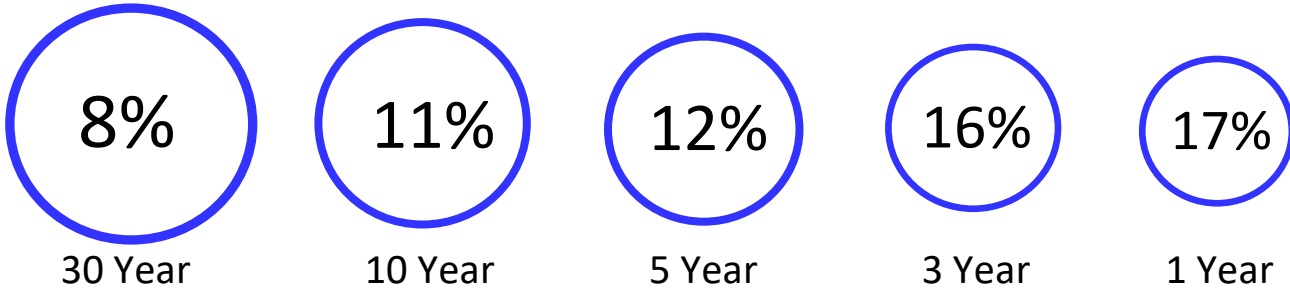


Investment Performance at a Glance

As of December 31, 2021

PACE

THE GOAL: average 7.0% over the next 30 years

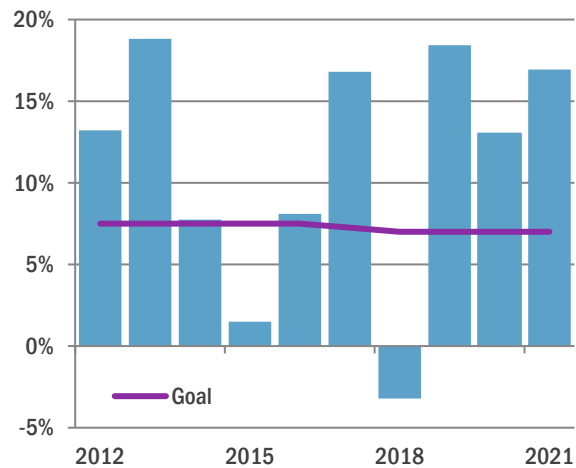


All returns are NET of investment fees

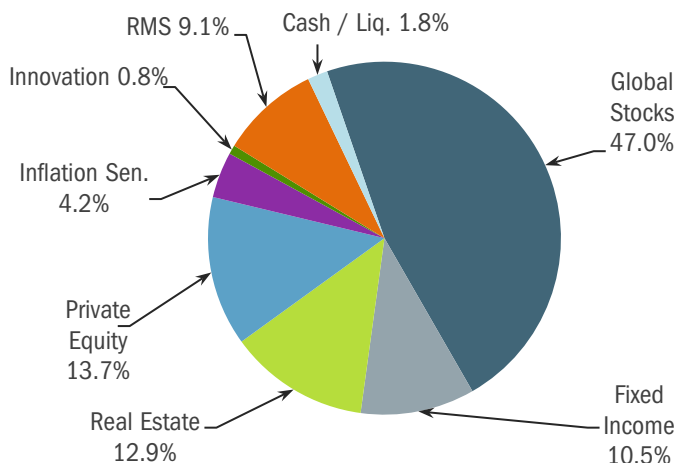
Summary of Market Returns

2021 was the second year of the global COVID pandemic, but also the second year of strong global stock market growth. Continued fiscal and monetary stimulus pushed U.S. stock to all time new highs. The Portfolio closed the year at an all-time high value of \$327 billion up to 17% on the year. U.S. stock rose 26% and non-U.S. stock rose 8%. The largest gain during the year was Private Equity which rose a whopping 48% in twelve months. Both Real Estate and Inflation Sensitive also rose double digits, climbing 14.8% and 19.9% respectively. As expected in such a booming year, the diversifying asset classes of RMS and Fixed Income struggled to produce returns. While RMS was up 4.8% and Fixed Income declined as interest rates rose posting a -0.95%.

