



2018

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Summary Report to Members

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Nate Myers is a fourth grade teacher at an elementary school in Northern California. He has been a CalSTRS member for 20 years.

This summary provides important details regarding your retirement fund.

Our mission:

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

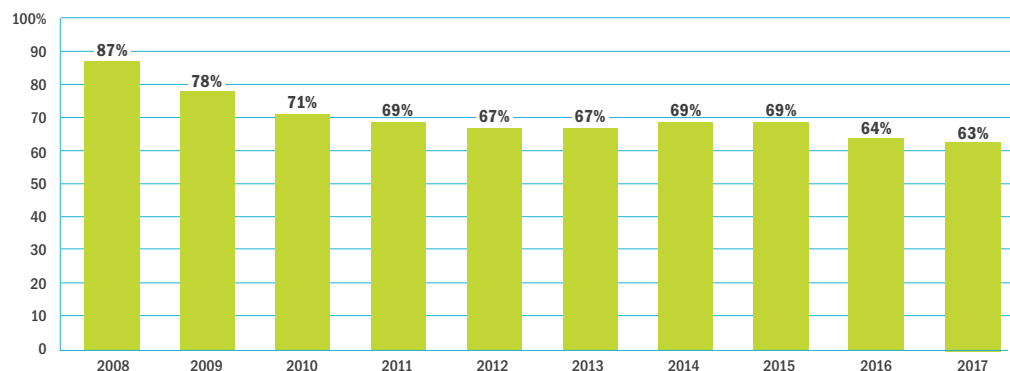
State Teachers' Retirement Plan Statement of Changes in Fiduciary Net Position

(Dollars in Thousands)

	2018	2017
Additions		
Contributions (Member, Employer, State of California)	\$11,159,579	\$10,092,348
Investment Income	19,364,771	25,564,164
Investment Expense	(691,234)	(398,984)
Other Income	105,144	72,005
Total Additions	\$29,938,260	\$35,329,533
Deductions		
Benefits and Refunds	\$14,536,696	\$13,902,544
Administrative Expenses	216,083	182,367
Borrowing Costs	94,249	57,958
Other Expenses	1,678	10,251
Total Deductions	\$14,848,706	\$14,153,120
Increase in Net Position	\$15,089,554	\$21,176,413
Net Position Restricted for Pensions/Other Postemployment Benefits		
Beginning of the Year-As Previously Reported	\$210,289,900	\$189,113,487
Adjustment for Application of GASB 75	(510,819)	—
Beginning of the Year-As Adjusted	209,779,081	189,113,487
End of the Year	\$224,868,635	\$210,289,900

Defined Benefit Program Funding Ratio

The June 30, 2017, funding valuation showed an increase of \$10.5 billion in the unfunded actuarial obligation of the DB Program to a total of \$107.3 billion and a decrease in the funding ratio from 63.7 percent to 62.6 percent. This decrease is attributable to the adoption of new actuarial assumptions by the board in February 2017, which reduced the investment return assumption and increased expected life spans of CalSTRS members. Although the system may experience declines in its funded status in the short term, an upswing is projected under the funding plan as contributions increase, with a steady progress toward full funding by 2046.





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

Defined Benefit Program

Membership

Fiscal Year	2018	2017
Active Members	449,595	445,935
Inactive Members	198,058	192,601
Total	647,653	638,536
Service Retirement Benefits	264,780	258,550
Disability Benefits	10,089	10,023
Survivor Benefits	26,990	26,301
Total	301,859	294,874
Total Members and Beneficiaries	949,512	933,410

Average Active Member Age and Years of Service

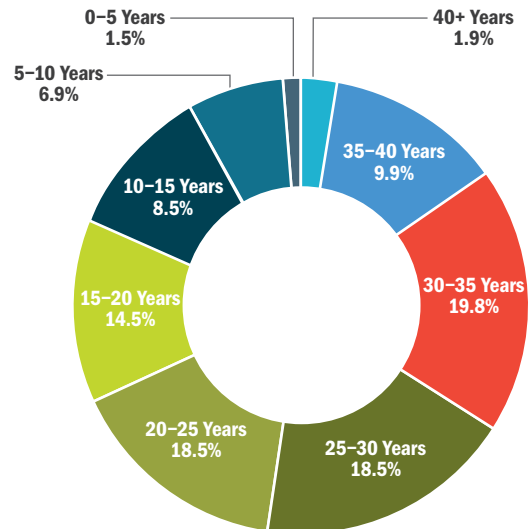
Fiscal Year	2018	2017
Average Age	45.2	45.3
Average Years of Service	12.1	12.1
Average Annual Salary	\$75,604	\$74,346

