



# Investment Committee

## Item Number 10 – Open Session

**Subject:** Annual Review of Delegation to Staff

**Presenter(s):** Chairperson

**Item Type:** Consent Information

**Date & Time:** September 13, 2023 – 0 minutes

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**Attachment(s):** Attachment 1 – Annual Review of Delegation (Red-Line Version)

Attachment 2 – Annual Review of Delegation (Clean Version)

**PowerPoint(s):** None

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### **Item Purpose**

The purpose of this item is to provide the Board with an annual comprehensive review of the investment discretion(s) delegated to staff.

### **Executive Summary**

The board delegates certain discretion over investments to staff. The delegation is listed in the individual asset class policies and in the Investment Policy and Management Plan. This report memorializes the board-approved policy changes through the prior fiscal year.

The following delegation updates made in fiscal year 2022-2023 are summarized below:

1. Inflation Sensitive incorporated discretionary authority language to align with the Infrastructure Policy.
2. The Infrastructure Portfolio added “Direct Investments” as an Eligible Ownership vehicle and increased the subsequent commitment maximum to 25% of the Infrastructure Portfolio.

The board-approved policy changes listed above are reflected in Attachment 1 - Annual Review of Delegation (Red-Line Version).

## **Background**

The Annual Review of Delegation to Staff provides a comprehensive review of the investment discretion(s) delegated to staff as outlined in the Investment Policy Management Plan and underlying investment asset class policies.

There are three types of delegations that govern the Investment Branch. The delegation the board gives to the CEO is located in the Board Governance Manual, the private asset commitment and deal delegation within the investment asset class policies, and the delegation of trading limits for internally traded securities in the public markets and cash movements that are the contractual obligation of the deal/commitment in the asset classes.

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Strategic Plan Linkage: Goal 1 of the [CalSTRS Strategic Plan](#). Trusted stewards – Ensuring a well-governed, financially sound trust fund.

Board Policy Linkage: [CalSTRS Investment Policy and Management Plan](#)

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### **Optional Reference Material:**

July 7, 2022, Investment Committee: [Inflation Sensitive Investment Policy Revision - First Reading](#); [Infrastructure Policy Investment Revision - First Reading](#)

Teachers' Retirement Board Linkage: [Board Governance Manual](#)