

CALSTRS

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM



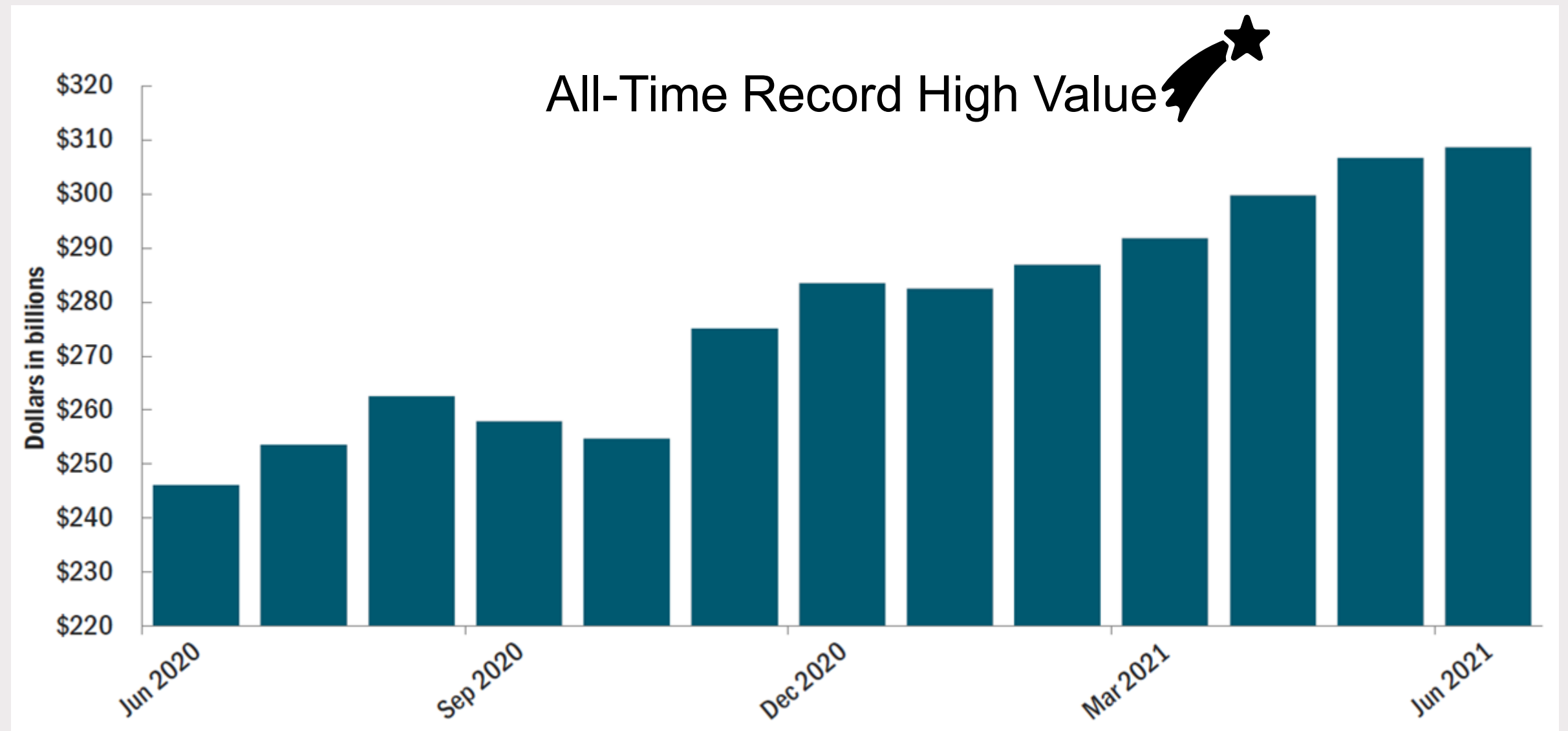
Chief Investment Officer Report

September 2021

Trust Fund Assets (Combined Defined Benefit Funds)

