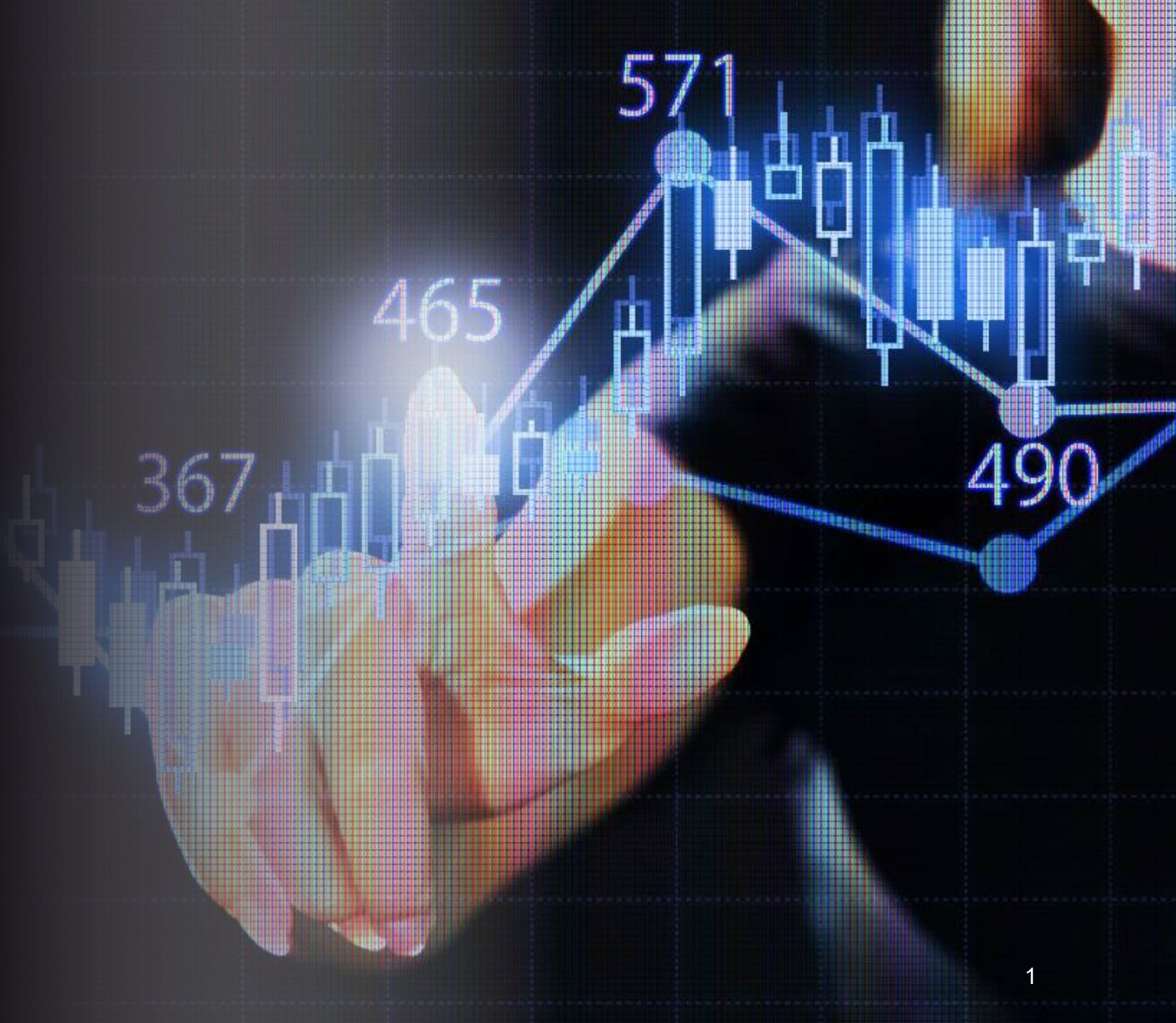


CALSTRS

AI at CalSTRS

Current practices and
immediate horizon



Agenda



**Executive perspective
on GenAI at CalSTRS**
(30 minutes)



**GenAI vision
small-group breakout**
(60 minutes)



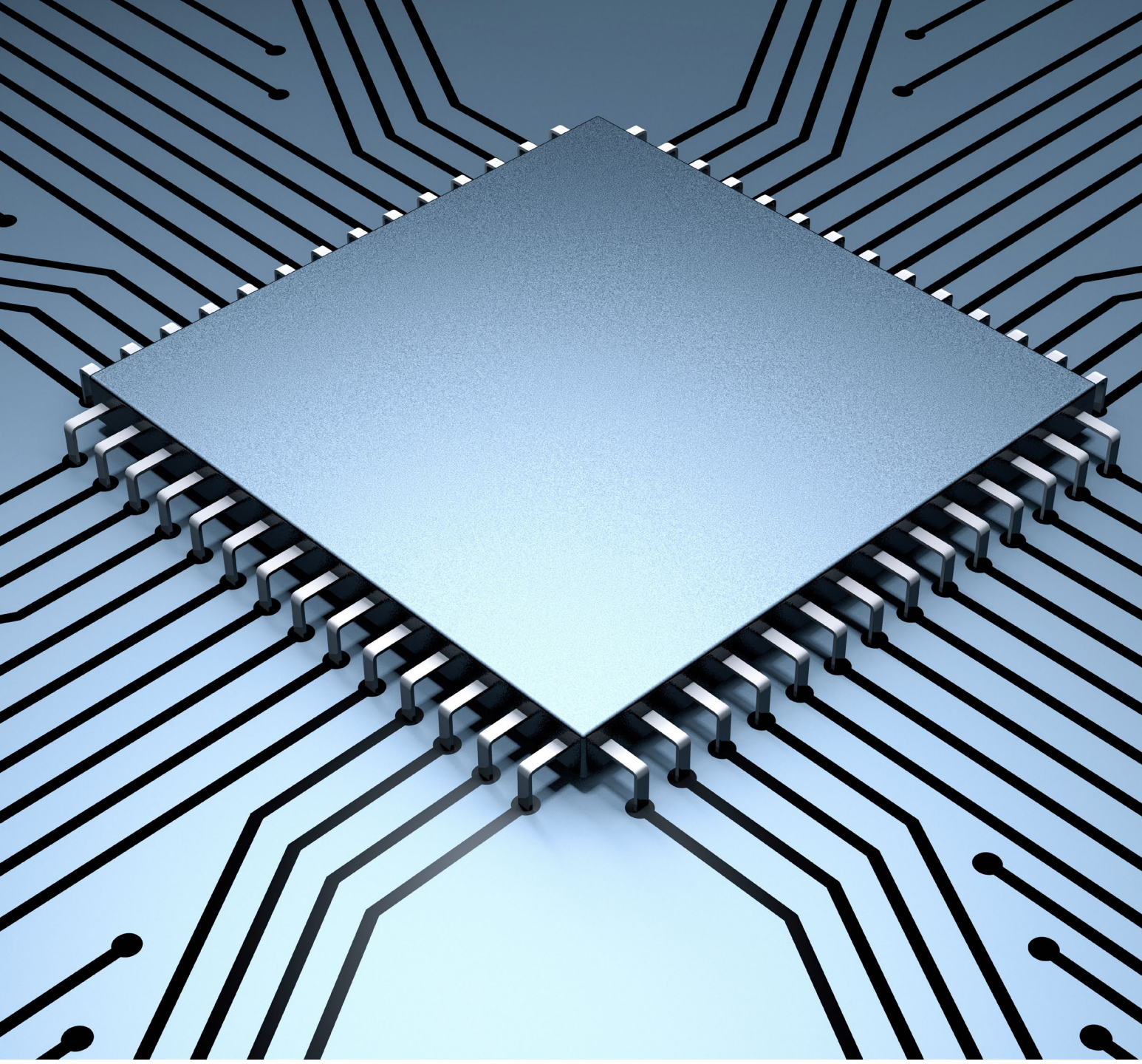
**Large-group readout
and next steps**
(30 minutes)



Executive perspective on GenAI at CaISTRs

Executive perspective

- Role of Innovation and GenAI at CalSTRS
- GenAI Roadmap and use cases at CalSTRS
- Shaping our GenAI strategy
- Future considerations



Role of Innovation and GenAI at CaISTRS



**Innovation is a new way
of doing things to evolve
the experiences of our
members and our people.**

Our current opportunity areas for innovation

Internal



Employee Experience

How might we enable a culture of innovation, better attract and retain talent, and create a hybrid working environment in which our staff thrives?



