CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Annual Review of Investment Discretion(s) Delegated to Staff

Delegation outlined within Investment Policies

Approval Decision on Investments	
Public Market External Managers The Chief Investment Officer, or designee, has the authority to retain, terminate and allocate assets to Global Equity, Sustainable Investment & Stewardship Strategies, Fixed Income, and currency investment managers.	
Sustainable Investment & Stewardship Strategies	
All Private Portfolios	Shall comply with delegation authority limits outlined in CalSTRS existing Private Equity, Inflation Sensitive, and Real Estate and Collaborative Strategies policies.
Single Investment Allocation	0.5% of the CalSTRS Total Portfolio Net Asset Value, calculated using the total commitments as of the investment decision date or existing limits and restrictions detailed within each asset class.
Private Equity	
New (to CalSTRS) Commingled Limited Partnerships	Up to 2% of Net Asset Value of the total Private Equity portfolio or 25% of the partnership capitalization, whichever is less.
Follow-on Commingled Limited Partnerships	Up to 4% of Net Asset Value of the total Private Equity portfolio or 25% or the partnership capitalization, whichever is less.
Separately Managed Accounts	Shall not exceed 4% of Net Asset Value of the total Private Equity portfolio for a follow-on vehicle or 2% of Net Asset Value of the total Private Equity portfolio for a new vehicle.
Co-Investments	Shall not exceed 2% of Net Asset Value of the total Private Equity portfolio or be more than 50% of a financing round.
Secondary Market	
Commingled Limited Partnerships Interest and Separately Managed Accounts	Up to 4% of Net Asset Value of the total Private Equity portfolio (Diversified Pools) and 2% of Net Asset Value of the total Private Equity portfolio (Single Interests and Non-Diversified Pools).
Co-investments, General Partner Interests and Portfolio Companies	Up to 4% of Net Asset Value of the total Private Equity portfolio (Diversified Pools) and 2% of Net Asset Value of the total Private Equity portfolio (Single Interests and Non-Diversified Pools).
Direct Investment in General Partnerships	Shall not exceed 2% of Net Asset Value of the total Private Equity portfolio and ownership shall not exceed 25% economic interest.

Proactive Portfolio	
New (to CalSTRS) Fund of Funds	Shall not exceed $100 million
Follow-on Investment Fund of Funds	Shall not exceed $250 million
New and Follow-on Fund of Funds Side-by-Side	Shall not exceed $100 million or 30% of the total amount of the partnership capitalization, whichever is less.
Co-investments with GPs in underlying Special Mandate portfolios	Shall not exceed 2% of Net Asset Value of the total Private Equity portfolio and limited to $100 million per financing round.
Inflation Sensitive	
Initial Commitment to a New Investment Manager	Up to $500 million
Subsequent Commitments	Maximum of 25% of the CalSTRS Public and Private Inflation Sensitive Portfolio; thereafter if a single investment manager manages a total portfolio in excess of 25% of the CalSTRS Public and Private Inflation Sensitive Portfolio, additional allocations or commitments may still be approved by staff but are subject to review by the Investment Committee if requested.
Infrastructure	
Initial Commitment to a New Investment Manager	Up to $500 million
Subsequent Commitments	Maximum of 25% of the CalSTRS Infrastructure Portfolio; thereafter if a single investment manager manages a total portfolio in excess of 25% of the CalSTRS Infrastructure Portfolio, additional allocations or commitments may still be approved by staff but are subject to review by the Investment Committee if requested.
Eligible Ownership Vehicles (Accounts, Co-Investments, and Direct Investments)	Up to 5% of the CalSTRS Infrastructure Portfolio
Collaborative Strategies	
Single Investment Allocation	1.0% of the CalSTRS Total Portfolio Net Asset Value at month end, calculated using the total commitments as of the investment decision date

Notice to Investment Committee	
The Investment Committee will be notified when the below conditions for new and existing managers are met.	
Real Estate Conditions	
New Manager	New allocation or individual investment is above 3% of the total Real Estate Net Asset Value.
Existing Manager	1. Further allocation or individual investment above 10% of the total Real Estate Net Asset Value. 2. Further allocation plus existing above 30% of the total Real Estate Net Asset Value. 3. Manager rating is Tier 3.