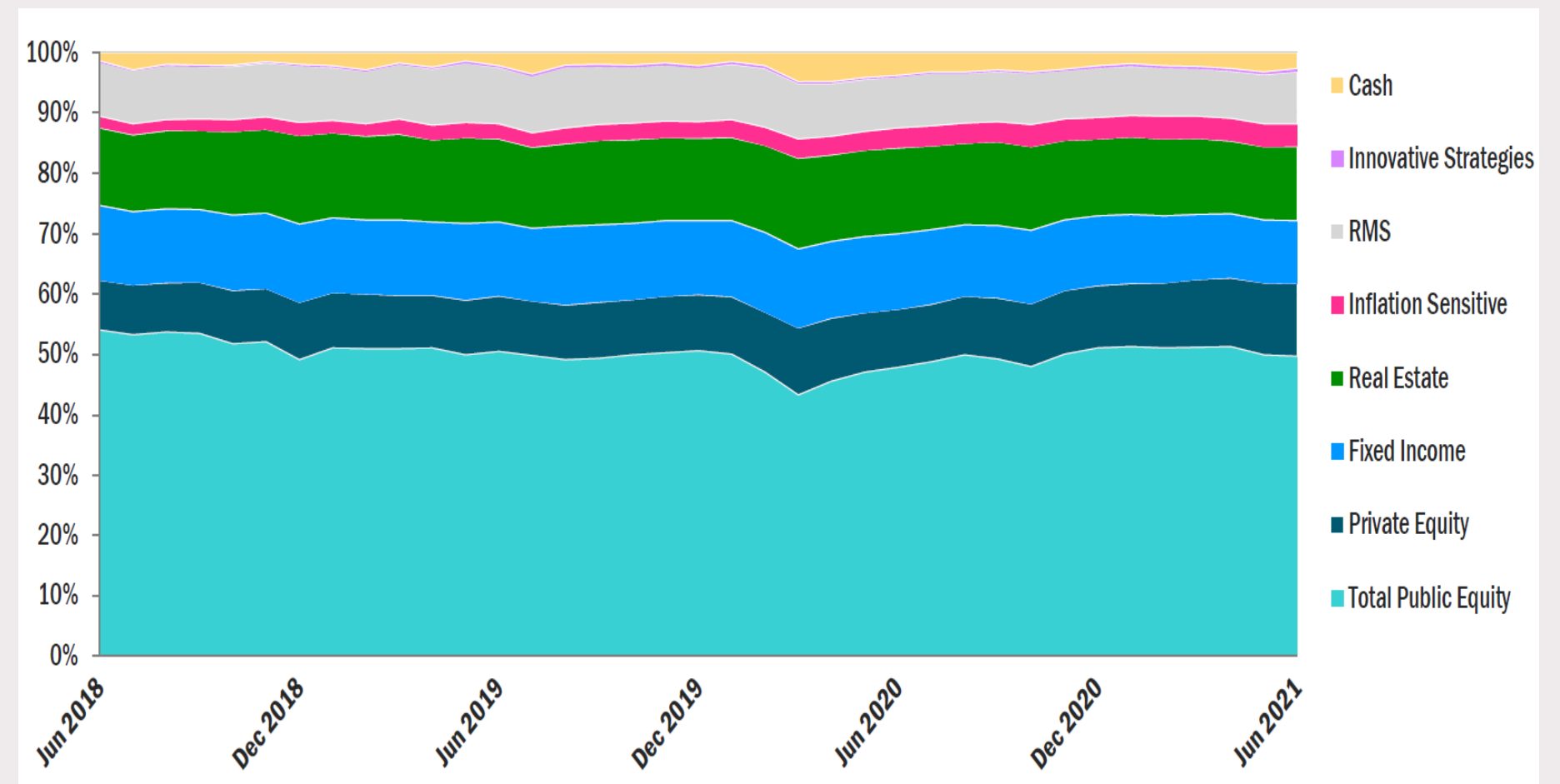
