

2019

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Summary Report to Members

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

This summary provides important details regarding your retirement fund.

Our mission:
Securing the financial future and sustaining the trust of California's educators

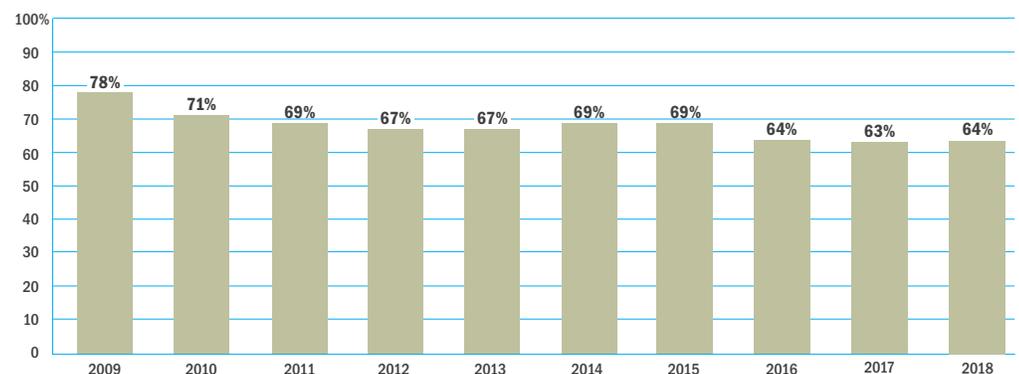
State Teachers' Retirement Plan Statement of changes in fiduciary net position

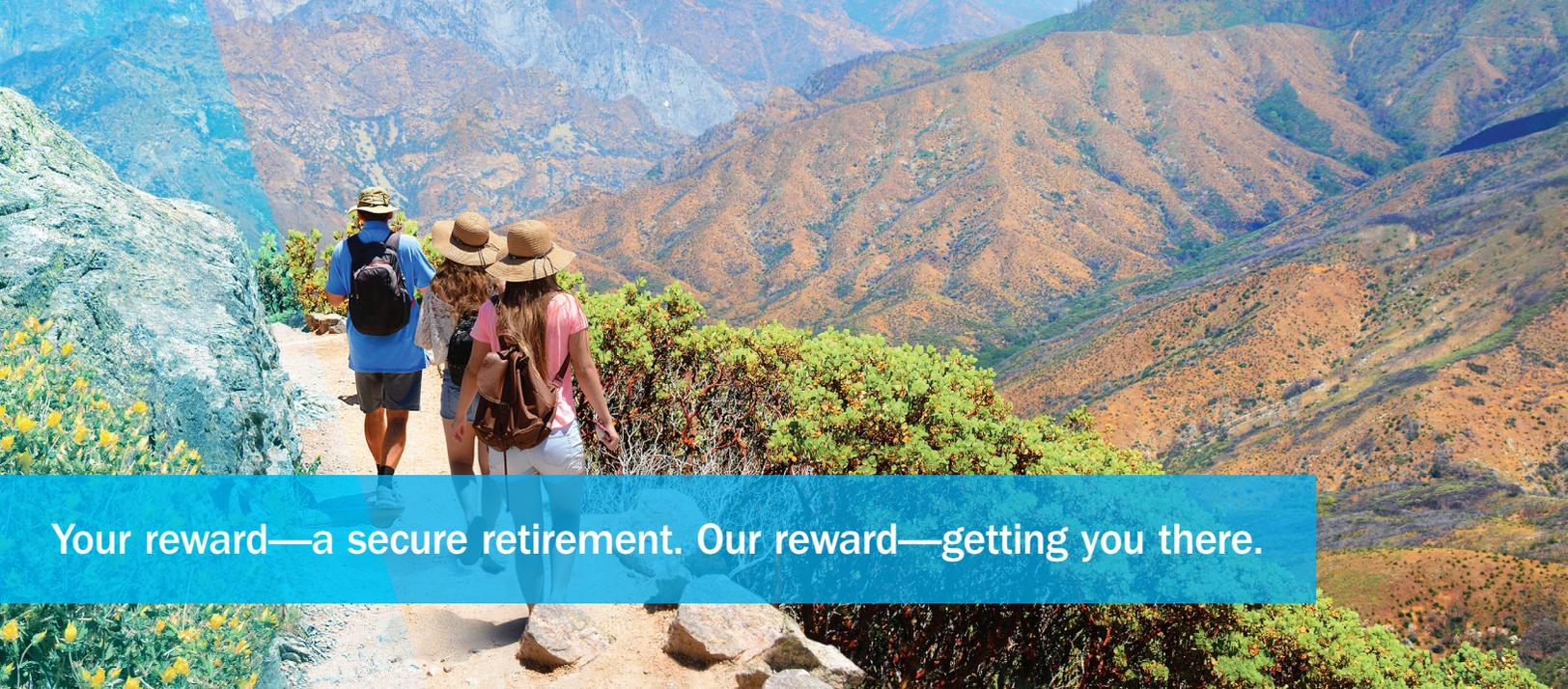
(Dollars in thousands)

