













































































































## Appendix 21

### Benchmark (Index) Definitions

**TOTAL FUND CUSTOM INDEX, STRT01:** Also known as the CalSTRS Policy Index, it is the measuring stick for the total portfolio; it is comprised of all asset class custom benchmarks at the asset class policy weights as approved by the Teachers' Retirement Board and reflected in the Investment Policy and Management Plan. The index reflects the current targets and historical policy changes to the asset class custom benchmarks and weights.

**US DEBT INVESTMENT GRADE CUSTOM INDEX<sup>5</sup>, STRD16:** Represents a custom Bloomberg U.S. Aggregate index, a measure of the U.S. investment grade fixed rate bond universe.

**US DEBT CUSTOM INDEX<sup>5</sup>, STRD01:** Represents 95% Bloomberg U.S. Aggregate and 5% Bloomberg U.S. High Yield Cash Pay 2% Issuer Constrained custom indices. This represents a measure of both the U.S. investment grade and non-investment grade universes.

**DEBT-CORE/OPPORTUNISTIC CUSTOM INDEX<sup>5</sup>, STRT91:** Represents a weighted blend of the Bloomberg U.S. Aggregate and Bloomberg U.S. High Yield Cash Pay 2% Issuer Constrained custom indices, effective October 2021.

**PRIVATE EQUITY CUSTOM INDEX CP<sup>5,6</sup>, STRSPEC:** Represents a weighted blend of the underlying Traditional sub-asset allocation targets customized to reflect the vintage year of commitments using a scaled cash flow methodology as defined by the Private Equity policy, and a weighted blend of the underlying Non-Traditional sub-asset allocation targets; the buyout portion of the State Street GXPEI multiplied by 90%, custom tactical index (comprised of a 60%/40% blend of the Debt Related and Buyout portions of the State Street GXPEI), and the buyout portion of the State Street GXPEI minus 200 basis points. Index returns from July 2017 to June 2019 represent a weighted blend of the underlying interim sub-asset allocation targets customized to reflect the vintage year of commitments using a scaled cash flow methodology as defined by the Private Equity policy, in addition to the custom tactical index (comprised of CS High Yield Index, HFRX Global Hedge Fund index NCREIF Property index (daily), and MSCI ACWI Free x-U.S. index lagged by one quarter). Index returns from July 2014 to June 2017 represent the State Street Private Equity Index lagged by one quarter.

**REAL ESTATE CUSTOM INDEX, XWE:** Represents the National Council of Real Estate Investment Fiduciaries (NCREIF) Open-end Diversified Core Equity (ODCE) Value Weighted index Net of fees lagged by one quarter. This index is the accepted index created to provide an instrument to gauge the investment performance of the commercial real estate market.

**GLOBAL EQUITY CUSTOM INDEX<sup>5</sup>, STRT03:** Represents a custom MSCI All Country World Investable Market Index (MSCI ACWI IMI). From July 2020 to July 2021, represented a blend of a custom Russell 3000 index and custom MSCI All Country World ex-U.S. Investable Market Index, using the U.S. and Non-U.S. weights of the MSCI ACWI IMI.

<sup>5</sup> Custom index returns are updated quarterly in accordance with the CalSTRS restricted securities list since July 2015.

<sup>6</sup> As new strategies are added, the dynamic benchmark shall be a blended performance benchmark comprised of the weightings for each of the underlying strategies within the portfolio, multiplied by their respective benchmark.



