



Investment Committee

Item Number 8 – Open Session

Subject: Approval of Minutes of the May 4, 2023, Investment Committee – Open Session

Presenter(s): Chairperson

Item Type: Action

Date & Time: September 13, 2023 – 0 minutes

Attachment(s): None

PowerPoint(s): None

PROPOSED MINUTES

Teachers' Retirement Board – Investment Committee Meeting

March 4, 2023

OPEN SESSION

LOCATION: Board Room, 100 Waterfront Place, West Sacramento, CA 95605

COMMITTEE MEMBERS PRESENT

William Prezant, Chairperson

Gayle Miller, Vice Chairperson, representing the Director of Finance, Joe Stephenshaw

Sharon Hendricks

Denise Bradford

Harry Keiley

Michael Gunning

Ken Tang

Jennifer Urdan

Karen Yamamoto

Lynn Paquin, representing the State Controller, Malia M. Cohen

Frank Ruffino, representing the State Treasurer, Fiona Ma

Blake Johnson, representing the State Superintendent of Public Instruction, Tony Thurmond

STAFF PRESENT

Cassandra Lichnock, Chief Executive Officer

Christopher Ailman, Chief Investment Officer
Brian J. Bartow, General Counsel
Lisa Blatnick, Chief Operating Officer
Ashish Jain, Chief Technology Officer
Melissa Norcia, Chief Administrative Officer
Bill Perez, Chief Benefits Officer
Teresa Schilling, Chief Public Affairs Officer
Julie Underwood, Chief Financial Officer
Scott Chan, Deputy Chief Investment Officer
Mike DiRé, Senior Investment Director
Geraldine Jimenez, Senior Investment Director
Shifat Hasan, Head of Investment Performance and Compliance
Glenn Hosokawa, Director, Fixed Income
Kirsty Jenkinson, Director, Sustainable Investments and Stewardship Strategies
June Kim, Director, Global Equities
Paul Shantic, Director, Inflation Sensitive
Steven Tong, Director, Risk Mitigating Strategies
April Wilcox, Director of Investment Services
Margot Wirth, Director, Private Equity
Mitch Pleis, Interim Director, Real Estate
Kelly Criss, Head of Investment Operations
David Lamoureux, System Actuary
Rosie Lucchesini Jack, Portfolio Manager
David Gold, Portfolio Manager
David Murphy, Portfolio Manager
Robert Ross, Portfolio Manager
Brian Rice, Portfolio Manager
Melissa DaRonco, Associate Portfolio Manager
Anthony Schmitz, Associate Portfolio Manager
David Munoz, Investment Officer III
LaShae Badelita, Investment Officer III
Alex Holtz, Senior Counsel

OTHER PRESENT

Allan Emkin, Meketa Investment Group
Mika Malone, Meketa Investment Group
Stephen McCourt, Meketa Investment Group
Stefanie Sorg, Meketa Investment Group
Ben Maslan, RFA
Michael Ring, SEIU
Kevin Orange., SEIU-USWW
Phyllis Hall, CTA
Kevin Welch, CTA
Orval Garrison, CTA/NEA-Retired
Don Stauffer CTA/NEA-Retired
Alyssa Giachino

MaryKay Scheid, CTA
Dana Dillon, CTA/NEA-Retired
Jennifer Baker, CalRTA
Doug Orr, CFT
Kathy Kinley, CalRTA
Jason Opeña Disterhoft, Majority Action

A quorum being present, Chairperson Prezant called the Open Session meeting of the Investment Committee meeting to order at 9:03 a.m.

I. APPROVAL OF COMMITTEE AGENDA (Item 1)

The Committee Agenda was received, considered, and approved with flexibility by the committee.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

II. OPPORTUNITIES FOR STATEMENTS FROM THE PUBLIC (Item 2)

The committee heard from Michael Ring of SEIU, who spoke about the commercial aviation industry, the aviation industry workforce who keep airports operating, and concerns about fair wages and benefits for airport workers.

The committee heard from Kevin Orange of SEIU, who spoke about fair wages and benefits for essential workers within the aviation industry who are struggling with higher costs of living. He also spoke about climate issues and pollution problems impacting essential aviation workers.

The committee heard from Alyssa Giachino, who spoke about the Carlyle Group, their contribution to climate issues, and CalSTRS' investment in the Carlyle Group.

