



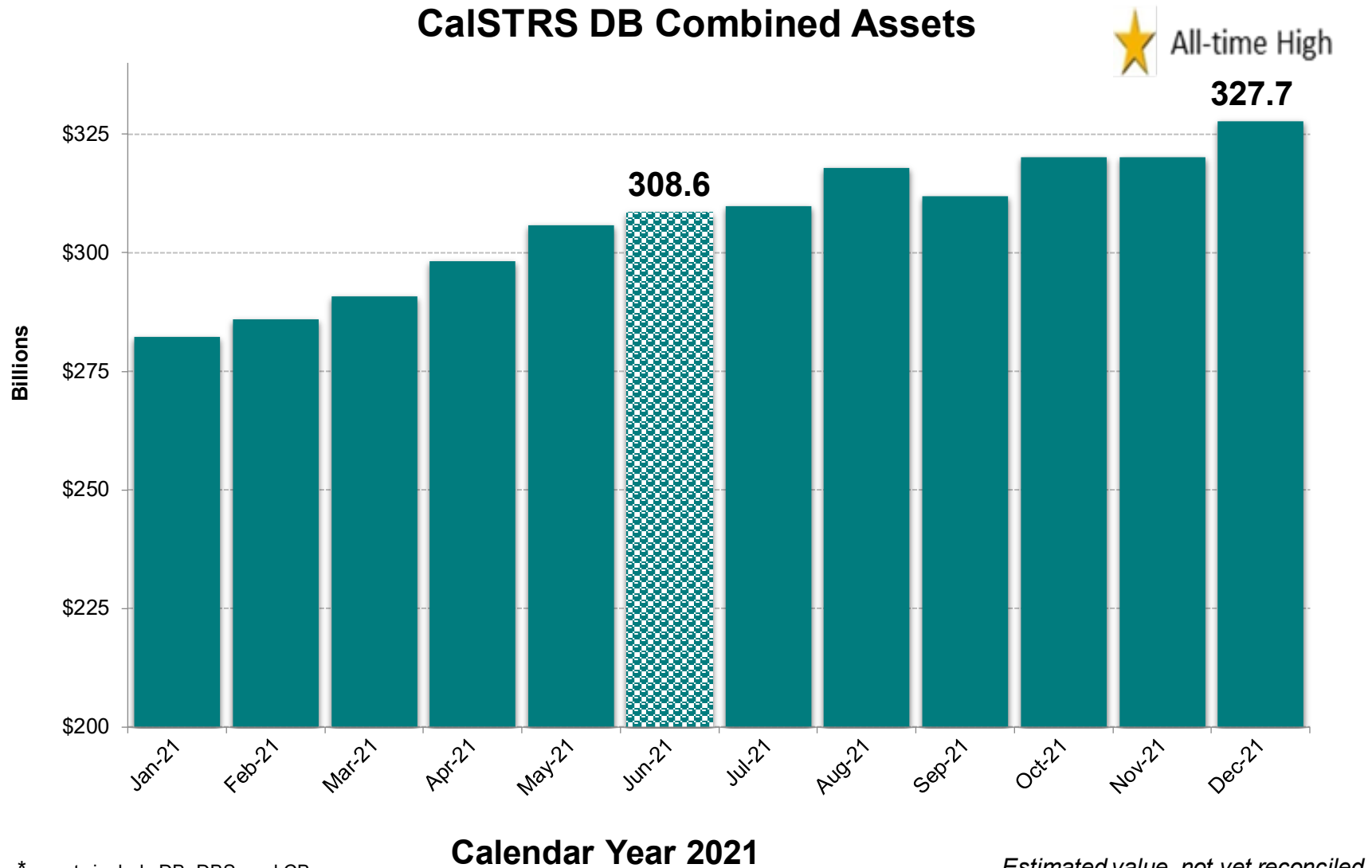
CALSTRS[®]

Chief Investment Officer Report

January 2022

Trust Fund Assets (Combined Defined Benefit Funds)

