28,895	5,150	82,082	707	81,375
Investments	73,391	205,067	(131,676)	—	—	—	4,261,218	4,845,303	(584,085)
Total Assets	**$1,005,357**	**$970,217**	**$35,140**	**$908,402**	**$749,260**	**$159,142**	**$4,519,954**	**$4,858,677**	**($338,723)**
Deferred Outflows of Resources	$23,504	$23,198	$306	$15,908	$15,712	$196	$3,246	$3,189	$57
Total Assets and Deferred Outflows of Resources	**$1,028,861**	**$993,415**	**$35,446**	**$924,310**	**$764,972**	**$159,338**	**$4,523,200**	**$4,861,866**	**($338,666)**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES									
Claims Payable, Unearned Premiums, Estimated Insurance Claims Due & Due to Carriers	$1,001,664	$986,417	$15,247	$598,761	$498,723	$100,038	$39,673	$52,638	($12,965)
Due to Employers	—	—	—	434	336	98	—	—	—
Other Liabilities	45,547	54,253	(8,706)	258,760	228,214	30,546	141,196	7,636	133,560
Estimated Settlement Liability	—	—	—	—	—	—	20,925	764,100	(743,175)
Estimated Liability for Future Policy Benefits	—	—	—	—	—	—	4,885,637	4,710,298	175,339
Net Pension & OPEB Liabilities	100,344	98,431	1,913	67,520	66,293	1,227	9,611	9,255	356
Total Liabilities	**$1,147,555**	**$1,139,101**	**$8,454**	**$925,475**	**$793,566**	**$131,909**	**$5,097,042**	**$5,543,927**	**($446,885)**
Deferred Inflows of Resources	$16,166	$16,543	($377)	$11,474	$11,716	($242)	$2,053	$2,123	($70)
Total Liabilities and Deferred Inflows of Resources	**$1,163,721**	**$1,155,644**	**$8,077**	**$936,949**	**$805,282**	**$131,667**	**$5,099,095**	**$5,546,050**	**($446,955)**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)	**($134,860)**	**($162,229)**	**$27,369**	**($12,639)**	**($40,310)**	**$27,671**	**($575,895)**	**($684,184)**	**$108,289**

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

	HCF			CRF			LTCF		
	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)	2024	2023	Increase/ (Decrease)
REVENUES									
Premiums	$4,492,802	$4,515,217	($22,415)	$0	$0	$0	$298,843	$339,755	($40,912)
Federal Government Subsidies	9,637	3,981	5,656	—	—	—	—	—	—
Non-Operating Revenues (Losses)	21,234	6,623	14,611	22,105	9,864	12,241	378,454	(25,885)	404,339
Administrative Fees & Other	—	37	(37)	38,391	36,334	2,057	—	69	(69)
Total Revenues	**$4,523,673**	**$4,525,858**	**($2,185)**	**$60,496**	**$46,198**	**$14,298**	**$677,297**	**$313,939**	**$363,358**
EXPENSES									
Claims Expense	$4,204,160	$4,319,658	($115,498)	$0	$0	$0	$361,097	$346,573	$14,524
Increase (Decrease) in Estimated Liabilities	(9,223)	(36,576)	27,353	—	—	—	175,339	(540,123)	715,462
Federal Government Subsidy Recapture	—	13,745	(13,745)	—	—	—	—	—	—
Increase (Decrease) in Estimated Settlement Liability	—	—	—	—	—	—	—	764,100	(764,100)
Non-Operating Expenses	120	98	22	—	—	—	7,739	2,805	4,934
Administrative Expenses	301,247	315,863	(14,616)	32,825	30,129	2,696	24,833	25,502	(669)
Total Expenses	**$4,496,304**	**$4,612,788**	**($116,484)**	**$32,825**	**$30,129**	**$2,696**	**$569,008**	**$598,857**	**($29,849)**
INCREASE (DECREASE) IN UNRESTRICTED NET POSITION	**$27,369**	**($86,930)**	**$114,299**	**$27,671**	**$16,069**	**$11,602**	**$108,289**	**($284,918)**	**$393,207**
UNRESTRICTED NET POSITION (DEFICIT)									
Beginning of Year	**($162,229)**	**($75,299)**	**($86,930)**	**($40,310)**	**($56,379)**	**$16,069**	**($684,184)**	**($399,266)**	**($284,918)**
End of Year	**($134,860)**	**($162,229)**	**$27,369**	**($12,639)**	**($40,310)**	**$27,671**	**($575,895)**	**($684,184)**	**$108,289**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CalPERS finances. Address questions concerning any of the information provided in this report or requests for additional financial information to the CalPERS Financial Office, P.O. Box 942703, Sacramento, CA, 94229-2703, or call 888 CalPERS (or 888-225-7377).

Basic Financial Statements

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

As of June 30, 2024, with Comparative Totals as of June 30, 2023 (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	**$964,946**	**$243,423**	**$112,539**	**$1,201**	**$3,351**	**$1,395**
Receivables						
Members	$296,991	$79,811	$27,398	$31	$995	$1,580
Employers	1,028,553	671,775	78,754	—	189	9,776
Investment Sales & Other	22,728,816	5,733,699	2,650,792	1	—	7
Interest & Dividends	1,380,939	348,364	161,055	3	418	116
Due from Other Funds	14,004	3,533	1,633	—	—	—
Other Program	74,416	18,772	8,679	—	—	—
Total Receivables	**$25,523,719**	**$6,855,954**	**$2,928,311**	**$35**	**$1,602**	**$11,479**
Investments, at Fair Value						
Short-Term Investments	$14,919,767	$3,747,277	$1,741,261	$837	$54,089	$3,998
Public Equity	149,568,877	37,566,008	17,455,934	32,465	—	1,947,765
Fixed Income	121,634,682	30,550,002	14,195,781	60,058	—	675,806
Real Assets	48,058,390	12,070,438	5,608,814	—	—	—
Private Equity/Debt	68,935,186	17,313,895	8,045,311	—	—	—
Total Investments	**$403,116,902**	**$101,247,620**	**$47,047,101**	**$93,360**	**$54,089**	**$2,627,569**
Securities Lending Collateral	$6,504,497	$1,640,861	$758,600	$0	$0	$0
Capital Assets, Net & Other Assets	149,481	37,709	17,433	—	—	—
TOTAL ASSETS	**$436,259,545**	**$110,025,567**	**$50,863,984**	**$94,596**	**$59,042**	**$2,640,443**
Deferred Outflows of Resources	$161,856	$40,831	$18,877	$319	$1,017	$1,205
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$436,421,401**	**$110,066,398**	**$50,882,861**	**$94,915**	**$60,059**	**$2,641,648**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Retirement & Other Benefits	$2,056,006	$494,142	$225,862	$641	$0	$0
Investment Purchases & Other	47,813,566	12,061,720	5,576,350	—	—	—
Due to Members & Employers	11,179	—	—	18	69	9
Net Pension & OPEB Liabilities	700,976	176,832	81,753	1,493	4,076	5,143
Securities Lending Obligations	15,502,331	3,910,706	1,807,989	—	—	—
Due to Other Funds	1	—	—	107	264	429
Management & Third-Party Administrator Fees	53	13	6	7	—	182
Unearned Replacement Benefits	—	—	—	—	—	—
Other Program	129,551	32,101	14,777	—	3,327	1,413
TOTAL LIABILITIES	**$66,213,663**	**$16,675,514**	**$7,706,737**	**$2,266**	**$7,736**	**$7,176**
Deferred Inflows of Resources	$110,878	$27,971	$12,931	$174	$689	$822
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$66,324,541**	**$16,703,485**	**$7,719,668**	**$2,440**	**$8,425**	**$7,998**
NET POSITION – RESTRICTED FOR PENSION, OTHER POST-EMPLOYMENT, REPLACEMENT BENEFITS, AND PROGRAM ADMINISTRATION	**$370,096,860**	**$93,362,913**	**$43,163,193**	**$92,475**	**$51,634**	**$2,633,650**

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]	2024	2023
$1	**$0**	**$0**	**$0**	**$1**	**$1,326,857**	**$2,112,066**
$6,104	$537	$0	$0	$40	$413,487	$471,315
—	—	—	119,358	136	1,908,541	1,532,686
—	—	—	—	—	31,113,315	14,182,119
49	28	10	431	232	1,891,645	1,479,661
—	—	—	—	—	19,170	14,882
15,837	—	—	—	—	117,704	108,847
$21,990	**$565**	**$10**	**$119,789**	**$408**	**$35,463,862**	**$17,789,510**
$203,582	$15,956	$1,664	$66,046	$18,202	$20,772,679	$1,803,894
1,858,428	63,631	122,033	14,501,366	—	223,116,507	216,611,558
441,664	41,177	139,606	6,414,877	—	174,153,653	130,196,018
—	—	—	—	—	65,737,642	68,759,263
—	—	—	—	—	94,294,392	71,065,455
$2,503,674	**$120,764**	**$263,303**	**$20,982,289**	**$18,202**	**$578,074,873**	**$488,436,188**
$0	$0	$0	$0	$0	$8,903,958	$6,735,918
—	—	—	—	—	204,623	216,058
$2,525,665	**$121,329**	**$263,313**	**$21,102,078**	**$18,611**	**$623,974,173**	**$515,289,740**
$985	$77	$38	$2,413	$259	$227,877	$224,916
$2,526,650	**$121,406**	**$263,351**	**$21,104,491**	**$18,870**	**$624,202,050**	**$515,514,656**
$0	$0	$60	$104,235	$0	$2,880,946	$176,912
—	—	—	—	—	65,451,636	13,215,493
109	540	—	—	—	11,924	12,644
4,166	380	36	7,944	(97)	982,702	964,188
—	—	—	—	—	21,221,026	13,357,902
688	94	32	1,538	176	3,329	2,478
946	44	17	1,461	—	2,729	4,039
—	—	—	—	16,263	16,263	16,048
—	—	—	—	1	181,170	447,372
$5,909	**$1,058**	**$145**	**$115,178**	**$16,343**	**$90,751,725**	**$28,197,076**
$632	$39	$74	$2,049	$275	$156,534	$160,185
$6,541	**$1,097**	**$219**	**$117,227**	**$16,618**	**$90,908,259**	**$28,357,261**
$2,520,109	**$120,309**	**$263,132**	**$20,987,264**	**$2,252**	**$533,293,791**	**$487,157,395**

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 111.

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, 2024, with Comparative Totals for the Fiscal Year Ended June 30, 2023 (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	$4,329,514	$1,534,166	$525,572	$0	$1,481	$42,936
Employers	17,884,869	5,368,856	1,614,768	—	2,391	96,310
Nonemployer Contribution	—	—	4,306	—	—	—
Replacement Benefits	—	—	—	—	—	—
State of California General Fund	—	—	—	—	210,141	6
Employer Contributions Direct – OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust – OPEB	—	—	—	—	—	—
Total Retirement and OPEB Contribution	**$22,214,383**	**$6,903,022**	**$2,144,646**	**$0**	**$214,013**	**$139,252**
Investment Income						
Net Appreciation in Fair Value of Investments	$28,019,510	$7,064,539	$3,266,477	$5,030	$0	$268,015
Interest & Amortization	1,991,967	502,505	232,317	9	3,428	369
Dividends	3,499,669	882,846	408,156	—	—	3
Other Investment Income/(Loss)	18,813	4,746	2,194	10	—	222
Less Investment Costs:						
Management & Performance Fees	(799,986)	(201,809)	(93,300)	(28)	—	(729)
Other	(402,421)	(101,517)	(46,933)	(117)	(12)	(464)
Net Investment Income	**$32,327,552**	**$8,151,310**	**$3,768,911**	**$4,904**	**$3,416**	**$267,416**
Securities Lending Income	$614,304	$154,968	$71,643	$0	$0	$0
Securities Lending Expense	(554,404)	(139,857)	(64,658)	—	—	—
Net Securities Lending	**$59,900**	**$15,111**	**$6,985**	**$0**	**$0**	**$0**
Other Income	$10,353	$2,500	$1,143	$1	$2,831	$5
Plan-to-Plan Resource Movement	—	—	4,167	—	—	—
TOTAL ADDITIONS	**$54,612,188**	**$15,071,943**	**$5,925,852**	**$4,905**	**$220,260**	**$406,673**
DEDUCTIONS						
Retirement, Death & Survivor Benefits	$24,315,216	$5,833,884	$2,666,545	$7,436	$212,542	$98,912
Replacement Benefit Payments	—	—	—	—	—	—
Refund of Contributions	215,907	120,028	30,488	—	—	256
Administrative Expenses	276,902	69,779	32,260	663	2,411	2,637
Plan-to-Plan Resource Movement	4,167	—	—	—	—	—
Participant & Employer Withdrawals	—	—	—	—	—	—
OPEB Reimbursements Direct	—	—	—	—	—	—
OPEB Reimbursements – Outside Trust	—	—	—	—	—	—
TOTAL DEDUCTIONS	**$24,812,192**	**$6,023,691**	**$2,729,293**	**$8,099**	**$214,953**	**$101,805**
INCREASE (DECREASE) IN NET POSITION	**$29,799,996**	**$9,048,252**	**$3,196,559**	**($3,194)**	**$5,307**	**$304,868**
NET POSITION						
Beginning of Year	**$340,296,864**	**$84,314,661**	**$39,966,634**	**$95,669**	**$46,327**	**$2,328,782**
End of year	**$370,096,860**	**$93,362,913**	**$43,163,193**	**$92,475**	**$51,634**	**$2,633,650**

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]	2024	2023
$161,022	$190	$0	$0	$0	$6,594,881	$5,854,568
—	—	107,701	—	—	25,074,895	24,371,345
—	—	—	—	—	4,306	—
—	—	—	—	27,461	27,461	31,783
—	—	—	—	—	210,147	206,413
—	—	—	1,986,332	—	1,986,332	1,776,322
—	—	—	3,562,199	—	3,562,199	3,444,438
$161,022	**$190**	**$107,701**	**$5,548,531**	**$27,461**	**$37,460,221**	**$35,684,869**
$318,268	$11,746	$16,630	$1,940,405	$0	$40,910,620	$22,110,577
8,139	449	62	2,366	680	2,742,291	2,628,889
—	—	—	—	—	4,790,674	4,978,912
9	1	24	3,061	—	29,080	(10,453)
(343)	(18)	(49)	(5,762)	—	(1,102,024)	(892,909)
(463)	(116)	(70)	(2,626)	—	(554,739)	(463,261)
$325,610	**$12,062**	**$16,597**	**$1,937,444**	**$680**	**$46,815,902**	**$28,351,755**
$0	$0	$0	$0	$0	$840,915	$567,864
—	—	—	—	—	(758,919)	(473,702)
$0	**$0**	**$0**	**$0**	**$0**	**$81,996**	**$94,162**
$5,614	$78	$460	$16,127	$435	$39,547	$32,865
—	—	—	—	—	4,167	137,356
$492,246	**$12,330**	**$124,758**	**$7,502,102**	**$28,576**	**$84,401,833**	**$64,301,007**
$0	$0	$0	$0	$0	$33,134,535	$31,391,175
—	—	—	—	27,461	27,461	31,783
—	—	—	—	—	366,679	391,408
5,281	328	114	5,977	1,487	397,839	338,931
—	—	—	—	—	4,167	137,356
158,877	6,039	1,635	408,933	—	575,484	340,922
—	—	—	197,073	—	197,073	173,458
—	—	—	3,562,199	—	3,562,199	3,444,438
$164,158	**$6,367**	**$1,749**	**$4,174,182**	**$28,948**	**$38,265,437**	**$36,249,471**
$328,088	**$5,963**	**$123,009**	**$3,327,920**	**($372)**	**$46,136,396**	**$28,051,536**
$2,192,021	**$114,346**	**$140,123**	**$17,659,344**	**$2,624**	**$487,157,395**	**$459,105,859**
$2,520,109	**$120,309**	**$263,132**	**$20,987,264**	**$2,252**	**$533,293,791**	**$487,157,395**

(1) For a breakout of the Custodial Funds (RBF and OASI), please see the Other Supplementary Information beginning on page 111.

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

As of June 30, 2024, with Comparative Totals as of June 30, 2023 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	CRF	LTCF	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current Assets					
Cash & Cash Equivalents	$0	$0	$16,229	$16,229	$12,555
Short-Term Investments	346,604	874,357	160,425	1,381,386	914,695
Receivables					
Members & Employers	$0	$24,053	$597	$24,650	$22,602
Health Carriers & Pharmacy Benefit Managers	411,425	463	—	411,888	385,995
Interest & Dividends	3,269	9,209	35,639	48,117	6,552
Due from Other Funds	170,657	318	—	170,975	185,374
Investment Sales and Other	—	—	45,846	45,846	—
Other Receivables	11	2	—	13	11
Total Receivables	**$585,362**	**$34,045**	**$82,082**	**$701,489**	**$600,534**
Subtotal Current Assets	**$931,966**	**$908,402**	**$258,736**	**$2,099,104**	**$1,527,784**
Noncurrent Assets					
Investments, at Fair Value					
Public Equity	$0	$0	$1,785,030	$1,785,030	$1,674,273
Fixed Income	73,391	—	2,476,188	2,549,579	3,376,097
Total Investments	**$73,391**	**$0**	**$4,261,218**	**$4,334,609**	**$5,050,370**
Subtotal Noncurrent Assets	**$73,391**	**$0**	**$4,261,218**	**$4,334,609**	**$5,050,370**
TOTAL ASSETS	**$1,005,357**	**$908,402**	**$4,519,954**	**$6,433,713**	**$6,578,154**
Deferred Outflows of Resources	$23,504	$15,908	$3,246	$42,658	$42,099
Total Assets and Deferred Outflows of Resources	**$1,028,861**	**$924,310**	**$4,523,200**	**$6,476,371**	**$6,620,253**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current Liabilities					
Claims Payable	$272,484	$0	$27,441	$299,925	$261,588
Unearned Premiums	156,299	—	12,232	168,531	195,363
Due to Employers	—	434	—	434	336
Estimated Insurance Claims Due	572,881	—	—	572,881	582,104
Estimated Liability for Future Policy Benefits Short-Term	—	—	108,692	108,692	14,555
Due to Carriers	—	598,761	—	598,761	498,723
Due to Other Funds	8,967	174,763	3,086	186,816	197,779
Investment Purchases & Other	—	—	130,279	130,279	7
Estimated Settlement Liability	—	—	20,925	20,925	764,100
Management & Third-Party Administrator Fees	36,580	—	3,367	39,947	50,255
Other	—	83,997	4,464	88,461	42,062
Total Current Liabilities	**$1,047,211**	**$857,955**	**$310,486**	**$2,215,652**	**$2,606,872**
Long-Term Liabilities					
Estimated Liability for Future Policy Benefits	$0	$0	$4,776,945	$4,776,945	$4,695,743
Net Pension & OPEB Liabilities	100,344	67,520	9,611	177,475	173,979
Total Long-Term Liabilities	**$100,344**	**$67,520**	**$4,786,556**	**$4,954,420**	**$4,869,722**
TOTAL LIABILITIES	**$1,147,555**	**$925,475**	**$5,097,042**	**$7,170,072**	**$7,476,594**
Deferred Inflows of Resources	$16,166	$11,474	$2,053	$29,693	$30,382
Total Liabilities and Deferred Inflows of Resources	**$1,163,721**	**$936,949**	**$5,099,095**	**$7,199,765**	**$7,506,976**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)	**($134,860)**	**($12,639)**	**($575,895)**	**($723,394)**	**($886,723)**

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

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

For the Fiscal Year Ended June 30, 2024, with Comparative Totals for the Fiscal Year Ended June 30, 2023 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	**CRF**	**LTCF**	**2024**	**2023**
Operating Revenues					
Premiums	$4,492,802	$0	$298,843	$4,791,645	$4,854,972
Federal Government Subsidies	9,637	—	—	9,637	3,981
Administrative Fees Earned	—	38,292	—	38,292	36,214
Other	—	99	—	99	226
Total Operating Revenues	**$4,502,439**	**$38,391**	**$298,843**	**$4,839,673**	**$4,895,393**
Operating Expenses					
Claims Expense	$4,204,160	$0	$361,097	$4,565,257	$4,666,231
Increase (Decrease) in Estimated Liabilities	(9,223)	—	175,339	166,116	(576,699)
Federal Government Subsidy Recapture	—	—	—	—	13,745
Increase (Decrease) in Estimated Settlement Liability	—	—	—	—	764,100
Administrative Expenses	301,247	32,825	24,833	358,905	371,494
Total Operating Expenses	**$4,496,184**	**$32,825**	**$561,269**	**$5,090,278**	**$5,238,871**
OPERATING INCOME (LOSS)	**$6,255**	**$5,566**	**($262,426)**	**($250,605)**	**($343,478)**
Non-Operating Revenues					
Net Appreciation/(Depreciation) in Fair Value of Investments	$3,358	$0	$175,149	$178,507	($29,726)
Interest, Dividends & Other Investment Income	17,876	22,105	203,305	243,286	20,328
Total Non-Operating Revenues/Losses	**$21,234**	**$22,105**	**$378,454**	**$421,793**	**($9,398)**
Non-Operating Expenses					
Management Fees	$25	$0	$3,720	$3,745	$1,436
Other Investment Expenses	95	—	4,019	4,114	1,467
Total Non-Operating Expenses	**$120**	**$0**	**$7,739**	**$7,859**	**$2,903**
NON-OPERATING INCOME (LOSS)	**$21,114**	**$22,105**	**$370,715**	**$413,934**	**($12,301)**
CHANGE IN UNRESTRICTED NET POSITION	**$27,369**	**$27,671**	**$108,289**	**$163,329**	**($355,779)**
TOTAL UNRESTRICTED NET POSITION (DEFICIT)					
Beginning of Year	**($162,229)**	**($40,310)**	**($684,184)**	**($886,723)**	**($530,944)**
End of Year	**($134,860)**	**($12,639)**	**($575,895)**	**($723,394)**	**($886,723)**

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

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2024, with Comparative Totals for the Fiscal Year Ended June 30, 2023 (Dollars in Thousands)

	Proprietary Funds			Totals	
	HCF	CRF	LTCF	2024	2023
Cash Flows From Operating Activities					
Premiums Collected	$4,467,015	$0	$285,702	$4,752,717	$5,001,444
Federal Government Subsidies	9,637	—	—	9,637	3,981
Federal Government Subsidy Recapture	—	—	—	—	(13,745)
Administrative Fees Collected	—	38,391	—	38,391	36,334
Claims Paid	(4,166,107)	—	(360,812)	(4,526,919)	(4,672,049)
Administrative Expenses Paid	(309,023)	(31,514)	(24,043)	(364,580)	(418,279)
Settlement Paid	—	—	(743,175)	(743,175)	—
Other (Payments) Receipts, Net	—	129,023	1,664	130,687	(46,507)
Net Cash Provided by (Used for) Operating Activities	**$1,522**	**$135,900**	**($840,664)**	**($703,242)**	**($108,821)**
Cash Flows From Investing Activities					
Net Sales of Investments	$135,034	$0	$843,667	$978,701	$134,145
Net Change in Short-Term Investments	(152,386)	(153,992)	(160,313)	(466,691)	(41,584)
Interest & Dividends Received	15,962	18,092	167,316	201,370	14,884
Other Investment (Payments) Receipts, Net	(132)	—	(6,332)	(6,464)	(2,158)
Net Cash Provided by (Used for) Investing Activities	**($1,522)**	**($135,900)**	**$844,338**	**$706,916**	**$105,287**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**$0**	**$0**	**$3,674**	**$3,674**	**($3,534)**
Cash & Cash Equivalents, Beginning of Year	**$0**	**$0**	**$12,555**	**$12,555**	**$16,089**
Cash & Cash Equivalents, End of Year	**$0**	**$0**	**$16,229**	**$16,229**	**$12,555**
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	$6,255	$5,566	($262,426)	($250,605)	($343,479)
Changes in Assets and Liabilities:					
Receivables:					
Members & Employers	—	(2,157)	109	(2,048)	(780)
Health Carriers & Pharmacy Benefit Managers	(27,228)	1,335	—	(25,893)	16,739
Due from Other Funds	14,712	(313)	—	14,399	116,808
Other	—	(2)	—	(2)	—
Claims Payable	38,053	—	284	38,337	(6,718)
Unearned Premiums	(13,583)	—	(13,249)	(26,832)	34,780
Due to Employers	—	98	—	98	98
Estimated Insurance Claims Due	(9,223)	—	—	(9,223)	(36,576)
Net Pension & OPEB Liabilities	1,230	789	229	2,248	(5,363)
Estimated Liability for Future Policy Benefits Short-Term	—	—	94,137	94,137	14,555
Estimated Liability for Future Policy Benefits Long-Term	—	—	81,202	81,202	(554,678)
Estimated Settlement Liability	—	—	(743,175)	(743,175)	764,100
Due to Carriers	—	100,038	—	100,038	23,315
Due to Other Funds	2,764	(14,189)	462	(10,963)	(115,305)
Management & Third-Party Administrator Fees	(11,458)	—	99	(11,359)	(42,925)
Other	—	44,735	1,664	46,399	26,608
Net Cash Provided by (Used for) Operating Activities	**$1,522**	**$135,900**	**($840,664)**	**($703,242)**	**($108,821)**
Noncash Investing Activities					
Noncash Increase/(Decrease) in Fair Value of Investments	**($16,054)**	**$0**	**($156,002)**	**($172,056)**	**($58,714)**

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

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 by legislation in 1931 for the purpose of providing a secure retirement to employees of the State of California. In 1939, new legislation allowed public agency and classified school employees to join CalPERS for retirement benefits. CalPERS began administering health benefits for state employees in 1962, and five years later offered health benefits to public agencies on a contract basis.

