CALSTRS INVESTMENTS

Shared Vision

Innovate. Adapt. Lead.

Item 4.
CalSTRS investment branch shared vision

Shared vision presentation & discussion

Investment Committee | Open Session | November 4, 2026

Agenda

Part 1 | Building the shared vision

Recap: Process and Committee input

Part 2 | Resolve remaining questions

Committee discussion

Part 3 | Consider approval

Possible Committee action

Today's intended outcomes

- Confirm how trustee feedback was reflected
- Resolve remaining questions
- Reinforce how shared vision will guide future work
- Seek Committee approval

Part 1.
Building the shared vision

Shared vision development timeline slide

Phase 1
Listen and engage

January – September 2025

Phase 2
Review and assess

June 2026

Phase 3
Vision and strategy

March – November 2026

March 4-5, 2026
Research insights

May 27-28, 2026
Bold goal primer

July 21-23, 2026
Deep dive: bold goal and strategy

September 22-24, 2026
First review

November 4-5, 2026
Shared Vision Adoption

Reminder: July offsite discussion

The discussion was grounded in five research-informed characteristics of a top global allocator.



Mission-driven mindset



World-class talent



Smart execution



Organizational agility



Partner of choice

July – September 2026

Individual trustee feedback focused on the questions where more clarity was needed:

- What decision is the Committee being asked to make?
- Why is evolution needed now?
- What is driving greater complexity in institutional investing?
- How might the CalSTRS portfolio grow over the next decade?
- How does shared vision relate to other investment branch initiatives?

September IC meeting outcomes

- Context provided on these questions with Q&A opportunity
- IC directed Mosaic to gather additional trustee feedback

Post-September 2026 IC feedback round: how trustee feedback was addressed

Feedback received	How it was addressed
Clarifications to language or design	Incorporated into the draft
Edits to strengthen readability	Incorporated into the draft
Questions with broader implications	Brought forward for Committee discussion

Reminder: Defining shared vision

Shared vision is …

A long-term direction

A 10-year description of where the investment branch is headed and why so that it can continuously deliver on CalSTRS' mission. It shapes the options staff will develop and bring forward to the Investment Committee over time to guide necessary evolution.

Shared vision is not …

A roadmap or implementation plan

The shared vision is not the same as CalSTRS' mission.

By approving the shared vision, the IC is not approving:

- Budget forecasts or requests
- Staffing model or requests
- Policy changes
- Specific initiatives

Reminder: How shared vision is organized

To support the Committee's role in providing long-term direction, the document is organized around the following fundamental questions.

Key questions	Section of the shared vision document
Where are we headed?	Our shared vision
Why is evolution required?	Key drivers of change
What are we prioritizing?	Areas for intentional evolution
How will we measure success?	Our bold goal

Part 2.
Resolve remaining questions

Remaining questions raised by trustees

1. How do shared vision and investment beliefs work together?

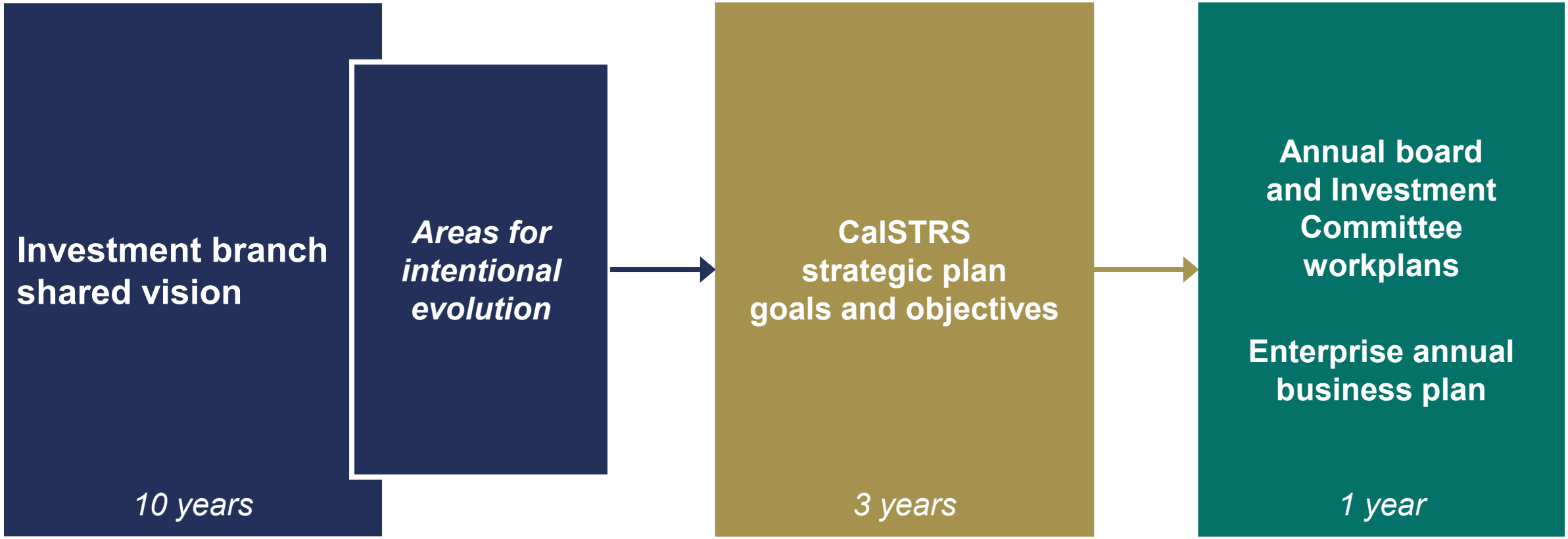
2. How will shared vision be put into practice?