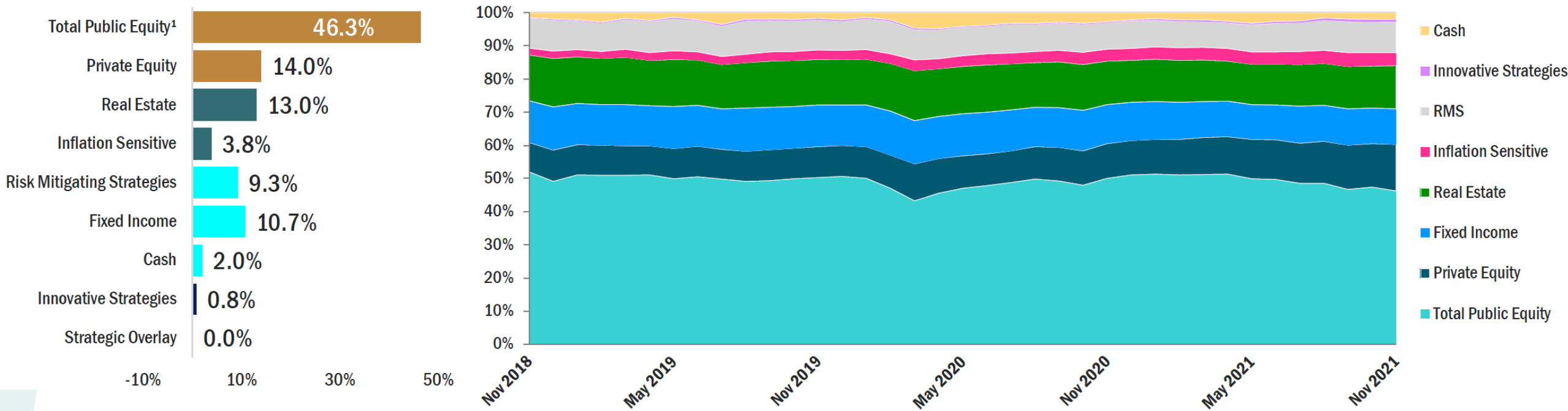
Dec. 31, 2021
assets
\$327.7 bil.
Record High
NAV



