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# Investment Committee Semi-Annual Activity Report

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| 6. INFLATION SENSITIVE

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## CALSTRS INVESTMENT COMMITTEE SEMI-ANNUAL ACTIVITY REPORT

### INFLATION SENSITIVE PROGRAM SUMMARY

#### Market Indicators:

- (YOY) US CPI: +2.1%
- (Ann.) Infrastructure Benchmark: +6.3%
- (FYTD) Bloomberg Commodity Index: +6.7%
- (FYTD) U.S. TIPS Index: +2.1%

US CPI has moved up from 1.6% to 2.1% over the last half of 2017. CPI reached a high of 2.7% in February but fell to a low of 1.6% by May 2017. The index ended the year up 2.1%. Commodity prices ended the fiscal year higher and the U.S. TIPS Index was up just over 2% for the fiscal year to date.

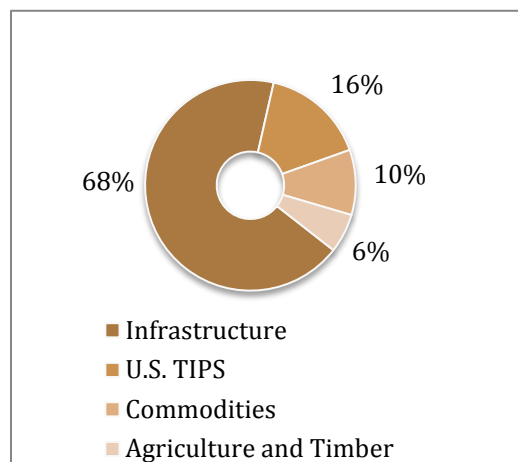
#### CalSTRS Portfolio Allocation

- Long-term Target: 4% of the overall CalSTRS Portfolio
- Currently 1.6% 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



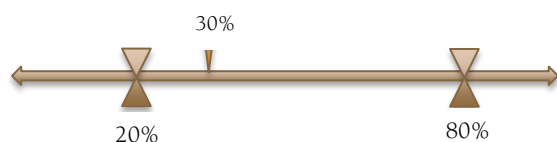
#### Portfolio Value as of December 31, 2017

Asset Type	Market Value (\$)	Committed Amount (\$)
U.S. Treasury Inflation Protected Securities	589,902,824	N/A
Infrastructure*	2,442,696,572	3,459,454,911
Commodities	365,659,647	N/A
Agriculture and Timber	211,077,596	350,000,000
<b>Total</b>	<b>3,609,336,639</b>	<b>N/A</b>

\*Market value based on Q4 pricing

#### Current Allocation

##### Public Inflation Sensitive Assets



##### Private Inflation Sensitive Assets



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