	2019	2018
Additions		
Contributions (member, employer, state of California)	\$14,627,331	\$11,159,579
Investment income	15,808,257	19,364,771
Investment expense	(910,424)	(691,234)
Other income	127,603	105,144
Total additions	\$29,652,767	\$29,938,260
Deductions		
Benefits and refunds	\$15,295,980	\$14,536,696
Administrative expenses	253,953	216,083
Borrowing costs	105,306	94,249
Other expenses	4,275	1,678
Total deductions	\$15,659,514	\$14,848,706
Increase in net position	13,993,253	\$15,089,554
Net position restricted for pensions/other postemployment benefits		
Beginning of the year—as previously reported	\$224,868,635	\$210,289,900
Adjustment for application of GASB 75	—	(510,819)
Beginning of the year—as adjusted	224,868,635	209,779,081
End of the year	\$238,861,888	\$224,868,635

Defined Benefit Program funding ratio

The June 30, 2018, funding valuation (released in May 2019) showed a decrease of \$0.1 billion in the unfunded actuarial obligation of the Defined Benefit Program to a total of \$107.2 billion and an increase in the funding ratio from 62.6% to 64.0%. This increase is primarily attributable to positive investment returns and increased contributions. A gradual increase in the funding ratio is projected under the CalSTRS Funding Plan as contributions increase, with a steady progress towards full funding by 2046.





Your reward—a secure retirement. Our reward—getting you there.

Defined Benefit Program

Membership

Fiscal year	2019	2018
Active members	451,429	449,595
Inactive members	204,593	198,058
Total	656,022	647,653
Service retirement benefits	270,835	264,780
Disability benefits	10,152	10,089
Survivor benefits	27,652	26,990
Total	308,639	301,859
Total members and beneficiaries	964,661	949,512

Average active member age and years of service

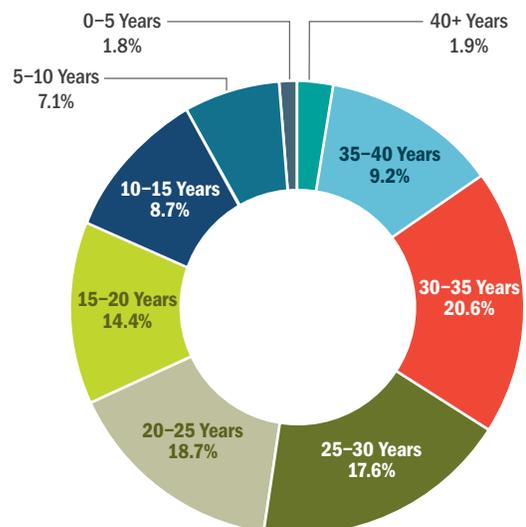
Fiscal year	2019	2018
Average age	45.2	45.2
Average years of service	12.2	12.1
Average annual salary	\$77,736	\$75,604

Members retiring

Fiscal year	2019	2018
Number retiring	12,331	12,778
Average age	63.3	63.3
Average years of service	24.083	24.264
Average annual final compensation	\$94,560	\$92,748
Average annual member-only benefit	\$54,564	\$54,144

Years of service at retirement

As of June 30, 2019



Securing your financial future

CalSTRS' primary goal is to maintain a financially sound retirement system. CalSTRS' philosophy is "long-term patient capital"—investing for long-term net cash flows and capital gain potential at a reasonable price. The presentation of investment values and related returns in this section is based on investment industry practices and provides timely information that is easily compared to benchmarks and peer results. Within the Financial section of the CAFR, the same information is reported in accordance with GAAP. For more current investment information, as well as videos detailing key aspects of the investment portfolio, see CalSTRS.com.

