



Investment Committee

Item Number 10 – Open Session

Subject: Input on 2024-25 Committee Work Plan

Presenter(s): Chairperson

Item Type: Information

Date & Time: May 1, 2024 – 10 minutes

Attachment(s): Attachment 1 – Draft Work Plan

PowerPoint(s): None

Item Purpose

The development of the Investment Committee Work Plan and setting annual objectives/projects is covered by the Teachers’ Retirement [Board Governance Manual](#), starting on page 16.

Recommendation

The Investment Committee Chair and the Chief Investment Officer recommend the Committee approve the proposed Work Plan and allow the Chair to present these projects listed below and the Investment Committee Fiscal Year 2024-25 Work Plan document at the July Retirement Board meeting.

July 2024	Jan 2025	June 2025
Transition to a Net Zero GHG portfolio by 2050 or sooner		
Private Market Investment Principles		

Executive Summary

At the July Retirement Board meeting, the Investment Committee Chair will present the FY 2024-25 Investment Committee Work Plan for its formal adoption. The Plan includes all major agenda items across the respective Investment Committee meetings. These items include policies to revise, performances to monitor and major objectives to accomplish. This item is to decide the specific projects the Committee wants to devote additional time and attention.

Background

Within the Retirement Board meeting schedule, the Investment Committee meeting has developed a consistent rhythm:

July	Business Plans and Investment Policy Revision
September	Semi-Annual Investment Performance Reports
November	Costs Reports and Work Plan Project
January	Work Plan Project
March	Semi-Annual Investment Performance
May	Net Zero Update and Work Plan Projects

If we step back to reflect on the Investment Committee meetings throughout the year, we find our time is a precious commodity. After accounting for Committee procedures, such as roll calls, minutes, and public comment, we have roughly 30 hours of meeting time. Monitoring and reporting our massive global portfolio consumes half, leaving another 15 hours available to dedicate to the core work plan projects. It’s important to recognize that each agenda item represents the culmination of extensive behind-the-scenes efforts of your staff, consultants, and investment managers on the research, development, reconciliation, and preparation for the Investment Committee reports, easily 10 to 20 hours of work per hour of Investment Committee. This underscores the precious asset of human capital and the importance of meticulous planning and coordinating the work plan for the upcoming year.

In the forward Fiscal Year, the Investment Committee will need to continue to focus on Net Zero. This is such a significant initiative that will need to be one of the Investment Committee work plan projects every year until 2030 if not beyond, to guide and monitor the transition. The second project proposed for FY 24-25 is to develop a set of Private Market Principles. The Investment Committee has received hours of public comment on labor and management practices among the private market investments in all classes. While CalSTRS has the Risk factors and ESG principles, it is clear the different ownership structures in the Private Market could benefit from clear principles for the CalSTRS role as a Limited Partner. These principles will help set expectations and guidance for the staff interaction and negotiation with Private Market investments.

In addition to these Work Plan projects, the Committee and staff will continue to implement and monitor the Collaborative Model, as well as overseeing and monitoring the overall investment portfolio and the staff. To add to the workload in FY 24-25, the Investment Committee will be working with the new Chief Investment Officer and may need additional Committee time to help develop that relationship.

Investment Committee – Item 10

May 1, 2024

Page 3

With all the changes and challenges in the world as a backdrop and the succession shift within the Investment Branch, FY 24-25 will be a very busy and challenging year.

Board Policy Linkage: [Investment Policy Statement - March 2024 \(calstrs.com\)](https://www.calstrs.com/investments/investment-policy-statement)