CalPERS is governed by the Board of Administration (the Board), which consists of 13 members: two elected by all active and retired members, one elected by active state members, one elected by active CalPERS school members, one elected by active CalPERS public agency members, one elected by retired members of CalPERS, two appointed by the governor, one public representative appointed jointly by the Senate Rules Committee and the Speaker of the Assembly, and four ex officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personnel Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investment of the System.

CalPERS acts as the common investment and administrative agency for the following plans:

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

DEFINED BENEFIT PENSION PLANS

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

Public Employees' Retirement Fund (PERF) – The PERF was established by Chapter 700 of the 1931 Statutes and provides retirement, death, and disability benefits to members of participating employers, which include the State of California, non-teaching, non-certified employees in schools, and various other public agencies. The benefit provisions for the state and school employees are established by statute. The benefit options for the public agencies are established by statute and voluntarily selected by contract with the System in accordance with the provisions of the Public Employees' Retirement Law.

For financial reporting purposes only, the PERF is comprised of and reported as three separate entities. PERF A is an agent multiple-employer plan, which includes the State of California and most public agencies' rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies with generally fewer than 100 active members. Under applicable law, the Board may terminate or a public agency may terminate that agency's plan under either PERF A or PERF C. The terminated agency is liable to the System for all costs to fund all benefits under the agency's contract. An unpaid deficit in funding will result in a commensurate reduction in benefits provided under that agency's contract.

As of June 30, 2024, the PERF had the following participating employers:

Employers for PERF

PERF Employers	2024
PERF A	
State	1
Public Agencies[1]	307
Total	**308**
PERF B	
School Districts and Charter Schools	1,336
PERF C	
Public Agencies[1]	1,293
Total Employers	**2,937**

(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 by Chapter 879 of the 1947 Statutes and provides retirement, death, and disability benefits to state legislators, constitutional officers, and legislative statutory officers. The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. In November 1990, Article IV, Section 4.5 was added to the State Constitution, pursuant to the adoption of Proposition 140. This section effectively prohibited future legislators from earning state retirement benefits for service in the Legislature on or after November 7, 1990, though it recognized vested pension benefits that had accrued before that date. There are no active members in the fund. The Public Employees' Pension Reform Act of 2013 (PEPRA) closed the Legislators' Retirement System to new participants effective January 1, 2013.

Judges' Retirement Fund (JRF) – The JRF was established by Chapter 206 of the 1953 Statutes and provides retirement, death, and disability benefits to judges working in the California Supreme Court, the Courts of Appeal, and the Superior Courts, who were appointed or elected before November 9, 1994. Benefits for the JRF are established in accordance with the provisions of the Judges' Retirement Law.

The JRF is funded on a pay-as-you-go basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in Fiscal Year 2024-25.

Judges' Retirement Fund II (JRF II) – The JRF II was established by Chapter 879 of the 1994 Statutes and provides retirement, death, and disability benefits to judges working in the California Supreme Court, the Courts of Appeal, and the Superior Courts, who were appointed or elected on or after November 9, 1994. Benefits for the JRF II are established in accordance with the provisions of the Judges' Retirement System II Law.

Plan Membership

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. The underlying data included in the following table reflects current categorizations of members and beneficiaries in the defined benefit pension plans.

As of June 30, 2024, membership in the defined benefit pension plans consisted of the following:

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	432,441	67,688	519,958	253,199	1,273,286
PERF B Schools Cost-Sharing	222,902	31,392	383,126	265,279	902,699
PERF C Public Agency Cost-Sharing	44,283	6,065	54,886	32,697	137,931
Total PERF	**699,626**	**105,145**	**957,970**	**551,175**	**2,313,916**
LRF	85	103	—	1	189
JRF	1,073	628	66	—	1,767
JRF II	566	82	1,681	20	2,349
Total	**701,350**	**105,958**	**959,717**	**551,196**	**2,318,221**

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

Plan Benefits

The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become vested in their retirement benefits earned to date, to the extent funded, after five years (10 years for state Second Tier members) of credited service. All non-state Second Tier members are eligible to receive cost-of-living adjustments (COLA) up to a maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

Notes to the Basic Financial Statements (continued)

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members, employers, non-employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Member and employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Non-employer contributions are not expected each year, but when provided they are accrued for.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

PEPRA, which took effect in January 2013, changed the way CalPERS retirement benefits are applied, and places compensation limits on members, with the most impact felt by new CalPERS members. Under PEPRA, new members include:

(1) Members first joining on or after January 1, 2013, with no prior membership in another California public retirement system.

(2) Members first joining before January 1, 2013, who are hired by a different CalPERS employer after January 1, 2013, and have a break in service greater than six months.

(3) Members first joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system.

All members that do not fall into the definitions above will generally be considered classic members.

Required contribution rates for active plan members and employers as a percentage of payroll for the fiscal year ended June 30, 2024, were as follows:

Required Contribution Rates

	Employee Contribution Rates		Employer - Required Contribution Rates
	Classic	PEPRA	
PERF A – Agent			
State:			
Miscellaneous – First Tier	5% - 11%	6% - 11%	32%
Miscellaneous – Second Tier	3.75%	3.75%	32%
Industrial – First Tier	5% - 11%	6% - 11%	21%
Industrial – Second Tier	3.75%	3.75%	21%
Safety	6% - 11.50%	11% - 11.50%	22.75%
Peace Officers and Firefighters	8% - 14%	13% - 14%	50%
California Highway Patrol	13.50%	13.50%	71.78%
Public Agency:			
Miscellaneous	5% - 8%	6.25% - 9%	varies[1]
Safety	7% - 9%	10.50% - 16.50%	varies[1]
PERF B – Schools Cost-Sharing			
Classified School	7%	8%	26.68%
PERF C – Public Agency Cost-Sharing			
Public Agency:			
Miscellaneous	2% - 7.96%	4.50% - 8.5%	varies[1]
Safety	6.98% - 15%	11% - 17%	varies[1]
LRF	N/A	N/A	— %
JRF	8%	N/A	8%[2]
JRF II	8%	16%	23.58 %

(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 2023-24, an additional State contribution of $204,705,398 was required to satisfy the pay-as-you-go cost.

DEFINED CONTRIBUTION PLANS

CalPERS currently administers a defined contribution plan and a deferred compensation plan for certain members. The following is a further description of each of these funds:

Public Employees' Deferred Compensation Fund (DCF) – The DCF was established by Chapter 1659 of the 1990 Statutes, granting the maximum tax-preferred retirement saving opportunities. The DCF is available to public agencies and school districts in the State of California on a voluntary basis. Participant contributions are made on a before-tax or after-tax basis (depending on agency adoption) and are made voluntarily. Participants may contribute up to the limit established under Internal Revenue Code (IRC) section 457(b), and may access their funds upon retirement, separation from employment, or other distributable events as allowed under the IRC.

Supplemental Contributions Program Fund (SCPF) – The SCPF was established by Chapter 307 of the 1999 Statutes. The SCPF is qualified under section 401(a) of Title 26 of the United States Code. The SCPF is currently available 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, and participation is voluntary. Participant contributions are made on an after-tax basis and are made voluntarily in addition to defined benefit contributions. Participants may contribute to a deferred compensation plan in conjunction with the SCPF, subject to IRC section 415(c) limits. Distributions are allowed only at retirement or permanent separation from employment.

As of June 30, 2024, membership in the defined contribution plans consisted of the following:

Members in DCF and SCPF

Plan	Employers	Members
DCF	846	35,446
SCPF	1	5,892

PENSION PREFUNDING PLAN

The California Employers' Pension Prefunding Trust Fund (CEPPTF) – The CEPPTF was established by Chapter 665 of the 2018 Statutes, and employers elect to participate in the CEPPTF to prefund pension contributions to their defined benefit pension plans. Currently, the CEPPTF has 96 participating employers. Of the 96 participating employers, 75 employers have contributed assets in the CEPPTF as of June 30, 2024. The CEPPTF is more fully described in Note 9 to the financial statements.

DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLAN

The California Employers' Retiree Benefit Trust Fund (CERBTF) – The Annuitants' Health Care Coverage Fund, also known as the CERBTF, was established by Chapter 331 of the 1988 Statutes, and employers elect to participate in the CERBTF to save funds to pay future retiree and survivor health care and other post-employment benefits (OPEB). Currently, the CERBTF has 603 participating employers. Of the 603 participating employers, 590 employers have contributed assets in the CERBTF as of June 30, 2024. The CERBTF is more fully described in Note 10 to the financial statements.

OTHER ADMINISTRATIVE ACTIVITIES

CalPERS administers other activities as follows:

Replacement Benefit Fund (RBF) – The RBF was established by Chapter 798 of the 1990 Statutes, providing replacement benefits to participants of the defined benefit pension plans. The RBF is more fully described in Note 11 to the financial statements.

Old Age and Survivors' Insurance Revolving Fund (OASI) – The OASI was established pursuant to Government Code section 22600 in order to carry out all of the provisions of the Old Age and Survivors' Insurance Program in accordance with Section 218 of Title 2 of the Social Security Act. The OASI Fund is more fully described in Note 12 to the financial statements.

Public Employees' Health Care Fund (HCF) – The HCF was created by Chapter 1129 of the 1987 Statutes under the Public Employees' Medical and Hospital Care Act (PEMHCA), providing health insurance coverage to CalPERS members through a pooled risk plan. The HCF is more fully described in Note 13 to the financial statements.

Public Employees' Contingency Reserve Fund (CRF) – The CRF was created by Chapter 1236 of the 1961 Statutes with the passage of PEMHCA, and provides a contingency reserve for items such as future premiums or future benefits. The CRF is more fully described in Note 14 to the financial statements.

Public Employees' Long-Term Care Fund (LTCF) – The LTCF was established by Chapter 1154 of the 1992 Statutes as part of the Public Employees Long-Term Care Act to administer the long-term care insurance plans available to eligible participants. The LTCF is described in more depth in Note 15 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The accompanying financial statements include all activities and funds administered by CalPERS. CalPERS is a component unit of the State of California for financial reporting purposes. CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Annual Comprehensive Financial Report.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING & BASIS OF PRESENTATION

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, CalPERS adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accounts of CalPERS are organized and operated on the basis of funds. The Board has a fiduciary responsibility for the investments within both the fiduciary and proprietary funds. CalPERS has the following fund types as of June 30, 2024:

Fiduciary Funds – include pension trusts (PERF A, PERF B, PERF C, LRF, JRF, JRF II, DCF, SCPF), an investment trust (CEPPTF), an other post-employment trust (CERBTF), and custodial funds RBF and OASI, which account for assets held by the government in a trustee capacity or as a custodian on behalf of others. The pension trust funds include defined benefit plans and defined contribution plans, which are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the defined benefit pension plans are recognized in the period in which the contributions are due pursuant to legal requirements. Contributions to the defined contribution plans, the investment plan, and the other post-employment benefit plan are recognized when received. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The RBF and OASI are custodial funds and are fiduciary in nature, accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

Proprietary Funds – include the HCF, CRF, and LTCF. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF and CRF are derived from premiums, Federal Employer Group Waiver Plan (EGWP) subsidies, and administrative expenses fees. The principal operating revenue for the LTCF is premiums. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating.

STRATEGIC ASSET ALLOCATION

State statutes and Board policies allow investments in government, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investments.

The following table shows the Board-adopted strategic asset allocation policy for the defined benefit pension plans, which were in effect as of period ending June 30, 2024:

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%	—
Inflation Assets	—	—	—	35%	—	5%
REITs	—	—	—	10%	—	20%
Commodities	—	—	—	3%	—	3%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

The California Employers' Retiree Benefit Trust Fund (CERBTF) enables employers to pre-fund liabilities for other post-employment benefits (OPEB). Three diversified policy portfolios (Strategy 1, 2, and 3) are available for employers to select depending on employer preferences for return and risk (volatility) expectations. By comparison, Strategy 1 has the higher long-term expected rate of return and return volatility, Strategy 2 has a moderate long-term expected rate of return and return volatility, and Strategy 3 has the lower long-term expected rate of return and return volatility. The following table shows the Board-adopted strategic asset allocation policy for the three CERBTF strategies, which were in effect as of period ending June 30, 2024:

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%
Inflation Assets	5%	5%	9%
REITs	20%	17%	14%
Commodities	3%	3%	3%
Total	**100%**	**100%**	**100%**

The California Employers' Pension Prefunding Trust Fund (CEPPTF) enables employers to prefund employer contributions to defined benefit pension plans. Two diversified policy portfolios (Strategy 1 and 2) are available for employers to select depending on employer preferences for return and risk (volatility) expectations. By comparison, Strategy 1 has the higher long-term expected rate of return and return volatility. Strategy 2 has the lower long-term expected rate of return and return volatility.

The following table shows the Board-adopted strategic asset allocation policy for the two CEPPTF strategies, which were in effect as of period ending June 30, 2024:

CEPPTF Strategic Asset Allocation

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

CAPITAL ASSETS

Capital assets are defined as assets with an initial individual cost of $5,000 or more, or $1 million or more for intangible assets, and an estimated useful life in excess of one year. Capital assets consist of buildings, furniture, equipment, and intangible assets recorded at cost or, if donated, at their acquisition value. Capital assets are depreciated over their estimated useful lives, ranging from three to five years for furniture and equipment, and 40 years for buildings, and determined on an asset-by-asset basis for intangible assets, using the straight-line method of depreciation.

INVESTMENT COSTS

Investment costs presented within the accompanying financial statements consist of management and performance fees and other investment-related fees. Management and performance fees include all fees paid to external managers for public and private markets. Other investment-related fees include costs for fund administration, internal investment staff salaries, dividend tax withholding, certain trading fees, consultants, data, analytics, certain other taxes, custody, appraisals, legal services, technology, trading and portfolio management systems, audits, and tax advisory services. These other investment-related fees are reported in the Other Investment Expenses within the Statement of Changes in Fiduciary Net Position and detailed in the Investment Expenses Schedule in the Other Supplementary Information section.

The investment costs do not include the commissions and fees paid to transact public securities and private equity profit sharing realized by the PERF. These are reported in the Net Appreciation in Fair Value of Investments line in the Statement of Changes in Fiduciary Net Position. For additional detail, refer to the Schedule of Commissions & Fees table and the Private Equity Management Fees & Profit Sharing table within the Investment Section.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue/additions and expenses/deductions during the reporting period. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

CalPERS invests in securities that are exposed to a variety of risks, including interest rate, market, credit, liquidity, and foreign currency risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements.

The total pension liabilities and net pension liabilities disclosed in Note 8 to the Basic Financial Statements for the cost-sharing multiple-employer and single-employer defined benefit pension plans are measured based on certain 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 Long-Term Care Fund is based on the present value of future benefits and expenses less the present value of future premiums. This liability is reported in the Statement of Net Position and is measured based on certain assumptions including a discount rate of 4.75 percent, morbidity rates, lapse rates, mortality, and plan expenses.

Due to uncertainties inherent in the estimations and assumptions described in this section, it is reasonably possible that changes in these estimates and assumptions in the near term may be material to the financial statements.

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

RECLASSIFICATIONS

Certain reclassifications have been made to the comparative totals as of, and for, the fiscal year ended June 30, 2023, to conform to the presentation as, of and for, the fiscal year ended June 30, 2024.

COMPARATIVE TOTALS

The Basic Financial Statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with CalPERS financial statements for the fiscal year ended June 30, 2023, from which the summarized information was derived.

TERMINATION OF PENSION PLANS

Public agency participation in the System may be terminated either due to a transfer of a public agency's plan to another qualified system as permitted by law, a public agency voluntarily terminating its plan, or an involuntary termination by the Board. In the event that a public agency elects to transfer its plan, the assets of the plan and the related liability for benefits accrued are transferred to the other system. In the event that a public agency elects to terminate its plan or if there is an involuntary termination of a plan by the Board, the terminated agency is liable to the System for all costs to fund all benefits under the agency's contract. An unpaid deficit in funding will result in a commensurate reduction in benefits provided under that agency's contract.

EMPLOYER SHARE OF POST-EMPLOYMENT BENEFITS

As of June 30, 2024, CalPERS has adjusted its proportionate share of the state's net pension and OPEB liabilities totaling approximately $637 million and $523 million, respectively. CalPERS recorded these post-employment liabilities along with the corresponding amount of deferred inflows and outflows of resources and related post-employment benefit expense for all affected funds. CalPERS is not providing additional disclosures as it has concluded that presenting such employer related pension and post-employment obligations disclosures would be misleading to the users of CalPERS financial statements where the focus is on plans, not individual employer pension and post-employment obligations. Refer to the State of California Annual Comprehensive Financial Report for additional information on CalPERS pension and OPEB liabilities.

INTERFUND BALANCES

The Basic Financial Statements include amounts Due from Other Funds and Due to Other Funds. The principal purposes for these interfund balances include administration expense reimbursements due from other CalPERS funds to the PERF; incoming health premiums in transit and due from the CRF and due to the HCF; and member transfers in transit and due to and due from one pension plan to another. The balance of health premiums due from CRF to HCF was $171 million as of June 30, 2024. All interfund balances are expected to be repaid within one year from the date of these financial statements. This interfund activity occurs on a routine basis and is consistent with the activities of the fund making the transfer.

NEW ACCOUNTING PRONOUNCEMENTS

The primary objective of GASB Statement No. 100, *Accounting Changes and Error Corrections*, is to enhance accounting and financial reporting requirements for accounting changes and error corrections. It requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented in Required Supplementary Information (RSI) or Supplementary Information (SI) should be restated for error corrections, if practicable, but not for changes in accounting principles. For Fiscal Year 2023-24, there were no applicable Accounting Changes or Error Corrections, but CalPERS will continue to monitor each year and track the requirements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of approximately $1.3 billion at June 30, 2024, represent amounts held in the CalPERS general operating accounts with the State Treasury and the master custodian, State Street Bank and Trust Company. The underlying investments at the State Treasurer's Office are not individually identifiable by fund, as CalPERS monies are pooled with the monies of other state agencies and invested. The cash balances reported in the Statement of Cash Flows for proprietary fund types include cash in general operating accounts with the State Treasury and cash and money market funds (short-term investments) held at the Bank of New York Mellon in checking and demand deposit accounts, respectively.

