
Investment Committee Semi-Annual Activity Report

| 5. REAL ESTATE



Fast Facts (12/31/21)

Net Asset Value (millions):	\$42,171
Core:	\$26,080
Value-add:	\$7,741
Opportunistic:	\$7,241
Public:	\$432
Legacy:	\$677

RE Allocation as Percent of Total Portfolio:

Current:	12.9%
Long-term target:	14.0%

Benchmark:

NFI-ODCE Value-weighted Index
Net of fees (quarter lag)

SOLD!



Talisman Apartments

Located in Redmond, WA, this 286-unit, Class-A, mid-rise apartment community sold for a price of \$173 million (\$605k/unit). The 2.7-acre site was acquired in 2015 with our partners, BlackRock and Lowe Enterprises, and was later developed in 2020. The asset is conveniently located adjacent to an outdoor-oriented, life-style center with more than 110 shops, restaurants and entertainment venues.

The asset generated a net IRR of 27.4% and a 3.04 equity multiple.

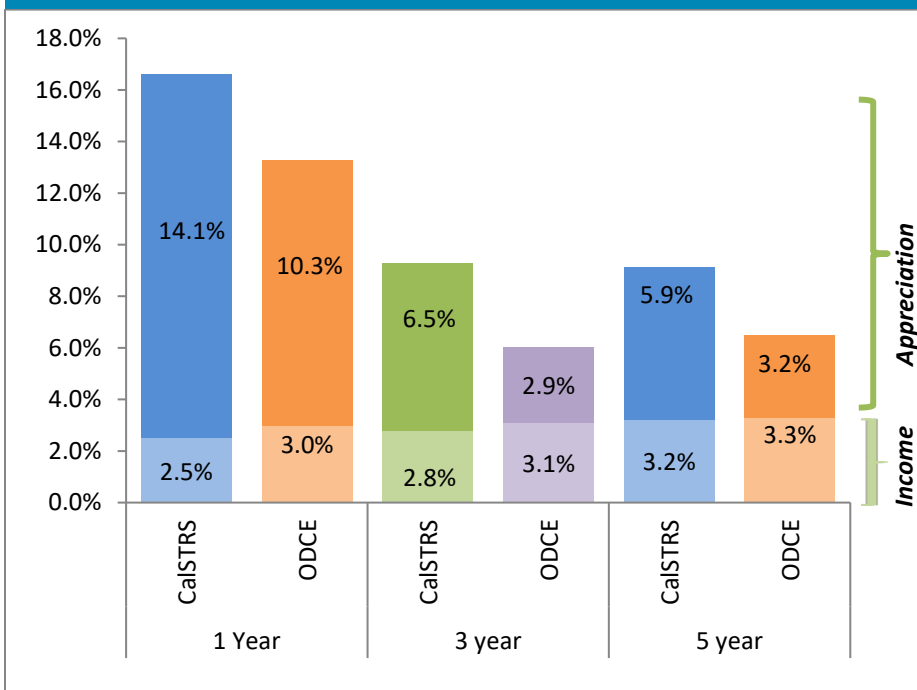
tier universities and medical centers, including Georgia Tech, University of Chicago, and Texas Medical Center, to develop state-of-the-art campuses in top-ten markets such as Boston, San Francisco, San Diego, Seattle and New York. Strong sector tailwinds, the demand for purpose-built laboratory space, the convergence of innovations in robotics, genetics, artificial intelligence, and quantum computing are drivers that should continue to help CalSTRS generate favorable returns in the years to come.

