

MEETING
STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
OPEN SESSION

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FECKNER AUDITORIUM
LINCOLN PLAZA NORTH
400 P STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, MARCH 18, 2026

9:00 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

APPEARANCES

BOARD MEMBERS:

Theresa Taylor, President

David Miller, Vice President

Malia Cohen, represented by Deborah Gallegos (Remote)

Michael Detoy

Monica Erickson

Troy Johnson

Fiona Ma, represented Patrick Henning

Lisa Middleton

Kevin Palkki

Ramon Rubalcava

Yvonne Walker

Mullissa Willette

STAFF:

Marcie Frost, Chief Executive Officer

Stephen Gilmore, Chief Investment Officer

Michael Cohen, Chief Operating Investment Officer

Douglas Hoffner, Chief Operating Officer

Stephenson Loveson, Chief Information Officer

Kim Malm, Deputy Executive Officer, Customer Services & Support

Donald Moulds, PhD, Chief Health Director

Michele Nix, Chief Financial Officer

APPEARANCES CONTINUED

STAFF:

Brad Pacheco, Deputy Executive Officer, Communications & Stakeholder Relations

Scott Terando, Chief Actuary

Michelle Tucker, Chief Human Resources Officer

Danny Brown, Chief, Legislative Affairs Division

Robert Carlin, Senior Attorney

Renee Salazar, Deputy General Counsel

ALSO PRESENT:

J.J. Jelincic, Retired Public Employees Association

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PROCEEDINGS

1
2 PRESIDENT TAYLOR: Good morning. Welcome to the
3 Board of Administration meeting. We will start with roll
4 call.

5 BOARD CLERK LEMUS: Theresa Taylor.

6 PRESIDENT TAYLOR: Here.

7 BOARD CLERK LEMUS: David Miller.

8 VICE PRESIDENT MILLER: Here.

9 BOARD CLERK LEMUS: Malia Cohen.

10 PRESIDENT TAYLOR: Excused.

11 BOARD CLERK LEMUS: Michael Detoy.

12 BOARD MEMBER DETOY: Here.

13 BOARD CLERK LEMUS: Monica Erickson.

14 BOARD MEMBER ERICKSON: Here.

15 BOARD CLERK LEMUS: Troy Johnson.

16 BOARD MEMBER JOHNSON: Here.

17 BOARD CLERK LEMUS: Patrick Henning for Fiona Ma.

18 ACTING BOARD MEMBER HENNING: Here.

19 BOARD CLERK LEMUS: Lisa Middleton.

20 BOARD MEMBER MIDDLETON: Present.

21 BOARD CLERK LEMUS: Kevin Palkki.

22 BOARD MEMBER PALKKI: Good morning.

23 BOARD CLERK LEMUS: Ramon Rubalcava.

24 BOARD MEMBER RUBALCAVA: Present.

25 BOARD CLERK LEMUS: Yvonne Walker.

1 BOARD MEMBER WALKER: Here.

2 BOARD CLERK LEMUS: Mullissa Willette.

3 BOARD MEMBER WILLETTE: Here.

4 BOARD CLERK LEMUS: Dr. Gail Willis?

5 PRESIDENT TAYLOR: Excused.

6 Okay. With that, our next order of business is
7 the Pledge of Allegiance and I've asked David to lead us.

8 (Thereupon the Pledge of Allegiance was
9 recited in unison.)

10 PRESIDENT TAYLOR: Thank you, David.

11 All right. I will move on to the Board
12 President's report. So good morning again. I'd like to
13 begin by taking a moment to recognize some honors received
14 by CalPERS. Over the past few months, CalPERS -- did I
15 forget some -- oh, I know what I forgot. Sorry, guys.

16 And it's -- who's on -- Deborah is online? Oh,
17 are you sure she's online, because she didn't --

18 ACTING BOARD MEMBER GALLEGOS: I'm right here.

19 PRESIDENT TAYLOR: Okay. Because we didn't get a
20 yes from Malia Cohen's office.

21 ACTING BOARD MEMBER GALLEGOS: Yeah, sorry about
22 that.

23 PRESIDENT TAYLOR: Okay. So Board Members,
24 because we're not all present in the same room and Board
25 members are participating from remote locations that are

1 not accessible to the public, Bagley-Keene requires that
2 remote Board members to make certain disclosures about any
3 other persons present with them during open session.
4 Accordingly, the Board members participating remotely must
5 each attest either that, one, they are alone, or two, if
6 they -- if there are one or more persons present with
7 them, who are at least 18 years old, and the nature of the
8 Board member's relationship to each person. So at this
9 time, I had would like to ask Deborah if you are attest to
10 being alone?

11 ACTING BOARD MEMBER GALLEGOS: I am.

12 PRESIDENT TAYLOR: All right. With that, I will
13 move on to the Board President's report. Thank you very,
14 Deborah.

15 Over the past few months, CalPERS has been
16 recognized for our leadership in sustainable investing and
17 private equity. These recognitions include being rated a
18 leader from the Responsible Asset Allocator Initiative at
19 the Fletcher School for responsible investing. CalPERS
20 received a top score in their report and has been
21 identified as a leader since inception of the report a
22 decade ago.

23 We were also named fund of the year by Global
24 Sovereign Wealth Fund. We were recognized for our
25 leadership among U.S. retirement systems, including our

1 \$100 billion commitment to climate solutions and adoption
2 of the forward-looking strategies like portfolio -- the
3 total portfolio approach.