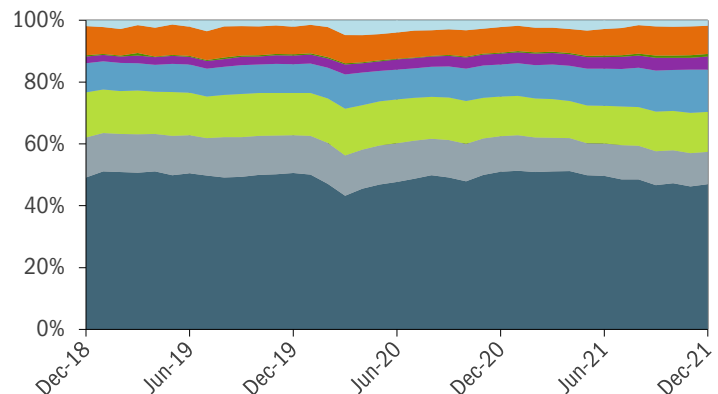
Total Fund 1-year returns (past 10 years)



Asset Allocation as of December 31, 2021

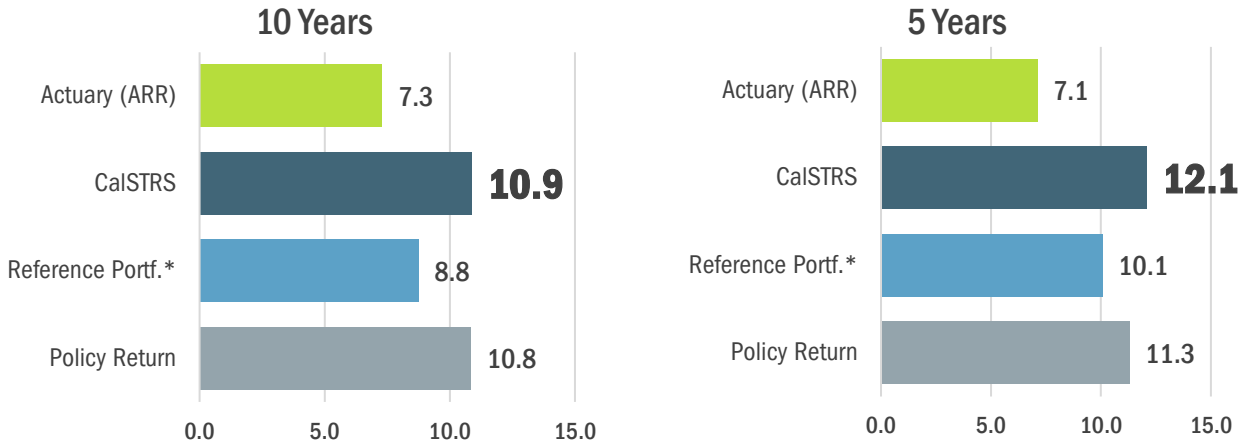


Asset mix over the past 3 years



Investment Performance at a Glance

As of December 31, 2021



The Actuary (ARR) is the Actuary assumed rate of return for funding the System.

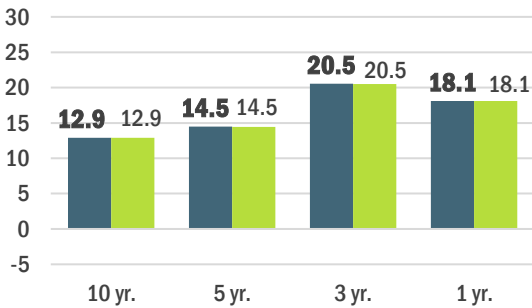
* Reference Portfolio is the Morningstar Moderate Target Risk Index

Performance of the Four Main Asset Classes Over Time (% returns are NET of fees)

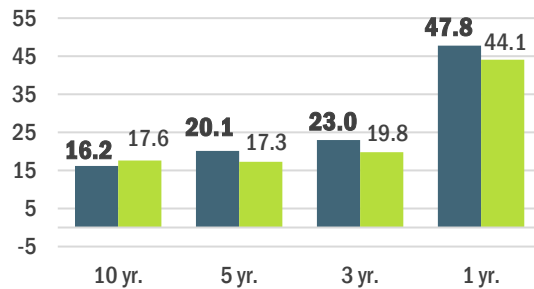
As a long-term investor, the focus should be on the 5-year and 10-year time periods. The scale is kept the same to allow comparison of results. All returns are net of investment fees.

Legend: ■ CalSTRS portfolio ■ Benchmark

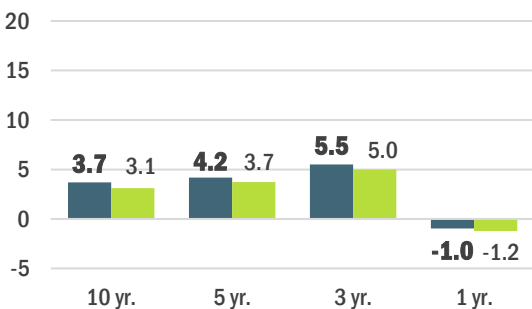
PUBLIC EQUITY



PRIVATE EQUITY



FIXED INCOME



REAL ESTATE

