

Investment Office Strategic Initiatives

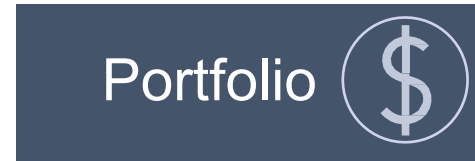
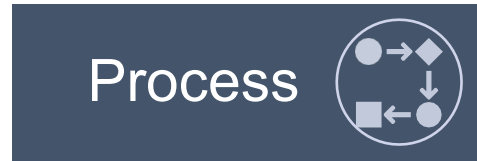
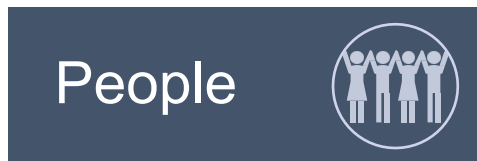
Stephen Gilmore, Chief Investment Officer

Michael Cohen, Chief Operating Investment Officer

September 16, 2024

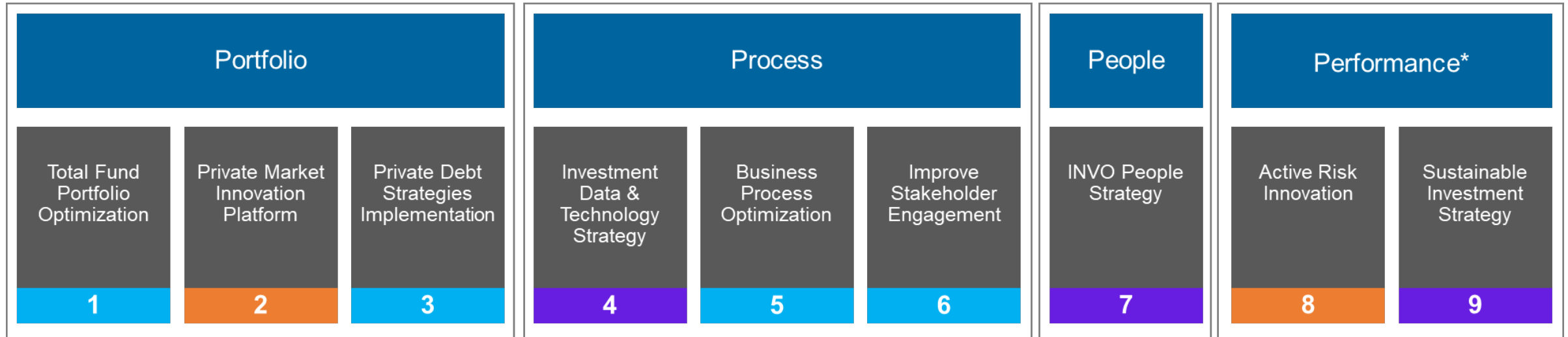
Executive Summary

- FY 2022-23 had nine strategic initiatives
 - Five have transitioned to core workload
 - Four continue in this fiscal year
- FY 2024-25 continue the focus on the 4 Ps



FY 2022-23 Strategic Initiatives

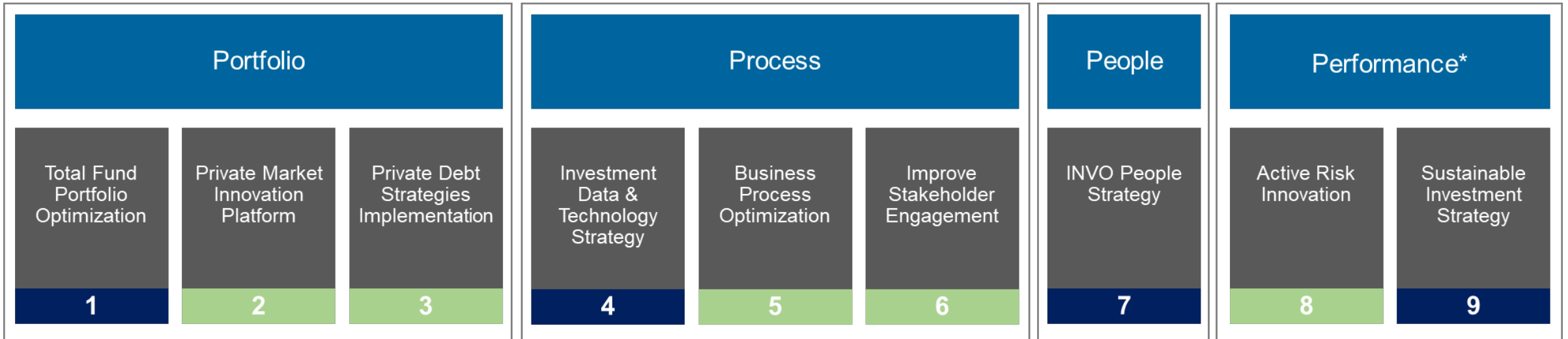
Nine Initiatives Focused on Themes of Innovation and Resiliency




Innovation Resiliency Innovation & Resiliency

Evolution of 2022-23 Initiatives

Five Initiatives Integrated into Business Operations



 Ongoing Business Operations

 Continuing Strategic Initiative

Integrated Initiatives' Accomplishments

Private Market Innovation Platform

- ✓ Mosaic: Resulted in \$1 billion Emerging and Diverse Manager commitment
- ✓ Update to Board in July 2024 with offsite panel