4 Additionally, we were named Limited Partner of
5 the Year by Private Equity International.
6 Congratulations. PEI cited the overall -- overhaul of our
7 Private Equity Program led by Anton Orlich and the
8 portfolio's 14.3 percent return last fiscal year. I was
9 looking for Anton. I don't see him. CalPERS received
10 this same award in '22 and '23 and we are a runner up in
11 '24.

12 And finally, our CEO Marcie Frost was named to
13 the list of the 100 most influential women in finance
14 Barron's. These awards reflect the thoughtful work
15 happening across our Investment Office and our leadership
16 team. They underscore the CalPERS commitment to
17 discipline, long-term investing that strengthens the fund,
18 while considering the risks and opportunities shaping
19 global markets. So on behalf of the Board, I want to
20 congratulate the investment team for their dedication and
21 expertise and Ms. Frost for her leadership. Thank you
22 very much you guys.

23 (Applause).

24 PRESIDENT TAYLOR: Don't be shy, Marcie.

25 (Laughter).

1 PRESIDENT TAYLOR: Women's History Month. So I
2 just wanted to acknowledge that Women's History Month is
3 March and a time to honor the achievements, leadership,
4 resilience of women throughout history and today. At
5 CalPERS our commitment to diversity and inclusion is not
6 just a guiding principle, but a daily practice. We strive
7 to ensure that all voices are heard, valued, and
8 empowered, recognizing that our strength as an
9 organization comes from the rich tapestry of backgrounds,
10 and perspectives among our members, team, and leadership.

11 Women's History Month reminds us that progress is
12 built on the courage and dedication of those who came
13 before us, and it inspires us to continue advancing
14 opportunities for. I've said this before and I will say
15 it again, and I am proud that the majority of this Board
16 is women and that our organization is led by a strong
17 female.

18 I will move on to a point of personal privilege.
19 In the spirit of Women's History Month, I want to take a
20 moment of personal privilege to pay tribute to a woman who
21 embodied the spirit of service, advocacy, and community,
22 and that's Phyllis Johnson. I think everybody has seen
23 her here at one time or another. Phyllis passed away
24 earlier this year, leaving behind a legacy of unwavering
25 dedication to the California State Retirees, community and

1 the broader labor movement.

2 Phyllis's journey began in the Bronx, where she
3 learned the value of hard work and education. Her
4 professional career spanned from Manufacturers Hanover
5 Trust in New York to nearly three decades at the
6 California Department of Public Health. She was not only
7 a committed public servant, she was a passion --
8 passionate union activist. She served as President of
9 SEIU's District Labor Council 762, where she stood
10 shoulder to shoulder with working people in their fight
11 for fairness, dignity and respect. And her leadership
12 within the California State Retirees is unmatched.

13 As President and Vice President of Chapter 2, and
14 as a member of the Membership Committee, Phyllis gave
15 generously of her time and energy. She organized members
16 to attend the CalPERS Board meetings, and staffed
17 information tables at community events, and mobilized
18 volunteers for endorsed candidates. Her passion for
19 supporting fellow retirees and strengthening the
20 organization was evident in everything she did.

21 So as we honor Women's History Month, let us
22 remember Phyllis Johnson. She showed up, she spoke up,
23 she organized, and she cared. And anybody who was a
24 friend of hers or talked to her knows that her heart was
25 bigger than her curmudgeonly attitude. May she rest in

1 piece and may her memory inspire us to continue the work
2 she believed in.

3 And with that, thank you. I'll turn to Marcie
4 Frost for her CEO report.

5 CHIEF EXECUTIVE OFFICER FROST: Thank you,
6 President Taylor and good morning, everyone. And although
7 we certainly appreciate the accolades that come our way, I
8 would also like to point out that those accolades would
9 not be possible without the collective work between the
10 Board and the team. So I think those are also pieces of
11 recognition for the Board as well.

12 I'm sure we're all aware of how volatile the
13 markets have become in recent weeks. All you have to do
14 is check your own 401(k) or 457 balance, but I really
15 recommend that you be careful in doing that. You know,
16 make sure that if you a planning on taking any specific
17 action, that you are consulting with your financial
18 advisor. Sometimes we tend to make moves at the worst
19 possible time and we lock in those losses. And so
20 volatility does present opportunities, but just please be
21 very cautious as you're looking to make changes.

22 We do make every attempt to understand
23 geopolitical events and seek to get insight into how the
24 portfolio will perform under different scenarios by taking
25 multiple inputs, including those we heard from Lieutenant

1 General Bellon.

2 (Clears throat).

3 CHIEF EXECUTIVE OFFICER FROST: Excuse me.

4 We appreciated General Bellon's time and his
5 expertise on various tensions around the globe. Yet,
6 while it's important for us to understand what's happening
7 in the world and its potential impact, we are long-term
8 investors. Asset diversification allows us to take
9 advantage of opportunities, which you hear Stephen speak
10 about frequently, while also spreading those risks across
11 the entire fund.

12 We make decisions based on long-term investment
13 themes and stay consistent and disciplined during
14 short-term events. The calendar year and the fiscal
15 year-to-date performance numbers are a reflection, I
16 think, of that discipline and consistency. Both are
17 beyond the 6.8 percent return assumption at 15.4 and 7.7.

