



Investment Office  
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Dear CalPERS Supplemental Income Plan Participant,

**Changes made to the CalPERS Short-Term Investment Fund (STIF) to make the Fund more conservative.**

The STIF adjusted its investments to keep current with the Fund's objective to protect principal and provide liquidity. The Fund now takes a more conservative approach in meeting its stated objective by investing primarily in U.S. Government and agency instruments. It is important to note that the Fund's yield may decrease due to the fact that the yield is commensurate with the risk-return relationship. Administrative and asset management fees are charged even if the STIF loses money.

In addition to the STIF, the CalPERS Supplemental Income Plans give participants three other options for including a fixed-income allocation in their account portfolios. These funds involve different investment strategies with varying potential risks and returns.

- PIMCO Short-Term Bond Fund may be appropriate for participants seeking enhanced returns, stable principal, and the ability to access their money (liquidity).
- CalPERS Treasury Inflation Protected Securities (TIPS) may add a degree of inflation protection to a portfolio.
- CalPERS Total Return Bond Fund may be appropriate for participants willing to accept greater volatility in order to potentially gain a higher yield.

Alternatively, the Target Retirement Date Funds in the CalPERS Supplemental Income Plans may be the right choice for you. These unique investment options take the work and worry out of managing your account because they: are easy to choose—just select the one with the date closest to when you anticipate retiring, and automatically adjust over time, gradually becoming more conservative as you get closer to retirement. Your investments are tailored to your age and investment time horizon.

Please refer to the enclosed fund fact sheet for information on the STIF's investment objectives, risks, fees, and expenses. For additional information on the other Fixed Income and Target Retirement Date Funds, please visit the Plan Website at <https://calpers.ingplans.com> or call the Plan Information Line at **(800) 260-0659**.

You should carefully read and review all investment information prior to making any investment decisions.