MEKETA

CalSTRS Investment Committee

September 23, 2026

Executive Summary
Private Equity Report – Open Session

Key Topics in Report[1]

→ The Private Equity portfolio's positive performance moderated over the prior six months, with the trailing one-year return decreasing by approximately 1.9% compared to the prior report. As of March 31, 2026, longer-term results remain strong on both an absolute basis and relative to the Custom State Street Index. The PE Program outperformed the Custom State Street Index over the trailing 3-, 5-, and 10-year periods, but trailed the Custom Benchmark over each time period except for the 10-year period.[2]

- According to the Kaplan-Schoar PME analysis that assesses performance relative to public market indices, the PE Portfolio generated approximately $1.18 and $1.13 in value for every $1.00 contributed, net of fees, compared to the MSCI ACWI IMI and MSCI ACWI IMI + 1.5%.[3]
- The Program's underperformance of the Custom State Street Index over the trailing one-year period was largely driven by lower performance of the Buyout strategy, which represents ~75% of PE Program assets. However, Buyouts continue to outperform the Custom Benchmark over each of the longer time periods.
- Over the trailing one-year period, Venture and Debt Related strategies were the highest performers on an absolute basis, with trailing one-year returns increasing by 6.1% and 0.5%, respectively, relative to the prior report.

→ Staff has achieved the 14% long-term allocation target. Private Equity currently makes up 15.0% of the Total Plan, compared to 15.4% six months ago. The Program's NAV, at $58.7 billion, remains in line with the NAV of $58.8 billion as of September 30, 2025, despite a $0.9 billion increase in value (net of cash flows) as distributions outpaced contributions over the six-month period.

→ Commitments by vintage year increased in the first half of 2026, already outpacing aggregate annual commitments from 2022 through 2025, reflecting increased investment activity. Continued disciplined commitment budgeting will be required to maintain the long-term target.

- Staff has increased its pace with co-investments, which now represent 26% of the Private Equity Program.

→ The Portfolio remains well diversified across Strategy and Geography and is in line with sub-asset class and diversification targets.

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[1] Performance based on data as of March 31, 2026.
[2] The Custom State Street Index is utilized to assess PE Program performance for periods of less than 10 years while the Custom Benchmark is used to assess periods of 10 years or more.
[3] Based on Kaplan-Schoar PME methodology. Analysis period covers August 1988 (first Program cash flow) through March 31, 2024. Represents MSCI ACWI IMI returns since June 1994 spliced with MSCI World returns from inception of the Program through May 1994. Calculated by Meketa. Does not represent customized benchmark exclusive of certain industries.