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 based upon 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 can 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 results in a government using the best information available and may include the government's own data.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of CalPERS interest therein, 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, 2024, 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, 2024, at fair value, excluding the Long-Term Care Fund:

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

	Fair Value June 30, 2024	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	$145,128,002	$145,128,002	$0	$0
International Equity	77,038,263	77,038,263	—	—
Total Public Equity	**$222,166,265**	**$222,166,265**	**$0**	**$0**
Global Debt				
Asset-Backed[2]	$27,347,184	$0	$27,347,184	$0
Bank Loans	444,544	—	444,544	—
International Debt	8,079,107	7,832,059	247,048	—
Municipal/Public Bonds	57,996	—	57,996	—
Sovereign Debt	16,724,751	—	16,724,751	—
U.S. Corporate	28,724,590	28,453,600	270,990	—
U.S. Treasuries, STRIPS and TIPS	29,023,933	—	29,023,933	—
Total Global Debt	**$110,402,105**	**$36,285,659**	**$74,116,446**	**$0**
Derivatives				
Futures	($84,745)	($84,745)	$0	$0
Rights & Warrants	406	—	406	—
Forward Contract Assets	656,054	—	656,054	—
Forward Contract (Liabilities)	(761,977)	—	(761,977)	—
Swap Assets	240,863	—	240,863	—
Swap (Liabilities)	(706,059)	—	(706,059)	—
Total Derivatives	**($655,458)**	**($84,745)**	**($570,713)**	**$0**
Other				
Rule 144(a) Securities	$38,125,271	$23,983,978	$14,141,293	$0
Securitized Assets	665,527	—	—	665,527
Private Equity[4]	188,625	—	—	188,625
Total Other	**$38,979,423**	**$23,983,978**	**$14,141,293**	**$854,152**
Total Investments by Fair Value Level	**$370,892,335**	**$282,351,157**	**$87,687,026**	**$854,152**
Investments Measured at NAV				
Commingled/Pooled Funds[3]	$25,499,516			
Real Assets	65,737,642			
Private Equity[4]	79,526,922			
Private Debt	14,578,845			
Other Investments	1,863			
Total Investments Measured at NAV	**$185,344,788**			
Total Investments Measured at Fair Value	**$556,237,123**			

(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) Asset-backed holdings categorized at level 3 represent the fair value of assets based off unobservable inputs using the best available information and may or may not include own data by the government entity.
(3) The fair value of approximately $73 million for the HCF investment is included under Commingled/Pooled Funds in the Investments Measured at NAV table.
(4) Private Equity investments are reported at NAV on the Statement of Fiduciary Net Position – Fiduciary Funds. For GASB 72 purposes, both direct holdings and investments valued using unobservable inputs are classified as Level 3 assets, measured at fair value using valuation techniques based on the best available information.

Notes to the Basic Financial Statements (continued)

The following table presents a summary of Long-Term Care Fund investments by type as of June 30, 2024, at fair value:

Long-Term Care Fund – Investments at Fair Value[1] (Dollars in Thousands)

	Fair Value June 30, 2024	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	$1,622,289	$1,622,289	$0	$0
Total Public Equity	**$1,622,289**	**$1,622,289**	**$0**	**$0**
Global Debt				
Asset-Backed[2]	$291,825	$0	$291,825	$0
International Debt	132,148	126,295	5,853	—
Municipal/Public Bonds	19,579	—	19,579	—
Sovereign Debt	322,116	—	322,116	—
U.S. Corporate	855,138	836,344	18,794	—
U.S. Treasuries, STRIPS and TIPS	135,926	—	135,926	—
Total Global Debt	**$1,756,732**	**$962,639**	**$794,093**	**$0**
Derivatives				
Rights & Warrants	$2	$0	$2	$0
Swap Assets	4,825	—	4,825	—
Swap (Liabilities)	(5,145)	—	(5,145)	—
Total Derivatives	**$4,357**	**($2,712)**	**$7,069**	**$0**
Other				
Rule 144(a) Securities	$849,360	$496,475	$352,885	$0
Total Other	**$849,360**	**$496,475**	**$352,885**	**$0**
Total Investments by Fair Value Level	**$4,232,738**	**$3,078,691**	**$1,154,047**	**$0**
Total Investments Measured at Fair Value	**$4,232,738**			

(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 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) Asset-backed holdings categorized at level 3 represent the fair value of assets based off unobservable inputs using the best available information and may or may not include own data by the government entity.

Public equity includes both domestic and international securities, and are classified in Level 1. Fair value is obtained using a quoted price from active markets. The security price is generated by market transactions involving identical or similar assets, which is the market approach to measuring fair value. Inputs are observable in exchange markets, dealer markets, brokered markets, and principal-to-principal markets, for which prices are based on trades of identical securities.

Fixed Income consists primarily of asset-backed securities (securitized offerings backed by residential and commercial mortgages, credit cards, auto and student loans), bank loans, international debt securities, municipal/public bonds, sovereign debt, U.S. treasuries, and U.S. corporate securities. U.S. corporate bonds classified in Level 1 of the fair value hierarchy are valued based on quoted prices from active markets, ensuring that observable inputs are used for valuation. This change reflects the increased liquidity and market transparency of these investments.

Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing. This method uses quoted prices for securities with the same maturities and ratings rather than a fixed price for a designated security. Many debt securities are traded on a dealer market and much less frequently, which is consistent with a Level 2 classification that values these investments using observable inputs. Asset-backed securities not classified as Level 2 include collateralized mortgage obligations (CMO), which are mortgage-backed securities that contain a pool of mortgages bundled together and sold as an investment. These are classified in Level 3 of the fair value hierarchy, as assumptions are made by CalPERS to determine prepayment rates, probability of defaults, and loss severity, all of which are unobservable inputs.

Futures are actively traded on major exchanges with quoted prices, and are classified in Level 1 of the fair value hierarchy. Index, commodity, and fixed income futures are publicly traded on active markets, which is the market approach to valuing securities. All other derivatives are classified in Level 2 of the fair value hierarchy. For swaps, observable inputs may include yield curves or interest rates. Options, rights, warrants, and forward contracts are priced using the cost approach and/or are on a dealer market traded on lower frequencies. When these derivative securities are valued, they may not have similar or observable pricing inputs compared to securities that are valued using the market approach. Refer to Note 7 in the Notes to the Basic Financial Statements for further detail regarding other derivatives.

Other investments at fair value include securities subject to Rule 144(a) of the Securities Act of 1933, which modifies a two-year holding period requirement on privately placed securities to permit qualified institutional buyers to trade these positions among themselves. These securities are typically acquired through unregistered, private sales, or constitute a control stake in an issuing company. Due to pricing inputs that are observable either directly or indirectly, which include quoted prices for similar securities in active or inactive markets, or market-corroborated inputs, these securities are classified as Level 2. Additionally, other investments include securitized investments, which contain pooled debt instruments, limited partnership investments, and various other investment structures. Many securitized assets are created by combining similar financial assets into a security, and are marketed to investors as a single investment. Typically, these assumptions are internally generated and cannot be observed in an active market. Due to the fact that these assumptions are unobservable for holdings categorized as other investments, these are also classified as Level 3. Private equity holdings, in which CalPERS invests directly, are valued at Level 3 of the fair market value hierarchy. Private equity holdings are valued at the income, cost, or market approach depending on the type of holdings. All direct holdings are valued using unobservable inputs and are classified in Level 3 of the fair value hierarchy.

Investments Measured at NAV (Dollars in Thousands)

Asset class	Fair Value	Unfunded Commitments
Commingled/Pooled Funds	$25,499,516	$0
Real Assets	65,737,642	7,730,294
Private Equity	79,526,922	43,806,085
Private Debt/Other Investments	14,580,708	22,329,821
Total	**$185,344,788**	**$73,866,200**

A commingled fund/pooled investment vehicle is a fund with capital pooled from multiple investors that is deployed to a mutually agreed upon strategy. The fair value of commingled funds/pooled investment vehicles is measured at NAV, where fair value is measured by multiplying the pool's share price by the number of shares held. Typically, there are no redemption constraints for the commingled funds.

Real asset investments (real estate, infrastructure, and forestland) are held either in separate accounts, as a limited partner, or in a joint venture or commingled fund. These investments are illiquid and resold at varying rates, with distributions received over the life of the investments. They are typically not redeemed, nor do they have set redemption schedules.

Private equity holdings include fund and co-investments with existing CalPERS general partners, direct secondary investments, and fund of funds. By their very nature, these investments are illiquid and typically not resold or redeemed.

Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over an average of 10 years.

Private Debt strategies include direct lending, specialty lending, real estate financing, liquidity financing, and private structure products.

Other investments include funds that hold securities for varying investment strategies, which include:

- Emerging Managers Program – objectives include:
  - Generating appropriate risk-adjusted returns by identifying early stage funds and managers with strong potential for success.
  - Accessing unique investment opportunities that may be otherwise overlooked.
  - Cultivating the next generation of external investment manager talent.
- Absolute Return Strategies – investments that focus on management of total risk, and on generation of returns independent of broad market movements. This strategy is no longer actively managed but some residual balances exist at fiscal year end.
- Venture Capital Funds – investments made to finance small, early-stage, emerging firms that are believed to have long-term growth potential.
- Opportunistic – objectives include:
  - Invests outside the mandate of traditional asset classes.

The other investment strategies are reported at NAV as they are externally managed fund-structure investments in nongovernmental entities that do not have readily determinable fair values. The redemption terms for these investments typically range from at-will up to 90 days, with the exception of the Multi-Asset Class Strategies, Absolute Return Strategies, Opportunistic Strategies, and Venture Capital Funds.

CalPERS invests in privately held real assets with vehicles such as separate accounts, direct investments, and commingled funds. Separate accounts, with co-invested external managers, are the predominant vehicle and operate through an annual investment process where commitments are generally revocable and excluded from the unfunded commitment disclosure. Direct vehicles generally entail a contractual commitment to an operating company, not controlled by a general partner. With commingled funds, CalPERS commits a stated amount of capital and funds such capital at the partners' request; undrawn balances are included in the unfunded commitment disclosure.

Certain real asset investments are leveraged in that partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. Real asset investments of approximately $65.7 billion are reported at NAV.

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, 2024:

Money-Weighted Rate of Return

Plan	Rate of Return
PERF A	
Agent	9.5%
PERF B	
Schools Cost-Sharing	9.5%
PERF C	
Public Agency Cost-Sharing	9.5%
LRF	5.2%
JRF	6.6%
JRF II	11.4%
CERBTF	10.6%
CEPPTF	8.7%

5. INVESTMENT RISK DISCLOSURES

INVESTMENT LEGAL DISCLOSURES

The Board of Administration's investment authority as well as other administrative duties and responsibilities are outlined in the California Constitution, Article 16, Section 17, the Public Employees' Retirement Law, Article 6, Section 20190, and the California Public Employees' Pension Reform Act of 2013, Article 4 of Chapter 21 of Division 7 of Title 1, which, among other things, require diversification of investments so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. As such, policies voted on by the Board allow for investments in government, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investments, except for certain investments specifically prohibited by other statutes.

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 all CalPERS-managed funds that are subject to certain risks: 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, in the event a depository institution or counterparty fails, the System would not be able to recover the value of its deposits, investments, or collateral securities. As of June 30, 2024, 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. Where CalPERS trusts invest in commingled funds, the assets within the fund are held in the name of the trustee of the fund and not in CalPERS' name. There are no general policies relating to custodial credit risk.

Concentration of Credit Risk

Other than U.S. Government Securities, which are not subject to concentration of credit risk disclosure requirements, CalPERS utilizes its control framework that includes policies and policy-related procedures that are inclusive of issuer concentration and credit quality limits. CalPERS does not have investments in any single issuer that represent 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. Generally, this risk is managed within the portfolios using the effective duration or option-adjusted methodology. CalPERS investment policy and policy-related procedures require the option-adjusted duration of the fixed income segments to stay within specified bands of their respective benchmarks. Generally, all individual portfolios are required to maintain a specified level of risk relative to their benchmark.

CalPERS invests in securities with contractual cash flows, such as 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, changes in interest rates, shifts in the market's perception of the issuers, changes in credit quality, supply and demand, and term to maturity.

The following table presents the weighted average effective duration for CalPERS investments subject to interest rate risk as of June 30, 2024.

CalPERS – Debt Securities Subject to Interest Rate Risk

(Dollars in Thousands)

Debt Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2024	Percent of Debt Securities
Corporate	7.32	$61,243,157	36.80%
U.S. Treasuries and Agencies:			
U.S. Treasury Bonds	14.96	24,456,595	14.70%
U.S. Treasury Notes	7.32	3,673,341	2.21%
U.S. Treasury Strips	9.52	55,460	0.03%
Mortgages	4.60	27,014,829	16.23%
Foreign Government	7.55	21,009,115	12.63%
Asset-Backed	0.30	10,384,554	6.24%
Municipals	11.21	57,996	0.04%
No Effective Duration:			
Swaps	N/A	$17,085,760	10.27%
Asset-Backed	N/A	571,393	0.34%
Commingled Funds	N/A	407,630	0.24%
Mortgages	N/A	311,186	0.19%
Commercial Paper	N/A	100,002	0.06%
Corporate	N/A	28,141	0.02%
Foreign Government	N/A	2,838	—
Total		**$166,401,997**	**100.00%**

Long-Term Care Fund – Debt Securities Subject to Interest Rate Risk

(Dollars in Thousands)

Debt Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2024	Percent of Debt Securities
Corporate	9.16	$1,498,864	60.53%
U.S. Treasuries and Agencies:			
U.S. Treasury Bonds	19.72	135,926	5.49%
Mortgages	3.03	480,865	19.42%
Asset-Backed	1.98	112,719	4.55%
Foreign Government	7.99	359,391	14.51%
Municipals	9.91	19,579	0.79%
No Effective Duration:			
Corporate	N/A	697	0.03%
Swaps	N/A	(131,853)	(5.32%)
Total		**$2,476,188**	**100.00%**

CalPERS invests in the State Treasury pool, State Street Bank Global Advisors' (SSGA) fund: Short-Term Investment Fund (STIF), U.S. Government Short-Term Investment Fund (GSTIF), and other short-term investment funds. These investments are included as part of the short-term investments in the financial statements. As of June 30, 2024, the pooled money investment account with the State Treasury totaled approximately $4.4 billion. The SSGA STIF totaled approximately $7.9 billion, includes Long-Term Care Fund STIF of approximately $0.1 billion. The short-term securities reported in the Statement of Fiduciary Net Position and the Statement of Proprietary Net Position are reported at fair value. As of June 30, 2024, the weighted average maturity was 220 days for the State Treasury pool and 34 days for the SSGA STIF. The SSGA STIF is rated as A1P1. The State Treasury pool is not rated.

The LRF, JRF II, CERBTF, SCPF, DCF, HCF, LTCF, and CEPPTF invest in various SSGA funds, with weighted average maturities and credit ratings as of June 30, 2024:

CalPERS – SSGA Fund Weighted Average Maturity and Credit Risk (Dollars in Thousands)

SSGA Fund	Fair Value June 30, 2024	Credit Rating[1]	Weighted Average Maturity[2]
Bloomberg Barclays Long Liability Index	$6,162,690	A2	13.47
1-10 Year U.S. TIPS Index	9,207	AA1	4.51
U.S. Aggregate Bond Index[3]	197,938	AA3	8.58
U.S. Bond Index	448,852	AA3	8.49
U.S. Short-Term Government/ Credit Bond Index	38,448	AA3	1.98
U.S. TIPS Index Non Lending	1,091,095	AA1	7.14
U.S. TIPS Index Security Lending	163,393	AA1	7.14
Total	**$8,111,623**		

(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.
(3) This table includes HCF U.S. Aggregate Bond Index fair value of approximately $73 million.

The following table presents the weighted average duration for securities lending collateral subject to interest rate risk as of June 30, 2024:

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

Security Type	Fair Value June 30, 2024	Percent of Securities Lending Collateral
No Effective Duration:		
Money Market Fund[1]	$3,116,201	76.3%
Short-Term Investment Fund[2]	967,971	23.7%
Total[3]	**$ 4,084,172**	**100.0 %**

(1) Money Market Fund is invested in U.S. Treasury securities with a weighted average maturity (to final maturity) of 88 days.
(2) Short-Term Investment Fund has a weighted average maturity (to final maturity) of 25 days.
(3) This figure does not include $4,819,786 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 $8,903,958 for fudiciary funds.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's controls framework, which includes investment policy and policy-related procedures, establish both general and specific risk measures. We manage credit risk through our policy and policy-related procedures, which is inclusive, but not limited to sector, issuer concentration, and credit quality limits. Of the total fixed income portfolio of the rated securities, 69 percent are investment-grade securities.

Investment-grade securities have low default probabilities and are rated at a minimum of Baa3 or BBB- by independent agencies (Moody's or Standard & Poor's/Fitch, respectively). Each portfolio is required to maintain a specified risk level.

The following table is a summary of the ratings of CalPERS fixed income securities as of June 30, 2024:

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

Moody's Quality Rating	Fair Value June 30, 2024[1]	Fair Value as a Percent of Debt Security Investments
Aaa	$36,973,692	22.22%
Aa1	108,409	0.07%
Aa2	2,678,327	1.61%
Aa3	1,080,044	0.65%
A1	5,377,745	3.23%
A2	5,025,942	3.02%
A3	4,820,797	2.90%
Baa1	5,905,129	3.55%
Baa2	12,221,376	7.34%
Baa3	5,327,071	3.20%
Ba1	4,449,738	2.67%
Ba2	6,087,516	3.66%
Ba3	6,816,681	4.10%
B1	5,796,327	3.48%
B2	4,435,980	2.67%
B3	5,570,863	3.35%
Caa1	2,318,639	1.39%
Caa2	572,263	0.34%
Caa3	68,907	0.04%
Ca	13,577	0.01%
NA[2]	8,280,376	4.98%
NR[3]	42,472,598	25.52%
Total	**$166,401,997**	**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 will 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.

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value June 30, 2024[1]	Fair Value as a Percent of Debt Security Investments
Aaa	$91,892	3.71%
Aa1	2,031	0.08%
Aa2	49,514	2.00%
Aa3	47,521	1.92%
A1	114,771	4.62%
A2	128,487	5.19%
A3	117,036	4.73%
Baa1	148,748	6.01%
Baa2	365,182	14.75%
Baa3	201,457	8.14%
Ba1	106,996	4.32%
Ba2	102,584	4.14%
Ba3	129,213	5.22%
B1	127,955	5.17%
B2	64,814	2.62%
B3	78,280	3.16%
Caa1	24,539	0.99%
Caa2	3,527	0.14%
Caa3	465	0.02%
NA[2]	174,071	7.03%
NR[3]	397,105	16.04%
Total	**$2,476,188**	**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 will 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]	$4,084,172	100.00%
Total[3]	**$4,084,172**	**100.00%**

(1) NR represents those securities that are not rated.
(2) This figure includes $3,116,201 invested in a money market fund and $967,971 invested in short-term investment fund.
(3) This figure does not include $4,819,786 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 $8,903,958 for fiduciary funds.

Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international cash to reflect benchmarks that have both U.S. domestic and foreign currency. While there is not a formal policy related to foreign currency risk, the System manages and addresses the risk in asset class policies and policy-related procedures through metrics such as tracking error, and is required to report total non-USD currency exposures to the Board as part of its Trust Level Review. The proportion of international stocks within the public equity portfolio is roughly equal to their market capitalization weight in the public equity benchmark. For fixed income, investing includes exposure to non-dollar denominated issues. Real assets and private equity do not have a target allocation for international investments. Foreign currency risk disclosures are shown in the CalPERS – International Investment Securities table, excluding the Long-Term Care Fund which is presented separately on the following page.

CalPERS – International Investment Securities[1] – Fair Value[2] at June 30, 2024 (U.S. Dollars in Thousands)

Currency	Cash	Equity	Real Assets	Private Equity	Forward Contracts	Total U.S. Dollars[3]	Total Foreign Currency
Argentina Peso	$0	$0	$93,740	$0	$0	$93,740	82,115,940
Australian Dollar	1,334	2,902,735	1,196,365	—	12,664	4,113,098	6,061,090
Bahamian Dollar	—	—	3,340	—	—	3,340	3,340
Brazilian Real	2,556	895,954	707,548	—	11,860	1,617,918	8,596,186
British Pound	40,728	6,292,253	3,196,155	396,018	84,489	10,009,643	7,628,099
Canadian Dollar	4,732	5,041,217	41,967	53,036	(5,662)	5,135,290	6,953,688
Chilean Peso	1	—	33,502	—	(9,543)	23,960	23,838,709
Chinese Yuan Renminbi	14,792	1,786,351	817,313	—	(10,541)	2,607,915	18,981,838
Colombian Peso	—	—	—	—	(14,509)	(14,509)	(60,126,560)
Czech Koruna	—	—	—	—	(62)	(62)	(1,440)
Danish Krone	524	1,535,236	54,271	—	5,198	1,595,229	11,097,755
Egyptian Pound	—	—	—	—	2,919	2,919	140,186
Euro Currency	100,942	14,142,422	4,053,125	8,467,645	282,543	27,046,677	16,871,117
Guatemalan Quetzal	—	—	96,266	—	—	96,266	815,581
Hong Kong Dollar	(582)	5,092,995	5,279	—	466	5,098,158	39,803,455
Hungarian Forint	—	—	—	—	1,198	1,198	441,327
Indian Rupee	42,359	3,934,925	47,079	—	977	4,025,340	335,660,712
Indonesian Rupiah	505	505,733	—	—	(2,888)	503,350	8,242,351,562
Iraqi Dinar	—	—	26,906	—	—	26,906	35,220,356
Israeli Shekel	2,410	235,703	(15,318)	—	2,643	225,438	850,637
Japanese Yen	656,709	14,046,007	76,981	—	(81,087)	14,698,610	2,369,924,030
Kuwaiti Dinar	—	—	—	—	(4)	(4)	(1)
Malaysian Ringgit	1,223	563,275	66,154	—	—	630,652	2,975,565
Mexican Peso	970	373,667	162,569	—	(16,221)	520,985	9,258,486
New Taiwan Dollar	1,845	5,832,042	—	—	(483)	5,833,404	189,244,362
New Zealand Dollar	348	146,514	21,685	—	2,438	170,985	281,221
Norwegian Krone	1,568	316,391	1,430	—	(3,602)	315,787	3,362,596
Panamanian Balboa	—	—	7,742	—	—	7,742	7,742
Peruvian Nuevo Sol	—	—	50,648	—	40	50,688	188,208
Philippine Peso	78	—	—	—	1,483	1,561	91,459
Polish Zloty	—	—	6,995	—	517	7,512	29,971
Qatari Riyal	1,694	220,634	—	—	—	222,328	809,497
Russian Ruble	—	—	58,162	—	—	58,162	5,372,231
Saudi Riyal	11,558	1,263,258	7,822	—	(68)	1,282,570	4,811,678
Singapore Dollar	901	981,818	81,661	—	(790)	1,063,590	1,440,940
South African Rand	877	460,461	—	—	378	461,716	8,430,934
South Korean Won	313	2,905,405	17,689	—	(11,564)	2,911,843	4,007,560,336
Swedish Krona	384	1,389,721	124,336	—	(793)	1,513,648	16,039,470
Swiss Franc	1,027	5,215,968	—	—	(12,815)	5,204,180	4,676,475
Thailand Baht	1,199	514,416	—	—	717	516,332	18,948,095
Turkish Lira	—	—	82,697	—	(1,390)	81,307	2,630,179
UAE Dirham	460	454,335	5,183	—	(13)	459,965	1,689,450
West African CAF franc	—	—	52,933	—	—	52,933	31,958,251
Total	**$891,455**	**$77,049,436**	**$11,182,225**	**$8,916,699**	**$238,495**	**$98,278,310**	

(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.

