

A man with a bald head, smiling, wearing a dark pinstriped suit jacket, a blue dress shirt, and a yellow and blue striped tie. He has a yellow flower pinned to his lapel. He is standing in an office environment with computer monitors and other people in the background.

CALSTRS

Chief Investment Officer's Report

January 11, 2024



CALSTRS

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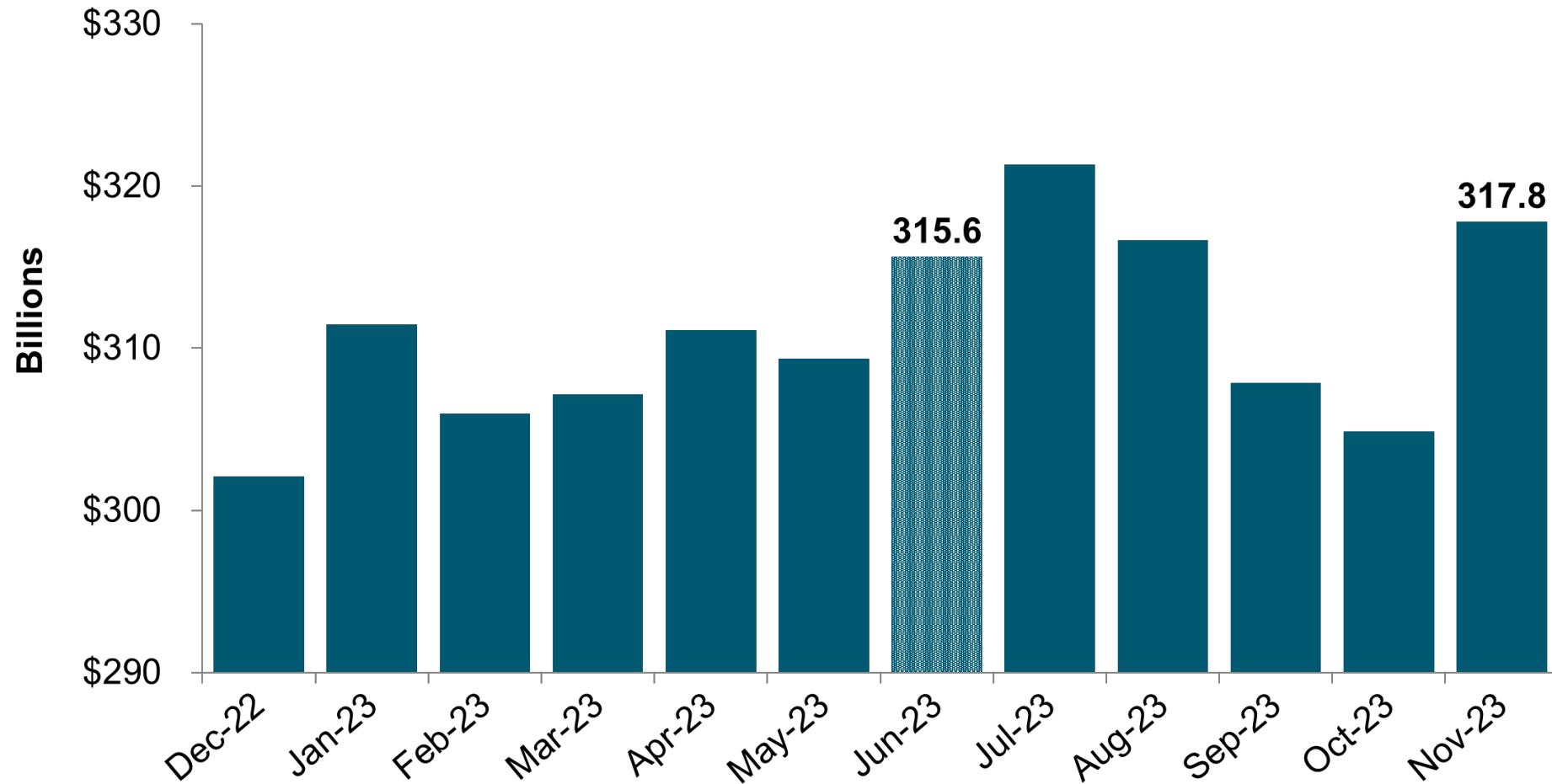
258

