



Investment Committee

Item Number 8b Open Session

Subject: Cases in Diversity, Equity, and Inclusion: Best Practices in Diversity, Equity, and Inclusion

Presenter(s): June Kim and Panel

Item Type: Information

Date & Time: January 11, 2024 – 60 minutes

Attachment(s): None

PowerPoint(s): None

Item purpose

In [May 2023](#), the Investment Committee (the Committee) directed staff to present education on diversity, equity and inclusion best practices and specifically hear from industry leaders and investment managers/partners. This item is a continuation of the educational session that occurred in November 2023 ([Part A](#) & [Part B](#)) which focused on DEI best practices from the perspective of the broad industry, including [CFA Institute](#), [ILPA](#), and [Verus Investment](#).

During this item, the Committee will learn about DEI best practices specifically employed by investment managers in their businesses. The Committee will hear from four of CalSTRS investment managers/partners including [Ares Management](#), [Pzena Investment Management](#), [Muller and Monroe Asset Management](#), and [TPG](#).

Executive Summary:

The objective of the education is to understand the crucial elements and best practices of Diversity, Equity, and Inclusion (“DEI”) currently and for the future of the investment industry – both in the public and private markets. As part of the education, investment industry leaders will share their experience and views in a series of presentations and discussions, with time for Q&A and Board reflections. The educational sessions are meant to give the Committee insights into DEI practices and initiatives in the investment industry and provide insight into areas where there may be opportunities for CalSTRS to learn and evolve our approach.

Background

Moderated by June Kim, the following investment managers/partners will discuss how its respective firm employs DEI for CalSTRS portfolio, specifically as it relates to [DIMI](#).



Indhira Arrington ([Full Bio](#)). Mrs. Arrington is a Partner and Chief Diversity, Equity and Inclusion Officer in the Ares Management’s Human Resources Department, and partners with the firm’s DEI Council to advance Ares’ strategy to attract, develop, engage and advance diverse talent within an inclusive, welcoming environment, along with advance equity in the broader alternative asset management industry. Mrs. Arrington also serves as an advisor to support DEI initiatives at portfolio companies across Ares’ investment strategies.



Caroline Cai, CFA ([Full Bio](#)). Ms. Cai is Managing Principal, Chief Executive Officer, Portfolio Manager, and a member of the firm’s Executive Committee. Ms. Cai is a co-portfolio manager for the Global, International, and Emerging Markets strategies, and the Financial Opportunities service. Ms. Cai became a member of the firm in 2004. Prior to joining Pzena Investment Management, Ms. Cai was a senior analyst at AllianceBernstein LLP, and a business analyst at McKinsey & Company.



Andre Rice ([Full Bio](#)). Mr. Rice is President of Muller & Monroe Asset Management, a private equity firm investing in small and emerging managers. André oversees firm operations, client service, business development, and chairs the investment committee. He serves on the corporate board of CNA and is active in several industry and civic groups, including Prevent Child Abuse America, and is a life member of Kappa Alpha Psi.



John Winkelried ([Full Bio](#)). Jon Winkelried is a Partner and the Chief Executive Officer of TPG. Prior to joining TPG in 2015, Jon was with Goldman Sachs for more than 27 years and served as President and Co-Chief Operating Officer of the firm. Jon serves on numerous corporate boards and also serves on the Board of Trust of Vanderbilt University.

Strategic Plan Linkage:

- [CalSTRS Enterprise Core Value](#): *“Strength: We ensure the strength of our system by embracing a diversity of ideas and people.”*
- [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](#)