(3) This table includes the fair value in the Heatlh Care Fund of ($44,212,735).

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – International Investment Securities[1] – Fair Value[2] at June 30, 2024 (U.S. Dollars in Thousands)

Currency	Cash	Equity	Fixed Income	Forward Contracts	Total U.S. Dollars	Total Foreign Currency
Australian Dollar	$127	$52,487	$0	($293)	$52,321	78,343
Brazilian Real	150	11,578	—	43	11,771	65,379
British Pound	231	81,627	—	618	82,476	65,245
Canadian Dollar	120	60,598	—	211	60,929	83,373
Chilean Peso	—	1,179	—	3	1,182	1,115,912
Chinese Yuan Renminbi	446	10,214	—	—	10,660	77,461
Colombian Peso	—	294	—	(24)	270	1,115,995
Czech Koruna	14	364	—	(26)	352	8,223
Danish Krone	22	18,500	—	251	18,773	130,621
Egyptian Pound	—	40	—	—	40	1,901
Euro Currency	546	171,149	16,025	2,622	190,342	177,600
Hong Kong Dollar	160	66,382	—	(22)	66,520	519,349
Hungarian Forint	6	709	—	2	717	264,637
Indian Rupee	(9)	52,251	—	7	52,249	4,356,918
Indonesian Rupiah	45	4,272	—	2	4,319	70,736,035
Israeli Shekel	56	2,412	—	34	2,502	9,425
Japanese Yen	664	132,272	—	3,741	136,677	21,985,906
Kuwaiti Dinar	18	1,920	—	—	1,938	594
Malaysian Ringgit	5	3,735	—	—	3,740	17,644
Mexican Peso	15	5,767	—	10	5,792	105,910
New Taiwan Dollar	12	52,773	—	(13)	52,772	1,712,015
New Zealand Dollar	42	1,626	—	35	1,703	2,793
Norwegian Krone	35	2,876	—	58	2,969	31,615
Philippine Peso	—	1,407	—	(23)	1,384	81,131
Polish Zloty	—	2,600	—	(21)	2,579	10,372
Qatari Riyal	6	2,045	—	—	2,051	7,465
Saudi Riyal	17	10,193	—	—	10,210	38,304
Singapore Dollar	41	13,963	—	42	14,046	19,036
South African Rand	17	8,001	—	28	8,046	146,926
South Korean Won	3	33,335	—	(13)	33,325	45,871,362
Swedish Krona	16	20,720	—	148	20,884	221,169
Swiss Franc	128	48,370	—	(39)	48,459	43,545
Thailand Baht	93	3,642	—	(2)	3,733	137,009
Turkish Lira	6	2,063	—	—	2,069	67,858
Uae Dirham	23	3,048	—	—	3,071	11,280
Total	**$3,055**	**$884,412**	**$16,025**	**$7,379**	**$910,871**	

(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 permits CalPERS to enter into securities lending transactions, which are collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future.

CalPERS has contracted with eSecLending, LLC (eSec) as securities lending agent to loan domestic and international equity and debt securities. CalPERS receives both cash and noncash (i.e., securities) collateral. Domestic and international securities are collateralized at a minimum of 102 percent and 105 percent, respectively, of the loaned securities' fair value. CalPERS cannot seize the collateral without borrower default; the non-cash collateral is therefore not reported in CalPERS financial statements in accordance with GASB Statement No. 28, Accounting and Financial Reporting for Securities Lending Transactions (GASB 28). Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the fair value of the securities loaned. The securities loaned are priced daily by third-party sources, and margins are delivered/received daily to maintain over-collateralized levels. Securities on loan can be recalled or returned by CalPERS or the borrower at any time. Since loans are terminable at will, loan durations do not generally match the duration of the investments made with the cash collateral. CalPERS may enter into term loan agreements, which are evaluated on an individual basis. On June 30, 2024, the fair value of the securities on loan was approximately $47.5 billion. The securities on loan remain on CalPERS' Statement of Fiduciary Net Position in their respective investment categories. At June 30, 2024, cash collateral received totaling $21.2 billion is reported as securities lending obligation, and the fair value of reinvested cash collateral totaling $8.9 billion is reported as securities lending collateral on the Statement of Fiduciary Net Position. $12.4 billion of cash collateral was transferred to CalPERS and are recognized as assets on the Statement of Fiduciary Net Position under the appropriate asset class. All transferred collateral can be available to satisfy securities lending obligation when necessary. The changes in fair value of the reinvested cash collateral are reported as net appreciation/depreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position.

CalPERS securities lending reinvestment collateral guidelines prescribe that cash collateral received needs to be invested in short-term, high-credit-quality securities. Currently, eSecLending and CalPERS manage the collateral.

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 is determined using the market approach based upon quoted market prices. The fair value of options, rights, warrants, and swaps is determined using the cost approach, because these are traded with lower frequencies. The fair value of derivative investments that are exchange-traded, such as options, rights, and warrants, are priced using the exchange they are traded on. Non-exchange-traded investments, such as swaps, are determined by an external pricing service using various proprietary methods. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is 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 the settlement of gains or losses occurs on the following business day through the movement of variation margins. Over-the-counter derivatives, such as swaps, generally reset monthly and the settlement of gains or losses occurs the following business day. Currency forward contracts roll quarterly, updating the contract exchange rate.

With all over-the-counter derivatives, such as swaps and currency forwards, CalPERS is exposed to counterparty risk. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to the standard International Swaps and Derivatives Association and Credit Support Annex agreements with all counterparties.

At June 30, 2024, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately $1.3 billion. The aggregate amount of cash collateral held by CalPERS on behalf of over-the-counter derivatives was approximately $252.0 million.

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, 2024	Fair value at June 30, 2024		
Derivatives (by Type)	**Amount**	**Classification**	**Amount**	**Notional**
Credit Default Swaps Bought	($8,953)	Investment Revenue	$8,309	$267,130
Credit Default Swaps Written	6,015	Investment Revenue	(3,264)	140,800
Fixed Income Futures Long	(833,657)	Investment Revenue	(91,892)	1,473,108,091
Fixed Income Futures Short	104,076	Investment Revenue	10,076	(287,948,230)
FX Forwards	369,594	Investment Revenue	(105,923)	50,978,840
Index Futures Long	467,554	Investment Revenue	(2,908)	5,355,027
Index Futures Short	(2,911)	Investment Revenue	(21)	(31,721)
Pay Fixed Interest Rate Swaps	1,332	Investment Revenue	3,260	139,540
Rights[3]	3,628	Investment Revenue	405	2,451
Total Return Swaps Bond	(4,419,811)	Investment Revenue	(460,228)	17,389,366
Total Return Swaps Equity	470,052	Investment Revenue	(13,273)	(300,751)
Warrants[3]	(9)	Investment Revenue	1	183
Total	**($3,843,090)**		**($655,458)**	

(1) The information presented in this table is derived from CalPERS' June 30, 2024, 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.

Long-Term Care Fund – Derivative Instruments Summary[1, 2] (Dollars in Thousands)

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2024	Fair value at June 30, 2024		
Derivatives (by Type)	**Amount**	**Classification**	**Amount**	**Notional**
Credit Default Swaps Bought	($52)	Investment Revenue	($759)	$31,010
Credit Default Swaps Written	2,495	Investment Revenue	(1,202)	144,020
Fixed Income Futures Long	(22,201)	Investment Revenue	164	47,367,212
Fixed Income Futures Short	9,835	Investment Revenue	(2,897)	(14,553,298)
Foreign Currency Options Bought	(17)	Investment Revenue	7	1,535
Futures Options Written	27	Investment Revenue	—	—
FX Forwards	32,118	Investment Revenue	7,380	843,189
Index Futures Long	(19,570)	Investment Revenue	21	7,935
Index Futures Short	2,486	Investment Revenue	—	—
Pay Fixed Interest Rate Swaps	874	Investment Revenue	850	141,200
Rights	9	Investment Revenue	2	47
Total Return Swaps Equity	798	Investment Revenue	791	(130,742)
Warrants	—	Investment Revenue	—	1
Total	**$6,802**		**$4,357**	

(1) The information presented in this table is derived from CalPERS' June 30, 2024, 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, 2024**	**Under 1**	**1–5**	**6–10**	**10+**
Total Return Swaps Bond	($460,228)	($460,228)	$0	$0	$0
Total Return Swaps Equity	(13,273)	(13,273)	—	—	—
Total	**($473,501)**	**($473,501)**	**$0**	**$0**	**$0**

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – Derivative Instruments Subject to Interest Rate Risk (Dollars in Thouands)

		Investment Maturities (in years)			
Investment Type	**Fair Value June 30, 2024**	**Under 1**	**1–5**	**6–10**	**10+**
Total Return Swaps Equity	$791	$791	$0	$0	$0
Total	**$791**	**$791**	**$0**	**$0**	**$0**

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

Investment Type	**Reference Rate**	**Fair Value at June 30, 2024**	**Notional**
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.5%	$2,229	$68,040
Interest Rate Swaps	Receive Variable SOFR, Pay Fixed 3.75%	1,031	71,500
Subtotal – Interest Rate Swaps		**$3,260**	**$139,540**
Total Return Bond Swaps	Receive Variable 12-month FED funds, Pay Equity	($460,228)	$17,378,206
Total Return Bond Swaps	Receive Variable 12-month FED funds, Pay fixed 0%	—	11,160
Subtotal – Total Return Bond Swaps		**($460,228)**	**$17,389,366**
TOTAL		**($456,968)**	**$17,528,906**

Long-Term Care Fund – Derivative Instruments Highly Sensitive to Interest Rate Changes (Dollars in Thousands)

Investment Type	**Reference Rate**	**Fair Value at June 30, 2024**	**Notional**
Interest Rate Swaps	Receive Variable USCPI, Pay Fixed 2.4%	$276	$17,300
Interest Rate Swaps	Receive Variable USCPI, Pay Fixed 2.5%	624	109,150
Interest Rate Swaps	Receive Variable USCPI, Pay Fixed 2.6%	(50)	14,750
Subtotal – Interest Rate Swaps		**$850**	**$141,200**
TOTAL		**$850**	**$141,200**

CalPERS – Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	**Percentage of Net Exposure**	**Moody's Ratings**
Goldman Sachs International	21.44%	A1
JP Morgan Chase Bank, N.A.	14.54%	Aa2
HSBC Bank USA	12.60%	Aa3
UBS AG	9.81%	Aa2
BNP Paribas, S.A.	8.62%	Aa3
Barclays Bank, PLC	6.94%	A1
Natwest Markets, PLC	4.67%	A1
Citibank, N.A.	4.56%	Aa3
Goldman Sachs Bank USA	4.20%	A2
Morgan Stanley Capital Services, Inc.	3.91%	A1
Societe Generale	2.59%	A1
Bank of America, N.A.	1.85%	Aa1
Standard Chartered Bank	1.20%	A1
Royal Bank of Canada	0.89%	A1
State Street Bank and Trust Company	0.73%	Aa3
Citigroup Global Markets ICE	0.65%	NR
Bank of America ICE	0.29%	A1
Wells Fargo Bank N.A.	0.19%	Aa2
The Bank of New York Mellon	0.18%	A1
Canadian Imperial Bank of Commerce	0.08%	A2
Deutsche Bank AG	0.06%	A1
TOTAL	**100.00%**	

Notes to the Basic Financial Statements (continued)

Long-Term Care Fund – Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	Percentage of Net Exposure	Moody's Ratings
BNP Paribas, S.A.	64.59 %	Aa3
Citibank, N.A.	20.50 %	Aa3
Goldman Sachs + Co, LLC	5.75 %	NR
Bank of America NT and SA (Milan)	3.07 %	NR
Morgan Stanley and Co. International, PLC	2.84 %	A1
Barclays Bank PLC Wholesale	0.88 %	A1
Goldman Sachs International	0.81 %	A1
Standard Chartered Bank	0.75 %	A1
HSBC Bank, PLC	0.32 %	A3
Natwest Markets, PLC	0.32 %	A1
Bank of America, N.A.	0.08 %	Aa1
UBS AG	0.08 %	Aa2
The Bank of New York Mellon	0.01 %	A1
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, 2024, are reported in the 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—an amendment of GASB Statement No. 25* (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	$128,972,455	$93,362,913	$35,609,542	72.4%
PERF C				
Public Agencies Cost-Sharing	55,320,957	43,163,193	12,157,764	78.0%
LRF				
State of California	90,349	92,475	(2,126)	102.4%
JRF				
State of California	2,346,092	51,634	2,294,458	2.2%
JRF II				
State of California	2,499,486	2,633,650	(134,164)	105.4%

The total pension liability for each defined benefit plan was determined by actuarial valuations as of June 30, 2023, which were rolled forward to June 30, 2024, 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	2.30%	2.30%	2.30%	2.30%	2.30%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	2.80%	2.80%	2.80%
Mortality Rate Table[1]	Derived using CalPERS membership data for all funds				
The above actuarial assumptions were based upon the following experience study periods:	2000-2019	2000-2019	2000-2019	2000-2019	2000-2019
Post-Retirement Benefit Increase	2.00% until PPPA[2] floor on purchasing power applies, 2.30% thereafter	Contract COLA up to 2.30% until PPPA[2] floor on purchasing power applies, 2.30% thereafter	2.30%	2.80%	2.30%
Long-term rate of return assumption on plan investments used in discounting liabilities:	6.90%	6.90%	4.85%	3.97%	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 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.
(2) Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

Notes to the Basic Financial Statements (continued)

In determining the long-term expected rate of return, CalPERS took into account 20-year market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class	Assumed Asset Allocation	Real Return[1, 2]
Global Equity Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected price inflation of 2.30% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Management study.

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

Asset Class[1]	Assumed Asset Allocation	Real Return[2,3]
Public Equity	18.00%	4.50%
Fixed Income	45.00%	1.40%
TIPS	20.00%	0.50%
Commodities	3.00%	1.10%
REITs	14.00%	3.70%

(1) In the Basic Financial Statements, Commodities and REITs are included in Public Equity; TIPS are included in Fixed Income.
(2) An expected inflation of 2.30% used for this period.
(3) Figures are based on the 2021-22 Asset Liability Management study.

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

Asset Class[1]	Assumed Asset Allocation	Real Return[2,3]
Public Equity	51.00%	4.50%
Fixed Income	21.00%	1.40%
TIPS	5.00%	0.50%
Commodities	3.00%	1.10%
REITs	20.00%	3.70%

(1) In the Basic Financial Statements, Commodities and REITs are included in Public Equity; TIPS are included in Fixed Income.
(2) An expected inflation of 2.30% used for this period.
(3) Figures are based on the 2021-22 Asset Liability Management study.

DISCOUNT RATE

PERF B, PERF C, LRF, and JRF II

The discount rates used to measure the total pension liability as of June 30, 2024, for the PERF B, PERF C, LRF, and JRF II were 6.90 percent, 6.90 percent, 4.85 percent, and 6.15 percent, respectively. These discount rates are equal to the long-term expected rate of return of the respective plan assets and are net of investment expense but not reduced for administrative expenses.

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

JRF

The discount rate used to measure the total pension liability as of June 30, 2024, was 3.97 percent, which differs from the discount rate used as of June 30, 2023, of 3.86 percent. The state funds the JRF benefit obligations using the pay-as-you-go method. Under the pay-as-you-go method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments of current active and inactive employees. The discount rate is based on a 20-year tax-exempt General Obligation Municipal Bond with an average rating of AA (as reported in Fidelity Index's "20-Year Municipal GO AA Index") and was applied to all periods of projected benefit payments to measure 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 the PERF B, PERF C, LRF, JRF, and JRF II calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 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	$128,972,455	$93,362,913	$35,609,542	72.4%
PERF C				
Public Agencies Cost-Sharing	55,320,957	43,163,193	12,157,764	78.0%
LRF				
State of California	90,349	92,475	(2,126)	102.4%
JRF				
State of California	2,346,092	51,634	2,294,458	2.2%
JRF II				
State of California	2,499,486	2,633,650	(134,164)	105.4%

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	$146,323,941	$93,362,913	$52,961,028	63.8%
PERF C				
Public Agencies Cost-Sharing	62,837,809	43,163,193	19,674,616	68.7%
LRF				
State of California	101,174	92,475	8,699	91.4%
JRF				
State of California	2,553,941	51,634	2,502,307	2.0%
JRF II				
State of California	2,787,300	2,633,650	153,650	94.5%

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	$114,638,747	$93,362,913	$21,275,834	81.4%
PERF C				
Public Agencies Cost-Sharing	49,156,047	43,163,193	5,992,854	87.8%
LRF				
State of California	81,616	92,475	(10,859)	113.3%
JRF				
State of California	2,165,430	51,634	2,113,796	2.4%
JRF II				
State of California	2,262,333	2,633,650	(371,317)	116.4%

9. CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST FUND

The CEPPTF was established by Chapter 665 of the 2018 Statutes and initially funded in 2019. At June 30, 2024, 96 employers had elected to participate in the fund. Of the 96 participating employers, 75 employers have contributed assets in the CEPPTF as of June 30, 2024. The CEPPTF is an Internal Revenue Code (IRC) Section 115 Trust Fund with the purpose to receive contributions from participating employers and establish separate employer prefunding accounts to pay for future contributions to their defined benefit pension plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the trust. As such, contributions to the CEPPTF are elective and not required. The CEPPTF is an investment trust fund as defined in GASB Statement No. 84, *Fiduciary Activities*, with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the actual contributions made to their pension plans during the fiscal year. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board one of the following: (1) the transfer will satisfy applicable requirements of the IRC, other law and accounting standards, and the Board's fiduciary duties, or (2) the employer substantiates to the Board that in conformance with applicable requirements of the IRC, other laws and accounting standards, and the Board's fiduciary duties that all of the employer's obligations for the payment of defined benefit pension plan benefits and reasonable administrative costs have been satisfied.

The CEPPTF costs include direct administrative and investment costs as well as indirect costs that are allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with a third-party service provider, Northeast Retirement Services (NRS), to perform recordkeeping for individual CEPPTF employer accounts.

The total Fiscal Year 2023-24 employer contributions from participating employers were $107.7 million. There were five disbursements from the CEPPTF totaling $1.6 million.

The CEPPTF mirrors the investment policies of the System as a whole. These policies are adopted by the CalPERS Investment Committee, which sets forth the System's overarching investment beliefs, purposes, and objectives with respect to all investment programs. Additionally, the CEPPTF has separate, Board-approved asset allocation policies in place for the two investment options offered by the fund. Each strategy seeks to offer employers investment alternatives dependent upon expected levels of return and volatility.

10. OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

The CERBTF (also known as Annuitants' Health Care Coverage Fund) was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2024, 603 employers had elected to participate in the fund. Of the 603 participating employers, 590 employers have contributed assets in the CERBTF as of June 30, 2024. The CERBTF is an Internal Revenue Code (IRC) Section 115 Trust Fund with the purpose to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. As such, contributions to the CERBTF are elective and not required. The CERBTF is an agent multiple-employer plan as defined in GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74), with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board one of the following: (1) the transfer will satisfy applicable requirements of the IRC, other law and accounting standards, and the Board's fiduciary duties, or (2) the employer substantiates to the Board that in conformance with applicable requirements of the IRC, other laws and accounting standards, and the Board's fiduciary duties that all of the employer's obligations for the payment of post-employment benefits have been satisfied. In Fiscal Year 2023-2024, six employers terminated their participation in the CERBT.

As of June 30, 2024, there were 492,867 active plan members, 322,026 inactive plan members currently receiving benefit payments, and 15,600 inactive plan members entitled to but not yet receiving benefit payments.

The CERBTF costs include direct administrative and investment costs as well as indirect costs that are allocated through the Board-approved annual budget and cost-allocation process. CalPERS contracts with a third-party service provider, NRS, to perform recordkeeping for individual CERBTF employer accounts.

The total Fiscal Year 2023-24 actual OPEB employer contributions from participating employers representing 620 OPEB plans were $5.5 billion. In compliance with GASB 74, this amount includes the $1.97 billion in contributions made to the CERBTF, plus an additional $3.56 billion in retiree health care premiums paid by employers directly 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, which sets forth the System's overarching investment beliefs, purposes, and objectives with respect to all investment programs. Additionally, the CERBTF has separate, Board-approved asset allocation policies in place for the three investment options offered by the fund. Each strategy seeks to offer employers investment alternatives dependent upon expected levels of return and volatility. Overall, the CERBTF recognized an annual money-weighted rate of return of 10.6 percent for Fiscal Year 2023-24.

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) were effective in 2001. The RBP provides benefits to participants of the PERF whose retirement allowance exceeds the IRC section 415(b) limits. IRC section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a pay-as-you-go basis. That is, the employer is invoiced for amounts payable to its former employees on a calendar year basis and upon receipt of payment by the employers, CalPERS remits the replacement benefits to the participants on a monthly basis. Employer contributions must be in amounts equivalent to the benefits not paid from the PERF as a result of the limitations of IRC section 415(b) and, if applicable, employer Federal Insurance Contributions Act taxes. CalPERS is responsible for calculating the applicable dollar limit under IRC section 415(b) and notifying the employer. At June 30, 2024, there were 1,252 participants receiving replacement benefits.

Government Code section 7522.43 provides that a public retirement system may only continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013. Section 7522.43 prohibits any employer from offering a plan of replacement benefits for 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 payment of employee and employer contributions for California public agencies under the provisions of the federal Social Security regulations.

The Board of Administration serves as the State Social Security Administrator (SSSA). Between 1955 and 1986, the SSSA was responsible for collecting Social Security and Medicare taxes from public employers, reconciling the submissions, and then submitting the taxes to the Internal Revenue Service. Effective January 1, 1987, with the enactment of the Omnibus Budget Reconciliation Act of 1986, the responsibility of collecting taxes moved from CalPERS to the Internal Revenue Service. Starting in 1987, the SSSA operated using the interest that was earned over time on the OASI. The OASI funds diminished, requiring additional funding to pay for the costs of administering the SSSA program. As a result, the SSSA started collecting the Annual Maintenance Fee on July 1, 2019. The fees collected exceeded the amount needed to fund the 2019-20 fiscal year expenditures. Therefore, CalPERS did not collect fees for the 2021-22, 2022-23, and 2023-24 fiscal years. The minimum fund threshold has been reached and CalPERS will be assessing the Annual Maintenance Fee beginning July 1, 2024. CalPERS will continue to monitor and review the fee annually.

13. PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF was established under PEMHCA as of July 1, 1988. Until 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 it to PERS Platinum and renamed the PERS Select plan to PERS Gold. These changes did not impact provider networks or benefit designs for the PERSCare and PERS Select 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. However, effective January 1, 2024, Blue Shield transitioned from a flex-funded plan to a fully insured plan. As a result, their fully insured transactions are no longer part of 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. Having members in large risk pools spreads the catastrophic claims over a larger base and minimizes administrative expenses. The self-funded plans retain all risk of loss for allowable health claims while, effective January 1, 2019, the flex-funded plans retain no risk of loss when capitated and fee-for-service expenses are higher than agreed with the health plan carrier. Members are not subject to a supplemental assessment in the event of deficiencies. Health insurance premiums are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the 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 2023-24 the Board approved aggregate increases in member premiums to continue to provide health plan benefits for the 2024 plan year.

Public agencies participating in the health plans are required to make monthly payments based on premiums established annually by CalPERS. Employers' share of premiums are determined by the public agency through benefit negotiations, subject to minimum share of premium levels established through PEMHCA. Public agency employee members pay the difference between the premium rate and the employers' share of premium.

At June 30, 2024, 100 percent of the HCF's investments in fixed income are in the SSGA U.S. Aggregate Bond Index Fund with further details in Note 4.

The HCF establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been "Incurred But Not Reported" (IBNR). The estimated claims liability was calculated by health plan partners as of June 30, 2024, using a variety of actuarial and statistical techniques, and adjusted for actual experience to produce current estimates that 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 $572.9 million is carried at its face amount, and no interest discount is assumed. The IBNR portion of $475.2 million represents an estimate for claims that have been incurred prior to June 30, 2024, but have not been reported to the HCF. The total of the estimated claims liabilities at the end of the Fiscal Year 2023-24 is $845.4 million. The year-end amount also includes $272.5 million of known claims, which is 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. Also, the HCF has not entered into any reinsurance or excess insurance agreements. 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, 2024, and June 30, 2023.

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

Year Ended June 30	2024	2023
Total Estimated Claims at Beginning of Fiscal Year	**$816,535**	**$863,327**
Total Incurred Claims and Claim Adjustment Expenses	4,194,937	4,283,082
Total Payments	(4,166,107)	(4,329,874)
Total Estimated Claims at End of Fiscal Year	**$845,365**	**$816,535**

14. PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established in 1962, with the passage of PEMHCA, to fund administrative expenses related to the PEMHCA program, and as a contingency reserve for such items as increases in future premiums or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the state and contracting public agencies for expenses incurred for administering the program.

PEMHCA establishes eligibility rules for the following:

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

Amounts charged to employers toward the CRF administrative expenses are determined as a percentage of gross health insurance premiums paid by the employer and employees. The percentage of the insurance premiums paid for the fiscal year ended June 30, 2024, was 0.32 percent. Administrative rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative expenses.

As of June 30, 2024, there were 1,154 public agencies and schools participating 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 LTC coverage to enrolled participants under the Public Employees' Retirement Law (PERL), Chapter 15. Administered by a third-party administrator, illumifin, the self-insured 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 effective December 2013 and through June 2020

As of June 30, 2024, there are 80,153 active participants in the LTC 1, LTC 2, LTC 3, and LTC 4 policy series, of which 6,548 are receiving benefits.

In June 2020, CalPERS suspended open enrollment on the LTC Program due to current uncertainty in the long-term care market until further notice. Currently, the LTC Program is not accepting new applications.

The LTCF estimate of the funding level, to provide for the payment of future claim benefits, is projected based on actual enrolled participant levels.

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 very sensitive to the underlying actuarial assumptions, including a discount rate of 4.75 percent, morbidity, lapse rates, mortality, and plan expenses. In Fiscal Year 2023-24, the actual investment returns were approximately $148 million higher than expected investment income due to favorable market conditions. Economic assumptions are evaluated periodically in accordance with Board policy. The last time the liability assumptions were updated was during the June 30, 2023, valuation. The estimated liability for future policy benefits for the June 30, 2024, Annual Comprehensive Financial Report reflects the updated cash flow projection based on the June 30, 2023 valuation's in-force population information incorporating adjustment due to the class action lawsuit settlement impact. The cash flow projection reflects the updated actuarial assumptions from the June 30, 2023, actuarial valuation, as well as the third-party-administrator fee rates updated during Fiscal Year 2023-24. The cash flow projection was rolled forward for the June 30, 2024, estimated liability for future policy benefit using standard actuarial techniques.

The following schedule represents changes in the aggregate estimated claims liabilities and liabilities for future policy benefits for the fiscal years ended June 30, 2024, and June 30, 2023.

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

Year Ended June 30	2024	2023
Total Estimated Future Policy Liabilities at Beginning of Fiscal Year	**$4,710,298**	**$5,250,421**
Increase (Decrease) in Liability and Change in Estimate	536,151	433,752
Claim Payments	(360,812)	(342,175)
Change related to Estimated Settlement Liability	—	(631,700)
Total Estimated Future Policy Liabilities at End of Fiscal Year	**$4,885,637**	**$4,710,298**

Total LTCF investments as of June 30, 2024, were approximately $4.3 billion. On June 30, 2024, the LTCF's investment portfolio consisted of approximately 59 percent, 31 percent, 7 percent, and 3 percent of the respective Funds: Bloomberg Barclays Long Liability Index, MSCI ACWI Investable Market Index, Global Real Estate, and S&P GSCI Commodity Index, respectively, with further details in Note 4.

For Fiscal Year 2023-24, the annual premium was $298.8 million and the total benefits paid out were $361.1 million. Since the program's inception in 1995 through June 30, 2024, the total benefits paid were approximately $4.5 billion.

In September 2023, the settlement of the class action lawsuit involving the CalPERS LTC Program, known as Wedding, et al. v. CalPERS was final. Settlement expenses and fees with an estimated amount of $764 million and an estimated reduction of $626 million in future policy benefits related to policy terminations resulting from settlement was accrued in the LTCF in Fiscal Year 2022-23 and related payment of $743 million were paid in Fiscal Year 2023-24.

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. That appeal is pending.

Cheng v. CalPERS is a putative class action lawsuit that was filed against CalPERS in the Sacramento County Superior Court on October 27, 2023.

The lawsuit asserts a single claim for negligence arising from a data breach incident that occurred in late May 2023, when a threat actor group unlawfully gained access to an outside software platform (MOVEit) used by PBI Research Services/Berwyn Group (PBI), a contracted third-party vendor of CalPERS, resulting in the exposure of hundreds of thousands of CalPERS members' personal information. PBI had acquired this personal information for performing its critical service to CalPERS to protect against overpayments and other errors by identifying member deaths. The lawsuit alleges that CalPERS failed to adequately safeguard the affected personal information according to cybersecurity industry standards and seeks damages for loss of privacy, an increased risk of identity theft, harm mitigation and anxiety, among other things. The proposed class of plaintiffs comprises those CalPERS members and beneficiaries whose personal data was actually or potentially exposed in the breach.

Stoker v. CalPERS is also a putative class action that was filed against CalPERS in the Sacramento County Superior Court relating to the PBI data breach. It was filed on January 31, 2024. Stoker's lawsuit alleges that CalPERS 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: negligence; breach of contract; invasion of privacy; violation of California's Unfair Competition Law; violations of the California Consumer Privacy Act; and declaratory and injunctive relief. Like the related lawsuit in *Cheng*, the proposed class of plaintiffs comprises those CalPERS members and beneficiaries whose personal data was actually or potentially exposed in the breach.

All parties in both the *Cheng* and *Stoker* cases have stipulated that the two cases should be consolidated. During a Case Management Conference held on October 11, 2024, the Court ordered the Cheng and Stoker matters consolidated, with Cheng serving as the lead case. CalPERS is awaiting service of the consolidated complaint and will respond once received. Meanwhile, Plaintiffs have initiated written discovery.

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 alleges that the Public Employees' Retirement Law's formula for paying disability retirement benefits discriminates 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 asserts causes of action for age discrimination, breach of contract, and equal protection. The proposed plaintiff class is 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 is CalPERS, the State of California, and more than 1,000 CalPERS-covered agencies who employed members in the plaintiff class. The lawsuit seeks 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 adds the California Department of Transportation (CalTrans) as a defendant. Plaintiff's amended complaint asserts 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 involves similar claims asserted against the retirement program of San Francisco. Briefing in the Carroll appeal is ongoing, and a decision is expected in 2025. The decision in Carroll may impact the parties' positions in the *McCormick* litigation.

IBM Claim. IBM Corporation filed a Government Claim with the California Department of Government Services ("DGS") against CalPERS on September 6, 2024. IBM contends that CalPERS over-deployed certain IBM software based on the findings of an audit IBM commenced in 2021; and that CalPERS licensed the software through a third-party reseller in connection with DGS's software license program and a Vendor Pool Agreement that grants CalPERS the right to acquire the IBM software at issue. IBM further contends that CalPERS' use of the IBM software at issue is subject to IBM's standard commercial software license terms.

IBM alleges that based on a software license review ("SLR") by IBM's auditor, KPMG LLP, IBM determined in an initial effective license position provided to CalPERS on September 7, 2022, that CalPERS had 13,692 instances in which CalPERS over-deployed certain IBM software. IBM contends that as a result of the over-deployment identified in this SLR, under IBM's standard commercial license terms CalPERS' liability to IBM for certain licensing related fees and costs exceeds $30 million. IBM asserts causes of action in the DGS Claim against CalPERS arising from this purported over-deployment for breach of contract, breach of the covenant of good faith and fair dealing, and copyright infringement.

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.

17. FUTURE ACCOUNTING PRONOUNCEMENT

The objective of GASB Statement No. 101, *Compensated Absences* (GASB 101), is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. GASB Statement No. 101 is effective for fiscal years beginning after December 15th, 2023. CalPERS will implement during Fiscal Year 2024-25.

The objective of GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), is to provide users of financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The statement requires assessment of whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, the statement requires assessment of whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the basic financial statements are issued. If the criteria are met, disclosure in notes to financial statements is required to show sufficient detail to enable users to understand the nature of the circumstances and the vulnerability to the risk of the substantial impact. The requirements of GASB 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. CalPERS will implement during Fiscal Year 2024-25.

Required Supplementary Information

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

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

	2024	2023	2022	2021	2020	2019
Discount Rate Assumption	**6.90%**	**6.90%**	**6.90%**	**7.15%**	**7.15%**	**7.15%**
Total Pension Liability:						
Service Cost	$3,099,157	$2,743,978	$2,485,322	$2,347,398	$2,302,877	$2,226,797
Interest	8,416,827	7,873,335	7,435,819	7,216,728	6,904,699	6,563,541
Changes of Assumptions	—	—	3,423,109	—	—	—
Differences Between Expected and Actual Experience	2,896,834	1,777,808	(1,108,386)	(63,915)	452,461	1,398,796
Benefit Payments, Including Refunds of Member Contributions	(5,953,912)	(5,676,166)	(5,298,758)	(4,932,395)	(4,671,357)	(4,347,426)
Net Change in Total Pension Liability	**$8,458,906**	**$6,718,955**	**$6,937,106**	**$4,567,816**	**$4,988,680**	**$5,841,708**
Total Pension Liability – Beginning	$120,513,549	$113,794,594	$106,857,488	$102,289,672	$97,300,992	$91,459,284
Total Pension Liability – Ending (a)	**$128,972,455**	**$120,513,549**	**$113,794,594**	**$106,857,488**	**$102,289,672**	**$97,300,992**
Plan Fiduciary Net Position:						
Contributions – Employer	$5,368,856	$4,457,043	$3,557,108	$2,972,220	$2,866,144	$2,527,726
Contributions – Member	1,534,166	1,334,265	1,104,241	1,019,154	1,047,983	1,014,070
Contributions – Nonemployer	—	—	—	—	904,000	—
Total Net Investment Income	8,168,921	4,872,599	(6,446,442)	15,928,499	3,398,535	4,212,090
Benefit Payments, Including Refunds of Member Contributions	(5,953,912)	(5,676,166)	(5,298,758)	(4,932,395)	(4,671,357)	(4,347,426)
Net Plan-to-Plan Resource Movement	—	(10)	3	—	164	304
Administrative Expenses	(69,779)	(58,579)	(53,699)	(71,018)	(95,614)	(46,159)
Net Change in Plan Fiduciary Net Position	**$9,048,252**	**$4,929,152**	**($7,137,547)**	**$14,916,460**	**$3,449,855**	**$3,360,605**
Plan Fiduciary Net Position – Beginning	$84,314,661	$79,385,509	$86,523,056	$71,606,596	$68,156,741	$64,796,136
Adjustments[1]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	84,314,661	79,385,509	86,523,056	71,606,596	68,156,741	64,796,136
Plan Fiduciary Net Position – Ending (b)	93,362,913	84,314,661	79,385,509	86,523,056	71,606,596	68,156,741
Net Pension Liability (a) - (b)	**$35,609,542**	**$36,198,888**	**$34,409,085**	**$20,334,432**	**$30,683,076**	**$29,144,251**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**72.4%**	**70.0%**	**69.8%**	**81.0%**	**70.0%**	**70.0%**
Covered Payroll	$18,535,628	$16,275,075	$14,767,213	$14,885,212	$14,447,159	$13,819,881
Net Pension Liability as a Percentage of Covered Payroll	**192.1%**	**222.4%**	**233.0%**	**136.6%**	**212.4%**	**210.9%**

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

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Years 2023-24 and 2022-23 there were no changes to actuarial assumptions or methods in relation to financial reporting.

In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF B, these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

In Fiscal Year 2020-21 there were no changes to actuarial assumptions or methods.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on Unfunded Accrued Liability (UAL) bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

Required Supplementary Information (continued)

2018	2017	2016	2015
7.15 %	**7.15 %**	**7.65%**	**7.65%**
$2,172,696	$2,031,914	$1,716,677	$1,624,993
6,165,715	5,719,835	5,441,918	5,152,519
450,064	4,649,299	—	(1,217,974)
1,852,902	531,862	400,103	1,119,011
(4,053,119)	(3,724,910)	(3,546,836)	(3,334,081)
$6,588,258	**$9,208,000**	**$4,011,862**	**$3,344,468**
$84,871,026	$75,663,026	$71,651,164	$68,306,696
$91,459,284	**$84,871,026**	**$75,663,026**	**$71,651,164**
$2,070,832	$1,783,736	$1,434,632	$1,323,090
952,979	897,438	851,133	773,580
—	—	—	—
5,095,064	6,211,781	297,514	1,272,365
(4,053,119)	(3,724,910)	(3,546,836)	(3,334,081)
2	(134)	10	(71,460)
(92,448)	(82,489)	(34,554)	(64,124)
$3,973,310	**$5,085,422**	**($998,101)**	**($100,630)**
$60,998,387	$55,912,965	$56,911,066	$57,011,696
(175,561)	—	—	—
60,822,826	55,912,965	56,911,066	57,011,696
64,796,136	60,998,387	55,912,965	56,911,066
$26,663,148	**$23,872,639**	**$19,750,061**	**$14,740,098**
70.8 %	**71.9 %**	**73.9%**	**79.4%**
$13,252,995	$12,643,354	$11,747,602	$10,964,872
201.2 %	**188.8 %**	**168.1%**	**134.4%**

In Fiscal Year 2019-20, no changes have occurred to the actuarial assumptions in relation to financial reporting.

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

In December 2017, the CalPERS Board of Administration adopted a new inflation assumption. The assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. These changes were implemented in two steps commencing in the June 30, 2018, funding valuation. For financial reporting purposes, these assumption changes were fully reflected in the results for Fiscal Year 2017-18.

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF B was lowered from 7.65 percent to 7.15 percent.

In December 2016, the Board approved lowering the funding discount rate used in the PERF B from 7.50 percent to 7.00 percent, which was phased in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2017, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In Fiscal Year 2014-15, the financial reporting discount rate was increased from 7.50 percent to 7.65 percent resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50 percent during this period, and remained adjusted for administrative expenses.

Required Supplementary Information (continued)

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

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

	2024	2023	2022	2021	2020	2019
Discount Rate Assumption	**6.90%**	**6.90%**	**6.90%**	**7.15%**	**7.15%**	**7.15%**
Total Pension Liability:						
Service Cost	$1,181,293	$1,096,304	$1,039,473	$947,349	$912,529	$878,707
Interest	3,619,682	3,431,712	3,239,025	3,123,532	2,954,008	2,798,484
Changes of Benefit Terms	43	305	4,481	1,390	900	1,283
Changes of Assumptions	—	—	1,606,551	—	—	—
Differences Between Expected and Actual Experience	774,988	933,368	(188,502)	615,793	453,273	705,149
Benefit Payments, Including Refunds of Member Contributions[1]	(2,697,033)	(2,545,680)	(2,349,632)	(2,216,053)	(2,044,232)	(1,902,025)
Net Change in Total Pension Liability	**$2,878,973**	**$2,916,009**	**$3,351,396**	**$2,472,011**	**$2,276,478**	**$2,481,598**
Total Pension Liability – Beginning	$52,441,984	$49,526,338	$46,174,942	$43,702,931	$41,426,453	$38,944,855
Adjustment to Beginning Amount	—	(363)	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$52,441,984**	**$49,525,975**	**$46,174,942**	**$43,702,931**	**$41,426,453**	**$38,944,855**
Total Pension Liability – Ending (a)	**$55,320,957**	**$52,441,984**	**$49,526,338**	**$46,174,942**	**$43,702,931**	**$41,426,453**
Plan Fiduciary Net Position:						
Contributions – Employer[1]	$1,614,768	$1,623,130	$2,284,579	$1,921,032	$1,594,811	$1,333,559
Contributions – Member[1]	525,572	457,581	417,129	395,130	381,786	357,159
Contributions – Nonemployer	4,306	—	—	—	—	—
Total Net Investment Income[1]	3,777,039	2,347,184	(3,109,188)	7,523,678	1,565,953	1,935,939
Benefit Payments, Including Refunds of Member Contributions[1]	(2,697,033)	(2,545,680)	(2,349,632)	(2,210,327)	(2,044,232)	(1,902,025)
Net Plan-to-Plan Resource Movement[1]	4,167	136,654	(8,335)	348,384	188,629	167,308
Administrative Expenses	(32,260)	(27,756)	(25,686)	(33,744)	(43,860)	(21,115)
Net Change in Plan Fiduciary Net Position	**$3,196,559**	**$1,991,113**	**($2,791,133)**	**$7,944,153**	**$1,643,087**	**$1,870,825**
Plan Fiduciary Net Position – Beginning	$39,966,634	$37,975,521	$40,766,654	$32,822,501	$31,179,414	$29,308,589
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	39,966,634	37,975,521	40,766,654	32,822,501	31,179,414	29,308,589
Plan Fiduciary Net Position – Ending (b)	43,163,193	39,966,634	37,975,521	40,766,654	32,822,501	31,179,414
Net Pension Liability (a) - (b)	**$12,157,764**	**$12,475,350**	**$11,550,817**	**$5,408,288**	**$10,880,430**	**$10,247,039**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**78.0%**	**76.2%**	**76.7%**	**88.3%**	**75.1%**	**75.3%**
Covered Payroll	$5,161,783	$4,723,688	$4,428,659	$4,371,563	$4,155,772	$3,949,226
Net Pension Liability as a Percentage of Covered Payroll	**235.5%**	**264.1%**	**260.8%**	**123.7%**	**261.8%**	**259.5%**

(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 2022, SB 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact from this change is deemed to be immaterial and is included in Differences Between Expected and Actual Experience.

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Change of Assumptions and Methods

In Fiscal Years 2023-24 and 2022-23, there were no changes to the actuarial assumptions or methods in relation to financial reporting.

In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22.

Required Supplementary Information (continued)

2018	2017	2016	2015
7.15 %	**7.15%**	**7.65%**	**7.65%**
$844,273	$820,583	$712,307	$698,416
2,629,157	2,506,761	2,399,259	2,285,565
668	2,119	1,478	—
(248,318)	2,122,413	—	(543,686)
313,467	(18,554)	(6,333)	(5,678)
(1,755,740)	(1,630,602)	(1,519,301)	(1,423,756)
$1,783,507	**$3,802,720**	**$1,587,410**	**$1,010,861**
$37,161,348	$33,358,628	$31,800,055	$30,789,194
—	—	(28,837)	—
$37,161,348	**$33,358,628**	**$31,771,218**	**$30,789,194**
$38,944,855	**$37,161,348**	**$33,358,628**	**$31,800,055**
$1,182,686	$980,359	$882,991	$859,456
334,140	317,024	300,135	278,529
—	—	—	—
2,308,558	2,774,321	127,043	548,097
(1,755,740)	(1,630,602)	(1,519,301)	(1,423,756)
116,550	134,513	22,621	(267,581)
(41,980)	(37,052)	(15,263)	(27,967)
$2,144,214	**$2,538,563**	**($201,774)**	**($33,222)**
$27,244,095	$24,705,532	$24,907,306	$24,940,528
(79,720)	—	—	—
27,164,375	24,705,532	24,907,306	24,940,528
29,308,589	27,244,095	24,705,532	24,907,306
$9,636,266	**$9,917,253**	**$8,653,096**	**$6,892,749**
75.3 %	**73.3%**	**74.1%**	**78.3%**
$3,793,609	$3,631,919	$3,472,950	$3,356,312
254.0 %	**273.1%**	**249.2%**	**205.4%**

In Fiscal Year 2020-21, there were no changes to actuarial assumptions or methods in relation to financial reporting. The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2019-20, no changes have occurred to the actuarial assumptions in relation to financial reporting.

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

In December 2017, the Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. These changes will be implemented in two steps commencing in the June 30, 2017, funding valuation. For financial reporting purposes, these assumption changes are fully reflected in the results for Fiscal Year 2017-18.

In Fiscal Year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. In December 2016, the Board approved lowering the funding discount rate used in the PERF C from 7.50 percent to 7.00 percent, which was phased in over a three-year period (7.50 percent to 7.375 percent, 7.375 percent to 7.25 percent, and 7.25 percent to 7.00 percent) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In Fiscal Year 2014-15, the financial reporting discount rate was increased from 7.50 percent to 7.65 percent resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50 percent during this period, and remained adjusted for administrative expenses.

