

October 17, 2023

Mr. David Miller  
 Chair of the Investment Committee  
 California Public Employees' Retirement System  
 400 P Street  
 Sacramento, CA 95814

**Re: Agenda Item 6f: Consultant Review of CalPERS Divestments**

Dear Mr. Miller:

In accordance with CalPERS' Total Fund Investment Policy, Wilshire provides the Investment Committee with financial performance analysis of CalPERS' active divestment activities on an annual basis. This report, which summarizes the results of that analysis through June 30, 2023, does not attempt to assess the broader societal or environmental net impacts from CalPERS' divestment activities.

*Summary of Analysis*

The following table summarizes Wilshire's estimates of the transaction cost and return impacts from divestment activities since their last affirmation in March 2021.<sup>1</sup> The present value figures below have been calculated to show the estimated impact on the total fund through June 2023, whereby prior period gains and losses are carried forward at the PERF's total return. The percent (%) impacts express these present value dollar amounts against the PERF's June 2023 market value of \$463 billion.

**Active Divestment Programs (Last Affirmation to FY 2023)**

	Present Value Estimate		Program Affirmation	Estimates Begin in Calendar Qtr.
	\$MM	% PERF		
Tobacco	(468)	(0.1%)	Yes	2Q 2021
Iran	(171)	(0.0%)	Yes	2Q 2021
Firearms	23	0.0%	Yes	2Q 2021
Thermal Coal	54	0.0%	Yes	2Q 2021
<b>Active Total</b>	<b>(561)</b>	<b>(0.1%)</b>		

Please do not hesitate to contact us should you require anything further or have any questions.

Best regards,



Lauren Gellhaus  
 Vice President, Client Solutions  
 Wilshire Advisors

<sup>1</sup> The Appendix contains inception-to-date financial analysis of CalPERS' active and inactive divestment programs. Present value estimates of transaction coast, where included, are based on \$ estimates provided by CalPERS Investment Staff

Appendix

**Divestment Programs (Inception to FY 2023)**

	Present Value Estimate		Active Dates
	\$MM	% PERF	
<b>Active</b>			
Tobacco	(4,785)	(1.0%)	1Q 2001 to Present
Iran	82	0.0%	3Q 2011 to Present
Firearms	38	0.0%	2Q 2013 to Present
Thermal Coal	563	0.1%	3Q 2017 to Present
<b>Active Total</b>	<b>(4,102)</b>	<b>(0.9%)</b>	
<b>Inactive</b>			
Sudan	312	0.1%	3Q 2010 to 1Q 2022
EM Principles	781	0.2%	1Q 2008 to 1Q 2021
EM Countries	(843)	(0.2%)	4Q 2002 to 4Q 2008
South Africa	(7,187)	(1.6%)	1Q 1988 to 4Q 1994
<b>Inactive Total</b>	<b>(6,937)</b>	<b>(1.5%)</b>	
<b>Overall Total</b>	<b>(11,039)</b>	<b>(2.4%)</b>	