CALSTRS

2022-2023 Asset-Liability Management Study

November 2022: ALM Overview & Education

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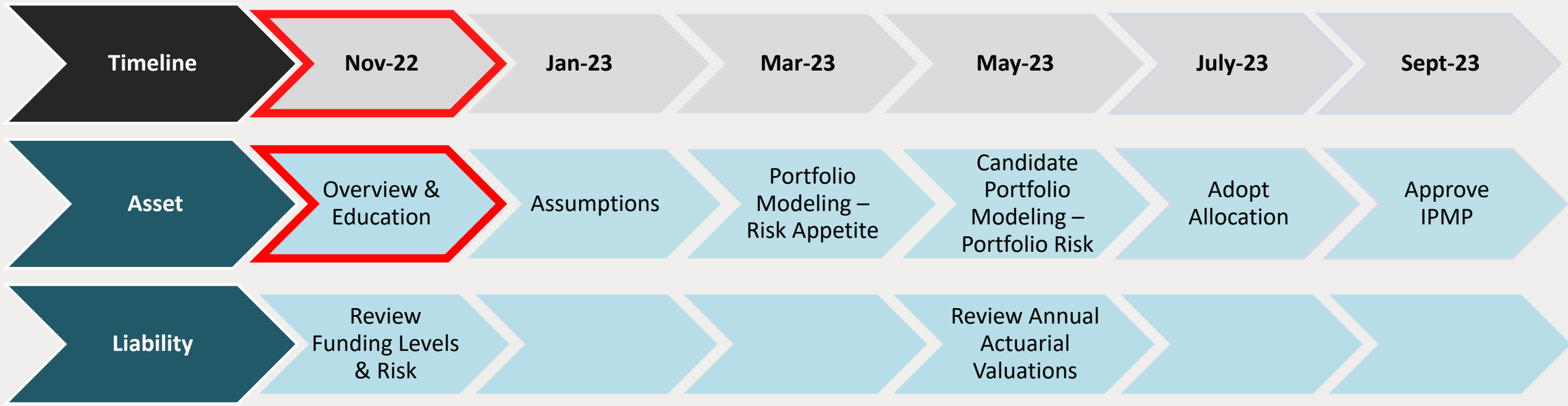
ALM project timeline



Why Strategic Classes?

Economic Growth	Largest source of long-term returns (and risk)
Real Assets	Inflation protection and income with some Economic Growth risk
Credit	Source of income with some Economic Growth risk
Diversifying	Diversification (especially Economic Growth) with some income

Private Credit

- Distinct source of risk & return
- Improves risk-return profile of total fund

Private Credit Exposure

Asset Class	% OF Private Credit AUM	NAV As % of CalSTRS AUM	Total AUM & Commitments As % of CalSTRS AUM
Private Equity	32%	0.75%	2.0%
Innovative Strategies	35%	0.83%	1.7%
Real Estate	33%	0.77%	0.8%

As of March 31, 2022

Total Fund Opportunities Portfolio

Total Fund Opportunities Portfolio

- 0%-5%
- Expand Current Innovation Policy Limit

Transaction Size:
Large

Future Allocation:
Long-term

Sourcing:
Asset Classes

Transaction Size:
Small

Future Allocation:
Temporary unless transferred to Asset Class

Sourcing:
Innovation, or SISS, or JV with Asset Class

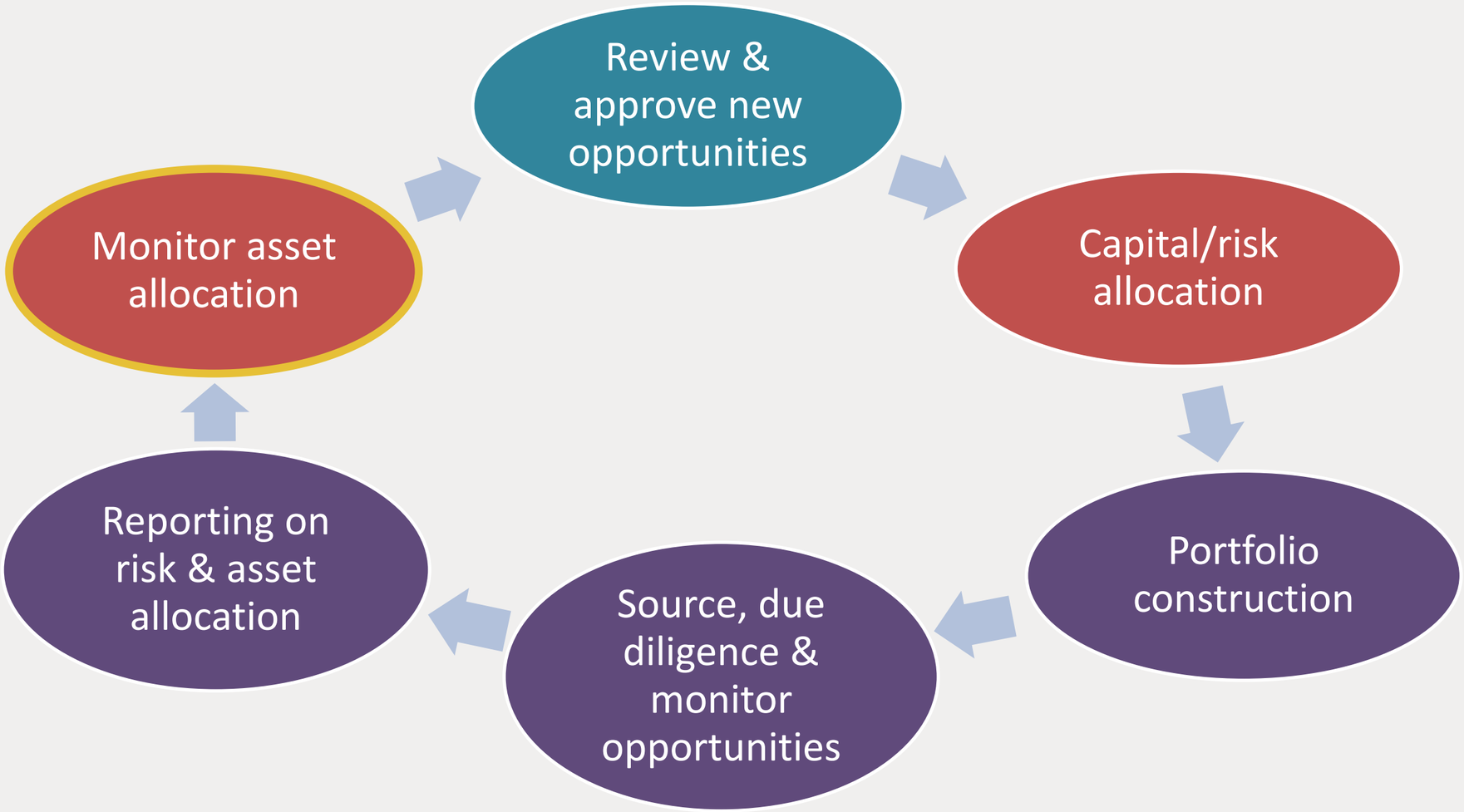
Opportunistic governance & implementation