CIO's Approval Limit Delegation to Staff

Approval Limits						
	Total Fund Management[1]	Global Equity Internal Portfolios[2]	Fixed Income Internal Portfolios[3]	Currency Management	Home Loan Program	Private Asset[4]
Chief Investment Officer	Up to 4% of the Total Fund NAV	Up to 10% of Total Global Equity portfolio	Up to 10% of Total Fixed Income portfolio	Up to 10% of total non-USD holdings	$100 million	$1.5 billion
Deputy Chief Investment Officer	Up to 4% of the Total Fund NAV	Up to 10% of Total Global Equity portfolio	Up to 10% of Total Fixed Income portfolio	Up to 10% of total non-USD holdings	$100 million	$1.5 billion
Senior Investment Director	Up to 3% of the Total Fund NAV	Up to 8% of Total Global Equity portfolio	Up to 8% of Total Fixed Income portfolio	Up to 8% of total non-USD holdings	$75 million	$1.5~~0~~ billion
Director of Applicable Asset Class/Program	Up to 2% of the Toal Fund NAV	Up to 5% of Total Global Equity portfolio	Up to 5% of Total Fixed Income portfolio	Up to 5% of total non-USD holdings	$50 million	$750 million
Senior Portfolio Manager	Up to 1% of the Total Fund NAV	Up to ~~4~~3% ~~per Internally Managed Portfolio~~of Total Global Equity portfolio	Up to ~~10~~3% of ~~internally managed portfolio~~Total Fixed Income portfolio	Up to ~~5~~7% of core (notional) program	$35 million	$500~~250~~ million
Portfolio Manager	Up to 0.5% of the Total Fund NAV	Up to ~~4~~1.5% ~~per~~ of Internally Managed Portfolio	Up to 10% of internally managed portfolio	Up to 5% of core (notional) program	$35 million	$250 million
Associate Portfolio Manager	Up to 0.25% of the Total Fund NAV	Up to ~~3~~0.75% ~~per~~ of Internally Managed Portfolio	Up to 8% of internally managed portfolio	Up to 4% of core (notional) program	$30 million	$150 million
Investment Officer III	Up to 0.1% of the Total Fund NAV	Up to ~~2.5~~0.3% ~~per~~ of Internally Managed Portfolio	Up to 6% of internally managed portfolio	Up to 3% of core (notional) program	$20 million	$100 million
Investment Officer II	Up to 0.06% of the Total Fund NAV	Up to ~~2~~0.2% ~~per~~ of Internally Managed Portfolio	Up to 4% of internally managed portfolio	Up to 2% of core (notional) program	$10 million	$50 million
Investment Officer I	Up to 0.03% of the Total Fund NAV	Up to ~~1~~0.1% ~~per~~ of Internally Managed Portfolio	Up to 2% of internally managed portfolio	Up to 1% of core (notional) program	$5 million	$15 million

[1] Per the IPS, the Investment Committee delegates trading limit authorities to the CIO, who may prudently delegate these limits to staff. Accordingly, the TFM trading limits shown above were established consistent with CalSTRS' delegation framework and the IPS.

[2] Global Equity Internally Managed Portfolio refers to the aggregate of all Global Equity internally managed portfolios.

[3] Fixed Income internally managed portfolio refers to the individual internal portfolio.

[4] Private investment portfolios will use a single approval structure to approve the outgoing cash transactions of previously approved investment commitments and does not include the authorization of new investments (i.e. deal delegation).

Commented [Staff]: Changes to the table include:

- Delegation for Total Fund Management team to begin internal trading.
- Re-aligned delegated percentages for Global Equity SPM and below based on current Portfolio Management. No material dollar impact.
- Re-aligned delegated percentages for Fixed Income SPM based on current Portfolio Management.
- Re-aligned delegated percentages for Currency Management for SPM based on current Portfolio Management.
- Re-aligned delegated dollars for Private Assets for SPM and SID to account for new SPM position and raised SID dollar to equal CIO based on delegated authority from CEO.