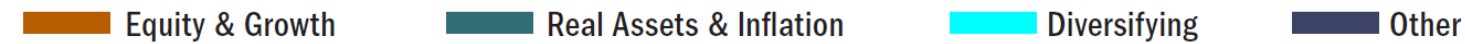
* assets include DB; DBS; and CB

Estimated value, not yet reconciled

Asset Allocation - as of November 30, 2021



Strategic Classes

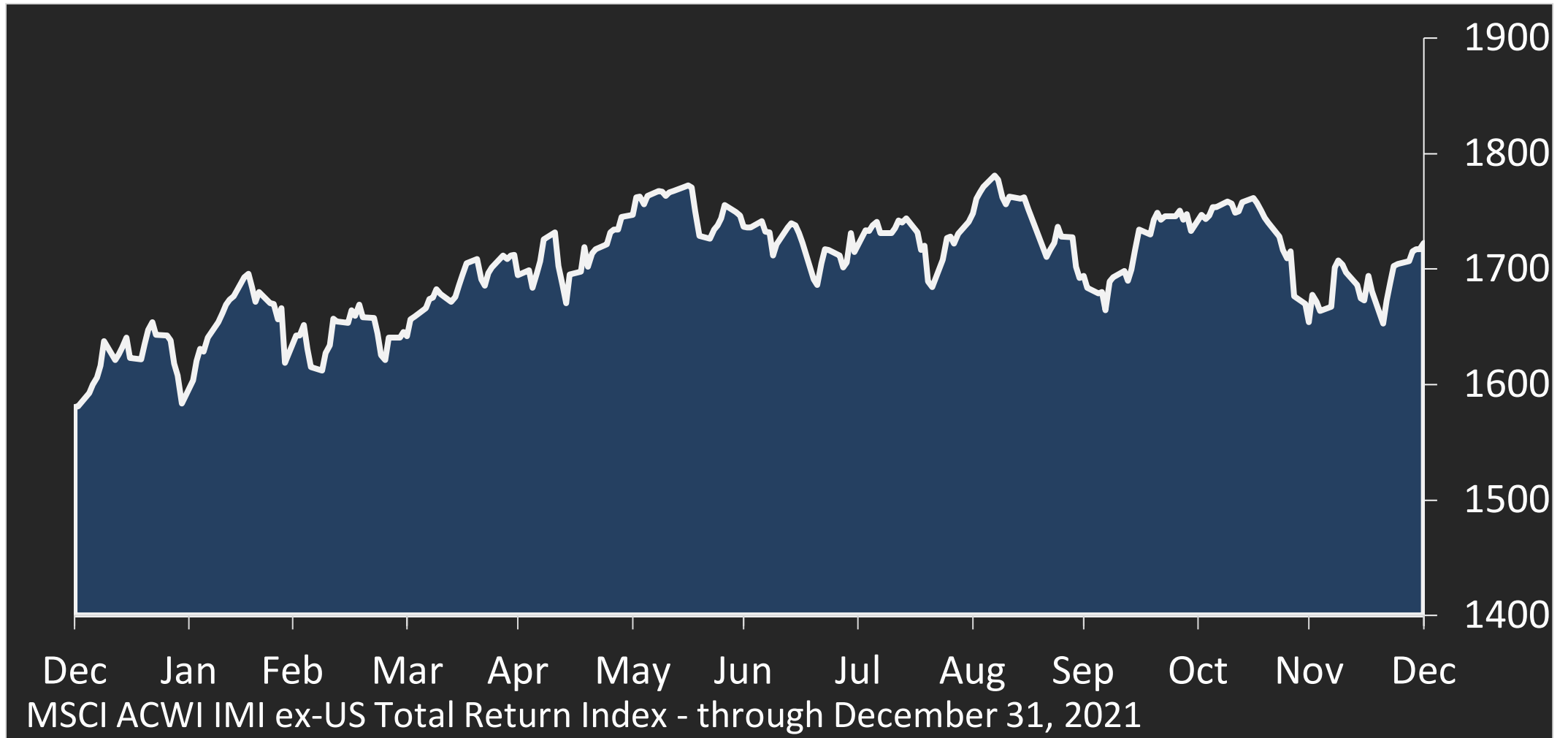


¹ Total Public Equity includes the following sub-units: Global Equity, SISS and Innovation GE