The committee heard from Jason of Majority Action, who applauded CalSTRS efforts to address climate issues and urged CalSTRS to continue to influence corporations to commit to Net Zero by 2050 through its proxy efforts.

III. 2023 ALM STUDY DISCUSSION (Item 3)

The committee received the staff recommended long-term asset allocation policy targets for the portfolio as a part of the 2023 Asset Liability Management (ALM) study discussion from Ms. Jimenez and Mr. Schmitz. Ms. Jimenez noted that selecting the long-term asset allocation policy targets is the fourth step in the 2022-23 ALM study.

The committee considered each of the four long-term asset allocation options, including the current policy, that were presented by Ms. Jimenez and Mr. Schmitz. The committee discussed the modeling process and the analysis used -- rate of return, risk level preference, volatility, liquidity, geopolitical and climate risks -- in preparing the long-term asset allocation options. The committee also discussed the reasoning for narrowing the range of expected returns applied in the modeling process from 7.0% to 7.4% to 7.2% to 7.4%.

The committee considered the expected rate of return and the rate of volatility in each of the options presented and discussed how the recommended policy will have less volatility than the current policy but will present more illiquidity. It was noted that the current policy and the recommended option have the same expected rate of return of 7.4%. The committee also discussed how the recommended option maintains a high level of long-term allocation to liquid assets and downside protection with diversifying assets in Fixed Income, Risk Mitigating Strategies (RMS), and Cash. The committee also considered how the recommended option increases Fixed Income to fund its Private Credit Direct Lending strategy and it increases the allocation to Private Equity and Inflation Sensitive to expand private investments in the transition to a low carbon economy. The committee discussed concerns with tail-risk events and considered how diversification within the portfolio aids in addressing unknown tail-risk events. The committee also discussed concerns about liquidity issues that could result from the significant target allocation reduction (-4%) to the Public Equity portfolio and the redistribution into various private asset classes. The committee considered liquidity risk and discussed the need to continue to address liquidity management within CalSTRS policies.

The committee discussed the “peer comparison” undertaken by Meketa which consisted of comparing the current long-term asset allocation policy to a peer group of public defined benefit plans with assets greater than \$50 billion. The committee also considered the amount of leverage being implemented by the peer group within their respective asset allocations. The committee discussed that only a small number of large pension funds are utilizing strategic policy driven leverage strategies within their portfolios. The committee also discussed that utilizing balanced low-level leverage risk strategically presents low risk whereas using high-level leverage strategies presents high risk and the greater potential for magnified losses.

The committee discussed the geopolitical and climate risk factors used in the modeling with respect to the current policy and each of the recommended options. The committee also discussed whether the markets have already priced in the climate and geopolitical risk factors addressed in the modeling that was presented. The committee considered the risks of future stagflation and deglobalization and the impacts to the expected rate of return of 7.4% used in the recommended option. The committee also discussed the impact of climate transition risk to the expected return.

Mr. McCourt stated that Meketa supported the approval of the recommended long-term asset allocation policy targets for the portfolio as well as the implementation plan and the asset class policy modifications. Mr. McCourt also noted that this is the single most important committee decision that affects the long-term success of the CalSTRS’ trust.

MOTION duly made by Ms. Miller, seconded by Mr. Tang, and carried to approve the strategic long-term asset allocation policy targets for the portfolio as a part of the 2022-23 Asset Liability Management (ALM) study, as recommended by staff.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

PUBLIC COMMENT

None.

IV. NET ZERO ANNUAL STRATEGY – FIXED INCOME EMISSIONS REDUCTION RECOMMENDATION (Item 4)

The committee received the Net Zero Annual Strategy – Fixed Income Emissions Reduction recommendation from Mr. Hosokawa and Mr. Gold. The committee discussed the purpose of the recommendation to lower carbon emissions within the Fixed Income credit portfolio in support of CalSTRS’ pledge to reach net zero portfolio emissions by 2050 or sooner.

The committee considered multiple strategies presented by staff that were designed to reduce carbon emissions and minimize impact to Fixed Income’s total active risk. The

committee discussed how the recommended initial 15% low carbon credit related index optimization strategy reduces Fixed Income’s credit emissions by 12% and presents the least amount of active risk. The committee also considered how the recommended strategy provides the highest emissions reduction per unit of active risk, which aligns with the approach taken in Public Equity. The committee also discussed the recommended change as a starting point with future increases if performance is positive.