377

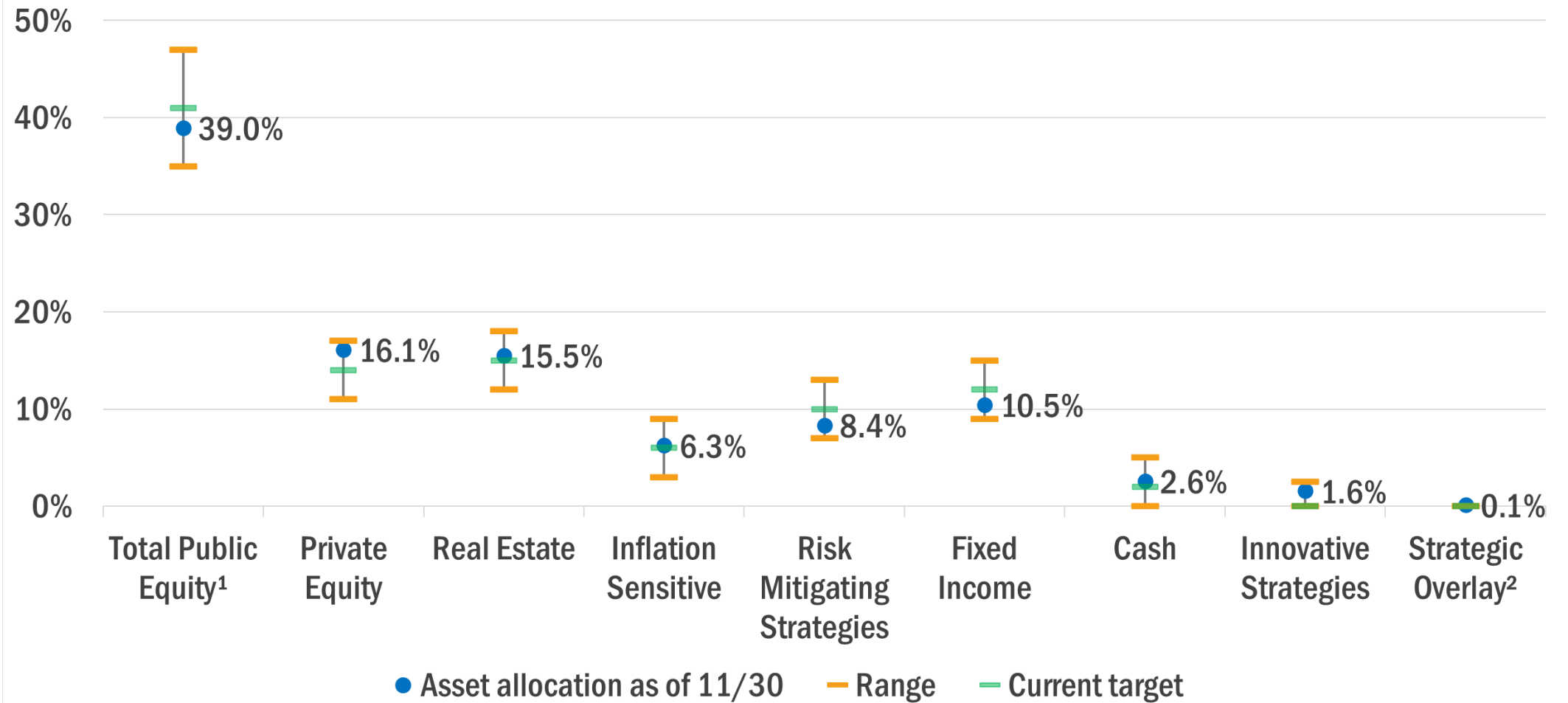
Oct 20, 2000 to Dec 21, 2023



November 30, 2023 assets \$317.8 bil. est.



