
Investment Committee Semi-Annual Activity Report

| 3. Global Equity



GLOBAL EQUITY SEMI-ANNUAL REPORT

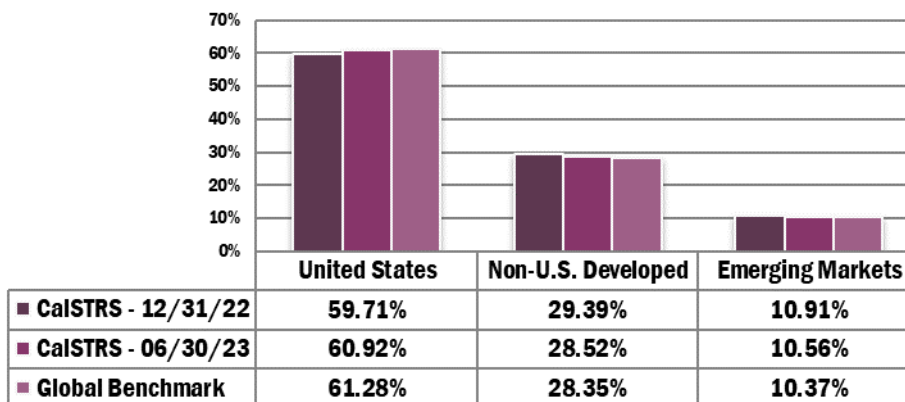
ASSET UNDER MANAGEMENT: \$ 117.5 BILLION (AS OF JUNE 30, 2023)

ACTIVITY UPDATE

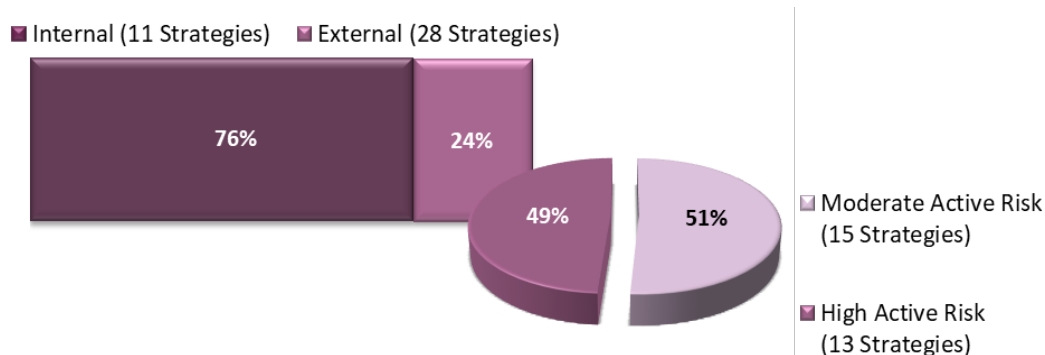
January 1 to June 30, 2023

- Global Equity conducted an Emerging Markets Small Cap Equity search for passive equity managers.
- Global Equity staff has developed an implementation plan for the transfer of 20% of public equity assets to the Low Carbon Target portfolio.