3. How will outcomes be measured?

Shared vision complements, rather than replaces, existing investment governance

Shared vision	Investment beliefs
How we build and operate the investment branch	Enduring principles that guide investment decisions

Shared vision sets direction, existing planning and governance processes translate that direction into action



How progress will be monitored

Shared vision

Long-term direction

Are we continuing to sustain our top global allocator status?

Areas for intentional evolution

Strategic priorities

Are we appropriately advancing priorities related to team, capabilities and operating model?

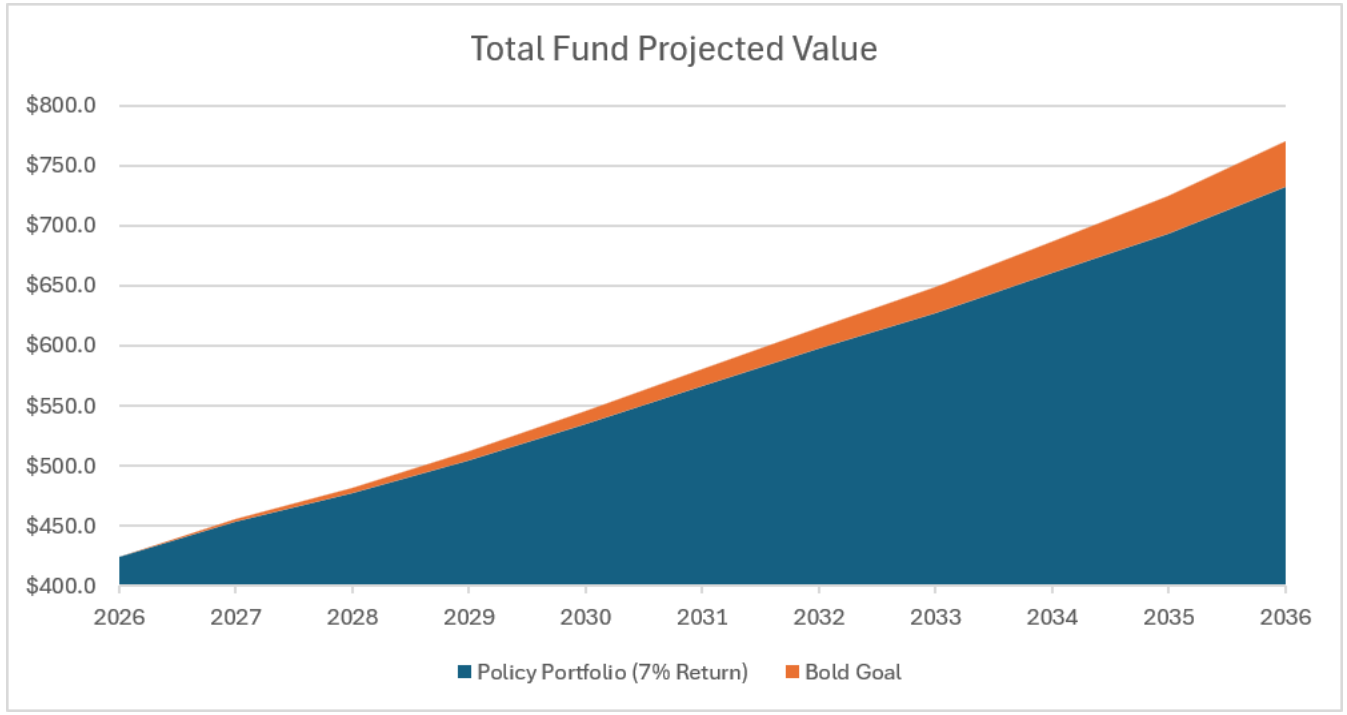
Bold goal

Measurable outcomes

Are we creating the value we envisioned?

How will outcomes be measured?

- ***Portfolio growth:*** Change in CalSTRS' total assets over time.
- ***Value add:*** Investment performance relative to the policy portfolio benchmark



The $38 billion bold goal reflects cumulative value CalSTRS seeks to create over ten years relative to its policy benchmark.

Part 3.
Consider approval

Discussion

Reflections on the draft shared vision

- What other questions or feedback does the Committee have for staff?



Thank You

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