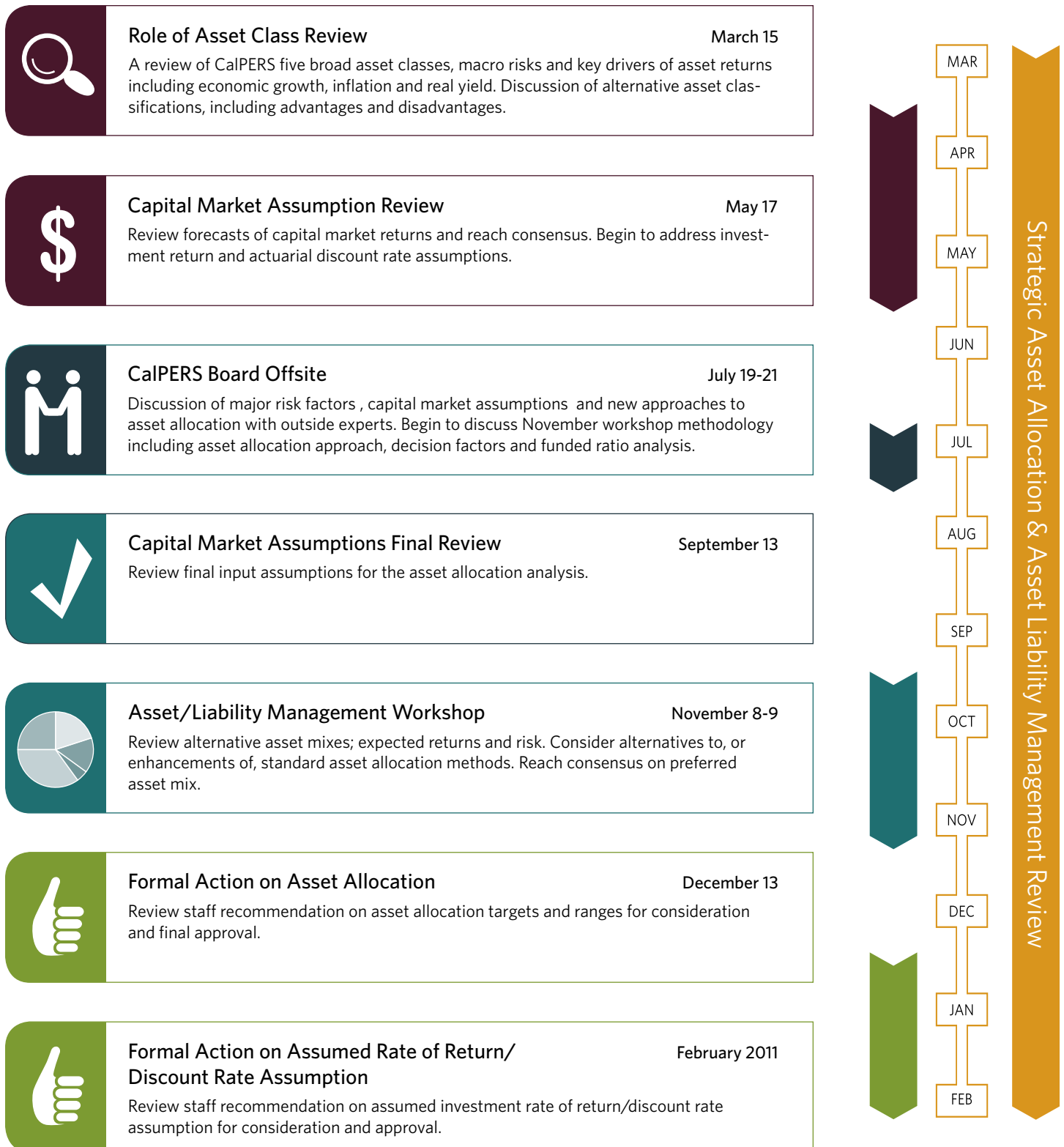


Capital Allocation | 2010-11 Timeline



Strategic Asset Allocation & Asset Liability Management Review

CalPERS asset allocation and liability review process occurs at Board meetings which are open to the public. Public input and comment will be encouraged. Keep abreast of the process by visiting www.CalPERSResponds.com



Role of Asset Class Review

March 15

A review of CalPERS five broad asset classes, macro risks and key drivers of asset returns including economic growth, inflation and real yield. Discussion of alternative asset classifications, including advantages and disadvantages.



Capital Market Assumption Review

May 17

Review forecasts of capital market returns and reach consensus. Begin to address investment return and actuarial discount rate assumptions.



CalPERS Board Offsite

July 19-21

Discussion of major risk factors, capital market assumptions and new approaches to asset allocation with outside experts. Begin to discuss November workshop methodology including asset allocation approach, decision factors and funded ratio analysis.



Capital Market Assumptions Final Review

September 13

Review final input assumptions for the asset allocation analysis.



Asset/Liability Management Workshop

November 8-9

Review alternative asset mixes; expected returns and risk. Consider alternatives to, or enhancements of, standard asset allocation methods. Reach consensus on preferred asset mix.



Formal Action on Asset Allocation

December 13

Review staff recommendation on asset allocation targets and ranges for consideration and final approval.



Formal Action on Assumed Rate of Return/ Discount Rate Assumption

February 2011

Review staff recommendation on assumed investment rate of return/discount rate assumption for consideration and approval.