



CALIFORNIA LATINO LEGISLATIVE CAUCUS

April 9, 2015

Rob Feckner
Board President
CalPERS Board of Administration
P.O. Box 942701
Sacramento, CA 94229-2701

Harry Keiley
Chair
CalSTRS Teachers' Retirement Board
100 Waterfront Place
West Sacramento, CA 95605

Dear Mr. Feckner and Mr. Keiley:

On behalf of the California Latino Legislative Caucus, we stand with State Treasurer John Chiang on his renewed call for more diversity in corporate board rooms. Numerous studies have shown there has been little progress toward increasing the number of women and minorities on such boards. He has called upon the California Public Employees' Retirement System and the California State Teachers Retirement System to take more steps to encourage change.

In a letter addressed to the presidents of both systems, Treasurer Chiang acknowledged the groundbreaking efforts pursued by the nation's two largest pension funds over the past six years. The letter also pointed to bottom-line, showing that corporate boards have largely preserved the status quo. He called for the two pension funds to further innovate and re-double their efforts. Specifically, he asked them to examine the following:

- how the use of proxy access (i.e., providing shareowners with means of nominating their own candidates) can help shape the composition of a board;
- what is a reasonable length of tenure for a board member to serve; and
- how qualified diverse candidates can become more visible to corporate boards during search and recruitment efforts.

Importantly, the Treasurer also called for the broadening of the definition of "diversity" to include sexual orientation and gender identity. CalSTRS currently limits the definition to "skills, background, experience, age, gender, cultural and ethnic composition.

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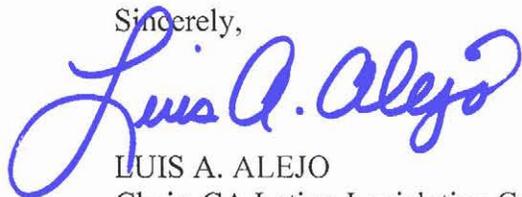
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Similarly, CalPERS's definition narrowly reads, "skill sets, gender, age, nationality, race, and historically under-represented groups."

A diverse board makeup improves employee morale and productivity and sends a message to employees throughout the organization that a company is committed to the advancement of women and minorities. In addition, diversity enhances a company's reputation and attractiveness at a time when many investors are increasingly using a variety of nonfinancial metrics, such as board diversity, as criteria in investment decision-making.

As such, the California Latino Legislative Caucus stands with Treasurer John Chiang on this important issue, and we share our strong belief that there is strength in diversity.

Sincerely,



LUIS A. ALEJO
Chair, CA Latino Legislative Caucus
Assembly Member, 30th District



BEN HUESO
Vice Chair, CA Latino Legislative Caucus
Senator, 40th District

cc: CalPERS Board
Anne Stausboll, Chief Executive Officer, CalPERS
Ted Eliopoulos, Chief Investment Officer, CalPERS
CalSTRS Board
Jack Ehnes, Chief Executive Officer, CalSTRS
Chris Ailman, Chief Investment Officer, CalSTRS
The Honorable John Chiang, California State Treasurer