



CALSTRS®

Diversity in the management of investments - Work plan
Investment Committee – May 2024

DIMI work plan



Investment Leadership Discussion
DIMI current practices

November 2023 Investment Committee
Industry DEI best practices



January 2024 Investment Committee
Practitioners of DEI best practices

May 2024 Investment Committee
Staff recommendations



Alignment: Expand diversity across the total fund



Strategic goals

STRATEGIC GOAL A

Overall DIMI Strategy

Enhance data collection, and measurement to further improve strategy development and decision-making through technology

Strategic goals

STRATEGIC GOAL B

Pillar one internal staff

Develop internal programs of growth opportunities

Improve sourcing, hiring and retention

Strategic goals

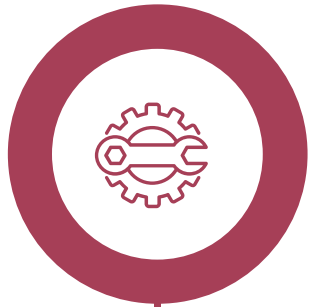
STRATEGIC GOAL C

Pillar two and three engagement and portfolio management

Enhance DEI assessment as part of its initial due diligence of investments

Develop universal external manager engagement framework

Next steps



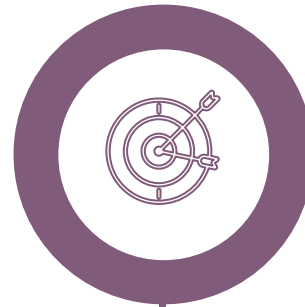
ORGANIZE

Form a task force of core staff members to assist in the development and implementation of plan



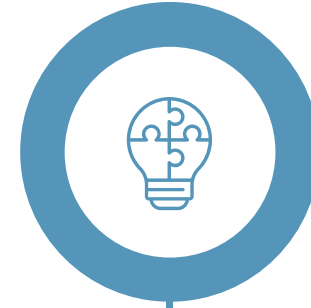
PRIORITIZE

Identify opportunities where CalSTRS has capacity and potential impact on risk & sustainability return



DEVELOP & IMPLEMENT

Establish and implement underlying strategic initiatives in sequence & coordination across the total fund. Key components includes timeline, measurable goals, monitoring, reporting and impact



UPDATES

Provide periodical updates of implementation progress and milestones to CalSTRS Investment Committee

Examples of industry best practices to implement

STRATEGIC GOAL A

Overall DIMI strategy

(a) Enhance data collection, and measurement to further improve strategy development and decision-making through technology

- DEI dashboard
- # of HR postings via affinity groups
- # of industry events
- # and \$ AUM of manager engagements
- # and \$ AUM of emerging & diverse managers

STRATEGIC GOAL B

Pillar one - Internal staff

(a) Develop internal programs of growth opportunities

(b) Improve sourcing, hiring and retention

- Succession plan at all job classifications
- Training course
- Mentorship programs
- Pipeline development

STRATEGIC GOAL C

Pillars two and three Engagement & portfolio management

(a) Enhance DEI assessment as part of its initial due diligence of investments

(b) Develop universal external manager engagement framework

- Incorporate DEI Manager survey
- Engagement through meetings
- Setting manager DEI expectations