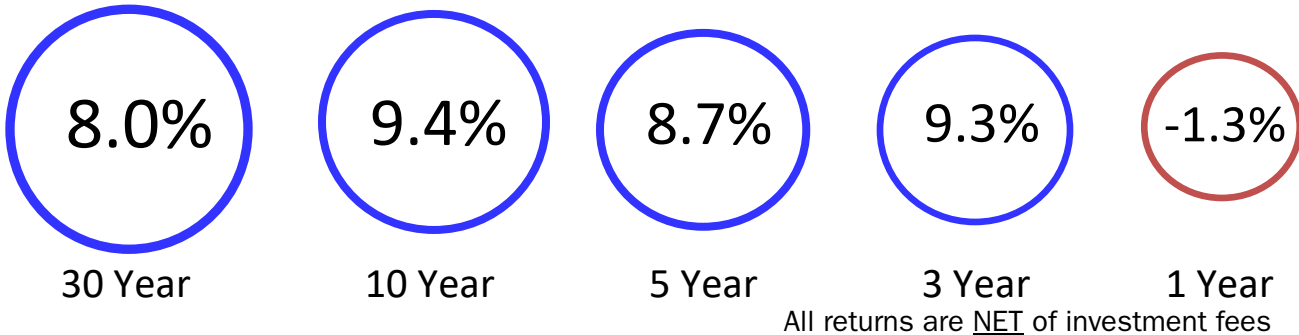


## Investment Performance at a Glance

As of June 30, 2022

### PACE

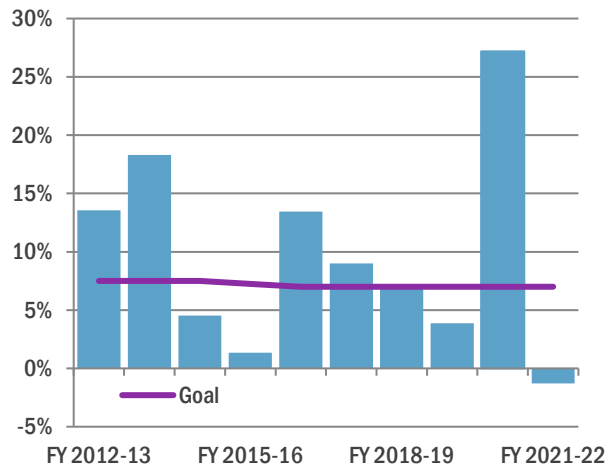
THE GOAL: average 7.0% over the next 30 years



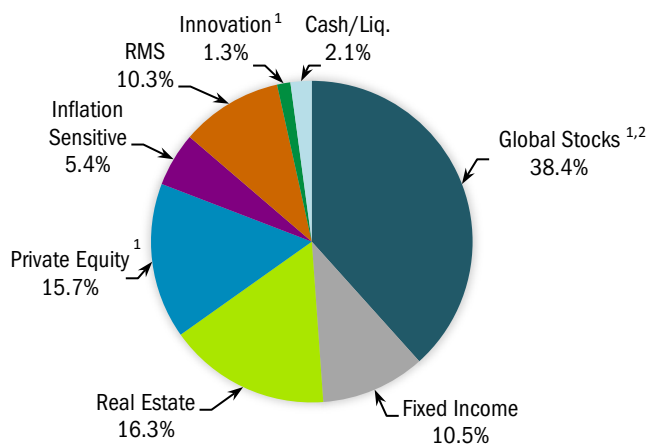
### Summary of Market Returns for FY 2021-22

Fiscal Year 21-22 was a bifurcated year. The first half was positive and a strong economy, despite the continuation of the COVID global pandemic. Everything changed at the start of 2022, the U.S. market recorded the worst start to a year in over 50 years. All the positive gains in the first six months were wiped out and the U.S. and global stock market and bond market declined. For the full Fiscal Year, global stocks declined -16.8 bases on the CalSTRS custom index. Fixed Income also declined as the U.S. Federal Reserve raised interest rates to fight inflation. The Fixed Income index dropped -10.3 percent. The diversification into Real Estate, Private Equity, Inflation Sensitive, and Risk Mitigating Strategies helped buffer the losses of the public markets. Once again, broad diversification protected the Total Fund in a very difficult investment market.

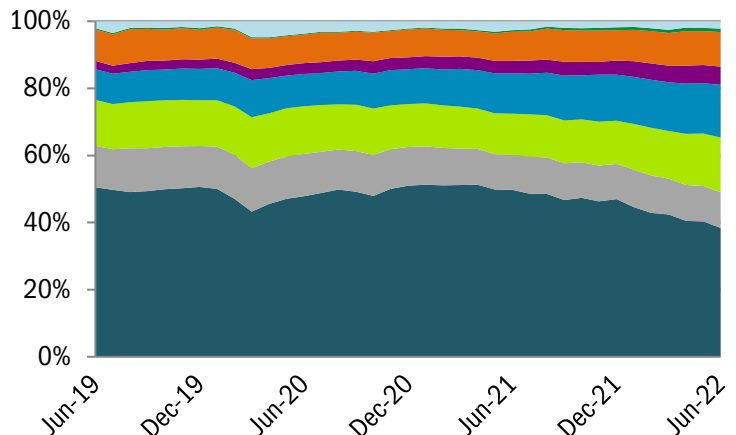
### Total Fund 1-year returns (past 10 years)



