

### 4Q 2022 CalSTRS Semi-Annual Performance Report Summary

The CalSTRS Total Portfolio was valued of \$302.1 billion as of December 31, 2022. Over the latest calendar year, the Total Portfolio decreased by \$25.5 billion (net of fees and contributions/benefits). During the latest six-month period, the Total Portfolio increased by \$0.5 billion (net of fees and contributions/benefits). In calendar year 2022, the Total Portfolio generated a return of -6.7%, matching the policy benchmark return, but exceeding the State Street median fund return of -7.8% (the Total Portfolio ranked in the 74th 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 December 2022 overweight Private Markets, Inflation Sensitive, and Innovative Strategies, and underweight Global Equity, Fixed Income, and Risk Mitigating Strategies, in relation to its strategic asset allocation targets. Cash ended the period in-line with its policy target.

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	↑8.8	↑7.2	↑7.2	↑-6.7	302,096	100	100	---
Policy Benchmark <sup>1</sup>	8.5	6.6	6.6	-6.7				
St. Street Median (>\$10B) <sup>2</sup>	7.9	6.6	6.4	-7.8				
Global Equity <sup>3</sup>	↑9.0	↑5.3	↑4.0	↑-18.2	116,698	39	43	-4
Policy Benchmark	8.9	5.2	3.9	-18.6				
Fixed Income	↑1.7	↑0.6	↑-2.1	↑-12.6	30,987	10	12	-2
Policy Benchmark	1.2	0.2	-2.6	-12.9				
Private Markets	↑12.7	↑13.5	↑15.8	↓9.9	99,043	33	28	+5
Policy Benchmark	11.9	11.6	14.2	12.5				
Real Estate	↑11.2	↑11.6	↑13.1	↓20.9	52,727	17	15	+2
Policy Benchmark	10.0	9.3	11.4	21.0				
Private Equity	↑14.5	↑16.0	↑19.5	↓-0.5	46,316	15	13	+2
Policy Benchmark	14.4	14.5	17.7	1.5				
Inflation Sensitive	↑6.6	↑9.0	↑10.6	↓6.3	17,900	6	5	+1
Policy Benchmark	5.0	6.2	8.3	8.5				
Risk Mitigating Strategies <sup>4</sup>	↑2.9	↓4.4	↓5.0	↓0.6	26,963	9	10	-1
Policy Benchmark	2.0	4.6	5.5	1.7				
Innovative Strategies	↑5.3	↑6.9	↑6.0	↑7.1	3,911	1	0	+1
Policy Benchmark	3.0	1.7	0.0	-0.7				
Cash	↑1.2	↑1.5	↑0.9	↑1.9	6,013	2	2	---
Policy Benchmark	0.8	1.3	0.7	1.5				
Strategic Overlay	0.2	0.2	0.2	-1.8	545	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.