CALSTRS

Capture Ratio Analysis

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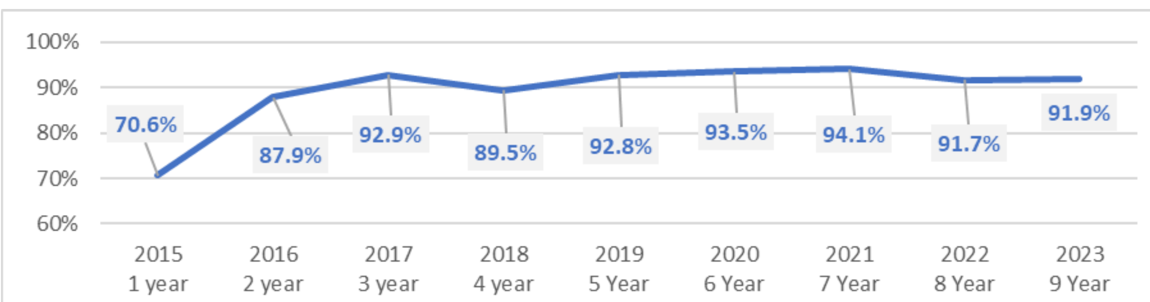
The Capture Ratio reflects the percentage of gross profits captured and reflected in the net returns over the nine-year period ending December 31, 2023.

9-Year Period *Ending December 31, 2023*		2023 Target Weights	Costs*	Gross Return (Time Weighted)	Net Return (Time Weighted)	Capture Ratio
Total Portfolio			$14,767	8.02%	7.84%	**91.9%**
Growth	Global Equity	41%	1,107	8.86%	8.74%	**98.8%**
	Private Equity	14%	6,455	13.32%	13.32%	**82.8%**
Real Assets	Real Estate	15%	3,958	9.17%	8.41%	**85.4%**
	Inflation Sensitive	6%	456	7.00%	6.98%	**92.3%**
Diversifying	Fixed Income	12%	83	1.99%	1.95%	**98.3%**
	Risk Mitigating Strategies	10%	1,521	2.14%	2.11%	**77.1%**

** Management fees and carried interest are considered the industry standard for measuring costs*
Cumulative dollar over the period in millions



CalSTRS captured 91.9% of the gross dollars earned over the last nine years, slightly up from the prior 8-year figure.

In 2022, the ratio declined after years of an increased allocation to private assets. The capture ratios for private asset classes will tend to be lower due to the carried interest paid out from these investment types, but this is offset by their higher long term expected net returns and risk diversification value.

In 2023, the allocation to privates increased again by 1%, but less carried interest was paid out over the period. This result was a combination of increased internal private management over the recent years and less capital being distributed back to investors after a flat year of returns in 2022 - resulting in a slightly higher capture ratio.