Private Debt Strategies Implementation

- ✓ Private Debt established as Asset Class
- ✓ Update to Board in June 2024 with Annual Program Review

Business Process Optimization

- ✓ Improved manager search process
- ✓ Developed and implemented Information Barriers protocols (Approved June 2023)
- ✓ Alignment of Board Policy with Strategy Asset Allocation (Approved November 2022)

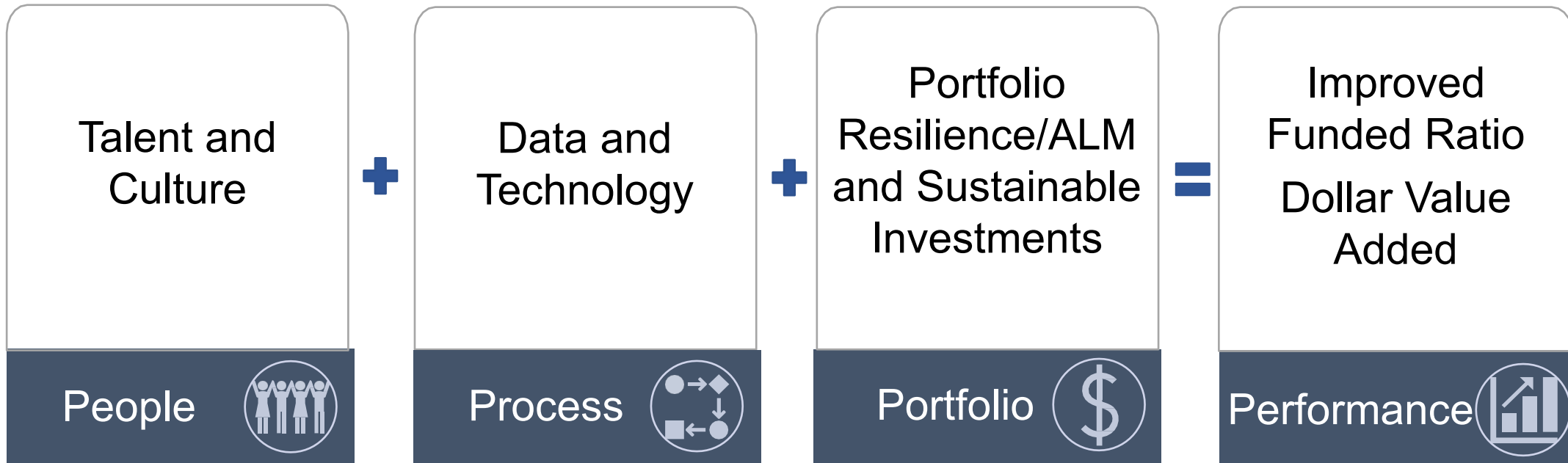
Improve Stakeholder Engagement

- ✓ Establishment of Investment Relations unit
- ✓ Creation of Stakeholder Engagement Process (Most recently referenced in Labor Principles presentation, June 2024)

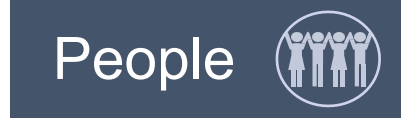
Active Risk Innovation

- ✓ Expanded active risk taking across asset classes (Presented in Annual Program Reviews)

FY 2024-25 Initiatives



Talent and Culture



❖ Accomplishments to Date

- 19% reduction in vacancy rate
- Refresh of INVO Mission and Vision
- Establishment of Culture Club
- Creation of Stanford Long-Term Investing Fellowship Program
- Enhancement of Investment Associate Program
- Formalized Mentoring Program

❖ Continued Work

- Implement Culture Club Experiments
- Enhanced Training and Development Opportunities

❖ Measurements of Success

- Employee Engagement Survey

Data and Technology

Process



❖ Accomplishments to Date

- Long-Term strategy developed
- Governance structure and project charter created
- Plan for path forward to be presented to Finance and Administration Committee tomorrow

❖ Measurements of Success

- Build a better portfolio
- Reduce operational risks
- Efficiency gains

Portfolio Resilience

Portfolio

❖ Accomplishments to Date

- Framework for Risk Budgeting (Presented June 2023)
- Mid-Cycle ALM Review (Adopted March 2024)

❖ Continued Work

- ALM Enhancements for 2025 cycle
- Effective implementation of risk budgeting into decision making

❖ Measurements of Success

- Annual Program Review for Total Fund Portfolio Management (November 2024)

Sustainable Investments

Portfolio



❖ Accomplishments to Date

- SI 2030 Plan (presented November 2023)
- Adoption of Labor Principles (adopted November 2023)
- Implementation of Climate Transition Index (presented July 2024)

❖ Continued Work

- Continued implementation of \$100 Billion in Climate investments by 2030
- Enhanced integration of ESG into investment decisions
- Increased co-investment strategy within private assets

❖ Measurements of Success

- Annual Program Review/KPI Scorecard for Sustainable Investments (November 2024)

Additional Returns from Playing to Strengths



Size



Long
Horizon



Brand



Internal
Knowledge