Process Efficiency

How might we reimagine our processes to increase efficiency, improve resource allocation, reduce bureaucracy, and deliver with speed and agility?



Communication & Collaboration

How might we deconstruct silos, support collaboration, and improve access to information and tools throughout the organization?

External



Customer Experience

How might we customize and streamline member processes and deliver next level experience and support?



Member Engagement

How might we engage members sooner in their career journey and increase financial literacy and wellness?



Partnerships

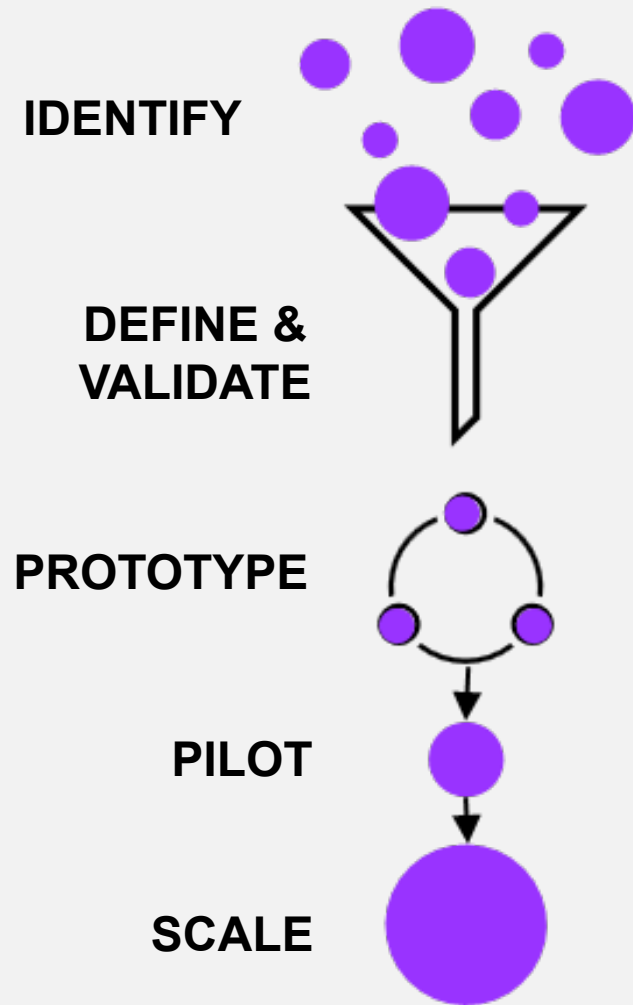
How might we derive more value from our external partnerships (for example, employers, other public agencies, consultants, investment managers)?