18 Yesterday morning, you heard from Drew Hambly and
19 the team. They showed the results of our engagement
20 program. The program takes into consideration the areas
21 we believe are the highest risk that corporations or
22 companies face. These risks range from say-on-pay, where
23 you saw that we voted against 42 percent of those
24 proposals. Human capital, Labor Principles -- excuse me,
25 Principles, and emerging frameworks around artificial

1 intelligence. As one of the largest institutional
2 investors in the world, we use our proxy role at thousands
3 of votes across the companies that we own. We do still,
4 and remain, in our believe that engagement is the best
5 long-term approach to protect the assets that pay our
6 members' benefits, while also using a key strength, our
7 voice, and our influence.

8 Moving on to survey. So the welfare of our
9 members is at the center of every decision we make at
10 CalPERS. We are trying to serve you in the best way
11 possible and we would really like to know more about how
12 you think we're doing. Each year, we send out stakeholder
13 perception survey to employers and a random sampling of
14 our active and retired members. If you have received an
15 email asking you to take the survey, please do so by
16 Friday March 20th. We conduct this survey every year to
17 learn what we can do better and then make those
18 improvements based on your input. So the survey response
19 rate to date is pretty low, and so if you're out talking
20 to people and just encourage them to take the survey, if
21 it's been sent to them as well.

22 I did have a chance to introduce Shari Slate, our
23 Chief of Diverse, Equity and Inclusion at our last
24 meeting. I want to give you a bit of an update on what
25 she's been doing in her first days at CalPERS. You can't

1 miss Shari walking through the halls with her big smile,
2 and her support, and curiosity about everyone and
3 everything we do here at CalPERS. I know she's had a few
4 one-on-one meetings with the Board. And I encourage for
5 those who have not set up time with her, please do so,
6 work with Christina to get that on your calendars.

7 But more importantly, her first event will be on
8 April 29th. That is our Diversity and Inclusion Day.
9 This is a day that we celebrate together and there's a lot
10 of excitement in the planning of this event, and a lot of
11 excitement by our team and really being able to share
12 their background, and families, and cultures with the rest
13 of the organization and the teams who work here.

14 So we do invite all of our team members to share
15 those stories and experiences. Learning about each other
16 in this way is part of what makes CalPERS a really great
17 place to work, and a place where people want to grow their
18 careers. I also can have Christina send you a calendar
19 notice, if any of you would like to attend that day and
20 join us.

21 I also want to mention that registration is now
22 open for the CalPERS Pathways for Women's Conference.
23 That will be held once again in Anaheim on August 17th and
24 18th. We do set aside time for this event to bring women
25 and their male allies together to inspire career and

1 personal growth, particularly in underrepresented
2 industries, including those where CalPERS operates,
3 finance investments as two examples. We'd like to hear
4 from women leading in these industries today. We'd like
5 people to be able to step away from their day-to-day
6 responsibilities and take the time to think about their
7 goals and pick up tips on how to get there.

8 For all those reasons, and many more, hosting
9 this event is important, and models the value that women
10 bring to leadership, as well as being inspiration to the
11 next generations to set their sights high as well. Our
12 pathways are different and this platform highlights that
13 differences are strengths.

14 So with that, Ms. Taylor, that does conclude my
15 report, but I'm happy to take questions. Thank you.

16 PRESIDENT TAYLOR: Thank you, Ms. Frost. Seeing
17 no questions from the Board, we will move on to our next
18 item on the agenda and that's action consent items.
19 What's the pleasure of the Board?

20 VICE PRESIDENT MILLER: Move approval.

21 PRESIDENT TAYLOR: Moved by Mr. Palkki[SIC].

22 BOARD MEMBER JOHNSON: Second.

23 PRESIDENT TAYLOR: Seconded by Mr. Johnson.

24 And I have to do a roll call vote, right?

25 Please take the vote.

1 BOARD CLERK LEMUS: David Miller?
2 VICE PRESIDENT MILLER: Aye.
3 BOARD CLERK LEMUS: Deborah Gallegos?
4 ACTING BOARD MEMBER GALLEGOS: Aye.
5 BOARD CLERK LEMUS: Michael Detoy?
6 BOARD MEMBER DETOY: Aye.
7 BOARD CLERK LEMUS: Monica Erickson?
8 BOARD MEMBER ERICKSON: Aye.
9 BOARD CLERK LEMUS: Troy Johnson?
10 BOARD MEMBER JOHNSON: Aye.
11 BOARD CLERK LEMUS: Patrick Henning?
12 ACTING BOARD MEMBER HENNING: Aye.
13 BOARD CLERK LEMUS: Kevin Palkki?
14 BOARD MEMBER PALKKI: Aye.
15 BOARD CLERK LEMUS: Lisa Middleton?
16 BOARD MEMBER MIDDLETON: Aye.
17 BOARD CLERK LEMUS: Ramon Rubalcava?
18 BOARD MEMBER RUBALCAVA: Aye.
19 BOARD CLERK LEMUS: Yvonne Walker?
20 BOARD MEMBER WALKER: Aye.
21 BOARD CLERK LEMUS: Mullissa Willette?
22 BOARD MEMBER WILLETTE: Yes.
23 BOARD CLERK LEMUS: Dr. Gail Willis?
24 PRESIDENT TAYLOR: Excused.
25 All right. Thank you.

