

# California Employers' Retiree Benefit Trust

Investment Information  
Based on 2022 Capital Market Assumptions  
for  
Financial Reporting After 9/30/2022

# CERBT Projected Returns – 1-5 Years

Asset Class	1-5 Year Projected Compound Return <sup>1</sup>	1-5 Year Projected General Inflation Rate Assumption <sup>1</sup>	1-5 Year Projected Real Rate of Return <sup>2</sup>	Strategy 1 Allocation	Strategy 2 Allocation	Strategy 3 Allocation
Global Equity	6.8%	2.4%	4.4%	49%	34%	23%
Fixed Income	1.4%	2.4%	-1.0%	23%	41%	51%
Global Real Estate Investment Trusts (REITs)	5.4%	2.4%	3.0%	20%	17%	14%
U.S. Treasury Inflation Protected Securities (TIPS)	0.6%	2.4%	-1.8%	5%	5%	9%
Commodities	3.2%	2.4%	0.8%	3%	3%	3%

<sup>1</sup> Adopted by the CalPERS Board of Administration in November 2021.

<sup>2</sup> The Projected Real Rate of Return is the Compound Return, adjusted for Inflation. 2

# CERBT Projected Returns – 1-20 Years

Asset Class	1-20 Year Projected Compound Return <sup>1</sup>	1-20 Year Projected General Inflation Rate Assumption <sup>1</sup>	1-20 Year Projected Real Rate of Return <sup>2</sup>	Strategy 1 Allocation	Strategy 2 Allocation	Strategy 3 Allocation
Global Equity	6.8%	2.3%	4.5%	49%	34%	23%
Fixed Income	3.7%	2.3%	1.4%	23%	41%	51%
Global Real Estate Investment Trusts (REITs)	6.0%	2.3%	3.7%	20%	17%	14%
U.S. Treasury Inflation Protected Securities (TIPS)	2.8%	2.3%	0.5%	5%	5%	9%
Commodities	3.4%	2.3%	1.1%	3%	3%	3%

# CERBT Implied Returns – 6-20 Years

Asset Class	6-20 Year Implied Compound Return <sup>1</sup>	6-20 Year Implied General Inflation Rate Assumption <sup>1</sup>	6-20 Year Implied Real Rate of Return <sup>2</sup>	Strategy 1 Allocation	Strategy 2 Allocation	Strategy 3 Allocation
Global Equity	6.8%	2.3%	4.5%	49%	34%	23%
Fixed Income	4.5%	2.3%	2.2%	23%	41%	51%
Global Real Estate Investment Trusts (REITs)	6.2%	2.3%	3.9%	20%	17%	14%
U.S. Treasury Inflation Protected Securities (TIPS)	3.6%	2.3%	1.3%	5%	5%	9%
Commodities	3.5%	2.3%	1.2%	3%	3%	3%

<sup>1</sup> Implied Returns and Inflation for Years 6-20 are calculated from the Board Approved Values for Years 1-5 and Years 1-20.

<sup>2</sup> The Implied Real Rate of Return is the Compound Return, adjusted for Inflation.

# CERBT Projected Returns & Volatility

2022 Capital Market Assumptions	Strategy 1	Strategy 2	Strategy 3
Projected Compound Return 1-5 Years <sup>1</sup> (General Inflation Rate Assumption of 2.4%)	5.1%	4.2%	3.5%
Projected Compound Return 6-20 Years <sup>1</sup> (General Inflation Rate Assumption of 2.3%)	6.3%	5.9%	5.5%
Projected Compound Return 1-20 Years <sup>1</sup> (General Inflation Rate Assumption of 2.3%)	6.0%	5.5%	5.0%
Projected Volatility (20-Year Standard Deviation of Projected Returns)	12.1%	9.9%	8.4%

<sup>1</sup> Projected Compound Return for each CERBT Strategy is time-weighted and net of all fees.

# CERBT Benchmarks, Allocations, and Ranges

Asset Classification	Benchmark	Strategy 1	Strategy 2	Strategy 3
Global Equity	MSCI All Country World Index IMI (Net)	49% ±5%	34% ±5%	23% ±5%
Fixed Income	Bloomberg Long Liability Index	23% ±5%	41% ±5%	51% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Index (Net)	20% ±5%	17% ±5%	14% ±5%
Treasury Inflation Protected Securities (TIPS)	Bloomberg US TIPS Index, Series L	5% ±3%	5% ±3%	9% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	3% ±3%	3% ±3%
Cash	91-Day Treasury Bill	0% +2%	0% +2%	0% +2%

# Questions? Where to get information?

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