Investing & Risk Management

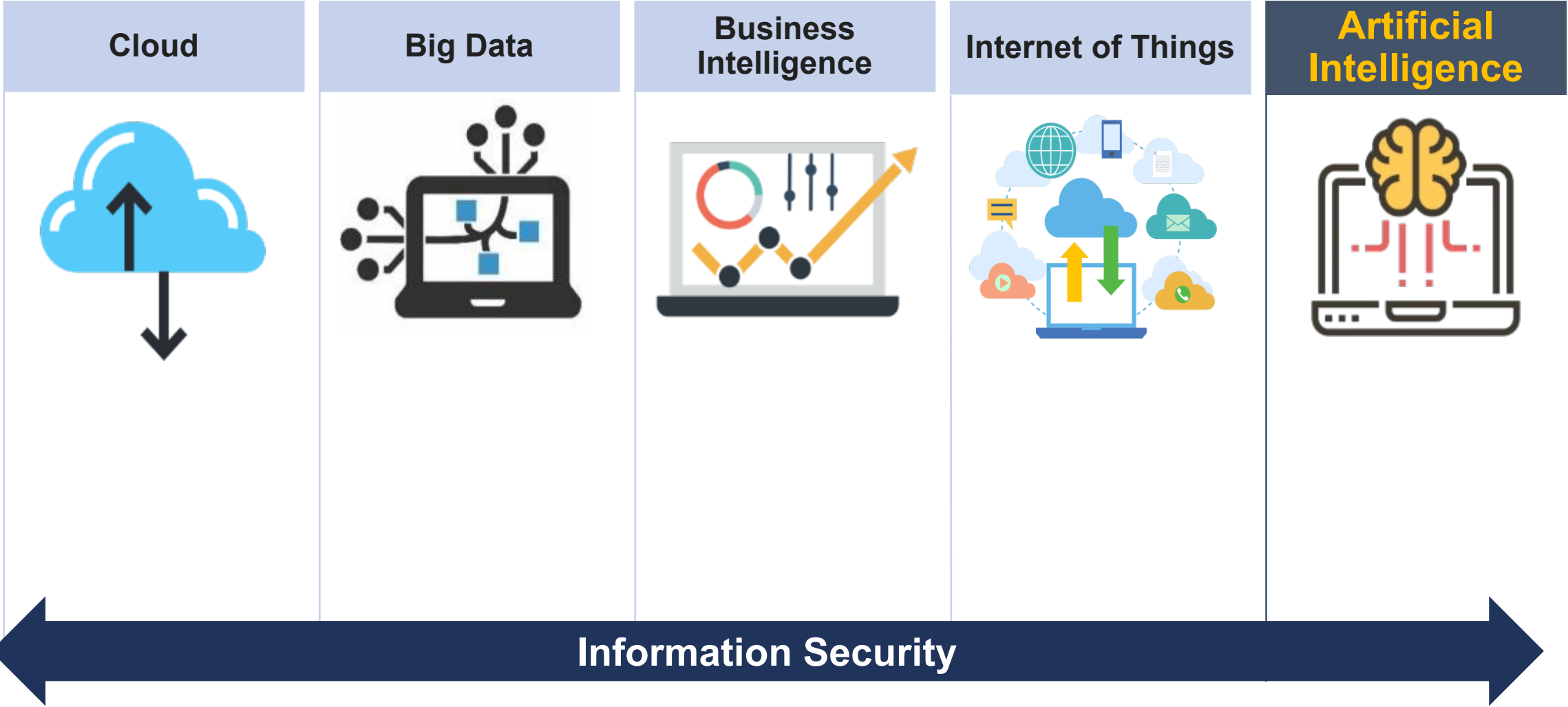
How might we maximize our investment opportunity sets, and reimagine our data modeling, to produce higher returns and increase overall risk management?