1 With that, Item 6, information consent items. I
2 have not received any requests for removing any items.

3 So with that, we will on to Item 7, the Committee
4 reports. And first up -- can you hit -- Kevin, can you
5 hit your -- it is Mr. Palkki for the Investment Committee.

6 That did not work. Hold on. All right. Go
7 ahead.

8 BOARD MEMBER PALKKI: Thank you, Madam President.
9 The Investment Committee met on March 16th and March 17th,
10 2026. The Committee held an election for the Investment
11 Committee Chair and Vice Chair. Kevin Palkki was elected
12 Chair and David Miller was elected Vice Chair.

13 The Committee received reports on the following
14 topics: geopolitical discussion with Lieutenant General
15 David Bellon, moderated by Stephen Gilmore; Total Fund's
16 Policy review, first reading; asset liability management
17 first reading; affiliate funds recommendation; CalPERS
18 trust level review and consultant report; and proxy voting
19 and corporate engagements update.

20 The Chair directed staff to provide an economic
21 scenario and sensitivity analysis.

22 The Committee heard public comment on the
23 following topics: Labor Principles, CalPERS divestments,
24 Tesla, Total Fund Policy review, private debt and
25 climate-related investments.

1 On Monday, our investment team presented an
2 analysis that led to thoughtful discussion about our
3 ongoing ownership of Tesla stock. While we are unable to
4 provide specifics regarding the discussion, we can note
5 that the company has been one of the top 10 drivers of
6 performance in our global equity portfolio and is a key
7 holding for our climate transition portfolio.

8 After our closed session discussion, we
9 collectively agreed to make no changes at this time.
10 We're also asking our team to provide additional
11 communications on this topic to stakeholders.

12 At this time, I would like to share some
13 highlights of what to expect at the June Investment
14 meeting: Total Fund Policy review, second reading; asset
15 liability management, Affiliate Funds recommendation;
16 asset liability management, first reading Supplemental
17 Income Program recommendation; and, Private Equity,
18 Private Debt, and Real Assets annual program review.

19 The next meeting of the Investment Committee is
20 scheduled for June 15th, 2026 in Sacramento, California.

21 PRESIDENT TAYLOR: Thank you, Mr. Palkki. With
22 that, we will move on to the Pension and Health Benefits
23 Committee. And I will call on Mr. Rubalcava for that.

24 BOARD MEMBER RUBALCAVA: Thank you, Madam Chair.

25 The Pension and Health Benefits Committee met on

1 March 17, 2026. The Committee reelected Ramon Rubalcava
2 as Chair and Kevin Palkki as Vice Chair of the Health and
3 Pension Benefits Committee. And I thank the Committee for
4 their support and confidence.

5 The Committee received reports on the following
6 topics: the Committee received information regarding
7 health open enrollment results; an update on the pharmacy
8 benefit management transition -- manager transition; the
9 long-term care market research; and the retiree cost of
10 living adjustment.

11 The Committee received public comment regarding
12 the difficulties with the transition to CVS PBM and
13 receiving behavioral health care.

14 The Chair directed staff to provide PBM grievance
15 and appeals numbers to the -- to the Board.

16 At this time, I would like to share some
17 highlights of what to expect at the May Pension and Health
18 Benefits Committee meeting. The Committee will meet in
19 closed session to discuss an update on health plan rate
20 renewal negotiation strategy.

21 The next meeting of the Committee is scheduled
22 for May 18, 2026 in Sacramento, California. Thank you,
23 Madam Chair.

24 PRESIDENT TAYLOR: Thank you, Mr. Rubalcava.
25 With that, I will call on Mr. Miller for the Board

1 Governance update.

2 VICE PRESIDENT MILLER: Good morning, everyone.

3 The Board Governance Committee met on March 17th,
4 2026. The Committee held an election for the Board
5 Governance Committee Chair and Vice Chair. David Miller
6 was elected Chair and Theresa Taylor was elected Vice
7 Chair. The Committee also discussed the potential benefit
8 of utilizing a skills matrix for the Board of
9 Administration and asked management to bring back
10 additional information an illustrative examples for
11 further discussion.

12 The next meeting of the Board Governance
13 Committee is tentatively scheduled for June 17th, 2026 in
14 Sacramento, California.

15 That concludes my report, Madam President.

16 PRESIDENT TAYLOR: Thank you, Mr. Miller.

17 Put your thing back on.

18 We are moving on to Agenda Item 8, which is the
19 proposed decisions of the Administrative Law Judges. And
20 with that, I'm turning that back over -- hold on a second,
21 to Mr. Miller.

