



## Aligning Capital with Climate, Communities, and Long-Term Value

Insights From Meketa's Mission-Driven Investing Day

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Institutional investors today are navigating a landscape shaped by rising expectations. Clients, beneficiaries, and communities increasingly expect capital to do more than deliver risk-adjusted returns. They want portfolios that contribute to climate resilience, strengthen local economies, and support long-term societal well-being. This shift raises an essential question for allocators: how do you design a mission-driven investment program that aligns financial objectives with an organization's values and priorities?

Building such a program requires more than adopting a framework or adding a thematic sleeve. It calls for integrating investment beliefs, community context, operational constraints, and long-term impact goals into a coherent portfolio approach. It also demands clarity around the tools, partnerships, and decision-making structures that allow mission considerations to sit alongside traditional investment criteria.

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These questions shaped the conversation at Meketa's Mission-Driven Investment Day Roundtable, where Nicholas (Nick) Abel, Investment Director of Sustainable Investment and Stewardship Strategies at California State Teachers' Retirement System (CalSTRS), and John Balbach, Investment Director of Impact Investments at the John D. and Catherine T. MacArthur Foundation (MacArthur Foundation), joined a discussion led by Ryan Decker, Private Markets Consultant at Meketa. Together, they explored how large asset owners translate mission into investment strategy, navigate complexity across markets, and support catalytic solutions with the potential to reshape systems.

From the fiduciary lens of a public pension fund to the catalytic work of a private foundation, their perspectives revealed distinct approaches animated by a shared ambition: unlocking capital in ways that strengthen both portfolios and society.

### Two Models, One Goal: Mobilizing Capital for Climate and Communities

CalSTRS and the MacArthur Foundation begin with mandates that are structurally different, yet both anchor their investment decisions in the idea of mission as a compass. For CalSTRS, the obligation is fiduciary and clear, which is to secure the retirement of California's educators. For MacArthur, mission sits at the very center of its work. The Foundation's commitment "to build a more just, verdant, and peaceful world" shapes its grantmaking, impact investing, and endowment management.

What unites them is the belief that capital can advance climate change mitigation, resilience, and community well-being without losing sight of institutional objectives.

## CalSTRS: Integrating Mission Into a Fiduciary Framework

CalSTRS embeds climate considerations directly into its investment beliefs, recognizing that the transition to a low-carbon economy creates material risks and opportunities across all asset classes. Its Sustainable Investment and Stewardship Strategies team functions as a full investment unit with a dual mandate:

**1. Generate long-term capital appreciation**

**2. Allocate to opportunities that advance a more sustainable global economy**

This structure gives CalSTRS the flexibility to invest across the risk spectrum, from early-stage venture strategies to infrastructure debt, while holding each investment to the same cost-of-capital expectations that guide the broader portfolio.



As Nick Abel noted, “Part of our objective is to inculcate curiosity within the walls of CalSTRS and the market at large.” Curiosity, in this context, becomes a driver of innovation and a way to create space for emerging solutions.

## MacArthur: Designing Capital to Fill the Market Gaps

MacArthur’s impact investment program is intentionally structured as impact-first capital. The portfolio is designed to be flexible, risk-tolerant, patient, and to reach geographies, sectors, and enterprises typically overlooked by traditional capital markets.

The foundation begins with a problem-first orientation. It defines the theory of change, identifies capital gaps that impede progress, and designs financial tools tailored to those gaps. This approach has supported a wide range of efforts, with illustrative examples that include venture capital for climate technologies caught in the “valley of death,” an innovative partnership with development finance and private capital to unlock more than \$1.1 billion for emerging and frontier markets, and flexible enterprise-level capital for a community-driven real estate developer in Chicago.



“In every case, we’re starting with capital gaps and trying to design the solutions around those gaps.”

This framing demonstrates how MacArthur shapes capital to fit the problem rather than expecting the problem to adapt to traditional capital structures.

MacArthur maintains accountability through governance that mirrors the rigor applied to its endowment. The impact-investing program functions like a revolving fund: cumulative gains must exceed cumulative losses, and returns are reinvested into future impact. This model allows the foundation to take risks that traditional capital pools cannot while still preserving long-term sustainability of the funds.

## Lessons Learned: The Messy but Necessary Path to Impact

Mission-driven investing is rarely linear and almost never tidy. Both leaders emphasized the importance of experimentation, iteration, and humility. MacArthur describes itself as a learning organization and formalizes this philosophy through quarterly learning stories presented to its board. These stories elevate insights from both successes and setbacks.



“If everything is going exactly as planned, we're probably not taking enough risk.”

This philosophy sits at the heart of catalytic capital. Stretching into areas of greatest need involves uncertainty, and the presence of challenges is often a sign that the work is landing where traditional capital has not historically reached.

