

**REGULAR MEETING**  
**BOARD OF TRUSTEES**  
**OF**  
**THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI**  
**AND**  
**THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI**  
**December 11, 2023**

**MEMBERS PRESENT**

Dr. Jason Steliga, Chair  
Beth Knes, Vice-Chair  
Dr. D. Eric Park  
Allie Gassmann  
Katie Webb

**MEMBERS ABSENT**

**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..

**Monday, December 11, 2023**

**Meeting Convened**

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened on December 11, 2023, at 9:40 a.m. In attendance were Board members Dr. Jason Steliga, Beth Knes, Dr. Eric Park, Allie Gassmann, and Katie Webb. 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 Kim Harris, Director of Member Services Nicole Hamler, Director of Employer Services Stacie Verslues, Director of Internal Audit Jeff Hyman; Chief Technology Officer Lisa Scheulen, Director of Communications Susan Wood, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

**System Operations**

**Approval of  
Minutes for October  
29-30 Meeting**

**PSRS5153**  
**PEERS3388**

Ms. Webb moved that the minutes from the October 29-30, 2023, meeting be approved. Ms. Gassmann seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, and Webb; “Nay” – None. The motion carried unanimously.

**Order of Business**

The order of business was approved with no changes.

## **Other**

Chairman Steliga announced PSRS/PEERS has been named one of Pension & Investments (P&I) 2023 Best Places to Work in Money Management. Winners of this year's award were recognized in the December 11 issue of Pensions & Investments magazine and at an awards ceremony on December 12 in New York City.

Anita Brand and Ashley Meyerpeter led the charge internally on behalf of PSRS/PEERS to submit the Systems for consideration for this award. PSRS/PEERS is only the third public pension plan to receive the award. The California State Teachers Retirement System and West Virginia Investment Management Board are previous recipients. Other past recipients are Bridgewater Associates, NISA Investment Advisors and Westwood Holding Group.

The survey and recognition program on which this award is based is dedicated to identifying and recognizing the best employers in the money management industry.

PSRS/PEERS was evaluated in two parts when being considered for the award:

- Part 1 evaluated workplace policies, practices, philosophy, systems and demographics.
- Part 2 anonymously surveyed all PSRS/PEERS employees this past July to measure employee experience. There were questions regarding our benefits package, the hiring process, employee recognition and activities. Employees were asked to describe what makes PSRS/PEERS a great place to work.

In the press release for the award, P&I President and Publisher Nikki Pirrello said, "Pensions & Investments is proud to honor the Best Places to Work in Money Management for the 12<sup>th</sup> year. A strong workplace culture that supports talent, advocates progress and drives innovation is paramount to driving the best outcomes and these asset managers demonstrate that. Congratulations to the 2023 honorees for their commitment to employee well-being, attractive incentive structures and talent development that demonstrate how investing in your employees can elevate our industry to greater heights."

## **Investments**

### **Investment Performance Report (9/30/2023)**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell reviewed the investment performance for the period ended September 30, 2023. The one-year PSRS/PEERS investment return was reported as 8.5%, while the fiscal year return (July 1, 2023 through September 30, 2023) was reported as -1.5%.

### **Ongoing Investment Activity**

Mr. Husting and Mr. Hall reviewed ongoing investment activities, which included estimated investment performance through November 30, 2023. Mr. Husting discussed the current asset allocation of the PSRS/PEERS portfolio and reviewed the long-term strategy and broad portfolio expectations.

### **Global Investment Performance**

Mr. Husting reported on the Global Investment Performance Standards, which are ethical standards for calculating and presenting investment performance based on principles of fair representation and full disclosure. PSRS/PEERS provides the GIPS Asset Owner Report for the Total Plan fiscal year performance to the Board of

**Standards (GIPS) for Asset Owners** Trustees on an annual basis. An independent third-party verification is also conducted and reported with the GIPS Asset Owner Report to the Board of Trustees.

**Investment Policy** The Investment Policy was originally adopted in 1995. The investment staff periodically conducts a full review of the Investment Policy and recommends changes to the Board. The last full review was conducted in December 2022.

Mr. Husting discussed proposed changes to the General Policy; the Service Provider Hiring, Retention and Termination Policy; the Proxy Voting Policy; and Implementation Manuals for Public Risk, Safe Assets, Private Credit, Real Estate and Private Equity.

The recommended changes were primarily considered ‘clean-up.’ Within the Proxy Voting Policy, language was included to specify current operational practice. Changes to the Private Credit and Private Equity Implementation Manuals included specificity for allowable direct lending and co-investments. The Private Credit Implementation Manual was also altered to allow for leverage up to 20% within the Direct Lending/Co-investment portfolio.

Dr. Park moved to approve the amended recommendation for investment policy changes. Ms. Knes seconded the motion. Voting “Aye” – Steliga, Knes, Park, Gassmann, and Webb; “Nay” – None. The motion carried unanimously.