THE INNOVATION PROCESS



Innovation process and PoC development

CalSTRS technology innovation journey



GenAI roadmap

01

Develop a GenAI policy

02

Define a clear GenAI vision and strategy

03

Implement robust GenAI governance and ethical frameworks

04

Ensure data privacy and regulatory compliance

05

Build PoC, prototype, and production

06

Build a GenAI-ready workforce

07

Continue to foster a culture of innovation and collaboration

Current progress

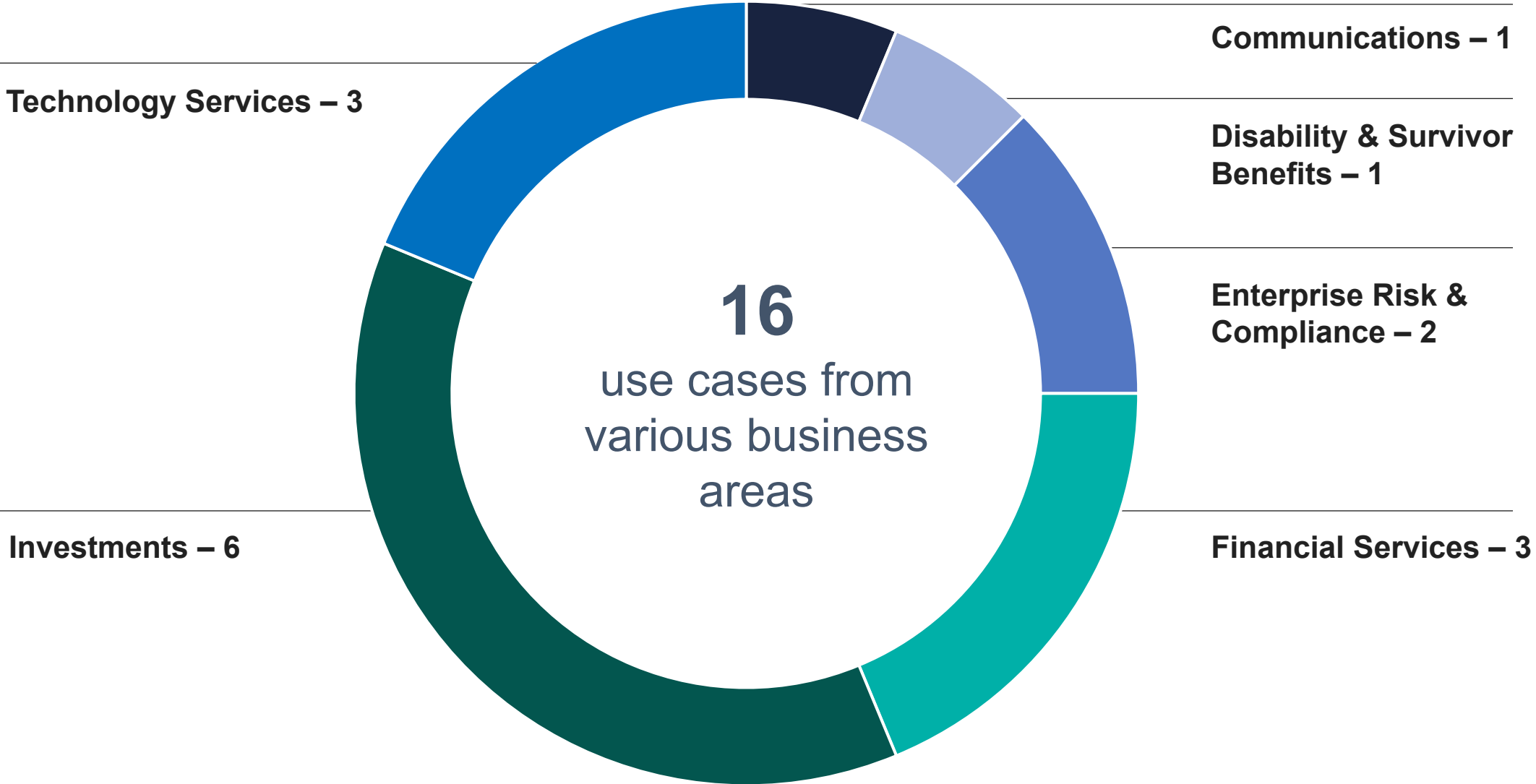
- Conducted vendor workshops
- Collecting GenAI use cases from CalSTRS business areas
- Leveraging the Innovation Program playbook methodology to prioritize GenAI use cases
- Collecting learning videos and materials
- Build, test and refine the concepts by creating GenAI prototypes
- Partner with relevant stakeholders to pilot concepts in the organization
- Promote learning materials and leverage statewide awareness training for organizational learning



