

## MEMORANDUM

**TO:** Investment Committee, CalSTRS  
**FROM:** Stephen McCourt, Allan Emkin, Mika Malone, Stephanie Sorg, Meketa Investment Group  
**CC:** Chris Ailman  
**DATE:** March 6, 2024  
**RE:** Concurrence Memo – Fixed Income Policy Revision

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### Summary and Recommendation

In January 2024, Staff provided draft language for the first reading of the proposed revisions to the Fixed Income policy. The updates made to the policy are administrative in nature, as they reflect additional language to incorporate private credit as part of the opportunistic sleeve of the portfolio. This 2% allocation was approved at the May 2023 Investment Committee Meeting as part of the ALM Study. *After independently evaluating the policy revisions, Meketa Investment Group supports Staff's recommended changes to the Fixed Income Policy.*

### Discussion

As a result of the 2023 ALM study, the Board approved a 2% increase to the allocation to Fixed Income to add private credit, which is primarily focused on direct lending. To align the Fixed Income policy with these asset allocation changes, governing language needed to be added to include private credit as part of the opportunistic sleeve of the portfolio. Upon reviewing the proposed language recommended by Staff, the changes are minimal and cohesively incorporate private credit/direct lending into the policy.

Meketa has independently reviewed the proposed first reading of the Fixed Income policy and supports Staff's recommended revisions.

If you have any questions, please feel free to contact us at (760) 795-3450.

SBS/SPM/MLM/jls