PSRS5154  
PEERS3389

**Townsend Real Estate Review** Mr. Seth Marcus and Ms. Kathryn Finneran from Townsend (the Systems’ Real Estate Consultant), presented several items to the Board, including a Real Estate Market Overview and details of the PSRS/PEERS real estate portfolio. Townsend reported that the PSRS/PEERS’ Real Estate portfolio had produced an annualized return of 8.6% (net of all fees) for the five-year period ended June 30, 2023.

**Accounting**  
**Independent**  
**Auditors’ Report**

Ms. Anita Brand briefly reviewed the purpose of the Annual Comprehensive Financial Report (ACFR) which was previously shared with the Budget and Audit Committee.

Ms. Anita Brand and Mr. Nick Mestres from Williams-Keepers, LLC briefly reviewed the recent June 30, 2023 audit of the Systems as previously shared with the Budget and Audit Committee.

Ms. Webb moved that the audit report be accepted as recommended by the Budget and Audit Committee. Ms. Gassmann seconded the motion. Voting “Aye”— Steliga, Knes, Park, Gassmann, and Webb; “Nay”—None. The motion carried unanimously.

PSRS5155  
PEERS3390

**Management**  
**Report**

**LEAD Group Recognition**

Ms. Sarah Swoboda from PSRS/PEERS recognized the graduating class of 2023 Leadership Exploration and Development (LEAD) group and presented with them plaques. Members of this class include Brian Lemons, Christina Bisges, Debby Buschjost, Diane Luebbering, Jade Moeller, Jen Troesser, Jonathan Pund, Kris Judd, Lisa Hiatte, Megan Ambrose, Nichole Williams and Susan Boessen.

**Legislative Update**

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

Mr. Moorefield and Mr. Nelson provided an update on the upcoming 2024 legislative session and potential themes and priority legislation the General Assembly will consider. Mr. Moorefield and Mr. Nelson also discussed how the 2024 elections could impact legislative activity.

Finally, Mr. Moorefield discussed bills of interest to PSRS/PEERS, highlighting legislation that could impact the Systems' investment activity and working after retirement provisions.

**Key Accomplishments** Ms. Sarah Swoboda reviewed key accomplishments since the October Board Meeting.

Ms. Swoboda informed the Board about a new feature that became available on Web Member Services (WMS) called the "Document Center." This feature allows staff to show correspondence to a member in their WMS account. This provides a good alternative to using secure email or faxing documents in situations when members need information quickly. The documents will immediately appear in the member's Document Center for them to view and download.

Ms. Swoboda next explained to the Board the first "MOD" project was completed. This project included the conversion of the OASIS administration pages. The administration pages are used for configuration and process management of the application. This is a new modern look, which is more intuitive and uses the entire screen making it easier to use by allowing increased efficiency and transparency.

Ms. Swoboda next mentioned PSRS/PEERS being named one of Pensions & Investments Best Places to Work in Money Management as previously discussed under "Other." She also mentioned the graduating class of the 2023 LEAD team.

Ms. Swoboda covered two additional key accomplishments. First, in November, PSRS/PEERS partnered with Strategos International to provide armed intruder training to staff. Second, she informed the Board that Dewey Thompson from the Missouri Training Institute provided a True Colors training to staff. True Colors training is a personality assessment and learning system designed to help individuals understand their unique personality traits and communication styles. The training aims to enhance self-awareness, improve communication skills, foster better teamwork and facilitate effective interaction by recognizing and appreciating differences in people's personalities.

**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 down slightly, 0.8397%, through October 31, 2023.

**Public Comment** None

**Other** None

**Closed Session**  
PSRS5156  
PEERS3391

Ms. Knes moved that the meeting continue in closed session to consider Personnel, Audit update and legal matters under Sections 610.021 (1), (12), (14), (17) and 169.020.17, RSMo. Ms. Webb seconded the motion. Voting "Aye" – Steliga, Knes, Park, Gassmann and Webb; "Nay" – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5157/PEERS3392 – Minutes (Steliga, Knes, Park, Gassmann and Webb; voting to approve the previous closed session minutes)

PSRS5158/PEERS3393 – Member Appeal-First Motion (Steliga, Knes, Park, Gassmann and Webb; voting to accept the member appeal)

PSRS5159/PEERS3394 – Member Appeal-Second Motion (Steliga, Knes, Park, Gassmann and Webb; voting to deny the member appeal)

PSRS5160/PEERS3395 – Member Appeal-Third Motion (Steliga, Knes, Park, Gassmann and Webb; voting to request more information from the member for consideration for the February 5, 2024, Board Meeting)

PSRS5161/PEERS3396 – Member Appeal (Steliga, Knes, Park, Gassmann and Webb; voting to deny the member appeal)

PSRS5162/PEERS3397 – Move back to Open Session (Steliga, Knes, Park, Gassmann and Webb; voting to move back to open session)

**Adjournment**  
PSRS5163  
PEERS3398

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

**Prepared by**  
**Jennifer Martin**

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Dr. Jason Steliga, Chair

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Dearld Snider, Executive Director