



INVESTMENT COMMITTEE
SEMI-ANNUAL ACTIVITY REPORT

Collaborative Strategies

As of June 30, 2026

Fast Facts – 6/30/2026

Net Asset Value (\$ in millions): \$8,097

CS Allocation as Percent of Total
Portfolio as of June 30, 2026:

- Current: 1.95%
- Target: 0-5%

Private Credit - Sub-Portfolio New
Commitments Six Months Ending
June 30, 2026:

- Partnerships (2): \$700
- Co-Investments (5): \$147

SISS Portfolio New Commitments Six
Months Ending June 30, 2026:

- See SISS Semi-Annual Report

Opportunities Sleeve
New Commitments Six Months
Ending June 30, 2026:

- Investments (7): \$509

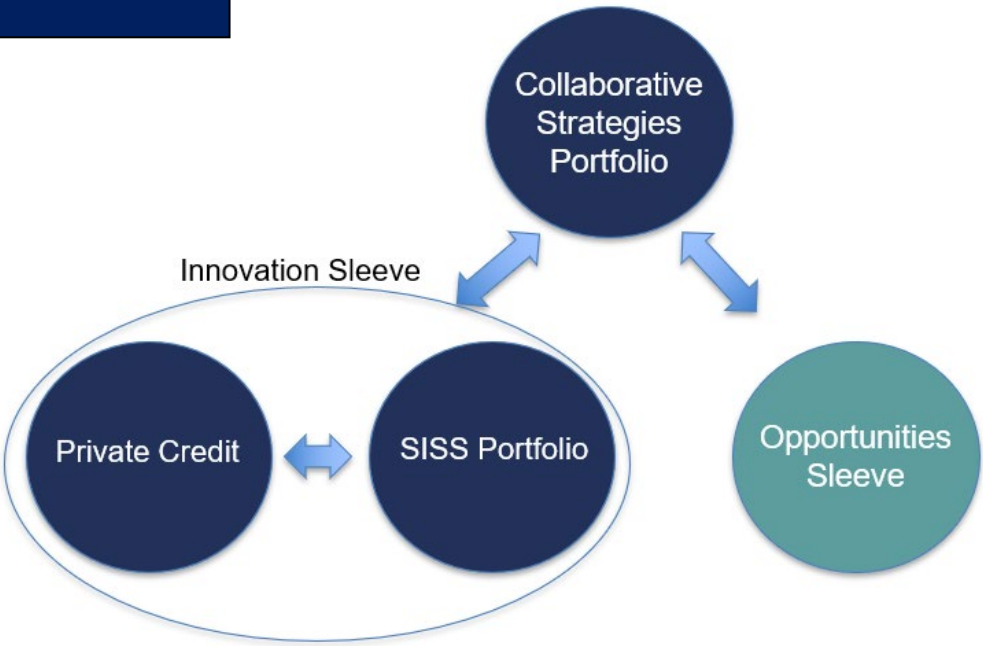
Program Description

The Collaborative Strategies Portfolio was established in March 2024 when the policy was approved by the CalSTRS Investment Committee. Then in July 2024 the Innovative Strategies & Risk group was restructured to become two separate groups: Total Fund Management (TFM) and Collaborative Strategies (CS).

The Collaborative Strategies policy established two ‘sleeves’ that serve two distinct, but related purposes: (1) an Innovation sleeve and (2) an Opportunities Sleeve.

The Innovation sleeve provides CalSTRS with the flexibility to identify, research and incubate new and compelling strategies that may fall beyond existing asset classes because of their structure, their benchmark or thematic focus. This sleeve currently holds two sub-portfolios: (1) Private Credit and (2) the Sustainable Investment and Stewardship Strategies (SISS) Portfolio.

The Opportunities ‘sleeve’ was created to provide a capital solution for CalSTRS’ asset classes (public and private) to sponsor unique and/or scalable opportunities that do not fit cleanly into their respective portfolios, but which nevertheless have attractive risk/return expectations from a Total Fund perspective.



