



CALSTRS

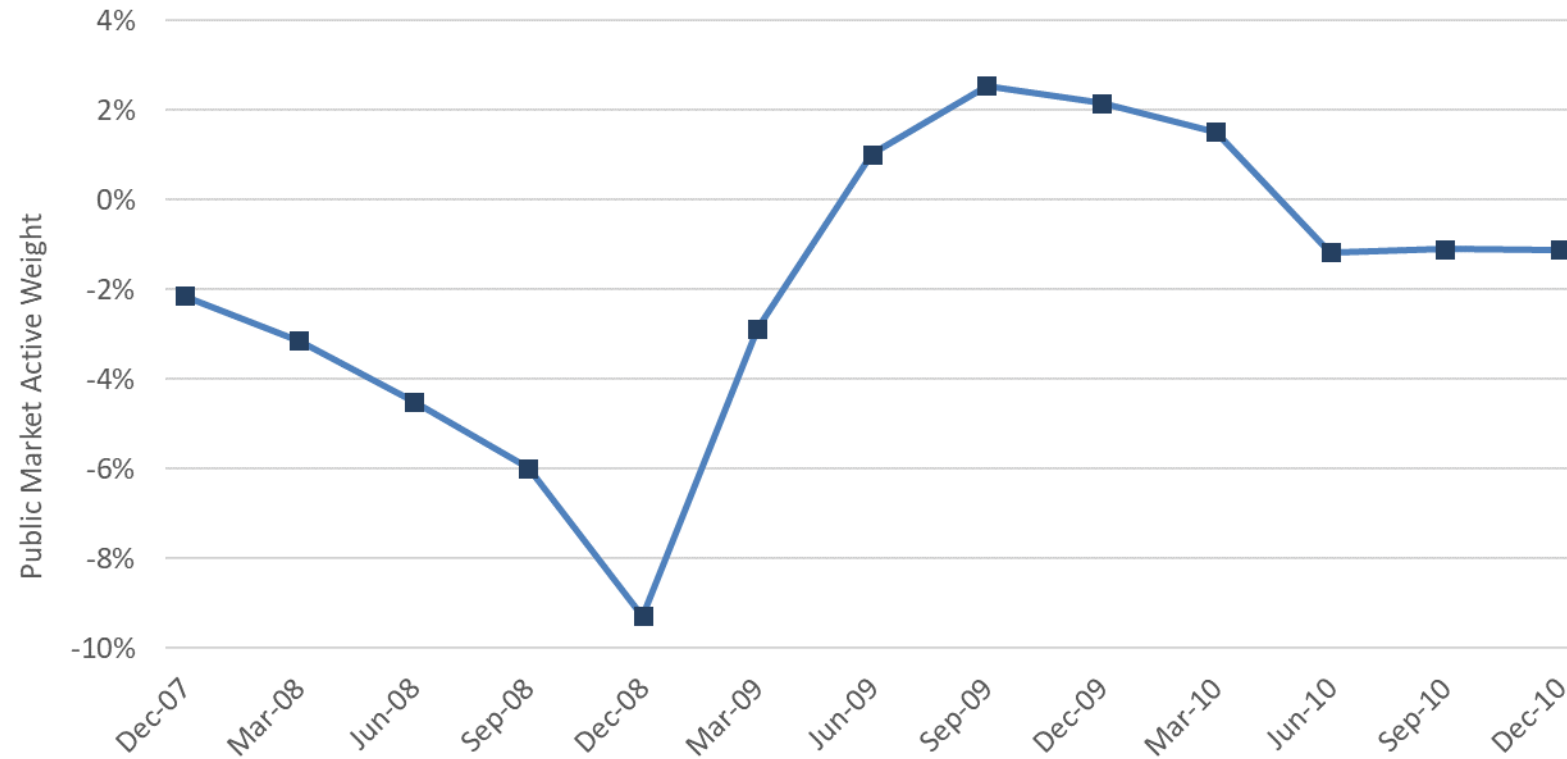
Liquidity Oversight Education Leverage Education