22 VICE PRESIDENT MILLER: Thank you, Madam
23 President. I move to adopt the proposed decisions at
24 Agenda Items 8a1 through 3 as the Board's own decisions
25 with the minor modifications argued by staff to Agenda

1 Items 8a2 and 3.

2 PRESIDENT TAYLOR: Is there any discussion on the
3 proposal?

4 Hearing no discussion, can we take a vote,
5 please?

6 BOARD CLERK LEMUS: David Miller?

7 VICE PRESIDENT MILLER: Aye.

8 BOARD CLERK LEMUS: Deborah Gallegos?

9 ACTING BOARD MEMBER GALLEGOS: Aye.

10 BOARD CLERK LEMUS: Michael Detoy?

11 BOARD MEMBER DETOY: Aye.

12 BOARD CLERK LEMUS: Monica Erickson?

13 BOARD MEMBER ERICKSON: Aye.

14 BOARD CLERK LEMUS: Troy Johnson?

15 BOARD MEMBER JOHNSON: Aye.

16 BOARD CLERK LEMUS: Patrick Henning?

17 ACTING BOARD MEMBER HENNING: Aye.

18 BOARD CLERK LEMUS: Lisa Middleton?

19 BOARD MEMBER MIDDLETON: Aye.

20 BOARD CLERK LEMUS: Kevin Palkki?

21 BOARD MEMBER PALKKI: Aye.

22 BOARD CLERK LEMUS: Ramon Rubalcava?

23 BOARD MEMBER RUBALCAVA: Aye.

24 BOARD CLERK LEMUS: Yvonne Walker?

25 BOARD MEMBER WALKER: Aye.

1 BOARD CLERK LEMUS: Mullissa Willette?

2 BOARD MEMBER WILLETTE: Yes.

3 BOARD CLERK LEMUS: Dr. Gail Willis?

4 PRESIDENT TAYLOR: Excused.

5 Item passes. Go on, Mr. Miller

6 VICE PRESIDENT MILLER: Okay. At this point, I
7 move to deny the petitions at Agenda Items 8b1 and 2.

8 PRESIDENT TAYLOR: Okay. Any discussion on that
9 motion?

10 Hearing none, can we have a vote, please.

11 VICE PRESIDENT MILLER: Second?

12 PRESIDENT TAYLOR: Robert, do we need a second?

13 SENIOR ATTORNEY CARLIN: Yes.

14 BOARD MEMBER PALKKI: I'll second.

15 PRESIDENT TAYLOR: All right. It was seconded by
16 Mr. Palkki. And now we need a vote.

17 BOARD CLERK LEMUS: David Miller?

18 VICE PRESIDENT MILLER: Aye.

19 BOARD CLERK LEMUS: Deborah Gallegos?

20 ACTING BOARD MEMBER GALLEGOS: Aye.

21 BOARD CLERK LEMUS: Michael Detoy?

22 BOARD MEMBER DETOY: Aye.

23 BOARD CLERK LEMUS: Monica Erickson?

24 BOARD MEMBER ERICKSON: Aye.

25 BOARD CLERK LEMUS: Troy Johnson?

1 BOARD MEMBER JOHNSON: Aye.
2 BOARD CLERK LEMUS: Patrick Henning?
3 ACTING BOARD MEMBER HENNING: Aye.
4 BOARD CLERK LEMUS: Lisa Middleton?
5 BOARD MEMBER MIDDLETON: Aye.
6 BOARD CLERK LEMUS: Kevin Palkki?
7 BOARD MEMBER PALKKI: Aye.
8 BOARD CLERK LEMUS: Ramon Rubalcava?
9 BOARD MEMBER RUBALCAVA: Aye.
10 BOARD CLERK LEMUS: Yvonne Walker?
11 BOARD MEMBER WALKER: Aye.
12 BOARD CLERK LEMUS: Mullissa Willette?
13 BOARD MEMBER WILLETTE: Yes.
14 BOARD CLERK LEMUS: Dr. Gail Willis.
15 PRESIDENT TAYLOR: Excused.
16 Do we want to revote for the Item 8a1 through 3?
17 So I need a second on that, which we didn't --
18 BOARD MEMBER PALKKI: (Hand raised).
19 PRESIDENT TAYLOR: And it is seconded by Mr.
20 Palkki. We will need another revote. Thank you.
21 BOARD CLERK LEMUS: David Miller?
22 VICE PRESIDENT MILLER: Aye.
23 BOARD CLERK LEMUS: Deborah Gallegos?
24 ACTING BOARD MEMBER GALLEGOS: Aye.
25 BOARD CLERK LEMUS: Michael Detoy?

1 BOARD MEMBER DETOY: Aye.

2 BOARD CLERK LEMUS: Monica Erickson?

3 BOARD MEMBER ERICKSON: Aye.

4 BOARD CLERK LEMUS: Troy Johnson?

5 BOARD MEMBER JOHNSON: Aye.

6 BOARD CLERK LEMUS: Patrick Henning?

7 ACTING BOARD MEMBER HENNING: Aye.

8 BOARD CLERK LEMUS: Lisa Middleton?

9 BOARD MEMBER MIDDLETON: Aye.

10 BOARD CLERK LEMUS: Kevin Palkki?

11 BOARD MEMBER PALKKI: Aye.

12 BOARD CLERK LEMUS: Ramon Rubalcava?

13 BOARD MEMBER RUBALCAVA: Aye.

14 BOARD CLERK LEMUS: Yvonne Walker?

15 BOARD MEMBER WALKER: Aye.

16 BOARD CLERK LEMUS: Mullissa Willette?

17 BOARD MEMBER WILLETTE: Yes.

18 BOARD CLERK LEMUS: Dr. Gail Willis?

19 PRESIDENT TAYLOR: Excused.

20 And my apologies to the Board for that.

21 We will move on now to Information Agenda items,
22 9, and the State and Federal Legislative Update. Mr.
23 Brown.

24 LEGISLATIVE AFFAIRS DIVISION CHIEF BROWN: Good
25 morning, Madam President and Board members. Danny Brown,

1 CalPERS team member.

2 I will provide a brief State update and then Dan
3 Crowley and Karishma Page will be joining to provide a
4 federal update.