Members Retiring

Fiscal Year	2018	2017
Number Retiring	12,778	12,247
Average Age	63.3	63.3
Average Years of Service	24.264	24.608
Average Annual Final Compensation	\$92,748	\$90,324
Average Annual Member-Only Benefit	\$54,144	\$53,700

Years of Service at Retirement

As of June 30, 2018

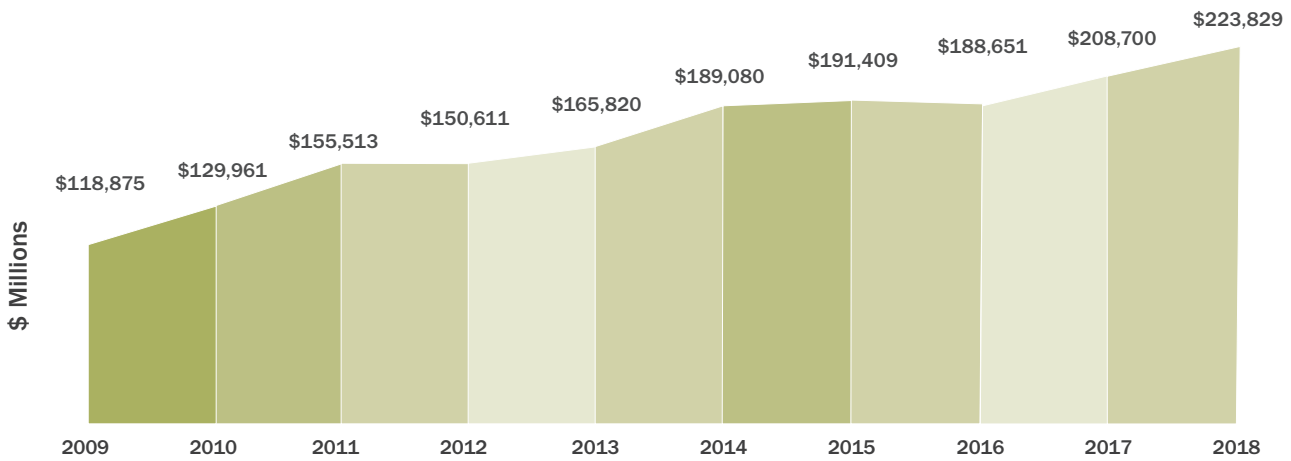


Securing Your Financial Future

The board adopts long-term strategic allocation targets to be implemented over several years. The following charts provide the distribution of State Teachers' Retirement Plan investments based on portfolio allocation, management structures, and market value of investments. The presentation of investment values and related returns in this section are presented using common investment industry practices that reflect the way in which CalSTRS manages its investment portfolio. The presentation based on investment industry practices provides timely information that is easily compared to benchmarks and peer results. Within the Financial Section of the *Comprehensive Annual Financial Report*, the same information is reported in accordance with U.S. Generally Accepted Accounting Principles.

Market Value of Investments

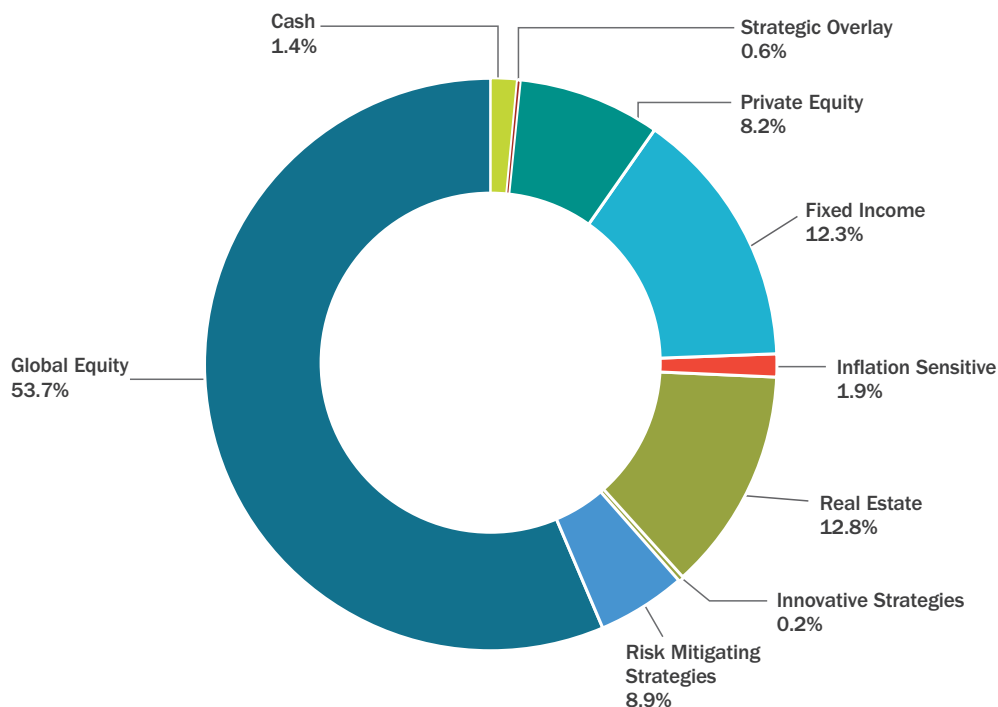
(Fiscal years ended June 30)