November 2023 Board
Meeting

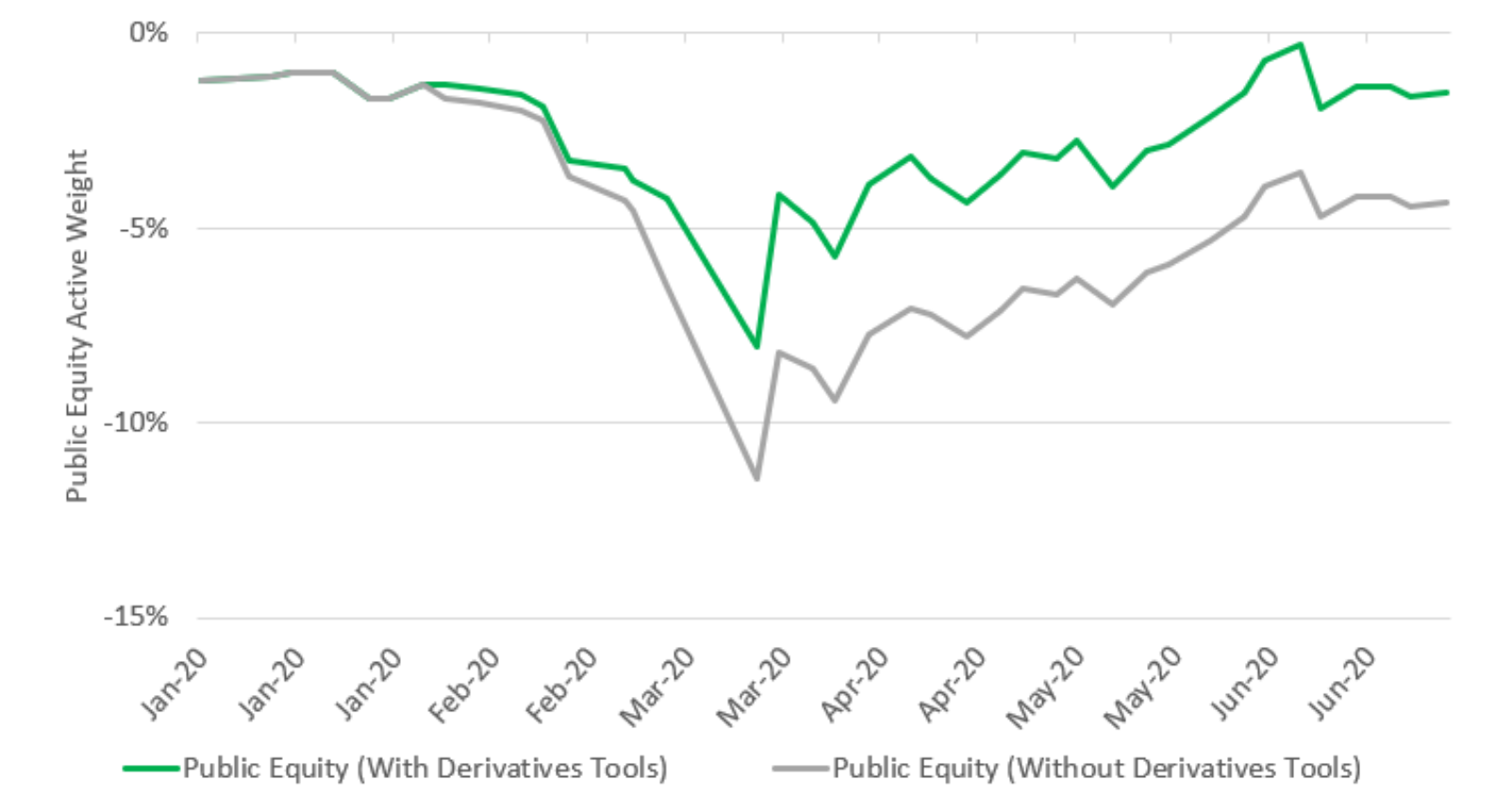
Agenda

- Total fund leverage
- Asset allocation bands

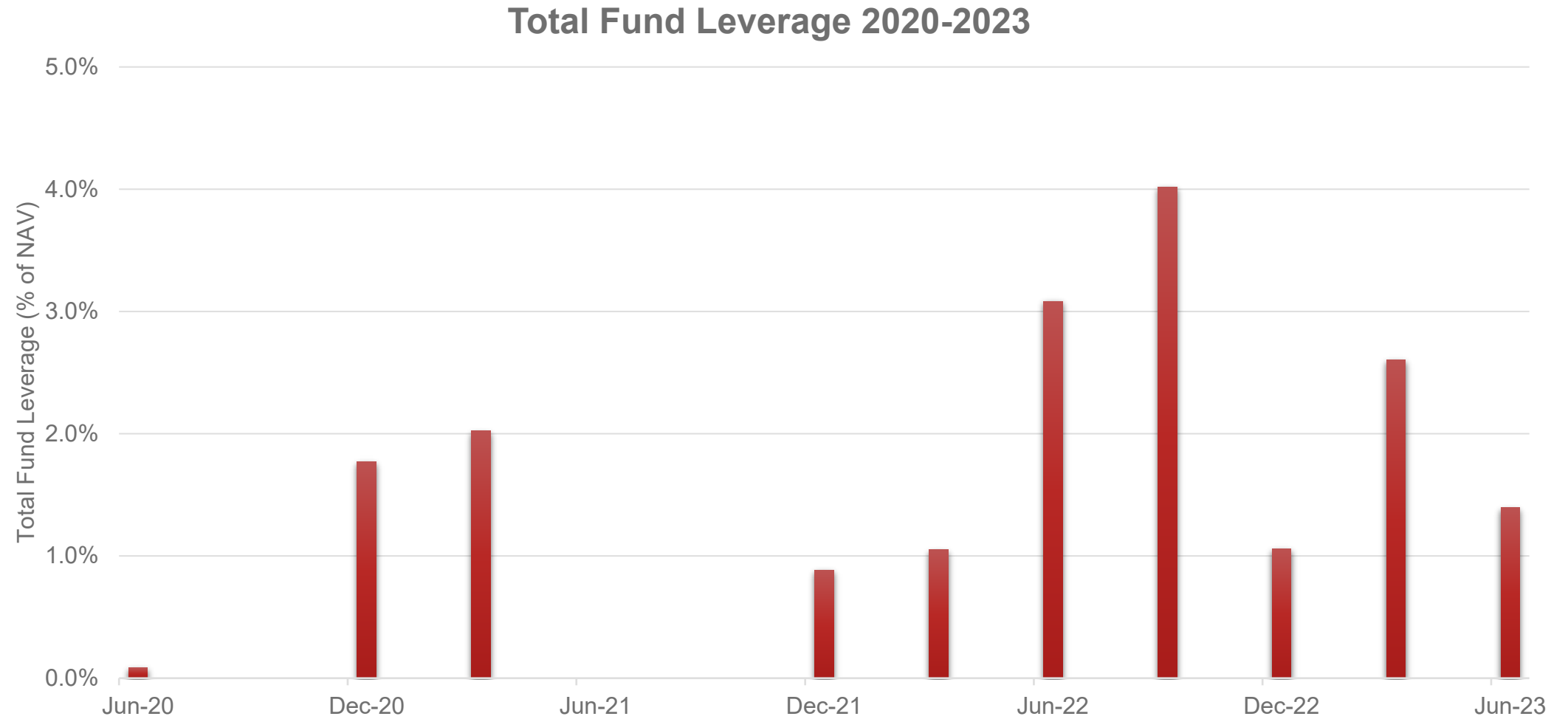
Public equity active weights post 2008



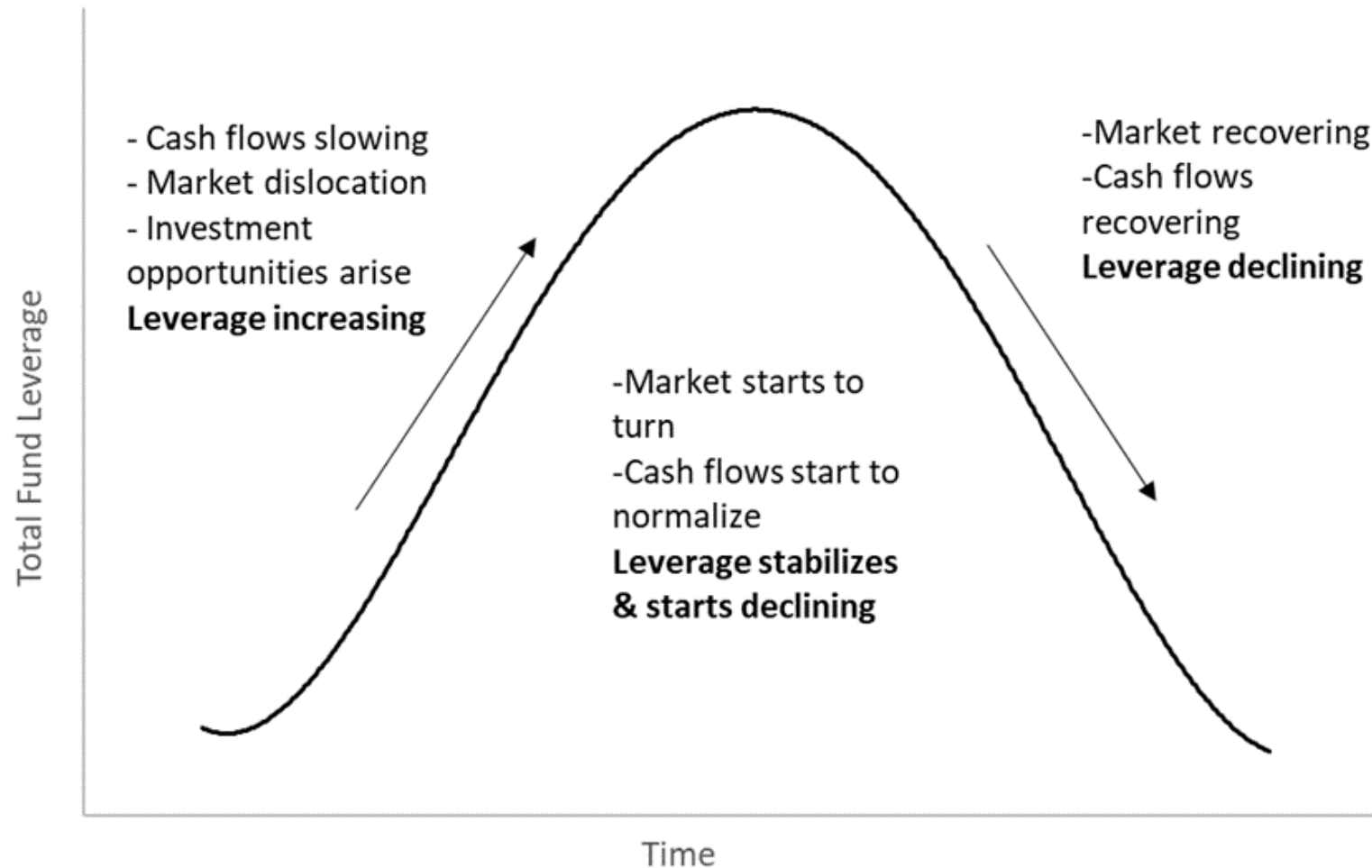
Public equity active weights 2020/2021



Use of leverage



Leverage and cash flow across cycle



Asset allocation bands

Asset Class	Long-Term Policy Target	Current Range	Proposed Range
Public Equity	37%	+/- 6%	+/- 8%
Fixed Income	14%	+/- 3%	+/-5%
Risk Mitigating Strategies	10%	+/- 3%	+/-5%
Private Equity	14%	+/- 3%	+/-5%
Real Estate	15%	+/- 3%	+/-5%
Inflation Sensitive	7%	+/- 3%	+/-5%
Cash	2%	+/- 3%	0 – 5%

Peer review matrix – North America

	Principles Based Language in IPS	Target Leverage in Strategic Asset Allocation
CALSTRS	No (quantitative Liq%)	N/A
Peer # 1	N/A- Stand Alone Liquidity & Leverage Policies	Explicit Leverage -4.5%
Peer #2	Leverage & Liquidity	Net Asset Allocation Leverage -4%
Peer #3	Leverage & Liquidity	Strategic Leverage -5%
Peer #4	Leverage & Liquidity	Base CPP -20% Additional CPP -11%
Peer #5	Liquidity	Funding for Investments -40%
Peer #6	Liquidity	Policy Leverage -15%
Peer #7	Liquidity	Policy Leverage -40%

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Conclusions and next steps

