

**REGULAR MEETING**  
**BOARD OF TRUSTEES**  
**OF**  
**THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI**

**AND**  
**THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI**

**August 31, 2023**

**MEMBERS PRESENT**

Dr. Jason Steliga, Chair  
Dr. Eric Park  
Allie Gassmann  
Katie Webb

**MEMBERS ABSENT**

Beth Knes, Vice-Chair

**OTHERS PRESENT**

Dearld Snider, Executive Director  
Craig Husting, Chief Investment Officer  
Sarah Swoboda, Chief Operating Officer  
Mike Moorefield, Chief Counsel  
Anita Brand, Chief Financial Officer  
Jeff Hyman, Director of Internal Audit  
Nicole Hamler, Director of Member Serv.  
Stacie Verslues, Director of Emp. Serv.  
Lisa Scheulen, Chief Technology Officer  
Susan Wood, Dir. of Communications  
Kim Harris, Dir. of Human Resources  
Jennifer Martin, Director of Board Admin.

**Thursday, August 31, 2023**

**System Operations**

**Meeting Convened**

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 9 a.m. In attendance were Board members Dr. Jason Steliga, Dr. Eric Park, Allie Gassmann and Katie Webb. Also present were Executive Director Dearld Snider; Chief Operations Officer Sarah Swoboda; Chief Investment Officer Craig Husting; Chief Counsel Mike Moorefield; Chief Financial Officer Anita Brand; Director of Internal Audit Jeff Hyman; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Chief Technology Officer Lisa Scheulen; Director of Communications Susan Wood; Director of Human Resources Kim Harris; Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

**Approval of  
Minutes for June 12-  
13, 2023 and  
Operations  
Symposium Meetings**

Ms. Webb moved that the minutes from the June 12-13, 2023 meetings and the Operations Symposium meetings be approved. Dr. Park seconded the motion. Voting “Aye” – Steliga, Park, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

**PSRS5127**  
**PEERS3362**

**Order of Business**      None

**Appointment of  
Budget & Audit  
Committee Members**  
PSRS5128  
PEERS3363

Ms. Gassmann motioned to accept Chairman Steliga’s nomination of Dr. Eric Park for the open position on the Budget and Audit Committee. The retirement of Dr. Kyle Collins created a vacancy on the Budget and Audit Committee. Chairman Dr. Jason Steliga and Ms. Beth Knes currently serve as the other two Budget and Audit Committee Members. Ms. Webb seconded the motion. Voting “Aye” – Steliga, Gassmann and Webb. “Nay” – None. Dr. Eric Park abstained from voting. The motion carried unanimously.

**Other**

Chairman Steliga recognized PSRS/PEERS’ Portfolio Manager Ms. Jessica Wilbers. *Institutional Investor* announced its **2023 Rising Stars** and Ms. Wilbers was on the list. *Institutional Investor’s* editorial team chose the Rising Stars from a pool of talented allocators nominated by their peers, bosses and industry experts. Each Rising Star will be honored during *Institutional Investor’s* sixth annual Allocators’ Choice Awards on September 12 in New York.

Dr. Steliga also asked for a moment of silence to honor former MRTA president, Jim Kreider, who passed away on August 1, 2023.

**Investments**  
**Fiscal Year 2023**  
**Performance and**  
**Attribution**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell (the Systems’ Investment Consultant) provided a detailed presentation on the PSRS/PEERS fiscal year 2023 investment performance. The presentation included the following: (1) a review of the Systems’ investment principles and asset allocation, (2) a summary of fiscal year 2023 performance, (3) a review of the private markets activity, (4) PSRS/PEERS’ performance relative to expectations and relative to peer groups, (5) attribution for fiscal year 2023 performance and (6) an update on fiscal year 2024.

Mr. Husting reported that the fiscal year 2023 (July 1, 2022 through June 30, 2023) investment return for PSRS/PEERS was approximately 6.4%, or 6.2% net of all fees and expenses.

Mr. Husting reported that the five-year annualized return for the Systems for the period ending June 30, 2023 was 8.1%, or 7.9% net of all fees and expenses. The Systems outperformed the passive benchmark, which returned 6.3% for the five-year period. The five-year PSRS and PEERS investment return exceeded 75% of the peer group as defined by the Wilshire TUCS universe of public pension plans with assets in excess of \$1 billion. The Systems generated the investment return while taking less risk than approximately two-thirds of comparable public funds. The PSRS/PEERS internal investment staff and external investment managers added value above the policy benchmark of over \$4.2 billion, net of all fees and expenses, for the last five years. The outperformance was due to portfolio construction and tactical asset allocation decisions by internal investment staff (overweighting and underweighting asset classes around targets) as well as active management on the part of external managers.

## **Management**

### **Report**

#### **CEM Benchmarking**

PSRS/PEERS participated in the CEM benchmarking study based on fiscal year 2022 performance. Ms. Sarah Swoboda and Ms. Jenny Patterson from PSRS/PEERS and Mr. Franco Wang and Ms. Yvette Van Velsen (virtual attendance) with CEM Benchmarking Inc. presented a summary of the final report. CEM benchmarked PSRS/PEERS' service and costs compared to 80 leading global pension systems, including 11 in our peer group that are similar in size.

For the sixth straight year, the results were very positive, with an overall service score of 89 out of 100. This high level of service was provided in a cost-efficient manner with total administration costs below the average cost of the CEM universe.

