MINUTES

CALIFORNIA PUBLIC ENTITY PENSION STABILIZATION TRUST (PST)
BOARD OF AUTHORITY MEETING
March 13, 2025
10:00 AM – 11:00 AM

I. CALL TO ORDER

1. The meeting was called to order at 10:07 pm by Roslyn Washington, of Keenan Financial Services. This meeting was conducted virtually via Zoom.

II. ROLL CALL

1. **All Board of Authority (RBOA) members were present except Michelle Owen & Elvia Galicia-Schnur:**
   Connie Cavanaugh South Orange County CCD
   Patrick Cabildo, Chaffey CCD
   Dr. Abdul Nasser, Compton CCD
   Michelle Owen, North Orange County Regional Occupational Program
   Elvia Galicia, Los Alamitos USD
   Nancy Nien, Anaheim Union HSD

2. **All Coordinators/Consultants were present:**
   Roslyn Washington, Assistant Vice President, Keenan Financial Services,
   Scott Rankin, Senior Vice President, Benefit Trust Company (BTC).
   Mark Payne, Morgan Stanley (MS), Investment Consultant to BTC
   Dan Tichenor, Morgan Stanley (MS), Investment Consultant to BTC

III. PUBLIC COMMENTS

1. None

IV. APPROVAL OF AGENDA

1. Nancy Nien moved to approve the agenda as presented; motion was seconded by Dr. Abdul Nasser and was unanimously approved by all of the BOA members present.

V. APPROVAL OF MINUTES

1. Roslyn Washington presented the Minutes from the **June 6, 2024**, meeting.
2. Patrick Cabildo moved to approve the Minutes; Motion was seconded by Nancy Nien and approved by all board members present.

VI. INVESTMENTS

1. **Portfolio Performance Review**
   a. Scott Rankin presented a review of the comparative benchmarks from January 31, 2025 & February 28, 2025, Performance Reports and asked that each district representative review their individual performance reports that were provided in their packet.
   b. This is an information item.

2. **Market Overview**
   Despite the Federal Reserve cutting interest rates in late 2024, yields moved higher as expectations lowered on the pace of rate cutting in 2025

   a. The market is pricing at 1-2 rate cuts for 2025

   b. Higher than expected inflation readings also caused the Federal Reserve to reconsider their rate cutting pace

   Capital Markets:

   c. International Equities and Emerging Market valuations are inexpensive both historically and relative to US Equities

   d. After a strong two-year run, the Magnificent 7 look poised to revert and track more closely with broader US Equities

   e. Morgan Stanley Global Investment Office is still pricing at 10-15% in earnings growth for 2025

   f. Fixed Income remains attractive compared to Equities with the equity risk premium sitting one standard deviation below historical averages

   g. Despite Fixed Income's poor performance in the final quarter of 2024, yields sit at attractive levels

3. **Review of Investment Policy Statement**
   a. Scott Rankin reviewed the Investment Policy Statement with the Board of Authority. Although this document still outlines the rules of investing, each district has multiple portfolio models to choose from.
   b. Dr. Abdul Nasser motioned to reaffirm the IPS; Motion was seconded by Nancy Nien and unanimously approved by all members of the Board of Authority.

VII. <u>ADMINISTRATION</u>

1. **Review of the Board of Authority Responsibilities**
   a. Roslyn Washington presented the responsibilities of the Board of Authority
   b. This is an information item only.

2. **Election of Board of Authority (BOA) Chairperson**
   a. Nancy Nien made a motion to nominate the current BOA Chair Connie Cavanaugh to continue as the PST Board Chairperson, Dr. Abdul Nasser second the motion. Unanimously carried by all Board of Authority members present.

3. **Election of Board of Authority (BOA) Vice-Chairperson**
   a. Connie Cavanaugh made a motion to nominate the current BOA Vice-Chair Patrick Cabildo to continue as the PST Board Vice-Chairperson, Nancy Nien, second the motion. Unanimously carried by all Board of Authority members present.

4. **Asset Allocation Changes**
   a. Roslyn Washington presented the board with the Participation Agreement. Scott Rankin, BTC explained the process of changing the existing asset allocation for any account would only require a new signed Participation Agreement. The standard timeframe for the changes to reflect on the account would be approximately 2-3 business days.
   b. This is an information item only.

5. **Disbursement Report**
   a. Disbursement Report for each participating client was sent separately from the board package. The fee schedule is still a total of 30 basis points.
   b. Fees are automatically deducted from the account at the end of every month and are based on total assets under management.
   c. This is an information item only.

6. **Future Transfer of Assets into the Trust**
   a. Roslyn Washington of Keenan reminded all participants of the process to fund their trust accounts. It is imperative to have the signed remittance form included with all deposits sent to BTC.

VIII. INFORMATION REPORTS

1. **Retirement Board of Authority Comments**
   No comments.

2. **Program Coordinator/BTC Consultant Comments**
   a. Roslyn Washington reminded all participants of the quarterly **"Meet Your Manager"** call and the important information that is provided by Morgan Stanley.

IX. DATE, TIME AND AGENDA ITEMS FOT NEXT MEETING

a. March 11, 2026
b. This item is information only.

X. ADJOURNMENT

a. The Meeting was adjourned by Roslyn Washington, Keenan at 10:43 A.M.