Real Estate net Time Weighted Returns (09/30/21)

	NAV(\$M)	1 Year	3 Year	5 Year
Core	\$25,282	15.0%	8.5%	8.6%
Value-add	\$7,843	18.5%	9.9%	10.5%
Opportunistic	\$8,013	21.8%	13.8%	12.7%
Public	\$167	14.0%	N/A	N/A
Legacy	\$736	27.8%	6.8%	5.9%
Total Portfolio	\$42,041	16.9%	9.4%	9.3%
ODCE (net)		13.6%	6.1%	6.6%

* Green cells denote beating the ODCE

Performance – Income vs. Appreciation (09/30/2021)



Real Estate Market Snapshot – LIFE SCIENCE

CalSTRS entered the life science market in 2015 with the acquisition of “Cambridge Crossing”, also referred to as “CX”. CX is located in Cambridge, MA and became the first of many innovative investment opportunities for CalSTRS. Since then, we are proud to say that our team has assembled the highest quality and most successful life science portfolios of any institutional investor. We have partnered with top-



Real Estate Commitment Activity (07/01/2021 – 12/31/2021)

Investment	Control / Non-control	Add / New	Strategy	Vehicle	Property Type	Amount (millions)
3650 Cal Bridge Lending	Control	Follow-on	Core	JV	Debt	\$400
BCal II	Control	Follow-on	Core,VA,Opp	JV	Office	\$100
Cal Hearthstone Debt	Control	Follow-on	Core	JV	Debt	\$200
CBRE US Logistics Partners	Control	New	Core	OE Fund	Industrial	\$400
IDR Core Property Trust	Control	New	Core	OE Fund	Multiple	\$400 and \$475 seeded
CrossHarbor CMA JV	Control	New	VA	JV	Multiple	\$22.1
CSJV American Ind Inv	Control	New	Opp	SA	Multifamily	\$26
CSJV Kendal Green Inv	Control	New	Opp	SA	Multifamily	\$2
CSJV Nashoba Valley Inv	Control	New	Opp	SA	Multifamily	\$2
CSJV Ridgewalk Inv	Control	New	Opp	SA	Multifamily	\$27
CSJV Woodward Mill Inv	Control	New	Opp	SA	Multifamily	\$20
GTISCal	Control	Follow-on	Opp	JV	Housing	\$150
CBRE Asia Value Ptrs VI	Non-control	New	VA	Fund	Industrial	\$300
3650 REIT OpCo	Non-control	New	Opp	REOC	Debt	\$12
Blackstone REP Account C	Non-control	Follow-on	Opp	Fund	Multiple	\$256
Harrison Street Eur PP III	Non-control	New	VA	Fund	Multiple	€150
LaSalle Asia Opp Fund VI	Non-control	New	Opp	Fund	Multiple	\$300
Lionstone RDP Club	Non-control	New	Opp	Fund	Multiple	\$16
Longfellow SV Fund II	Non-control	New	Opp	Fund	Office	\$500
LRDP Channel House	Non-control	New	Opp	Coinv	Multiple	\$8
LRDP Park City P1	Non-control	New	Opp	Coinv	Multiple	\$15
LRDP Platform	Non-control	New	Opp	Coinv	Multiple	\$16

Real Estate Disposition Activity (07/01/2021 – 12/31/2021)

Investment	Control / Non-control	Strategy	Vehicle	Property Type	Est. Net IRR
40 Eastbourne Terrace	Control	VA	SA	Multifamily	18%
CSJV Twelve 24	Control	Core	SA	Office	20.5%
Falcon Landing	Control	Core	SA	Multifamily	15.6%
JPMCB Strat Property Fund	Control	Core	OE Fund	Multiple	10.0%
One American Center	Control	Core	SA	Office	13.3%
PRISA	Control	Core	OE Fund	Multiple	10.6%
UBS Trumbull Property Fund	Control	Core	OE Fund	Multiple	7.8%
Metro Fund Opp	Control	Opp	JV	Multiple	20.7%
CIP 2014 CI – The Pioneer	Non-control	Opp	Coinv	Multifamily	26.1%
JER Europe Fund III	Non-control	Opp	Fund	Multiple	-14.6%
PRECO III	Non-control	Opp	Fund	Multiple	3.2%