



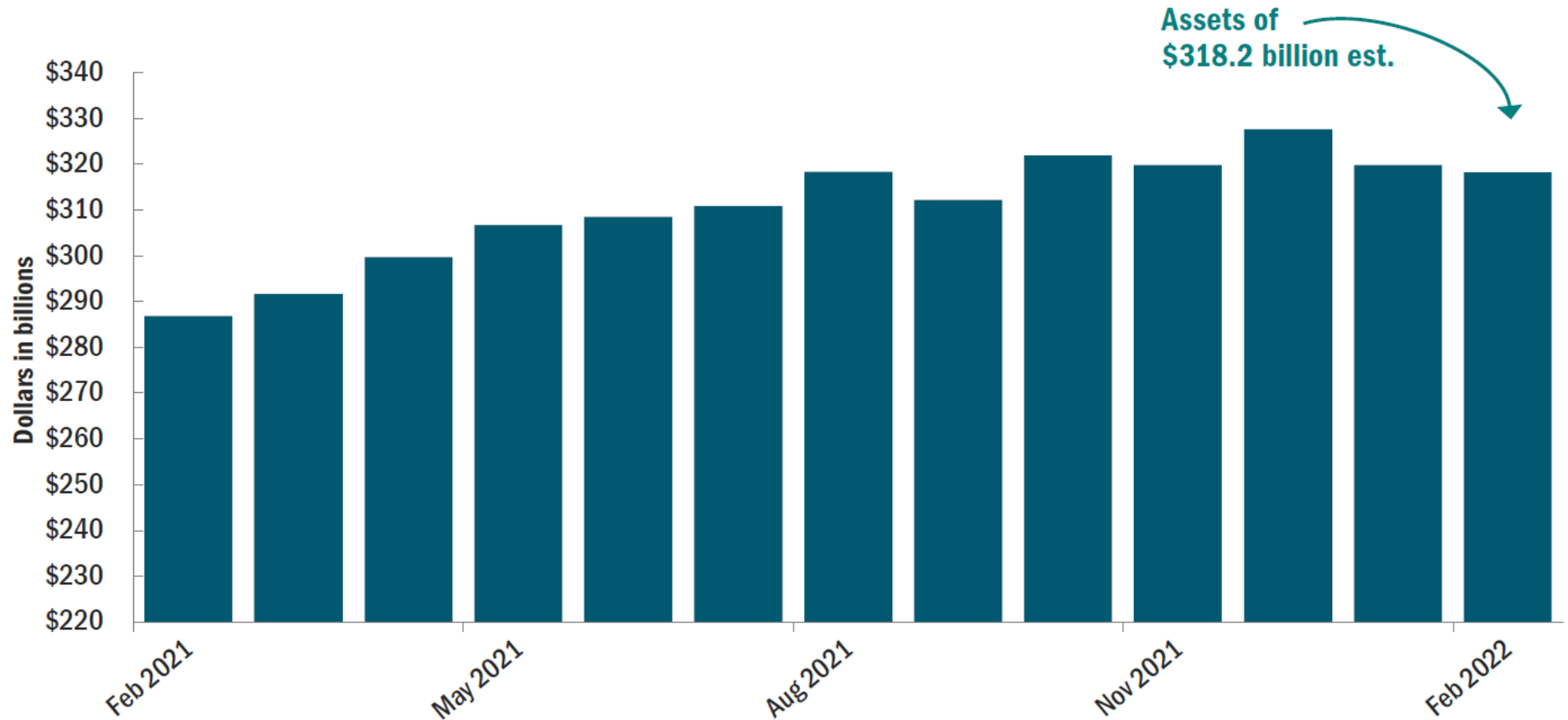
CALSTRS[®]

