CalPERS

Investment Committee

# Agenda Item 5f

**November 16, 2026**

**Item Name**: Report to the California Legislature: Iran

**Program**: Investment Controls & Operational Risk

**Item Type**: Information Consent

## Executive Summary

Staff intends to submit the following to the California Legislature pursuant to the requirements of California Government Code §7513.7, also known as the California Public Divest from Iran Act (the Act):

- CalPERS 2026 California Public Divest from Iran Act Legislative Report (Attachment 1)

## Strategic Plan

This agenda item supports statutory requirements and does not directly support CalPERS' Strategic Plan.

## Investment Beliefs

This agenda item supports CalPERS Investment Belief 3 - CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries.

## Background

The Act prohibits the boards of CalPERS and the California State Teachers' Retirement System from investing in companies with specified business activities in Iran, subject to the fiduciary duties of the Board as described in the California Constitution. The Act requires CalPERS to undertake activities including the identification of and engagement with companies potentially subject to the Act, divestment where both indicated and consistent with the Committee's fiduciary duties, and submission of an annual report to the California Legislature.

While the conflict between the United States and Iran may have broader international implications, it does not alter or supersede California state law.

CalPERS has engaged MSCI ESG Research, LLC (MSCI) to screen for companies potentially subject to the Act.

## Analysis

No new companies were added for further review under the Act.

## Budget and Fiscal Impacts

The research provided by MSCI was prepared at a cost of $9,854. This does not include internal costs related to team member resources needed to complete this agenda item and transmit the report to the Legislature.

## Benefits and Risks

Failure to comply with statutory requirements could result in legal and reputational risk to CalPERS.

## Attachments

Attachment 1 – CalPERS 2026 California Public Divest from Iran Act Legislative Report

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