The committee considered the active risk and percentage of emissions reductions associated with each option and discussed how Bloomberg’s Optimization Tool seeks to minimize active risk while achieving increased carbon reduction. The committee also discussed how the recommended strategy utilizes an optimization of existing Bloomberg Fixed Income indices for emissions reductions. The committee also considered how the overall risk to the Fixed Income portfolio will remain very low with implementing the recommended strategy in the Bloomberg IG 15% Low Carbon Index Optimization.

The committee considered whether the recommended indices included scope 3 reporting. The committee discussed that while scope 1 and 2 reporting is included there is controversy around how to report scope 3. The committee also discussed the challenges with the data and the continued debate surrounding the scope 1 and 2 reporting. The committee requested future general education as it pertains to ESG scope 1 through 3 reporting, disclosures, and potential benchmarks to measure ESG.

Meketa concurred with approving the recommended Bloomberg IG 15% Low Carbon Index Optimization strategy.

MOTION duly made by Mr. Keiley, seconded by Ms. Urdan, and carried to approve an initial 15% low carbon credit-related index optimization strategy to reduce Fixed Income’s credit emissions by 12%, as recommended by staff.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

PUBLIC COMMENT

None.

V. INVESTMENT POLICY REVISIONS -- SISS POLICY REVISION – FIRST READING (Item 5a)

The committee received the first reading of the Sustainable Investment & Stewardship Strategies (SISS) Investment Policy revision from Mr. Chan, Ms. Jenkinson, and Mr. Rice. Mr. Chan, Ms. Jenkinson, and Mr. Rice presented this item to the committee as a companion to Agenda item 5b. The committee discussed the purpose of the recommended revisions to the SISS Investment Policy to implement the Investment Committee’s direction to allocate 20% of Public Equity to the MSCI ACWI Low Carbon Target Index (LCTI).

The committee considered the recommended policy revisions to (1) modify the SISS Public Portfolio Policy benchmark to a blended performance benchmark comprised of a weighted blend of each underlying investment strategy, and (2) modify the SISS Public Portfolio active risk budget to be incorporated within the Total Public Equity Portfolio active risk budget proposed in the Global Equity Investment Policy (see companion agenda item 5b). The committee also considered how these revisions would maintain the unique objectives of both public equity teams while allowing the SISS team to continue to execute the objectives of the SISS Public Portfolio.

The committee considered why the proposed changes to the SISS Investment Policy are the most prudent and efficient way to accommodate the target 20% allocation to LCTI, as opposed to having two separate allocations in two different portfolios. The committee discussed how transferring the current LCTI exposure from the SISS Public Portfolio to the Global Equity portfolio will consolidate and simplify the portfolio. The committee also discussed how subsuming the SISS Public Portfolio active risk budget within the Total Public Equity active risk budget allows Global Equity staff to better manage active risk for the Total Public Equity Portfolio by utilizing their extensive expertise in this area. The committee also considered why it is necessary to modify the SISS Public Portfolio benchmark to a market value weighted blend of each underlying strategy and why such a benchmark is appropriate to assess the performance of the SISS Public Portfolio. The committee also discussed how the proposed benchmark methodology would be consistent with the Innovative Strategies and SISS Private Portfolio benchmarks.

Stephen McCourt of Meketa noted that there was robust engagement with the SISS and Global Equity teams, and Meketa concurred with the recommended changes to the SISS Investment Policy which are being prompted by the implementation of CalSTRS’ net zero initiative.

Note: Since Agenda items 5a and 5b were companion items, at the discretion of the Chair the committee decided to hear Agenda items 5a and 5b together before deciding to make a motion to approve or instruct staff to bring these items back for a second reading.

VI. INVESTMENT POLICY REVISIONS – GLOBAL EQUITY POLICY REVISION – BENCHMARK – FIRST READING (Item 5b)

The committee received the first reading of the Global Equity Investment Policy revision from Ms. Kim and Mr. Murphy. Ms. Kim and Mr. Murphy presented this item to the committee as a companion to Agenda item 5a. The committee discussed the purpose of the recommended revisions to the Global Equity Investment Policy in conjunction with the recommended revisions to the SISS Investment Policy considered by the committee in Item 5a.