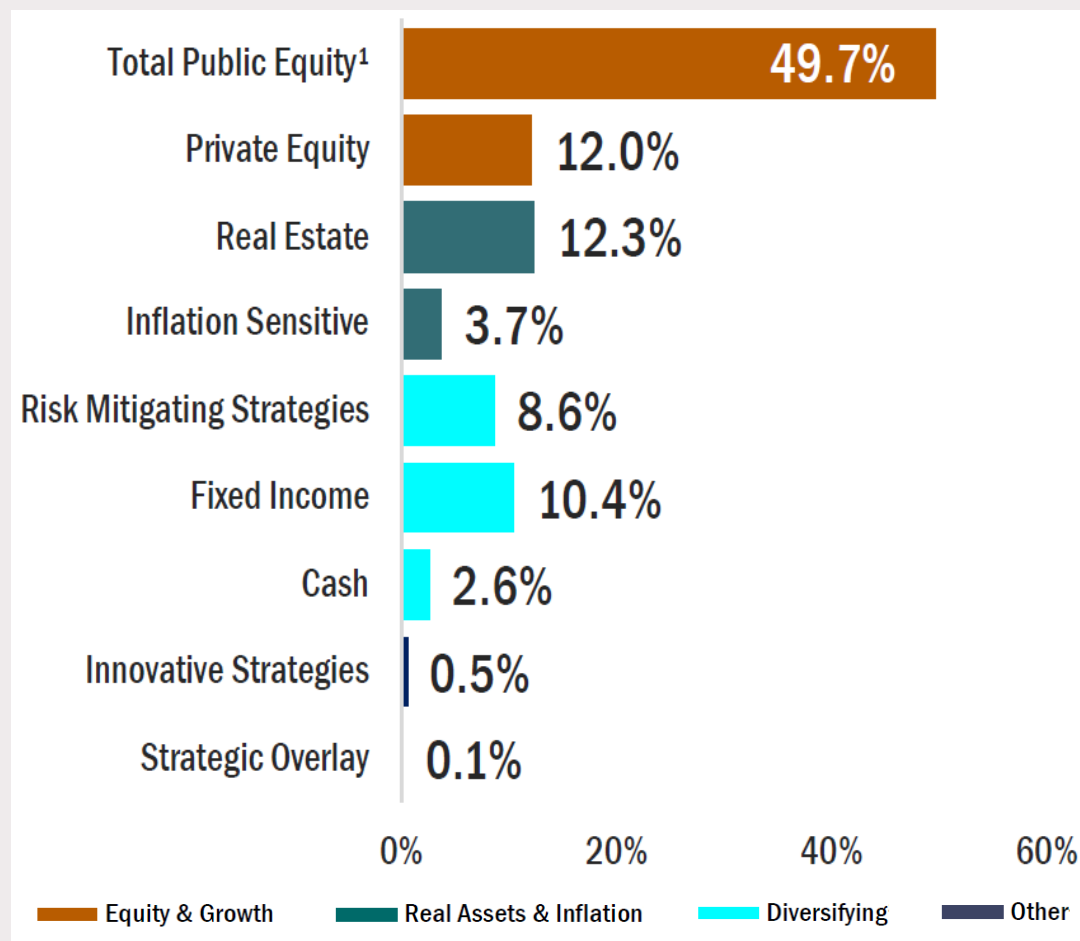
July 31, 2021
Assets