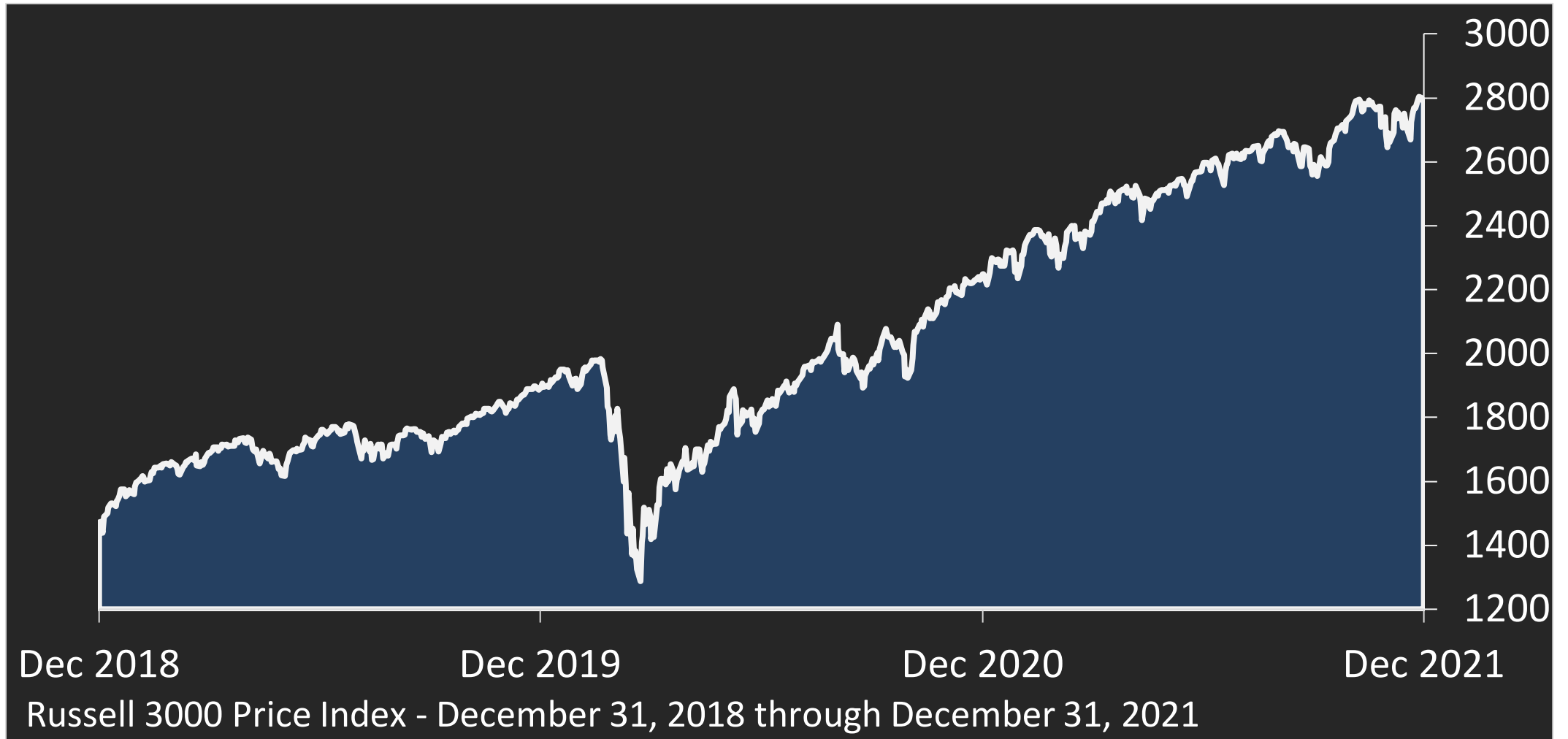
U.S. Stock Market (1 year) 2021



Non-U.S. Stocks (1 year) 2021

