

Performance Benchmarks

To facilitate the periodic reporting to the Investment Committee and to provide a relative measure to gauge success, custom performance benchmarks are approved by the Investment Committee. The approved custom performance benchmarks for each asset class are shown below:

<u>Total Public Equity</u>	Market value weighted blend ^{1&2} of the Custom MSCI All Country World Investable Market Net Index (MSCI ACWI IMI) and the Custom MSCI ACWI Low Carbon Target Index (MSCI ACWI LCT).
<u>Fixed Income</u>	95% Bloomberg MSCI US Aggregate Climate Custom ¹ + 5% Bloomberg MSCI US High Yield 2% Cap Cash Pay Climate Custom Index ¹
<u>Inflation Sensitive</u>	Weighted blend of the Bloomberg U.S. Treasury Inflation Linked-Bond Index (Series L), NCREIF Timberland Fund Index and Separate Account Index (quarter lagged), Bloomberg Commodity Index, Zero return Daily Index, CPI+3% (quarter lagged) and CPI+4% (quarter lagged) ²
<u>Real Estate</u>	NCREIF ODCE Value Weighted index Net of fees (quarter lagged)
<u>Private Equity</u>	Weighted blend of the CalSTRS Custom Private Equity Traditional and Non-Traditional Indices, comprised of the customized Buyout, Debt-Related and Venture Capital segments of the State Street Global Exchange Private Equity Index (quarter lagged) ² , further detailed in the Private Equity Policy.
<u>Cash / Liquidity</u>	90-day Treasury Bill Index
<u>Risk Mitigating Strategies</u>	Weighted blend of: Bloomberg U.S. Treasury 20+year Total Return Index, SG Trend Index, HFRI Macro: Discretionary Thematic Index, and Societe Generale Multi-Alternative Risk Premia Index. ²

¹ Custom public indices are updated quarterly in accordance with the CalSTRS restricted securities list, Committee on Responsible Investments mandates and Portfolio Restrictions Policy.

² As new strategies are added, the future benchmark shall be a dynamic blend comprised of the weightings of each of the underlying strategies within the portfolio, multiplied by their respective benchmarks.

Blended indices are weighted based upon CalSTRS target allocations to each respective index. Each investment manager, in all asset classes, has an individualized benchmark designed to measure its performance relative to the objective identified in each manager's respective investment guidelines.

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