Total Collaborative Strategies Performance*

2026 Q2	Current Quarter	1 Year	3 Year	5 Year
Total Portfolio	0.73%	2.81%	8.37%	9.47%
Custom Benchmark	0.61%	4.82%	6.94%	4.91%
Alpha	0.12%	-2.01%	1.42%	4.56%

*Combined Innovation (Private Credit & SISS) and Opportunities Portfolio

Collaborative Strategies - Innovation (CSI) Sleeve

SISS - Innovation Sub-Portfolio Updates

The SISS team continues to manage this portion of the Collaborative Strategies Innovation sleeve and will report on their activities within the SISS Semi-Annual Activities Report.

Private Credit - Innovation Sub-Portfolio Updates

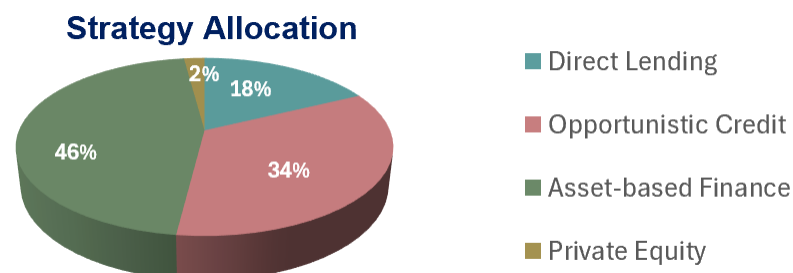
The Collaborative Strategies – Private Credit team continues to manage this portion of the Collaborative Strategies -Innovation (CSI) sleeve. Effective July 1, 2025, most of our US and European Direct Lending strategies were transferred to the Fixed Income team, leaving our team to focus on growing allocations to asset-based finance and opportunistic private credit opportunities.

As shown in the following table, performance is beating our blended benchmark across all time periods.

Private Credit - Innovation Sub-Portfolio Performance

2026 Q2	Current Quarter	1 Year	3 Year	5 Year
Total Portfolio	1.68%	12.26%	12.17%	10.52%
Custom Benchmark	0.29%	5.89%	7.77%	5.45%
Alpha	1.40%	6.36%	4.40%	5.08%

As shown in the following chart, the sub-portfolio is well-diversified and includes a small allocation to one legacy private equity strategy that is currently winding down.



Consistent with the commitments closed during the second half of 2025, the team continued to prioritize commitments to asset-based finance private credit strategies as shown in the following table.

Private Credit Sub-Portfolio Commitments Made Six Months Ending June 30, 2026 (in Millions):

Partnership Investment Name	Strategy	Geography	Commitment Size
1 Dawson PF7	Asset-Based Finance (ABF)	Global	\$100
2 Castllake APC SMA	Asset-Based Finance (ABF)	Global	\$250
3 Castllake Aviation SMA	Asset-Based Finance (ABF)	Global	\$250
4 Castllake SMA Co-investment	Asset-Based Finance (ABF)	Global	\$100

Collaborative Strategies - Opportunities (CSO) Portfolio

Opportunities Sleeve

In the past six months, the team has streamlined the review and approval process for new asset class investments. Since inception of the portfolio, 18 deals totaling \$1.37 billion have been approved for the CSO portfolio. The team continued to meet regularly with the asset classes to review the pipeline and solicit new ideas. Participation is strong, with Private Equity, Fixed Income, SISS, Real Estate, and Collaborative Strategies – Private Credit sponsoring or proposing deal frameworks.

Collaborative Strategies - Opportunities (CSO) Commitments Made Six Months Ending June 30, 2026 (in Millions):

Asset Class Sponsors	GP Sponsor	Investment Type	Sector	Commitment
Fixed Income	Blue Owl	Direct Lending	Industrials	\$ 25
Fixed Income	Apollo Global Management	Direct Lending	Financials	\$ 10
Fixed Income	Blue Owl	Direct Lending	Healthcare	\$ 20
Fixed Income	Kennedy Lewis	Direct Lending	Energy	\$ 25
Private Equity	Tiger Global Management, LLC	Equity	Technology	\$ 100
Real Estate	Blackrock	Equity	Real Estate	\$ 235
SISS	Apollo Global Management	Equity	Financials	\$ 94
Total				\$ 509