Mr. Wang explained to the Board how CEM measures both costs and service by analyzing over 120 key performance metrics. Ms. Swoboda expressed her appreciation to CEM, but more importantly, to the staff of PSRS/PEERS for continuing to provide a high level of service in a cost-efficient manner.

#### **Member Services Report**

Ms. Nicole Hamler from PSRS/PEERS reviewed member services statistics for the 2022-2023 fiscal year and discussed the department's many accomplishments during that time. She also commended her team for continuing to provide a high level of customer service. Ms. Hamler presented to the Board information regarding total membership statistics, active service information, benefits, working after retirement and total member interactions.

#### **Approval of Board Charter Revisions**

Ms. Sarah Swoboda discussed the proposed amendments to the Board governance charters. The last full review of the charters and policies was on March 1, 2021. The Board recently engaged a governance consultant, Funston Advisory Services, LLC., to review the Board governance charters and policies and make suggestions for updates and changes. Proposed changes to Board governance policies are under review and will be presented at a future Board meeting.

Funston concluded that PSRS/PEERS' governance policies and charters are comprehensive and appear to be appropriate and consistent with prevailing practices. Many of the proposed amendments to the charters included minor changes to language for clarity or grammatical purposes. There were a few global changes throughout the charters to reflect changes to staff titles and terminology. Where appropriate, additional statutory or regulatory references were added and all references now include a hyperlink to the underlying statute or regulation. The most substantive updates involved the internal audit function and reporting structure. Specifically, the Board will now formally approve the internal audit plan and internal audit charter, conduct an annual performance review of the director of internal audit (including setting their compensation), and approve all decisions to hire or terminate the director of internal audit.

#### **PSRS5129 PEERS3364**

Dr. Steliga motioned to accept all of the proposed changes with an amendment to section 14 (g) of the Board of Trustees Charter. Ms. Webb seconded the motion. Voting "Aye" – Steliga, Park, Gassmann and Webb; "Nay" – None. The motion carried unanimously.

**Key Accomplishments** Ms. Sarah Swoboda and Mr. Craig Husting reviewed some key accomplishments since the June Board Meeting.

Ms. Swoboda informed the Board that PSRS/PEERS employees processed 3,378 new retirees effective July 1, 2023. We had 2,281 new PSRS retirees and 1,097 new PEERS retirees.

Ms. Swoboda next explained to the Board that the Employer Web Portal (EWP) dashboard has been updated to allow employers quick access to information regarding retirees who work after retirement.

Ms. Swoboda covered two additional key accomplishments. The first is the kickoff of the Modernization Project or “the MOD.” The MOD is a major improvement project that will update and enhance OASIS, the web-based software system where PSRS/PEERS stores and accesses member and employer data. And secondly, she explained to the Board that PSRS/PEERS staff recently kicked off their LEAD Supervisor Program.

Mr. Husting covered the final key accomplishment regarding the investment internship program. Ms. Rachele Ocheskey has led this program for the past three years. The program was recently redesigned and modernized including a 10-week course syllabus ending with a final presentation given by the interns. We had four participants this summer: Travis Bassford, Tate Heislen, Evan Martin and Brayton Rollins.

**GFOA Award Presentation**

Ms. Anita Brand from PSRS/PEERS shared with the Board that the Systems were awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Systems’ fiscal year 2022 Annual Comprehensive Financial Report. The Systems have received the GFOA Certificate of Achievement each year since 1994. Mr. Dearld Snider from PSRS/PEERS explained to the Board that the annual report is a collaborative effort among departments and also reminded the Board of the importance of the annual report, as it is a record of all activity conducted by the Systems during the fiscal year.

**Appointment of NCTR Delegates**  
PSRS5130  
PEERS3365

Dr. Park motioned for Mr. Dearld Snider, Dr. Jason Steliga and Allie Gassmann to serve as delegates and Mrs. Jennifer Martin to serve as an alternate at the annual National Council on Teacher Retirement (NCTR) Conference being held October 10, 2023. Ms. Webb seconded the motion. Voting “Aye” – Steliga, Park, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

**CPI-U Update**

Mr. Snider discussed the calculation of the Consumer Price Index (CPI) calculated by the Bureau of Labor Statistics (BLS). PSRS/PEERS’ regulation requires that the time period for the CPI calculation is from June to June. Based on the values provided by the BLS, the CPI-U is up 2.9692% through June 30, 2023. The CPI-U calculation for fiscal year 2023-2024 is 0.1908% through July 31, 2023.

**Public Comment**

None

**Other**

None

**Closed Session**

PSRS5131

PEERS3366

Ms. Webb moved that the meeting continue in closed session to consider legal matters under Sections 610.021 (21), 610.201 (1) (14), and 169.020.17, RSMo. Ms. Gassmann seconded the motion. A roll call vote was taken. Voting “Aye” – Steliga, Park, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5132/PEERS3367 – Minutes from June 13, 2023, closed session (Steliga, Park, Gassmann and Webb; voting to approve the previous closed session minutes)

PSRS5133/PEERS3368 – Return to open session (Steliga, Park, Gassmann and Webb; voting to move back to open session)

**Adjournment**

PSRS5134

PEERS3369

Ms. Gassmann moved that the meeting adjourn. Ms. Webb seconded the motion. Voting “Aye” – Steliga, Park, Gassmann and Webb; “Nay” – None. The motion carried unanimously.

**Prepared by**

**Jennifer Martin**

---

Dr. Jason Steliga, Chair

---

Dearld Snider, Executive Director