

Q4 2023 CalSTRS Semi-Annual Performance Report Summary

The CalSTRS Total Portfolio was valued at \$327.0 billion as of December 31, 2023. Over the latest calendar year, the Total Portfolio increased by \$24.9 billion (net of fees and contributions/benefits). During the latest six-month period, the Total Portfolio increased by \$11.3 billion (net of fees and contributions/benefits). In 2023, the Total Portfolio generated a return of 9.2%, outperforming the policy benchmark return, but trailing the State Street median fund return of 11.8% (the Total Portfolio ranked in the 77th percentile of the State Street Public Master Trusts greater than \$10 Billion universe). Over the trailing three-, five-, and ten-year periods, the Total Portfolio outperformed both the policy benchmark and the State Street universe median. The Total Portfolio ended December 2023 overweight Private Markets, Innovative Strategies, and Cash, and underweight Global Equity, Fixed Income, and Risk Mitigating Strategies, in relation to its strategic asset allocation targets. Inflation Sensitive ended the period in-line with its respective policy target.

Key: ↓ Red indicates relative underperformance ↑ Green indicates relative outperformance (or matched performance)

Composite	Trailing Period Performance (Net-of-Manager Fees)				Actual vs. Target Allocations			
	10 Year	5 Year	3 Year	1 Year	Actual (\$M)	Actual %	Target %	Variance
Total Portfolio	↑7.9	↑9.8	↑6.0	↑9.2	326,952	100	100	---
Policy Benchmark ¹	7.5	9.1	5.3	8.4				
St. Street Median (>\$10B) ²	7.4	9.3	6.0	11.8				
Reference Portfolio ³	6.2	8.6	2.9	16.6				
Global Equity ⁴	↑8.5	↑11.9	↑5.7	↑22.2	130,411	40	41	-1
Policy Benchmark	8.4	11.6	5.4	21.7				
Fixed Income	↑2.4	↑1.7	↑-2.8	↑6.1	34,509	11	12	-1
Policy Benchmark	2.0	1.3	-3.1	5.9				
Private Markets	↑10.9	↑10.8	↑12.1	↑-1.2	100,384	31	29	2
Policy Benchmark	9.4	8.3	10.2	-5.3				
Real Estate	↑8.8	↑7.5	↑8.1	↑-9.0	49,407	15	15	---
Policy Benchmark	7.2	4.7	6.2	-12.9				
Private Equity	↑13.4	↑14.8	↑16.6	↑7.8	50,977	16	14	2
Policy Benchmark	12.5	13.1	15.8	6.3				
Inflation Sensitive	↑6.7	↑9.0	↑9.8	↑3.8	19,934	6	6	---
Policy Benchmark	5.1	6.5	7.7	2.0				
Risk Mitigating Strategies ⁵	↑2.2	↓-5.0	↓-1.0	↓-2.2	27,028	8	10	-2
Policy Benchmark	2.1	5.4	1.7	-0.4				
Innovative Strategies	↑6.8	↑9.7	↑12.5	↑15.1	5,066	2	0	2
Policy Benchmark	3.8	4.3	3.2	9.1				
Cash	↑1.6	↑2.1	↑2.4	↑5.2	9,322	3	2	1
Policy Benchmark	1.3	1.9	2.2	5.2				
Strategic Overlay	0.5	0.8	-0.2	2.6	297	0	0	---

Source: State Street; Callan; Investment Metrics.

¹ The Total Portfolio benchmark consists of passively managed strategic class portfolios (or other indices) held at policy weightings.

² State Street Universe – Public Funds greater than \$10 Billion. Mixture of net and gross-of-fees.

³ 70% MSCI ACWI IMI / 30% Bloomberg Aggregate

⁴ Total Public Equity (includes corporate governance and sustainability public equity assets).

⁵ Absolute Return class prior to 7/1/16.