

REGULAR MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
April 6-7, 2025

MEMBERS PRESENT

Beth Knes, Chair
Dr. Eric Park, Vice Chair
Allie Gassmann
Katie Webb
Chuck Bryant
Dr. Nate Moore

MEMBERS ABSENT

Amanda Perschall

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
Jake Woratzeck, Chief Info. Sec. Officer
Susan Wood, Dir. of Communications
Michelle Varcho, Dir. of Human Res.
Jennifer Martin, Director, Board Admin.

Sunday, April 6, 2025

Meeting Convened

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened on April 6, 2025 at 6:30 p.m. at the Retirement Systems offices in Jefferson City, Missouri. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant, and Dr. Nate Moore. Also present were Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, Chief Investment Officer Craig Husting, Chief Counsel Mike Moorefield, Chief Financial Officer Anita Brand, Director of Human Resources Michelle Varcho, Chief Information Security Officer Jake Woratzeck, Chief Technology Officer Lisa Scheulen, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

Alpha Overlay

Mr. John Tuck from the PSRS/PEERS' investment staff provided education on the Alpha Overlay program, focusing on the building blocks of the portfolio. Additionally, Mr. Tuck provided long-term investment results. The five-year annualized return for the Alpha Overlay composite for the period ended December 31, 2024, was 9.6%.

Private Equity/Private Credit

Mr. John Tuck, Mr. Dan Case, Mr. Ben Frede, Mr. Travis Allen, Mr. Paul Katzfey, and Mr. Connor Quinn from the PSRS/PEERS' investment staff provided education on the Private Equity program. Additionally, the team provided long-term investment

results. The five-year annualized return for the Private Equity composite for the period ended December 31, 2024, was 15.4%, and the 5-year annualized return for the Private Credit composite for the same period was 10.1%.

Public Comment None

Adjournment Ms. Webb moved that the meeting adjourn. Dr. Moore seconded the motion. Voting
PSRS5236 “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore; “Nay” – None. The
PEERS3471 motion carried unanimously.

Monday, April 7, 2025

System Operations

Meeting Convened The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened on April 7, 2025 at 8:00 a.m. at the Retirement Systems offices in Jefferson City, Missouri. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant, and Dr. Nate Moore. Also present were Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, Chief Investment Officer Craig Husting, Chief Counsel Mike Moorefield, Chief Financial Officer Anita Brand, Director of Human Resources Michelle Varcho, Chief Information Security Officer Jake Woratzeck, Chief Technology Officer Lisa Scheulen, Director of Internal Audit Jeff Hyman, Director of Member Services Nicole Hamler, Director of Employer Services Stacie Verslues, Director of Communications Susan Wood, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

Approval of Minutes for February 3, 2025 Meetings Ms. Webb moved that the minutes from the February 3, 2025 meeting be approved. Dr. Moore seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore; “Nay” – None. The motion carried unanimously.
PSRS5237
PEERS3472

Order of Business The order of business was approved with no changes.

Election of Chair Dr. Park re-nominated Ms. Beth Knes to serve as Chair of the Board for the period July 1, 2025 through June 30, 2026. Ms. Gassmann seconded the motion. Voting
PSRS5238 “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore. “Nay” – None. The motion
PEERS3473 carried unanimously.

Election of Vice Chair Ms. Beth Knes re-nominated Dr. Eric Park to serve as Vice Chair of the Board for the period July 1, 2025 through June 30, 2026. Ms. Webb seconded the motion. Voting
PSRS5239 “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore. “Nay” – None. The motion
PEERS3474 carried unanimously.