### Asset Allocation as of June 30, 2022



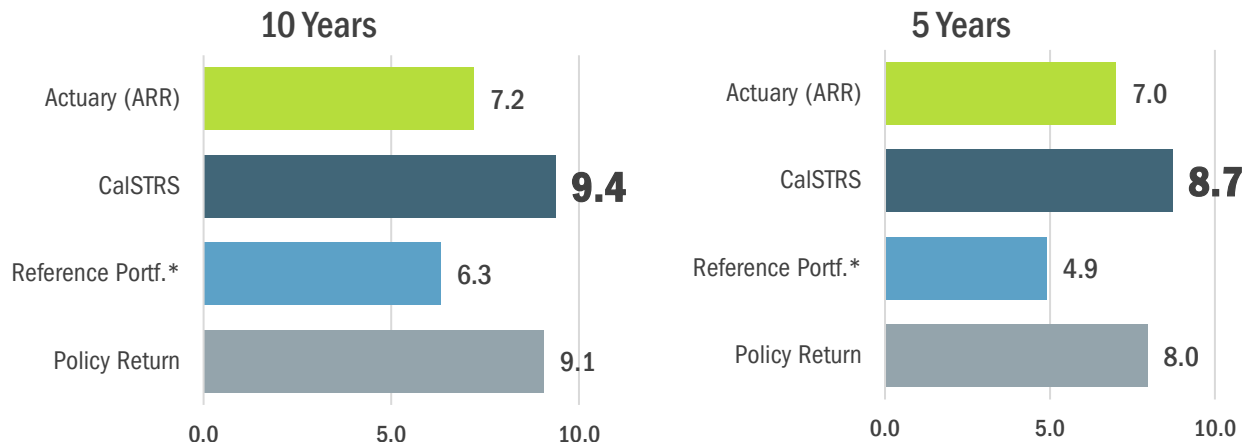
### Asset mix over the past 3 years



<sup>1</sup> Includes Sustainable Investment & Stewardship Strategies Public and Private investments total of \$8,842 (in Millions).

<sup>2</sup> Derivatives are not included which provide additional exposure to Public Equity bringing the Asset Allocation range within policy limits.

# Investment Performance at a Glance



The Actuary (ARR) is the Actuary assumed rate of return for funding the System.

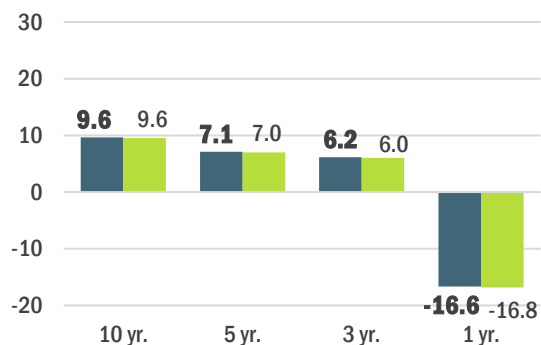
\* Reference Portfolio is the Morningstar Moderate Target Risk Index

## Performance of the Four Main Asset Classes Over Time (% returns are NET of fees)

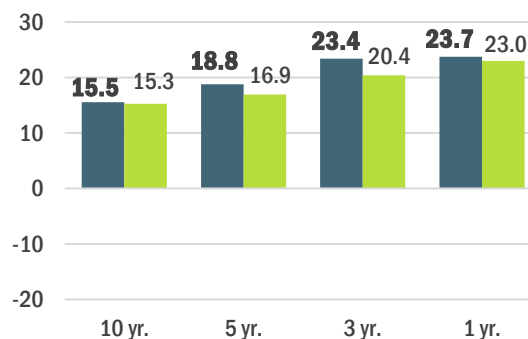
As a long-term investor, the focus should be on the 5-year and 10-year time periods. The scale is kept the same to allow comparison of results. All returns are net of investment fees.

Legend: ■ CalSTRS portfolio ■ Benchmark

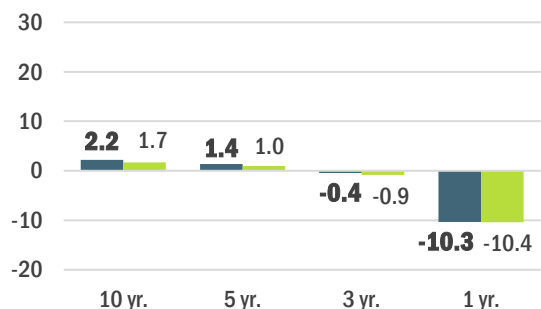
### PUBLIC EQUITY



### PRIVATE EQUITY



### FIXED INCOME



### REAL ESTATE

