
Investment Committee Semi-Annual Activity Report

| 6. INFLATION SENSITIVE

INFLATION SENSITIVE SEMI-ANNUAL ACTIVITY REPORT

PROGRAM SUMMARY

Market Indicators:

- (YOY) US CPI: +1.9%
- (Ann.) Infrastructure Benchmark: +6.4%
- (FYTD) Bloomberg Commodity Index: -12.2%
- (FYTD) U.S. TIPS Index: -1.24%

US CPI has dropped from 2.9% as of June 2018 to 1.9% as of December 2018. During that time-period, oil fell from a high of \$75 a barrel to approximately \$45 a barrel, a significant and swift fall that is reflected in declining US CPI. As expected, the index moved lower over the last six months of 2018. Commodity markets ended the calendar year down 12.2% and have begun to move higher with the general market recovery at the beginning of 2019. The US TIPS index returned -1.24%.

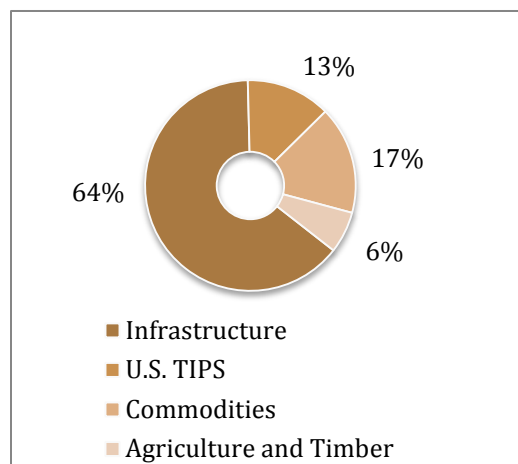
CalSTRS Portfolio Allocation

- Long-term Target: 4% of the overall CalSTRS Portfolio
- Currently 2.2% of the overall portfolio

Inflation Sensitive Risk Factors:

- Rapid and uncontrolled rise in interest rates
- Persistent currency volatility
- Rapid technological advancements in power and transportation industries

Inflation Sensitive Portfolio Allocation



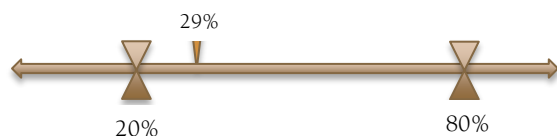
Portfolio Value as of December 31, 2018

Asset Type	Market Value (\$)	Committed Amount (\$)
U.S. Treasury Inflation Protected Securities	582,792,701	N/A
Infrastructure*	3,009,884,813	5,109,878,052
Commodities	771,786,319	N/A
Agriculture and Timber	296,925,430	550,000,000
Total	4,661,389,263	N/A

*Market value based on Q4 pricing

Current Allocation

Public Inflation Sensitive Assets



Private Inflation Sensitive Assets



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