Set Interest Credit Rate for June 30, 2026 Each June 30, interest is credited to the accounts of active members at the rate set by the Board of Trustees. If a member requests a refund of their contributions, any accumulated interest is paid as part of this refund. If a member retires from the Systems, the amount of interest credited to the member’s account will not affect the retirement benefit calculation. If there is an unused balance in the member’s account at

the death of the member and any Joint-and-Survivor benefit plan beneficiary, the remainder is paid in a lump sum to the residual beneficiary. Ms. Brand presented information on the current interest rate environment and historical interest rates. Staff recommended the interest rate credited to the accounts of active members decrease from 4% to 3.5% for fiscal year 2025-2026. This rate will be used throughout the fiscal year to facilitate necessary member account corrections and will be used to credit active member accounts on June 30, 2026. Dr. Park moved that the interest credit rate be set at 3.5% effective June 30, 2026. Mr. Bryant seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore. “Nay” – None. The motion carried unanimously.

PSRS5240
PEERS3475

**Set Purchase Interest
Rate for FY 2026**

Ms. Brand presented information to the Board of Trustees on the purchase interest rate. According to Board Regulation (16 CSR 10-4.012 (4)), prior to July 1 each year, the Board of Trustees shall establish a "purchase rate" of interest based on the actuarially assumed rate of return on invested funds of the Retirement Systems. The purchase interest rate shall apply to any amount due for reinstatement of service or for the purchase of service, except as otherwise specified by law. Staff recommended the purchase interest rate be set at the current assumed rate of return of 7.3%. Dr. Moore moved that the purchase interest rate be set at the current assumed rate of return of 7.3%. Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, and Moore. “Nay” – None. The motion carried unanimously.

PSRS5241
PEERS3476

Other

Mr. Dearld Snider and Ms. Lisa Scheulen with PSRS/PEERS presented plaques to Molly Eiken and Travis Clines for their dedication and service to PSRS/PEERS. Mr. Clines will retire effective July 1, 2025, and Ms. Eiken will retire effective November 1, 2025.

Investments
**Ongoing Investment
Activity**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell provided a market overview including detailed investment returns for several stock and bond indices for the past five years and the current fiscal year through March 31, 2025. Mr. Husting provided a broad overview of the PSRS/PEERS’ portfolio structure, including an estimated asset allocation for PSRS/PEERS as of March 31, 2025. Mr. Husting stated that the PSRS/PEERS preliminary (unaudited) investment return for the fiscal year (July 1, 2024, through March 31, 2025) was approximately 4.8%.

Management
Report
**Employer Services
Update**

Ms. Stacie Verslues from PSRS/PEERS gave an update on Employer Services. Ms. Verslues shared how the Employer Services team continues to accomplish their main goals of ensuring accuracy in reporting, educating our employers, providing ongoing enhancements in the Employer Web Portal, and continuing to provide top-level customer service. The team serves as a resource to our partner employers, reviews reported data and provides ongoing education and support. Ms. Verslues discussed the educational opportunities offered to employers, which include both virtual and in-person training, as well as many retirement reporting resources available on the new employer landing page, Your Reporting Resource. Ms. Verslues presented several ways in which the PSRS/PEERS Employer Services team continues to offer

advancements on our Employer Web Portal. Employer Services, along with the PSRS/PEERS information technology team, are continually working to develop tools and resources that will improve processes and increase efficiencies for our employers.

Legislative Update

Mr. Mike Moorefield from PSRS/PEERS and government relations consultant Mr. Doug Nelson presented the April legislative update.

Mr. Moorefield and Mr. Nelson gave the Board an overview of the legislative issues and priorities that they expect the General Assembly to address during the remaining six weeks of the legislative session. Additionally, Mr. Moorefield and Mr. Nelson discussed the state budget, and the 31 priority bills they are tracking. Ten of these bills have investment mandates/System Governance language, and another 10 bills have the substitute WAR waiver language that would extend the substitute teaching working-after-retirement waiver to June 30, 2030.

External Auditor Contract

Ms. Anita Brand reviewed the most recent Request for Proposals (RFP) for Professional Auditing Services from February 2022. The RFP requested proposals from qualified firms of certified public accountants to audit the Systems' financial statements for each of the fiscal years ending June 30, 2022; June 30, 2023; and June 30, 2024. An option to audit the financial statements for the two subsequent fiscal years was also requested. The Systems also requested proposals to audit the Systems' Schedules of Pension Information for Participating Employers, inclusive of employer allocations, net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense. The Board of Trustees approved hiring Williams-Keepers for the three years ended June 30, 2024, based off the RFP. Staff recommended extending the Williams-Keepers audit contract for the two optional years included in the February 2022 RFP response, which was unanimously approved by the Budget and Audit Committee. Dr. Moore moved to approve the Budget and Audit Committee's recommendation. Ms. Gassmann seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, and Moore. "Nay" – None. The motion carried unanimously.

