



Investment Committee

Item Number 8a Open Session

Subject: Cases in Diversity, Equity, and Inclusion: Staff Briefing

Presenter(s): Scott Chan and LaShae Badelita

Item Type: Information

Date & Time: January 11, 2024 – 10 minutes

Attachment(s): None

PowerPoint(s): CalSTRS Staff, Industry Best Practices

Item purpose

The purpose of item 8 is to meet the Investment Committee's (the Committee) request from [May 2023](#), where the Committee directed staff to present education on diversity, equity, and inclusion (DEI) best practices and specifically hear from industry leaders and investment managers/partners. Agenda item 8 is the second session of this education and is compartmentalized into 8(a) and 8(b). Item 8(a) is a preamble to the panel discussion in item 8(b).

Executive Summary

The first educational session on DEI occurred in November 2023 which focused on best practices from the perspective of the broad industry. During item 8(a) staff will provide a verbal update on the CalSTRS Diversity in Management of Investments (DIMI) and recap the key takeaways from the panel discussion in November 2023.

Background

Diversity is a [core value](#) of CalSTRS: "*Strength: We ensure the strength of our System by embracing a diversity of ideas and people.*" Building teams and external relationships that exhibit diversity, equity and inclusion are essential in achieving CalSTRS' financial and return objectives. CalSTRS efforts to expand diversity in the management of investments began over 30 years ago in 1989, with the fund's first commitment to emerging managers. Building on nearly three decades of integrating DIMI, CalSTRS continues its momentum. DIMI consists of [three pillars](#): (1) Internal branch; (2) Industry and portfolio company engagement and (3) Portfolio management.

Strategic Plan Linkage:

- [CalSTRS Enterprise Core Values](#)
- [CalSTRS Enterprise 2022-25 Strategic Plan](#): “Goal 1: Trusted stewards – Diversity, equity and inclusion efforts drive organizational outperformance.”
- [CalSTRS Enterprise 2022-23 Business Plans](#): “4-D-6 – Incorporate diversity, equity and inclusion across all CalSTRS practices.”

Board Policy Linkage:

- [CalSTRS Investment Policy and Management Plan](#)

Optional Reference Material: (prior board items, supplemental educational materials, etc.)

- CalSTRS Investments Core Values: “Respect – We strive to not only treat others as we would like to be treated, but to go the extra mile and treat others as they would like to be treated.”
- [CalSTRS Investments Diversity Statement](#)
- Diversity in the Management of Investments Annual Report (2022): [Summary](#) & [Full Report](#)
- [CalSTRS Investments 2022-23 Business Plans](#)
- CalSTRS Bill Analysis, AB 890 (Cervantes) – Emerging Managers Report: [May 2021](#)
- CalSTRS Investment Committee, DIMI Annual Updates: [May 2022](#) & [May 2023](#)
- CalSTRS Teachers Retirement Board, Update on Incorporating DEI across the Enterprise: [March 2023](#)
- CalSTRS Investment Committee, DEI Education - Best Practices: November [Part A](#) & [Part B](#)