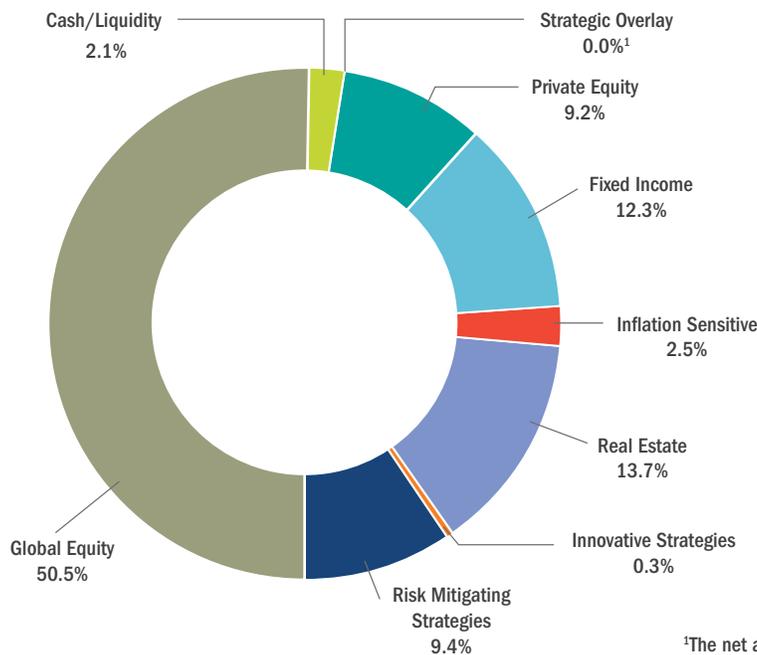
Investment allocation

The board adopts long-term strategic allocation targets to be implemented over several years. The following charts provide the distribution of the STRP investments based on portfolio allocation and market value of investments.

Asset allocation

Total investment portfolio of \$236.9 billion

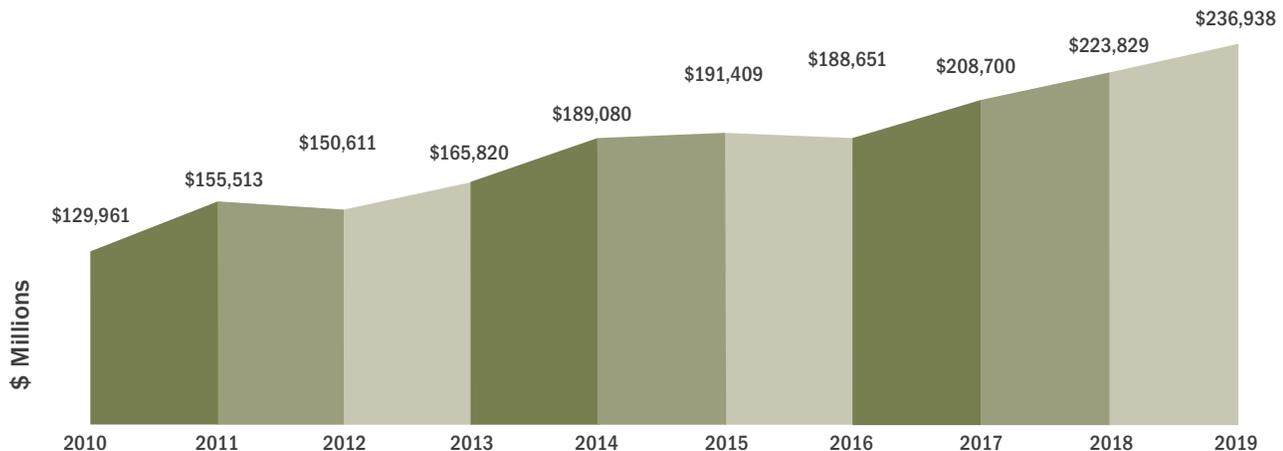
As of June 30, 2019



¹The net asset value for Strategic Overlay was (\$6.7) million, which rounds to less than 0.1% of the total asset allocation.