5 The bill introduction deadline has passed and the
6 Legislature is starting to hear bills in their policy
7 committees. The last day for bills to pass out of their
8 first House policy committee is April 24th. In your
9 agenda material, there's a list of all major bills that
10 LAD is currently tracking. So far, we've added a handful
11 of pension and health related bills, but the team is still
12 processing and reviewing bills, including about 600
13 placeholder bills that will be amended throughout the
14 month. So it probably won't be in -- we probably won't
15 have a full picture of all the potential bills that may
16 impact us until the end of this month or through the first
17 policy hearings.

18 And then I will close by mentioning that on March
19 4th, the Assembly and Senate PERS Committee hold a joint
20 hearing where the California Actuarial Advisory Panel
21 presented their report on the CalPERS State valuation.
22 Scott Terando presented the report on behalf of the
23 California Actuarial Advisory Panel and Michael Cohen
24 assisted him in responding to Committee questions
25 regarding CalPERS investments and pension funding. Their

1 Participation was well received by the Committee.

2 And with that, I will turn it over to Dan and
3 Karishma or the federal update.

4 DAN CROWLEY: Well, thank you Danny. Karishma
5 and I unfortunately haven't had a chance to compare notes,
6 so we're sort of ad libbing it here, but Karishma I think,
7 do you want to start with a -- with a atmospheric
8 overview and then I'll get into some of the issues.

9 KARISHMA PAGE: Absolute. Good afternoon to the
10 Board. Good morning. Thank you. It's good to be with
11 you all. Washington D.C. has certainly continued to be
12 quite busy with a whole host of issues, both
13 geopolitically and domestically that are capturing the
14 attention, both of the administration and of Congress.

15 So starting up top, one of the key issues that
16 there is a tremendous amount of focus on right now is the
17 military activity in Iran, and certainly an interest from
18 that that relates to energy issues. And that is a key
19 part of where the administration and Congress are
20 currently focusing in their energy. The other sets of
21 issues that are defining the agenda in Washington D.C.
22 continue to be around DHS funding. Just as a reminder,
23 the federal government has largely been funded with the
24 exception of DHS and related agencies. There has been
25 significant sort of policy disagreement between

1 Republicans and Democrats on path forward there. And for
2 what it's worth, we see a continued impasse in that realm.

3 I mention these issues not necessarily because
4 they are on topic for CalPERS, but it is a lot of what is
5 defining, what is happening in Washington D.C. right now.
6 And so what we are seeing less of right now is a focus on
7 issues beyond the must do and the reactive. And so, for
8 instance, you know, there's been perhaps some conversation
9 around a reconciliation bill, but not necessarily the -- a
10 real push to move that forward and work on issues, for
11 instance, in the tax and health care realm.

12 Similarly, we are hearing about issues on a whole
13 range of financial services topics and I'll turn it over
14 to Dan here in just a moment, where we can talk about
15 those. And work is being done at the Committee level,
16 some on a bipartisan basis. But as we see these other
17 agenda items really dominating the floor activity and the
18 attention in Washington D.C., there are really questions
19 about what's going to happen in order to move some of
20 these other priorities forward.

21 So I will -- I will pause there and turn it over
22 to Dan. And, of course, we welcome the opportunity to
23 take questions and have any discussion.

24 Dan over to you.

25 DAN CROWLEY: Great. Thank you, Karishma.

1 One other thing I'll add on the Iran War
2 situation, is that there's a great deal of uncertainty as
3 to the outcome. And some of the outcomes are deeply
4 troubling. There is a chance that the goal of regime
5 change will succeed and that there will be a popular
6 uprising, new government, and things will be great.
7 There's probably an equal probability that President Trump
8 is compelled to withdraw somehow. Failure to get the
9 international community to support opening the Straits for
10 Hormuz. It suggests that there may not be a, you know, a
11 global coalition of the willing, and that puts them in a
12 position of having to back off leaving the regime largely
13 intact.

14 And then there's another possible outcome here,
15 which is that, you know, unlike the quick victory in
16 Venezuela, this turns out to be more like Vietnam where
17 they're fighting an insurgency over a prolonged period of
18 time. I think the key question is how long the Straits of
19 Hormuz remain shut. Oil prices are already over a hundred
20 dollars a barrel. If the straits are not reopened, that
21 could go \$200 a barrel. The implications for inflation
22 and potential global recession can't be discounted at this
23 point. So we're monitoring those developments very
24 closely, not from a national security or international
25 affairs perspective, but from the perspective of potential

1 impact on global capital markets.

2 You know, getting down to sort of the more nuts
3 and bolts, Danny Brown and Travis Antoniono were in
4 Washington D.C. earlier this month, had very productive
5 meetings at the Senate Banking Committee, the House
6 Financial Services Committee. And we have a good sense of
7 the State of play there. Housing legislation is moving
8 threw the Senate. It has passed the Senate with broad
9 bipartisan support. The challenge is that it includes the
10 provision that President Trump has called for, which would
11 prohibit institutional investors from investing in
12 residential housing, which is problematic from the
13 perspective of House Republicans. So there's a -- you
14 know, right now, it's the Senate and the White House
15 trying to find a way forward.