\$310.9
bil. est.





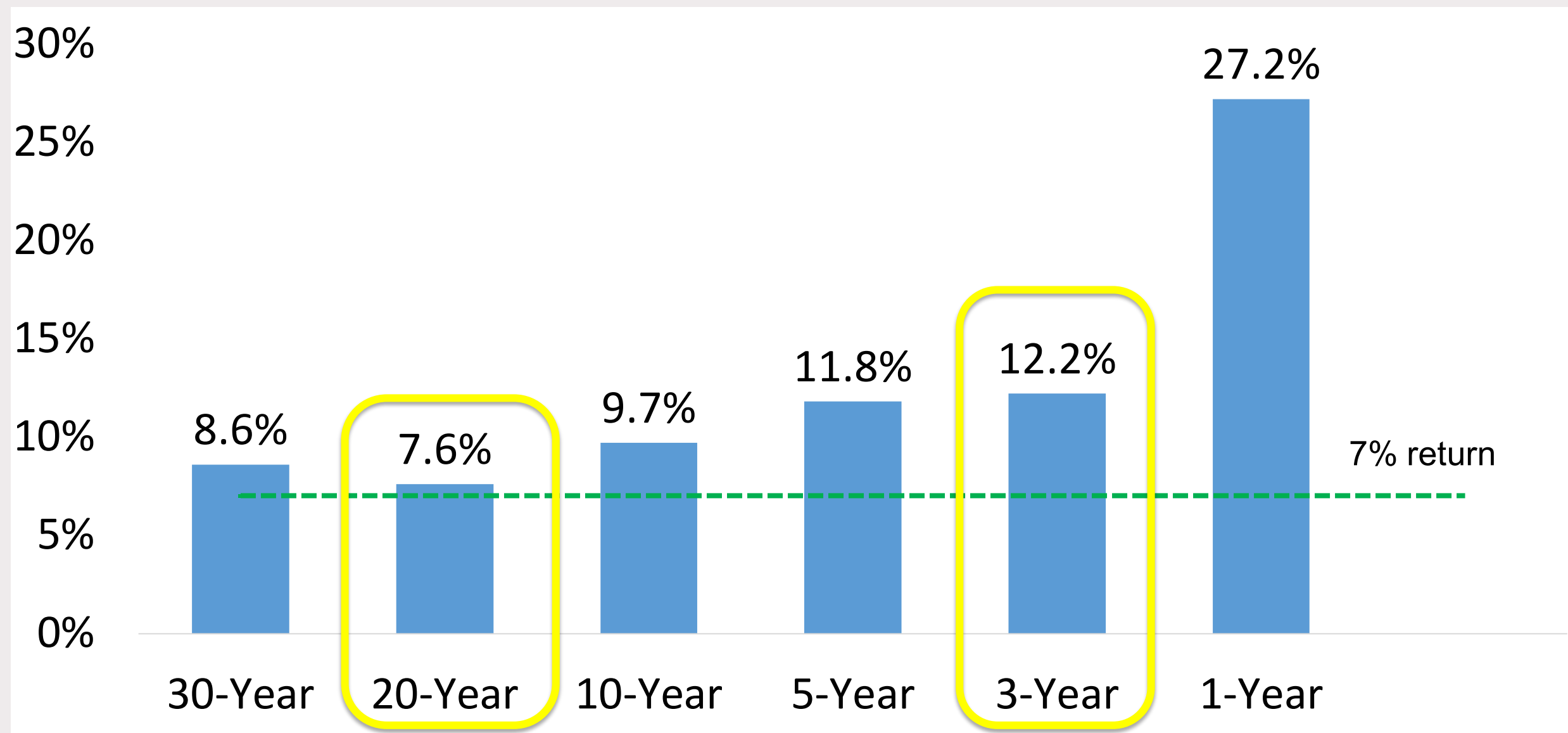
Asset Allocation - as of June 30, 2021



¹ Total Public Equity includes the following sub-units: Global Equity, SISS and Innovation GE