CalSTRS offered a complementary perspective shaped by the realities of climate-focused private markets. There is no standard playbook for building climate-oriented portfolios. Instead, the work depends on cross-disciplinary perspectives, new analytical frameworks, and a willingness to step into unfamiliar terrain. Progress requires continual refinement of assumptions and a commitment to learning as markets evolve.



“Having that humility and intellectual honesty has really served us well. It's something that we try and continue to encourage across the team, learning by doing and learning and collaborating with others.”

Both organizations stressed the importance of field-building. Shared learning across institutions, sectors, and regions is not an add-on to mission-driven investing. It is central to achieving durable outcomes. The challenges these investors aim to address, from climate change to community resilience, are too large for any single institution. Collaboration ultimately strengthens the entire ecosystem.

## A Field Defined by Purpose and Possibility

The roundtable highlighted two different but deeply complementary paths for aligning capital with climate resilience, community strength, and long-term value creation. CalSTRS advances mission through a fiduciary lens by embedding sustainability across a global portfolio. MacArthur does so by deploying catalytic, risk-tolerant capital where it is most needed. Both models expand what is possible when mission becomes a strategic driver of investment decisions.

As Meketa continues its own field-building initiatives, including Emerging and Diverse Manager Day, virtual roundtables, and mission-focused research, one takeaway stands out clearly: Mission-driven investing is a structural evolution in how institutions define risk, allocate capital, and create value for future generations.

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If you would like to learn more about Meketa's approach to building mission-driven portfolios or explore how we support clients in aligning capital with climate and community outcomes, we invite you to connect with us at: <https://meketa.com/contact-us/>

## Meet the Panelists



**Nicholas (Nick) Abel**  
Investment Director of  
Sustainable Investment  
and Stewardship  
Strategies (SISS)  
CalSTRS

Nick is the Investment Director of the Sustainable Investment and Stewardship Strategies unit of the California State Teachers' Retirement System, the world's largest educator-only pension fund. Nick is responsible for overseeing the sustainable investment team in support of CalSTRS' mission to secure the financial future and sustain the trust of California's public educators. His main areas of focus are overseeing CalSTRS' sustainability-focused private markets portfolio and collaborating across asset classes to implement CalSTRS' net-zero commitment.

Previously, Nick worked as the manager of Sustainable Investment Services at Wespath, where he was responsible for strategic development and implementation of the firm's organizational plan to integrate environmental, social and governance considerations into investment decisions. Prior to Wespath, he worked as a senior investment analyst at RVK, Inc. and as a fundamental equity analyst at Saturna Capital, Inc. He received his bachelor's degree in finance from Western Washington University.



**John Balbach**  
Director of Impact  
Investments  
MacArthur Foundation

John Balbach serves as Director, Impact Investments with the John D. and Catherine T. MacArthur Foundation, where he also is a member of the Climate Solutions initiative. Prior to MacArthur, Balbach served on a National Science Foundation commercialization review committee, managed and raised capital for an Impact Investing Fund focused on developing the Michigan life sciences sector, advised corporations on infusing cleantech solutions into their supply chains, provided consulting services to leading nonprofit organizations with the Nonprofit Finance Fund, served as a strategic advisor to hundreds of founders of technology-based startup ventures through a Michigan economic development program, and helped to establish Silicon Valley Bank in the Seattle market. Balbach holds a B.S. in finance from Miami (Ohio) University, an M.A. from St. John's College, and an M.P.A. from the University of Minnesota's Humphrey School of Public Affairs.



**Ryan Decker**  
Private Markets  
Consultant-  
Mission-Driven  
Investments  
Meketa

Ms. Decker joined Meketa in 2025 and has 23 years of experience in the financial service industry, including 14 years of private markets and 7 years of public markets experience. Ms. Decker works in the Private Markets Group focusing on private equity, private credit, and real asset investments with a particular emphasis on mission-driven and sustainable investment strategies across asset classes. She is responsible for fund sourcing, due diligence, research, client service, and the development of Meketa's activities in the mission-driven and sustainable investment markets. She also serves on the advisory board for a number of private limited partnerships on behalf of the firm's clients.

Prior to joining the firm, Ms. Decker was the Policy and Capital Strategist for the New Mexico Finance Authority. Prior to that, she advised foundations and emerging fund managers, and held investment roles at British International Investment, a Swiss private family office, Man Group plc, and Swiss Re. Ms. Decker received a Bachelor of Science degree with a concentration in business and public policy from the Wharton School and a Bachelor of Arts degree with a concentration in international studies from the School of Arts & Sciences at the University of Pennsylvania. She also completed the Oxford Executive Program in Impact Investing at the Saïd Business School.

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