CIO/DCIO input from asset class directors

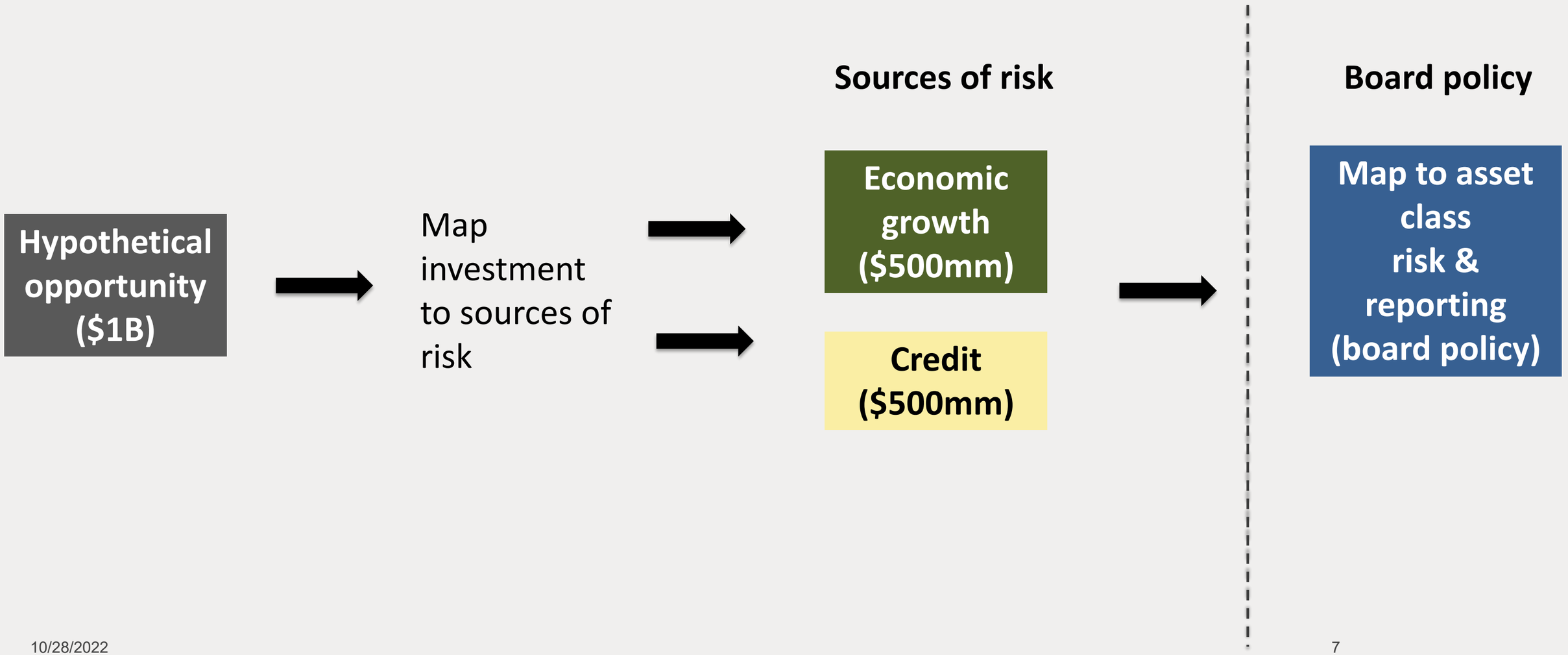
Strategy and Risk Team

Investment Team

Compliance



Opportunities Portfolio



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