REGIONAL EXPOSURE VS. POLICY BENCHMARK

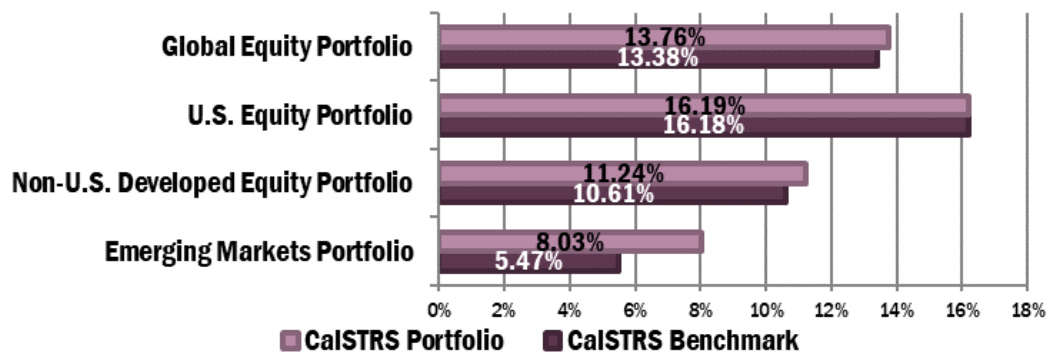


INTERNAL VS. EXTERNAL MANAGEMENT

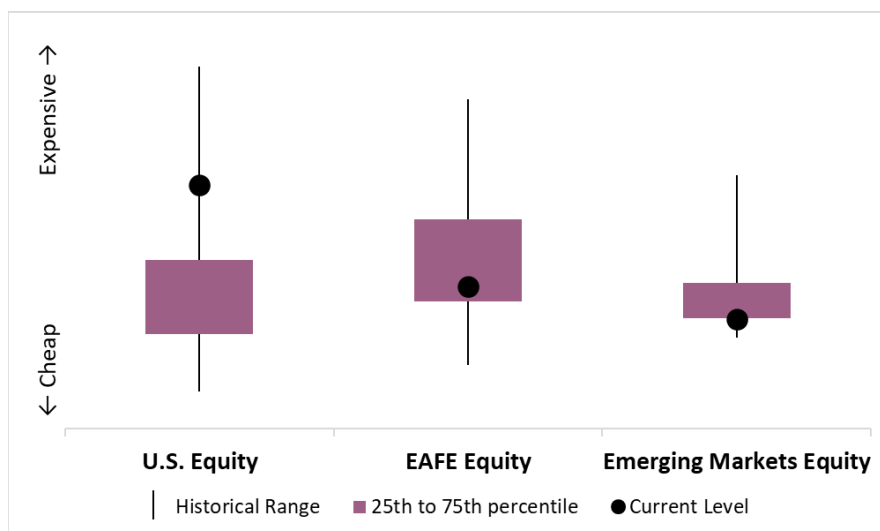


NET PERFORMANCE

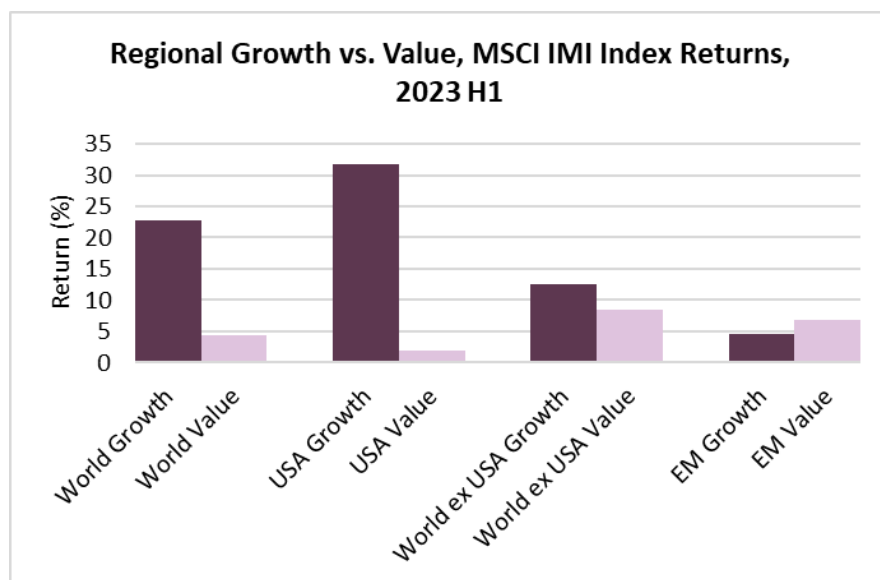
January 1 to June 30, 2023



ASSET CLASS VALUATIONS



EQUITY MARKET RETURNS



- During the first half of calendar year 2023, growth outperformed value across all regions except emerging markets. In the U.S., suspension of the debt ceiling in June 2023, soft-landing expectations, and easing of regional bank stress following the Silicon Valley Bank collapse created tailwinds for growth stocks.
- In emerging markets, growth underperformed value, notably in China where geopolitical tensions and tight regulations in the private sector drove weaker-than-expected recovery despite reopening from its zero-Covid policy.
- CalSTRS Global Equity portfolio outperformed by 38 bps during the first half of calendar year 2023. Of the three regional portfolios, Emerging Markets outperformed the most by 256 bps, mainly driven by a value tilt and strong security selection. The Non-U.S. Developed Equity portfolio outperformed by 63 bps, largely driven by strong security selection.