

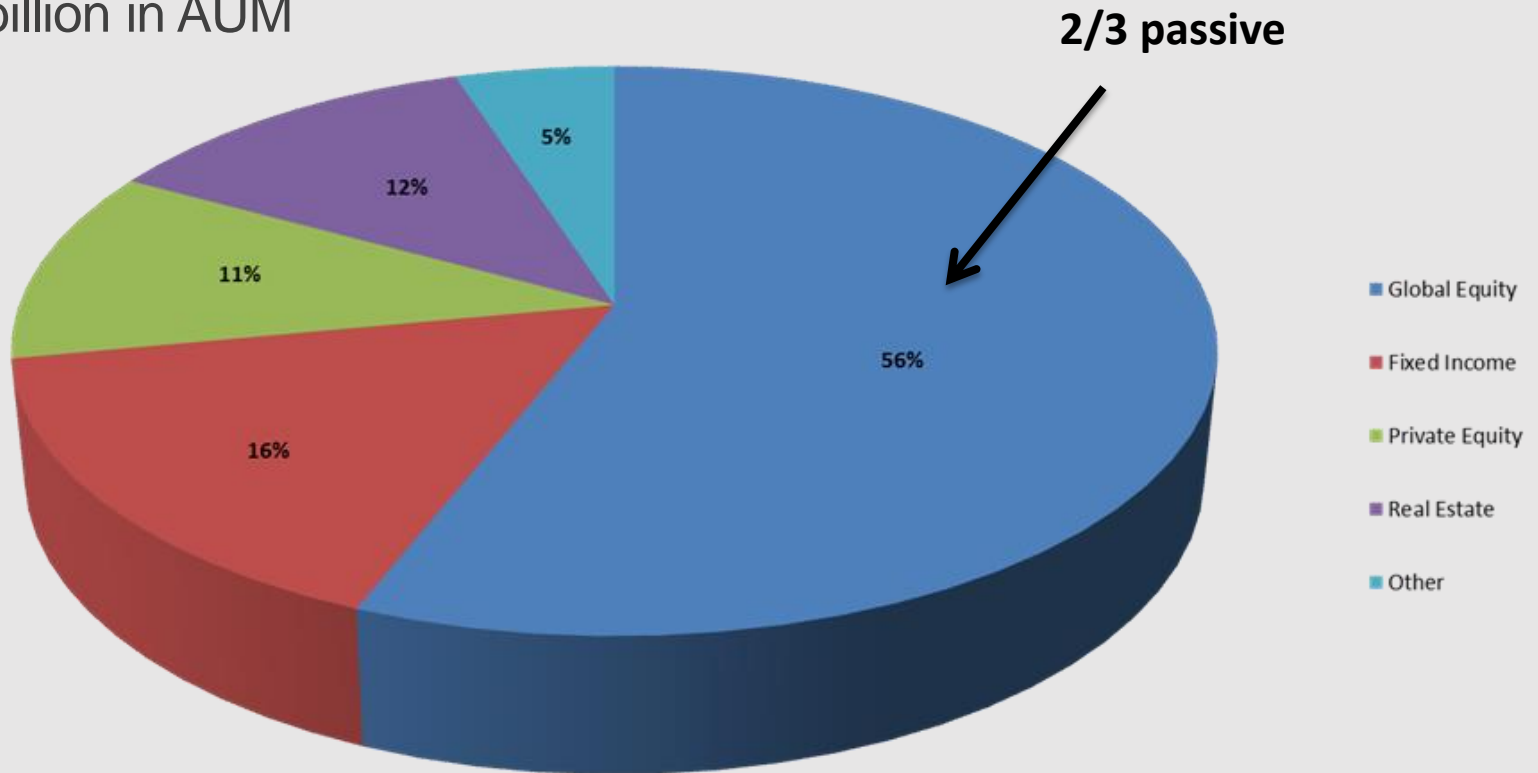
CALSTRS

Managing Carbon Risk

Summer in the City
4th Annual CSR Investing Summit
July 20, 2016

Brian Rice
Portfolio Manager
California State Teachers Retirement System

- Retirement system for California's public school teachers
- 895,000 plan participants
- \$190 billion in AUM



CalSTRS Asset Allocation

- Long-standing recognition that climate change presents significant risk
 - Advocates for “meaningful” price on carbon
 - Advocates for national renewable energy policy
- A decade worth of carbon-based engagement
 - Companies, investors, fund managers
- Leadership roles in “climate-friendly” organizations



- Coal divestment
 - U.S. holdings divested Feb. 2016

- Organizations / Collaborations:



- Climate Change Engagement Issues:

- Energy efficiency
- Methane emissions
- Hydraulic Fracturing
- Carbon Asset Risk

Strategy	Asset Class	Investment
Clean Technology	Private Equity	\$693,000,000
Green Bonds	Fixed Income	\$302,000,000
Renewable Energy	Infrastructure	\$104,000,000
LEED Property	Real Estate	\$2,300,000,000
Sustainable Managers	Public Equity	\$840,000,000
	Total	\$4,239,000,000



News Release

California State Teachers' Retirement System
July 14, 2016

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CalSTRS Commits \$2.5 Billion to Low-Carbon Index

CalSTRS supports environmental, social and governance (ESG) principles by investing in low-carbon strategies for U.S., non-U.S. developed and emerging markets

- \$2.5 billion commitment to low carbon index
- 3 phase effort
- MSCI ACWI Low-Carbon Target Index

CALSTRS[®]
HOW WILL YOU SPEND YOUR FUTURE?

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