



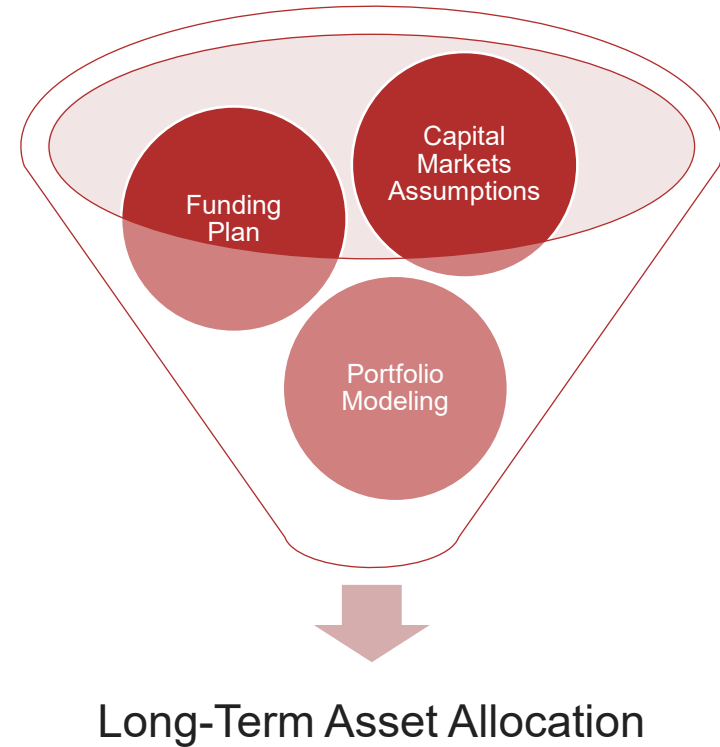
CALSTRS

2022-23 ALM Study

January 26, 2023

Capital Markets Assumptions

- Core ingredient in portfolio modeling
- Different portfolio options
- Drives long-term investment return assumption
 - Funding plan, liability risk & contribution rates
- Uncertainty

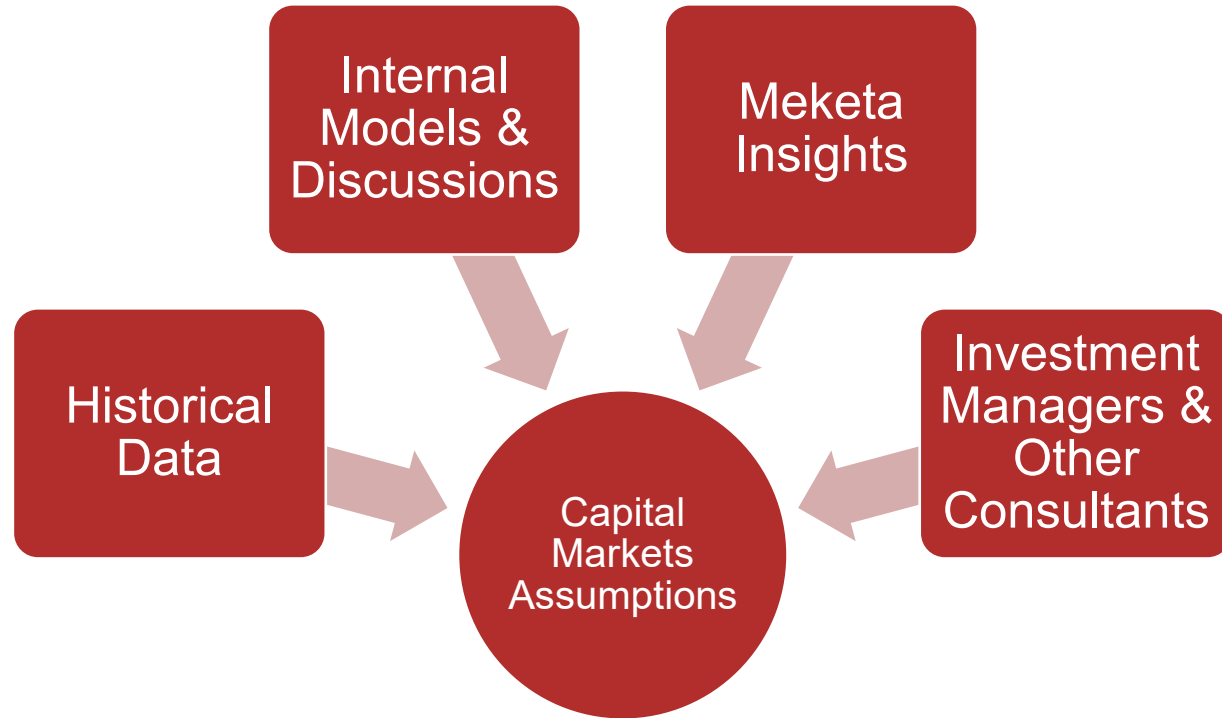


Strategic Risk Factors & Asset Classes

Strategic Class	Asset Class
Economic Growth	Public Equity
	Private Equity
Real Assets	Real Estate
	Inflation Sensitive
Credit	Fixed Income Credit (Public & Private)
	Real Estate
	Inflation Sensitive
	Private Equity Credit (Distressed & Mezzanine)
	Specialty Finance & Opportunistic
Diversifying	Fixed Income Interest Rates
	RMS
	Liquidity/Cash

Developing Capital Markets Assumptions

Process



Examples

- Real Estate
- Public Equity