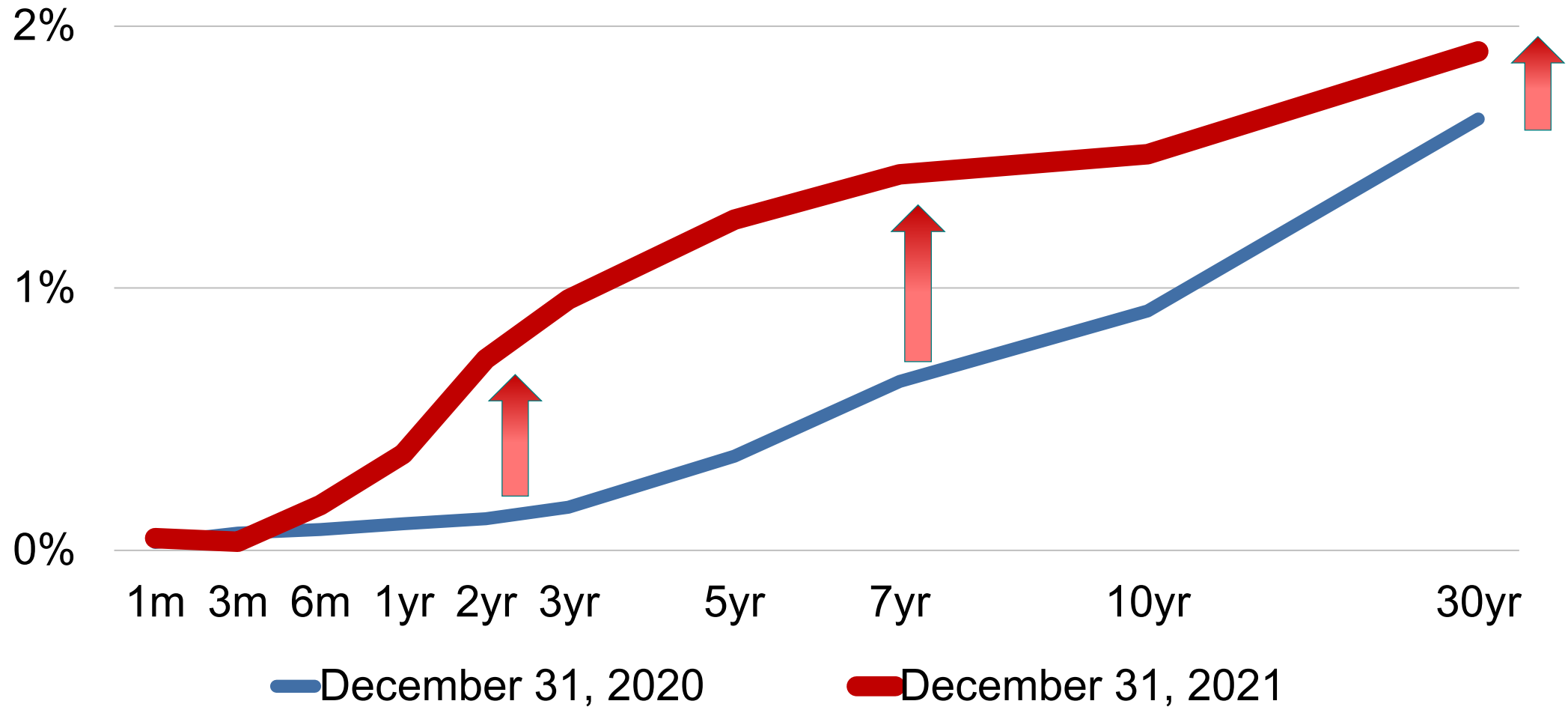


Long-term View of the U.S. Stock Market (3 years)