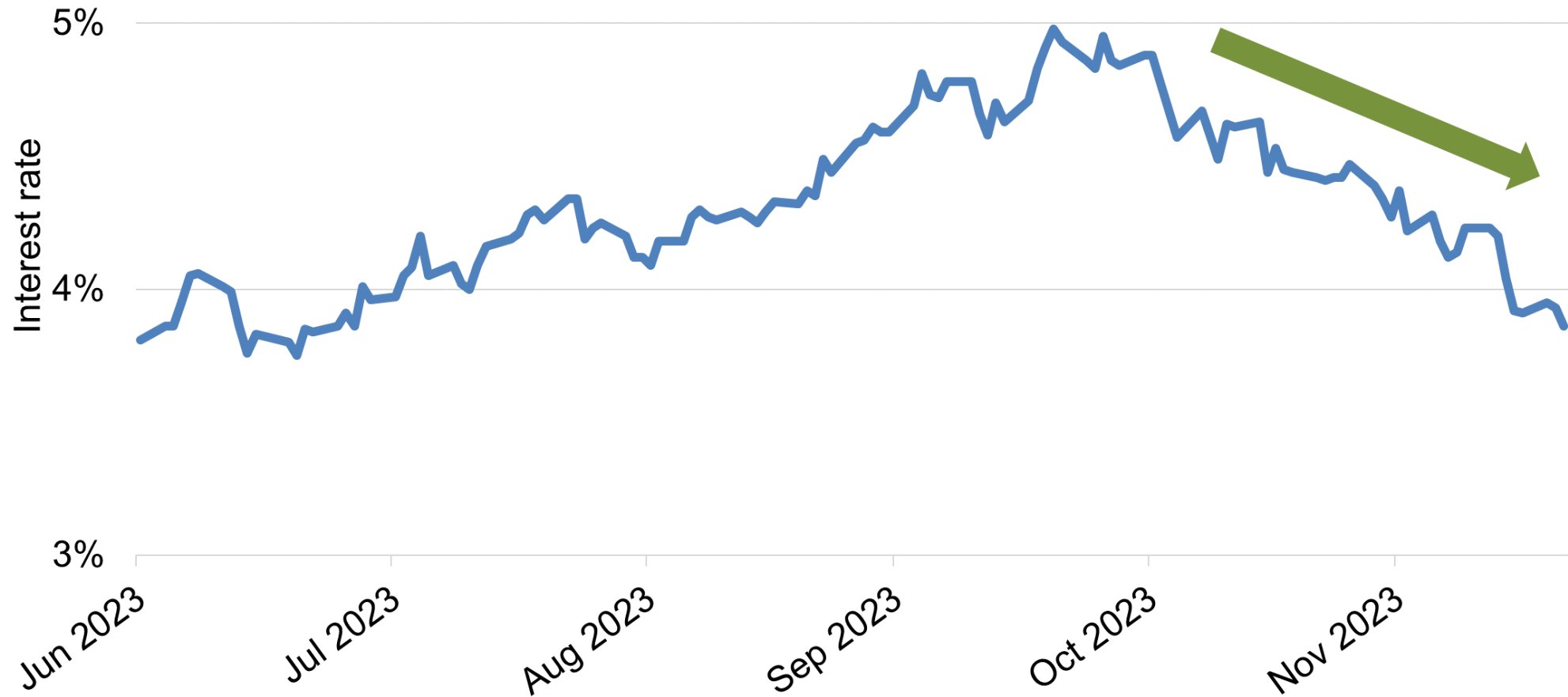
Asset allocation



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

² Strategic Overlay includes Currency and Derivatives Overlay

10 year U.S. Treasury

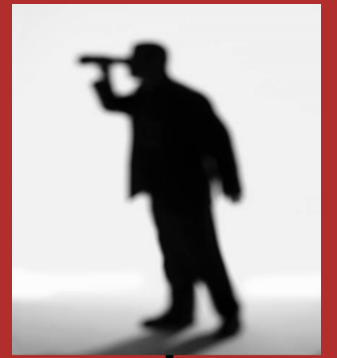


Key risks to monitor:

Inflation – down to 3%
Two major wars
China Economy slowing

Uncertainties:

Conflict in the Red Sea
Election tension



Positives:

Labor market –steady
Consumer spending
Fed likely to cut rates

Geopolitical risk major concern

- 🚩 Climate extremes
- 🚩 U.S and Global energy transition
- 🚩 Digital virus / cyber attacks *
- 🚩 Biological virus
- 🚩 Income inequality
- 🚩 Domestic terrorism or extremism
- 🚩 Earthquakes — South San Andreas Fault
- 🚩 Russia / Ukraine war
- 🚩 Israel / Hamas war
- 🚩 North Korea / Iran
- 🚩 China / Taiwan / U.S. tensions
- 🚩 Lethal drones – micro drones
- 🚩 Near Earth objects