PSRS5242
PEERS3477

Key Accomplishments

Ms. Sarah Swoboda and Ms. Anita Brand reviewed key accomplishments since the February Board Meeting.

Ms. Swoboda discussed the Resource for School Administrators web page that's now available on our website. This new page provides school administrators with documents and videos that they can use to educate their staffs on the benefits of PSRS/PEERS.

Ms. Swoboda also talked about the new Your Reporting Resource web page. This new page serves as a one-stop, online resource for all things employer reporting., including employer reporting newsletters, training information, webinars, and materials from employer conferences.

Ms. Swoboda next discussed the newly designed internal Human Resources Communications Site. The new site was designed keeping the most frequent needs and questions asked by employees in mind. It's very user friendly and brings together information relevant to employment at PSRS/PEERS in a well-organized, easy-to-navigate site. Ms. Swoboda also reported to the Board about the completion of the

2025 Compensation Study. A compensation study is conducted every three years, which is important in order to attract and retain staff.

Lastly, Ms. Brand covered PitchBook. This is a cloud-based research and analytics resource that is used by our investments team. PitchBook provides additional information on General Partners, private portfolio companies, benchmarking, and analysis on a large universe of private investments.

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 1.56% through February 28, 2025. The CPI-U for March 31, 2025, will be released on April 10, 2025.

Public Comment

None

Other

None

Closed Session

PSRS5243

PEERS3478

Ms. Knes moved that the meeting continue in closed session to legal matters under Sections 610.021 (1), (13), (14) and 169.020.17, RSMo. Ms. Webb seconded the motion. A roll call vote was taken. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, and Moore; "Nay" – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5244/PEERS3479 – Minutes from February 3, 2025, Closed Session (Knes, Park, Gassmann, Webb, Bryant, and Moore; voting to approve the previous closed session minutes as amended.)

PSRS5245/PEERS3480 – Minutes from February 3, 2025, Closed Session (Knes, Park, Gassmann, Webb, Bryant, and Moore; voting to approve the amended closed session minutes.)

PSRS5246/PEERS3481 – Personnel, Closed Session (Knes, Park, Gassmann, Webb, Bryant, and Moore; voting to approve the proposed amendment to the PEERS/PSRS of Missouri 457(f) Deferred Compensation Plan.)

PSRS5247/PEERS3482 – Board Self-Evaluation (Knes, Park, Gassmann, Webb, Bryant, and Moore voting to approve the Board completed self-evaluation.)

PSRS5248/PEERS3483 – Internal Auditor Evaluation (Knes, Park, Gassmann, Webb, Bryant, and Moore voting to approve the Board completed IA evaluation.)

PSRS5249/PEERS3484 – Internal Auditor Compensation (Knes, Park, Gassmann, Webb, Bryant, and Moore voting to approve the new salary for IA.)

PSRS5250/PEERS3485 – ED Evaluation (Knes, Park, Gassmann, Webb, Bryant, and Moore voting to approve the Board completed ED evaluation.)

PSRS5251/PEERS3486 – ED Compensation (Knes, Park, Gassmann, Webb, Bryant, and Moore voting to approve the new contract and salary for ED.)

PSRS5252/PEERS3487 – Move back to Open Session (Knes, Park, Gassmann, Webb, Bryant and Moore; voting to move back to open session.)

Adjournment

PSRS5253

PEERS3488

Dr. Moore moved that the meeting adjourn at 12:54 p.m. Mr. Bryant seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, and Moore; "Nay" – None. The motion carried unanimously.

**Prepared by
Jennifer Martin**

Ms. Beth Knes, Chair

Dearld Snider, Executive Director