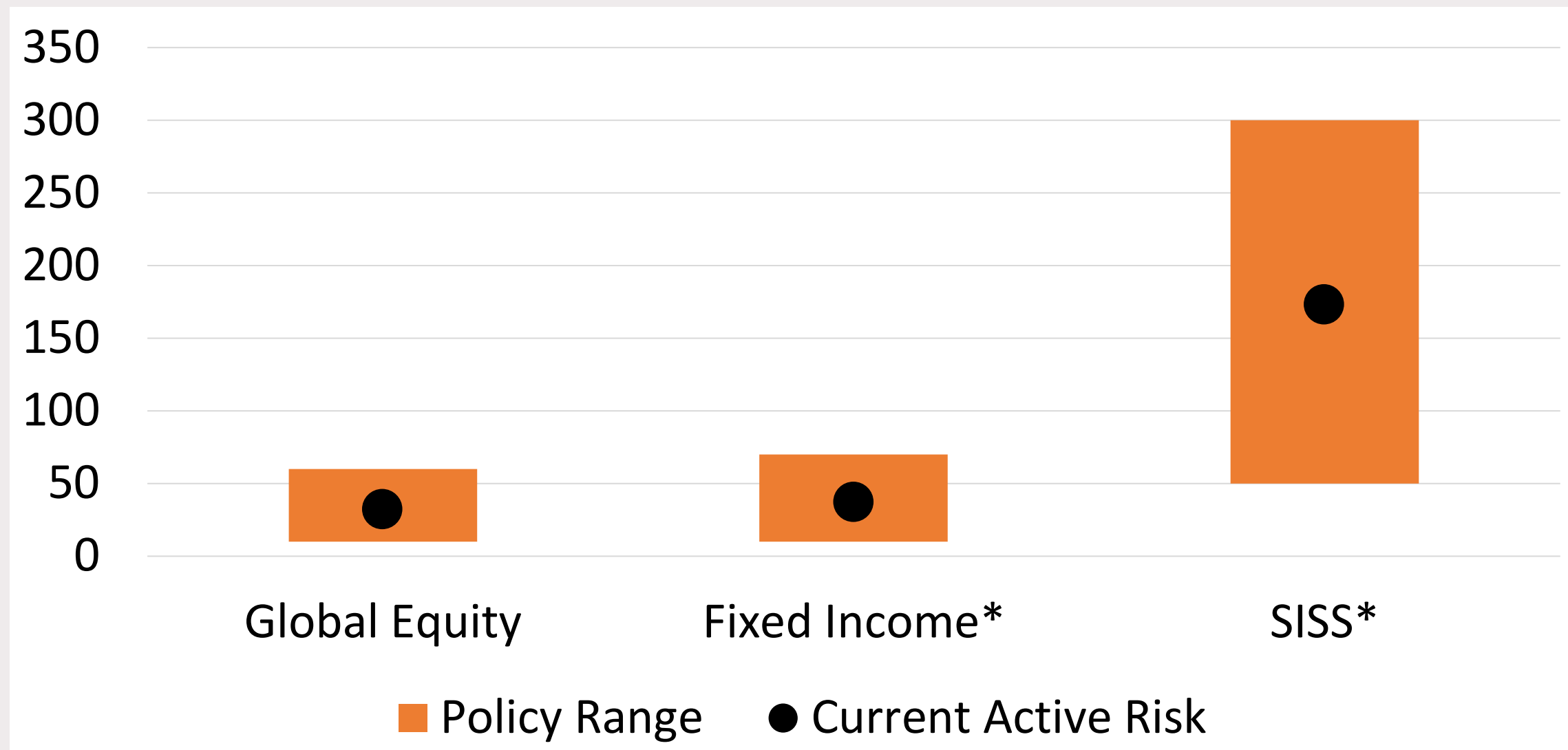


Investment Fund Performance – Long-Term Perspective





Active risk summary - as of June 30, 2021

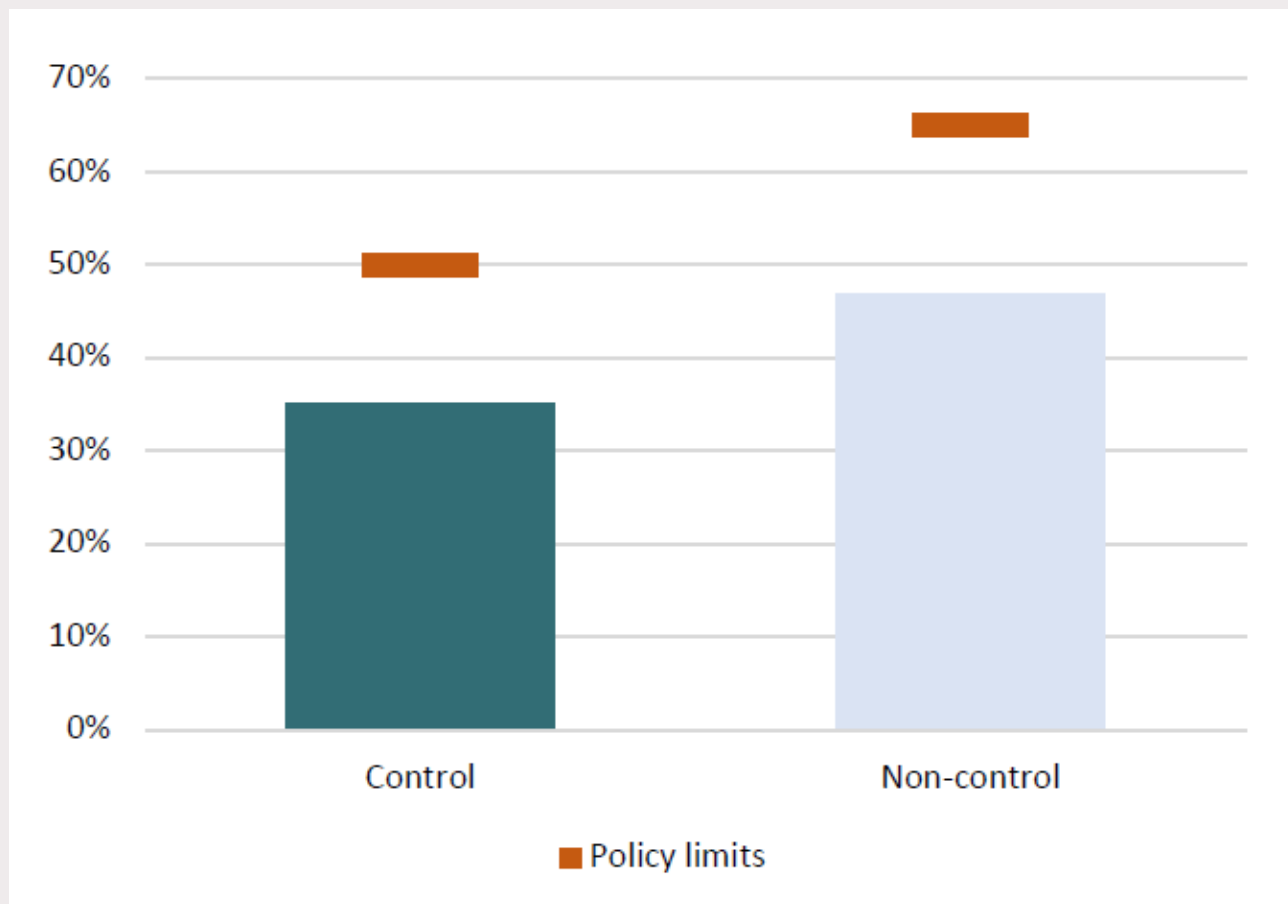


*Proposed policy ranges for Fixed Income and SISS

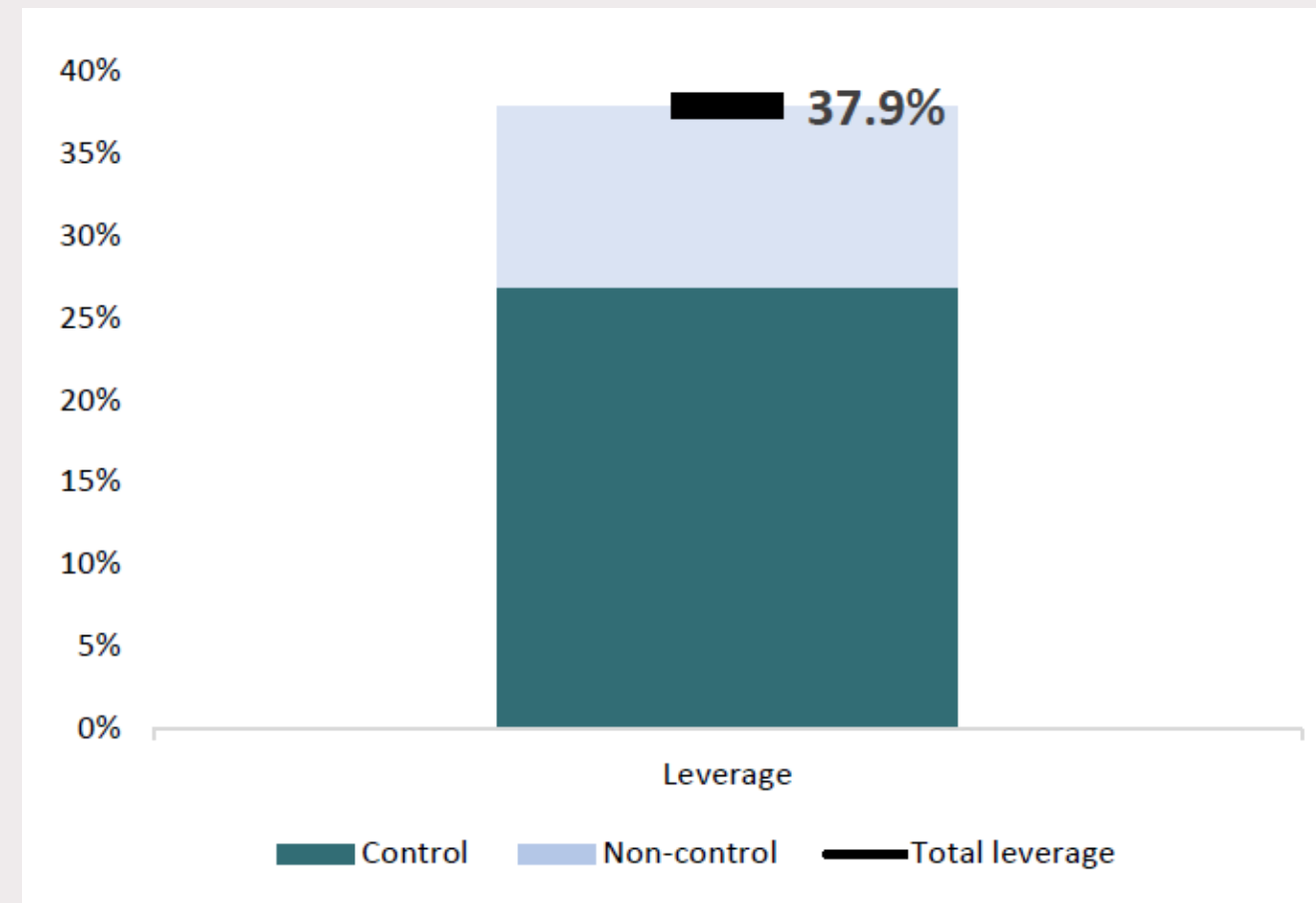


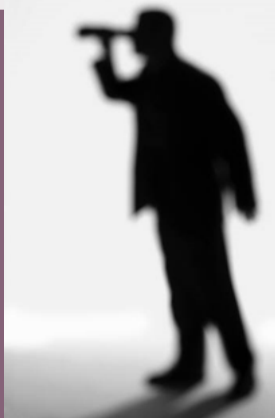
Real Estate leverage - as of December 31, 2020

Leverage and limits



Total leverage





Looking Out to the Horizon

Key risks to monitor :

- 🚨 COVID-19 Global Pandemic
- 🚨 Variants or mutations of the virus
- 🚨 Public unrest

Positives:

- ⚙️ Vaccine & Booster shots
- ⚙️ Govt. stimulus
- ⚙️ Central bank / Fed accommodation

Unknowns:

- ⚠️ When will the Fed taper purchases?
- ⚠️ When will the U.S. and World reach Herd immunity?
- ⚠️ How will the economy react when we return to the Office?



Inevitable Surprises

 **Pandemic**

 Climate extremes

 **Cyber attacks / Internet Disruptions**

 Income inequality

 Social unrest / protests

 North Korea / Iran aggression

 Lone Wolf Terrorism

 China / Russia tensions

 Earthquakes / Forest Fires / Volcanos

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