Asset Allocation

Total Investment Portfolio of \$223.8 billion

As of June 30, 2018

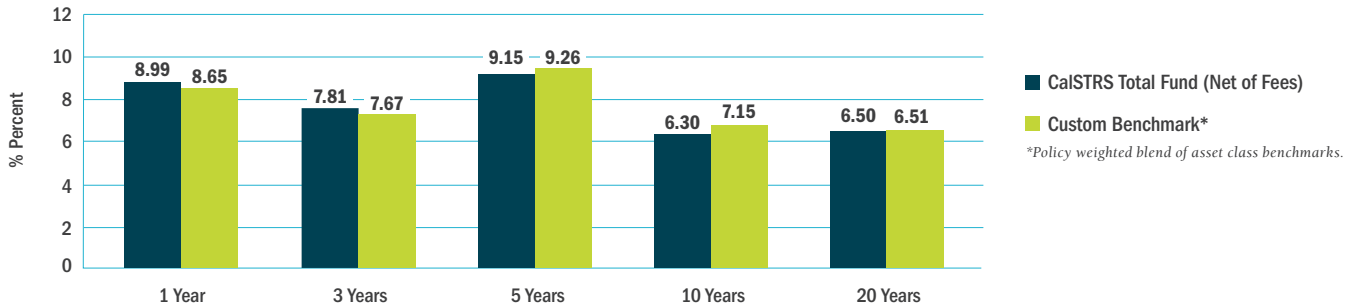


Securing Your Financial Future continued

The following charts show CalSTRS returns versus custom benchmarks as of June 30, 2018. Benchmarks are goals and standards used to measure investment performance.

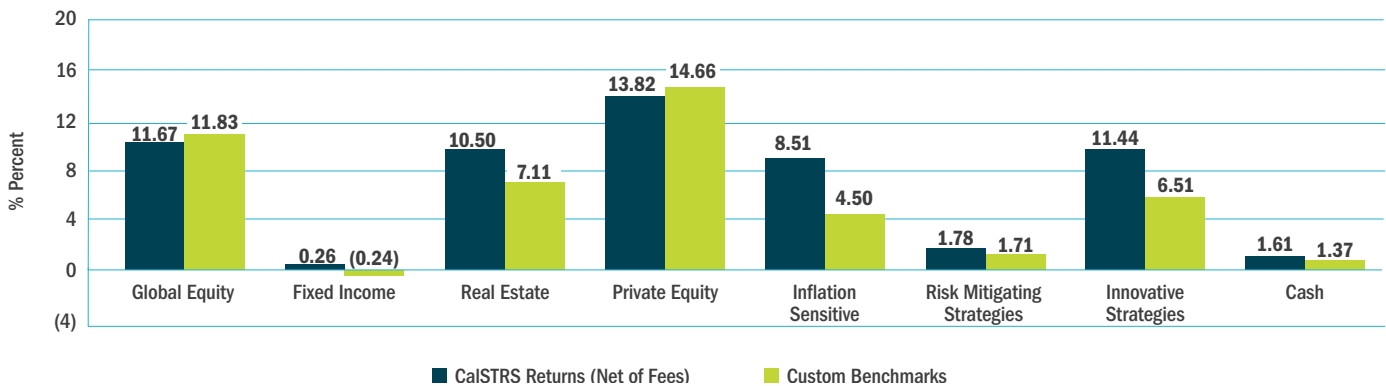
Time-Weighted Returns

As of June 30, 2018



One-Year Time-Weighted Returns by Portfolio Types

As of June 30, 2018



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