Required Supplementary Information (continued)

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

LRF – 10-Year Review (Dollars in Thousands)

	2024	2023	2022	2021	2020	2019
Discount Rate Assumption	**4.85%**	**4.85%**	**4.85%**	**5.25%**	**5.25%**	**5.25%**
Total Pension Liability:						
Service Cost	$0	$52	$108	$101	$100	$268
Interest	4,351	4,248	4,299	4,749	4,885	4,871
Changes of Assumptions	—	—	1,024	—	—	—
Differences Between Expected and Actual Experience	5,119	1,444	(992)	(732)	2,320	(427)
Benefit Payments, Including Refunds of Member Contributions	(7,436)	(7,088)	(6,647)	(6,761)	(6,939)	(7,349)
Net Change in Total Pension Liability	**$2,034**	**($1,344)**	**($2,208)**	**($2,643)**	**$366**	**($2,637)**
Total Pension Liability – Beginning	$88,315	$89,659	$91,867	$94,510	$94,144	$96,781
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$88,315**	**$89,659**	**$91,867**	**$94,510**	**$94,144**	**$96,781**
Total Pension Liability – Ending (a)	**$90,349**	**$88,315**	**$89,659**	**$91,867**	**$94,510**	**$94,144**
Plan Fiduciary Net Position:						
Contributions – Employer	$0	$44	$85	$92	$98	$250
Contributions – Member	—	11	23	21	22	91
Total Net Investment Income	4,905	603	(12,449)	15,098	7,013	7,860
Benefit Payments, Including Refunds of Member Contributions	(7,436)	(7,088)	(6,647)	(6,761)	(6,939)	(7,349)
Administrative Expenses	(663)	(525)	(436)	(450)	(550)	(324)
Net Change in Plan Fiduciary Net Position	**($3,194)**	**($6,955)**	**($19,424)**	**$8,000**	**($356)**	**$528**
Plan Fiduciary Net Position – Beginning	$95,669	$102,624	$122,048	$114,048	$114,404	$113,876
Adjustments[1]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	95,669	102,624	122,048	114,048	114,404	113,876
Plan Fiduciary Net Position – Ending (b)	92,475	95,669	102,624	122,048	114,048	114,404
Net Pension Asset (a) - (b)	**($2,126)**	**($7,354)**	**($12,965)**	**($30,181)**	**($19,538)**	**($20,260)**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**102.4%**	**108.3%**	**114.5%**	**132.9%**	**120.7%**	**121.5%**
Covered Payroll	$0	$138	$290	$267	$278	$655
Net Pension Asset as a Percentage of Covered Payroll	**N/A**	**(5,329.0%)**	**(4,470.7%)**	**(11,303.7%)**	**(7,028.1%)**	**(3,093.1%)**

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

NOTES TO SCHEDULE

Change of Assumptions and Methods

In Fiscal Years 2022-23 and 2023-24, there were no changes to assumptions or methods in relation to financial reporting.

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

In Fiscal Year 2020-21, there were no changes to the actuarial assumptions in relation to financial reporting. The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

Required Supplementary Information (continued)

2018	2017	2016	2015
5.25%	**5.25%**	**6.00%**	**6.00%**
$542	$639	$608	$769
4,987	5,291	5,978	6,427
(2,529)	7,857	—	(2,655)
(2,061)	(5,998)	(3,530)	(4,246)
(6,918)	(7,249)	(7,407)	(9,086)
($5,979)	**$540**	**($4,351)**	**($8,791)**
$102,760	$102,220	$106,730	$115,521
—	—	(159)	—
$102,760	**$102,220**	**$106,571**	**$115,521**
$96,781	**$102,760**	**$102,220**	**$106,730**
$467	$516	$549	$590
82	94	97	105
5,486	5,048	4,545	(94)
(6,918)	(7,249)	(7,407)	(9,086)
(671)	(575)	(203)	(400)
($1,554)	**($2,166)**	**($2,419)**	**($8,885)**
$116,884	$119,050	$121,469	$130,354
(1,454)	—	—	—
115,430	119,050	121,469	130,354
113,876	116,884	119,050	121,469
($17,095)	**($14,124)**	**($16,830)**	**($14,739)**
117.7%	**113.7%**	**116.5%**	**113.8%**
$1,242	$1,360	$1,313	$1,545
(1,376.4%)	**(1,038.5%)**	**(1,281.8%)**	**(954.0%)**

In Fiscal Year 2019-20, there were no changes to the actuarial assumptions in relation to financial reporting.

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

In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the financial reporting discount rate for the LRF was lowered from 6.00 percent to 5.25 percent. In April 2017, the Board approved lowering the funding discount rate used in the LRF 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 decrease is consistent with the change in the financial reporting discount rate.

In Fiscal Year 2014-15, the financial reporting discount rate was increased from 5.75 percent to 6.00 percent resulting from eliminating the 25 basis-point reduction for administrative expenses. The funding discount rate remained at 5.75 percent during this period, and remained adjusted for administrative expenses.

Required Supplementary Information (continued)

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

JRF – 10-Year Review (Dollars in Thousands)

	2024	2023	2022	2021	2020	2019
Discount Rate Assumption	**3.97%**	**3.86%**	**3.69%**	**1.92%**	**2.45%**	**3.13%**
Total Pension Liability:						
Service Cost	$7,660	$9,541	$10,345	$17,861	$17,026	$20,073
Interest	93,495	96,524	93,559	64,480	79,719	99,428
Changes of Assumptions	(21,972)	(36,907)	(598,096)	179,421	218,683	153,651
Differences Between Expected and Actual Experience	(14,317)	111,908	(92,633)	40,007	(41,794)	86,873
Benefit Payments, Including Refunds of Member Contributions	(212,542)	(216,271)	(210,491)	(210,951)	(213,233)	(221,954)
Net Change in Total Pension Liability	**($147,676)**	**($35,205)**	**($797,316)**	**$90,818**	**$60,401**	**$138,071**
Total Pension Liability – Beginning	$2,493,768	$2,528,973	$3,326,289	$3,235,471	$3,175,070	$3,036,999
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$2,493,768**	**$2,528,973**	**$3,326,289**	**$3,235,471**	**$3,175,070**	**$3,036,999**
Total Pension Liability – Ending (a)	**$2,346,092**	**$2,493,768**	**$2,528,973**	**$3,326,289**	**$3,235,471**	**$3,175,070**
Plan Fiduciary Net Position:						
Contributions – Employer and General Fund[1]	$212,532	$208,785	$194,960	$225,824	$243,131	$195,903
Contributions – Member	1,481	1,697	1,956	2,146	2,843	2,679
Total Net Investment Income	6,247	5,261	2,499	2,625	3,087	3,942
Benefit Payments, Including Refunds of Member Contributions	(212,542)	(216,271)	(210,492)	(210,951)	(213,233)	(221,954)
Administrative Expenses	(2,411)	(2,031)	(1,677)	(1,731)	(2,270)	(10,032)
Net Change in Plan Fiduciary Net Position	**$5,307**	**($2,559)**	**($12,754)**	**$17,913**	**$33,558**	**($29,462)**
Plan Fiduciary Net Position – Beginning	$46,327	$48,886	$61,640	$43,727	$10,169	$39,631
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	46,327	48,886	61,640	43,727	10,169	39,631
Plan Fiduciary Net Position – Ending (b)	51,634	46,327	48,886	61,640	43,727	10,169
Net Pension Liability (a) - (b)	**$2,294,458**	**$2,447,441**	**$2,480,087**	**$3,264,649**	**$3,191,744**	**$3,164,901**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**2.2%**	**1.9%**	**1.9%**	**1.9%**	**1.4%**	**0.3%**
Covered Payroll	$16,462	$20,083	$20,916	$20,808	$22,875	$31,945
Net Pension Liability as a Percentage of Covered Payroll	**13,937.9%**	**12,186.6%**	**11,857.4%**	**15,689.4%**	**13,953.0%**	**9,907.3%**

(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 2023-24, the discount rate used to measure the total pension liability was 3.97 percent. The state funds the Judges' Retirement Fund (JRF) benefit obligations using the pay-as-you-go method. Member contributions plus state contributions are designed to cover only benefit payments and expenses each year. Under the pay-as-you-go method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments of current active and inactive employees. Therefore, a discount rate of 3.86 percent, which falls within a reasonable range of yields on 20-year tax-exempt General Obligation Municipal Bonds with an average rating of AA (as reported in Fidelity Index's "20-Year Municipal GO AA Index") as of June 30, 2023, was applied to all periods of projected benefit payments to measure the total pension liability.

In Fiscal Year 2022-23, the discount rate used to measure the total pension liability was 3.86 percent.

In Fiscal Year 2021-22, the discount rate used to measure the total pension liability was 3.69 percent. In November 2021 and April 2022, the CalPERS Board of Administration adopted several changes to actuarial assumptions. For the JRF, these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation, mortality rates, and retirement rates. In addition, individual salary and overall payroll increase assumptions were increased from 2.75 percent to 2.8 percent. Retirement benefits are fully adjusted for increases in salaries for the active judges of the same court from which the member retired. Therefore, the Cost-of-Living Adjustment is increased to 2.8 percent.

In Fiscal Year 2020-21, the discount rate used to measure the total pension liability was 1.92 percent. There were no

2018	2017	2016	2015
3.62 %	**3.56%**	**2.85%**	**3.82%**
$19,131	$22,733	$29,314	$25,372
109,395	115,067	107,515	127,074
(20,879)	(107,670)	384,306	167,036
(121,259)	(366,200)	(59,421)	57,568
(207,823)	(200,440)	(199,349)	(201,868)
($221,435)	**($536,510)**	**$262,365**	**$175,182**
$3,258,434	$3,794,944	$3,532,394	$3,357,212
—	—	185	—
$3,258,434	**$3,794,944**	**$3,532,579**	**$3,357,212**
$3,036,999	**$3,258,434**	**$3,794,944**	**$3,532,394**
$199,241	$204,475	$192,287	$180,910
3,062	3,398	3,559	3,877
3,378	2,819	2,762	2,286
(207,823)	(200,440)	(199,349)	(201,868)
(2,106)	(1,771)	(642)	(1,227)
($4,248)	**$8,481**	**($1,383)**	**($16,022)**
$48,275	$39,794	$41,177	$57,199
(4,396)	—	—	—
43,879	39,794	41,177	57,199
39,631	48,275	39,794	41,177
$2,997,368	**$3,210,159**	**$3,755,150**	**$3,491,217**
1.3 %	**1.5%**	**1.0%**	**1.2%**
$35,507	$39,413	$34,301	$41,378
8,441.6 %	**8,144.9%**	**10,947.6%**	**8,437.4%**

other changes to assumptions or methods in relation to financial reporting.

In Fiscal Year 2019-20, the discount rate used to measure the total pension liability was 2.45 percent. There were other changes to assumptions or methods in relation to financing reporting.

In Fiscal Year 2018-19, the discount rate used to measure the total pension liability was 3.13 percent. CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This new system refined and improved calculation methodology.

In Fiscal Year 2017-18, the discount rate used to measure the total pension liability was 3.62 percent. In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the discount rate used to measure the total pension liability was 3.56 percent. Assumption changes were made in the JRF June 30, 2016, valuation including a lowering of the rates of retirement to reflect that there were fewer actual retirements over the past six years than were assumed. In addition, pre-retirement termination and disability rates were removed due to low expected future terminations and disability retirements for this group.

In Fiscal Year 2015-16, the discount rate used to measure the total pension liability was 2.85 percent.

In Fiscal Year 2014-15, the discount rate used to measure the total pension liability was 3.82 percent. Changes to actuarial methods were made in the June 30, 2014, valuation including an increase in maximum benefit allowable for active members to 75 percent of pay from 65 percent of pay; the benefit payable for a termination changed from being equal to a retirement benefit to one equal to a percent (generally 3.75 percent) times years of service; and the allocated service for the nonmember spouse for a Qualified Domestic Relations Order changed to full service for the member in order to determine both eligibility and the benefit multiplier.

Required Supplementary Information (continued)

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

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

	2024	2023	2022	2021	2020	2019
Discount Rate Assumption	**6.15%**	**6.15%**	**6.15%**	**6.65%**	**6.65%**	**6.65%**
Total Pension Liability:						
Service Cost	$128,636	$121,141	$115,808	$116,782	$114,486	$103,791
Interest	143,958	131,805	120,585	126,948	115,517	103,889
Changes of Benefit Terms	—	(1,452)	—	—	—	—
Changes of Assumptions	—	—	(59,394)	—	—	—
Differences Between Expected and Actual Experience	32,448	20,135	(67,751)	(10,975)	(2,797)	30,291
Benefit Payments, Including Refunds of Member Contributions	(99,168)	(83,868)	(66,739)	(61,994)	(34,547)	(36,204)
Net Change in Total Pension Liability	**$205,874**	**$187,761**	**$42,509**	**$170,761**	**$192,659**	**$201,767**
Total Pension Liability – Beginning	$2,293,612	$2,105,851	$2,063,342	$1,892,581	$1,699,922	$1,498,155
Adjustment to Beginning Amount	—	—	—	—	—	—
Total Adjusted Pension Liability – Beginning	**$2,293,612**	**$2,105,851**	**$2,063,342**	**$1,892,581**	**$1,699,922**	**$1,498,155**
Total Pension Liability – Ending (a)	**$2,499,486**	**$2,293,612**	**$2,105,851**	**$2,063,342**	**$1,892,581**	**$1,699,922**
Plan Fiduciary Net Position:						
Contributions – Employer and General Fund[1]	$96,316	$89,970	$92,773	$84,147	$91,147	$84,099
Contributions – Member	42,936	38,669	36,529	34,094	35,796	31,376
Total Net Investment Income	267,421	151,749	(324,362)	463,478	80,074	106,781
Benefit Payments, Including Refunds of Member Contributions	(99,168)	(83,868)	(66,739)	(61,994)	(34,547)	(36,204)
Administrative Expenses	(2,637)	(2,126)	(1,842)	(1,703)	(2,552)	(1,477)
Net Change in Plan Fiduciary Net Position	**$304,868**	**$194,394**	**($263,641)**	**$518,022**	**$169,918**	**$184,575**
Plan Fiduciary Net Position – Beginning	$2,328,782	$2,134,388	$2,398,029	$1,880,007	$1,710,089	$1,525,514
Adjustments[2]	—	—	—	—	—	—
Total Adjusted Plan Fiduciary Net Position – Beginning	2,328,782	2,134,388	2,398,029	1,880,007	1,710,089	1,525,514
Plan Fiduciary Net Position – Ending (b)	2,633,650	2,328,782	2,134,388	2,398,029	1,880,007	1,710,089
Net Pension Liability/(Asset) (a) - (b)	**($134,164)**	**($35,170)**	**($28,537)**	**($334,687)**	**$12,574**	**($10,167)**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**105.4%**	**101.5%**	**101.4%**	**116.2%**	**99.3%**	**100.6%**
Covered Payroll	$399,244	$378,328	$360,771	$361,108	$352,700	$318,827
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	**(33.6%)**	**(9.3%)**	**(7.9%)**	**(92.7%)**	**3.6%**	**(3.2%)**

(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 2023-24, AB 2443 became effective on January 1, 2024. There were no changes to assumptions or methods in relation to financing reporting.

In Fiscal Year 2022-23, AB 2443 provided judges in JRF II the ability to retire early and elect a deferred retirement allowance. More information can be found in the June 30, 2022, JRF II funding valuation. There were no changes to assumptions or methods in relation to financing reporting.

In April 2022, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For the Judges' Retirement Fund II (JRF II), these changes were implemented in the June 30, 2021, actuarial valuation for funding purposes. Included in these changes were assumptions for inflation and the discount rate, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.30 percent and the discount rate was reduced from 6.50 percent to 6.00 percent. As a result, for financial reporting purposes, the discount rate for the JRF II was lowered from 6.65 percent to 6.15 percent in Fiscal Year 2021-22.

In Fiscal Year 2020-21, no changes were made to the actuarial assumptions in relation to financing reporting.

The CalPERS Board of Administration adopted a new amortization policy effective with the June 30, 2019, actuarial valuation. The new policy shortened the period over which actuarial gains and losses are amortized from 30 years to

Required Supplementary Information (continued)

2018	2017	2016	2015
6.65 %	**6.65%**	**7.15%**	**7.15%**
$95,843	$97,678	$86,635	$81,679
91,419	85,654	78,412	70,389
—	—	—	—
(41,763)	69,233	—	(14,883)
(26,876)	(26,382)	(4,546)	(17,319)
(31,795)	(22,406)	(21,704)	(14,040)
$86,828	**$203,777**	**$138,797**	**$105,826**
$1,411,327	$1,207,550	$1,073,788	$967,962
—	—	(5,035)	—
$1,411,327	**$1,207,550**	**$1,068,753**	**$967,962**
$1,498,155	**$1,411,327**	**$1,207,550**	**$1,073,788**
$79,699	$67,102	$65,839	$65,629
27,513	25,076	24,598	22,242
101,820	115,057	20,810	(2,401)
(31,795)	(22,406)	(21,704)	(14,040)
(2,370)	(1,683)	(732)	(1,127)
$174,867	**$183,146**	**$88,811**	**$70,303**
$1,356,099	$1,172,953	$1,084,142	$1,013,839
(5,452)	—	—	—
1,350,647	1,172,953	1,084,142	1,013,839
1,525,514	1,356,099	1,172,953	1,084,142
($27,359)	**$55,228**	**$34,597**	**($10,354)**
101.8 %	**96.1%**	**97.1%**	**101.0%**
$299,396	$291,097	$280,879	$259,133
(9.1)%	**19.0%**	**12.3%**	**(4.0%)**

20 years with the payments computed as a level dollar amount. In addition, the policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, investment gains/losses, and non-investment gains/losses. These changes applied only to new UAL bases established on or after June 30, 2019.

In Fiscal Year 2019-20, no changes have occurred to the actuarial assumptions in relation to financial reporting.

CalPERS implemented a new actuarial valuation software system for the June 30, 2018, valuation. This system has refined and improved calculation methodology.

In December 2017, the Board adopted new mortality assumptions. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption was reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent.

In Fiscal Year 2016-17, the financial reporting discount rate for the JRF II was lowered from 7.15 percent to 6.65 percent. In April 2017, the Board approved lowering the funding discount rate used in the JRF II from 7.00 percent to 6.50 percent beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In Fiscal Year 2014-15, the financial reporting discount rate was increased from 7.00 percent to 7.15 percent resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.00 percent during this period, and remained adjusted for administrative expenses.

Required Supplementary Information (continued)

SCHEDULES OF PLAN CONTRIBUTIONS

10-Year Review (Dollars in Thousands)

	2024	2023	2022	2021	2020	2019
PERF B:						
Actuarially Determined Contribution	$5,262,302	$4,391,877	$3,511,338	$2,969,799	$2,759,835	$2,501,770
Contributions in Relation to the Actuarially Determined Contribution	5,262,302	4,391,877	3,511,338	2,969,799	3,663,835	2,501,770
Contribution Excess	**$0**	**$0**	**$0**	**$0**	**$904,000**	**$0**
Covered Payroll	$18,535,628	$16,275,075	$14,767,213	$14,885,212	$14,447,159	$13,819,881
Contributions as a Percentage of Covered Payroll	28.4%	27.0%	23.8%	20.0%	25.4%	18.1%
PERF C:						
Actuarially Determined Contribution	$1,509,408	$1,490,966	$1,414,309	$1,337,952	$1,222,537	$1,081,111
Contributions in Relation to the Actuarially Determined Contribution[1]	1,614,768	1,623,130	2,284,579	1,921,032	1,597,137	1,333,559
Contribution Excess	**$105,360**	**$132,164**	**$870,270**	**$583,080**	**$374,600**	**$252,448**
Covered Payroll	$5,161,783	$4,723,688	$4,428,659	$4,371,563	$4,155,772	$3,949,226
Contributions as a Percentage of Covered Payroll	31.3%	34.4%	51.6%	43.9%	38.4%	33.8%
LRF:						
Actuarially Determined Contribution[2]	$0	$44	$85	$78	$98	$250
Contributions in Relation to the Actuarially Determined Contribution[3]	—	44	85	78	98	250
Contribution Excess	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Covered Payroll	$0	$138	$290	$267	$278	$655
Contributions as a Percentage of Covered Payroll	N/A	31.9%	29.3%	29.2%	35.3%	38.2%
JRF:						
Actuarially Determined Contribution[4]	$315,809	$313,118	$352,881	$366,446	$414,849	$415,110
Contributions in Relation to the Actuarially Determined Contribution[5]	212,532	208,785	194,960	225,824	243,131	195,903
Contribution Deficiency	**$103,277**	**$104,333**	**$157,921**	**$140,622**	**$171,718**	**$219,207**
Covered Payroll	$16,462	$20,083	$20,916	$20,808	$22,875	$31,945
Contributions as a Percentage of Covered Payroll	1,291.0%	1,039.6%	932.1%	1,085.3%	1,062.9%	613.3%
JRF II:						
Actuarially Determined Contribution	$96,316	$89,970	$91,887	$84,147	$91,147	$84,099
Contributions in Relation to the Actuarially Determined Contribution	96,316	89,970	92,773	84,147	91,147	84,099
Contribution Excess	**$0**	**$0**	**$886**	**$0**	**$0**	**$0**
Covered Payroll	$399,244	$378,328	$360,771	$361,108	$352,700	$318,827
Contributions as a Percentage of Covered Payroll	24.1%	23.8%	25.7%	23.3%	25.8%	26.4%

(1) Additional discretionary contribution payments are not available prior to 2016.
(2) Does not agree to Basic Financial Statements due to an adjustment in 2021.
(3) 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.
(4) The actuarially determined contributions 2016 and beyond are based on a 10-year amortization period, while the 2015 and 2014 actuarially determined contributions are based on a two-year amortization period.
(5) Contributions to the JRF are made on the pay-as-you-go basis.