Chief Investment Officer Report

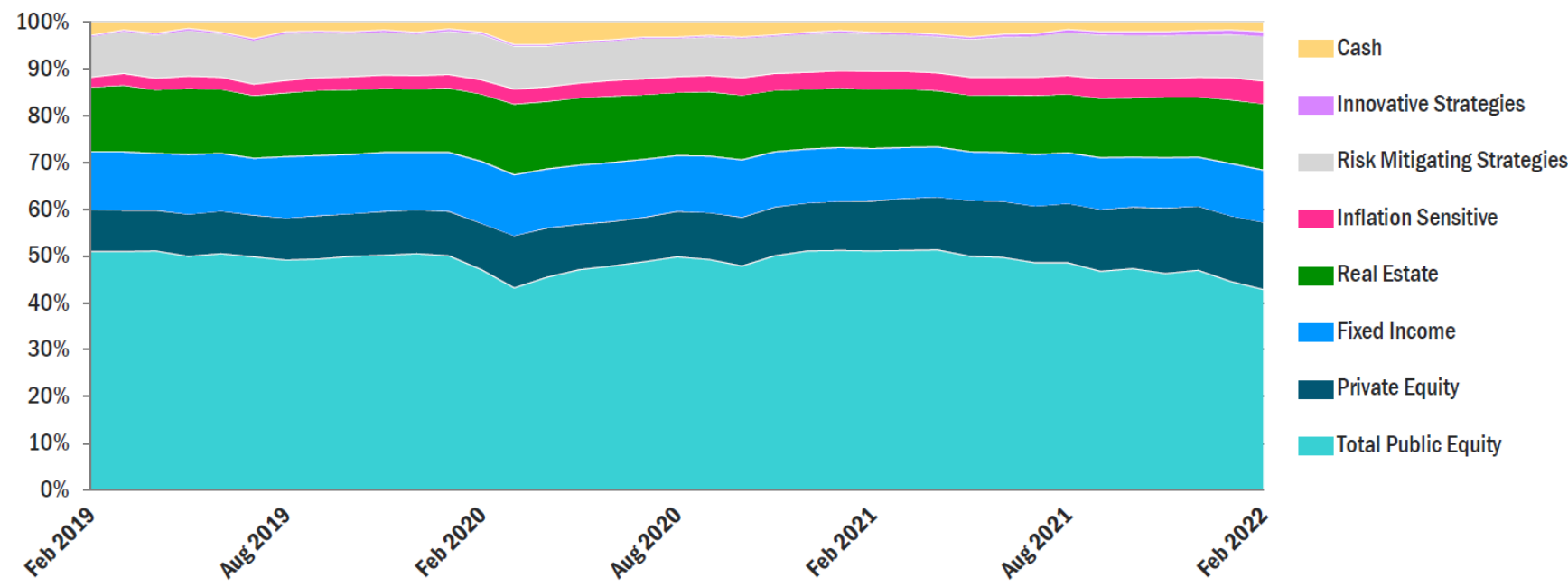
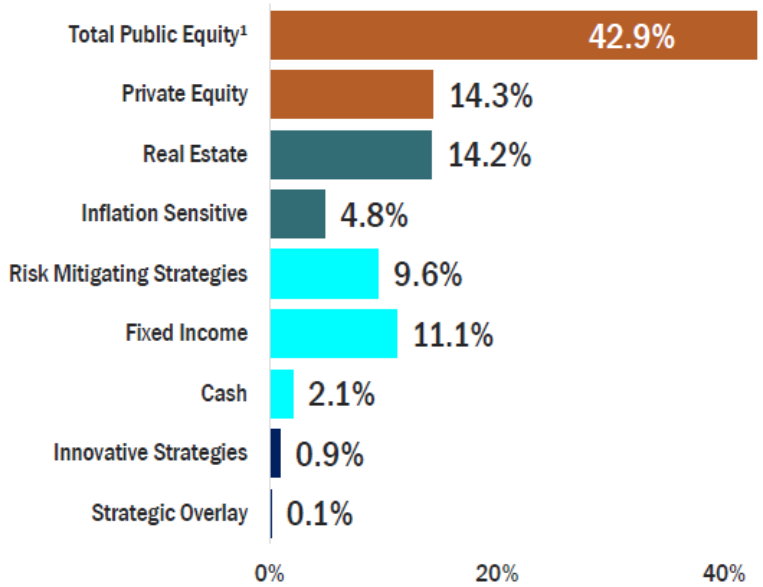
May 2022

Trust fund assets (Combined Defined Benefit funds)

Mar. 31, 2022
assets
\$323.6 bil.
est.



