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# Investment Committee Semi-Annual Activity Report

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| 7. RISK MITIGATING STRATEGIES

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## Fast Facts (as of December 31, 2020):

### Objective:

To diversify CalSTRS' significant exposure to growth assets and to provide downside protection during deep and extended equity market drawdowns.

### Benchmark:

A blended benchmark based on the target weight of each strategy: 45% trend following (trend), 40% long-duration U.S. Treasuries (UST), 10% global macro (macro) and 5% Systematic Risk Premia (SRP). (Weights are currently based on the actual weight of each strategy until full implementation of the asset class as determined by the CIO.)

- Trend: SG Trend Index
- UST: Bloomberg Barclays U.S. Treasury: 20+ Year Total Return Index
- Macro: HFRI Macro: Discretionary Thematic Index
- SRP: Eureka hedge Multi-Factor Risk Premia Index

### Risk Factors:

- Trend: Quiet or trendless environments
- UST: Rising rate or inflationary periods; current rates near historical lows
- Macro: Higher cost and less scalable
- SRP: Heavily academically supported but limited live experience

### Special Projects:

- Macro and trend manager searches
- Advisory services RFP
- Managed account platform transition cost analysis
- Managed account platform services RFP

### Consultant:

Meketa Investment Group serves as the general consultant to the Board as well as the oversight consultant for RMS.

### Advisor:

Albourne America has been selected as the new advisor for RMS. The agreement with Albourne is in the process of being finalized.

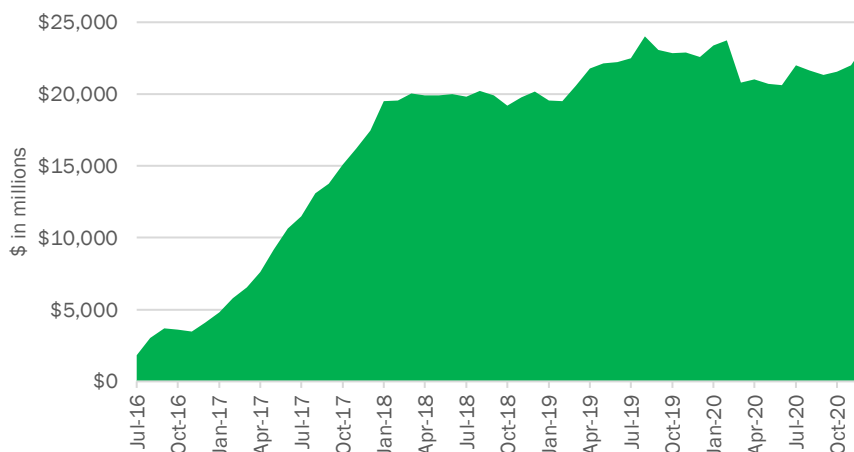
## Allocation by Strategy (as of December 31, 2020):

Strategy	Market Value (\$ in millions)	Current Allocation	Short-Term Target Allocation	Long-Term Target Allocation	Number of Managers
Trend	\$11,633	49.8%	45.0%	45.0%	6
UST	\$8,256	35.3%	40.0%	40.0%	1 <sup>1</sup>
Macro	\$2,760	11.8%	10.0%	10.0%	4
SRP	\$727	3.1%	5.0%	5.0%	2
<b>Total RMS</b>	<b>\$23,377</b>	<b>8.2%<sup>2</sup></b>	<b>9.0%<sup>2</sup></b>	<b>10.0%<sup>2</sup></b>	<b>13</b>

<sup>1</sup> Managed internally by CalSTRS staff

<sup>2</sup> Expressed as a percentage of the CalSTRS Total plan

## Market Value Since Inception



## Annualized Performance