Required Supplementary Information (continued)

2018	2017	2016	2015
$2,048,531	$1,767,813	$1,421,289	$1,303,162
2,048,531	1,767,813	1,421,289	1,303,162
$0	**$0**	**$0**	**$0**
$13,252,995	$12,643,354	$11,747,602	$10,964,872
15.5%	14.0%	12.1%	11.9%
$947,056	$761,350	$696,439	$691,602
1,182,686	858,954	789,103	691,602
$235,630	**$97,604**	**$92,664**	**$0**
$3,793,609	$3,631,919	$3,472,950	$3,356,312
31.2%	23.7%	22.7%	20.6%
$20	$0	$141	$260
467	516	549	590
$447	**$516**	**$408**	**$330**
$1,242	$1,360	$1,313	$1,545
37.6%	37.9%	41.8%	38.2%
$438,156	$448,636	$463,073	$1,884,555
199,241	204,475	192,287	180,910
$238,915	**$244,161**	**$270,786**	**$1,703,645**
$35,507	$39,413	$34,301	$41,378
561.1%	518.8%	560.6%	437.2%
$79,699	$67,102	$65,839	$63,193
79,699	67,102	65,839	63,193
$0	**$0**	**$0**	**$0**
$299,396	$291,097	$280,879	$259,133
26.6%	23.1%	23.4%	24.4%

Required Supplementary Information (continued)

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

	2023-24	2022-23	2021-22	2020-21	2019-20
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 and Direct Rate Smoothing
Remaining Amortization Periods[1]	7-26 years	8-27 years	9-28 years	10-29 years	11-30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.63%
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%	7.00%	7.00%	7.25%
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 and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Periods[1]	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	Differs by employer rate plan but no more than 30 years	Differs by employer rate plan but no more than 30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.50%	2.50%	2.50%	2.63%
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%	7.00%	7.00%	7.00%	7.25%

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

Required Supplementary Information (continued)

	2018-19	2017-18	2016-17	2015-16	2014-15
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 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
	12-30 years	13-30 years	14-30 years	15-30 years	16-30 years
	Fair Value	Fair Value	Fair Value	Fair Value	Smoothing of Fair Value
	2.75%	2.75%	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
	7.38%	7.50%	7.50%	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
	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	Smoothing of Fair Value
	2.75%	2.75%	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
	7.38%	7.50%	7.50%	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

	2023-24	2022-23	2021-22	2020-21	2019-20
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 and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing	Level Dollar and Direct Rate Smoothing	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Periods[1]	N/A	N/A	N/A	N/A	N/A
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.75%	2.75%	2.75%
Investment Rate of Return	4.50%	4.50%	5.00%	5.00%	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%	2.50%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.75%	2.75%	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	Level Dollar	Level Dollar	Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Periods[1]	10 years	N/A	20 years	5 years	5-30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.75%	2.75%	2.75%
Investment Rate of Return	6.00%	6.00%	6.50%	6.50%	6.50%

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

Required Supplementary Information (continued)

	2018-19	2017-18	2016-17	2015-16	2014-15
LRF					
	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
	30 years	30 years	63 years	29-30 years	30 years
	Fair Value	Fair Value	Fair Value	Fair Value	Smoothing of Fair Value
	2.50%	2.75%	2.75%	2.75%	2.75%
	2.75%	3.00%	3.00%	3.00%	3.00%
	5.00%	5.00%	5.75%	5.75%	5.75%
JRF					
	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
	10 years	10 years	10 years	10 years	2 years
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
	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%	4.25%	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 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
	2-30 years	20-30 years	30 years	30 years	16-30 years
	Fair Value	Fair Value	Fair Value	Fair Value	Smoothing of Fair Value
	2.50%	2.75%	2.75%	2.75%	2.75%
	2.75%	3.00%	3.00%	3.00%	3.00%
	6.50%	6.50%	7.00%	7.00%	7.00%

SCHEDULE OF INVESTMENT RETURNS

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

Plan	2024 Rate of Return	2023 Rate of Return	2022 Rate of Return	2021 Rate of Return	2020 Rate of Return	2019 Rate of Return	2018 Rate of Return	2017 Rate of Return	2016 Rate of Return	2015 Rate of Return
PERF A										
Agent	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%	2.2%
PERF B										
Schools Cost-Sharing	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%	2.2%
PERF C										
Public Agency Cost-Sharing	9.5%	6.1%	(7.5%)	22.4%	5.0%	6.5%	8.4%	11.2%	0.5%	2.2%
LRF	5.2%	0.6%	(10.3%)	13.4%	6.2%	7.0%	4.8%	4.3%	3.8%	(0.1%)
JRF	6.6%	4.5%	0.3%	0.3%	2.3%	3.2%	1.9%	1.0%	0.5%	0.2%
JRF II	11.4%	7.1%	(13.4%)	24.3%	4.1%	6.9%	7.4%	9.6%	1.9%	(0.2%)
CERBTF[1]	10.6%	6.0%	(14.0%)	25.6%	4.0%	6.5%	7.3%	10.0%	1.6%	—%
CEPPTF[2]	8.7%	4.7%	(13.9%)	14.4%	—%	—%	—%	—%	—%	—%

(1) Information in this schedule is not available prior to 2016.
(2) Information in this schedule is not available prior to 2021.

Required Supplementary Information (continued)

PUBLIC EMPLOYEES' HEALTH CARE FUND

Schedule of Claims Development Information (Dollars in Thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
1) Net Earned Required Premium and Investment Revenues	$4,523,673	$4,525,821	$4,099,125	$3,949,155	$3,772,501	$3,751,406	$3,985,393	$3,829,095	$3,801,266	$3,642,206
2) Unallocated Expenses	$301,247	$315,863	$309,473	$304,990	$331,235	$299,053	$304,408	$312,924	$355,779	$371,916
3) Estimated Incurred Claims and Expenses, End of Policy Year	$4,263,764	$4,361,650	$4,227,754	$3,750,063	$3,569,208	$3,666,596	$3,576,081	$3,391,183	$3,424,147	$3,432,102
4) Paid (Cumulative) as of:										
End of Policy Year	$3,652,830	$3,789,762	$3,608,399	$3,267,719	$3,111,826	$3,244,896	$3,039,289	$3,061,085	$3,000,726	$3,378,857
One Year Later	—	4,280,264	4,135,075	3,714,863	3,475,051	3,620,210	3,380,649	3,395,673	3,406,016	3,802,277
Two Years Later	—	—	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Three Years Later	—	—	—	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Four Years Later	—	—	—	—	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Five Years Later	—	—	—	—	—	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Six Years Later	—	—	—	—	—	—	3,386,762	3,395,673	3,406,016	3,802,277
Seven Years Later	—	—	—	—	—	—	—	3,395,673	3,406,016	3,802,277
Eight Years Later	—	—	—	—	—	—	—	—	3,406,016	3,802,277
Nine Years Later	—	—	—	—	—	—	—	—	—	3,802,277
5) Re-Estimated Incurred Claims Expenses:										
End of Policy Year	$4,263,764	$4,361,650	$4,227,754	$3,750,063	$3,569,208	$3,666,596	$3,576,081	$3,391,183	$3,424,147	$3,432,102
One Year Later	—	4,280,264	4,135,075	3,714,863	3,475,051	3,620,210	3,380,649	3,395,673	3,406,016	3,802,277
Two Years Later	—	—	4,157,850	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Three Years Later	—	—	—	3,728,299	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Four Years Later	—	—	—	—	3,482,349	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Five Years Later	—	—	—	—	—	3,627,419	3,386,762	3,395,673	3,406,016	3,802,277
Six Years Later	—	—	—	—	—	—	3,386,762	3,395,673	3,406,016	3,802,277
Seven Years Later	—	—	—	—	—	—	—	3,395,673	3,406,016	3,802,277
Eight Years Later	—	—	—	—	—	—	—	—	3,406,016	3,802,277
Nine Years Later	—	—	—	—	—	—	—	—	—	3,802,277
6) Increase (Decrease) in Estimated Incurred Claims and Expenses From End of Policy Year	$0	($81,386)	($69,904)	($21,764)	($86,859)	($39,177)	($189,319)	$4,490	($18,131)	$370,175

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)

	2024
PERSONAL SERVICES	
Salaries & Wages	$205,793
Employee Benefits	115,261
Accrued Pension & OPEB Expense	14,148
Total Personal Services	**$335,202**
CONSULTANT & PROFESSIONAL SERVICES	
State of California Agencies	$4,699
External Consultants	34,871
Retiree Benefit Trust Management Fees	90
Pension Prefunding Trust Management Fees	18
Deferred Compensation Management/Custody Fees	3,567
Health Plan Administrator Fees	248,847
Long-Term Care Administrator Fees	17,318
Total Consultant & Professional Services	**$309,410**
OPERATING EXPENSES & EQUIPMENT	
General Expense	$6,760
Software	3,907
Printing	11
Building	24,110
Postage	2,434
Communications	1,052
Data Processing Services	20,666
Travel	893
Training	793
Medical Examiners	2,222
Facilities Operation	3,073
Central Administrative Services	21,680
Administrative Hearings	683
Consolidated Data Center	337
CSUS Foundation - Students	70
Equipment	299
Total Operating Expenses & Equipment	**$88,990**
OTHER EXPENSES & ADJUSTMENTS	
Depreciation Expense	$17,342
Increase/(Decrease) in Paid Absence Obligation	(74)
Amortization	2,245
Miscellaneous	3,629
Total Other Expenses & Adjustments	**$23,142**
TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS	**$756,744**

The total pension administration cost in Fiscal Year 2022-23 (most recent available) was $194 per active member and annuitant, compared with $223 in Fiscal Year 2021-22.

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS

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

	Fees
Equity Managers	
Arrowstreet Capital, LP	$41,283
Baillie Gifford Overseas, Ltd.	816
Connor Clark & Lunn Investment Management, Ltd.	871
Hamilton Lane Advisors, LLC	1,421
Wellington Management Company, LLP	4,177
Total Equity Managers	**$48,568**
Private Equity Managers[3, 4]	
57 Stars Global Opportunities Fund 2 (CalPERS), LLC	$1,070
57 Stars Global Opportunities Fund, LLC	200
Accel-KKR Capital Partners VII, LP	1,196
Advent Global Technology II Limited Partnership	2,219
Advent International GPE IX Limited Partnership	6,886
Advent International GPE V-D, LP	9
Advent International GPE VI-A, LP	569
Advent International GPE VII-C, LP	1,579
Advent International GPE VIII-B Limited Partnership	4,961
Advent International GPE X Limited Partnership	9,718
AlpInvest Secondaries Fund (Onshore) VII, LP	2,653
Amberbrook IX, LP	1,035
Apollo Investment Fund IX, LP	2,405
Apollo Investment Fund VIII, LP	442
Apollo Investment Fund X, LP	4,377
Apollo Special Opportunities Managed Account, LP	515
Ares Corporate Opportunities Fund V, LP	1,685
Ares Corporate Opportunities Fund VI, LP	3,250
Ares Corporate Opportunities Fund, LP	—
Arlington Capital Partners VI, LP	2,974
Arsenal Capital Partners Growth, LP	856
Arsenal Capital Partners VI, LP	2,930
ASF VIII B, LP	1,674
Asia Alternatives Capital Partners II, LP	—
B Capital Global Growth III, LP	410
B Capital Opportunities Fund II, LP	1,880
Bain Capital Asia Fund V, LP	3,750
Bain Capital Europe Fund VI SCSp	2,454
Bain Capital Insurance Fund, LP	2,659
Bain Capital Tech Opportunities Fund II, LP	1,500
Bain Capital Venture Fund 2022, LP	3,746
Base10 Advancement Initiative II, LP	929
Base10 Partners III, LP	1,059
BDC III C, LP	671
BDC IV D, LP	2,290
BE VI 'H', LP	3,870
Berkshire Fund X, LP	3,360
Beyond SPV I, LP	500
Biogeneration Capital Fund V Cooperatief, UA	450
Birch Hill Equity Partners (US) IV, LP	—

	Fees
Blackstone Capital Partners VI, LP	$0
Blackstone Capital Partners VII, LP	1,856
Blackstone Capital Partners VIII, LP	2,888
Blackstone Communications Partners I, LP	—
Blackstone Core Equity Partners II, LP	4,250
Blackstone Tactical Opportunities Fund - C, LP	717
Blackstone Tactical Opportunities Fund (KG Co-Invest), LP	(12)
Blackstone Tactical Opportunities Fund II - C, LP	1,096
Blackstone Tactical Opportunities Fund III-C (Surge), LP	945
Blackstone Tactical Opportunities Fund III - C, LP	1,558
BOND III, LP	1,308
Bridgepoint Europe IV 'B', LP	95
Bridgepoint Europe IV 'D', LP	360
Bridgepoint Europe VII D, LP	2,790
BRV Lotus Fund III, LP	1,688
Butterfly Fund II, LP	1,555
BVP Forge Institutional [A], LP	1,227
CA Co-Investment Limited Partnership	100
CA1 SPV, LP	—
California Asia Investors, LP	—
California Emerging Ventures IV, LLC	143
Canaan Gold Coast, LP	50
Capital Link Fund I, LLC	286
Capital Link Fund II, LLC	285
CapVest Equity Partners V SCSp	5,593
Carlyle Asia Partners III, LP	—
Carlyle Asia Partners V, LP	1,580
Carlyle Europe Partners II, LP	—
Carlyle Europe Partners III, LP	—
Carlyle Europe Partners V, S.C.Sp	1,769
Carlyle Partners V, LP	(188)
Carlyle Partners VI, LP	301
Carlyle Partners VII, LP	2,408
Carlyle Partners VIII, LP	4,881
Carlyle Strategic Partners IV, LP	1,511
Carlyle U.S. Equity Opportunities II, LP	965
CD&R Value Building Partners I, LP	—
CDH Fund V, LP	1,144
Centerbridge Capital Partners III, LP	857
Cerberus CAL II Partners, LP	(271)
Cerberus CAL III Partners, LP	3,137
Cerberus CP Partners, LP	362
Cerberus Institutional Partners V, LP	102
Cerberus Supply Chain Fund, LP	5,584
Clayton, Dubilier & Rice Fund X, LP	965
Clayton, Dubilier & Rice Fund XI, LP	537
Clayton, Dubilier & Rice Fund XII, LP	6,988
Clearlake Capital Partners III, LP	33
Clearlake Capital Partners IV, LP	273

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Clearlake Capital Partners V, LP	$630
Clearlake Capital Partners VII, LP	4,158
Clearlake Opportunities Partners (P), LP	695
Coalesce Capital Fund I, LP	2,753
Coefficient Capital Apex Fund I, LP	3,603
Coller International Partners V-A, LP	—
Crosspoint Capital Fund II, LP	5,998
CVC Capital Partners Asia V, LP	2,680
CVC Capital Partners Strategic Opportunities Compounding Capital, LP	5,970
CVC Capital Partners VI, LP	3,538
CVC Capital Partners VII (A), LP	4,878
CVC Capital Partners VIII (A), LP	10,384
CVC European Equity Partners III, LP	—
CVC European Equity Partners Tandem Fund (B), LP	—
Dragoneer Opportunities Fund VI, LP	750
EMAlternatives Investments, LP	200
EQT IX (No.2) USD SCSp	8,667
EQT X (No.2) USD SCSp	5,346
First Reserve Fund XIII, LP	1,129
Forbion Growth Opportunities Fund II Coöperatief U.A.	436
Forbion Ventures Fund VI Coöperatief, UA	3,600
Francisco Partners Agility II, LP	279
Francisco Partners Agility III, LP	1,015
Francisco Partners VI, LP	825
Francisco Partners VII, LP	4,474
GC Customer Value Fund II, LP	1,429
GCM Grosvenor DEM II, LP	113
GCM Grosvenor DEM III, LP	2,125
GCM Grosvenor DEM, LP	48
GCM Grosvenor Elevate Fund, LP	4,708
General Catalyst Group XI - Health Assurance, LP	843
General Catalyst Group XII - Creation, LP	1,005
General Catalyst Group XII - Endurance, LP	4
General Catalyst Group XII - Health Assurance, LP	234
General Catalyst Group XII - Ignition, LP	1,460
Genstar Capital Partners X, LP	969
Genstar Capital Partners XI, LP	—
Genstar X Opportunities Fund I, LP	1,008
Genstar XI Opportunities Fund I, LP	126
GPE IX Forescout Co-Investment, LP	66
GPE IX TKE Co-Investment, LP	11
Grain Communications Opportunity Fund IV-A, LP	2,291
Green Equity Investors IX, LP	2,886
Green Equity Investors V, LP	(20)
Green Equity Investors VIII, LP	5,523
Greenbriar Equity Fund VI, LP	1,825
GSO Energy Partners-C II, LP	210
GSO Energy Partners-C, LP	31
H&F ARROW 1, LP	6

	Fees
HIG Europe Middle Market LBO Fund, LP	$540
Hellman & Friedman Capital Partners IX, LP	6,210
Hellman & Friedman Capital Partners VII	24
Hellman & Friedman Capital Partners VIII, LP	2,696
Hellman & Friedman Capital Partners X, LP	11,250
Hg Genesis 10 A, LP	4,168
Hg Mercury 4 A, LP	836
Hg Saturn 3 A, LP	3,012
HongShan Capital Growth Fund VII, LP	2,239
HongShan Capital Seed Fund III, LP	225
HongShan Capital Venture Fund IX, LP	800
Insight Partners XI, LP	6,298
Insight Partners XII Buyout Annex Fund, LP	1,568
Insight Partners XII, LP	10,432
Insight Venture Partners Growth-Buyout Coinvestment Fund (B), LP	2,686
Insight Venture Partners IX, LP	1,258
Insight Venture Partners X, LP	3,672
Ithaca, LP	—
Jade Equity Investors, LP	1,147
K5 Private Investors, LP	3,006
Karakoram Fund C, LP	950
Khosla Ventures III, LP	55
Khosla Ventures Seed, LP	225
KKR 2006 Fund, LP	—
KKR Asian Fund II, LP	933
KKR Asian Fund IV SCSp	3,870
KKR European Fund II, LP	—
KKR European Fund III, LP	13
KKR European Fund V (USD) SCSp	2,650
KKR North America Fund XIII SCSp	4,575
Lightspeed Opportunity Fund II, LP	735
Lightspeed Venture Partners Select V, LP	2,000
Lightspeed Venture Partners XIV-A (Inception), LP	900
Lightspeed Venture Partners XIV-B (Ignite), LP	1,100
Lindsay Goldberg IV, LP	487
Lindsay Goldberg V, LP	4,299
LongRange Capital Fund I, LP	11,517
Lux Ventures VIII, LP	5,151
Madison Dearborn Capital Partners V, LP	—
Madison Dearborn Capital Partners VIII, LP	6,008
NMP III Continuation Fund, LP	—
New Mountain Partners VI, LP	5,292
Nordic Bear SCSp	1,009
Oak HC/FT Partners V, LP	3,617
Oak Hill Capital Partners II, LP	—
Oaktree Latigo Investment Fund, LP	3,928
OHA Black Bear Fund, LP	1,557
Onex Partners IV, LP	1,206
Onex Partners V (B), LP	6,677

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Orchard Park, LP	$152
PAG Asia I, LP	62
PAG Asia III, LP	4,152
Palladium Equity Partners III, LP	—
Palladium Equity Partners V, LP	697
Patient Square Equity Partners, LP	3,411
Patria Brazilian Private Equity Fund V, LP	2,431
Permira Europe III	—
Permira Growth Opportunities I, LP 1	1,768
Permira Growth Opportunities II SCSp	2,248
Permira IV, LP 2	—
Permira V, LP	1,323
Permira VI, LP 1	3,327
Permira VII, LP 1	4,994
Permira VIII-2 SCSp	9056
Prysm Capital Fund I, LP	1226
PSG Encore, LP	291
PSG Europe II, LP	2,166
PSG V, LP	1,198
PSG VI, LP	3,175
Red Admiral Fund, LP	193
Riverstone Global Energy and Power Fund V, LP	1,293
Riverstone Global Energy and Power Fund VI, LP	2,787
Rubicon Partners SCSp	1
Sacramento Private Equity Partners, LP	—
SAIF Partners IV, LP	205
Samson Brunello 1, LP	2
Samson Hockey 1, LP	—
Samson Partners, LP	—
Sierra Partners, LP	90
SignalFire Sage Fund, LP	133
Silver Lake Partners III, LP	—
Silver Lake Partners IV, LP	1,754
Silver Lake Partners V, LP	2,598
Silver Lake Partners VI, LP	4,188
Silver Lake Partners VII, LP	4,422
Siris Partners IV, LP	1,377
SL SPV-1, LP	381
SL SPV-2, LP	233
Springblue A, LP	1,250
Springblue A-V, LP	196
Springblue B, LP	866
Springblue B-III, LP	370
SR One Capital Fund II-A, LP	1,801
SR One Capital Opportunities Fund I, LP	1,127
Summit Partners Growth Equity Fund X-A, LP	2,925
Summit Partners Growth Equity Fund XI-A, LP	3,774
Sunshine Coast SPV, LP	315
TA XIV-A, LP	2,378
Tailwind Capital Partners II, LP	141

