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CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

# Fixed Income – Risk Budget Overview

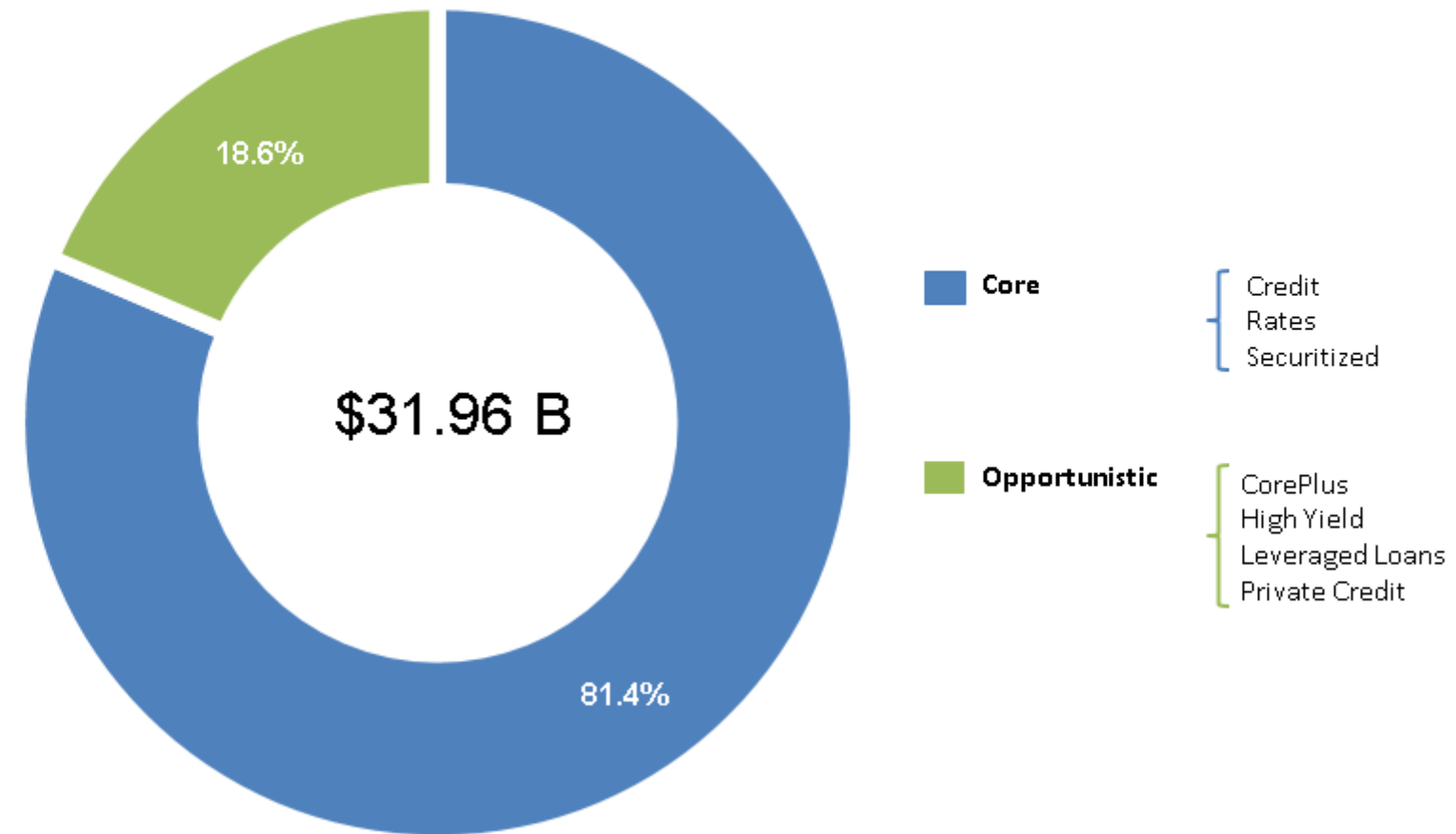
*Investment Committee*

*July 8, 2021*

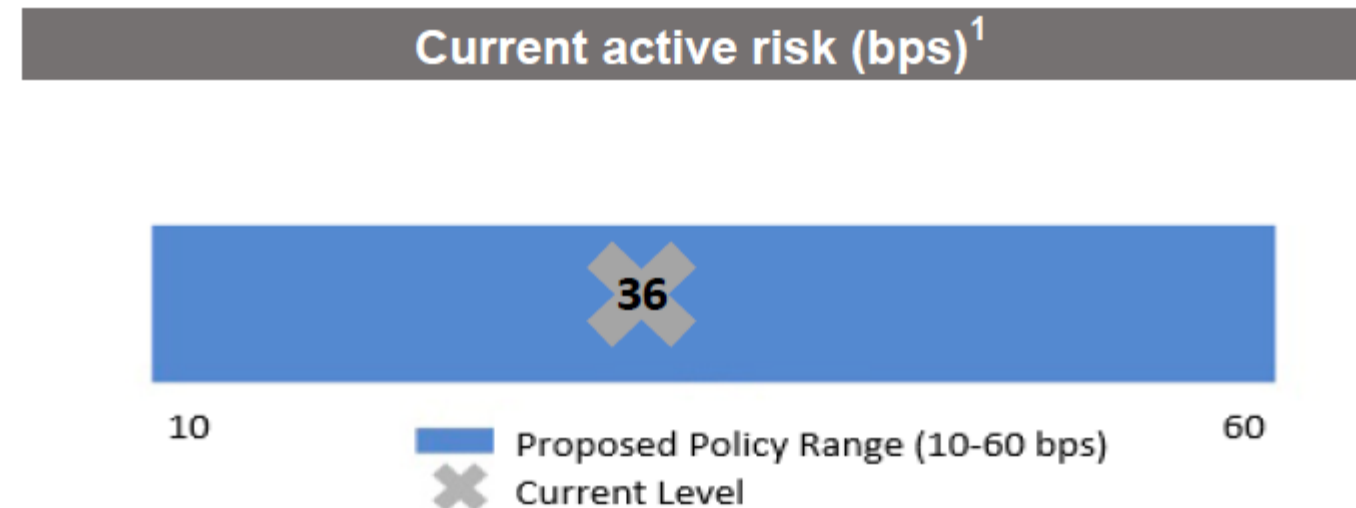




## Existing Weights by Strategy Type

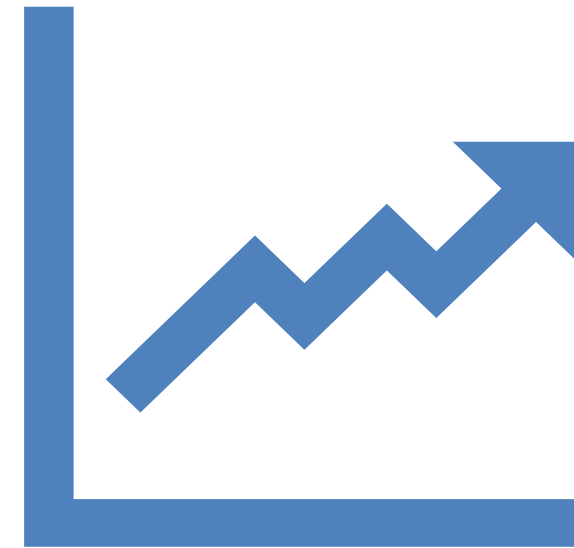


- Proposed risk budget range: 10bps to 60bps
- Existing Fixed Income policy benchmark unchanged





Private Credit max allocation: 5%



**Benefits:**

- Diversification
- Reduces correlation
- Cash flow with higher risk adjusted return

Questions?

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*Art glass by Paul Housberg, 2009*