Market value of investments

(Fiscal years ending June 30)

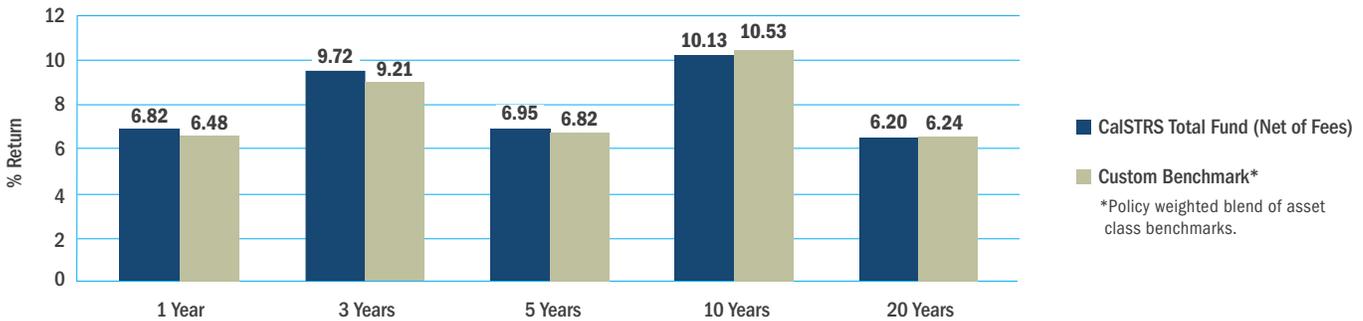


Securing your financial future (continued)

The following charts show CalSTRS returns versus custom benchmarks as of June 30, 2019. Benchmarks are goals and standards used to measure investment performance.

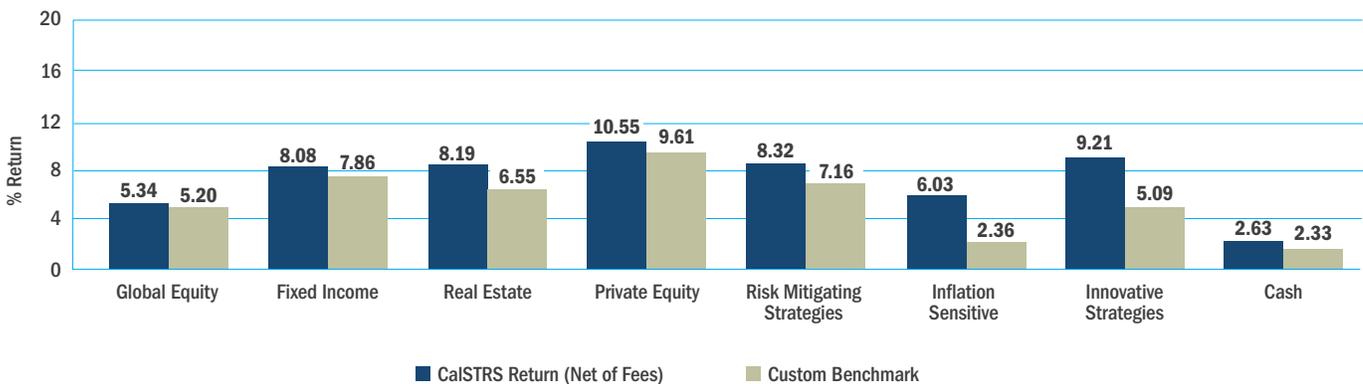
Time-weighted returns

As of June 30, 2019



One-year time-weighted returns by portfolio types

As of June 30, 2019



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