	Fees
Tailwind Capital Partners III, LP	$1,396
TCV X, LP	3,500
TCV XI, LP	5,862
The Rise Fund (A), LP	644
The Rise Fund III, LP	3,255
The Veritas Capital Fund VIII, LP	5,403
Thoma Bravo Fund XIV, LP	—
Thoma Bravo Fund XV, LP	—
Thrive Capital Partners VIII Growth, LP	4,551
Tiger Global Private Investment Partners XV, LP	3,375
TowerBrook Investors IV (Onshore), LP	1,780
Towerbrook Investors V (Onshore), LP	4,597
Towerbrook Investors VI (Onshore), LP	255
Towerbrook Structured Opportunities Fund (Onshore), LP	1,197
Towerbrook Structured Opportunities Fund II (Onshore), LP	1,143
TPG Asia V, LP	—
TPG Asia VIII (A), LP	6,656
TPG Biotechnology Partners III, LP	—
TPG Growth IV, LP	667
TPG Growth V, LP	2,784
TPG Growth VI, LP	1,237
TPG Healthcare Partners, LP	984
TPG Life Sciences Innovations, LP	1,721
TPG NEXT (A), LP	2,394
TPG PARTNERS IX, LP	7,294
TPG Partners VIII, LP	1,442
TPG Tech Adjacencies II, LP	1,266
Trident IX, LP	7,500
Trident VI	1,255
Trident VII, LP	3,266
Trident VIII, LP	4,558
Triton Fund IV, LP	541
Triton Fund V, LP	3,385
Valor Equity Partners IV, LP	1,164
Valor Equity Partners VI LP	7,069
VIP IV, LP	4,501
VIP V S.C.Sp.	5,463
Vista Equity Partners Fund VII-Z, LP	6,000
WCAS XIII, LP	3,337
WCAS XIV, LP	4,814
Welsh, Carson, Anderson & Stowe XI, LP	—
Welsh, Carson, Anderson & Stowe XII, LP	1,662
Whitney Global Partners, LP	639
Wigmore Street (BDC III), LP	1
Wigmore Street BDC IV Co-Investment No.1, LP	53
Wigmore Street Co-investment No.1, LP	1
Wigmore Street VI Co-Investment No.1, LP	227
Yucaipa American Alliance Fund II, LP	—
Total Private Equity Managers	**$569,493**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Private Debt Managers	
Antares Credit Opportunities CA, LLC	$4,185
Antares Credit Opportunities CA, LLC - Series 2	3,596
Antares Credit Opportunities CA, LLC - Series 3	737
Antares Credit Opportunities CA, LLC - Series 4	2,592
Ares Capital Europe V (D) Levered	8,636
Ares Capital Europe VI (ACE VI)	1,863
Ares Senior Direct Lending Fund (Delaware), III LP	1,135
Ares Senior Direct Lending Fund II	11,561
Ares SME (Parallel), LP	2,962
Blackstone Credit Series Fund-C LP - Series A	1,795
Blackstone Real Estate Debt Strategies IV-C, LP	9,427
OR Diversified Lending (CP), LP	1,450
OR Diversified Lending (CP), LP Overflow	24
Mesa West Real Estate Income Fund V (PF)	1,082
Oaktree Gilead Investment Fund, LP - Series A	3,745
OHA Co-Invest Opportunities Fund	889
OHA Credit Solutions Fund II	907
OHA Senior Private Lending Fund (CA 3)	1,320
OHA Senior Private Lending Fund (CA 5)	1,315
PIMCO DISCO Fund III Onshore Feeder, LP	44
Sixth Street Fundamental Strategies Partners (A), LP	2,310
Sixth Street Mid-Stage Growth Partners (A), LP	580
TSSP Adjacent Opportunities Partners (B), LP	6,713
West Street Co-Investment Partners (C), LP	449
West Street Mezzanine Co-Investment Partners (C), LP	422
West Street Mezzanine Partners VIII	4,565
West Street Strategic Solutions Fund I, LP	8,524
Total Private Debt Managers	**$82,828**
Real Asset Managers	
ARA China Long Term Hold	$2,886
Archmore International Infrastructure Fund II (B), LP	297
Archmore International Infrastructure Fund II (C), LP	630
Blackstone Mileway Logistics, LP	5,049
Blackstone Property Partners Europe, LP	8,400
Blackstone Property Partners Life Sciences, LP	5,707
Brookfield Infrastructure Fund V	6,576
CalEast Solstice, LLC	4,999
Canyon Catalyst Fund II, LLC	775
CCF II Industrial	169
CCF III Industrial	1,108
CCF III, LLC	1,888
CCP 2020	658
CIM Fund III, LP	2,144
CIM Infrastructure Fund, LP	2,880
Core Property Index Trust	622
DigitalBridge Partners II, LP	4,370
DigitalBridge Strategic Assets Fund, LP	1,916
DW Life Sciences Partners, LLC	3,007

	Fees
FSP - Base	$23,970
FSP - DT 2012 and Beyond	5,194
GIP Aquarius Fund, SCSp	3,500
Global Infrastructure Partners II, LP (GIP II)	1,262
Global Infrastructure Partners IV-A/B, LP	5,142
Global Infrastructure Partners V	3,981
Golden Reef Infrastructure Trust	10,566
Gotham Office Realty Partnership	2,439
GRI - Base	26,769
GRI - DT 2012 and Beyond	191
Harbert Gulf Pacific Power, LLC (HGPP)	6,372
Harbert Infrastructure Fund VI, LP	1,112
Harbert Power Fund V, LP (HPF V)	374
HC Green Development Fund, LP	$405
HC LTH, LLC	2,673
HCB Interests II, LP	163
IFM Global Infrastructure (US), LP	6,097
IIF Hedged, LP	3,800
IMI - Base	21,944
IMP - Base	34,726
IMP - DT 2012 and Beyond	1,345
IMP - ICMI	3,581
IMP Abaca	449
IMP DT 2020	253
IMP Fairmont Residential Owner, LLC	382
Institutional Logistics Partners, LLC	12,382
KC 2011, LLC	235
Land Management Company Resmark	370
Macquarie Infrastructure Partners VI, LP	4,337
North Haven Infrastructure Partners II, LP	883
Pacific Multifamily Investors, LLC	11,483
PMI Tactical	5,658
Sacramento Venture Hines Base	400
Sacramento Venture Hines DT	395
Stonepeak Infrastructure Fund IV, LP	3,769
Strategic Property Fund Asia SCSP	1,285
Sylvanus, LLC	1,938
TechCore 2019	16,453
Tower Bridge Infrastructure Partners, LP	15,703
Total Real Asset Managers	**$296,062**
Other Investment Management Fees	
Blackrock Financial Management	$3,551
Federated Redwood Trade Finance Fund, LP	3
State Street Global Advisors Trust	7,123
Total Other Investment Management Fees	**$10,677**
Total Management Fees	**$1,007,628**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

Performance Fees[5] (Dollars in Thousands)

	Fees
Real Asset Managers	
ARA China Long Term Hold	$545
Blackstone Property Partners Europe, LP	(2,510)
Blackstone Property Partners Life Sciences, LP	(21,641)
CalEast Solstice	61
CCF III Industrial	(113)
DigitalBridge Partners II, LP	6,144
GIP Aquarius Fund, SCSp	9,142
Global Infrastructure Partners II, LP (GIP II)	4,357
Golden Reef Infrastructure Trust	32
GRI - Base	26,938
Harbert Gulf Pacific Power, LLC (HGPP)	2,393
Harbert Infrastructure Fund VI, LP	332
Harbert Power Fund V, LP (HPF V)	593
IFM Global Infrastructure (US), LP	(124)
IMP - Base	13,589
IMP - DT 2012 and Beyond	(5,317)
IMP - ICMI	1,430
IMP Abaca	179
IMP Fairmont Residential Owner, LLC	149
Institutional Logistics Partners, LLC	(3,062)
KC 2011, LLC	2,771
Land Management Company Resmark	4,648
ORA Residential Investments I, LP	(4,281)
Pacific Multifamily Investors, LLC	8,613
Stonepeak Infrastructure Fund IV, LP	4,935
TechCore 2019	12,339
Tower Bridge Infrastructure Partners, LP	35,999
Total Real Asset Managers	**$98,141**
Total Performance Fees	**$98,141**
Total Management and Performance Fees	**$1,105,769**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Advisory Fees	
Goldman Sachs Asset Management, LP	$390
Lazard Asset Management, LLC	209
Principal Financial Services, Inc.	593
Total Advisory Fees	**$1,192**
Appraisal Fees	
Situsamc Holdings Corporation	$9,747
Total Appraisal Fees	**$9,747**
Auditor Fees	
Conrad, LLP	$237
KPM & Associates, LLP	36
Total Auditor Fees	**$273**
Company Expense	
Federated Redwood Trade Finance Fund, LP	$128
Legato Capital Management Investments, LLC	31
Total Company Expense	**$159**
Fund Administration Fees	
MUFG Capital Analytics, LLC	$7,719
State Street Bank and Trust Company	3,259
Total Fund Administration Fees	**$10,978**
Investment Board Consultant Fees	
Meketa Investment Group, Inc.	$2,070
Wilshire Advisors, LLC	3,450
Total Investment Board Consultant Fees	**$5,520**
Investment Consultant Fees	
Agreeya Solutions, Inc.	$88
AKSIA CA, LLC	(60)
Bard Consulting, LLC	184
BM Associates, Inc.	90
Callan Holdings, Inc.	2,197
Celer Systems, Inc.	224
Eigen 10 Advisors, LLC	21
FTI Consulting, Inc.	554
Hhs Technology Group, LLC	290
Imp Partners, LLC	670
Lenox Park Solutions, Inc.	175
Loop Capital Financial Consulting	50
Marsh & Mclennan Companies, Inc.	791
Mckinsey & Company, Inc., Washington DC	220
Msys, Inc.	184
Newport, LLC	149
Nomura Research Institute Holdings	890
Nxtis, Inc.	264
Propoint Technology, Inc.	4,117
Pyramid Technical Consultants, Inc.	(24)
Rclco Fund Advisors, LLC	427
Rosalind Cohen	284

	Fees
Sps Consulting Services, LLC	$523
Sri Infotech, Inc.	250
Technology Crest Corporation	200
The Spaulding Group, Inc.	82
The Trustees of Columbia Univ New York	125
Trinity Technology Group, Inc.	467
Total Investment Consultant Fees	**$13,432**
Legal Fees	
Berman Tabacco	$0
Buchalter A Professional Corporation	4
Cox, Castle & Nicholson, LLP	383
DLA Piper LLP (US)	1,092
Foster Garvey, PC	214
Hogan Lovells US, LLP	174
K&L Gates, LLP	680
Katten Muchin Rosenman, LLP	108
Lowenstein Sandler, LLP	113
Morgan Lewis & Bockius, LLP	389
Nielsen Merksamer Parrinello Gross & Leoni, LLP	120
Orrick Herrington & Sutcliffe, LLP	99
Pillsbury Winthrop Shaw Pittman, LLP	746
Seward & Kissel, LLP	—
Seyfarth Shaw, LLP	60
Steptoe & Johnson, LLP	(53)
Tabacco Lavallee Heffelfinger Seaver	54
Wellington Gregory, LLP	—
Total Legal Fees	**$4,183**
Master Custodian Fees	
State Street Bank and Trust Company	$10,124
Total Master Custodian Fees	**$10,124**
Tax Advisory Fees	
Ernst & Young, LLP	$180
Total Tax Advisory Fees	**$180**
Technology Expenses	
3D Innovations, Inc.	$30
A.M. Best Company, Inc.	4
Ablegov, Inc.	1
Acadiasoft, Inc.	74
Acuity Technical Solutions, LLC	55
Alphasense, Inc.	74
Altus Group, Inc.	340
Aosphere, LLP	34
Axioma, Inc.	645
Barra, LLC	100
Bca Research, Inc.	228
Black Knight Technologies, LLC	10
Blackrock Financial Management, Inc.	14,383
Bloomberg Index Services Limited	180
Bloomberg LP DBA Bloomberg Sef, LLC	3,791

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Board of Trustees of the Leland Stanford	$500
Broadridge Investor Communications	39
Cambridge Associates, LLC	21
Carahsoft Technology Corp.	879
Cassini Systems, Inc.	10
CBRE, Inc.	112
CEM Benchmarking, Inc.	86
CEPRES GmbH	35
Charles River Systems, Inc.	4,191
Clarity Solutions Group, LLC	60
Consensus Economics, Inc.	51
Convergence, Inc.	25
Copyright Clearance Center, Inc.	53
Costar Realty Information, Inc.	(25)
Curex FX, LLC	30
Delinian Trading Limited	22
DTCC ITP, LLC	73
Efront Financial Solutions, Inc.	1,648
Emerging Advisors Group Limited	15
Empirical Research Partners, LLC	521
Equilar, Inc.	11
Eurasia Group, Ltd.	147
Evestment Alliance	50
Factset Research Systems, Inc.	3,073
Fitch Solutions, Inc.	714
Fixed Income Clearing Corporation	15
Frank Russell Company	39
FTSE International Limited	1,345
Gartner, Inc.	419
Gavekal USA, Inc.	49
Glass Lewis & Co, LLC	457
GLMX Technologies, LLC	5
Global Investor Collaboration Services, LLC	6
Green Street Topco, LLC	186
Haver Analytics, Inc.	134
Hawking, LLC	4
HSBC Bank, PLC	41
Ice Benchmark Administration Limited	71
Ice Data Derivatives Uk Limited	56
IHS Global, Inc.	30
Insight Public Sector, Inc.	(44)
Institutional Shareholder Services, Inc.	218
Intercontinental Exchange Holdings, Inc.	16
Intex Solutions, Inc.	253
Investment Property Databank	105
IPC Systems, Inc.	444
JP Morgan Securities, LLC	11
Jpx Market Innovation & Research, Inc.	12
Kadiev Global, Ltd.	14
KPA Advisory Services, Ltd.	6
Kyriba Corp	42
London Stock Exchange, PLC	50
Markit Indices GmbH	1

	Fees
Markit North America, Inc.	$42
Microsoft Corporation	9
Moodys Analytics, Inc.	861
Morningstar, Inc.	11
Mri Intermediate Holdings, LLC	212
MSCI, Inc.	887
MUFG Capital Analytics, LLC	281
Mythics, Inc.	2
NYSE Market, Inc.	11
Options Price Reporting Authority	2
Ortec Finance US BV	336
Oxford Economics USA, Inc.	136
PGM Global, Inc	12
Pitchbook Data, Inc.	147
PremiaLab HK Limited	100
Preqin Limited	101
Real Capital Analytics, Inc.	114
Refinitiv US, LLC	124
RIMES Technologies Corporation	313
Robert F Mcnown	15
Ryedale Europe Limited	800
S & P Global Market Intelligence, LLC	1,150
S&P Dow Jones Indices, LLC	89
S&P Global Limited	20
SWIFT	10
Scientific Infra Pte, Ltd.	60
Situsamc Holding Corporation	—
Situsamc Holdings Corporation	10
Societe Generale	55
Solutions Simplified	651
State Street Bank and Trust Company	1,841
StepStone Group, LP	365
STOXX Ltd.	17
Tegus, Inc.	50
The Burgiss Group, LLC	82
The Mathworks, Inc.	82
The Yield Book, Inc.	376
Tideline Advisors, LLC	145
Tradeweb, LLC	190
Trend Macrolytics, LLC	16
TRGRP, Inc.	390
TriOptima AB	46
TSX, Inc.	43
Wood Mackenzie, Inc.	255
Yardeni Research, Inc.	19
Total Technology Expenses	**$46,753**
Internal Investment Personnel and Administrative Expenses	
Internal Investment Personnel and Administrative Expenses	$114,999
Total Internal Investment Personnel and Administrative Expenses	**$114,999**

Other Supplementary Information (continued)

INVESTMENT EXPENSES – ALL FUNDS (CONTINUED)

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

	Fees
Miscellaneous Investment Expense Fees	
Miscellaneous Investment Expense Fees	$144
Transaction Fees	341,169
Total Miscellaneous Investment Expense Fees	**$341,313**
Total Other Investment Fees and Expenses	**$558,853**
Total Investment Expenses - All Funds	**$1,664,622**

(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	$220	IT Consulting
Advanced Systems Group, LLC	(20)	Production Equipment Maintenance Services
Agreeya Solutions, Inc.	297	Information Technology Consulting and Support Services
Alston & Bird, LLP	610	Legal Services
Anthem Blue Cross	122,917	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Avatar IT Solutions, Inc.	236	IT Consulting
Bates White, LLC	210	Health Plan Strategy
BDO USA, PC	2,650	Auditor Services
Belmonte Enterprises, LLC	184	Application Development
Blue Shield of California	35,030	Medical Claims Administration, Account management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
BM Associates, Inc.	246	Network Architecture Services
Buchalter A Professional Corporation	25	Legal Services
Buck Global, LLC	39	Actuarial Services
Capio Group	876	Application Development
Cbiz Benefits & Insurance Services, Inc.	(37)	Search Firm Services
Cogenttec, LLC	506	Consulting Services for myCalPERS Support
Convergeone, Inc.	5,525	IT Consulting
Cooperative Personnel Services	(20)	Organizational and Leadership Development
Cornerstone Fitness, Inc.	129	Employee Training and Development
Delegata Corporation	197	Application Development
Delfino Madden O'Malley Coyle Koewler, LLP	24	Legal Services
Department of Human Resources	116	Legal Services, Selection Services Online System Costs, Administrative Fees
Department of Justice	335	Legal and Paralegal Services, External Investigative Services
Dore Partnership, LLP	1,166	Executive Position Recruitments Search and Advisory
Eaton Interpreting Services, Inc.	(58)	Interpreting Services
Elite Tech Solutions	220	Actuarial Valuation Systems Support
Elynview Corporation	286	Data Base Administration, Systems Analysis, Design, Implementation, Maintenance and Support
EMC Research, Inc.	55	PR Marketing
Employee Benefits Law Group, PC	(21)	Legal Services
Endeavour Consulting, LLC	100	Health Consulting
Eplus Technology, Inc.	250	IT Hardware/Software
Equanim Technologies	901	Business Process Re-engineering, Project Management Services, Technical Writing
Equinix, Inc.	250	Health Consulting
FGS Holdings, LLC	82	Public Relations
First Data Merchant Services Corporation	151	Banking Services
Global Governance Advisors, LLC	146	Board Compensation Consultant
Government Operations Agency	354	Operations and Strategic Business Planning
Health Net of California	9,149	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Health Services Advisory Group, Inc.	544	Health Care Survey Services
illumifin FKA Long Term Care Group, Inc.	18,092	Billing, Banking, Claims Administration, Care Advisory, Enrollment, Customer and Specialist, Reporting, Data Feed Services, IT Services, Marketing Consultant
Imagination Specialties, Inc.	278	Exhibition Management
J&K Court Reporting, LLC	83	Legal Services
JLynn Consulting, Inc.	200	Information Services
K&L Gates, LLP	411	Legal Services
Kearnford Application Systems Design	472	Business Transformation/Transition, Information Services, Release Management/Quality Assurance/ Configuration Management
Kong Consulting, Inc.	679	Systems Analysis, Design, Implementation, Maintenance and Support
Korn Ferry (US)	22	Search Firm Services
Law Office of Chirag Shah	(179)	Provide Advice and Representation to The Board on Procedural and Substantive Legal Issues
Lighthouse Policy Group, LLC	222	Federal Policy Rep

Other Supplementary Information (continued)

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

Individual or Firm	Fees	Nature of Services
Managed Medical Review Organization, Inc.	$42	External Independent Health Reviews
Mellon Bank	374	Banking Services
Mercer Health & Benefits, LLC	68	Health Consulting
Michael Scales Consulting, LLC	497	Application Development
Milliman Solutions, LLC	3,568	Health Consulting
Milliman, Inc.	3,634	Project Management Services
Morrison & Foerster, LLP	1,621	Legal Services
Mulkey Consulting, LLC	113	Health Care Training Academy
National Association Corporate Directors	85	Board Evaluations
Newbold Worldwide, Inc.	(20)	Public Relations
Northeast Retirement Services	108	Third-Party Member Record Keeper
Nossaman, LLP	31	Legal Services
Office of State Publishing	207	Print Service
OptumRx	16,784	Pharmacy Claims Administration, Account Management, Eligibility, Retail and Other Reporting Services
Orrick Herrington & Sutcliffe, LLP	1,667	Legal Services
Pasanna Consulting Group, LLC	1,793	Application Development, Data Base Administration, IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support
Pension Benefit Information, LLC	(100)	Death Audit Service
Peraton State & Local, Inc.	225	Information Technology, Consulting and Support Services
Peter V Lee	230	Health Consulting
Propio LS, LLC	50	Telephonic Interpreter
Qualapps, Inc.	242	Application Development, IT Architecture
Ridgeway Partners, LLC	335	Search Firm Services
Risk Strategies Consulting, Inc.	96	Actuarial Consulting Services
Rs3 Consulting	583	Information Services, Application Development
Rsc Insurance Brokerage, Inc.	(93)	Actuarial Consulting Services
Sharp Health Plan	8,479	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Socure, Inc.	39	Death Audit Service
Sophus Consulting	100	Legal Services
Squire Patton Boggs (US), LLP	44	Legal Services
State Controller's Office	5,960	Account Management, Information Technology, Other Post Employment Benefits, General Administrative Services, and Premium Remittance Services, MIRS Services
State Personnel Board	65	Compliance Review, Audit, and Processing of Appeals and Complaints
State Treasurers Office	37	Wiring of Funds
T5 Consulting, Inc.	728	Application Development, Information Services, IT Architecture
The Highlands Consulting Group, LLC	341	IT Consulting
The Rand Corporation	20	IT Consulting
The Regents of the Univ of CA Davis	110	LEADER Training
Toppan Merrill USA, Inc.	67	Printing of Open Enrollment Materials and Dissemination
Trinity Technology Group, Inc.	241	Application Development, Business Intelligence and Reporting, Information Services
Unitedhealthcare	44,579	Medical Claims administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Vantage Consulting Group	242	Application Development
Vasquez Benisek & Lindgren, LLP	29	Legal Services
Voya	3,567	Third-Party Member Record Keeper
Wellington Gregory, LLP	(45)	Legal Service on Tax and Employee Benefits Law Issues
West Advanced Technologies, Inc.	200	Information Technology, Systems Analysis, Design, Implementation, Consulting and Support Services
Western Health Advantage	9,408	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation and Development, Wellness, Prevention and Disease Management Services
Various	218	
Total Consultant and Professional Services Expenses	**$310,719**	

(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, 2024 (Dollars in Thousands)

	Custodial Funds		
	RBF	**OASI**	**Total**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash & Cash Equivalents	**$1**	**$0**	**$1**
Receivables			
Members	$40	$0	$40
Employers	136	—	136
Interest & Dividends	217	15	232
Total Receivables	**$393**	**$15**	**$408**
Investments, at Fair Value			
Short-Term Investments	$16,912	$1,290	$18,202
Total Investments	**$16,912**	**$1,290**	**$18,202**
TOTAL ASSETS	**$17,306**	**$1,305**	**$18,611**
Deferred Outflows of Resources	$0	$259	$259
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$17,306**	**$1,564**	**$18,870**
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Net Pension & OPEB Liabilities	$0	($97)	($97)
Due to Other Funds	74	102	176
Unearned Replacement Benefits	16,263	—	16,263
Other Program	—	1	1
TOTAL LIABILITIES	**$16,337**	**$6**	**$16,343**
Deferred Inflows of Resources	$0	$275	$275
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$16,337**	**$281**	**$16,618**
NET POSITION – RESTRICTED FOR PENSION, OTHER POST-EMPLOYMENT, REPLACEMENT BENEFITS, AND PROGRAM ADMINISTRATION	**$969**	**$1,283**	**$2,252**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2024 (Dollars in Thousands)

	Custodial Funds		
	RBF	OASI	Total
ADDITIONS			
Retirement and OPEB Contributions			
Members	$0	$0	$0
Replacement Benefits	27,461	—	27,461
Total Retirement and OPEB Contribution	**$27,461**	**$0**	**$27,461**
Investment Income			
Interest & Amortization	$613	$67	$680
Net Investment Income	**$613**	**$67**	**$680**
Other Income	$428	$7	$435
TOTAL ADDITIONS	**$28,502**	**$74**	**$28,576**
DEDUCTIONS			
Replacement Benefit Payments	$27,461	$0	$27,461
Administrative Expenses	589	898	1,487
TOTAL DEDUCTIONS	**$28,050**	**$898**	**$28,948**
INCREASE (DECREASE) IN NET POSITION	**$452**	**($824)**	**($372)**
NET POSITION			
Beginning of Year	**$517**	**$2,107**	**$2,624**
End of year	**$969**	**$1,283**	**$2,252**