

MINUTES

CALIFORNIA PUBLIC ENTITY PENSION STABILIZATION TRUST (PST) BOARD OF AUTHORITY MEETING

March 25, 2020
12:30 PM – 1:00 PM

***This meeting was held via teleconference
with Roslyn Washington of Keenan as the Moderator**

I. CALL TO ORDER

1. The meeting was called to order at 12:32 pm by Roslyn Washington.

II. ROLL CALL

1. **All Retirement Board of Authority (RBOA) members were present via teleconference except Jim Grivich, Compton CCD:**
Kim McCord, South Orange County CCD, (Board of Authority Chair)
Anita Undercoffer, Chaffey CCD
Kim Erickson, Chaffey CCD
Jim Grivich, Compton CCD
2. **All Coordinators/Consultants were present via teleconference:**
Roslyn Washington, Assistant Vice President, Keenan Financial Services,
Cary Allison, Executive Director, Morgan Stanley (MS),
Scott Rankin, Senior Vice President, Benefit Trust Company (BTC).

III. PUBLIC COMMENTS

1. None

IV. APPROVAL OF AGENDA

1. Kim McCord moved to approve the agenda as presented; motion was seconded by Anita Undercoffer and was unanimously approved by all of the BOA members present.

V. APPROVAL OF MINUTES

1. Roslyn Washington presented the Minutes from the **March 25, 2020** meeting.
2. Anita Undercoffer moved to approve the Minutes, Motion was seconded by Kim McCord and unanimously approved by all members of the Board Authority.

VI. INVESTMENTS

1. **Portfolio Performance Review**
 - a. Cary Allison presented a review of the comparative benchmarks and asked that each district review their individual return info that was provided in their packet.
 - b. Each participant moved to accept their performance reports, and the comparatives were unanimously approved by the entire Board of Authority.

2. Market Overview

- a. Cary Allison of Morgan Stanley discussed the current market conditions.
- b. The S&P 500 started off the year with a historic quarter following a historic 2019 year.
- c. Equities were down 19.6% on the quarter following a year in which they gained 32.6%
- d. The Global Equity Markets declined sharply as the spread of COVID-19 and the oil prices collapse brought the economies to a halt and caused investors to sell out of risky assets.
- e. As for the US Equity markets, the Dow lost on average of 22.7%.
- f. The US Bond Market was positive the first quarter outperforming equities as investors looked for less risky assets.
- g. Interest rates fell during the first quarter, dropping to zero as the 10-year Treasury note fell from 1.92% in December 2019 to 0.61% at the end of the first quarter.
- h. Energy fell the most by 50.5% which was exacerbated by the initiation of the oil price war.
- i. The MSCI EAFE Index, (the benchmark for international developed markets) lost over 22.7%.
- j. The MSCI Emerging Markets Index lost 23.6%
- k. Morgan Stanley expect U.S. real GDP will be -0.6% in the first quarter of 2020 due to the halt in economic growth around the world and amid concerns of a deeper recession surrounding COVID-19.
- l. This is an information item only.

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 participating district now has multiple portfolio models to choose from.
- b. Kim McCord motioned to reaffirm the IPS, motion was seconded by Anita Undercoffer, 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. Each participating member confirmed their fees are correct based on end of month market value.
- c. Kim McCord moved to ratify the fees; motion was seconded by Anita Undercoffer and unanimously approved by all Board of Authority members present.

IX. INFORMATION REPORTS

1. Retirement Board of Authority Comments

No comments.

1. Program Coordinator/Consultant Comments

No comments.

VIII. DATE, TIME AND AGENDA ITEMS FOR NEXT MEETING

- a. TBD
- b. This item is information only.

IX. ADJOURNMENT

- a. The Meeting was adjourned by Roslyn Washington at 12:55 PM.