16 Speaker Johnson has said he thinks there might be
17 need to be a conference committee to hammer out the
18 differences between the Senate and House versions. And
19 that will play out over time. Although, I think it's
20 difficult to see the restriction on institutional
21 investors passing at this point. I just don't think
22 there's the votes in the House.

23 Other proposals that the President has made
24 recently, including the 10 percent cap on credit card
25 interest rates, and limiting interchange swipe fees

1 probably will suffer the same fate. They may have some
2 support, certainly in Democratic circles, probably some
3 support among Republicans in the Senate, but very little
4 support among Republicans in the House at this point.

5 They also continue to debate the SAVE Act, which
6 I think is a fool's errand. It has no chance of passing
7 the Senate, because they can't do it in the reconciliation
8 process. It doesn't relate to the budget and there's now
9 way they're going to get 60 votes. Nonetheless, they're
10 going to spend the next couple of days debating whether
11 citizenship should be required as condition of voting.
12 Again, we do not expect that to be enacted.

13 Digital assets, market structure legislation
14 continues to be in a log jam with the Senate and the White
15 House trying to find a way forward on what is essentially
16 the -- from the bank perspective existential threat with
17 potential yield being paid on digital assets that competes
18 with bank deposits, and yield on bank deposits. So again,
19 I don't see a prompt resolution of that issue either. And
20 I think it's important to keep in mind that we really only
21 have about four legislative months left in the year before
22 Congress goes off for their August recess and then the
23 November election. And, you know, perhaps there's a
24 lame-duck session after the election, but that will depend
25 on the outcome.

1 At this point, we think it's safe to predict that
2 the House will go Democratic. The question is whether the
3 wave is big enough to also take the Senate, which is now a
4 possibility. The most vulnerable Republican seats are in
5 Maine, North Carolina, and now Texas ironically with John
6 Cornyn being behind in his Republican primary. And that's
7 going to be a very expensive race and it may open the door
8 for the Democrat to win the Senate seat in Texas. So, at
9 this point, we're predicting that the house goes
10 Democratic. And depending on developments between now and
11 the election, it could also be that the Democrats capture
12 the Senate.

13 On the House side, the focus continues to be on
14 community banking reform, capital formation, trying to
15 stimulate more companies to go public. And, of course,
16 the focus on proxy advisors continues both in the House
17 Financial Services Committee and at the SEC. SEC has also
18 put out for comment revisions to Reg SK, which is where
19 most of the sustainability disclosures are found.

20 And, you know, in terms of the administration,
21 we're continuing to track all of the Executive Orders.
22 The Executive Order in December on proxy advisors remains
23 to be implemented. And a big piece of that is the
24 guidance that will come from DOL for pension funds on ESG
25 considerations. And based on recent conversations with

1 folks at the White House, that seems to be imminent.

2 So, you know, permitting reform is not moving
3 forward quickly enough. My understanding is that the
4 Secretary of Energy is personally approving all permit
5 applications. And they are slow walking applications for
6 alternatives, wind, solar, et cetera. And, you know, that
7 doesn't seem to be the momentum in Congress to fix that
8 Legislatively.

9 Let's see, reconciliation. Karishma, I defer to
10 you. I think, you know, recondition sill -- 2.0 would be
11 only way for Republicans to advance their agenda in the
12 current Congress, but the margins are so narrow in the
13 House and Senate, that it's difficult to imagine that
14 happening. And the Chairman of the Ways and Means
15 Committee, Jason Smith, is as pessimistic as anybody.
16 And, of course, he would be the person to captain that
17 effort. But Karishma, anything else on reconciliation
18 that I might be missing?

19 KARISHMA PAGE: Yeah. I think it's a -- I agree
20 with your assessment. There are -- what we're starting to
21 see is that there are proposals that are starting to be
22 introduced to either rectify issues that resulted from HR
23 1 or that may evolve policy in a different direction.
24 We're starting to see legislation introduced on new
25 issues. So it is a very interesting policy development

1 time from a tax perspective. And similarly on the health
2 care side, I think there is bipartisan work that's
3 happening on issues related to transparency and
4 disclosure. But there are significant challenges when it
5 comes to being able to have the margins for a successful
6 reconciliation effort.

7 And also, I think there's a real challenge also
8 from a floor time perspective to get one of those bills
9 across the finish line. Those bills require a significant
10 amount of work to move forward and I don't -- I just don't
11 think there is necessarily the time, or energy, or the
12 bandwidth. And Chairman Smith of the Ways and Means
13 Committee has relayed that back, that he said, you know,
14 there are folks that have an interest in it, but that's --
15 it's just -- that's not where his Committee is right now,
16 so...

17 But what I do think is interesting, you know,
18 setting aside reconciliation is this point where we do
19 have, you know, generally a very partisan time, but
20 interestingly behind the scenes we are seeing on these
21 issues like some tax issues, health care issues, financial
22 services issues, where members are working together and
23 thinking about proposals and thinking about where are the
24 next opportunities to advance them and that's probably
25 going to be a multi-Congress effort, probably when we do

1 have bipartisan control of Washington D.C., but a really
2 interesting time where some of these proposals are taking
3 shape.

4 DAN CROWLEY: We'd be happy to take your
5 questions.

6 PRESIDENT TAYLOR: Thank you. That was a whole
7 lot of information. Anybody have questions from the
8 Board?

9 I'm giving everybody a chance to -- it does not
10 appear the Board has questions, so thank guys very much
11 for all that good reporting.