Asset allocation - as of February 28, 2022



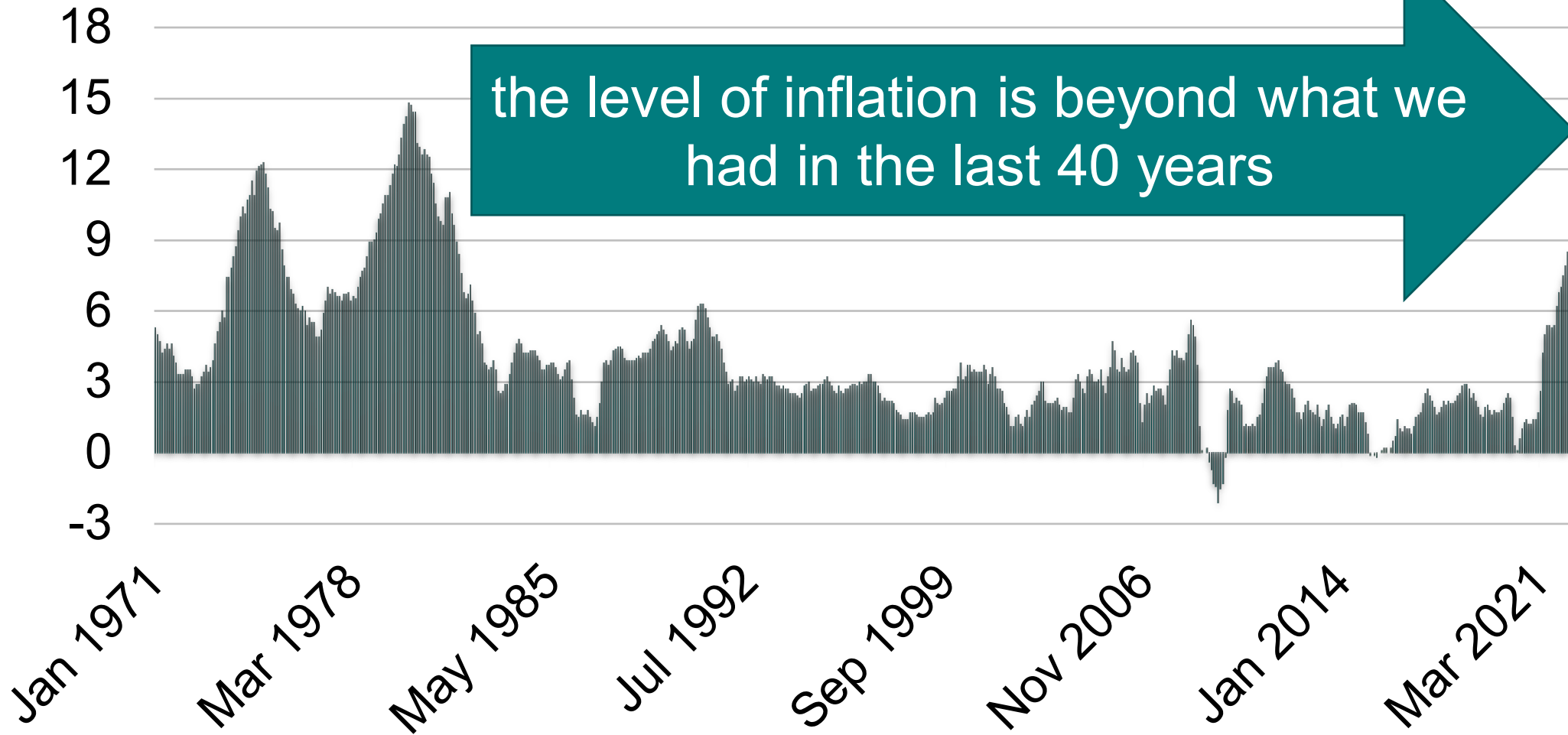
Strategic Classes



¹ Total Public Equity includes the following sub-units: Global Equity, SISS and Innovation GE

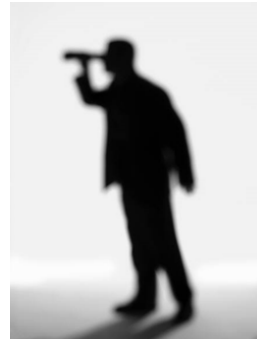
Inflation soaring

Annual inflation in percentage



Source: Bloomberg.

Looking out to the horizon



Key risks to monitor :

- ⚡ Inflation – 7- 8% annualized
- ⚡ Central Bank Policy – Fed, ECB, BoJ, BoE
- ⚡ COVID-19 Pandemic / Endemic ?

Positives:

- ⚙️ Strong labor market
- ⚙️ Healthy GDP & EPS
- ⚙️ Vaccine & Meds

Uncertainties :

- 🕷️ Federal Reserve taper & tightening – May 6th
- 🕷️ Labor market uncertainty – 5 million workers missing?

Inevitable surprises

- 🚨 Climate extremes
- 🚨 Domestic Terrorism
- 🚨 Digital Virus - Cyber attacks
- 🚨 Income inequality
- 🚨 Social unrest / protests
- 🚨 Global Pandemic – biological virus
- 🚨 Russia / Ukraine
- 🚨 North Korea, Iran aggression
- 🚨 China & Taiwan tensions
- 🚨 Earthquakes
- 🚨 Space junk / Near Earth objects
- 🚨 **U.S. & Global Energy transition**



CALSTRS®

HOW WILL YOU SPEND YOUR FUTURE ?