2019 - 2021

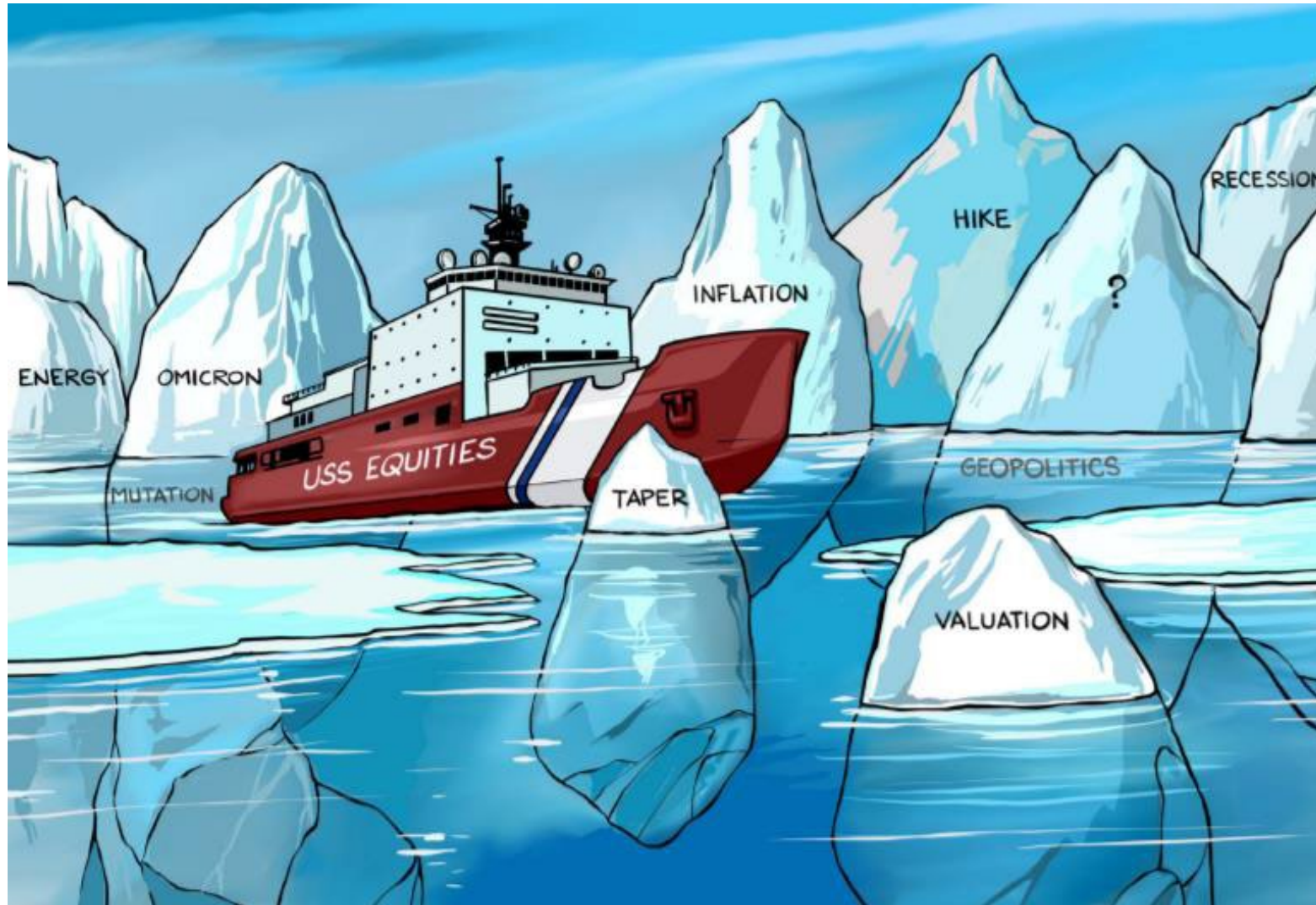
U.S. Treasury Yield Curve



2021 Investment Returns

CalSTRS Custom Benchmark	First 6 months of the 21/22 FY	2021 Calendar Year
U.S. Equity	9.11%	25.54%
Non-U.S. Equity	-1.05%	8.31%
Emerging Markets	-9.94%	-3.71%
U.S. Debt	0.06%	-1.54%
U.S. High Yield 2% cap	1.62%	5.26%
U.S. Long Duration Treasury	4.01%	-4.37%

Looking into 2022



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Uncertainty the watchword for the new year

Economists are warning that 2022 will be another uncertain year.

Looking Out to the Horizon



Key risks to monitor :

- 🚨 COVID-19 Global Pandemic
- 🚨 Central Bank Policy – Fed, ECB, BoJ, BoE
- 🚨 Inflation – 7% annualized

Positives:

- ⚙️ Vaccine rollout - Boosters
- ⚙️ Govt. stimulus – Infrastructure bill
- ⚙️ Solid GDP & EPS

Uncertainties :

- 🕷️ Federal Reserve tightening
- 🕷️ The great resignation vs job openings

Inevitable Surprises

- 🚨 Global Pandemic – biological virus
- 🚨 Digital Virus - Cyber attacks
- 🚨 Climate extremes
- 🚨 Income inequality
- 🚨 Domestic Terrorism
- 🚨 Social unrest / protests
- 🚨 Russia, North Korea, Iran aggression
- 🚨 China & Taiwan tensions
- 🚨 Earthquakes
- 🚨 Space junk / Meteors
- 🚨 Unknowable uncertainty



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HOW WILL YOU SPEND YOUR FUTURE ?

New CalSTRS.com web site with lots of investment information coming soon.