CALSTRS
INVESTMENTS

INVESTMENT COMMITTEE
SEMI-ANNUAL ACTIVITY REPORT

Inflation Sensitive

As of June 30, 2026

Inflation Sensitive Program Summary

Market Indicators:

- (YOY) US CPI: +3.5%
- (Ann.) Infrastructure Benchmark: +7.38%
- (FYTD) Bloomberg Commodity Index: +20.74%
- (FYTD) US TIPS Index: +3.42%

CalSTRS Portfolio Allocation:

- Target: 7.0% of the overall portfolio
- Current: 7.0% of the overall portfolio

US CPI was slightly elevated during the fiscal year with an uptick starting in March. This was led by electricity, energy, and gasoline prices due to increased electrical demand caused by data center build out and supply shocks with the closure of the Strait of Hormuz. Domestic policy, monetary policy, and geopolitics could further increase volatility. Attention will remain focused on both tariffs and interest rates with the potential for persistent volatility.

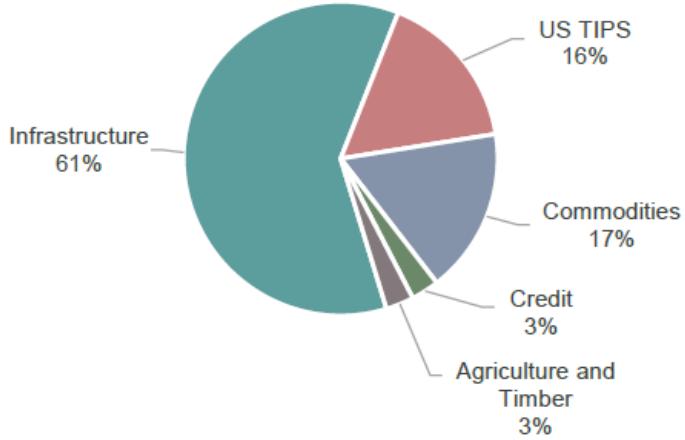
Inflation Sensitive outperformed during the fiscal year due to returns from infrastructure (+626 bp) and commodities (+613 bp). The private credit portfolio is performing well but is new to the overall Inflation Sensitive portfolio.

We continue to actively seek investments in the infrastructure market that offer strong returns relative to the assumed risk. We expect to continue to increase infrastructure exposure.

Inflation Sensitive Risk Factors:

- Rapid and uncontrolled rise in interest rates
- Persistent currency volatility
- Rapid technological advancements in artificial intelligence, power, and transportation industries
- Sudden regulatory and policy changes related to energy transition

Inflation Sensitive Portfolio Allocation

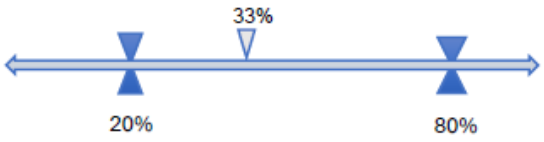
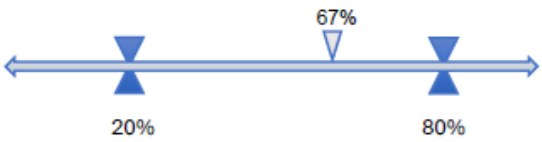
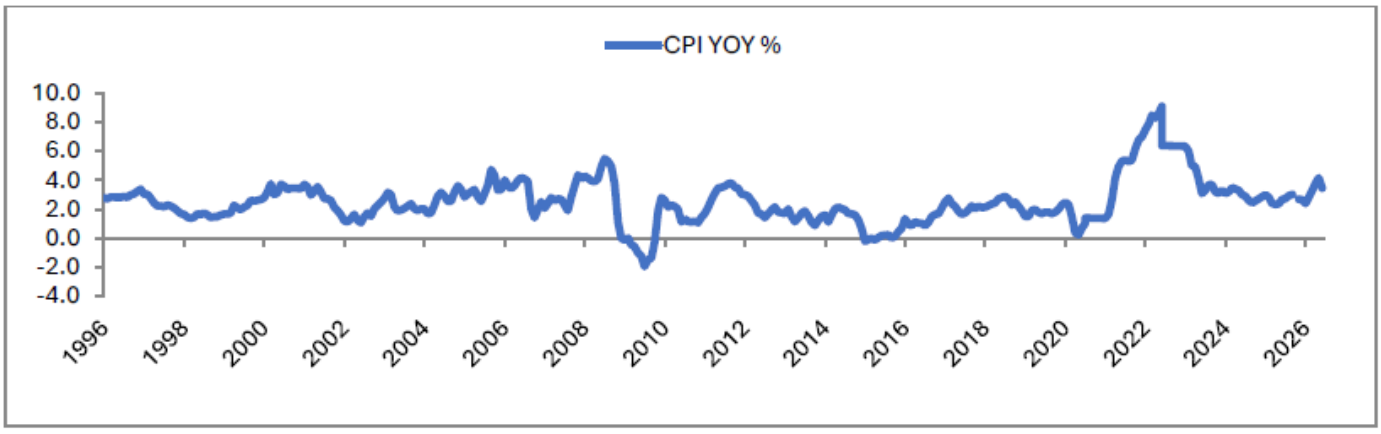


Portfolio Value as of June 30, 2026

Asset Type	Market Value ($)
U.S. TIPS	4,810,345,102
Commodities	4,955,788,380
Infrastructure	17,748,102,640
Agriculture & Timber	837,737,913
Credit	841,338,668
Total	**29,193,312,703**

Current Allocation

Public Inflation Sensitive Assets



Private Inflation Sensitive Assets