



## California State Teacher's Retirement System

### 2Q 2023 CalSTRS Semi-Annual Performance Report Summary

The CalSTRS Total Portfolio was valued of \$315.6 billion as of June 30, 2023. Over the latest fiscal year, the Total Portfolio increased by \$14.1 billion (net of fees and contributions/benefits). During the latest six-month period, the Total Portfolio increased by \$13.5 billion (net of fees and contributions/benefits). In fiscal year 2023, the Total Portfolio generated a return of 6.3%, matching the policy benchmark return, but trailing the State Street median fund return of 7.2% (the Total Portfolio ranked in the 67th 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 June 2023 overweight Private Markets and Innovative Strategies, and underweight Global Equity, Fixed Income, and Risk Mitigating Strategies, in relation to its strategic asset allocation targets. Inflation Sensitive and Cash ended the period in-line with their respective policy targets.

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	↑8.7	↑8.2	↑10.1	↑6.3	315,631	100	100	---
Policy Benchmark <sup>1</sup>	8.4	7.5	9.1	6.3				
St. Street Median (>\$10B) <sup>2</sup>	7.9	7.7	9.9	7.2				
Global Equity <sup>3</sup>	↑9.4	↑8.0	↑11.3	↑16.7	127,347	40	42	-2
Policy Benchmark	9.3	7.8	10.9	16.3				
Fixed Income	↑2.1	↑1.3	↑-3.2	↑0.1	31,825	10	12	-2
Policy Benchmark	1.7	0.9	-3.6	-0.5				
Private Markets	↑11.7	↑12.0	↑15.9	↑-0.7	99,713	32	28	+4
Policy Benchmark	10.6	9.7	13.5	-2.3				
Real Estate	↑10.0	↑9.2	↑10.5	↑-0.5	50,763	16	15	+1
Policy Benchmark	8.5	6.6	7.5	-3.9				
Private Equity	↑13.9	↑15.5	↑23.1	↓-0.9	48,951	16	13	+3
Policy Benchmark	13.4	13.8	22.0	0.0				
Inflation Sensitive	↑7.0	↑8.6	↑12.1	↑1.5	19,245	6	6	---
Policy Benchmark	5.1	5.8	9.1	0.8				
Risk Mitigating Strategies <sup>4</sup>	↑2.7	↓5.3	↓3.5	↓-4.3	27,780	9	10	-1
Policy Benchmark	2.3	5.6	3.5	-1.8				
Innovative Strategies	↑5.9	↑7.9	↑11.3	↑9.3	4,524	1	0	+1
Policy Benchmark	3.4	2.6	3.0	3.4				
Cash	↑1.4	↑1.8	↑1.6	↑4.3	4,838	2	2	---
Policy Benchmark	1.0	1.6	1.3	3.7				
Strategic Overlay	0.4	0.7	-0.2	2.3	358	0	0	---

Source: State Street; Callan; Investment Metrics.

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

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

<sup>3</sup> Total Public Equity (includes corporate governance and sustainability public equity assets).

<sup>4</sup> Absolute Return class prior to 7/1/16.