The committee considered the recommended revisions to the Global Equity Investment Policy to modify (i) the Global Equity Policy benchmark to include a component based on the MSCI ACWI Low Carbon Target Index, and (ii) add an active risk budget for the Total Public Equity Portfolio of 10 to 60 basis points.

The committee discussed how a modified policy benchmark would allow staff to focus on alpha generation and maintain desired factor exposures in the core sleeve of the portfolio while allocations to the LCTI increase over time. The committee considered that SISS will no longer have a stand-alone risk budget but will instead be governed along with Global Equity by a Total Public Equity Risk Budget. The committee also discussed the recommend active risk budget range of 10 to 60 basis points for the overall Total Public Equity portfolio versus the Total Public Equity benchmark.

The committee discussed the consolidation of the current LCTI exposure from the SISS Public Portfolio to the Global Equity portfolio and considered how the Global Equity team is best suited to oversee the Total Public Equity risk budget given their extensive experience managing portfolios at various levels of active risk. The committee also discussed how the recommended revisions to the Global Equity Investment Policy would implement a policy to measure public equity market risk holistically across the portfolio which is a “best practice” in the investment industry.

Note: Since Agenda items 5a and 5b were companion items, at the discretion of the Chair the committee heard Agenda items 5a and 5b together before making the motion to approve both items as set forth below.

MOTION duly made by Ms. Hendricks, seconded by Mr. Keiley, and carried to approve Item 5a –SISS Investment Policy Revision, as recommended by staff, and Item 5b – Global Equity Policy Revision, as recommended by staff.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		

Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

PUBLIC COMMENT

None.

VII. INVESTMENT POLICY REVISIONS – INVESTMENT POLICY STATEMENT (IPMP MODERNIZATION PROJECT) – FIRST READING (Item 5c)

The committee received the first reading of the Investment Policy Statement (IPMP Modernization Project) from Ms. Hasan, Ms. DaRonco, and Mr. Munoz. The committee discussed how the Investment Policy Statement (IPS) represents the modernization of the IPMP and the purpose of this item is to present the committee with a first reading of the IPS.

The committee discussed the importance of Diversity, Equity, and Inclusion (DEI) policies and their inclusion into the IPS. The committee also discussed the rebalancing changes to the IPS. The committee also considered the human capital management component of the IPS and discussed including broader language in the IPS to address labor principles and workers’ rights.

The committee considered the recommended change to the IPS to consolidate the existing delegation of trading limit authority with the Chief Investment Officer (CIO) and discussed whether such a change would remove or impact the committee’s fiduciary and oversight duties. The committee discussed that the proposed update to the IPS will concentrate the trading limit authority exclusively with the CIO, which can then be further delegated down to specific investment staff. The committee also discussed the current delegation, which extends trading limit authority to the CIO and all other investment staff within the Investment Branch, and whether the proposed change is necessary. The committee discussed that the proposed revision to the delegation would not change the aggregate trading limit authority that is delegated to the CIO. The committee considered how frequently trading limit delegations that are below the CIO are considered for approval by the committee and whether the proposed changes are necessary considering such delegation approvals are very infrequent. The committee also discussed the need to better understand the proposed changes to ensure that the committee maintains the appropriate oversight and monitoring tools while not hindering the current delegated authority.

The committee raised concerns about fiduciary and oversight issues concerning the proposed change to the IPS to consolidate the existing delegation of trading limit authority with the CIO and requested staff bring it back for a second reading. The

committee requested staff also prepare a presentation that summarizes what exact activities are delegated, how they are delegated, how they are governed, how the board fits into monitoring that delegation, and the appropriate role of the committee's consultants so that the committee can fully understand the governance and oversight monitoring framework when reviewing the proposed changes to the IPS. The committee also discussed having fiduciary counsel opine as to the committee's fiduciary and oversight duties in connection with the proposed delegation.

PUBLIC COMMENT

None.

VIII. NET ZERO ANNUAL STRATEGY – BRANCH WIDE UPDATES (Item 6)

The committee received the Net Zero Annual Strategy – branch wide updates from Ms. Jenkinson and Mr. Rice. The committee discussed the progress of the net zero strategy implementation that has occurred since the September 2022 Investment Committee meeting to advance the CalSTRS pledge to achieve net zero portfolio emissions by 2050 or sooner.

