MINUTES

CALIFORNIA PUBLIC ENTITY PENSION STABILIZATION TRUST (PST)
BOARD OF AUTHORITY MEETING
June 6, 2024
10:00 AM – 11:00 AM

I. **CALL TO ORDER**

1. The meeting was called to order at 10:03 pm by Board Chair Connie Cavanaugh.

II. **ROLL CALL**

1. **All Board of Authority (RBOA) members were present except Michelle Owen:**
   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

III. **PUBLIC COMMENTS**

1. None

IV. **APPROVAL OF AGENDA**

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

V. **APPROVAL OF MINUTES**

1. Roslyn Washington presented the Minutes from the March 21, 2023, meeting.
2. Elvia Galicia 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 the April 30, 2024, Performance Report and asked that each district review their individual performance reports that were provided in their packet.
   b. This was an information item.

2. **Market Overview**
   Economy:

- There was a shift in expectations on Fed rate cuts for 2024 on the back of stickier than expected inflation and strong employment.
  - Anticipate the Fed to hold interest rates at 5.25%-5.50% for long-term rates.
  - In January, markets expected six rate cuts in 2024 but are now pricing in three cuts for the year.
- March CPI came in above expectations at 3.5%, with shelter and gasoline prices accounting for more than half of the increase.

Equities & Fixed Income:

- U.S. Equities saw positive returns through Q1 with both the S&P 500 and Dow Jones setting new all-time highs.
  - Large Cap Growth, primarily the Magnificent 7, continued to lead the upward rally.
- Fixed Income saw another volatile quarter with yields on the 10-year increasing to above 4.20% (up from 3.88% at the end of the fourth quarter of 2023)

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. Elvia Galicia motioned to reaffirm the IPS; Motion was seconded by Nancy Nien, and unanimously approved by all members of the Board of Authority.

VII. ADMINISTRATION

1. **Disbursement Report**
   a. Disbursement Report presented by Roslyn Washington, Keenan to each PST participant showing all fees paid to the consulting firms.
   b. Benefit Trust Company pays Morgan Stanley fees directly.
   c. Each participating member confirmed their fees are correct based on end of month market value.
   d. This is an information item only.

2. **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.
   b. Corey Spray, Central Marin Sanitation Agency stated they will be wiring $67,000 into their trust account.
   c. This is an information item only.

VIII. INFORMATION REPORTS

1. Retirement Board of Authority Comments

No comments.

2. Program Coordinator/BTC Consultant Comments

No comments.

IX. DATE, TIME AND AGENDA ITEMS FOT NEXT MEETING

a. March 2025
b. This item is information only.

X. ADJOURNMENT

a. The Meeting was adjourned by Connie Cavanaugh at 10:48 A.M.