12 Thank you.

13 DAN CROWLEY: Thank you,

14 PRESIDENT TAYLOR: Thank you, Danny.

15 And with that, we are moving on to summary of
16 Board Direction.

17 CHIEF EXECUTIVE OFFICER FROST: I did not note
18 any direction.

19 PRESIDENT TAYLOR: Neither did I, so thank you
20 very much.

21 We do have one public comment, and that's Mr.
22 Jelincic, if you want to come on down.

23 There it is.

24 J.J. JELINCIC: J.J. Jelincic, RPEA.

25 I want to thank the Board for their service to

1 the beneficiaries as both trustees and fiduciaries. I
2 want to specifically thank you for setting your schedule
3 this week to encourage beneficiaries and the public to
4 take -- to participate. This schedule was really designed
5 to accommodate them. And for Jim's benefit, I will add,
6 "He said sarcastically".

7 It was -- but it was -- one of the good things
8 that did happen is it was good to hear that it is the
9 position of the Board that it is a public agency and that
10 nothing should be kept secret from the beneficiaries.

11 Thank you.

12 PRESIDENT TAYLOR: Thank you very much.

13 So with that, we will adjourn -- we will adjourn
14 into closed session for items 1 through 3 from the closed
15 session agenda. I want to thank everybody else for coming
16 today. This closed session includes Items 3a BDO USA PC
17 versus CalPERS. This case has not been -- had not been
18 filed when the 10-day notice for the March meeting was
19 posted on March 6th, and was thus not included with the
20 original meeting agenda.

21 CalPERS was served with notice of the lawsuit
22 last week on March 10th. While Bagley-Keene generally
23 requires 10 days advanced notice in order for the Board to
24 hear or discuss an item, there is procedure to add such an
25 item to the agenda, where there exists a need to take

1 immediate action, and that need came to the attention of
2 the Board after the agenda was posted.

3 Our legal counsel has advised us to add this item
4 to the agenda and has advised that we need a vote of
5 two-thirds of the members present. So right now, I'm
6 looking for a motion and a second to add this case for
7 discussion in the closed session. What's the pleasure of
8 the Board.

9 BOARD MEMBER PALKKI: Move approval.

10 BOARD MEMBER GALLEGOS: I'll move.

11 BOARD MEMBER PALKKI: Second.

12 PRESIDENT TAYLOR: Okay. So it's been moved by
13 Deborah Gallegos, seconded by Mr. Palkki.

14 And then I need a roll call vote.

15 BOARD CLERK LEMUS: David Miller?

16 VICE PRESIDENT MILLER: Aye.

17 BOARD CLERK LEMUS: Deborah Gallegos?

18 ACTING BOARD MEMBER GALLEGOS: Aye.

19 BOARD CLERK LEMUS: Michael Detoy?

20 BOARD MEMBER DETOY: Aye.

21 BOARD CLERK LEMUS: Monica Erickson?

22 BOARD MEMBER ERICKSON: Aye.

23 BOARD CLERK LEMUS: Troy Johnson?

24 BOARD MEMBER JOHNSON: Aye.

25 BOARD CLERK LEMUS: Patrick Henning.

1 ACTING BOARD MEMBER HENNING: Aye.

2 BOARD CLERK LEMUS: Lisa Middleton?

3 BOARD MEMBER MIDDLETON: Aye.

4 BOARD CLERK LEMUS: Kevin Palkki?

5 BOARD MEMBER PALKKI: Aye.

6 BOARD CLERK LEMUS: Ramon Rubalcava?

7 BOARD MEMBER RUBALCAVA: Aye.

8 BOARD CLERK LEMUS: Yvonne Walker?

9 BOARD MEMBER WALKER: Aye.

10 BOARD CLERK LEMUS: Mullissa Willette?

11 BOARD MEMBER WILLETTE: Yes.

12 BOARD CLERK LEMUS: Dr. Gail Willis.

13 PRESIDENT TAYLOR: Excused.

14 With that, the motion carries. We will therefore
15 move into closed session for this item. And thank you all
16 very much. We will see you next month. I would take
17 about a 10-minute break, so we can get everybody out and
18 stuff. So 10 minutes 11:50. That's 11 minutes, yeah.

19 9:50. Did I say 10:50?

20 (Off record: 9:40 a.m.)

21 (Thereupon the meeting recessed
22 into closed session.)

23 (Thereupon the meeting reconvened
24 open session.)

25 (On record: 10:14 a.m.)

1 PRESIDENT TAYLOR: Okay. Thank you.

2 Welcome back to open session. This adjourns this
3 month's Board meeting -- Board of Administration meeting.
4 The next Board of Administration meetings are scheduled
5 for April 13th and 14th, 2026 here in Sacramento. Thank
6 you very much. Have a good rest of your week folks.

7 (Thereupon, the California Public Employees'
8 Retirement System, Board of Administration
9 meeting open session adjourned at 10:14 a.m.)

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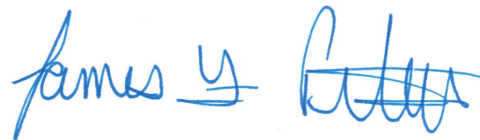
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Public Employees' Retirement System, Board of Administration open session meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of March, 2026.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
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