The committee considered several highlights surrounding the three core strategies for implementing the net zero portfolio emissions pledge: (1) measuring and reducing portfolio emissions, (2) increasing exposure to low-carbon investments that meet CalSTRS risk-return goals, and (3) using CalSTRS influence to accelerate the integration of net zero considerations across global financial markets.

The committee discussed how the public markets teams have been developing and implementing the emissions reduction recommendations further detailed in Action items 4, 5a and 5b, above. The committee also discussed the efforts implemented by Global Equity, Fixed Income, SISS and RMS in conducting their annual portfolio emissions measurements. The committee considered the reporting challenges, including the lack of data and data validation concerns, encountered by the teams in connection with measuring and reducing portfolio emissions. The committee also discussed whether the data collected sufficiently discloses to the public that CalSTRS is doing what it committed to do to fulfill the net zero pledge. The committee also considered the first measurement that was completed by the Real Estate team of a portion of its portfolio emissions.

The committee considered how the SISS Private Portfolio has increased the portfolio's exposure to low-carbon investments by deploying over \$1.3 billion into investments in low-carbon solutions. The committee also considered how private asset classes have recently integrated a new internal classification system to better understand climate-related risks and to help identify and expand low carbon opportunities within the private asset classes.

The committee discussed how the RMS team has been working with external managers, hedge funds and quantitative analysis industry leaders to increase the understanding of net zero data and considerations in these market segments. The committee also considered how the RMS team has been developing a prototype “Transition Tracker” to better understand the degree to which the broader, global net zero transition is occurring as well as providing education to staff on the investment implications of the net zero transition.

The committee also considered the negative political tension surrounding ESG investing and whether the increasing political issues have impacted the data and created additional ESG investment risks. The committee also discussed whether there has been any movement in the private equity sector regarding ESG reporting and data collection.

PUBLIC COMMENT

The committee heard from Jason of Majority Action who expressed amazement at how open and transparent CalSTRS is regarding its efforts surrounding climate action and processes. He encouraged continued implementation by CalSTRS of its proxy efforts to address climate change and net zero.

IX. DIVERSITY IN MANAGEMENT OF INVESTMENTS (Item 7)

The committee received an update on the progress and accomplishments of the Diversity in the Management of Investments (“DIMI”) strategy for the calendar year 2022, from Ms. Badelita and Ms. Hasan.

The committee discussed the three core pillars of the DIMI strategy: (1) investment staff, (2) industry and portfolio company engagement, and (3) portfolio investments. The committee considered that throughout 2022, CalSTRS attracted many diverse professionals, engaged with numerous companies within the portfolio and investment leaders on a global scale, and invested in emerging and diverse managers. The committee discussed how CalSTRS is committed to emerging and diverse managers as well as continuing to build team diversity. The committee considered the DIMI structure governance and discussed how it is more of a “web” as opposed to a vertical hierarchy.

The committee discussed that DIMI is not a destination but a continuous journey. The committee also discussed that the Investments Branch will develop and present a work plan for DIMI to the committee in September 2023.

The committee discussed the partnership with Guidehouse, the onboarding plan, and recognized their role as a trusted advisor and partner to perform an organizational assessment and establish a DEI program across the CalSTRS’ enterprise. The committee also discussed the plan to conduct a survey to determine next steps following a review of the current DEI policies, etc. The committee also considered the importance of CalSTRS’

advocacy to advance DEI and acknowledged that without these efforts important DEI changes would not occur.

X. CHIEF INVESTMENT OFFICER’S REPORT (Item 8)

The committee received the Open Session Chief Investment Officer report from Mr. Ailman, including a discussion regarding the Investment Portfolio Risk Report, the recent portfolio asset allocation, critical financial market updates and potential risks on the horizon.

Mr. Ailman informed the committee that as of March 31, 2023, total fund assets were ~\$307 billion. Mr. Ailman discussed the asset allocation of the fund and noted that the overall asset allocation remains stable. Mr. Ailman indicated that inflation remains the focus but cooled 100 basis points in March and fell to the lowest rate since May 2021. Mr. Ailman reported that the Fed issued another rate increase of 25-basis points on May 3, 2023, which follows the 25-basis points increase issued back in March 2023. Mr. Ailman stated that the forecast is for fixed rates to drop and noted that the positives and negatives essentially remained the same since the last meeting. Mr. Ailman indicated that oil prices have dropped which typically lightens inflation. Mr. Ailman also indicated that inflation is forecasted to be ~4%.