Current GenAI use cases at CaISTRs



Current GenAI use cases



TECHNOLOGY AMPLIFIES OUR COMPETITIVE ADVANTAGES

Scale

Partners

Internal Expertise

BENEFITS OF GENERATIVE AI

Higher Returns

Risk Management

Productivity & Efficiency



**Predictive
Dashboards**

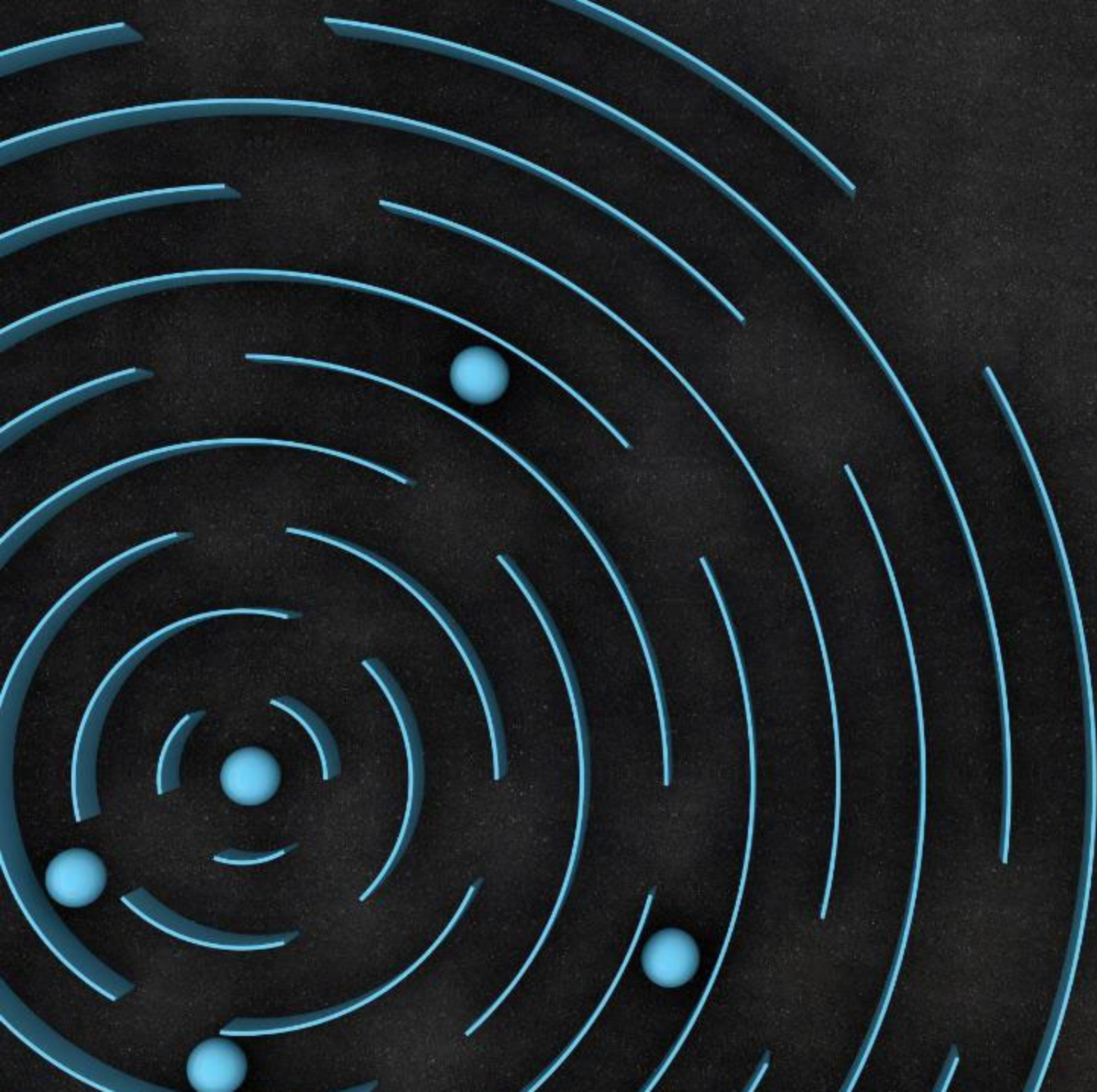
**Cash Flow
Forecasting**

**Data
Augmentation**

**Draft Memos
& Research**

**Operational
Efficiencies**

**Knowledge
Sharing**



Shaping our GenAI strategy



Next steps

01

Define a clear
GenAI vision
and strategy

02

Implement
robust GenAI
governance
and ethical
frameworks

03

Ensure data
privacy and
regulatory
compliance

04

Build a
GenAI-ready
workforce

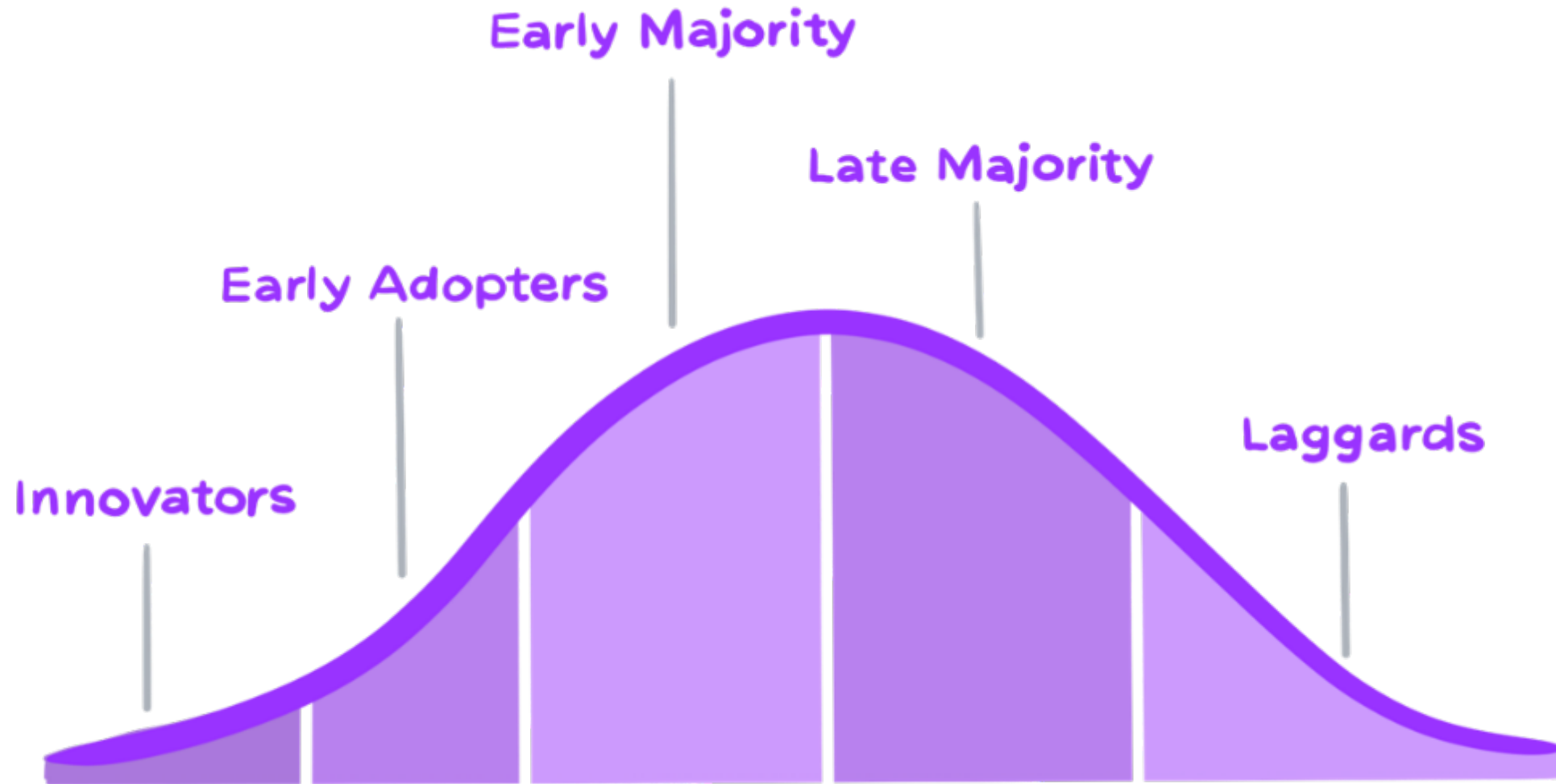
05

Continue to
foster a culture
of innovation
and
collaboration

Future considerations

- Balancing Innovation and Sustainability goals
- Evolving federal and state mandates
- Evolving reporting requirements
- Ethical implications and responsible use of GenAI
- Shaping the workforce of the future
- Continuing education
- Board oversight responsibilities

Adoption curve – Where do we want to be?



Innovation Adoption Lifecycle



GenAI vision small-group breakout

Readout and next steps

The background of the slide features a dense array of fiber optic cables. The cables are thin and dark, with their ends glowing with a bright red light. The overall color palette is a mix of deep blues and dark greys, with the red light providing a focal point. In the center, two large, semi-transparent blue chevron arrows are stacked and overlap, pointing towards the right side of the frame. The top arrow is slightly behind and to the left of the bottom arrow, creating a sense of depth and forward motion.