The committee discussed the concerns regarding raising the debt ceiling limit and the potential impacts on the markets if delayed or not raised. The committee also discussed the risk of slow growth, the potential decline of the U.S. dollar, and stagflation. The committee also considered liquidity risks and how CalSTRS manages this risk to take advantage of investment opportunities that may arise. Mr. Ailman noted that staff will be coming back in the fall to discuss managing liquidity and utilizing leverage as a tool to manage liquidity issues.

Looking out to the horizon, the committee discussed key risks to monitor such as inflation and whether the Fed will continue to raise interest rates. Mr. Ailman noted potential positives moving forward, such as a continued steady labor market and corporate balance sheets. Mr. Ailman also discussed uncertainties moving forward such as mixed economic signals, and whether the Fed will “pause” raising interest rates and the possibility of a soft landing.

The committee also discussed inevitable surprises to the portfolio such as climate extremes, digital virus/cyber-attacks, income inequality, biological virus, domestic terrorism or extremism, earthquakes, Russia/Ukraine, North Korea/Iran aggression, China/Taiwan/U.S. tensions, lethal drones-micro drones, and space junk. Mr. Ailman also indicated that issues and concerns surrounding AI and platforms such as ChatGPT should also be considered on the list of inevitable surprises that CalSTRS could face.

XI. COMMITTEE WORK PLAN INPUT FOR FY 2023-2024 (Item 9)

The committee received and considered the proposed work Plan for fiscal year 2023-24. The committee considered the projects identified in the proposed Work Plan and discussed that the Chair and Vice Chair of the committee, as well as the CIO, will present the Work Plan and the projects listed therein for formal adoption at the July Regular Board meeting.

XII. INVESTMENT COMMITTEE CHARTER REVIEW (Item 10)

The Investment Committee Charter Review was received, considered, and approved by the consent of the committee.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		
Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

PUBLIC COMMENT

None.

XIII. APPROVAL OF MINUTES OF THE MARCH 2, 2023, INVESTMENT COMMITTEE MEETING – OPEN SESSION (Item 11)

The Minutes of the March 2, 2023, Investment Committee Meeting – Open Session were received, considered, and approved by the consent of the committee.

Members Voting	Aye	Nay	Abstain
Ms. Bradford	X		
Ms. Hendricks	X		
Mr. Keiley	X		
Mr. Tang	X		
Mr. Gunning	X		
Ms. Urdan	X		
Ms. Yamamoto	X		
Ms. Miller, for the Director of Finance	X		

Mr. Ruffino, for the State Treasurer	X		
Mr. Johnson, for the Superintendent of Public Instruction	X		
Ms. Paquin, for the State Controller	X		
Chairperson Prezant	X		

PUBLIC COMMENT

None.

XIV. REVIEW INFORMATION REQUESTS (Item 12)

Pursuant to Item 4, in connection with next years’ work plan the committee requested future general education as it pertains to ESG scope 1 through 3 reporting, disclosures, and potential benchmarks to measure ESG.

Pursuant to Item 5c, the committee requested staff prepare a presentation that summarizes what exact activities are delegated, how they are delegated, how they are governed, how the board fits in on monitoring that delegation, and the appropriate role of the committee’s consultants so that the board can fully understand the governance and oversight monitoring framework when reviewing the proposed changes to the IPS. The committee requested fiduciary counsel opine on the committee’s fiduciary and oversight duties in connection with the proposed delegation.

Pursuant to item 7, the committee requested that staff engage with and learn from our investment advisors and partners who are doing incredibly good work in the area of DEI.

XV. DRAFT AGENDA FOR NEXT COMMITTEE MEETING (Item 13)

The committee received and reviewed the draft agenda for the next meeting.

XVI. OPPORTUNITY FOR ADDITIONAL STATEMENTS FROM THE PUBLIC

None.

RECESS

The Open Session of the committee meeting recessed at 1:38 p.m. and the committee went into Closed Session. The committee meeting reconvened in Open Session at 2:46 p.m.

No information was reported by Chairperson Prezant.

ADJOURNMENT

There being no further business to conduct, Chairperson Prezant adjourned the meeting at 2:47 p.m.

Cassandra Lichnock, Chief Executive Officer
And Secretary to the Teachers' Retirement Board

William Prezant, Chairperson
Prepared by: Alex Holtz, Senior Counsel